CENTRAL HAWKE'S BAY
DISTRICT COUNCIL



Council Meeting Agenda

Thursday, 11 February 2021

9.00am

Council Chamber, 28-32 Ruataniwha Street, Waipawa

Together we Thrive! E ora ngātahi ana!

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1 KARAKIA

2 APOLOGIES

3 DECLARATIONS OF CONFLICTS OF INTEREST

4 STANDING ORDERS

RECOMMENDATION

THAT the following standing orders are suspended for the duration of the meeting:

21.2 Time limits on speakers

21.5 Members may speak only once

21.6 Limits on number of speakers

And that Option C under section 22 *General Procedures for Speaking and Moving Motions* be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

5 CONFIRMATION OF MINUTES

Ordinary Council Meeting - 18 November 2020

RECOMMENDATION

That the minutes of the Ordinary Council Meeting held on 18 November 2020 as circulated, be confirmed as true and correct.

MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON WEDNESDAY, 18 NOVEMBER 2020 AT

PRESENT: Mayor Alex Walker
Deputy Mayor Kelly Annand
Cr Brent Muggeridge
Cr Tim Aitken
Cr Gerard Minehan
Cr Jerry Greer
Cr Pip Burne
Cr Kate Taylor
Cr Exham Wichman

IN ATTENDANCE: Monique Davidson (Chief Executive)
Joshua Lloyd (Group Manager, Community Infrastructure and Development)
Doug Tate (Group Manager, Customer and Community Partnerships)
Brent Chamberlain (Chief Financial Officer)
Ben Hunt (Places and Open Spaces Officer)
Helen O'Shaugnessy (District Plan Manager)
Harry Robinson (Solid Waste Manager)
Robyn Burns (Customer and Consents Manager)
Bridget Gibson (Governance and Support Lead)

8 members of the public present.

1. 1 PRAYER

2. Led by Councillor Wichman

3. 2 APOLOGIES

Kaiārahi Matua Roger Maaka

4. 3 DECLARATIONS OF CONFLICTS OF INTEREST

5. Item 7.3 – Councillor Aitken wished for it to be noted he had a Conflict of Interest with regards to remuneration of the District Plan Hearings Panel and Committee.

6. 4 STANDING ORDERS

RESOLVED: 20.105

Moved: Cr Gerard Minehan
Seconded: Cr Tim Aitken

THAT the following standing orders are suspended for the duration of the meeting:

20.2 Time limits on speakers

20.5 Members may speak only once

20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.**CARRIED**

7. 5 CONFIRMATION OF MINUTES

RESOLVED: 20.106

Moved: Cr Brent Muggeridge
Seconded: Cr Exham Wichman

That the minutes of the Ordinary Council Meeting held on 24 September 2020 and the Extraordinary Council Meeting held on 22 October 2020 as circulated, be confirmed as true and correct.

CARRIED

8.

6 REPORTS FROM COMMITTEES

Nil

7 REPORT SECTION

7.1 SOLID WASTE SECTION 17A

PURPOSE

The matter for consideration by the Council is the adoption of the Solid Waste Section 17a Report prepared by Eunomia Consulting Ltd, and endorsing the recommended changes to service delivery for the Solid Waste activity noting that these will go through a consultation process as part of the 2021 Long Term Plan.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

a) Council receive the Solid Waste Section 17a Report, prepared in accordance with the requirements of Section 17a of the Local Government Act 2002.

AND

b) That Council adopt the combination of options in principle for inclusion in the 2021 Long Term Plan;

- 1b to provide a 120L wheeled bin plus a single crate for recycling collection and extend services to Otane, Takapau, Ongaonga and Tikokino
- That Council maintain the status quo option for kerbside refuse collection services,
- 3a, to close Recycling Drop off Centres in Otane, Takapau, Ongaonga and Tikokino,
- That Council maintain the status quo option for the provision of Transfer Stations
- 5a, to provide a regular rural recycling collection service at designated rural sites in partnership with existing local community organisations or groups,
- That Council direct Officers to regularly report back to Council or Committee on the progress of the various food waste collection trials occurring in New Zealand with a plan to 'follow fast' those that have successfully implemented systems;

OR

c) That Council adopt the combination of options in principle for inclusion in the 2021 Long Term Plan;

- 1a, to provide a 3rd crate for recycling collection and extend services to Otane, Takapau, Ongaonga and Tikokino,
- That Council maintain the status quo option for kerbside refuse collection services,
- 3a, to close Recycling Drop off Centres in Otane, Takapau, Ongaonga and Tikokino,
- 4a, to close the Waipawa Transfer Station,
- 5a, to provide a regular rural recycling collection service at designated rural sites in partnership with existing local community organisations or groups,
- That Council direct Officers to regularly report back to Council or Committee on the progress of the various food waste collection trials occurring in New Zealand with a plan to 'follow fast' those that have successfully implemented systems;

OR

d) That Council adopt the combination of options in principle for inclusion in the 2021 Long Term Plan;

- 1b to provide a 120L wheeled bin plus a single crate for recycling collection and

extend services to Otane, Takapau, Ongaonga and Tikokino

- 2a to provide a 120L wheeled bin for kerbside refuse collection,
- 3a to close Recycling Drop off Centres in Otane, Takapau, Ongaonga and Tikokino,
- 4a, to close the Waipawa Transfer Station and the Takapau Transfer Station,
- 5a, to provide a regular rural recycling collection service at designated rural sites in partnership with existing local community organisations or groups,
- That Council direct Officers to regularly report back to Council or Committee on the progress of the various food waste collection trials occurring in New Zealand with a plan to 'follow fast' those that have successfully implemented systems;

RESOLUTION PASSED:

That having considered all matters raised in the report, that Council

1) Council receive the Solid Waste Section 17a Report, prepared in accordance with the requirements of Section 17a of the Local Government Act 2002.

2) That Council adopt the combination of options in principle for inclusion in the 2021 Long Term Plan;

- **That Council provide a 3rd crate for recycling collection and extend services to Otane, Takapau, Ongaonga and Tikokino; and that Council includes a wheelie bin in the consultation options with community.**
- **That Council provide a 120L wheeled bin for kerbside refuse from Year 3 of the Long Term Plan 2021-2031; and that Council includes status quo in the consultation options with community.**
- **That the Recycling Drop off Centres in Otane, Takapau, Ongaonga and Tikokino close from Year 1 of the Long Term Plan 2021-2031;**
- **That Council plan for a centralised Central Hawke's Bay Recovery and Refuse Centre in between Waipukurau and Waipawa in Year 10 on the Long Term Plan, and on opening the Centre, the Waipawa and Waipukurau Transfer Stations are closed;**
- **5a, to provide a regular rural recycling collection service at designated rural and coastal sites in partnership with existing local community organisations or groups;**
- **That Council direct Officers to regularly report back to Council or Committee on the progress of the various food waste collection trials occurring in New Zealand with a plan to 'follow fast' those that have successfully implemented systems;**
- **That Officers report back to Council on green and food waste collection options for Annual Plan 2022/2023.**

MOVED: Councillor Taylor
SECONDED: Councillor Aitken
CARRIED

The meeting adjourned at 10:55am for refreshment break and the presentation of the Community Service Award 2020, to community member Gael Riddiford.

The meeting resumed at 11.35am.

7.2 JOINING THE LOCAL GOVERNMENT FUNDING AGENCY (LGFA) AS A GUARANTOR

PURPOSE

The purpose of this report is to inform councillors of the legal requirements in regard to becoming a Local Government Funding Agency (LGFA) guarantor.

RESOLVED: 20.107

Moved: Cr Gerard Minehan
Seconded: Deputy Mayor Kelly Annand

That having considered all matters raised in the report Council:

1. **Receive the information.**
2. **Notes the contents of the report**
3. **Confirms Council's intention to join LGFA as a guarantor (noting it has already acceded as a borrower in 2016).**
4. **Delegates authority to the Chief Executive to execute the following documents for the purposes of recommendation 3. above:**
    a. **Chief Executive Certificate**
    b. **Officer's Certificate**
    c. **Security Stock Certificate 13**
    d. **Security Stock Certificate 14**
    e. **Stock Issuance Certificate x 2**
5. **Authorises the Mayor, and the Chair of the Finance & Infrastructure Committee, to execute the following deeds for the purposes of recommendation 3. above:**
    a. **Accession Deed to Equity Commitment Deed; and**
    b. **Accession Deed to Guarantee and Indemnity.**
6. **Delegates authority to the Chief Executive to execute such other documents and take such other steps on behalf of Council is necessary or desirable to execute or take to give effect to recommendation 3. above.**

CARRIED

7.3 OPTIONS FOR CONSIDERATION OF DISTRICT PLAN REVIEW

PURPOSE

The matters for consideration by the Council are to confirm its approach to a hearing panel for the statutory phase of the District Plan Review.

RESOLVED: 20.108

Moved: Deputy Mayor Kelly Annand
Seconded: Cr Exham Wichman

That having considered all matters raised in the report:

a) That Council adopts Option 4 – and confirms the establishment of a new mixed panel of External Independent Commissioners and Elected Members as its preferred option to hear and consider formal submissions on the Proposed Central Hawkes Bay District Plan.

b) That Officers begin the next steps of preparing the Terms of Reference for the new panel and seek Commissioner appointees to the panel, noting the opportunity for appointment of these commissioners to the Regulatory Hearings Committee also.

CARRIED

Councillor Aitken had declared a pecuniary conflict of interest as a hearings commissioner.

It was noted that the Elected Member Remuneration & Expenses Policy currently under review will include the recommendations under the Act, that the Making Good Decisions and Commissioner Accreditation training be included in the Policy. The Policy also needs to give some consideration to the remuneration of a hearings panel in context of the remuneration for a Independent Commissioner.

The process for elected members to submit expressions of interest for the District Plan Hearings, and the process of those members acquiring the appropriate training, will be outlined by Officers and presented to Council early 2021. Terms of Reference will also be presented to Council for consideration early 2021.

7.4 WHANGAEHU TOILET - APPROVAL TO OCCUPY ROAD RESERVE

PURPOSE

The matter for consideration by Council is whether to resolve to permit the location of the new Whangaehu public toilet in the road reserve of Whangaehu Road, pursuant to the requirements of the Local Government Act 1974.

RESOLVED: 20.109

Moved: Cr Brent Muggeridge
Seconded: Cr Kate Taylor

That having considered all matters raised in the report:

a) That Council resolve to locate the Whangaehu toilet within the road reserve of Whangaehu Road, the preferred location outlined in this report, pursuant to Section 334 of the Local Government Act 1974.

CARRIED

Mr Hunt presented the report.

7.5 KAIRAKAU WATER UPGRADE

PURPOSE

To provide with an update on the Kairakau Water System Upgrade.

RESOLVED: 20.110

Moved: Cr Gerard Minehan
Seconded: Cr Jerry Greer

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mr De Klerk joined the meeting via Zoom – audiovisual link. Mr Lloyd and Mr De Klerk presented the report.

7.6 PROGRESS REPORT AND DIRECTION OF DRAFT LONG TERM PLAN 2021 - 2031

PURPOSE

The purpose of this report is to provide an update on the progress and direction of travel of the Draft Long Term Plan 2021 – 2031.

RESOLVED: 20.111

Moved: Mayor Alex Walker
Seconded: Cr Brent Muggeridge

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mrs Davidson presented the report.

7.7 ENDORSEMENT OF DRAFT STRATEGIC PERFORMANCE MEASURES AND ACTIVITY LEVELS OF SERVICE

PURPOSE

The matter for consideration by the Council is for Council to endorse the Draft Strategic Performance Measures and Activity Levels of Service as key inputs to the Long Term Plan 2021 – 2031.

RESOLVED: 20.112

Moved: Mayor Alex Walker
Seconded: Deputy Mayor Kelly Annand

That having considered all matters raised in the report:

a) That Council endorses the Draft Strategic Performance Measures and Activity Levels of Service.

CARRIED

Mr Tate presented the report.

Mrs Davidson requested feedback from Elected Members on item 7.7 is to be provided to the Chief Executive by 30th November 2020, to allow preparation for audit.

7.8 ENDORSEMENT OF DRAFT SIGNIFICANT ASSUMPTIONS - LONG TERM PLAN 2021 - 2031

PURPOSE

The matter for consideration by the Council is to endorse the draft significant assumptions of the Long Term Plan 2021 – 2031.

RESOLVED: 20.113

Moved: Mayor Alex Walker
Seconded: Cr Gerard Minehan

That having considered all matters raised in the report:

a) That Council endorse the Draft Significant Assumptions for the Long Term Plan 2021 – 2031.CARRIED

Mr Tate presented the report.

It was suggested that some further work was required on the assumptions around the future of 3 Waters Reform.

7.9 ENDORSE DRAFT FINANCIAL STRATEGY

PURPOSE

The matter for consideration by the Council is to receive and endorse the Financial Strategy for Central Hawkes Bay District Council covering the period of the 2021-31 Long Term Plan.

RESOLVED: 20.114

Moved: Mayor Alex Walker
Seconded: Cr Brent Muggeridge

That having considered all matters raised in the report:

a) That Council endorse the Draft Financial Strategy for the basis of building the Long Term Plan 2021-2031 budget and consultation document.

CARRIED

Mr Chamberlain presented the report.

Officers to amend the Strategy at the executive summary level, to tie the principles of the Financial Strategy to the Infrastructure Strategy.

The meeting adjourned at 1:08pm for Lunch break.
The meeting resumed at 1:34pm

7.10 ENDORSE DRAFT INFRASTRUCTURE STRATEGY

PURPOSE

The matter for consideration by the Council is the endorsement of the Draft Infrastructure Strategy.

RESOLVED: 20.115

Moved: Mayor Alex Walker
Seconded: Cr Brent Muggeridge

That having considered all matters raised in the report:

a) That Council endorse the draft Infrastructure Strategy for the basis of building the Long Term Plan 2021-2031 budget and consultation document.

CARRIED

Sensitivity and confidence in the assumptions in the Strategy, across the condition of infrastructure assets, to be included in the Strategy.

Officers to amend the Strategy at the executive summary level, to tie the principles of the Financial Strategy to the Infrastructure Strategy. To be executed as a visual aid that is easily comprehended by community.

7.11 RESOLUTION MONITORING REPORT

RESOLVED: 20.116

Moved: Cr Gerard Minehan
Seconded: Cr Jerry Greer

That, having considered all matters raised in the report, the report be noted.

CARRIED

7.12 QUARTERLY NON-FINANCIAL PERFORMANCE REPORT JULY - SEPTEMBER 2020

PURPOSE

The purpose of this report is to present to Council the Quarterly non-financial performance report for the period 1 July – 30 September 2020.

RESOLVED: 20.117

Moved: Deputy Mayor Kelly Annand

Seconded: Councillor Burne

That having considered all matters raised in the report:

That the Quarterly Non-Financial Performance Report 1 July—30 September 2020 be received.

CARRIED

7.13 ADOPTION OF MEETING SCHEDULE 2021

PURPOSE

The purpose of this report is for Council to confirm the Council Meeting Schedule for 2021.

RESOLVED: 20.118

Moved: Cr Exham Wichman
Seconded: Cr Jerry Greer

That having considered all matters raised in the report:

That the Council Meeting Schedule for 2021 be adopted.

CARRIED

7.14 PETITION FROM COMMUNITY RE: ROAD SAFETY IN WAIPAWA

PURPOSE

The purpose of this report is for Council to receive a petition from the community with regards to concerns around road safety in Waipawa, in particular around the State Highway 2 and Main Road in Waipawa.

RESOLVED: 20.119

Moved: Mayor Alex Walker

Seconded: Councillor Pip Burne

1. That the Council receives the petition.
2. That the Mayor responds to community member Dean Rangi as the instigator and submitter of the petition.
3. That Council strongly advocate on behalf of community and urge NZTA to improve safety through the Waipawa township.
4. That Council advocates via the Regional Land Transport Plan for inclusion of this road safety project.

CARRIED

Council will continue to advocate on the behalf of the community, the issue of road safety to NZTA who have jurisdiction over the State Highways.

There is engagement with the PGF Wimbledon Road project, with heavy transport partners, and this is a forum that could be used to advocate the message of Waipawa road safety/State Highway safety.

7.15 ORGANISATION PERFORMANCE AND ACTIVITY REPORT OCTOBER-NOVEMBER 2020

PURPOSE

The purpose of this report is to present to Council the organisation report for October—November 2020.

RESOLVED: 20.120

Moved: Deputy Mayor Kelly Annand
Seconded: Cr Exham Wichman

That, having considered all matters raised in the report, the report be noted.

CARRIED

Councillor Annand declared a perceived conflict of interest in regards to mention in the report of Connected Driver Licencing of which Deputy Mayor Annand is the General Manager.

8 MAYOR AND COUNCILLOR REPORTS

8.1 MAYOR'S REPORT FOR OCTOBER-NOVEMBER 2020

EXECUTIVE SUMMARY

The purpose of this report is to present Her Worship the Mayor's report.

RESOLVED: 20.121

Moved: Cr Pip Burne
Seconded: Cr Kate Taylor

That the Mayor's report for October—November 2020 be received

.**CARRIED**

8.2 FINANCE AND INFRASTRUCTURE COMMITTEE CHAIR'S REPORT

PURPOSE

The purpose of this report is to present the Finance and Infrastructure Committee Chair Report.

RESOLVED: 20.122

Moved: Cr Jerry Greer
Seconded: Cr Tim Aitken

That the Finance and Infrastructure Committee Chair Report for October—November 2020 be received.**CARRIED**

8.3 STRATEGY AND WELLBEING COMMITTEE CHAIR REPORT

PURPOSE

The purpose of this report is to present the Strategy and Wellbeing Committee Chair Report.

RESOLVED: 20.123

Moved: Deputy Mayor Kelly Annand
Seconded: Cr Brent Muggeridge

That the Strategy and Wellbeing Committee Chair Report for September-October 2020 be received.**CARRIED**

8.4 RUATANIWHA WARD REPORT

PURPOSE

The purpose of this report is to present the Ruataniwha Ward Report.

RESOLVED: 20.124

Moved: Deputy Mayor Kelly Annand
Seconded: Cr Gerard Minehan

That the Ruataniwha Ward Report for September-October 2020 be received.**CARRIED**

8.5 ARAMOANA/RUAHINE WARD REPORT

PURPOSE

The purpose of this report is to present the Aramoana/Ruahine Ward Report.

RESOLVED: 20.125

Moved: Cr Jerry Greer
Seconded: Cr Kate Taylor

That the Aramoana/Ruahine Ward Report for September-October 2020 be received.

CARRIED

That a section on Regional transport committee be added – Kate Taylor.

9 CHIEF EXECUTIVE REPORT

Nil

9. 10 PUBLIC EXCLUDED BUSINESS

10.

RESOLUTION TO EXCLUDE THE PUBLIC

Resolved: 20.126

Moved: Cr Exham Wichman
Seconded: Cr Kate Taylor

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
10.1 - Approval to Commence with Stage 2 - Otane to Waipawa Wastewater Pipeline	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.2 - Strategic Property Matters - Waipukurau	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.2 - C1097 Procurement Plan - Flaxmill Inundation Remediation Project	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on,	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	
10.3 - C1098 Procurement Plan - Retaining Wall and Slope Strengthening Programme	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.4 - District Plan Key Project Status Report, November Update	s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

Carried

The Council moved into the public excluded forum at 2:25pm.

11. 11 DATE OF NEXT MEETING

RESOLVED: 20.127

Moved: Mayor Alex Walker
Seconded: Cr Exham Wichman

THAT the next meeting of the Central Hawke's Bay District Council be held on 11 February 2021.

CARRIED

12. 12 TIME OF CLOSURE

The Meeting closed at 3:25pm.

The minutes of this meeting were confirmed at the Council Meeting held on 21 February 2021.

.....

CHAIRPERSON

6 REPORTS FROM COMMITTEES

6.1 MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING HELD ON 12 NOVEMBER 2020

File Number:

Author: **Monique Davidson, Chief Executive**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Minutes of the Risk and Assurance Committee Meeting held on 12 November 2020**

RECOMMENDATION

1. That the minutes of the meeting of the Risk and Assurance Committee held on 12 November 2020 be received.

MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
RISK AND AUDIT COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 12 NOVEMBER 2020 AT

PRESENT:

Mayor Alex Walker
Cr Neil Bain (Chair)
Cr Tim Aitken
Cr Gerard Minehan
Cr Brent Muggeridge
Cr Jerry Greer

IN ATTENDANCE: Joshua Lloyd (Group Manager, Community Infrastructure and Development)
Monique Davidson (CEO)
Doug Tate (Group Manager, Customer and Community Partnerships)
Bevan Johnstone (Health & Safety Advisor)
Darren De Klerk (Director - Projects & Programmes)
Brent Chamberlain (Chief Financial Officer)
Shawn McKinley (Land Transport Manager)

1 APOLOGIES

Nil.

2 DECLARATIONS OF CONFLICTS OF INTEREST

Nil.

3 STANDING ORDERS

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan
Seconded: Mayor Alex Walker

THAT the following standing orders are suspended for the duration of the meeting:

- 21.2 Time limits on speakers
- 21.5 Members may speak only once
- 21.6 Limits on number of speakers

And that Option C under section 22 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

4 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Jerry Greer
Seconded: Cr Brent Muggeridge

That the minutes of the Risk and Audit Committee Meeting held on 16 September 2020 as circulated, be confirmed as true and correct.

CARRIED

It was requested that an amendment to the minutes were made to reflect that Councillor Aitken attended via audio-visual link.

5 REPORT SECTION

6.1 RISK AND ASSURANCE WORK PROGRAMME MONITORING REPORT

PURPOSE

The purpose of this report is for the Risk and Assurance Committee to receive a progress update on the Risk & Assurance Committee Work Programme.

COMMITTEE RESOLUTION

Moved: Cr Tim Aitken
Seconded: Cr Jerry Greer

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mrs Davidson presented the report.

It was noted that The Risk and Assurance Committee will be briefed on new Privacy Act provisions at the first Risk & Assurance Committee meeting of 2021.

Following a discussion, it was also requested that Cyber Risk, form part of a future internal audit work plan.

6.2 RESOLUTION MONITORING REPORT

PURPOSE

The purpose of this report is to present to the Committee the Risk and Assurance Committee Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions made by the Committee.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan
Seconded: Cr Tim Aitken

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mrs Davidson presented the report.

It was suggested that prior to Council adopt the Draft Long Term Plan 2021 – 2031, a briefing is held to the Risk and Assurance Committee on the application of the Treasury Management Policy.

6.3 RISK STATUS UPDATE REPORT

PURPOSE

The purpose of this paper is to report to the Risk and Assurance Committee (the Committee) on Council's risk landscape, risk management work in progress and to continue a discussion with the Committee about risk.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan
Seconded: Cr Brent Muggeridge

That, having considered all matters raised in the report, the report be noted. CARRIED

6.4 HEALTH AND SAFETY UPDATE REPORT #4

PURPOSE

To provide the Committee with health, safety and wellbeing information and insight up to the end of Q3 September 2020 and to update the Committee on key health and safety risks and initiatives.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Jerry Greer

That, having considered all matters raised in the report, the report be noted.

CARRIED

Officers outlined that with the implementation of the new Health and Safety system, that work continues on refining the Dashboard which was presented within the Health and Safety report. The committee requested that the report as presented, while good is very detailed and would like to see further progression towards the Dashboard report. Officers responded acknowledging that the report will continue to evolve, as the maturity of the health and safety system does.

6.5 HEALTH AND SAFETY CRITICAL RISKS - DEEP DIVE

PURPOSE

To provide the Risk and Assurance Committee with detailed information related to the Health and Safety Critical Risks that are present in the activities Central Hawkes Bay District Council undertakes.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Brent Muggeridge

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mr De Klerk and Mr Johnstone presented the report.

It was requested that Officers factor in the health and safety risk of Governance and executive level staff as the next step in the evolution of critical risk framework the Health and Safety space.

Health and Safety critical risks examination to be presented on an annual basis.

6.6 RISK MANAGEMENT FRAMEWORK - AMENDMENT

PURPOSE

The matter for consideration by the Risk and Assurance Committee is the adoption of changes to Councils Risk Framework.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Gerard Minehan

That having considered all matters raised in the report:

That the Risk and Assurance Committee adopt the recommended changes to the Risk Management Framework.

CARRIED

Mr Lloyd presented the report.

6.7 TREASURY MANAGEMENT MONITORING REPORT

PURPOSE

The purpose of this report is to provide an update on Treasury Management and Policy Compliance.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan
Seconded: Cr Tim Aitken

That, having considered all matters raised in the report, the report be noted.

CARRIED

It was requested that forecast information on future debt funding and its origin to be included in the report going forward.

The meeting adjourned at 10:30am for a refreshment break.
The meeting resumed at 10:57am.

6.8 REVIEW OF SENSITIVE EXPENDITURE POLICY

PURPOSE

The matter for consideration by the Council is a review of Council's Sensitive Expenditure Policy.

COMMITTEE RESOLUTION

Moved: Cr Tim Aitken
Seconded: Cr Brent Muggeridge

That having considered all matters raised in the report:

a) That the Review of Sensitive Expenditure Policy report be received.

b) That the Committee acknowledge Council's Sensitive Expenditure Policy is fit for purpose and no amendments are recommended.

c) That the Committee endorse the proposed amendments to the *Elected Member Remuneration and Expenses Policy,* to include additional paragraphs on Entertainment and Hospitality, Private Use of Council Assets, Gifts, Donations, and Koha.

d) That further amendments to the *Elected Member Remuneration and Expenses Policy*, as noted in the minutes, be made to the section of the Policy regarding registration of gifts, and that the amended Policy return to the table at the next Committee meeting.

13. CARRIED

Mr Chamberlain presented the report.

It was requested that an amendment be made to the Policy that a gift register be held. On receipt of a gift an elected member is to notify the Mayor and the Governance & Support Officer who will note the gift on the register.

That a gift value be decided upon that would trigger a gift being registered under the Policy.

6.9 NZTA TECHNICAL AUDIT 2020

PURPOSE

The purpose of the report is to present the results of the 2020 NZTA Technical Audit carried out in March of 2020 inclusive of the proposed accepted corrective actions

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Gerard Minehan

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mr McKinley presented the report.

It was requested that a centralised audit report to be a standing item of the Risk and Assurance Committee.

RESOLUTION TO EXCLUDE THE PUBLIC

14. COMMITTEE RESOLUTION

15. Moved: Mayor Alex Walker
16. Seconded: Cr Brent Muggeridge

17. That the public be excluded from the following parts of the proceedings of this meeting.

18. The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Conflict of Interest Matter - Report from Chief Executive	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

19.

20. **CARRIED**

7 DATE OF NEXT MEETING

The next meeting of the Risk and Assurance Committee be held on 31 March 2021.

8 TIME OF CLOSURE

The Meeting closed at 12.20pm

The minutes of the Risk and Assurance Committee meeting will be confirmed at the Risk and Assurance Committee Meeting on the 31st March 2021.

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CHAIRPERSON

6.2 MINUTES OF THE FINANCE AND INFRASTRUCTURE COMMITTEE MEETING HELD ON 8 OCTOBER 2020

File Number:

Author: **Monique Davidson, Chief Executive**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Minutes of the Finance and Infrastructure Committee Meeting held on 8 October 2020**

RECOMMENDATION

1. That the minutes of the meeting of the Finance and Infrastructure Committee held on 8 October 2020 be received.

**UNCONFIRMED MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
FINANCE AND PLANNING COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 8 OCTOBER 2020 AT 09:00AM**

PRESENT: Mayor Alex Walker
Cr Tim Aitken
Deputy Mayor Kelly Annand
Cr Tim Chote
Cr Gerard Minehan
Cr Brent Muggeridge
Dr Roger Maaka
Cr Kate Taylor
Cr Exham Wichman

IN ATTENDANCE: Joshua Lloyd (Group Manager, Community Infrastructure and Development)
Monique Davidson (Chief Executive)
Doug Tate (Group Manager, Customer and Community Partnerships)
Nicola Bousfield (People and Capability Manager)

KARAKIA AND WAIATA – DR ROGER MAAKA

INTRODUCTION NEW STAFF MEMBER – MICHAEL KILDUFF

1 APOLOGIES

APOLOGY

COMMITTEE RESOLUTION

Moved: Cr Kate Taylor
Seconded: Cr Gerard Minehan

That the apologies for absence from Cr Jerry Greer be accepted.

CARRIED

2 DECLARATIONS OF CONFLICTS OF INTEREST

NIL

3 STANDING ORDERS

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Deputy Mayor Kelly Annand

THAT the following standing orders are suspended for the duration of the meeting:

- 20.2 Time limits on speakers
- 20.5 Members may speak only once
- 20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting. Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

4 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan
Seconded: Cr Exham Wichman

That the minutes of the Finance and Infrastructure Committee Meeting held on 13 August 2020 as circulated, be confirmed as true and correct.

CARRIED

5 REPORT SECTION

5.1 FINANCE AND INFRASTRUCTURE COMMITTEE MONITORING REPORT

PURPOSE

The purpose of this report is to present to the Finance and Infrastructure Committee an update on key priorities.

COMMITTEE RECOMMENDATION

Moved: Deputy Mayor Kelly Annand
Seconded: Cr Exham Wichman

That, having considered all matters raised in the report, the report be noted.

5.2 RESOLUTION MONITORING REPORT

PURPOSE

The purpose of this report is to present to the Committee the Finance and Infrastructure Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Council.

COMMITTEE RESOLUTION

Moved: Cr Tim Aitken
Seconded: Cr Gerard Minehan

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

CARRIED

5.1 PGF PORANGAHAU TO WIMBLEDON PROGRAMME (PGG TERMS OF REFERENCE)

PURPOSE

The matter for consideration by the Committee is the adoption of the terms of reference to form a project governance group (PGG) for the Porangahau to Wimbledon Road programme to support the commitment to increase the level of detail and oversight across the programme of works.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Gerard Minehan

That having considered all matters raised in the report:

a) That the Finance and Infrastructure Committee adopt the PGF Porangahau to Wimbledon programme terms of reference.

CARRIED

The document Finance and Infrastructure Committee Meeting – Amended Reports was tabled, in amended reports:

PGF Porangahau To Wimbledon Programme (PGG Terms Of Reference)

The Chair acknowledged that the document is available to the public for review on request.

5.4 CHB WASTEWATER MANAGEMENT STRATEGY

PURPOSE

The matter for consideration by the Council is to receive the Wastewater Strategy that sets the direction for the wastewater projects across the district.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan
Seconded: Mayor Alex Walker

That having considered all matters raised in the report:

a) That the Finance and Infrastructure Committee approves **Option One** – to adopt the strategy.

CARRIED

5.5 KEY PROJECT STATUS REPORT - BIGWASTEWATERSTORY

PURPOSE

Following the conception of #thebigwaterstory, Council set about implementing the programme that makes up #thebigwaterstory. A programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

The six wastewater plants form a significant programme of works themselves, and we have prudently decided to report on the progress of these six wastewater plants and their subsequent upgrades and re-consenting separately from #thebigwaterstory.

The purpose of this key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards against the larger programme objectives.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Gerard Minehan

That, having considered all matters raised in the report, the report be noted.

CARRIED

5.6 KEY PROJECT STATUS REPORT - BIGWATERSTORY

PURPOSE

Following the conception of #thebigwaterstory, Council set about implementing the programme. A programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

The purpose of this key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards against the larger programme objectives.

COMMITTEE RESOLUTION

Moved: Cr Brent Muggeridge
Seconded: Deputy Mayor Kelly Annand

That, having considered all matters raised in the report, the report be noted.

CARRIED

5.7 WAIPUKURAU SECOND WATER SUPPLY - PREFERRED OPTION RECOMMENDATION

PURPOSE

The matter for consideration by the Committee is to endorse and approve project officers to proceed with Option Four as outlined in earlier updates given to this Committee on the Waipukurau Second Water Supply project in June 2020 and at an earlier workshop in April 2020.

COMMITTEE RESOLUTION

Moved: Cr Tim Aitken
Seconded: Mayor Alex Walker

That having considered all matters raised in the report:

a) That the Finance and Infrastructure Committee endorse officers to proceed with Option Four (the Waipawa / Waipukurau Link) to detailed design.

CARRIED

6 DATE OF NEXT MEETING

It is noted that 2021 Committee meeting dates are yet to be set. The meeting schedule for 2021 will be circulated before the end of October 2020.

7 TIME OF CLOSURE

Karakia – Dr Maaka.

The Meeting closed at 10.46am.

The minutes of this meeting will be confirmed at the first meeting of the year on the 26th February 2021 .

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CHAIRPERSON

6.3 MINUTES OF THE STRATEGY AND WELLBEING COMMITTEE MEETING HELD ON 22 OCTOBER 2020

File Number:

Author: **Monique Davidson, Chief Executive**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Minutes of the Strategy and Wellbeing Committee Meeting held on 22 October 2020**

RECOMMENDATION

1. That the minutes of the meeting of the Strategy and Wellbeing Committee held on 22 October 2020 be received.

UNCONFIRMED MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL STRATEGY AND WELLBEING COMMITTEE MEETING HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA ON THURSDAY, 22 OCTOBER 2020 AT 9:00AM

PRESENT:

Deputy Mayor (Chair) Kelly Annand
Mayor Alex Walker
Cr Jerry Greer
Cr Kate Taylor
Cr Exham Wichman
Cr Tim Aitken (apology for lateness – joined the meeting via audio visual link at 9.21am)
Cr Brent Muggeridge
Cr Gerard Minehan

IN ATTENDANCE:

Monique Davidson (Chief Executive Officer)
Doug Tate (Group Manager, Customer and Community Partnerships)
Joshua Lloyd (Group Manager, Infrastructure and Development)
Brent Chamberlain (Chief Financial Officer)

1 APOLOGIES

Dr Roger Maaka apology

2 DECLARATIONS OF CONFLICTS OF INTEREST

Nil

3 STANDING ORDERS

COMMITTEE RESOLUTION

Moved: Cr Exham Wichman
Seconded: Cr Brent Muggeridge

THAT the following standing orders are suspended for the duration of the meeting:

- 20.2 Time limits on speakers
- 20.5 Members may speak only once
- 20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

4 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Kate Taylor

Seconded: Cr Gerard Minehan

That the minutes of the Strategy and Wellbeing Committee Meeting held on 27 August 2020 as circulated, be confirmed as true and correct.

CARRIED

5 REPORT SECTION

6.1 STRATEGY AND WELLBEING COMMITTEE MONITORING REPORT

PURPOSE

The purpose of this report is for the Strategy and Wellbeing Committee to receive a report on the progress of key committee priorities.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan
Seconded: Mayor Alex Walker

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mrs Davidson presented the report, followed by a presentation from Deputy Mayor Annand on Housing in Central Hawke's Bay. Mr Tate also addressed the table with a recent update on social housing.

6.2 COMMITTEE RESOLUTION MONITORING REPORT

PURPOSE

The purpose of this report is to present to the Committee the Strategy and Wellbeing Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Committee.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan
Seconded: Cr Jerry Greer

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mrs Davidson presented the report and took the report as read. The document Growth at a Glance was tabled and is linked here.

6.3 ADOPTION OF CENTRAL HAWKE'S BAY TOURISM DESTINATION MANAGEMENT PLAN AND NEEDS ASSESSMENT

PURPOSE

The matter for consideration by the Council is the adoption of the Central Hawke's Bay Tourism Destination Management Plan and Needs Assessment.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Kate Taylor

THAT HAVING CONSIDERED ALL MATTERS RAISED IN THE REPORT:

a) That Council adopt the Central Hawke's Bay Tourism Destination Management Plan and Needs Assessment 2020

CARRIED

6.4 ECONOMIC AND SOCIAL RECOVERY UPDATE - DROUGHT AND COVID-19

PURPOSE

The purpose of this report is to update the Committee on the Drought and Covid-19 Response and Recovery.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan
Seconded: Cr Exham Wichman

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mr Tate Presented the report, followed by a presentation from Mrs Tully (Regional Recovery Manager) who presented the *Hawke's Bay Regional Recovery Dashboard* tool to the Committee. Feedback on the dashboard from Elected Members is welcomed and can be sent to Sarah Tully.

6.5 UPDATE OF COMMUNITY FUNDING POLICY

PURPOSE

The matter for consideration by the Strategy and Wellbeing Committee is to review the current Community Funding Policy.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Deputy Mayor (Chair) Kelly Annand

That having considered all matters raised in the report:

a) That Council adopts the recommended changes to the Community Funding Policy.

b) That the Chair of the CVOS Committee be consulted before funding application is approved.

CARRIED

Mrs Cover presented the report.

There will be a 6 month report to Committee on status updates on funded applications and projects under the Community Funding Policy.

The Committee discussed the implications of the delegations being increased to $5,000.00. It was decided that consultation and check in with the Committee be

6.6 ENVIRONMENTAL SUSTAINABILITY FUND APPLICATION - HUNTER PARK KINDERGARTEN

PURPOSE

The matter for consideration by the Strategy and Wellbeing Committee is the application for funding from Council's Environmental and Sustainability Fund to provide Hunter Park Kindergarten with funding up to $10,000 to build a composting station, mulching station, recycling station, a water course and water conservation system.

COMMITTEE RESOLUTION

Moved: Cr Kate Taylor
Seconded: Cr Exham Wichman

That having considered all matters raised in the report:

a) Approve the Hunterpark Kindergarten Environmental and Sustainability funding Application up to a maximum funding of $10,000.

CARRIED

Mr Harry Robinson introduced Jo the Principal of Hunter Park Kindergarten.

Jo talked about the vision for the project. She outlined that an open day to the public would be organised and offered to share the sustainable practices in action at hunter park kindergarten with the public.

It is noted that the money will be drawn on at specific points along the project plan once plans are confirmed and approved.

Councillor Wichman and Councillor Tayler spoke to the motion, acknowledging the alignment with the Waste Minimisation Plan, and projects with Enviroschools.

Mayor Walker noted that this is a leadership project. It is exciting to support Hunter Park Kindergarten, and the kindergarten and Council will work together to ensure the success of the project.

6 DATE OF NEXT MEETING

Meeting dates for 2021 have not yet been set, but will be considered by Council at its meeting on the 18th November 2020.

7 TIME OF CLOSURE

The Meeting closed at 11.30am.

The minutes of this meeting will be confirmed at the first Strategy and Wellbeing Committee Meeting of 2021 held on 11 March 2021.

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CHAIRPERSON

7 REPORT SECTION

7.1 ADOPTION OF LONG TERM PLAN 2021 - 2031 CONSULTATION DOCUMENT AND SUPPORTING INFORMATION AND POLICIES FOR CONSULTATION

File Number:

Author: **Monique Davidson, Chief Executive**

Authoriser: **Monique Davidson, Chief Executive**

Attachments:
1. **Long Term Plan 2021 - 2031 Audit Close Report ⇩**
2. **Long Term Plan 2021 - 2031 Consultation Document ⇩**
3. **Long Term Plan 2021 - 2031 Supporting Information ⇩**

PURPOSE

The matter for consideration by the Council is the approval of the 2021 – 2031 Long Term Plan Consultation Document and Supporting Information and Policies for Community Consultation.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

a) **That Council note the audit opinion and management report received from Auditors, Ernst Young.**

b) **That Council adopt the Draft Development Contribution Policy, Revenue and Financing Policy, Finance Strategy, Infrastructure Strategy, Debt and Treasury Management Policy, Significance and Engagement Policy and Fees and Charges Schedule contained in the supporting information to support the consultation process in accordance with section 93G of the Local Government Act 2002.**

c) **That Council adopt the supporting Information for the 2021-31 Long Term Plan to support the consultation process in accordance with section 93G of the Local Government Act 2002.**

d) **That Council endorses Challenge One for consultation: Planning for Wastewater Upgrades and its preferred option to upgrade plants and remove discharges to rivers over 15 years.**

e) **That Council endorses Challenge Two for consultation: How we fund the replacement of our assets and its preferred option to deliver a step change in the delivery of our renewals and upgrades by debt funding instead of rate funding in the first five years of the Long Term Plan 2021 – 2031.**

f) **That Council endorses Challenge Three for consultation: Creating a Waste Free CHB which proposes changes to recycling and rubbish services presenting some trade off decisions for community.**

g) **That Council endorses Challenge Four for consultation: Paying for the growth we are experiencing which proposes a change to the current Development Contributions Policy to ensure that the 100% of growth related costs are funded via Development Contributions.**

h) **That Council adopt the Consultation Document for the 2021-31 Long Term Plan to support the consultation process in accordance with section 93G of the Local Government Act 2002.**

i) **That Council gives delegations to the Chief Executive to make any final edits to the Long Term Plan 2021 – 2031 Consultation Document and Supporting Information ahead of formal publication.**

EXECUTIVE SUMMARY

The process to develop the Long Term Plan 2021-2031 began in May 2020. Following this was a detailed and robust LTP pre-engagement process through June and July 2020 as part of our 'Thriving Future'.

Development of the Long Term Plan has progressed through numerous Council Workshops, Committee and Council meetings, and while formally beginning in May 2020, many of the building blocks have been developed over the last three years since the adoption of the 2018 – 2028 Long Term Plan.

We are now at a point where the consultation document and supporting information are complete and ready for adoption in accordance with Section 93G of the Local Government Act 2002 to enable community consultation.

BACKGROUND

What is a Long Term Plan (LTP)?
Council is required by legislation to adopt a Long Term Plan (LTP) and review it every three years.

The LTP sets out Council's activities, plans, budgets and policies and must be adopted before the beginning of the first year it relates to and continues in force until the close of the third consecutive year to which it relates.

The Process
The process to develop the Long Term Plan 2021-2031 began in May 2020. Following this was a detailed and robust LTP pre-engagement process through June and July 2020 as part of our 'Thriving Future', building on the major community engagement process – Project Thrive completed in 2017. This information and community feedback has been valuable in the ongoing development and refinement of the LTP.

Development of the Long Term Plan has progressed through numerous Council Workshops, Committee and Council meetings. These regular workshops and meetings have provided a strong and robust platform for the basis of the Long Term Plan. During the terms of workshops and meetings, Council have received all of the components of the Long Term Plan including:

- Community Outcomes – these have been reviewed and updated along with seven strategic measures being added to measure the achievement of these outcomes during the life of the plan.

- The Levels of Service and Performance Measures – these have been updated based on the Asset Management Plans and Council feedback and form part of the Supporting Information contained in each group and activity statement.

- Revenue and Finance Policy –this has been reviewed and consulted on through a separate consultation in late 2020 and forms part of the supporting information.

- Groups of Activities – These have been reviewed and the text through all of the activities updated to reflect the range of services and activities Council provide.

- Financial Strategy – this has been reviewed and updated based on the current expectations of Council to facilitate prudent financial management.

- Infrastructure Strategy – has been updated to show the current significant infrastructure issues and how the Council will manage these over the next 30 years.

- Significant Assumptions – these have been reviewed and updated based on current information and best guidance, particularly in relation to the effects of COVID-19, Climate Change, and the Three Waters Reform Programme.

- Development Contributions – this policy has been reviewed with substantial changes based on the assumptions and budgets included within the Long Term Plan.

- The Budget and Rates requirements for the next ten years - these have been reviewed and form part of the overall consultation on the Long Term Plan.

Consultation Document and Supporting Information

The Local Government Act 2002 was amended in 2014 setting new requirements for consultation. The new requirements aimed to ensure that both the consultation material and process provided a more effective basis for the public to participate in local authority decision making processes.

Local authorities are required to develop a Consultation Document for the purpose of consulting with the community as well as making publicly available the information that provides the basis for the preparation of the Long Term Plan. To provide a comprehensive information base, Central Hawke's Bay District Council has compiled all supporting information in a single document known as the draft Long Term Plan 2021-2031 Supporting Information.

This is the third long Term Plan developed by the Council under the amended legislation.

Auditing of the Long Term Plan Material is required before it can be released for public consultation. This has been completed and the Audit Report has been provided by Ernst Young and included in the consultation document, giving effect to Section 93G of the Local Government Act 2002.

We are now at a point where the consultation document and supporting information are complete and ready for adoption in accordance with Section 93G of the Local Government Act 2002 to enable community consultation.

DISCUSSION

This Long Term Plan is a significant Long Term Plan for Central Hawke's Bay. It presents an open and transparent view of the reality Council faces and a proposed way forward to address the challenges Council and the community face.

We now know more than we have ever known about the state of our assets, and that for more than two decades, our essential infrastructure has gone without the necessary funding and investment to ensure it is properly maintained. Historic approaches of choosing not to fund renewals and upgrades in order to keep rates artificially low, alongside short term investment decisions, has delivered an unfortunate reality for our communities today.

Many of our assets are at the end of their life, while Central Government legislative standards continue to change and increase. We are now left with failing 100-year-old pipelines, failed wastewater treatment plants - despite major community investment, as well as earthquake prone buildings despite the expectation they had been strengthened. Our reality is that we now require major investment in nearly every aspect of Council's services.

To address this historic underinvestment, this Long Term Plan proposes both increases to our debt limits and significant rates increases – not just in the first year of the plan, but through the life of the Long Term Plan Budget 2021-2031. The Long Term Plan 2021 – 2031, is about facing up to the facts.

In building this budget we have trimmed every edge of our cloth and now face a reality where living within our means still requires significant investment to address years of underinvestment and poor investment decisions.

Even if we closed every park and library in Central Hawke's Bay, cancelled economic and social development activities and stopped supporting facilities like the A.W. Parsons Pool, the Central Hawke's Bay Settlers Museum and the Tukituki Trails, these savings alone would still not be enough to offset the major investment required to fund our Three Waters Infrastructure Programme.

The Draft Long Term Plan 2021 – 2031 presents four key challenges that we are asking for community feedback on. These challenges, and the options associated with them are documented within the proposed consultation document from page 10. Council are asked today to confirm the four key challenges, and the preferred option for each challenges.

Challenge One for consultation: Planning for Wastewater Upgrades and its preferred option to upgrade plants and remove discharges to rivers over 15 years.

Challenge Two for consultation: How we fund the replacement of our assets and its preferred option to deliver a step change in the delivery of our renewals and upgrades by debt funding instead of rate funding in the first five years of the Long Term Plan 2021 – 2031.

Challenge Three for consultation: Creating a Waste Free CHB which proposes changes to recycling and rubbish services presenting some trade off decisions for community.

Challenge Four for consultation: Paying for the growth we are experiencing which proposes a change to the current Development Contributions Policy to ensure that the 100% of growth related costs are funded via Development Contributions.

RISK ASSESSMENT AND MITIGATION

The proposed Long Term Plan 2021 – 2031 is a brave step by Council to face up to the facts, and ensure a transparent approach is taken with the community to ensure the facts are known and community are in a position to meaningfully engage.

The proposed Long Term Plan 2021 – 2031 is complex due to the number of big changes and areas of consultation that sit at the core of what matters to community, and the future of Central Hawke's Bay District Council. Officers have applied both strategic, operational and technical knowledge, and engaged third party independent advice on those matters in the Long Term Plan 2021 – 2031 which have a level of risk associated with it. Both the review of the Development Contributions Policy, development of Asset Management Policies and options associated with Wastewater have had additional scrutiny and both internal and external review. The completion of key outstanding Section 17a Reviews have also added a level of risk mitigation to the development of Activity Management Plans for the next 10 years.

The Long Term Plan is subject to public consultation, and will need to comply with the public consultation process as set out in the Local Government Act 2002. Council Officers have developed in conjunction with Elected Members a comprehensive Communications and Engagement Strategy with the intent to be transparent, open and real community about the facts we need to face.

To date, the Long Term Plan has been subject to audited by both Ernst Young and the Office of Auditor General, and some components have been subject to legal review. **Attached** to this report is a copy of the Management Report and Opinion received from auditors. Representatives from Ernst Young will be in attendance at the meeting to speak to this item.

FOUR WELLBEINGS

This Long Term Plan grapples with the aging infrastructure, recovery from Covid-19, the impact of climate change, and rates affordability.

The Long Term Plan proposed here seeks to balance the economic burden of our ratepayers, whilst also facing up to the facts, as a Council, recognising that age, condition, and non-compliance of many of our assets.

It seeks to improve our environmental footprint, be true to our undertakings to remove waste water from our rivers, ensuring that our ratepayers have fit for purpose infrastructure, while also balancing economic wellbeing.

The cultural, social, economic and environmental fabric of Central Hawke's Bay will be influenced by the decisions made in adopting the Long Term Plan 2021 – 2031. In further leveraging off the vision of Thrive, and the strong foundation of Council's Environmental Strategy, Economic Action Plan, Social Development Action Plan and Tūhono Mai Tū hono Atu Strategy, the Draft Long Term Plan seeks to carefully balance the holistic wellbeing of Central Hawke's Bay.

DELEGATIONS OR AUTHORITY

Under the Local Government Act 2002 Council must consult on their Draft Long Term Plan. This report seeks adoption of the consultation document that will allow for this to occur. Only Council have authority to make this decision.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of significance, and provides for a robust consultation and engagement process to occur, as contemplated in the legislation.

OPTIONS ANALYSIS

Council has two options:

Option 1: Adopt the Long Term Plan Consultation Document 2021-31 and its supporting documents in order to finalise the documents for printing and distribution.

Option 2: Resolve not to adopt the Long Term Plan Consultation Document 2021-31 and its supporting documents and to give Officers guidance on which amendments were needed and an amended timeframe related to adoption of the Long Term Plan Consultation Document would be required.

Recommended Option

This report recommends option number one, Adopt the Long Term Plan Consultation Document 2021-31 and its supporting documents for addressing the matter.

NEXT STEPS

Following the adoption of the Long Term Plan Consultation Document 2021-31 and its supporting documents, Council will arrange for its public notification of these documents and publically request feedback/submissions on the proposals contained in the documents.

These submissions will be considered by Council in April 2021, before recommending any resulting changes that they deem necessary to the proposed Long Term Plan, so that officers can update and finalise the Long Term Plan for audit and adoption later in June 2021.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

a) That Council adopt the Draft Development Contribution Policy, Revenue and Financing Policy, Finance Strategy, Infrastructure Strategy, Debt and Treasury Management Policy, Significance and Engagement Policy and Fees and Charges Schedule contained in the supporting information to support the consultation process in accordance with section 93G of the Local Government Act 2002.

b) That Council adopt the supporting Information for the 2021-31 Long Term Plan to support the consultation process in accordance with section 93G of the Local Government Act 2002.

c) That Council endorses Challenge One for consultation: Planning for Wastewater Upgrades and its preferred option to upgrade plants and remove discharges to rivers over 15 years.

d) That Council endorses Challenge Two for consultation: How we fund the replacement of our assets and its preferred option to deliver a step change in the delivery of our renewals and upgrades by debt funding instead of rate funding in the first five years of the Long Term Plan 2021 – 2031.

e) That Council endorses Challenge Three for consultation: Creating a Waste Free CHB which proposes changes to recycling and rubbish services presenting some trade off decisions for community.

f) That Council endorses Challenge Four for consultation: Paying for the growth we are experiencing which proposes a change to the current Development Contributions Policy to ensure that the 100% of growth related costs are funded via Development Contributions.

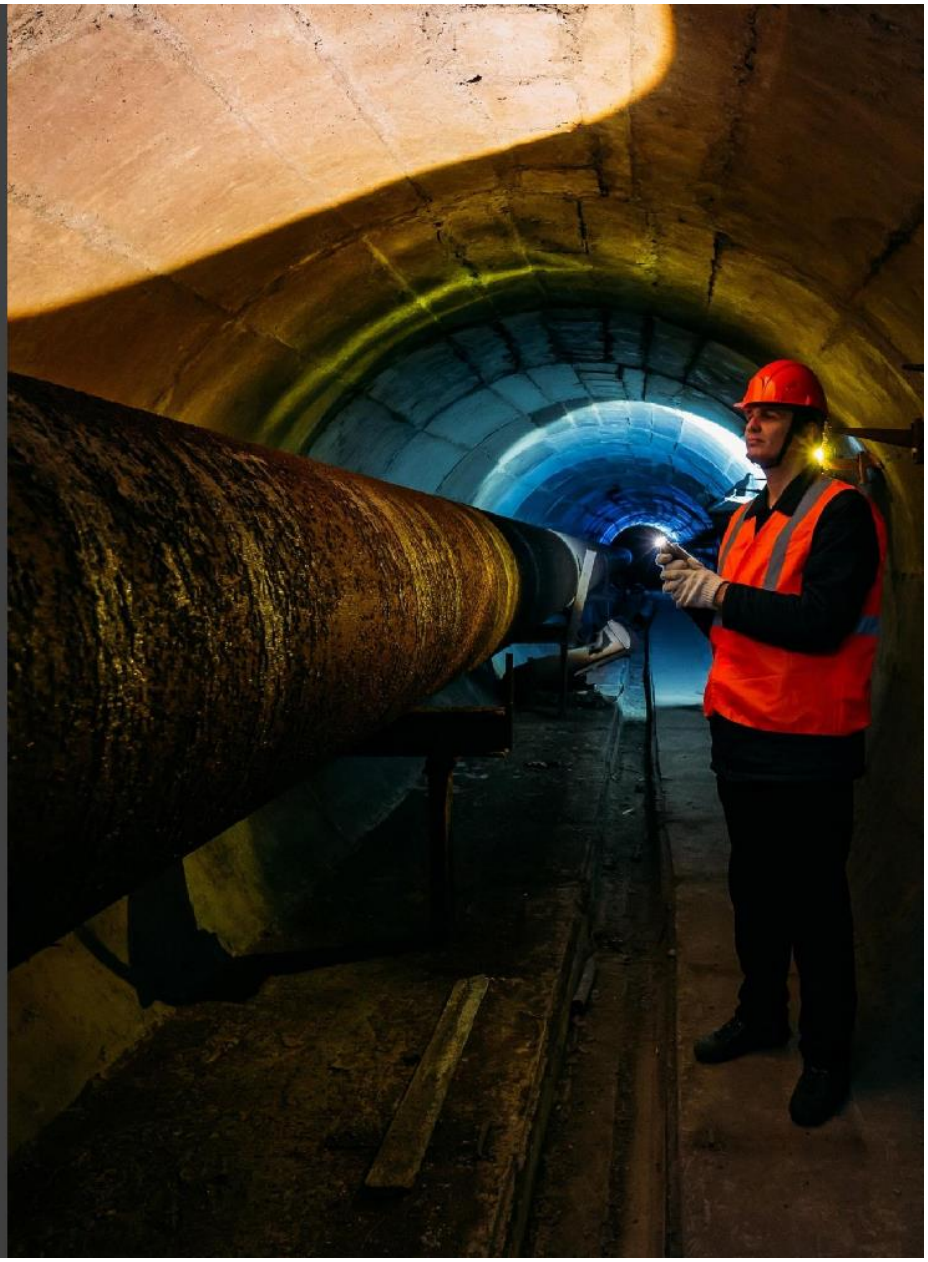
g) That Council adopt the Consultation Document for the 2021-31 Long Term Plan to support the consultation process in accordance with section 93G of the Local Government Act 2002.

h) That Council gives delegations to the Chief Executive to make any final edits to the Long Term Plan 2021 – 2031 Consultation Document and Supporting Information ahead of formal publication.


Central Hawke's Bay District Council
Closing report to Council for the audit of the 2021-31 Consultation Document
EY
Building a better working world

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Building a better working world

Central Hawke's Bay District Council

2021-31 Consultation Document

Welcome

Dear Council Members

We have substantially completed our audit of the 2021-31 consultation document for Central Hawke's Bay District Council ('Council').

Subject to the adequate resolution of the outstanding matters listed in the appendices, we confirm that we will issue an unmodified audit report with an emphasis of matter paragraph to draw attention to the disclosure of the uncertainty over three waters reform in the consultation document.

We have provided this report in our role as the appointed auditor of the Council on behalf of the Auditor-General in accordance with the Public Audit Act 2001. This report is intended solely for the use of Council, committees of Council and senior management, and should not be used for any other purpose nor given to any other party without our prior written consent.

We would like to thank your staff for the assistance provided to us during the audit.

I look forward to the opportunity of discussing with you any aspects of this report or any other matters relating to our work on 11 February 2020.

If you have any queries in the meantime, please feel free to contact Dave on +64 21 923 431 or Kieron on +64 21 240 9752.

Yours faithfully

David Borrie
Partner

Kieron Wright
Senior Manager



Go to Executive Summary

Building a better working world

Central Hawke's Bay District Council

2021-31 Consultation Document

Executive summary

STATUS OF AUDIT

6

outstanding items for an unqualified audit opinion

We have substantially completed our audit of Council's consultation document for the period 2021-31. Subject to satisfactory completion of the outstanding items outlined in the appendices we will issue an unqualified audit opinion with an emphasis of matter.

AUDIT DIFFERENCES

nil

unadjusted audit differences

- **There are no unadjusted audit differences** pertaining to the financial modelling for the 2021-31 consultation document.
- All audit adjustments identified during our audit have been corrected by management. See Audit Differences section for more details.

AREAS OF AUDIT FOCUS

4

key areas of focus where there are potential risks and exposure

The areas of audit focus and level of complexity or management judgement applied are:

HIGH	Infrastructure assets
MEDIUM	Funding
MEDIUM	Three water reform
LOW	COVID-19 and Climate change

- See Areas of Audit Focus section for more details

INDEPENDENCE

We confirm that we have complied with PES AG 1 Code of ethics for assurance practitioners, and in our professional judgement, the audit team and the Firm are independent.

SCOPE & MATERIALITY

$1.5m

final materiality based on average expenditure

Our audit procedures have been performed using a materiality of $1.5m.

This is based on 3% of average expenditure over the 10 year period.

The threshold for reporting audit differences to the Committee is $77k.

CONTROL OBSERVATIONS

3

observations and recommendations to improve processes and controls

None of the improvement opportunities identified were categorised as high-risk issues.

See assessment of Control environment section for more details.

Building a better working world

Central Hawke's Bay District Council

2021-31 Consultation Document

Infrastructure assets

HIGH

Key Judgements: Condition, performance, underlying data quality

Our Understanding

- Infrastructure assets is the most significant balance on Council's balance sheet with a 30 June 2020 carrying value of approximately $860 million. In addition to being a significant financial statement balance infrastructure assets allow Council to deliver critical services to the community.

Asset condition and performance information

- The starting point for forward planning relating to infrastructure assets, and the delivery of core transport and water services, is Council's information on asset condition and performance. This information is collated from multiple sources including surveys, investigations, asset renewal activity, asset age, and interaction with third party consultants in their capacity as valuers or subject matter experts.
- Council's asset information is summarised in the infrastructure strategy. For water assets this includes age, length, diameter and likelihood of failure. For transport assets a network survey is completed periodically and provides information on condition and performance of assets through measuring and plotting the trend in the extent of shoving, rutting, potholes, cracking, scabbing and flushing.
- Whilst having measures of asset condition and performance is important it is also important that the quality of the data on which such measures are based is well understood. Council measure confidence in asset data using a three category scale; A - Highly Reliable, B - Reliable, and C - Uncertain. Three waters treatment is rated A, three waters pumping and roading are rated B, and the ratings for three waters reticulation is a mix of Bs and Cs.

Key capital works activity for the next 10 years

- As part of the planning process, that included reviewing the asset condition and performance information included in the Infrastructure Strategy and Asset Management Plans, two key areas of capital works were identified. The first is the Waste water treatment upgrades which total $68m of capex over 15 years and the second is a broad program of capital renewals work that is effectively catching up on

EY Perspective

In completing our assessment of the asset planning process we have completed the following procedures:

Asset condition and performance information

► Reviewed Asset Management Plans and checked consistency between the Asset Management Plans, Infrastructure Strategy and consultation document.	✓
► For a sample of significant Asset Management Plans, we obtained an understanding of how management assess and monitor the condition and performance of the assets. We checked that adequate performance and conditioning information was available and that those assets that are near the end of their lives or underperforming have been factored into the capital works programme.	✓
► We checked the alignment of the Infrastructure Strategy and Financial Strategy with a particular focus on whether the planned capital works programme included in the Infrastructure Strategy is appropriately funded through the proposed funding in the Financial Startegy.	✓

Key capital works activity for the next 10 years

► Selected a sample of capital projects based on size, complexity and some from areas where Council has previously not delivered against budget and checked that the capital spend is supported by third party inputs or robust estimates. In addition with discussed with project managers the ability to deliver on these projects.	✓

Our Understanding

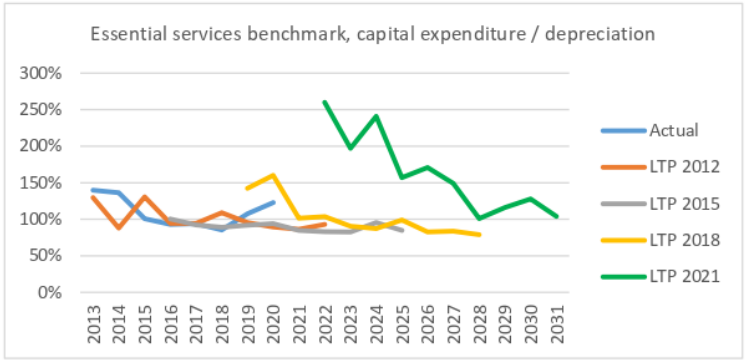
historical underinvestment in assets to ensure that the intended level of service is maintained.

Achievability of capital works program

- The financial modelling assumes that all work in the capital work program will be completed without projects being delayed or deferred. This assumption is critically assessed by both the management team and ourselves as auditors.
- A key consideration in determining Council's ability to deliver a program of capital work is historical performance in delivering capital projects. In addition there needs to be consideration of any step changes in the scale of the capital works program.

Sustainable investment in infrastructure assets

- Once CHBDC have completed the debt funded catch-up of deferred capital renewals a key focus will be managing the renewals program in a more sustainable way. A high level benchmark that can be used to determining if capital renewals work is progressing at a reasonable pace is the extent to which capital renewals are equal, or greater than depreciation.



EY Perspective

- For the plans relating to waste water treatment we have obtained an understanding of the latest status of the project and checked alignment of that with the forecasted capital spend. ✓

Achievability of capital works program

- Analysis shows that in the recent past Council has delivered well against the capital transport budget with more variable performance for water assets. Over the past three years Council has delivered 60% of planned waste water capital works and 80% of water supply works. The lower delivery for waste water in part related to allowing time for needed planning activities to occur.
- We also observe that the forecast capital works program is a step change from what has been delivered historically as Council catch-up on deferred capital renewals work. CHBDC's approach to increasing the likelihood of delivering on the larger capital works program has focused on capability and capacity of the relevant teams and involving third party experts to assist with matters such as planning for the waste water treatment work.

Sustainable investment in infrastructure assets

- The capital expenditure against depreciation graph on the left of the page shows the significant level of capital expenditure that is required to catch-up on historical underinvestment allowing infrastructure assets to deliver the expected performance. This is focused in years one to five before returning to more normal levels for years six through to ten.

Through our detailed review of a sample of projects we noted one adjustment whereby the capital expenditure did not agree to the supporting costing. We have included this in our adjustment section below.

Building a better working world

Central Hawke's Bay District Council

2021-31 Consultation Document

Funding

MEDIUM

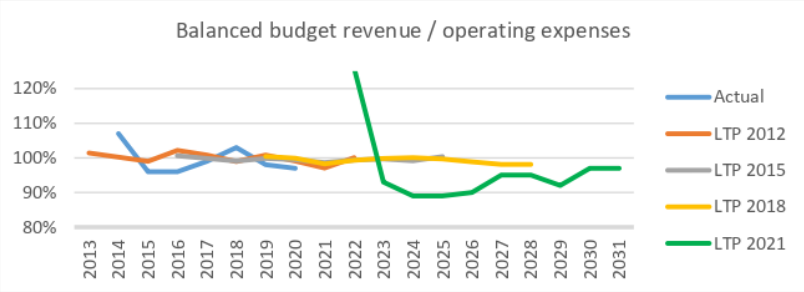
Key judgements: Balanced budget, financial prudence

Our Understanding

- Rates levied represents CHBDC's primary revenue source. Rates along with subsidies and debt represent the main funding sources to finance CHBDC's activities. A key principle in the Local Government Act (the Act) is the requirement for Councils to manage their finances prudently.

Balanced Budget

- Section 100 of the Act requires Councils to balance the budget for each year forecasted meaning operating revenue is required to be equal to, or greater than, operating expenditure. If a Council chooses to not balance the budget for a particular year a resolution must be passed that it is prudent to do so having regard to levels of service, ability to fund the maintenance of assets, the equitable allocation of funding responsibility over the life of assets and the Council's funding and financing policies.
- CHBDC is forecasting unbalanced budgets for the majority of the years in the long-term plan moving from revenue covering 90% of expenditure on average in the early years to covering 97% of expenditure in years 9 and 10.
- Below we have provided a graphical representation of the range of balanced budgets that Council will be adopted for this LTP as well as the last three LTP's and the actual benchmarked achieved for each year from 2013.



EY Perspective

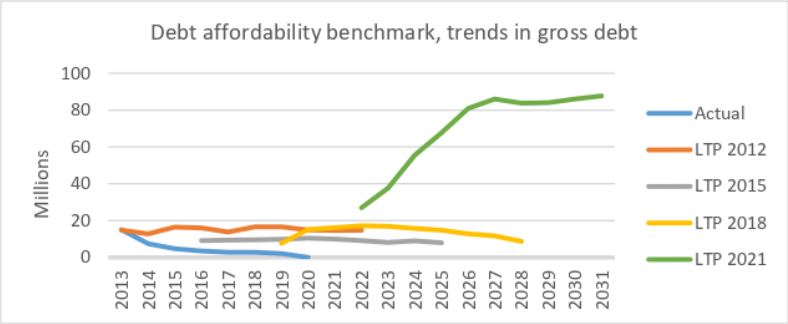
Balanced Budget

We understand that Council will pass a resolution confirming the view that it is financially prudent to run the deficits forecast in the financial modelling if these endure into the final long-term plan document to be adopted. Our discussions with management indicate the factors considered in determining the proposed approach is financially prudent are:

- Operating revenue increases, as a percentage of expenditure, over the 10 year period.
- While the budget isn't balanced at year 10 it is expected to be balanced shortly thereafter.
- The increased levels of debt support increased intergenerational equity especially in the context of the long term assets the funding is being invested into.
- The deficits and increased debt are expected to be a one-off reset of Council's finances.
- The ending debt position is circa 140% of revenue which is broadly comparable to debt levels at some other Councils.
- Rate increases across the period haven't been restrained to CPI and average 8% across the period.
- The consultation document clearly articulates CHBDC's approach to financial management and the rationale for this.

Debt levels

- Debt is forecast to increase significantly over the period of the consultation document. Debt is forecast to be approximately $18m at the start of the consultation period increasing to approximately $88m by the end of the period. The anticipated debt draw-downs are to fund the waste water treatment project and the catch-up of deferred maintenance of infrastructure assets over the first five years.
- The below graph represents the debt levels that Council have proposed in the current LTP as well the levels proposed in the last three LTP's and actuals from 2013.



Rate setting

- The forecast rates across the 10 year period are expected to increase on average by 8% (with a range of 2% to 13.1%) which is significantly higher than those forecast in previous long-term plans (the last 2018 LTP proposed rates increase between 2.9% and 5%).

Debt levels and rate setting

Our work in relation to rates and debt included:

Obtaining an understanding of, and walking through the process for, how rates and debt are incorporated into the financial model.	✓
Obtaining the model for calculating rates and testing a sample of items of expenditure to check that the rates have been correctly calculated for those items.	✓
Obtained the relevant policies related to rates and checked, on a sample basis, that rates have been correctly calculated and are in line with the rates cap and other requirements, where applicable.	✓
Checked that the Council's assumption that interest rates will be 2.5% for the period of the long-term plan had been consistently applied.	
Checked that the debtors balances moved inline with rates.	✓
Checked the correlation between debt levels and the interest expense.	✓

We note that one of the key assumptions with respect to the modelling of rates and debt is the interest rate assumed for the debt for the 10-year period. CHBDC have assumed that borrowing rates will be 2.5% for the 10-year period. While we acknowledge that Council is currently able to borrow at a lower rate than this through the LGFA there is a risk that these rates increase over the period covered by the consultation document. Interest rates are currently at historical lows.

Through our testing of infrastructure assets revalued on a triennial basis we noted that management had incorrectly applied the cost inflators for one year rather than the cumulative effect of three years. Management have corrected this adjustment and we have included it within our audit differences section below.

Three waters reform

MEDIUM

Key Judgements: Uncertainty relating to the reform programme

Our Understanding

- Central and local government organisations continue to consider the challenges of regulating and delivering three waters services. New legislation has been passed and a new water services regulator, Taumata Arowai, has been established.
- Key challenges in delivering water services include obtaining relevant and reliable information about assets and appropriately reinvesting in the three waters' networks. The Government considers structural reform as the most effective way to address these challenges. As a result, it has started the three waters reform programme.
- The three waters reform programme will likely result in water service delivery entities that:
  - Have sufficient scale to generate benefits from aggregation;
  - Have ownership of the water assets with a mandate to explore how to achieve better access to capital and alternative funding mechanisms; and
  - Will be structured as statutory entities.
- SOLGM has proposed that territorial authorities assume no change in the current structure of the three waters delivery in long-term plans.

EY Perspective

We will include an emphasis of matter in our opinion with respect to the uncertainty associated with the proposed three water reforms programme. Key considerations in coming to this conclusion are as follows:

- Two of the four challenges being consulted on related to the three waters being the waste water treatment upgrade and funding the replacement of assets where a significant amount of the assets needing replacement are pipes that are at the end of their useful lives.
- Both matters have significant financial implications for CHBDC with the waste water treatment upgrade requiring $65m of debt over 15 years and funding for asset renewals being the primary contributor to the need for average annual rates increases of 8% over the 10 year long term plan period.
- Both matters are also fundamental to delivering core services to CHBDC residents.
- The proposed three water reforms programme considers structural changes to how water supply and waste water assets are owned and managed (with the potential for stormwater assets to be included).
- These changes, whilst still uncertain, are likely to occur in the medium term and will also likely significantly change what Council has assumed will be in its remit for the long term plan period.

COVID-19 and climate change

LOW

Key Judgements: Impact of COVID-19 and climate change

Our Understanding

- On 11 March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Two weeks later, New Zealand declared a state of emergency and moved to COVID-19 Alert level 4 in response to the pandemic.
- The outbreak and the response of the Government in dealing with the pandemic continues to interfere with general activity levels within the community, the economy and the operations of businesses generally. In particular border controls and the timing and availability of vaccines creates ongoing uncertainty,
- Whilst Council do not foresee a significant impact from Covid-19, they identified two areas of potential risk as a result of COVID-19. These were rates recoverability as community face financial hardship and strain on infrastructure as population growth could be higher than expected as New Zealanders return home. Council used a third-party report completed by Waka Kotahi which assisted in the assessment of the potential impacts for Hawke's Bay.
- Councils are responsible for planning for and providing infrastructure, managing land use, and avoiding or reducing risks from natural hazard events such as floods, storms, and sea-level rise. Climate change is changing the severity and frequency of these events.
- For most councils these are likely to include impacts on:
  - three waters services - a reduction in water quality, increased waste water overflows from heavy rainfall, and flood protection assets not working;
  - the transportation network – disruption from sea-level rise or flooding and landslides leading to increased maintenance costs;
  - coastal infrastructure and property – sea-level rise causing coastal erosion that will put property and assets at risk; and

EY Perspective

- We have obtained the assessment performed by management as to the impact of COVID-19 and climate change on the district. Through our testing of key Asset Management Plans, assumptions, and strategies we checked the assumed impact has been consistently factored into planning and modelling.
- We obtained the report completed by Waka Kotahi over the impact of COVID-19 on Central Hawke's Bay and checked that those areas had been considered and adequately outlined with the assumptions paper or other supporting documents that accompany the consultation document.
- We have obtained the policy that provides the basis for which the Council offers relief from rates. This also applies to COVID-19 related matters that have created financial hardship.
- For areas identified as being impacted or at risk of being impacted by climate change, we have checked that the future costs include an element of climate change as outlined in the respective Asset Management Plan and Supporting document to the consultation document.
- We have reviewed the assumptions and disclosures that Council have included in relation to both COVID-19 and Climate change against the levels of risk they determined for each area and we are satisfied that Council have adequately considered these and provided readers with a sufficient level of detail that matches the level of impact and risk.

Audit differences

Summary of adjusted audit differences – 10 year financial model

The following table contains a list of adjustments that have been corrected by management.

	Assets (Decrease) / Increase ($000)	Liabilities Decrease / (Increase) ($000)	Equity/P&L (Decrease) / Increase ($000)
Incorrect inflation factor applied to assets revalued on a triennial basis	35,900	-	35,900
Inclusion of a PGF funded roading project	8,000	-	8,000
Removal of funding that was received in December 2020 but also included in LTP	(3,700)	-	(3,700)
Correcting the costing estimate for the Waipukurau firefighting project	136	(136)	-
Total	40,336	(136)	40,200

There are no unadjusted audit differences relating to the financial statements.

Assessment of control environment

Internal Controls

As part of our audit of the consultation document, we obtained an understanding of the internal control environment relevant to forecasting and planning for the coming 10 year period in order to sufficiently plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we communicate to you significant deficiencies in internal control. We confirm that there are no significant findings that we would like to bring to your attention.

Throughout our audit we communicated to management observations regarding control matters and other issues arising from our procedures. Suggested improvement points that we are currently working through with management are as follows:

Risk Ratings	H	M	L	Total
Quality of asset information	-	-	1	1
Targets for performance measures	-	-	1	1
Articulation of medium to long term view	-	-	1	1
Total points	-	-	3	1

Key:

- **High Risk** - Matters and/or issues are considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within 3 months.
- **Medium Risk** - Matters and/or issues are considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within 6 months.
- **Low Risk** - A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.

Detailed findings

Quality of asset information

CHBDC could improve the quality of the information reflected in the Infrastructure Strategy through using a more granular five tier scale to assess data quality and through presenting asset performance information for water supply and waste water. The identification of specific critical assets would also be beneficial.

Targets for performance measures

Some performance measures have targets set at a level notably below current delivery. We would expect targets to usually show continued performance at the current level or provide a degree of challenge for services to improve going forward.

Articulation of long term view

Council have provided a transparent plan of what is required in the short to medium term due to previous underinvestment in infrastructure assets. Funding this investment results in increased debt and expenditure exceeding revenue for most years of the long-term plan. Going forward Council will need to engage with the community on both when the budget will be able to be balanced and specifically how renewals work will be funded in a more sustainable way.

Appendices



Outstanding matters

The items in here relate to outstanding matters at the date of the release of this report.



Independence

Describes how we have complied with independence requirements.

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility	
Final Consultation document	Our final review of the updated consultation document subsequent to final changes being made.	EY	M
Final Asset Management Plans	Review of the final Asset Management Plans	EY	
Consultation Document Supporting Information	Our final review of the consultation document supporting information.	EY	M
Representation letter	Receipt of signed representation letter		M
Council approval of the Consultation Document and the Consultation Document Supporting Information	Receipt of Council approval of both documents.		M
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY	M

Key:

EY EY responsibility

M Management responsibility

Independence

We confirm that in our professional judgment the engagement team and the Firm are independent.

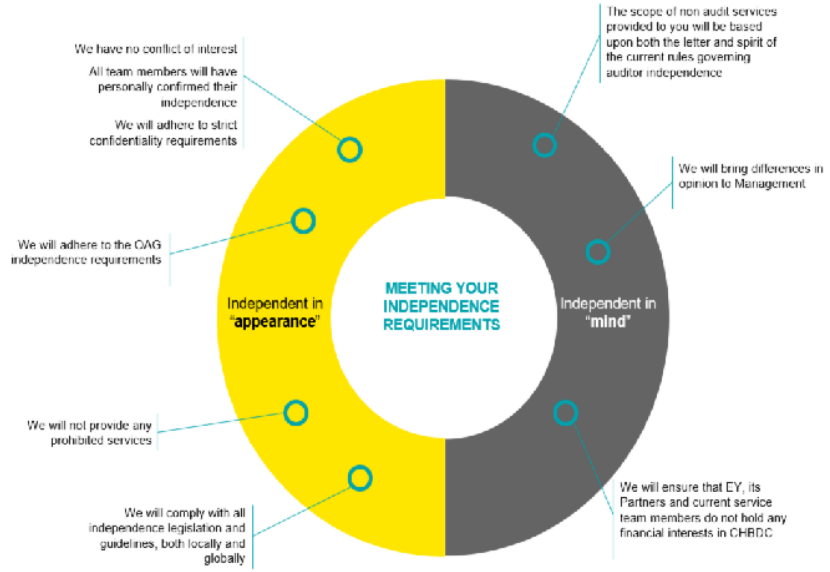
We are satisfied that all EY locations world-wide which have provided services in the past or are currently providing services to Council have complied with the relevant independent requirements. We are satisfied that the services provided by EY do not impact our independence.

We are not aware of any relationships between the Firm or other firms that are members of the global network of EY firms and Council that, in our professional judgment, may reasonably be thought to bear on independence.

We highlight the following services that we have performed:

Description of relationship or service	Safeguards adopted
Debenture Trust Deed reporting	Independent assurance services
Audit of the Annual Report	Independent assurance services

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves.



Independence

We confirm that we have complied with the NZICA Code of Ethics' and the Professional and Ethical Standard 1: *Code of Ethics for Assurance Practitioners'* independence requirements, and in our professional judgement, the engagement team and the Firm are independent.

EY | Assurance | Tax | Transactions | Consulting

About EY

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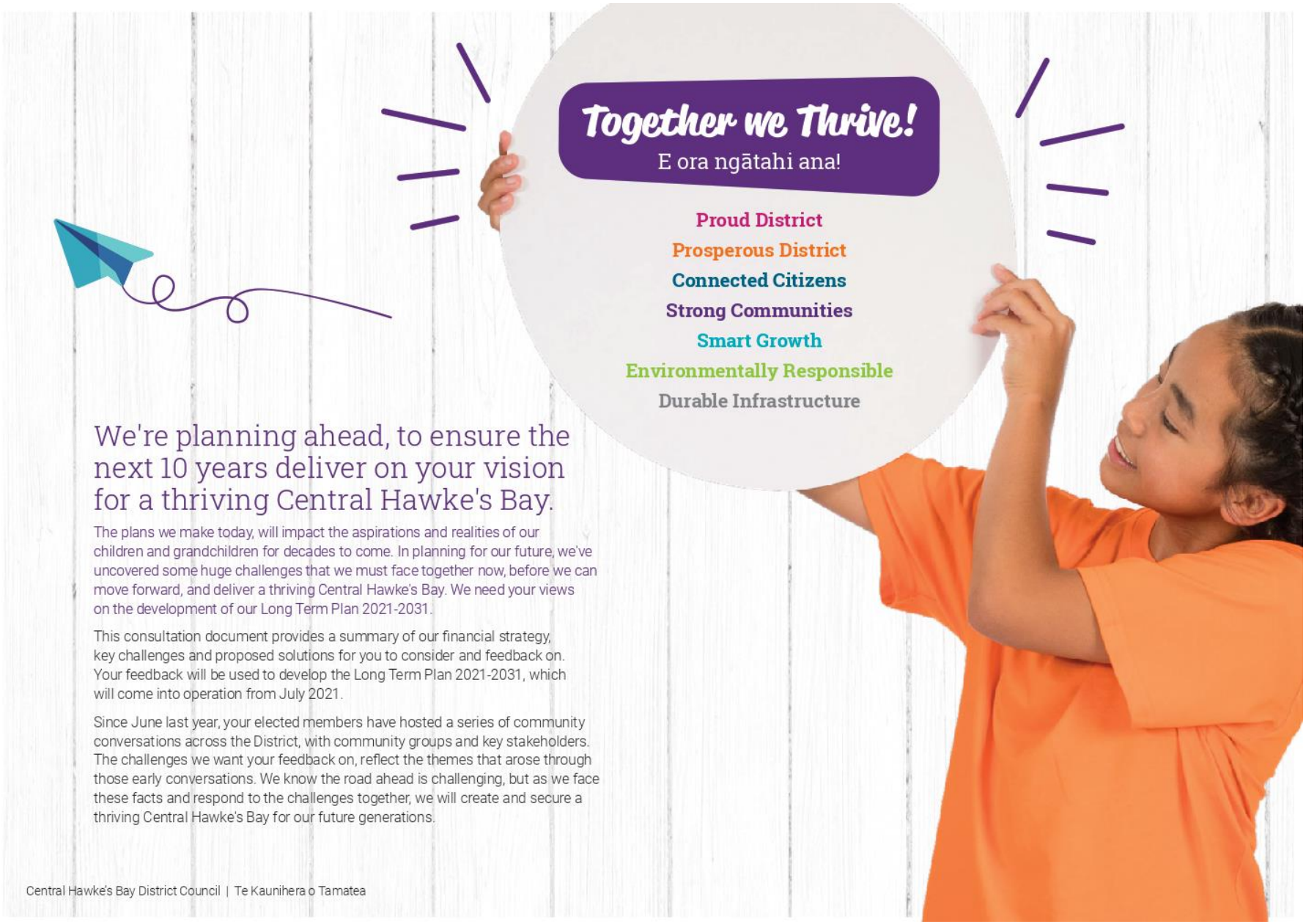
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ED None

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FACING THE
FACTS
Consultation Document
Long Term Plan 2021-2031
Together we Thrive!
E ora ngātahi ana!
CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL


Together we Thrive!
E ora ngātahi ana!
Proud District
Prosperous District
Connected Citizens
Strong Communities
Smart Growth
Environmentally Responsible
Durable Infrastructure
We're planning ahead, to ensure the next 10 years deliver on your vision for a thriving Central Hawke's Bay.
The plans we make today, will impact the aspirations and realities of our children and grandchildren for decades to come. In planning for our future, we've uncovered some huge challenges that we must face together now, before we can move forward, and deliver a thriving Central Hawke's Bay. We need your views on the development of our Long Term Plan 2021-2031.
This consultation document provides a summary of our financial strategy, key challenges and proposed solutions for you to consider and feedback on. Your feedback will be used to develop the Long Term Plan 2021-2031, which will come into operation from July 2021.
Since June last year, your elected members have hosted a series of community conversations across the District, with community groups and key stakeholders. The challenges we want your feedback on, reflect the themes that arose through those early conversations. We know the road ahead is challenging, but as we face these facts and respond to the challenges together, we will create and secure a thriving Central Hawke's Bay for our future generations.
Central Hawke's Bay District Council | Te Kaunihera o Tamatea

Introducing our next generation

The decisions we make today will impact our future generations for years to come.



Ben is 15 years old and goes to Central Hawke's Bay College. He's fully into his music and drama and is an avid chess player. He plays the drums and the piano and can blast a few notes on the sax. Ben wants to be an actor or a musician when he grows up.

Hannah is 11 years old and is on the soccer team at St Joseph's School. She's not sure what she wants to be when she grows up yet, but she loves hanging out and playing games with her friends, visiting the beach and riding her scooter to school.

Bindy is 13 years old and starts her first year of college this year. Her favourite holiday spot in CHB is Pōrangahau Beach where her family stays every summer. Bindy loves to read, play basketball and hang out with her family in her spare time.

Tom is 11 years old and goes to Omakere School. He plays basketball and was in the CHB soccer reps for two years. He spends a lot of his spare time with his two dogs George and Daxter, enjoys fishing with his dad and playing video games with friends.

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A message from Mayor Alex and your Council Team

Kia ora. Every three years you, the community of Central Hawke's Bay, are asked to tell your elected councillors what you would like your rates to deliver for you over the coming decade.

As we started working alongside officers to develop Central Hawke's Bay's Long Term Plan for 2021-2031, it became clear that this planning round would be different. We uncovered some huge challenges and some facts that we need to face together as a community, so we can deliver a thriving future for our children.

In this Long Term Plan 2021-2031 Consultation Document we are presenting to you the open and transparent view of our reality, and the proposed options to address the challenges we face.

We now know more than we have ever known about the state of our assets. The truth is quite frankly, frightening.

For more than two decades, our essential infrastructure has gone without the necessary funding and investment to ensure it is properly maintained. Historic political approaches of choosing not to fund renewals and upgrades in order to keep rates artificially low, alongside poor investment decisions, has delivered an unfortunate reality for our communities of today.

Through our #bigwaterstory we identified some of the challenges that we are facing today. Many of our assets are at the end of their lives, while central government legislative standards continue to change and increase. We are now left with failing 100-year-old pipelines, failed wastewater treatment plants despite major community investment, and earthquake prone buildings despite the expectation they had been strengthened. Our reality is that we now require major investment in nearly every aspect of Council's services.

As a community, facing these facts, we have no choice but to respond and correct this underinvestment, to secure our future. These are our assets and services, and together we must invest in them to ensure they sustain us for generations to come.

This Long Term Plan proposes both increases to our debt limits and significant rates increases – not just in the first year of the plan, but through the life of the Long Term Plan Budget 2021-2031.

We acknowledge that increasing rates is a difficult conversation at any time. This Long Term Plan budget isn't about 'cutting our cloth to fit', or 'learning to live within our means'. In building this budget we have trimmed every edge of our cloth and now face a reality where living within our means still requires significant investment to address years of underinvestment and poor investment decisions.

Even if we closed every park and library in Central Hawke's Bay, cancelled economic and social development activities and stopped supporting facilities like the Centralines Indoor Pool, the Central Hawke's Bay Museum and the Tukituki Trails, these savings alone would still not be enough to offset the major investment required to fund our three waters infrastructure programme.

Throughout this consultation we invite you to see for yourself the realities of the challenges we face. We will open our doors to our wastewater treatment plants, landfill, solid waste operations and other activities, for you to see, hear and touch, first hand, the infrastructure we are left with today. We encourage you to come along to one of our consultation events or open days to learn more, so you can make an informed submission.

Alex Walker

Mayor of Tamatea/Central Hawke's Bay



Our reality

We now know more than we have ever known about the state of our infrastructure and services.

For decades, the Council has historically held rates at an artificially low rate, instead of funding depreciation or putting aside reserve funds for the renewal of our core infrastructure assets.

We now require major investment in nearly every aspect of our infrastructure and services.

Avoiding rate increases, austerity measures and poor investment decisions in the past, means we also face significant challenges in funding these major renewals and upgrades.

A major step change is required to respond to the level of renewals and upgrade work we need to complete.

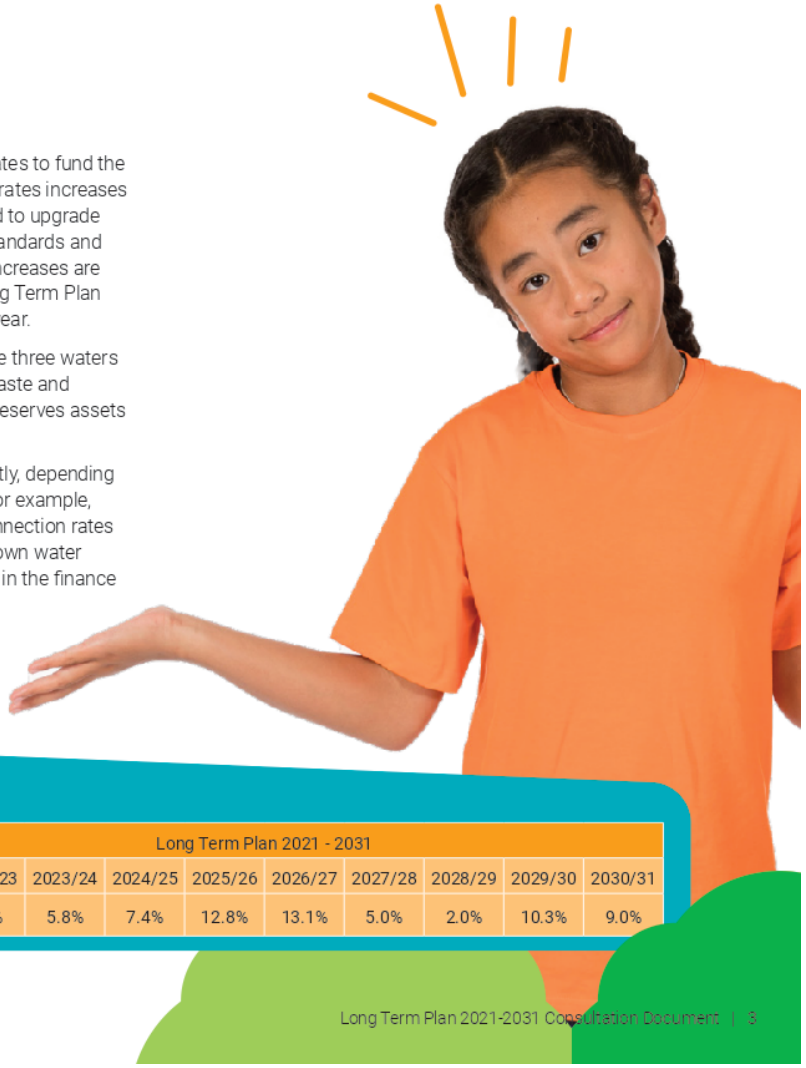
As we begin to face the facts of where we are today, and see our reality for what it is, we want to know how you would like us to respond to the key challenges that we will face over the coming decade.

What does this all mean for me?

It means we will all need to pay more rates to fund the catch-up. We are proposing significant rates increases to meet the level of investment required to upgrade our infrastructure to meet legislative standards and our proposed levels of service. These increases are proposed throughout the life of the Long Term Plan Budget 2021-2031, not just in the first year.

These increases will fund the basics like three waters infrastructure and services (drinking, waste and stormwater), upgrading our parks and reserves assets and other core infrastructure.

Increases will affect properties differently, depending on the services they're connected to. For example, a rural property won't pay the water connection rates charges that a property connected to town water supply would. A breakdown is provided in the finance section of this document.



Rates Reality

The reality of our previous investment decisions means some dramatic increases for the future

								Long Term Plan 2021 - 2031									
Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Actual rates increase	1.7%	1.6%	1.7%	3.3%	3.6%	4.9%	3.2%	7.8%	7.8%	5.8%	7.4%	12.8%	13.1%	5.0%	2.0%	10.3%	9.0%



What's it all about?

The Long Term Plan (LTP) sets out what the Council's activities, costs, and required revenue and rates are, for the next ten years. We are currently developing our LTP 2021-2031.

Our last LTP review took place in 2018. We knew we had some major challenges ahead and indicated this to you in activities like #thebigwaterstory, which began to address our three waters infrastructure. We now know more than we have ever known about the state of our assets and have a responsibility to ensure that we present you with all of the facts, and their reality for us.

The process

The process for developing our LTP is outlined on the next page. Currently, we are in the stage of 'Formal Consultation', where we are seeking your input into our proposed LTP.

In July last year, we ran a 'pre-engagement' phase of consultation to ensure we were clear about your priorities before we developed our draft LTP.

What are we consulting on?

This LTP Consultation Document outlines the four key challenges we face for our future over the next decade and beyond. As a community we cannot move forward without addressing these big challenges and specifically need your feedback on them. You can make a submission on any aspect of this plan or on any of our supporting information to the Consultation Document, including the infrastructure and financial strategies, financial statements, policies, and activity statements.



How can I have my say?

We want to help you understand more about what your rates pay for, the challenges we face today and how you can input into the Long Term Planning process, which is what this consultation is all about.

Throughout the consultation period we will provide multiple opportunities for you to find out more and make a submission. Read through this brochure, head to page 45 to understand how to give us feedback or visit www.chbdc.govt.nz to find out more information and to make a submission.

Consultation is open 1 March and closes on 31 March 2021.



Long Term Plan Development Process



Impacts of Covid-19

We've thought carefully about the impact of the Covid-19 pandemic on our small District. Covid-19 threatens to push the world economy into recession, however Central Hawke's Bay is in a good place to weather the storm compared with other Districts. The primary activity and employer in the District is primary industry. The worldwide demand for food hasn't changed. Likewise, Central Hawke's Bay isn't reliant on international tourism, nor do we have large swimming pools or other recreational complexes to continue funding in the event further lockdowns occurred, so we are less impacted than our neighbouring Councils. That's not to say Central Hawke's Bay will get away unscathed, but it should face less impacts than other Districts longterm.
We've considered the impact of Covid-19 in our key assumptions, that you can find on page 232 of our supporting documents to this Consultation Document.

Three Waters Reform

Hawke's Bay Councils were already working together on opportunities to improve our three waters infrastructure, ahead of Central Government Reform announced in 2020. We have signed a Memorandum of Understanding (MoU) with Central Government to explore future service delivery options and have secured $11.09 million in funding. The Government expects to make substantive decisions in April/May 2021. It is expected that Councils will be asked to consult with their communities in late 2021 whether they should join one of the new water service delivery entities. We intend to consult on this decision, once Central Government has made their decision in April/May and more facts are available, separately to the consultation on this Long Term Plan. For councils that participate in the reforms, transfer of responsibilities, assets, etc. is likely to occur from 2023/24 onwards.

Our community needs three waters services regardless of what happens. As such, we have included three waters in our financial and infrastructure strategies, and as a key challenge within our LTP. This has been considered as a potential change in our key assumptions, on page 232 of our supporting information. **For more information on the Government reforms visit www.dia.govt.nz/three-waters-reform-programme**


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6 | Central Hawke's Bay District Council | Te Kaunihera o Tamatea

Our challenges

What's driving our big challenges?

Managing our Rubbish and Recycling
Our community have a strong desire to see change in the current rubbish and recycling services they receive. Increasing environmental standards and changes in international recycling markets are also making the costs associated with recycling highly unpredictable.

Underinvestment in ageing infrastructure
Many of our assets are at the end of their life, for example our three waters, parks and facilities, meaning we require major investment in nearly every aspect of our infrastructure and services.

Huge growth
We are growing at unprecedented levels, some 1,500 new homes are forecast for the district over the next ten years.

Ever increasing Central Government standards
The quality and requirements of our current water and wastewater treatment plants and data recording must be higher than our current offer. New standards such as the Fresh Water National Policy Statement, require a radical change to how we treat and manage stormwater, bringing a significant cost.

Failed wastewater plants
Historical poor investment decisions in our Waipawa and Waipukurau plants has seen over $10 million of failed improvements to the treatment of wastewater.

Rates held at artificially low levels for decades
For decades, the council has historically held rates at an artificially low rate, instead of funding depreciation or putting aside reserve funds for the renewal of our core infrastructure assets.

Earthquake prone buildings
Despite significant investment to seismically strengthen the Waipukurau Memorial Hall and Waipukurau Library, both have been confirmed as earthquake prone. We and the community have many other buildings and assets that also require upgrading and we need to respond in a strategic way.

It's not about making savings
Even if we closed every park and library in Central Hawke's Bay, cancelled economic and social development activities and stopped supporting facilities like the Centralines Indoor Pool, the Central Hawke's Bay Museum and the Tukituki Trails, these savings alone would still not be enough to offset the major investment required to fund our three waters infrastructure programme.

Our District Plan is nearly 20 years old
The plan that sets rules for things like subdivision and activities is nearly 20 years old, but was meant to be reviewed every ten years. The scope and scale of the review is having a major impact on our general rate.

Central Hawke's Bay elected members share their aspirations & concerns for the future





Ensuring that people in our community have adequate housing and we are planning for future needs, continues to be a passion for me. With Central Hawke's Bay experiencing huge growth, we need to ensure we have a global view in the housing space and across our wider community projects. Everything from, district plan, town centre development, spatial planning to infrastructure for the future, need to be considered as we work hard to tie all these links together for the next 10 years. I will continue to push our government partners, so we can finally get a result to meet the housing needs of our most vulnerable.

Kelly Annand
Deputy Mayor
Councillor Ruataniwha Ward



I'm proud of what's been done to update our asset management plans that drive all work programmes for our core infrastructure. The more we know the better we can do. One of the things that we are going to have to watch out for is the government reform proposal that could change how water, wastewater and stormwater services are delivered. Councils like ours are just too small to afford all the upgrades to water and wastewater pipes we need. We'll need to look at these government proposals very seriously.

Brent Muggeridge
Chair of Finance and Infrastructure Committee Councillor Aramoana /Ruahine Ward



Water is gold. Everyone in Central Hawke's Bay knows that. You might be surprised to know that when Council has to put water restrictions in place, it's often because our pumps and treatment stations can't keep up with the rate of water being used. As well as getting on top of the renewal or replacement of our very old water pipes we will need new strategies to manage the impacts we all have on water usage.

Tim Aitken
Lead Councillor Aramoana /Ruahine Ward



I'm proud of our plan of attack for wastewater renewals. We are finally getting on with addressing the historic issues and challenges that we face as a District when it comes to managing our wastewater. As someone said to me "make it happen".

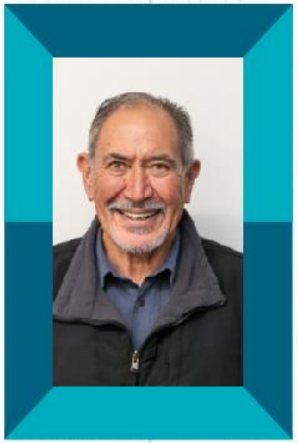
We simply have to get it right. Thats what we are doing, but its sad there is much to do on core infrastructure that some of our local treasures, like beach reserves we all love fall down the priority list.

Jerry Greer
Councillor Aramoana/Ruahine Ward



CHB is growing so fast, I am worried about the detrimental effect this may have on us already living here and paying for infrastructure and services. I'm pleased to see proposals showing exactly how developers and new subdivisions could contribute and pay for this growth instead of the costs falling on our community.

Exham Wichman
Councillor Ruataniwha Ward



With the Waipukurau Library being closed at the moment, Te Taiwhenua o Tamatea – a direct neighbour across the street – is doing as much as they can to help council provide services to our community. Council needs to use some careful thinking to plan next steps for the library and other community facilities. Investment will need to be based on more innovative, collaborative and long-term thinking. There is a great opportunity for more of a community hub facility where other community groups and agencies can come together – a place for our future.

Professor Roger Maaka
Kaiārahi Matua



Our future has never been predetermined – it has been built on the hardwork and sacrifices of previous generations. It is our turn to lead the way for our future generations, and our children's children. Our vision and commitment to a Waste Free CHB and our efforts to recycle more and reduce the amount of waste we send to landfill will have huge benefits for our future generations. We want your views on our plans to inspire hope and achieve a better future for our current and future generations.

Gerard Minehan
Councillor Ruataniwha Ward



Roading networks are a lifeline for our rural communities and farming businesses – and often the largest part of their rates. In this LTP there is little change to the levels of service we can provide, and sadly Waka Kotahi NZTA will reduce our Funding Assistance Rate in 2023. But there is still scope to focus on road safety and access for our children, elderly, main streets and cycling.

Kate Taylor
Councillor Aramoana/Ruahine Ward



Councils develop LTPs based on their best understanding at the time; the level of detail and the amount of work that needs doing is massive. One thing people are fiercely proud of in our district is the way we look after parks, reserves and gardens. They are vital first impressions for visitors and give us fantastic places to play and socialise!

Pip Burne
Councillor Ruataniwha Ward

We're facing four big challenges which we need your feedback on!



CHALLENGE #1

Planning Wastewater Upgrades

All our wastewater treatment plants require major upgrades and renewals. We have limited options about whether to do the work or not, but removing wastewater discharges from waterways is an absolute for us. We're proposing to take a middle-ground approach to how fast we deliver the upgrades over 15 years.

We need to know if you support our preferred option to upgrade plants and remove discharges to rivers over 15 years, or if we should speed up or slow down investment.

You told us we should prioritise investment in our three waters.

In our LTP pre-engagement phase last August, you told us that investing in three waters infrastructure (drinking water, stormwater and waste water) should be our top priority. We have responded in this LTP by prioritising investment principally in this area, and proposing a step change in what we pay in rates to achieve this.

CHALLENGE #2

How we fund the replacement of our assets

Historic underinvestment in our essential infrastructure means many of our assets are at the end of their life. This means we now face major investment in nearly every aspect of our infrastructure and services.

We're proposing a step change in the delivery of our renewals and upgrades. By changing how we fund renewals in the shorter term (first five years) from rates to debt, we will ensure assets are replaced before they reach the end of their useful life.

Do you agree with our approach to funding our renewals through debt in the short term? What alternatives do you think we have?

CHALLENGE #3

Creating a Waste Free CHB

Our community has a vision for a Waste Free CHB, making landfill our last choice, and increasing uptake in kerbside recycling.

We're proposing changes to our recycling and rubbish services, but we want your views on some important trade-offs.

We've got some ideas and want to hear from you on the range of options available.



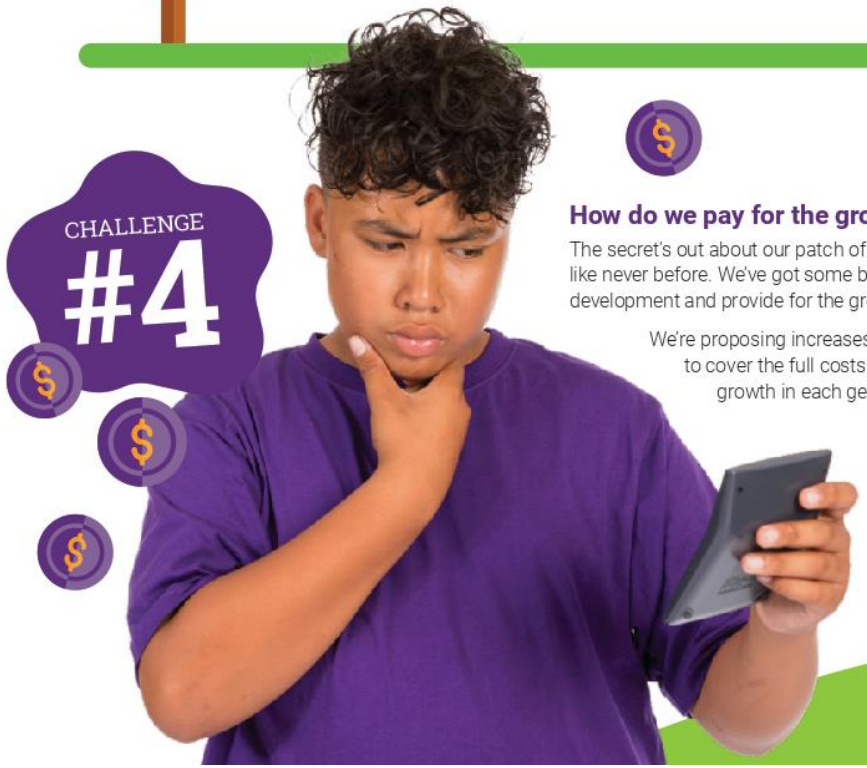
CHALLENGE #4

How do we pay for the growth we are experiencing?

The secret's out about our patch of paradise and we are growing like never before. We've got some big costs ahead to service new development and provide for the growth ahead.

We're proposing increases in development contributions to cover the full costs that can be attributed to growth in each geographic location, rather than ratepayers footing a majority of the cost.

We are specifically seeking feedback on whether you support increased development contributions or not.





Planning our Wastewater Upgrades

Planning our wastewater upgrades is one of our most significant challenges as a community.

We have a smaller population than neighbours like Hastings and Napier and our settlements are widespread. So, unlike Napier, whose residents chip in to pay for one wastewater treatment plant, in Central Hawke's Bay we chip in to pay for six! It comes at a significant cost to us all. Our situation is made even more difficult, following poor investment decisions from the past, where more than $10 million of improvements have been made to our failed wastewater plants.

There are things we cannot influence or control, in particular Environment Court orders following the failure of our wastewater plant upgrades, that resulted in breaches of our resource consent conditions.

Our Wastewater Strategy

In September 2020, we adopted the 'Wastewater Treatment and Discharge Management Strategy' – a long term plan for how we manage wastewater. It proposes an intergenerational approach to combine the treatment of Otāne, Waipawa and Waipukurau; treat Pōrangahau and Te Paerahi together; and Takapau solely, given its location.

OUR VISION:
Wastewater treated in a sustainable way that creates a resource, protects our environment, and continues to do so for generations to come.


Our Challenges
What we've already consulted on
Since 2018, we've asked for your views on a range of wastewater treatment options available to us – from completely removing wastewater discharges to water by irrigating to land, to a combination of both. The cost implications for both options brings significant challenges.
What we're consulting on now
We've taken your feedback to identify options that best reflect the aspirations of each community, while addressing district wide ambitions and challenges.
All options include removing wastewater discharges from waterways as a bottom-line.
While you can make a submission on any aspect of wastewater, we specifically want to hear which option, along with funding implications, you prefer (see over page).
You are also welcome to make comment on the range of projects that make up our preferred option.
Waipukurau and Otāne wastewater to Waipawa
In our pre-engagement phase last year, we considered options to either continue treating Waipukurau and Otāne's wastewater seperately or pipe it to Waipawa for treatment and land based discharge. Following feedback and analysis, our focus is now on developing a 'one treatment plant solution' based in Waipawa.
Want to know more?
You can find out more about the options we have considered and our wastewater journey to date by heading to our website and searching #bigwastewaterstory
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CHALLENGE #1

Funding our wastewater upgrades



Our options

PREFERRED OPTION

OPTION 1

A 15-year plan to upgrade our wastewater plants and remove wastewater discharges from waterways

We upgrade our wastewater plants across the six settlements of Central Hawke's Bay within 15 years – removing wastewater discharges from our waterways. This includes the development of an integrated treatment and discharge wastewater system for the townships of Otāne, Waipawa and Waipukurau, that will see our wastewater irrigated to land at a single site. A new combined wastewater treatment plant will be built for Pōrangahau and Te Paerahi, and wastewater discharged to land at a new discharge site. Takapau will have minor treatment improvements, with wastewater discharged to land.

The scope of these works is significant – totalling some $68.8 million of capital expenditure over the next 10 years.

Completing this work will allow us to meet our existing Levels of Service that we have been unable to achieve, based on our current asset provision.

This option will incur additional debt servicing of $17.5 million and $10.8 million of depreciation over the next 10 years. This equates to an average rate increase for each connected property of $679 per annum to fully fund this option.

The 15-year plan is our preferred option, because it spreads the financial burden of delivering these significant works over a longer period of time, however still achieves our ambition of removing wastewater discharges from our waterways. In doing so, it lowers upfront what is already a large financial impact on the community overall.

What about if the cost to borrow increases?

This options relies heavily on borrowing. We've assumed a 2.5% borrowing rate over the life of the Long Term Plan. We have made this assumption based on the Council's current ability to borrow long term at 2.12% per annum. There is a risk that borrowing rates could rise before the required funds are drawn, meaning the costs of borrowing could be higher than we have forecast.

See our Key Assumptions on page 232 of our supporting information pack that outlines our assumption on borrowing interest rates and other key assumptions.



OPTION 2

A 10-year plan to upgrade our Wastewater Plants and remove wastewater discharges from waterways

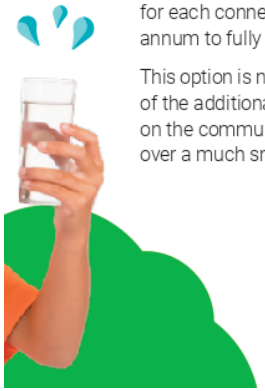
This option accelerates the delivery of option 1 (our preferred option) for completion within 10 years, instead of 15 years.

The benefit of this option is that we remove wastewater discharges from our waterways within 10 years, addressing the cultural and environmental impacts our discharges create sooner.

Completing this work will also allow us to meet our existing Levels of Service that we have been unable to achieve, based on our current asset provision – just in a much quicker timeframe. The capital works to be undertaken in the next years under this option is $74.2 million.

This option will incur additional debt servicing of $21.4 million and $13.6 million of depreciation over the next 10 years. This equates to an average rate increase for each connected property of $836 per annum to fully fund this option.

This option is not our preferred option because of the additional financial hardship it places on the community, with the costs impacting over a much smaller timeframe.



OPTION 3

Doing the minimum to meet current legal compliance, and remove wastewater discharges from waterways

This option sees us walk away from our Wastewater Strategy 2020. This option will still deliver the same pipelines and work towards discharging wastewater to land, as the previous options deliver. Where this option differs is that no new treatment plants will be constructed, and only minor improvements to existing plants will be undertaken. The capital cost of this option $41.1 million over the next six years.

This option would provide for us to achieve our levels of service in the short term (5 - 10 years), however as legislative standards continue to increase it is unlikely this option will support the achievement of levels of service in the long term.

This option will incur additional debt servicing of $14.0 million and $9.2 million of depreciation over the next 10 years. This equates to an average rate increase for each connected property of $557 per annum to fully fund this option.

This option is not our preferred option. While it has the lowest cost, it also comes with significant risk. While it will remove our direct discharges to our waterways, this option does not include additional work that will treat our wastewater to a higher standard as proposed in option 1 and 2.

This option would likely see us requiring to further invest in wastewater treatment plants in the next 10 years, in the event that only a short resource consent was granted or new legislative requirements for water quality were enforced. This option also does not allow for the projected population growth we expected to see across the district.

This option represents the early phases of projects in Options 1 and 2 and treatment improvement projects would cease once discharges are moved to land.

Have your say!

Should Industry pay more for the wastewater they generate?

Trade Waste Bylaw Review

We are proposing to change the Trade Waste Bylaw to increase the costs that commercial and industrial creators of wastewater currently pay.

This means increasing the amount they pay both operationally for wastewater they discharge into our networks along with a capital contribution towards upgrading our plants and networks to manage their wastewater.

Our three biggest tradewaste contributors add the equivalent load on our wastewater treatment plants each year in excess of 2,000 households.

Do you think we should be making the industry, that creates the large volumes of wastewater, pay more?

Would you be happy to pay more rates to keep industry and business in Central Hawke's Bay if we didn't increase the cost of industry discharging to our wastewater network?

Your feedback will help us shape our decision making. See page 43 of this Consultation Document on our 'other consultations', to make a submission.



CHALLENGE #2

How we fund the replacement of our assets

As a District we are plagued with the consequences of underinvestment and poor investment decisions in our infrastructure – from pipelines to playgrounds.

Historically, the Council has purposely under invested in renewals, as a means to artificially keep rates low. It has chosen to fund renewals through rates alone, meaning the renewal work was often deferred or cancelled due to the potential rate increases required to pay for them.

Some Councils choose to replace their assets by using an asset replacement fund, whereby they put aside rate money over time to fund the replacement of the asset. Our Council has no replacement funds available to use.

Our Council has chosen to fund replacements in the year they are required through rates, meaning there is often large fluctuations in costs and rates year to year, depending on what is to be replaced in that year.

Across our networks and assets we spend thousands each year repairing leaks or critical failures of pipes that are, in some instances, over 100 years old. We currently have $18 million of reticulation pipework alone, that has reached the end of its useful life – meaning it is well overdue for replacement. This includes our reservoirs in Waipawa and Waipukurau which are over 100 years old.

The consequences of past approaches have now caught up with us and we have no choice but to respond to the situation we find ourselves in. We're proposing a significant step change in the funding of our core infrastructure to address the challenges ahead of us, along with a changed approach to the way we fund it.


Our Challenges
BEN – I want people to respect our environment, take their rubbish with them and recycle more. It's important to leave our parks, beaches and campsites clean and as we find them.
HANNAH – I ride my scooter to school so having safe pathways and roads for getting around the district, means my friends and I can get to school safely.
TOM – my dad and I like to go fishing and when I get older, I want to teach my kids to fish too. If people keep polluting our rivers there won't be any fish left - please keep our rivers clean for swimming and fishing.
BINDY – I play basketball, and even as our population grows, we still need to make sure we have enough parks and sports facilities for a larger community.
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CHALLENGE #2

Funding replacement of our assets



Our options

OPTION 1

Debt funding in the short term to deliver essential renewals and upgrades

PREFERRED OPTION

This option involves making a significant step change in funding renewals and upgrades to our assets through increased debt over the short term (next five years). Our proposed approach is to debt fund our renewals through to Year 5 of the LTP, and then begin to fund our renewals through rates again. This initial debt funding will provide a means for our community to 'catch-up' on outstanding renewals and then provides for ongoing rate funded renewals that will meet the required legislative benchmarks set for renewals.

For our pipe networks this means replacing old pipes before they get to the end of their useful life and catching up on the replacement of pipes that are already past the end of their useful life. For our other assets such as playgrounds and aspects of property, it means that we have begun funding replacements for assets that are identified for renewal.

In our financial strategy summary on page 30 you can see how a scaled back but significant step change, already significantly increases our debt and rating requirement. Our shift back to rate funded renewals will result in large rate increases in Year 5 and Year 6 of the Long Term Plan, however we will then be funding required asset replacements, that ensure our average age of assets does not increase. Even this step change however, will not in itself bring Council back to achieve a "Balanced Budget Prudential Benchmark". By years 9 and 10 of the Long Term Plan, Councils operating costs including depreciation will still exceed operating revenue by 3%. To fully close this benchmark, and therefore to be able to fully fund depreciation Council would require an additional 3% rates increase on top of those already shown in this Long Term Plan.

This approach to funding the renewals and upgrades will still require committment from our current and future elected members and community to sustain the proposed rates increases over the life of the Long Term Plan, otherwise Council will find itself in the same position at the end of the 10 years.

There is no simple sustainable way of funding renewals, other than rating for them, even if Council chose to create a renewal fund. As renewals (asset replacements) are lumpy expenditure by nature dependent on what needs to be replaced from year to year, Council will commence utilising a renewal fund to smooth this impact on ratepayers. Any renewals monies unspent at the end of each financial year will be invested to fund future years capital programs.

This option to debt fund in the short term essential renewals and upgrades, creates a new debt of $22.4 million over the next five years. This option will incur additional loan repayments of $0.86 million and $0.70 million of amortisation over the next 10 years. This equates to an average rate increase for each property in the district of $20 per annum to fully fund this option. The impact of this would depend on the property type and the services it is connected to. For example, water renewals will only be collected from connected properties, while playground equipment will be collected through general rates across the whole district.

These upgrades will help us to continue to deliver our existing levels of service.

This option is our preferred option to rapidly address the historic underinvestment we face. Debt funding the 'catch-up' provides an opportunity to deliver the works with less immediate financial burden on the community, as opposed to funding the renewals solely through rates, which would incur significant further increases above those already projected.

Responding to the backlog of renewals is one of our biggest challenges as a District. We cannot move forward until we have addressed them.

OPTION 2

Fund essential renewals and upgrades through rates alone – resulting in significant rates increases

This option proposes to deliver a step change in funding renewals and upgrades, however through rates only, not debt in the first five years to support a catch up.

Historically, previous Councils have chosen to fund renewals through rates only, without utilising debt. This meant that funding renewals would have resulted in significant rates increases, as Council required rates to cover the cost of asset replacements in that year. Depending on the assets proposed to be replaced in that year, the requirement could be very large in one year. As a result, previous Councils chose to defer or cancel renewals all together and not fund the replacement of its assets in that year or at all to keep rates low.

These upgrades will help us to continue to deliver our existing levels of service.

The capital cost of this option $22.4 million over the next five years. This option will incur additional rates of $22.4 million and $0.70 million of amortisation over the next 10 years. This equates to an average rate increase for each property in the district of $291per annum to fully fund this option. The impact of this would depend on the property type and the services it is connected to. For example, water renewals will only be collected from connected properties, while playground equipment will be collected through general rates across the whole district.

This approach would require rates increases significantly greater than the increases already proposed, to fund the work through rates alone.

OPTION 3

Continue to defer renewals and upgrades (status quo)

We purposely continue to defer renewals and capital improvements, taking a high risk approach to our infrastructure. We complete renewals at a slower rate and run assets to the point of total failure. This is the historic approach that has been adopted by Council over the last two decades, in order to keep rates artificially low.

In this option, we will endeavour to maintain the existing levels of service that the community currently experience, however a likely outcome is that the public could expect increased outages and disruptions that could impact on levels of service.

This is a high-risk approach – leaks across the network would further increase, water outages and other failures would occur more regularly. The Council and community could face increased legal risk from potential environmental breaches, or failures to meet new compulsory standards if work was not completed in a timely manner.

This option would further defer the need for rate increases to fund renewals of $22.4 million over the next five years, however the average age of assets will continue to increase and the risk of failure will also increase. Operational maintenance costs are likely to increase with additional repairs and maintenance required to keep aged equipment operational. There is an increased likelihood of service delivery outages due to infrastructure failures and resultant repair downtimes.

Clearly this option is not a best practice or recommended approach, however has been the model substantially supported by the district for some time, hence is included for consultation.





Creating a Waste Free CHB

As a community we've set an ambitious vision for a Waste Free CHB. This is supported by targets to increase participation in kerbside recycling and divert waste from landfill, but we have some work ahead of us.

Central Hawke's Bay was an early adopter of kerbside recycling more than 20 years ago. Our current kerbside bag collection and recycling service has served us well, but has remained substantially the same since then.

The world of rubbish and recycling is complex, often affected by sudden changes and fluctuations of international markets for raw recycling materials, and government policy relating to the cost of rubbish disposal.

We're proposing change for our recycling and rubbish services and we want your views on some important trade-offs.

Have your say to help determine the next steps for our District.

Our options

OPTION 1

PREFERRED OPTION

Extend recycling and rubbish services at a small cost

We propose to introduce a Council rubbish wheelie bin service and extend our crate recycling service to Takapau, Otāne, Ongaonga and Tikokino and close our rural recycling drop off centres at these locations. Waste transfer stations across the district see no change in the first five years.

The proposed changes will decrease the general rate by $55,000 (or an average of $7 per property across the district) in the first year of the Long Term Plan, however increase the targeted rate for those that will receive the new recycling services.

A new $72 targeted rate will be applied to those in rural townships, who will be receiving the new kerbside recycling service.

In Year 3 of the Long Term Plan, all ratepayers in the kerbside rubbish collection zone will pay an additional $41 in rubbish targeted rates, with the introduction of a new Council operated wheelie bin service.

This extended service, while not an increase to the levels of service, will support the overall achievement of our proposed levels of service, including customer satisfaction with recycling and the diversion of waste from landfill.

Properties will be affected differently depending on whether they are in or out of the new collection areas (see page 39 for sample ratepayer rates). This option achieves change with minimal financial impact, meaning just a small increase in overall rates to those that receive the service currently.

This option is our preferred option as it has minimal financial impact on our community and rates.

It honours our commitment to prioritise general rates expenditure on core infrastructure. It also allows for further change in the future, if required.

Key changes:

- Introduce three crates for kerbside recycling – glass, cardboard, and tin and plastics
- Extend kerbside recycling service to Takapau, Otāne, Ongaonga and Tikokino (targeted rates increase for these locations, however a general rates decrease occurs across the District)
- Introduce 120L wheelie bins for refuse collection to every serviced household (in 2023/24), cancelling the current rubbish bag service. This means you may not require a private wheelie bin and will no longer be able to purchase Council rubbish bags
- Create a new rural recycling scheme, targeting locations using mobile recycling containers
- Closure of recycling drop off centres in Takapau, Otāne, Ongaonga and Tikokino
- No change to recycling services in Pōrangahau
- Investigation of food waste and green waste service for consideration in the 2022/23 Annual Plan.

While this option has an environmental benefit of supporting recycling, the introduction of a wheelie bin for refuse has the potential to increase volumes of rubbish overall.

Creating a Waste Free CHB

CHALLENGE #3



OPTION 2

No change to rubbish and recycling services (status quo)

This option involves no change to any recycling, rubbish, drop off centre or transfer station across the District.

This option has no impact on existing debt or rates and is purely a status quo option financially. It reflects that for some in the community, particularly our older generation, our current crate and bag service is relatively low cost and fit for purpose for their rubbish and recycling needs.

While having no cost impact, no disruption to existing levels of service or operational activities, this option does not allow us to move towards targeted environmental outcomes.



Environment vs convenience – what's your choice?

Wheelie bins can make our lives easier and are more convenient, but often do not achieve the environmental outcomes we expect. Contamination of recycling and increased rubbish volumes are two examples of drawbacks often associated with introducing a wheelie bin service.

To help guide us in our decision making, we specifically want to hear from you about your preferred choices on rubbish bags vs rubbish wheelie bins, and recycling crates vs recycling wheelie bins and the environmental and convenience trade-offs that result.

Have your say!

Tell us what your preferred recycling and rubbish services you would like from Council. Head to page 45 to make a submission on your preferred options.

	Environmental Outcomes	Convenience to users	Cost of delivery
Rubbish			
Council rubbish bags	**High** – effective in reducing waste to landfill as users actively consider what they put in bags.	**Low** – more effort needed in purchasing, storing and carrying bags to street.	**Low** – no increase to current service provision (status quo).
Council provides a 120 Litre wheelie bin for house-hold rubbish	**Medium** – 120L wheelie bin manages volumes of waste and still encourages users to engage with their waste.	**High** – easy to use, clean, less smell, one bin vs numerous bags, easy to take to street.	**Medium** – a small cost increase, which could be offset by savings in the general rate, however increases in the rubbish targeted rate if you receive the service.
Recycling			
Three crate system – User sorts recycling into three separate crates	**High** – considered the most effective way to increase recycling volumes and diversion from landfill.	**Medium** – better than the current two crates but still not as easy as a wheelie bin.	**Low** – a small cost increase, which could be offset by the closure of some drop off centres.
Recycling wheelie bin	**Low** – evidence to date shows this option results in increased contamination and recycling going to landfill (Christchurch has seen 50% of recyclables in landfill since introduction).	**High** – easy to use, clean, less smell, one bin vs several bags, easy to take to street.	**Medium** – a small cost increase, which could be offset by the closure of some drop off centres.

Most beneficial Little change Least beneficial



CHALLENGE #4

How do we pay for the growth we are experiencing?

The secret is out. Central Hawke's Bay is growing like never before!

In 2018 Central Hawke's Bay's population hit an all-time high of over 14,000 residents, reaching levels of growth not seen since the 1960s. Fast forward to 2031 and despite the current economic times, that number is projected to increase to more than 18,000 people – with over 1449 homes forecast to be built in that same time.

Being prepared for what's ahead is critical to ensuring future generations of residents in Central Hawke's Bay continue to thrive.

Historically, the Council has not prepared for the levels of growth we are experiencing – in only 2013 the district was in a state of decline. Most of our infrastructure is unable to support new connections without major upgrades. Many of our areas are also poorly serviced, or not serviced at all, with parks and open spaces. This situation will worsen as further infill subdivision and development occurs.

We are now preparing for growth as quickly as we can, completing planning documents such as our Integrated Spatial Plan 2020-2050, to understand where key townships will grow in the future.

We will notify our review of the current District Plan in May of this year, and are proposing regular reviews of the plan to ensure we are prepared to open new growth areas as required.

Should those driving the growth pay for the growth?

In our Long Term Plan pre-engagement last year, you told us that those creating the growth need to pay for the growth. We've now crunched the numbers of what that means and need your feedback.

Do you agree with this approach or should ratepayers continue to subsidise the cost of growth? We've outlined some options for you to feedback on so we know where you stand.







Development contributions for growth

What is a Development Contribution?

A Development Contribution (DC) is payable usually at the time of subdividing land, where there is increased demand on council assets and services.

Development Contributions can only be sought for projects in the future, not for projects already completed. They must relate directly to a specific geographic area where the growth can be attributed and must be spent within ten years of being collected.

What do Development Contributions actually pay for?

Development Contributions only pay for the impact of growth on the Council's network. This includes things like new parks or playgrounds, or upgrading / installing new wastewater or water pipes to cope with new houses.

What do Developers pay for?

Developers, not the council or the community, pay for the construction of roads, footpaths and the wastewater, stormwater and drinking water infrastructure in new subdivisions. At the completion of a subdivision these new assets are vested or 'gifted' to council to maintain and to plan for their replacement or upgrade.

What's our local approach to Development Contributions?

Our current approach has been to attribute 10% of the total costs of key three waters projects, where they can be attributed to a specific geographic location, to Development Contributions. This has seen areas such as Waipukurau and Waipawa with considerably lower Development Contribution costs compared with other areas of the district and the wider region, with the Council having not confirmed in 2018 its approach for wastewater. This means we have not been taking any development contributions for the future upgrades of our wastewater treatment plants.

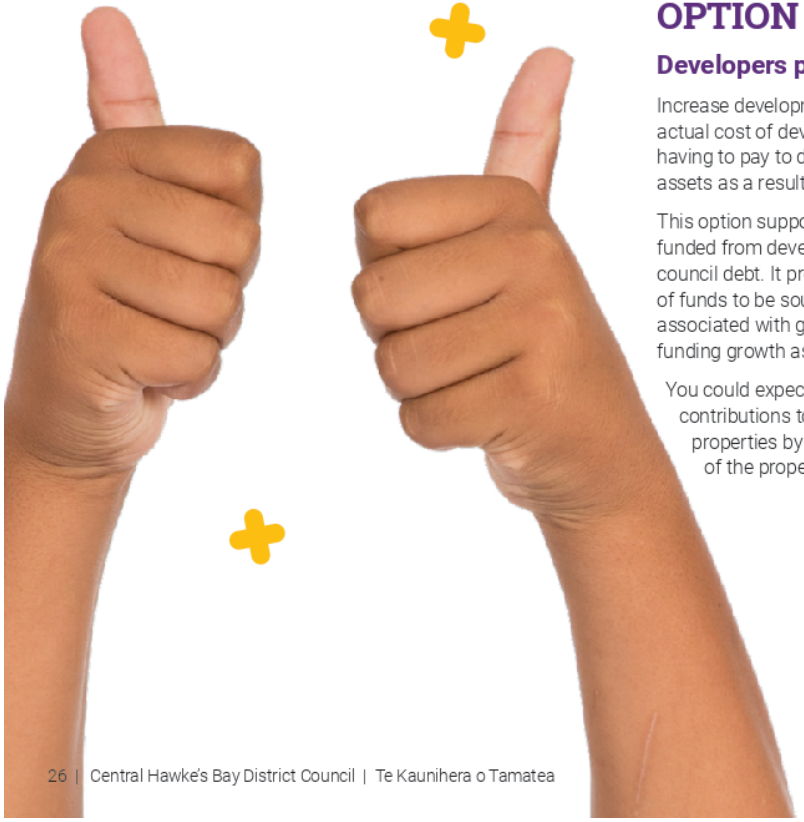
In developing this LTP, we have undertaken detailed work to identify projects related to growth in each geographic area.

Accelerating growth by reducing Development Contributions

Some councils choose to accelerate and support growth by reducing the cost of or having no development contributions. This approach values growth by reducing the costs associated with development.

CHALLENGE #4

How do we pay for growth?



Our options

OPTION 1

Developers pay for the full cost of growth

Increase development contributions to reflect the new actual cost of development, rather than the ratepayer having to pay to develop infrastructure solely for new assets as a result of growth.

This option supports overall growth capital to be 100% funded from development contributions rather than council debt. It provides for an additional $23.6 million of funds to be sourced over 10 years to pay for projects associated with growth, rather than ratepayers debt funding growth aspects of projects.

You could expect the costs of increased development contributions to be passed on to the purchasers of properties by developers, as an increased sale price of the property, to cover the increased costs.

PREFERRED OPTION

This option will see development contributions increase from:

Location	Current DC	New DC
Rural	$0	$1410
Waipukurau	$3278	$24,802
Waipawa	$1805	$24,802
Otāne	$7241	$24,802
Takapau	$15,984	$7545
Pōrangahau	$5251	$20,226

Prices exclude GST.

This is our preferred option because, during our pre-engagement with the community, we clearly heard that the cost of development should be borne by those creating the cost. While growth is important, it should not burden existing ratepayers, especially when an opportunity exists to maximise external funding to pay for this cost.

OPTION 2

Ratepayers pay for part of the cost of growth

Ratepayers pay for 25% of the cost of growth, funded by public debt rather than development contributions.

This option recognises that there is community good in new people coming to live in the district, supporting the local economy through new jobs and the construction of homes.

Recognising that the proposed cost to service growth in Central Hawke's Bay is high, developers may be discouraged from subdividing and constructing new homes in Central Hawke's Bay if the costs are too high. This could have unanticipated detrimental effects, such as creating further housing shortages in Central Hawke's Bay, as a result of the projected growth not eventuating.

If we reduce development contributions that developers pay, new ratepayer funds would be required to service the debt and the cost associated with the shortfall in funding. If the council were to offset the total cost of growth by 25% ($5.9 million), the ratepayer would subsidise each newly developed urban property by an average of $6,201 per property developed with debt funding.

The impact of choosing this option would be an average rate increase of $74 per rateable property across the district each year over the 10 years to subsidise district growth.

Have your say!

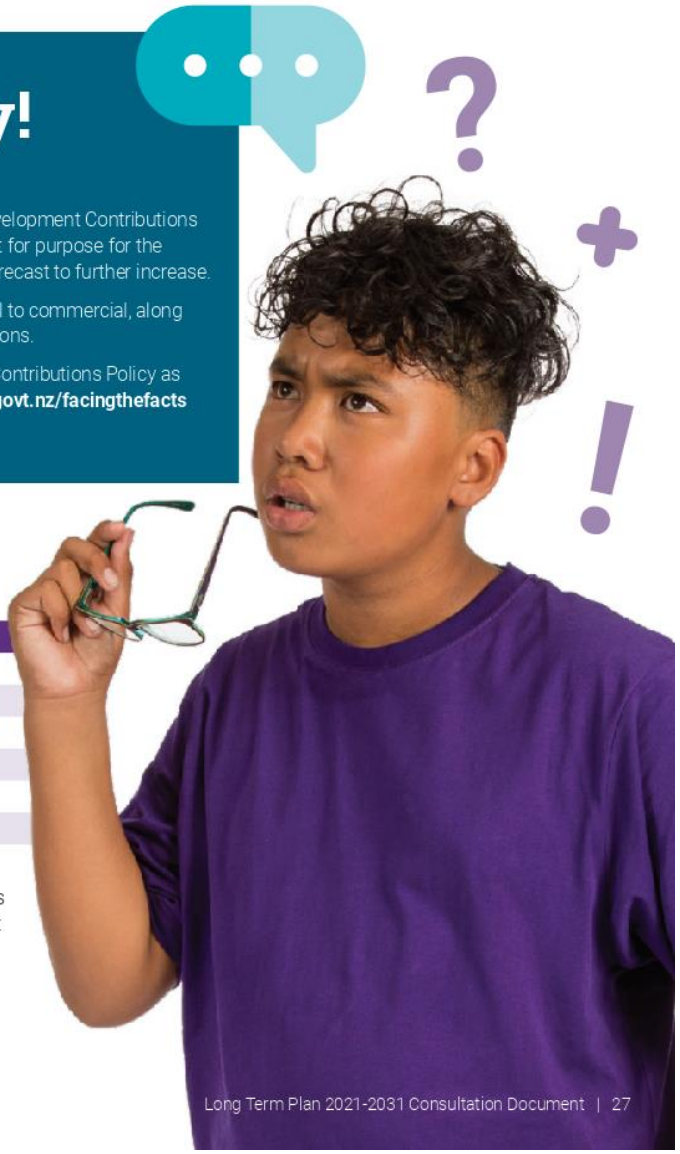
Development Contributions Policy Review

We have completed a substantial review of our Development Contributions Policy, recognising our current policy is no longer fit for purpose for the growth that we are now experiencing and that is forecast to further increase.

There are a wide range of changes, from residential to commercial, along with the introduction of new district wide contributions.

You can find a full copy of our Draft Development Contributions Policy as part of our supporting information at **www.chbdc.govt.nz/facingthefacts**

Have your say by making a submission.



This option will see development contributions increase from:

Location	Current DC	New DC
Rural	$0	$1,057
Waipukurau	$3278	$18,601
Waipawa	$1805	$18,601
Otāne	$7241	$18,601
Takapau	$15,984	$5,658
Pōrangahau	$5251	$15,170

Prices exclude GST.

We do not support this option of using ratepayer funds for growth, as we believe that the cost of development should fall where the costs can be clearly attributed.

Infrastructure focus

Infrastructure Strategy summary

Our Infrastructure Strategy sets out the 30 year plan for maintaining and improving levels of service for three waters, land transport, landfill and solid waste, and places and open spaces.

The strategy is a major shift from previous versions, providing a greater level of rigour and sophistication in the planning for key infrastructure asset classes than the district has ever had before.

The Strategy outlines principles that guide the management of key infrastructure and sets out the key challenges and focus areas for each type of infrastructure. It also provides an explanation of the planning approach for each type of infrastructure and an overview of the key programmes of work and investment requirements for each type of infrastructure.



See page 128 of our supporting information for a full copy of the Infrastructure Strategy at www.chbdc.govt.nz/facingourfuture

Principles

In developing the infrastructure strategy, the following principles have been adopted to guide our decision making at a strategic and operational level:



Principle 1
Dig Once



Principle 3
Enabling Smart Growth



Principle 5
Fiscal Responsibility



Principle 2
No Band Aids



Principle 4
Community and Environmental Bottom Lines



Principle 6
Innovation and Technology

What is an infrastructure strategy?

An infrastructure strategy provides a 30 year picture and long term thinking to significant decisions around investment in infrastructure. It demonstrates how we are managing our assets sustainably and prudently, through future periods of growth and other pressures.

Significant infrastructure focus areas

To meet the challenges identified with managing our infrastructure, and achieve Project Thrive's community outcomes, we have committed to prioritising the following focus areas for infrastructure planning and investment:

Delivering the renewals programme

Ensuring the full programme is delivered will be critical for the success of the step change in renewals.

Meeting new and existing Compliance standards

Our assets meet today's standards and we are planning for forecast increased compliance standards

Improving infrastructure resilience

We plan for how our infrastructure needs to respond to changing demands and climate change and we are prepared for emergencies

Planning for responding to growth opportunities

We are proactively responding and addressing growth opportunities for the future

Prioritising community centred and partnership opportunities

We seek out and use our community and partners to implement our infrastructure opportunities

Our key infrastructure at a glance



215kms
of drinking water pipes



400km
unsealed road



131kms
of wastewater pipes



24
Public toilets



40 years
average age of our drinking water pipes



15
cemeteries



52 years
average age of our wastewater pipes



48
retirement flats



Six
wastewater treatment plants



185ha
of reserves



1264kms
of road



26
community facilities

Significant enhancements through the life of the Strategy

The step change required in our asset management planning approach (especially for three waters assets) has resulted in a marked increase in capital works, and investment.

Over the life of our Infrastructure Strategy we can have confidence that:

- Investment in Infrastructure is driven by information, science and risk
- Assets are replaced when they are worn out in a manner that does not create a risk burden for future Councils or ratepayers
- Long-term solutions are implemented rather than quick fixes
- Compliance with legislation is mandatory but considered in most cases to be a minimum standard when evaluating project benefits



Further, through the life of the Strategy the Council will see:

- Council catch up on replacing assets that are already beyond the end of their useful life
- Six wastewater treatment plants and discharge schemes fundamentally improved, upgraded or rebuilt
- A focused investment in community facilities, halls, pools and open spaces following the completion of the Community Facilities Strategy
- Investment in water infrastructure to enable and accommodate continued high rates of growth in the district
- Improved water resilience through network upgrades and the replacement of key high risk assets
- Continued investment to maintain the condition of our urban and rural roads

Capital Deliverability

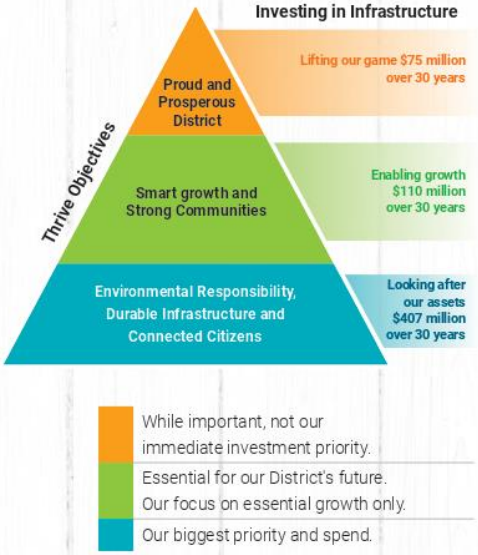
This Long Term Plan sees a major increase in capital expenditure over the 10 years, particularly in our three waters activity. These increases are significant, and above the level of capital funding this Council has delivered historically.

The Council has been gearing up for this step change by:

- Setting up a dedicated internal project management team with specialist project management software
- Procuring long-standing professional services arrangements with key advisors
- Early completion of engineering design work for some of our waste water projects

Prioritising investment in our infrastructure

Our infrastructure investment decisions are driven by our strategic objectives as outlined in Project Thrive. We know that if we lay solid foundations in our core services and facilities, for example building durable infrastructure, there is a positive flow-on effect in every other aspect of what we do. As such, we categorise our investment in infrastructure into three primary categories which align to our Thrive objectives.



Responding to climate change

The impacts of climate change are already being felt in Central Hawke's Bay. Changing weather patterns, more frequent and more severe storms, and the recent record-breaking drought, are examples of what we can expect to see more of. It is important that as a District we plan as best we can to meet these challenges. This Long Term Plan is influenced in many areas by climate change with most significant influences being the known impacts on our infrastructure – in particular our water, wastewater and stormwater networks, which are primarily affected. Our existing and future infrastructure will be tested by changes in the climate. Rain events raise water levels, affecting our stormwater, wastewater and roading assets. Further, changing land-use patterns affect our assets and can affect the physical, economic and social composition of our District. Throughout this Long Term Plan the impacts of climate change have been accounted for across relevant activities.

Further information specific to how climate change is impacting investment in infrastructure can be found in the Infrastructure Strategy in our supporting information pack.

Asset condition summary

Understanding the condition of assets through targeted condition assessment programmes is a core part of what the Council and its contracting partners do. Sometimes this involves the use of highly advanced and sophisticated technical equipment such as the laser technology we use to assess road surfaces, and sometimes it is as simple as a visual inspection of a standing asset like a pump-head. It is not always possible, practical or affordable to routinely gather accurate condition data on all of the Councils assets. Underground assets are more difficult and costly to inspect than those above ground, so often asset age or other available information is used as a different way to assess condition. This is typically based on risk, with higher risk assets being inspected and assessed more rigorously.

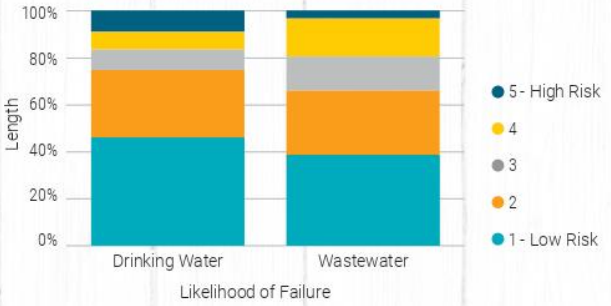
Our Infrastructure Strategy includes tables and figures which show the average age of our assets. On average, our assets are at, or near, the midpoint of their standard useful lives / condition / or degradation cycle. In other words, about half of the Council's assets are currently 'ok' in terms of condition. But looking at our assets through this lens alone tells only half the story. The reality is that there are number of critically important infrastructure assets that are at the end of their useful life and at high risk of failure.

This LTP places significant focus on our piped infrastructure which is failing in many areas due to age and condition. The charts shown to the right provide a snapshot of the likelihood of failure of our two most critical and largest sets of pipe assets (water and wastewater).

The charts show that between 20% and 40% of these assets have a likelihood of failure score of '3' or above. This indicates the risk of failure is increasing and intervention should be considered or planned for. It is these assets, and particularly those graded a likelihood of failure score of '5', that are driving our investment in pipes.

Nearly 25% of our drinking water pipes and nearly 40% of our wastewater pipes are due for replacement.

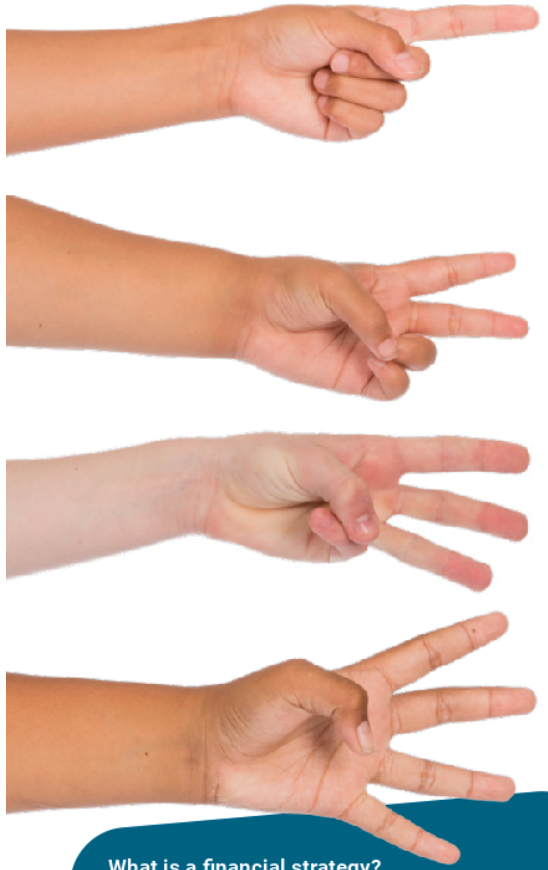
Pipe assets likelihood of failure



Read the full Infrastructure Strategy for more information

The Infrastructure Strategy on page 128 of our supporting information pack, outlines more detail on the nature of our assets, including their installation date and how we have assessed the levels of confidence we have in our data.

View our supporting information at **www.chbdc.govt.nz/facingthefacts**



What is a financial strategy?

The financial strategy outlines our overall approach to managing our finances. It sets our limits on rates increases and debt, illustrates the overall financial impacts of decisions made in the Long Term Plan and is key in demonstrating prudent financial management.

Crunching the numbers

Financial Strategy – Facing the numbers

Years of historical low rates increases, despite mounting deferred renewal and capital investment programmes, means as a community we are now having to face up to the numbers of our past. We are also faced with a number of historic poor investment decisions in relation to assets such as our wastewater.

We've pulled every lever and used every tool available to us to minimise our rates and deliver essential renewals and upgrades to our infrastructure. This includes the use of external funding and reprioritising every aspect of our spending. Despite this, we've now reached a point where we still face large rate increases. Even if we cancelled every non-core activity such as libraries, economic and social development and closed parks across the District, the extent of our deferred renewals and required investment in core infrastructure means these savings still wouldn't be enough.

Our Financial Strategy

The Financial Strategy is the foundation of the Council's LTP goal to manage growth and the required renewals and investment, while living within our means. To achieve this, the focus of the strategy is to achieve operating surpluses, sufficient to reinvest into our asset infrastructure, to ensure they are sustainably managed and comply with legislative requirements.

A key aspect of our Financial Strategy is to try and reach a prudent balance between loan and rate funding for the purchase of new and maintenance of old assets.

To reduce the need to borrow, we intend to progressively pay for more asset renewals from rates, with loans being used to fund new assets required for increases in levels of service and growth.

We are signalling significantly higher than normal rates increases in the Draft 2022-2031 Long Term Plan in order to achieve the financial goals of:

- Funding renewals through rates (rather than debt funding, which is what the Council is proposing to do in the short term (first five years) to catch up on historic underinvestment)
- Finding alternative sources of income to fund growth projects
- Balancing the operating budget.

You can view the full Financial Strategy and our prospective accounts in our supporting information by visiting www.chbdc.govt.nz/facingthefuture

Funding historical underinvestment

Depreciation is the spread of the cost of an asset over its useful life.

One of the Council's operating costs is depreciation. This is the accounting method used for spreading the replacement costs of assets over their useful life. For example, a wastewater treatment plant that costs $30 million, and is expected to last for 30 years, will have a depreciation charge of $1 million per year.

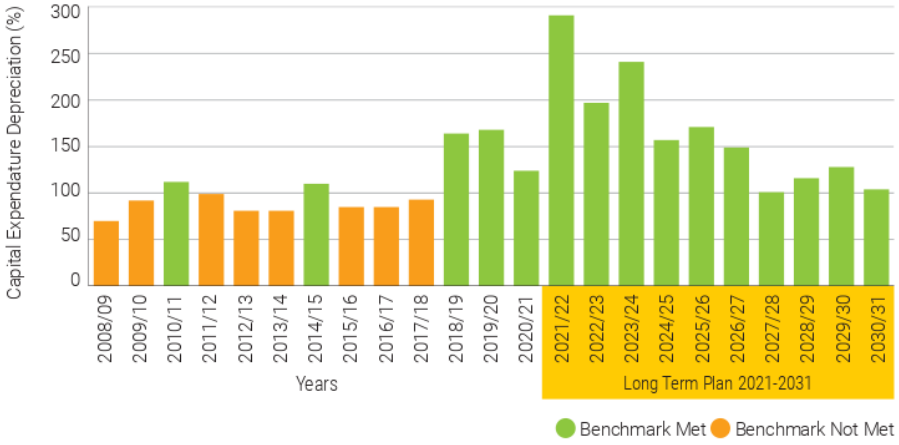
In an ideal world, the Council would rate to fund depreciation so that when the asset needs replacing, we are holding cash reserves (from years of rating for depreciation) equal to the cost of the replacement asset. However, in practice, because the money isn't needed until later years, the easiest way for councils to keep rates artificially low is not to fully rate for asset replacements. As most Council infrastructure assets have a life expectancy of 30 to 100 years, the cash shortfall doesn't become apparent for many, many years. Unfortunately, this is the case we find ourselves in, where historically rates increases have been artificially held below the cost of inflation (see graph below).

Not fully funding depreciation, changes in water treatment and wastewater discharge compliance regulations, and a growing population means that many of our assets are at the end of their useful life, and are no longer fit for purpose.

Council plans to address this issue through embarking on a significant capital program of asset replacements. Initially Council will fund this through the use of debt, but from year 6 Council will revert back to rate funding these. This will see a significant step change in rates at this point, however this alone will not be sufficient to fully fund depreciation going forward but will significantly close the gap.

As renewals (asset replacements) are lumpy expenditure by nature, Council will commence utilising a renewal fund to smooth this impact on ratepayers, and any renewals monies unspent at year end will be invested to fund future years capital programs.

Essential Services Benchmark – Capital Spend vs Depreciation



What does this graph mean?

The graph shows how much Council is spending per year on essential acquiring assets (roading, drinking water, waste water, and stormwater) per year versus how much it is recording as depreciation.

What this highlights is that the Council has historically under invested in asset renewals. This coupled with aged assets, and increasing compliance regulations, means that the Council is having to invest significantly in replacing and upgrading its assets over the next 10 years.

The green bars over the life of the Long Term Plan, show that we plan to replace more of our assets than we have to address this catch up.

Rates affordability

Central Government sets a number of legislative standards that the Council must report on as part of preparing a Long Term Plan. One of these standards is the affordability of rates, which must be within a set limit that each Council decides upon in the development of its Financial Strategy. Council has set this limit as a policy decision, recognising the aspiration of elected members and the community's desire to keep rates at an affordable level. In reality however, the policy cannot be achieved as we face the facts and the requirement to raise rates above this policy limit, out of necessity.

Rates (increases) affordability benchmark



What does this graph mean?

The graph shows that in order to catch up on the historic underinvestment in our infrastructure, the Council is temporarily willing to exceed its own rate increase limits that it has set as part of its Financial Strategy. The Quantified Limits, as shown in the graph, represent Local Government Inflation forecasts plus 3%. The years that the proposed rates increases exceed this limit are shown in orange.

Rate increases will need to continue at levels above inflation until such time as it meets the balanced budget benchmark, at which point it would be fully funding depreciation.

Due to rates affordability constraints, this won't be achieved in this LTP. However, should Central Government Three Waters Reform occur in 2023/24, we will use this opportunity to revisit budgets with a view to fully funding depreciation at this point. Otherwise this will be revisited in the 2025-2034 Long Term Plan.

Big district, small population

One of the other challenges facing Central Hawke's Bay is that it has a small population base dispersed across a wide geographic location. All councils have to comply with the same drinking and wastewater standards, regardless of their size and population. For example, Napier City Council has 25,720 rating units to fund a single, but larger wastewater treatment plant and associated resource consents, while Central Hawke's Bay District Council only has 4,175 rating units, to fund six wastewater treatment plants due to our population spread.

Napier vs Central Hawke's Bay

Napier City Council has 25,720 rating units to fund one wastewater treatment plant

Central Hawke's Bay District Council has 4,175 connected rating units to fund six wastewater treatment plants

Balancing the budget

Balancing the budget shows that operating revenue is sufficient to cover operating costs, including depreciation.

To catch up on previous historical underinvestment, the Council is going to utilise debt to fund its renewals in the short term (rather than rates).

Obviously it would cripple ratepayers if the Council was to pay for the catch up of years of underinvestment in its infrastructure through rates alone – the rate increases would be unaffordable for many households. To this end, we are proposing to continue to operate operating deficits until 2031, despite some significant rate increases in the meantime, due to the impact of unfunded depreciation (see the graph below to see this).

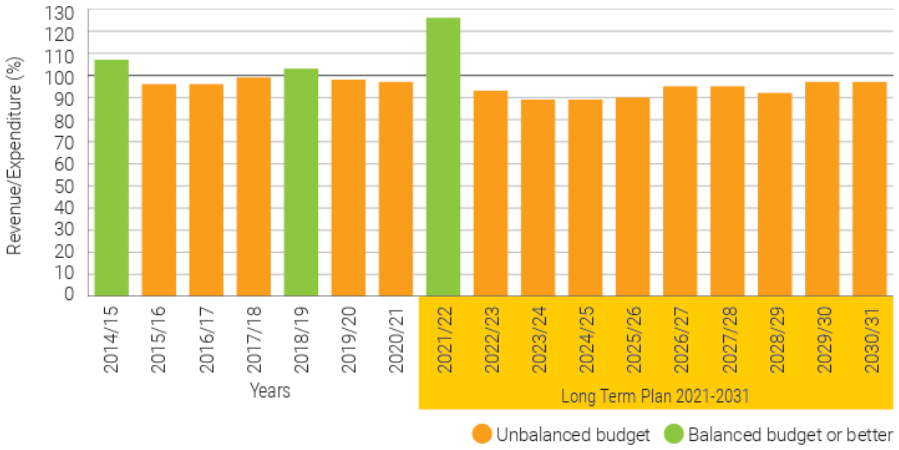
While the Council won't make accounting surpluses (after depreciation), it will still generate cash surpluses. These will be used to partly fund the cost of replacement assets, however debt funding will be required to cover the shortfall in the short term (next five years).

We believe that this is financially prudent in the short term, however cannot continue in the longer term. That is why we are proposing large rate increases in Year 5 onwards in the Long Term Plan (as part of Challenge 2). This will ensure the renewals are fully funded through rates and not debt, to get closer to having a balanced budget.

Despite the step change in rates indicated in the Long Term Plan, Council will still be running a 3% shortfall in years 9 & 10 of the Long Term Plan. To fully close this gap and fully fund depreciation, rate increases would have to be a further 3% from those signalled in Councils Currently due to rates affordability constraints, this won't be achieved during this Long Term Plan. However, should the Central Government Three Waters Reform occur in 2023/24, we will use this opportunity to revisit budgets with a view to fully funding depreciation at this point. Otherwise this will be revisited in the 2025-2034 Long Term Plan.

See page 121 of our supporting information that provides more information about what we are doing to achieve a balanced budget long term.

Balanced Operating Budget Benchmark





Debt limits

Council is in the fortunate position that it currently has minimal debt, and current interest rates are at historically low levels. This will allow us to implement a dual-prong strategy of using a combination of debt and rate increases to fund the upgrade of assets. Debt allows the Council to spread the costs over the lifetime of the assets.

On the opposite page is the projected Council debt position over the next 20 years.

While the costs of interest are currently low, the cost of servicing this debt and the increased cost of running the new, bigger treatment plants will also lead to an increase in rates over time as shown in the rates (increase) affordability chart on page 37.

New Zealand Councils borrow through the Local Government Funding Agency (LGFA), and they operate a multi-tier lending limit system. Tier 3 Councils can only borrow up to $20 million, Tier 2 Councils can borrow up to 175% of their annual operating income (the orange line on the graph on page 37), and Tier 1 Councils can borrow up to 250% of their operating revenue (the red line on the graph on page 37).

Until recently Central Hawke's Bay District Council was a Tier 3 Council, but in anticipation of the capital programme, we have moved to Tier 2 and are proposing, as part of this consultation, to update the Treasury Policy to so we can borrow up to 150% of our operating revenue, which is lower than the LGFA's 175% limit (the green line on the graph on page 37).

This will allow us to deliver the first four years of our capital programme, however at Year 5 we will again run out of debt headroom.

We've considered the different approaches available to us, to provide for additional debt headroom to allow future borrowing to deliver the work programme, and to provide capacity to respond to any unforeseen events (such as floods, pandemics and earthquakes).

The approaches we have considered are discounted are:

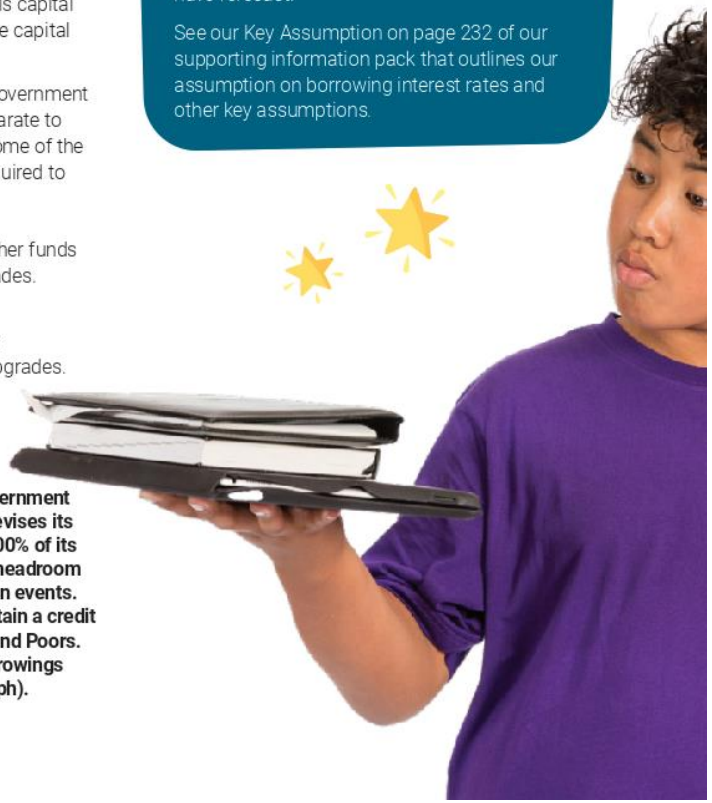
- Require a capital contribution towards the construction of the new wastewater treatment plants from every connected property. This would be in addition to the ongoing annual rates each property pays. This capital contribution would be utilised to complete the capital programme without incurring further debt.
- As mentioned on page 5, there is a Central Government Three Waters Reform process occurring separate to this Long Term Plan. Depending on the outcome of the Government reforms, the Council may be required to transfer its water assets and associated debt in 2023/24 and as a result the Council will not need to substantially borrow any further funds for the implementation of three waters upgrades.
- The fourth option is to halt the infrastructure upgrades it proposes and seek an alternative funding avenue before continuing with the upgrades.

The approach that Council has taken and the assumption that all of the prospective financial statement modelling has been based on for the Long Term Plan 2021-2031, is that Council becomes a Tier One Council with the Local Government Funding Agency (LGFA) and at the same time revises its Treasury Policy to allow Council to borrow to 200% of its revenue. This is needed to give sufficient debt headroom to provide the capacity to respond to unforeseen events. To allow this to occur, Council would need to obtain a credit rating from a credit agency such as Standards and Poors. Once this is obtained, the LGFA would allow borrowings of up to 250% of revenue (the red line in the graph).

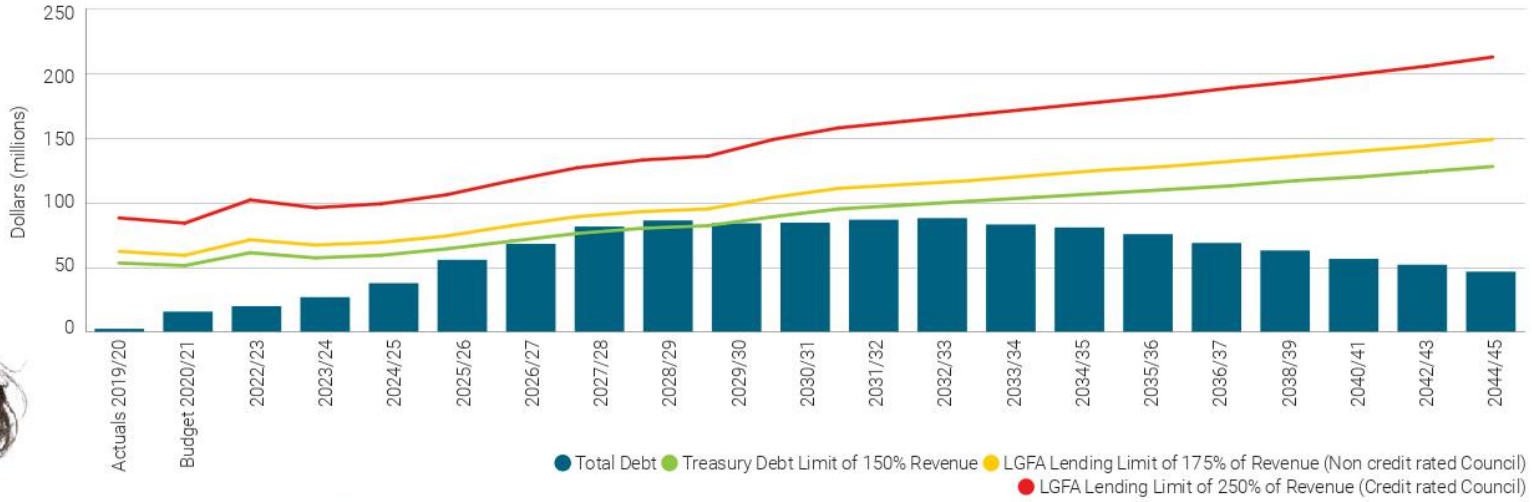
What about if interest rates increase?

We've assumed a 2.5% borrowing rate over the life of the Long Term Plan. We have made this assumption based on Council's current ability to borrow long term at 2.12% per annum. There is a risk that borrowing rates could rise before the required funds are drawn, meaning the costs of borrowing could be higher than we have forecast.

See our Key Assumption on page 232 of our supporting information pack that outlines our assumption on borrowing interest rates and other key assumptions.



Central Hawke's Bay District Council Debt vs Debt Limit – LTP 2021/31





What do you think?

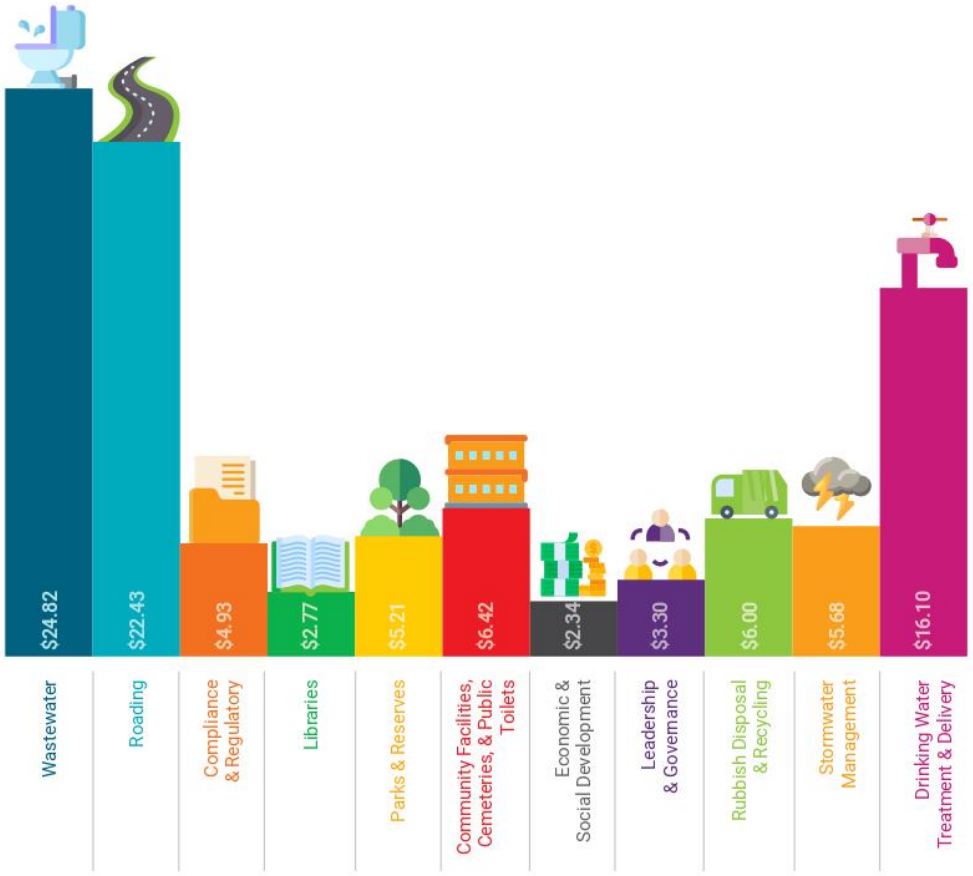
Have we got the balance right?

Should we further delay essential upgrades in our core infrastructure to limit our borrowing? What more should or could we be doing? See page 45 on how to make a submission on this and other areas in this Consultation Document.

See our 'Supporting Information Pack' to see our Draft Revenue and Financing Policy and Draft Treasury (including Investment and Liability) Policy.

How rates will be spent over the next ten years...

Where, on average every $100 of rates will be spent over the Long Term Plan 2022-2031



Proposed rates 2021-2031

We reviewed and consulted on our Revenue and Financing Policy and rating system in 2020, to determine how the Council's costs will be divided across the community between rates and user pays (fees and charges). This resulted in a couple of changes in the cost recovery split between fees and charges, and rates – namely in land use and subdivision consenting, animal control, compliance and monitoring, and stormwater areas. In addition, the stormwater catchment areas (and therefore the stormwater targeted rate) have been extended to include the townships of Takapau and Otāne, as well as a Central Business District differential introduced.

As outlined in *'Challenge Three – Creating a Waste Free CHB'*, we have proposed to extend kerbside recycling services to Takapau, Otāne, Ongaonga, Tikokino, while closing the recycling drop off centres in these towns. This will see the creation of a kerbside recycling targeted rate for these towns, offset by a savings in general rates due to the closure of the drop off centres.

We also reviewed our Development Contributions Policy (the mechanism that we recover from developers the cost of infrastructure upgrades caused by district growth – not renewals of existing assets). This policy also forms part of the LTP consultation.

We have used a sample of district ratepayers to demonstrate the impact of these changes (based on the assumption that the four preferred options are ratified by the consultation) on rates for 2021/22. The sample rates are shown in the table on the right.



	Coastal Residential		Rural								Urban Residential											
	Te Paerahi		Lifestyle residential		Aramoana		Ruahine		Ruataniwha		Ongaonga		Otāne		Pōrangahau		Takapau		Waipawa		Waipukurau	
Based on: Capital Value	$495,000		650,000		$4,880,000		$2,950,00		$5,000,000		$315,000		$315,000		$121,000		$345,000		$400,000		$455,000	
Land value	$295,000		205,000		$4,240,000		$2,300,000		$4,000,000		$50,000		$118,000		$59,000		$64,000		$77,000		$116,000	
	Act	Prop	Act	Prop	Act	Prop	Act	Prop	Act	Prop	Act	Prop	Act	Prop	Act	Prop	Act	Prop	Act	Prop	Act	Prop
General Rate District	539	652	708	856	5,314	6,426	3,213	3,884	5,445	6,584	343	415	343	415	132	159	376	454	436	527	496	599
District Land Transport Rural	645	638	448	443	9,273	9,169	5,030	4,974	8,748	8,650	109	108	258	255	129	128	140	138	168	167	254	251
Refuse Collection Service Available	30	29	-	-	-	-	-	-	-	-	30	29	30	29	30	29	30	29	30	29	30	29
Sewerage Operations Rate Service Available	827	874	-	-	-	-	-	-	-	-	-	-	827	874	827	874	-	-	827	874	827	874
Stormwater Operations Catchment	-	-	-	-	-	-	-	-	-	-	-	-	-	45	-	-	-	37	364	355	414	404
Water Supply Operations Service Available	789	858	-	-	-	-	-	-	-	-	-	-	789	858	789	858	789	858	789	858	789	858
Recycling Collection Rate Service Available	-	-	-	-	-	-	-	-	-	-	-	72	-	72	-	-	-	72	100	72	100	72
District UAC UAC	291	304	291	304	291	304	291	304	291	304	291	304	291	304	291	304	291	304	291	304	291	304
TOTAL	**3,121**	**3,355**	**1,447**	**1,604**	**14,878**	**15,899**	**8,533**	**9,162**	**14,484**	**15,538**	**773**	**929**	**2,538**	**2,852**	**2,198**	**2,352**	**1,626**	**1,893**	**3,005**	**3,186**	**3,200**	**3,391**
Total $ Change		234		157		1,021		629		1,054		156		314		155		267		193		191
Total % Increase		7.5%		10.8%		6.9%		7.4%		7.3%		20.1%		12.4%		7.0%		16.5%		6.4%		6.0%

Act = Actual Rates 2020/21 | Prop = Proposed Rates 2021/22

Keeping our community going

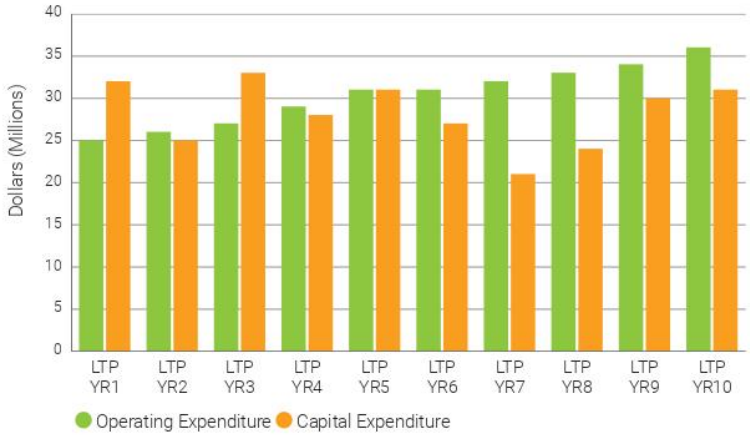
Despite our big challenges, we're working hard to maintain the delivery of assets and services that make Central Hawke's Bay a great place to live and play.

Without trading off playgrounds for wastewater ponds, we've had to prioritise investment in our core infrastructure over many of the community's priorities for the future. This means we've either slowed down, reduced the scope or in some situations, cancelled some projects.

We've had to prioritise our core infrastructure, to ensure our investment is directed to where it is most urgently needed. This means we've had to compromise on some of the things that add vibrancy and character to our community.

The graph below shows that while we're continuing to deliver day-to-day services (represented by the green bars), in addition we are playing catch-up to replace or renew ageing infrastructure (represented in the orange bars). Some of these core infrastructure investments are significant in value and limit our ability to invest in the 'nice-to-have' activities.

Expenditure by Year of the Long Term Plan





Solid Waste

- Potential changes to recycling
- Development of a new landfill cell
- Construction of stage one of a reuse-recovery centre
- Development of a new centralised transfer station

Land Transport

- Road improvements, including resealing and bridge maintenance
- Renewal of footpaths and constructing new ones
- Programme maintenance of the roading corridor
- Completion of the Pōrangahau to Wimbledon Provincial Growth Fund upgrades

Places and Open Spaces

- Delivery of library programmes and services
- Ongoing support of the Centralines Indoor Pool and Central Hawke's Bay Museum
- Renewal of playgrounds, public toilets and open spaces
- New open spaces to respond to growth
- Continued development of Tukituki Trails

Wastewater

- Major upgrades to treatment plants and systems for Otāne, Waipawa and Waipukurau, Pōrangahau and Te Paerahi, and Takapau
- Major renewals (replacement of assets) district wide to reduce leaks
- Upgrades (improvements of assets) to service new growth areas

Water Supply

- Replacement of pipes to reduce leaks and pipe bursts
- Continuation of upgrades to drinking water supply and resilience
- Upgrades to service new growth areas
- Improvements to service firefighting demand

Stormwater

- Upgrades to provide for new growth areas
- Replacement of existing failed stormwater pipelines
- Upgrades to enhance wastewater discharges

Planning and Regulatory

- Review of the District Plan
- Construction of a new pound
- Issuing of building and resource consents

Community Governance, Leadership and Consultation

- Elections
- Democracy and decision making
- Community funding
- Long Term Plan

Want more information?

You can view the proposed activity statements, levels of service and financial impact statements for each of our activities in our supporting information pack from page 17.



Other consultations

Central Hawke's Bay District Council "Three Waters Bylaw Reviews"

We are also reviewing and consulting on our Water Supply, Wastewater (and Tradewaste), and Stormwater bylaws from 1 to 31 March 2021.

The feedback we receive from you will help us to develop an integrated approach to three waters management in the District.

We want to ensure our approach aligns to, compliments and reflects the feedback we heard clearly from the community through Project Thrive, as well in the development of other projects such as the District Plan Review and the Integrated Spatial Plan 2020 – 2050.

The four bylaws we are consulting on are:



These bylaws influence things like who can connect to our supplies, how much waste can be discharged, the requirement for water tanks at each property and how we manage stormwater.

Our current bylaws need to be refreshed to ensure they reflect the environmental and infrastructural demands of our time.

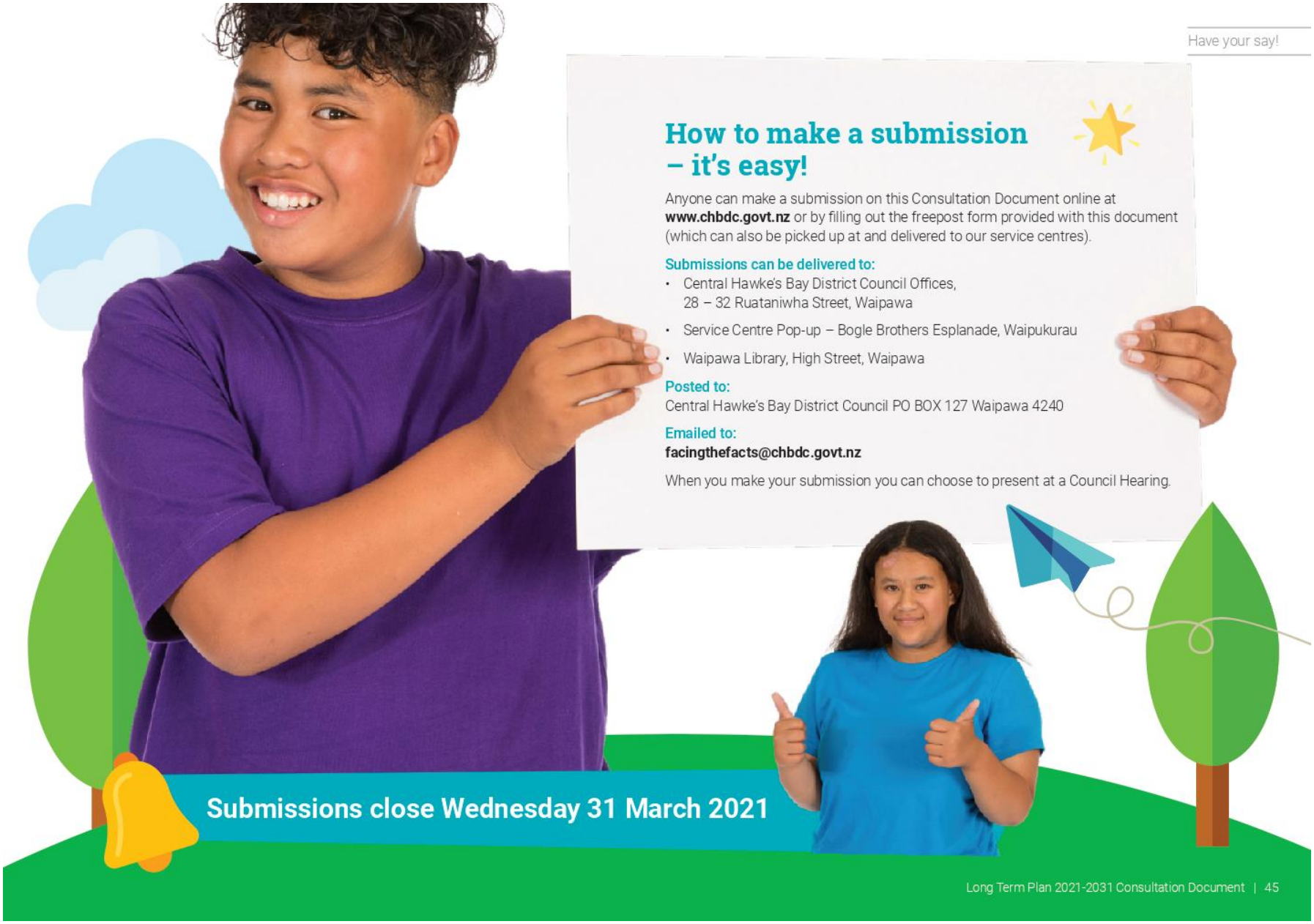
The new bylaws will inform how we approach asset management and durable infrastructure practices to support our sustainable water demand management plan and wastewater strategy. The impact of these bylaws is wide reaching – it ensures that step by step, we make positive changes which lead to smart growth while being environmentally sustainable.

Bylaw Review Statement of Proposal

View the statement of proposal on our website, containing more information about the rationale of the changes and the proposed bylaws at www.chbdc.govt.nz




Have your say!
We want to hear your views on all of the proposals and relevant strategies outlined in this document.
There are a number of ways you can find out more information on any aspect of this document or the LTP process:
• You can visit our website at www.chbdc.govt.nz/facingthefacts
• You can get in contact with one of our Council staff on 06 857 8060 or elected members (elected member contact details are on page 6 of this document).
• Email us facingthefacts@chbdc.govt.nz
Supporting Information includes the financial and infrastructure strategies, financial statements, policies, activity statements and other information, such as our key assumptions and draft development contributions policy, in a pack we've called our 'supporting information'.
This Information can be found on our website or at one of our service centres in Waipukurau (Pop-up located at the old Waipukurau Railway Station), Council Office in Waipawa or Waipawa Library.
44 | Central Hawke's Bay District Council | Te Kaunihera o Tamatea


Have your say!
How to make a submission – it's easy!
Anyone can make a submission on this Consultation Document online at www.chbdc.govt.nz or by filling out the freepost form provided with this document (which can also be picked up at and delivered to our service centres).
Submissions can be delivered to:
• Central Hawke's Bay District Council Offices, 28 – 32 Ruataniwha Street, Waipawa
• Service Centre Pop-up – Bogle Brothers Esplanade, Waipukurau
• Waipawa Library, High Street, Waipawa
Posted to:
Central Hawke's Bay District Council PO BOX 127 Waipawa 4240
Emailed to:
facingthefacts@chbdc.govt.nz
When you make your submission you can choose to present at a Council Hearing.
Submissions close Wednesday 31 March 2021
Long Term Plan 2021-2031 Consultation Document | 45


This Consultation Document was released for public consultation on Monday 1 March 2021. If you are wondering where you can find out more information about this document, its supporting information and the submission process please see page 44 of this document.
Submissions close Wednesday 31 March 2021
Central Hawke's Bay District Council
facingthefuture@chbdc.govt.nz
06 857 8060 • www.chbdc.govt.nz
PO Box 127 • 28 - 32 Ruataniwha Street, Waipawa 4210
CENTRAL HAWKE'S BAY
DISTRICT COUNCIL


FACING THE
FACTS
Consultation Document
Supporting Information
Long Term Plan 2021-2031
CENTRAL
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DISTRICT COUNCIL

Contents Page

FACING THE FACTS

CONSULTATION DOCUMENT SUPPORTING INFORMATION TERM PLAN 2021–2031

This supporting information forms the basis of the content that the Consultation Document has been developed upon.

To guide you through this supporting information we have created three sections of key information.

Section 1
Where are we heading?

This section outlines the outcomes for our community of the future, with our vision, goals and principles for the future of Central Hawke's Bay.

Section 2
How are we going to get there?

This section outlines each of the proposed activity statements for each activity, including proposed performance measures, Group Financial Impact Statements, significant negative impacts and other supporting information.

Section 3
Finance and Rating Information

In this section you'll find all of our key financial policies, our full financial and infrastructure strategies, key assumptions and key financial statements for the Council.

Following the completion of consultation and engagement with the community, this supporting information will be used to form the basis of the Long Term Plan.

We're planning to use these same sections in our final Long Term Plan, to help you navigate between the supporting information used in consultation and the final Long Term Plan document that is adopted by Council for the 2021 – 2031 period.



Want to know more?

Still can't find what you are looking for in this supporting information?

Feel free to contact us on:
Email: facingourfuture@chbdc.govt.nz
Phone: 06 857 8060
Person: Any Central Hawke's Bay Library or Service Centre

Where are we heading?



Wāhanga 1
Section 1

In this section you will find out about the Central Hawke's Bay of the future we want to create and why we have prioritised investment and efforts where we have.

Our Thriving Future
Vision, Goals and Principles





Vision, Goals and Principles

Our vision for Central Hawke's Bay is for a proud and prosperous district made up of strong communities and connected people who respect and protect our environment and celebrate our beautiful part of New Zealand. This section outlines the vision, guiding principles and strategic goals for Central Hawke's Bay to 2031.

Central Hawke's Bay: Together We Thrive! E Ora Ngā Tahi Ana!

Our people are our greatest asset. At the core of everything we do is a vision that our people are healthy, prosperous and resilient, with a strong sense of pride and identity.

In 2016 we asked you, our community, what your vision for Central Hawke's Bay was. And you delivered. Over 4,500 pieces of feedback were received, and this directly led to the creation of our community vision – *Together we Thrive*. This vision continues to be the cornerstone of our aspirations for Central Hawke's Bay. You can read more about project thrive on our website.

Our vision for 2021-2031 is not to reinvent Project Thrive, but to enhance it. What is the next step for our community in our journey together?

What our vision means

We had no way of knowing what the start of 2020 would bring. Being forced to battle a severe and enduring drought at the same time as an unprecedented global pandemic, has placed immense pressure on our community.

Despite the immediate challenges, we are Thriving! Through Project Thrive, this core fundamental vision of a thriving and prosperous District has not changed. Now more than ever we rely on one another to thrive and, as a Council, it is our aim to bring Central Hawke's Bay through this stronger and united as one.

We have had to adapt quickly to life during a pandemic, which has led to a significant shift in how we do things. This, alongside other technological, economic, social and environmental challenges, will continue to dramatically change the nature of our work, disrupting industry and business and influencing our choices about our future.

These changes are likely to have a significant impact on the opportunities that present themselves in the future. We must adapt quickly to support our people, industry and business to overcome any challenges and instead leverage off them to create opportunities that enhance our wellbeing.

We are well located, and our community gets to experience the best of both worlds – a strong relationship to regional centres but living in a close and connected rural community that celebrates its place in the world.

We will leverage off this to actively position ourselves to take advantage of any opportunities, while retaining our unique heritage and local character. We will do this by being innovative and clever in how we attract those opportunities and respond to any challenges.

We will continue to create opportunities for all residents to know, love and engage with their towns and maintain a sense of community and connectedness.

We take our responsibility to futureproof our District seriously to ensure we invest in durable infrastructure that is environmentally responsible.

We will plan for and deliver the social infrastructure required to support our community's health and wellbeing.

We will focus on building our partnership with Te Taiwhenua ō Tamatea and support the governance capability of Māori to take a more active role in planning for the future, recognising and valuing the manawhenua relationship to land.

Achieving this vision will require a team effort. We have a highly connected and focused group of elected members, staff and strategic suppliers, all of whom have a real sense of passion and pace to deliver on the community's vision.

Our DNA

We have identified four fundamental ways that will guide the way Council and councillors interact with our communities and lead our District.

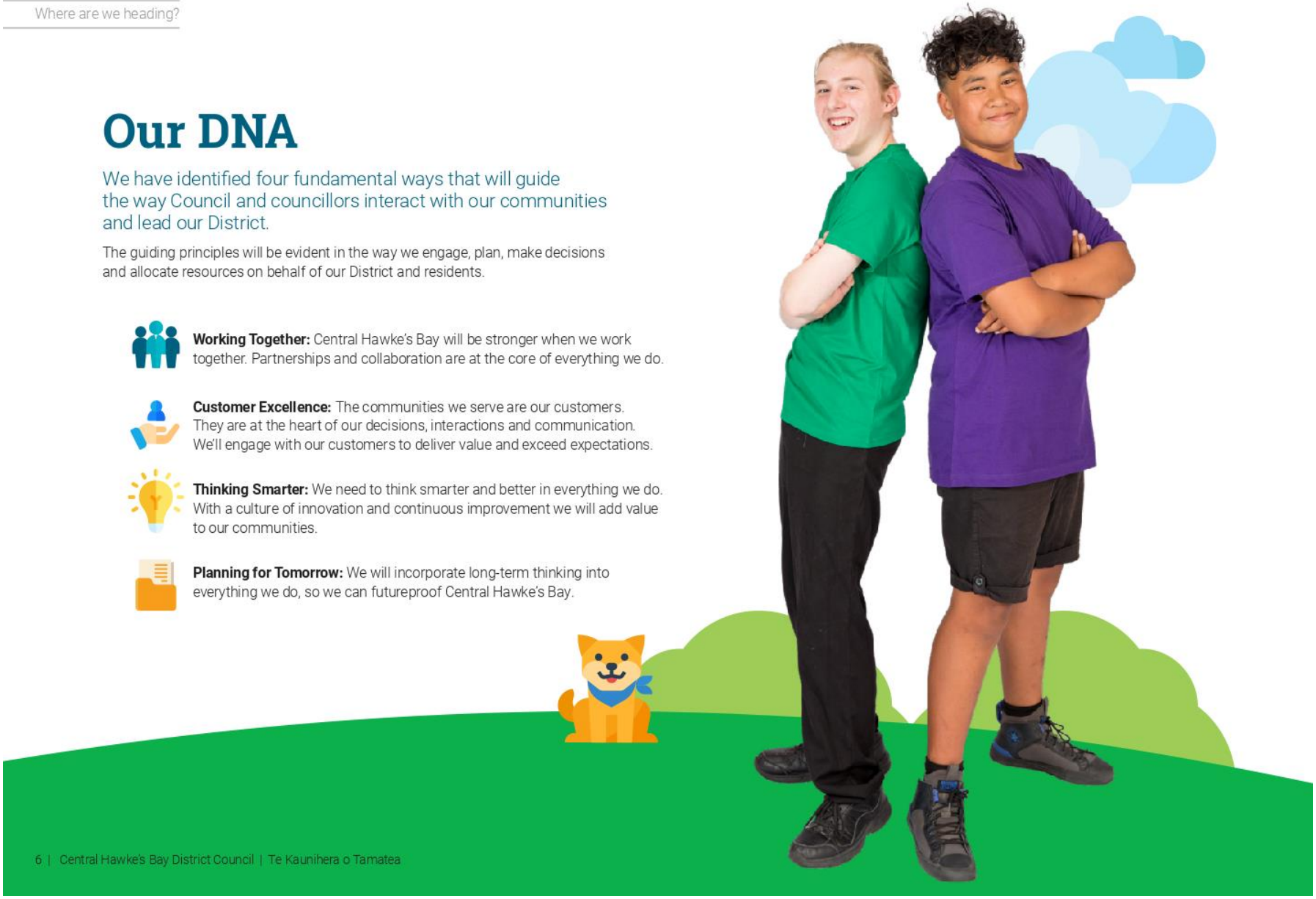
The guiding principles will be evident in the way we engage, plan, make decisions and allocate resources on behalf of our District and residents.

Working Together: Central Hawke's Bay will be stronger when we work together. Partnerships and collaboration are at the core of everything we do.

Customer Excellence: The communities we serve are our customers. They are at the heart of our decisions, interactions and communication. We'll engage with our customers to deliver value and exceed expectations.

Thinking Smarter: We need to think smarter and better in everything we do. With a culture of innovation and continuous improvement we will add value to our communities.

Planning for Tomorrow: We will incorporate long-term thinking into everything we do, so we can futureproof Central Hawke's Bay.



We have identified seven strategic goals for achieving this vision:

PROUD DISTRICT
HE ROHE POHO KERERŪ

Goal 1

Central Hawke's Bay is proud of its identity and place in our region and nation. We hold our head high on the national and international stage, celebrating our unique landscape from the mountains to the sea.

PROSPEROUS DISTRICT
HE ROHE TŌNUI

Goal 2

Ours is a thriving and prosperous district that is attractive to businesses. Central Hawke's Bay is enriched by the households and whānau that are actively engaged in, and contribute, to our thriving district.

STRONG COMMUNITIES
HE HAPORI KAHA

Goal 3

We have a strong community spirit and work together to support each other. Central Hawke's Bay is made up of proud communities with unique identities that come together to form a strong and thriving district.

CONNECTED CITIZENS
HE KIRIRARAU WHAI HONONGA

Goal 4

Our citizens can connect easily with each other and with those outside of our district. We all have access to everything Central Hawke's Bay has to offer and enjoy these great things together.

SMART GROWTH
HE TIPU ATAMAI

Goal 5

We grow Central Hawke's Bay in a smart and sustainable way that cherishes our identity. We use our resources intelligently and with care, to ensure they are protected for the citizens of the future.

ENVIRONMENTALLY RESPONSIBLE
HE WHAKAARO NUI KI TE TAIAO

Goal 6

Central Hawke's Bay is home to a unique and beautiful landscape. We celebrate our environment and work together to enhance our local natural wonders and resources.

DURABLE INFRASTRUCTURE
HE HANGANGA MAUROA

Goal 7

We aim to provide sound and innovative facilities and services that meet the needs of our communities today. Our infrastructure is fit for purpose and future proofs our thriving district for tomorrow.

Goal 1

PROUD DISTRICT
HE ROHE POHO KERERŪ

Central Hawke's Bay is proud of its identity and place in our region and nation. We hold our head high on the national and international stage, celebrating our unique landscape from the mountains to the sea.

Our goals

We will build Central Hawke's Bay's reputation as an outstanding lifestyle destination, of rich and unique cultural and rural experiences, from the mountains to the sea, with strong vibrant town centres that support communities of the future. We will build a District renowned for its great people, authentic and genuine recreation options and experiences, without the hassle or the cost of a big city location.

We will be a District that revels in our abundant natural resources and beauty, offering great places for people, attractions and opportunities that make our patch of paradise an outstanding lifestyle location to live and raise a family.

Our approach

As locals, we know the uniqueness of our patch of paradise that is Tamatea – Central Hawke's Bay.

To support a District of the future, we need to attract young talent and keep our young people here. Our District needs to be a location where talented people can choose to live without losing the benefits associated with an outstanding lifestyle destination.

We want to be a district people return to because of their positive memories and the great lifestyle on show for all ages of life.

Vibrancy, great food and drink, events, open street spaces, creativity, culture and art need to be at the heart of building the liveability of our Central Hawke's Bay of the future. This will enable and support the retention and attraction of our best talent and people. We know we need to work hard to deliver on our goal and build our reputation as an outstanding rural lifestyle destination. We will do this promoting our district far and wide, attracting national events and delivering on our plans for economic and social prosperity.

To do this we must be bold and ambitious in our aspirations for the future – we must hold our head high and have the confidence to back our place – Tamatea/ Central Hawke's Bay.



Goal 2

PROSPEROUS DISTRICT
HE ROHE TŌNUI

Ours is a thriving and prosperous district that is attractive to businesses. Central Hawke's Bay is enriched by the households and whānau that are actively engaged in, and contribute, to our thriving district.

Goal

We will drive an overall improvement in the economic and social wellbeing of Central Hawke's Bay.

We will do this by supporting increased job opportunities, attracting new business and enabling the growth of existing businesses. We will support productivity to create more jobs and a wider range of better paying employment opportunities - overall supporting the prosperity of employees, their whanau and their employers.

With a focus on diversification, increased economic resilience and a shift from volume to value, we will enable a prosperous economy, prepared to weather the effects of market shocks and economic uncertainty.

Our approach

The nature of work, technology and skills is continuously changing at a rapid pace. Many jobs that our community have relied on will be replaced by different types of work in the future.

The effects of COVID-19 and prolonged drought has provided a brutal reminder of the uncertainty and necessity for economic resilience across our community. New jobs and the economy of the future will require us to reposition our people and our thinking for this new world.

Central Hawke's Bay is made up of many astute and clever people and many more who are ready and wanting to return to our patch of paradise. We need to support our people and create an environment for innovative and creative industries, that enables the diversification of our land-use, supports business development and attraction, and create the skills, talent and employment our industries and businesses require.

To do this, we must work hard, invest and prioritise in our economy of the future while supporting our economy of today. We must enable our people and businesses to compete locally, nationally and internationally by ensuring the infrastructure and programmes are in place to support their success.



Goal 3

STRONG COMMUNITIES
HE HAPORI KAHA

We have a strong community spirit and work together to support each other. Central Hawke's Bay is made up of proud communities with unique identities that come together to form a strong and thriving district.

Our goals

We will support our community to be recognised as true treaty partners with manawhenua and to embrace active citizenship, being social leaders promoting and supporting the values of democracy, intercultural dialogue and social responsibility as key enabling competencies of the 21st century.

Central Hawke's Bay will be recognised as a leader in community citizenship in New Zealand, demonstrated through an integrated and international best practice systems approach to community wellbeing.

In our strong community, you will know you are valued – whatever your age, gender, physical ability, socio-economic status, sexuality or cultural background.

Our approach

Active citizenship is the glue that keeps society together – simply put, if everyone merely focussed on going to work, earning a living and promoting their own individual interests, society would fall apart.

Active citizenship brings together people of all backgrounds and ages – supporting a fundamental literacy of understanding and awareness of our wider community, enabling informed judgement and the skill and courage to respond appropriately, individually or collectively.

As a community, we rely on active citizenship as the backbone for local community governance. Voting, standing for election, teaching and coaching, donating to good causes, recycling and caring for the environment, campaigning and volunteering - all form the foundation of the make-up of Central Hawke's Bay. We must continue to support and enable our community of today to respond, while nurturing and developing our community of tomorrow.

To do this we must foster local community voices, creating opportunities to collaborate, support cultural awareness and accelerate the integration and awareness of challenges and opportunities of all of our people . We will work together across service providers, government agencies and our community, to ensure that no one falls through the gaps.

We will work as true treaty partners with manawhenua - the forebears of our place, to achieve the collective aspirations of Tamatea whānau, in the widest sense, and overcome the intergenerational inequities our whānau face.

OUR TARGET

By 2031 more than 95% of our community find it easy to express their identity (83.8% in the 2018 Census)



Goal 4

CONNECTED CITIZENS
HE KIRIRARAU WHAI HONONGA

Our citizens can connect easily with each other and with those outside of our district. We all have access to everything Central Hawke's Bay has to offer and enjoy these great things together.



Our goals

We will work to make it easy for Central Hawke's Bay people to connect with each other and to the services, facilities, infrastructure and support to unlock their individual development, health, prosperity and wellbeing, for the greater good of our community as a whole.

On behalf of our community, we will work with determination to create connected governments for our connected citizens. This will enable every citizen to feel empowered and have a meaningful impact for themselves, their whanau and their community, no matter how large or small.

Our approach

He aha te mea nui o tea ao? He tangata, he tangata, he tangata! – What is the most important thing in the world? It is the people, the people, the people!

Our District's towns, villages and rural communities - rather than their physical forms - are the social networks and connections that create the experiences and overall sense of inclusiveness and social, cultural and economic wellbeing we thrive on.

Strong, vibrant and active communities provide us with a sense of optimism and positivity, boosting our personal wellbeing and our general outlook – positivity breeds positivity.

Central Hawke's Bay is experiencing a surge of optimism and buoyancy, and we want to ride that surge to support a community that is enabled with the opportunities that growth and economic optimism brings.

We want to ensure we have the building blocks of connected communities and connected citizens of the future in place.

This means we will work to futureproof our communities by planning for the social, cultural and economic connections that can be made. We'll do this physically through our open space network and improve accessibility in and between our towns. Culturally, we'll work to protect and celebrate sites of significance, our local heritage and languages. We will break-down inequities and remove the barriers to services that many in our community face. Spiritually, we will support our people in terms of personal wellbeing and access to essential services.

As a connected citizen of Central Hawke's Bay, this mahi will ensure our priority remains focussed on enhancing the lives of our people.

Goal 5

SMART GROWTH
HE TIPU ATAMAI

We grow Central Hawke's Bay in a smart and sustainable way that cherishes our identity. We use our resources intelligently and with care, to ensure they are protected for the citizens of the future.



Our goals

We will work holistically and across activities and services to prepare our District for the growth, that being a great lifestyle location brings to Central Hawke's Bay.

We will prioritise and recognise the impact that growth has across our community – from infrastructure, to managing the social issues that arise from poorly planned development or from the lack of development.

We will work to achieve best value for our community, and work alongside landowners, developers, builders and investors in a collaborative way to ensure development achieves the aspirations of our community now and into the future.

Our approach

Central Hawke's Bay is experiencing unprecedented growth, with a surge in development and population growth not seen since the peak of the 1960's.

Increased property values, new skills and people, and unprecedented development are positive indicators for the future of our patch of paradise. This is far from the declining population and stagnant economy that Central Hawke's Bay was experiencing in only 2013.

As a District, we have not been prepared for the levels of growth and development we are now experiencing. Our infrastructure is not ready to cope with both the development and renewal work that is now urgently required, not to mention the financial impacts that result. We need to make the best advantage of the areas of our urban networks that exist within our existing residential boundaries to maximise the historic, current and future investment that our community will need to make in our built infrastructure in particular.

Our community has clearly said that protecting the valuable agricultural lands that surround our townships is important. So too is the creation of compact, walkable, liveable town centres. Our focus will remain on working to deliver on that vision. We will maximise the development of existing brownfield and underutilised sites within our residential boundaries, before creating new residential areas. This will limit our investment exposure in new infrastructure zones.

We'll work closely with private land owners, developers and our internal teams to plan to achieve this. This is reflected in our Integrated Spatial Plan, adopted by Council in 2020, which sets out the guiding principles that shape how we will grow as a District.



Goal 6

ENVIRONMENTALLY RESPONSIBLE
HE WHAKAARO NUI KI TE TAIAO

Central Hawke's Bay is home to a unique and beautiful landscape. We celebrate our environment and work together to enhance our local natural wonders and resources.



OUR TARGET

By 2031 the fresh water quality of our Tukituki River will be progressively improved (not further degraded), with success measured based on the Freshwater objectives of the Tukituki River Catchment Plan 2015.

Our goals

Central Hawke's Bay will be a sustainable and future focussed District that plans for and cares about the future. We will enhance our natural and built environment through effective infrastructure planning and the protection, maintenance and enhancement of these spaces.

As successful environmental guardians, we will ensure future generations thrive here.

Our approach

We value the natural environment and the interconnectedness of our natural assets and our own cultural and spiritual well-being. Our response to changes in our economy, climate and society must leave our environment in a better place than when we found it.

Collectively as a community, we invest heavily in our duties to enhance our patch of paradise – whether fencing waterways and native trees on farms, celebrating our unique landscapes or reducing waste to landfill. Holistically our approach to protecting the environment extends across the vast activities of Council – from removing wastewater discharges to our waterways, to protecting our high-class soils from subdivision, and supporting the enhancement of biodiversity.

There is a significant opportunity for us to support and encourage greater sustainability practices in our community, from rainwater harvesting and stormwater management in urban areas, to advocating and supporting the diversification and resilience of our rural economy.

We will work hard to take the lead in demonstrating good practice while harnessing our natural assets, including protecting and carefully managing our safe water supply.

Goal 7

DURABLE INFRASTRUCTURE
HE HANGANGA MAUROA

We aim to provide sound and innovative facilities and services that meet the needs of our communities today. Our infrastructure is fit for purpose and future proofs our thriving district for tomorrow.

Our goal

We want to achieve the best 'bang for our buck' from our investment in infrastructure. This means ensuring we balance the achievement of longstanding infrastructure, with infrastructure that meets the needs of our communities now and into the future.

We will work holistically, adopting 'cathedral' intergenerational thinking about our investment and how it best aligns with our blueprint for growth and development for the future.

Our approach

We face some significant financial challenges as we play catch-up to years of underinvestment and poor decision making in our infrastructure. Since 2017, we've taken a planned programme approach to addressing these challenges through our #thebigwaterstory.

As a Council, we want to continue to build on the cathedral thinking we've developed to address some of our most complex challenges relating to wastewater, drinking water and community facilities. This means as a Council, we have developed the leadership, culture, capability and capacity necessary to develop the full understanding of our assets. We have identified the challenges and we're ready to take full advantage of the available opportunities, while managing some significant risks.

We cannot achieve this change alone, and will need to work closely with our community to prioritise the necessity of the renewal and upgrade of essential services. This needs to be balanced with the opportunities that other investments could make in the transformation of our District.




Vision, Goals And Principles
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Groups of Activities and Services

This section shows what we are doing over the next 10 years. It shows how doing these things will support our vision of a thriving Central Hawke's Bay and how much they are expected to cost.

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Summary of whole of Council activities

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Animal Services
Compliance and Monitoring
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Land Use and Consenting

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Wastewater 76
Districtwide

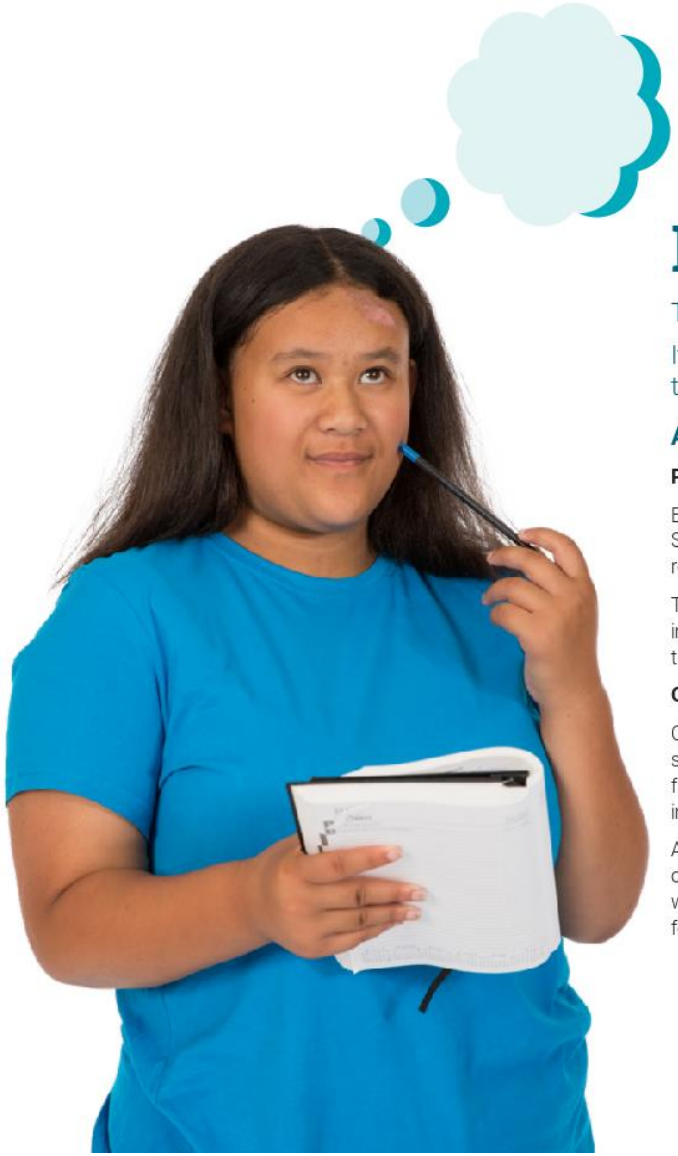
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Districtwide



Groups of Activities and Services – Introduction

We've got an ambitious plan to bring the vision and goals for a Thriving Central Hawke's Bay of the future to life.
How the activities and services we deliver support the achievement of our community's vision and goals can be summed below.

Vision		**Central Hawke's Bay – a proud and prosperous District, made up of strong communities and connected people, who respect and protect our environment and celebrate our beautiful part of New Zealand.**						
Our DNA		**Working Together | Customer Excellence | Thinking Smarter | Planning for Tomorrow**						
Goals		**Proud District**	**Prosperous District**	**Strong Communities**	**Connected Citizens**	**Smart Growth**	**Environmentally Responsible**	**Durable Infrastructure**
Groups of Activities:	Leadership, Governance and Consultation	✓	✓	✓	✓	✓	✓	
	Planning and Regulatory Services	✓	✓	✓		✓	✓	
	Land Transport		✓		✓			✓
	Solid Waste	✓	✓	✓	✓	✓	✓	✓
	Water Supplies	✓	✓	✓	✓	✓	✓	✓
	Wastewater	✓	✓	✓	✓	✓	✓	✓
	Stormwater						✓	✓
	Places and Open Spaces	✓	✓	✓	✓		✓	



How are we going to get there?

The following section shows the Council's services, organised in groups of activities.

It links all of the Council's actions and activities back to our Vision, Goals and Principles to show how the Council contributes to making Central Hawke's Bay a thriving District.

A guide to the activities within this section

Performance Measures

Each activity has performance measures and targets. Some of the measures are narratives while others are reported on by legislative requirement.

These measures are intended to give you a general indication as to whether we are on-track and achieving the things we said we would.

Operational Programmes

Our day to day delivery of services relies on a significantly wider and more detailed performance framework than the performance measures and the information included in the Long Term Plan.

Asset or activity management plans, along with group or activity business plans, outline the key bodies of work, risks, assumptions and other demand drivers for activities in detail.

Activity Financial Impact Statements

This section also provides a 'Funding Impact Statement' for the Council overall, and for each Group of Activities. These statements indicate the cost for each of the coming ten years and how those costs will be funded.

Rounding

Because the figures are rounded to the nearest thousand dollars, it sometimes appears that they do not add up, but the total represents the sum of the individual forecast amounts.

How are we going to get there?

Whole of Council	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	$000	$000	$001	$002	$003	$004	$005	$006	$007	$008	$008
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	13,950	15,141	15,966	16,417	17,630	18,513	18,902	19,562	20,227	20,229	22,090
Targeted rates	7,503	7,988	8,956	9,956	10,702	13,445	17,233	18,380	18,467	22,459	24,455
Subsidies and Grants for Operating Purposes	2,715	3,494	3,426	3,372	3,772	3,814	3,805	3,995	4,119	4,858	4,375
Fees, charges	4,337	5,013	5,403	5,393	5,558	5,781	5,891	6,061	6,297	6,424	6,597
Interest and dividends from investments	92	71	40	23	5	6	(1)	5	3	8	8
Local authorities fuel tax,fines, infringement fees and other receipts	231	224	232	240	249	257	264	272	279	287	295
Total operating funding	**28,828**	**31,930**	**34,022**	**35,402**	**37,917**	**41,815**	**46,094**	**48,275**	**49,393**	**54,265**	**57,819**
Applications of operating funding											
Payments to staff and suppliers	21,325	24,911	26,037	26,640	28,176	29,910	29,797	30,916	32,264	33,062	35,227
Finance costs	419	684	1,012	1,360	1,723	2,027	2,245	2,284	2,289	2,356	2,435
Other operating funding applications	(180)	(910)	(834)	(880)	(920)	(962)	(1,001)	(1,046)	(1,092)	(1,141)	(1,191)
Total applications of operating funding	**21,565**	**24,685**	**26,215**	**27,120**	**28,979**	**30,976**	**31,040**	**32,154**	**33,460**	**34,276**	**36,470**
Surplus (deficit) of operating funding	**7,263**	**7,245**	**7,807**	**8,282**	**8,938**	**10,840**	**15,054**	**16,122**	**15,933**	**19,989**	**21,349**
Sources of capital funding											
Subsidies and grants for capital expenditure	4,852	15,466	4,240	4,144	4,544	4,857	4,824	4,970	5,121	5,276	5,431
Development and financial contributions	107	2,072	2,133	2,197	2,263	2,331	2,396	2,467	2,541	2,617	2,690
Increase (decrease) in debt	2,762	6,887	10,758	18,162	12,277	13,415	4,721	(2,288)	543	2,346	1,160
Gross proceeds from sale of assets	35	25	26	21	22	22	23	24	24	25	26
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**7,755**	**24,450**	**17,157**	**24,524**	**19,106**	**20,624**	**11,964**	**5,173**	**8,229**	**10,264**	**9,307**
Applications of capital funding											
Capital expenditure											
to meet additional demand	0	1,904	2,646	2,523	2,697	366	635	1,515	885	5,585	5,073
to improve the level of service	5,652	10,191	8,330	9,233	8,675	8,861	4,996	3,704	7,406	9,811	8,886
to replace existing assets	9,554	22,279	16,053	22,206	16,494	22,364	21,256	15,634	15,635	15,052	16,706
Increase (decrease) in reserves	0	0	0	(0)	0	(0)	0	0	(0)	(0)	0
Increase (decrease) of investments	(188)	(2,679)	(2,065)	(1,156)	177	(126)	131	441	235	(195)	(8)
Total applications of capital funding	**15,018**	**31,695**	**24,964**	**32,807**	**28,044**	**31,464**	**27,018**	**21,294**	**24,162**	**30,253**	**30,656**
Surplus (deficit) of capital funding	**(7,263)**	**(7,245)**	**(7,807)**	**(8,282)**	**(8,938)**	**(10,840)**	**(15,054)**	**(16,122)**	**(15,933)**	**(19,989)**	**(21,349)**
Funding balance	**0**	**0**	**(0)**	**0**	**0**	**(0)**	**0**	**(0)**	**0**	**(0)**	**0**


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Leadership, Governance and Consultation Group



This Group includes the following activities:

Leadership, Governance and Consultation

Social Development

Economic Development

What will these activities cost and how will we pay for them?

Community Leadership	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	$000	$000	$001	$002	$003	$004	$005	$006	$007	$008	$008
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	1,406	1,589	1,706	1,774	1,817	1,976	2,027	2,071	2,195	2,239	2,331
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and Grants for Operating Purposes	35	34	35	36	37	38	39	40	41	43	44
Fees, charges	29	25	77	26	27	84	29	30	91	31	32
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	**1,470**	**1,648**	**1,818**	**1,837**	**1,881**	**2,098**	**2,095**	**2,141**	**2,328**	**2,313**	**2,407**
Applications of operating funding											
Payments to staff and suppliers	1,142	1,130	1,285	1,260	1,300	1,490	1,470	1,496	1,656	1,619	1,687
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	343	523	548	571	596	624	641	659	686	709	736
Total applications of operating funding	**1,485**	**1,653**	**1,833**	**1,831**	**1,896**	**2,113**	**2,110**	**2,156**	**2,343**	**2,328**	**2,422**
Surplus (deficit) of operating funding	**(15)**	**(5)**	**(15)**	**6**	**(15)**	**(15)**	**(15)**	**(15)**	**(15)**	**(15)**	**(15)**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Applications of capital funding											
Capital expenditure											
to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
to improve the level of service	0	10	0	21	0	0	0	0	0	0	0
to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**(15)**	**(5)**	**(15)**	**6**	**(15)**	**(15)**	**(15)**	**(15)**	**(15)**	**(15)**	**(15)**
Surplus (deficit) of capital funding	**15**	**5**	**15**	**(6)**	**15**	**15**	**15**	**15**	**15**	**15**	**15**
Funding balance	**(0)**	**0**	**(0)**	**0**	**0**	**0**	**(0)**	**0**	**(0)**	**(0)**	**0**

How are we going to get there?

	LTP 2022 $000	LTP 2023 $000	LTP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000
Capital Expenditure										
Economic Development Minor Expenditure	0	0	0	0	0	0	0	0	0	0
Social Development Minor Expenditure	10	0	21	0	0	0	0	0	0	0
Total applications of capital funding	**10**	**0**	**21**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Leadership, Governance and Consultation

The Leadership, Governance and Consultation Activity supports the following goals of Council:

CONNECTED CITIZENS
HE KIRIRARAU WHAI HONONGA

PROUD DISTRICT
HE ROHE POHO KERERŪ

What Council does

This activity enables elected Councilllors to effectively govern the activities, services and projects delivered by the Council. Councillors must represent their communities and make decisions in an open, transparent and accountable manner.

The activity in this section supports the decision-making processes of elected members and ensures decisions are made in accordance with guiding legislation, including the preparation of reports and other supporting functions, to ensure a functioning local democracy exists in Central Hawke's Bay.

Through this activity, funds such as the Community Voluntary Organisation Scheme (CVOS) are sourced and distributed to community organisations through the Social Development Activity.



How are we going to get there?

Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Council listens to its community, and responds efficiently and effectively, communicates well and has a 'can do' customer services attitude.	The percentage of people who consider that Council has responded well or very well to community needs and issues.	66%	85%	85%	85%	85%
	The percentage of formal consultation which follows legislative and policy requirements.	100%	100%	100%	100%	100%
	The percentage of people who consider that Council has engaged and communicated well about Council business.	New	85%	85%	85%	85%
	Iwi and Marae report to be satisfied with the level of engagement and partnership with Central Hawke's Bay District Council.	New	50%	60%	70%	80%

Key documents and Links

- Governance Statement (February 2020)
- About Central Hawke's Bay District Council
- Local Government Act 2002
- Local Electoral Act 2001
- Local Government Official Information and Meetings Act 1987

Social Development

The Social Development Activity supports the following goals of Council:

- **ENVIRONMENTALLY RESPONSIBLE** HE WHAKAARO NUI KI TE TAIAO
- **PROSPEROUS DISTRICT** HE ROHE TŌNUI
- **SMART GROWTH** HE TIPU ATAMAI
- **STRONG COMMUNITIES** HE HAPORI KAHA

What Council does

Council provides Social Development services to foster the growth of community social assets.

Council's role is to advocate, facilitate and co-ordinate the sustained enablement and enhancement of the community's social wellbeing.

Primarily this is achieved through the implementation of the District's Community Wellbeing Strategy, along with the management of the 'network of networks' which provides important social services and connections across the District and Region.

The activity also co-ordinates Council's community planning programme, with successful results already in Ongaonga and Takapau, and other plans to be delivered over the life of this plan.

The distribution of Community Funding, both funded by Council and other organisations such as Creative NZ, is also a major focus of this activity.

Cost over 10 years

Operating Expenditure **$4,104,538**

Capital Expenditure **$31,177**



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Council has a strong voice so that it can, in partnership with community, advocate and lead change in social issues and opportunities for the District.	The percentage of the community satisfied with the Social Development activity of Council.	89%	95%	95%	95%	95%
	Council implements the Social Wellbeing Strategy.	New	100%	100%	100%	100%
Council creates opportunities for the community to build capacity and is resourced to deliver on community priorities.	The percentage of community groups associated with the Social Wellbeing Network that are satisfied with the advice and support provided by Council. Council supports community groups to achieve their goals.	New	85%	85%	85%	85%
	The percentage of community groups supported by Council are satisfied with the level of service provided.	New	100%	100%	100%	100%

Key documents and Links

- Community Wellbeing Strategy
- Community Development Activity Management Plan

Economic Development

The District Planning Activity supports the following goals of Council:

- ENVIRONMENTALLY RESPONSIBLE
  HE WHAKAARO NUI KI TE TAIAO
- PROSPEROUS DISTRICT
  HE ROHE TŌNUI
- SMART GROWTH
  HE TIPU ATAMAI
- STRONG COMMUNITIES
  HE HAPORI KAHA

What Council does

This activity primarily supports the sustainable economic wellbeing and prosperity of Central Hawke's Bay. Primarily delivered through the delivery of the District's Economic Development Action Plan 2019, it leveraging on coordinated leadership and the facilitation of shared outcomes.

In 2019 and 2020, this activity supported the attraction of over $30 million of funds through the Provincial Growth Fund (PGF). Having received that funding, the focus now also includes the achievement of sustainable and long term benefits associated with those funded projects. Projects include upgrading the road from Pōrangahau to Waipukurau ($20.1m) and Nga Ara Tipuna ki Tamatea ($2.8m) a unique partnership project with manawhenua.

Setting the foundations for Economic Success

In 2019 and 2020 Council completed key planning documents that set the future direction for Economic Development Activity in the District. These are the:

Economic Development Action Plan 2019

Funded through the Provincial Growth Fund, Council has completed an Economic Development Action Plan 2019 that sets out seven pillars and key actions, both short and long term, to promote sustainable economic wellbeing.

Central Hawke's Bay Tourism Destination Plan and Needs Assessment

Funding the through Tourism Infrastructure Fund, the Tourism Destination Plan and Needs Assessment 2020 outlines key bodies of work that continue the promotion of Central Hawke's Bay with our partner organisation Hawke's Bay Tourism.



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Council supports the enhancement of economic wellbeing by the delivery of increased job opportunities, a diversified and resilient local economy and increased productivity.	The Implement the 2019 Economic Development Action Plan (Implementation Plan).	New	100%	100%	100%	100%
	Representatives (%) of the Economic Leadership Group that are satisfied that the 2019 Economic Development Action Plan deliverables are being achieved.	New	90%	90%	90%	90%

Key documents and Links

- Central Hawke's Bay Tourism Destination Plan and Needs Assessment 2020
- Central Hawke's Bay Economic Development Action Plan 2019
- Central Hawke's Bay Economic Development
- www.greatthingsgrowhere.co.nz

Land Transport

The Land Transport Activity supports the following goals of Council:

CONNECTED CITIZENS
HE KIRIRARAU WHAI HONONGA

DURABLE INFRASTRUCTURE
HE HANGANGA MAUROA

PROSPEROUS DISTRICT
HE ROHE TŌNUI

What Council does

Council is the road controlling authority for Central Hawke's Bay. Our role is to provide a transport system that improves wellbeing and liveability by providing safe, sustainable, reliable, efficient, and effective movement of people and goods.

The existing transport network is a significant part of the District's core infrastructure and contributes to the social and economic wellbeing of residents, visitors and businesses.

Our transport network is essential to the continued growth and economic success of Central Hawke's Bay District and must be managed safely, efficiently and effectively now and in the future.

Funding Assistance Rate (FAR)

As part of the National Land Transport Programme run by the New Zealand Transport Agency (NZTA), each Council receives a Funding Assistance Rate (FAR). This offsets the rates cost of local land transport activities such as local road maintenance and improvements, public transport and cycling improvements.

Currently Council receives a 61% FAR from NZTA, with rates forming less than 40% of the cost of current subsidised works we complete.

The FAR rate we receive is forecast to decrease over this Long Term Plan, with the formula used to calculate the rate based on factors including the District's level of deprivation – also forecast to decrease over the life of this plan. This means that ratepayers will have to pay more for the cost of everyday roading services, as the FAR rate drops from 61% to 59% in the next three years.





Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
To deliver safe, reliable and lasting road assets that connect our people and places, and allow our district to prosper.	Reduce fatalities and serious crashes on the local road network to zero.	2020: 1 Fatality 4 Serious Injury	Reduce to zero	Reduce to zero	Reduce to zero	Reduce to zero
	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	88.3%	Between 85% and 90%	Between 85% and 90%	Between 85% and 90%	Between 85% and 90%
	At least 20% of the footpaths in excellent condition and no more than 10% of the footpaths in poor condition measured annually.	No footpath condition rating was completed during 2019/2020	Excellent >50% Poor <10%	Excellent >50% Poor <10%	Excellent >50% Poor <10%	Excellent >50% Poor <10%
	The percentage of the sealed local road network that is resurfaced.	6.5%	Between 4% and 10%	Between 4% and 10%	Between 4% and 10%	Between 4% and 10%
	The percentage of customer service requests relating to roads and footpaths to which we respond to within three working days.	88%	100%	100%	100%	100%
	The percentage of users satisfied with the roading service provided.	72%	90%	90%	90%	90%

Key documents and Links

- Land Transport Strategic Framework
- Land Transport Activity Management Plan



Significant Negative Impacts

Significant Negative Impacts associated with the Land Transport activity are:

- Injuries and fatalities from accidents on roads which bear both a personal cost and a significant cost to society
- Air, water and noise pollution from dust, vehicle contaminants and stormwater erosion that results from the roading network.
- Loss of or restrictions to parts of the roading network from events like storms and floods or increased roughness from things like overuse, poor driving or inadequate maintenance on metal roads have an impact on the mobility of people and cost both economically and socially.

What will these activities cost and how will we pay for them?

Land Transport	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	$000	$000	$001	$002	$003	$004	$005	$006	$007	$008	$008
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	6,854	6,790	6,949	7,135	7,758	8,025	8,062	8,359	8,630	8,836	9,162
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and Grants for Operating Purposes	2,613	3,198	3,121	3,059	3,449	3,482	3,464	3,645	3,759	3,800	3,995
Fees, charges	36	63	65	67	69	71	73	75	77	79	82
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	162	166	171	176	181	186	192	197	203	208	214
Total operating funding	**9,664**	**10,217**	**10,306**	**10,437**	**11,457**	**11,764**	**11,791**	**12,276**	**12,669**	**12,924**	**13,452**
Applications of operating funding											
Payments to staff and suppliers	4,705	5,346	5,327	5,324	5,971	6,034	6,013	6,322	6,520	6,597	6,929
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	1,497	1,818	1,954	2,035	2,128	2,276	2,224	2,298	2,386	2,455	2,542
Total applications of operating funding	**6,201**	**7,164**	**7,281**	**7,358**	**8,099**	**8,310**	**8,236**	**8,619**	**8,906**	**9,051**	**9,471**
Surplus (deficit) of operating funding	**3,463**	**3,053**	**3,025**	**3,079**	**3,358**	**3,455**	**3,554**	**3,657**	**3,763**	**3,872**	**3,981**
Sources of capital funding											
Subsidies and grants for capital expenditure	4,852	12,466	4,240	4,144	4,544	4,682	4,824	4,970	5,121	5,276	5,431
Development and financial contributions	3	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**4,855**	**12,466**	**4,240**	**4,144**	**4,544**	**4,682**	**4,824**	**4,970**	**5,121**	**5,276**	**5,431**
Applications of capital funding											
Capital expenditure											
to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
to improve the level of service	1,000	1,050	1,050	1,050	1,154	1,190	1,227	1,265	1,304	1,344	1,385
to replace existing assets	7,299	14,303	6,048	6,007	6,582	6,781	6,985	7,196	7,414	7,638	7,862
Increase (decrease) in reserves	19	166	166	166	166	166	166	166	166	166	166
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**8,318**	**15,519**	**7,264**	**7,223**	**7,902**	**8,137**	**8,378**	**8,627**	**8,884**	**9,149**	**9,413**
Surplus (deficit) of capital funding	**(3,463)**	**(3,053)**	**(3,025)**	**(3,079)**	**(3,358)**	**(3,455)**	**(3,554)**	**(3,657)**	**(3,763)**	**(3,872)**	**(3,981)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

	LTP 2022 $000	LTP 2023 $000	LTP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000
Capital Expenditure										
Drainage	850	850	850	934	963	993	1,024	1,056	1,088	1,121
Footpaths	391	391	391	430	443	457	471	486	501	516
Sealed Roads	2,821	2,558	2,508	2,748	2,831	2,916	3,004	3,095	3,188	3,281
Unsealed Roads	659	667	675	739	761	784	807	831	856	881
Bridges and other Structures	8,940	940	940	1,029	1,060	1,091	1,124	1,158	1,192	1,227
Carparks	6	6	6	7	7	7	7	7	8	8
Pavement & Traffic Facilities	950	950	950	1,041	1,073	1,105	1,138	1,173	1,208	1,243
Vegetation Control	110	110	110	121	125	129	132	137	141	145
Other	625	626	627	687	708	730	753	776	800	824
Total applications of capital funding	**15,353**	**7,098**	**7,057**	**7,736**	**7,970**	**8,212**	**8,461**	**8,718**	**8,982**	**9,246**



Places and Open Spaces Group

This Group includes the following activities:

- Reserves and Open Spaces
- Retirement Housing
- Community Facilities
- Public Toilets
- Libraries
- Cemeteries

What will these activities cost and how will we pay for them?

Recreation and Community Facilities	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	$000	$000	$001	$002	$003	$004	$005	$006	$007	$008	$008
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	3,644	4,138	4,422	4,700	4,829	5,087	5,141	5,517	5,608	5,259	6,350
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and Grants for Operating Purposes	13	2	2	2	3	3	3	3	3	691	3
Fees, charges	746	776	916	986	1,020	1,049	1,078	1,112	1,143	1,175	1,207
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	51	43	44	45	46	48	49	50	52	53	55
Total operating funding	**4,454**	**4,959**	**5,384**	**5,733**	**5,898**	**6,186**	**6,270**	**6,682**	**6,805**	**7,178**	**7,615**
Applications of operating funding											
Payments to staff and suppliers	2,659	3,074	3,253	3,429	3,494	3,594	3,676	3,815	3,930	4,021	4,148
Finance costs	98	114	126	141	162	177	181	185	206	306	343
Other operating funding applications	934	1,007	1,067	1,115	1,165	1,217	1,246	1,291	1,346	1,390	1,441
Total applications of operating funding	**3,691**	**4,195**	**4,446**	**4,685**	**4,821**	**4,989**	**5,103**	**5,291**	**5,482**	**5,717**	**5,933**
Surplus (deficit) of operating funding	**763**	**764**	**938**	**1,048**	**1,076**	**1,198**	**1,167**	**1,391**	**1,323**	**1,461**	**1,682**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	175	0	0	0	0	0
Development and financial contributions	4	173	178	183	188	193	199	204	210	216	222
Increase (decrease) in debt	129	371	520	573	864	613	167	140	837	3,978	1,460
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**133**	**544**	**697**	**755**	**1,052**	**981**	**366**	**345**	**1,047**	**4,194**	**1,681**
Applications of capital funding											
Capital expenditure											
to meet additional demand	0	0	51	0	54	0	288	769	517	863	784
to improve the level of service	326	455	474	656	1,014	1,172	247	525	816	3,890	1,884
to replace existing assets	586	833	912	892	809	756	743	940	773	754	1,359
Increase (decrease) in reserves	(16)	20	198	255	251	251	256	(499)	263	148	(663)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**897**	**1,308**	**1,635**	**1,803**	**2,129**	**2,179**	**1,533**	**1,736**	**2,369**	**5,656**	**3,363**
Surplus (deficit) of capital funding	**(763)**	**(764)**	**(938)**	**(1,048)**	**(1,076)**	**(1,198)**	**(1,167)**	**(1,391)**	**(1,323)**	**(1,461)**	**(1,682)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**	**0**	**0**

How are we going to get there?

	LTP 2022 $000	LTP 2023 $000	LTP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000
Capital Expenditure										
Campgrounds	29	26	439	17	55	18	18	87	19	20
Cemetries	10	82	17	11	11	12	46	29	255	40
Community Buildings & Halls	72	69	99	89	92	94	97	100	103	105
Council Admin Building	0	0	0	0	0	0	0	0	0	0
Cycleways & Walkways	0	144	16	153	0	374	0	608	863	161
Libraries	122	162	138	168	164	161	427	174	188	195
Open Spaces	69	36	227	276	445	28	1,047	271	544	1,093
Parks & Reserves	184	349	294	486	140	319	321	91	169	1,112
Public Pools	458	8	8	57	704	9	9	161	49	56
Public Toilets	37	366	108	259	42	43	44	45	47	131
Retirement Housing	193	113	116	120	123	127	130	103	106	109
Theatres & Museums	115	83	85	242	152	92	95	98	100	1,002
Waipukurau Community Hall Earthquake Strengthening	0	0	0	0	0	0	0	0	888	0
Waipukurau Library Construction	0	0	0	0	0	0	0	338	2,177	0
Total applications of capital funding	**1,288**	**1,437**	**1,548**	**1,877**	**1,928**	**1,277**	**2,235**	**2,106**	**5,508**	**4,026**

Reserves and Open Spaces

The Reserves and Open Spaces Activity supports the following goals of Council:

- **CONNECTED CITIZENS** HE KIRIRARAU WHAI HONONGA
- **ENVIRONMENTALLY RESPONSIBLE** HE WHAKAARO NUI KI TE TAIAO
- **PROSPEROUS DISTRICT** HE ROHE TŌNUI
- **PROUD DISTRICT** HE ROHE POHO KERERŪ
- **STRONG COMMUNITIES** HE HAPORI KAHA

What Council does

This activity manages open spaces and parks across Central Hawke's Bay.

This includes active and passive recreation, playgrounds, sportsfields and walking tracks. The activity beautifies and celebrates our townscape and special places and promotes pride in our places. Providing quality public open spaces gives our locals spaces to enjoy, promotes the District and attract visitors.

Some sites provide attractive venues for our community. Reserves alongside riverbanks, lakes, or the coast provide for passive recreation, access to water, and promote conservation values.

We also maintain some reserves that provide, for operational purposes, access or drainage. This activity works with other community groups and organisations to develop walking and cycling facilities in our District and the Hawke's Bay Region.



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Council provides a range of parks and reserves that are affordable, well maintained, safe and provide for the recreational (play and sport), cultural, and environmental well-being of the community.	Monitoring the number of health and safety incidents or injuries due to inadequate or poor maintenance in our parks, reserves and sportsgrounds.	New	0	0	0	0
	The percentage of residential dwellings within 10 minute walk (pedshed) of a Council owned or supported playground.	New	60%	60%	60%	70-90%
	The percentage of urban dwellings within 10 minute walk (pedshed) of a park or community open space.	New	60%	60%	60%	70-90%
	The percentage of people that have used or visited a park, reserve or open space in the last 12 months.	78%	80%	80%	80%	80%

Key documents and Links

- Reserves and Open Spaces Asset Management Plan 2020
- Reserves Act 1977

How are we going to get there?

Retirement Housing

The Retirement Housing Activity supports the following goals of Council:

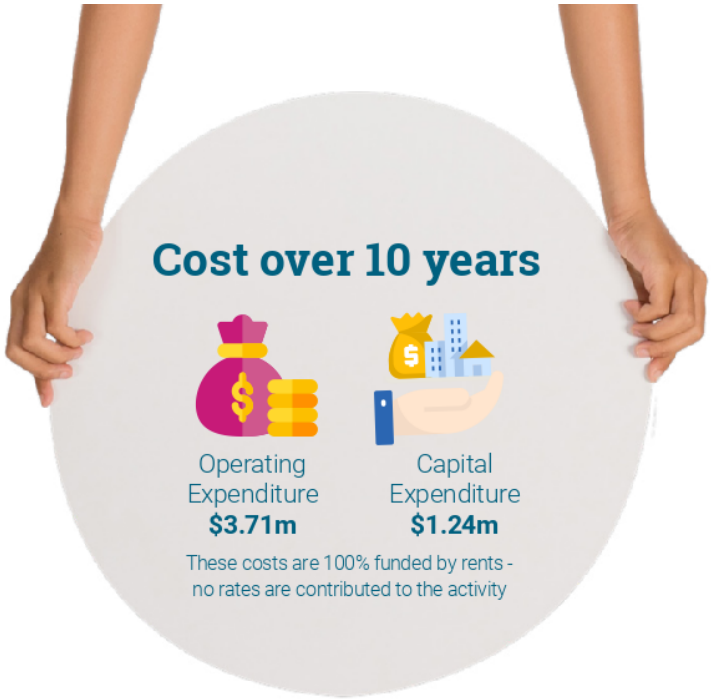
CONNECTED CITIZENS
HE KIRIRARAU WHAI HONONGA

STRONG COMMUNITIES
HE HAPORI KAHA

What Council does

Council owns and operates 48 flats across Waipukurau and Waipawa, providing retirement housing to those aged over 60.

Our aged population is increasing. Demand for housing is high and a long waiting list exists for retirement housing. In late 2020 the Council considered a Section 17a review of the Retirement Housing Activity, and confirmed it would retain the portfolio of housing it currently owns. The decision was taken to increase rents across the portfolio to cover the cost maintenance and renewal work. This increase means the Council is able retain its retirement portfolio for older residents, without financially impacting ratepayers.



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	PERFORMANCE MEASURES	BASELINE	TARGETS 2021/22	TARGETS 2022/23	TARGETS 2023/24	TARGETS 2024+
Council provides safe, well maintained and comfortable community housing for our Retired Community.	Tenants' overall satisfaction with Council's Retirement Housing service.	100%	95%	95%	95%	95%

Key documents and Links

- https://www.chbdc.govt.nz/services/housing/retirement-housing

Public Toilets

The Public Toilets Activity supports the following goals of Council:

ENVIRONMENTALLY RESPONSIBLE
HE WHAKAARO NUI KI TE TAIAO

PROSPEROUS DISTRICT
HE ROHE TŌNUI

What Council does

The Council provides and maintains 15 Public Toilets across the District. You can find these at parks and other prominent locations in the District.

Public conveniences meet the needs of our community and visitors as they are out and about. They are located for the convenience of people using spaces and facilities such as beaches and playgrounds, or as they travel through the District.



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Council provides public toilets that are clean, safe, in good working order and meet the needs of our community and visitors.	The number of complaints we receive about inadequate maintenance and poor cleaning of our toilets.	New	<10 complaints	<8 complaints	<6 complaints	< 6 complaints

Key documents and Links

- https://www.chbdc.govt.nz/our-district/facilities/public-toilets/
- Community Facilities Asset Management Plan

Community Facilities

The Community Facilities Activity supports the following goals for Council:

CONNECTED CITIZENS
HE KIRIRARAU WHAI HONONGA

PROUD DISTRICT
HE ROHE POHO KERERŪ

STRONG COMMUNITIES
HE HAPORI KAHA

What Council does

The Council manages built community assets and places – including halls, museums, theatres, swimming pools and the council administration building.

Our primary role is in the in provision and management of these facilities on behalf of our community, regularly liaising directly with users, lessees or operators of the facilities.

We directly manage the Central Hawke's Bay Municipal Theatre, and lease the Waipukurau Civic Theatre. We also support a number of hall committees in the operation of Council and community owned halls.

We manage and operate the Waipawa and Districts Centennial Memorial Pool and provide an operational grant to the Central Hawke's Bay Community Trust for the operation of the A.W Parsons Pool. We employ staff on behalf of the Central Hawke's Bay Musuem and provide an operational grant towards its operation each year.

Community Facilities Strategy – Responding to challenges

In 2020 we were shocked and disappointed that we had to suddenly close the Waipukurau Library and place restrictions on the Waipukurau Memorial Hall, after both were identified as Earthquake prone. This follows community expectation that the buildings had been strengthened as part of upgrade works completed in 2016 and 2017.

Council's community facilities also face a number of other challenges, including significant deferred maintenance and investment requirements.

The first year of the LTP 2021–2031, allocates funding for the development of a Community Facilities Strategy, which will enable us to strategically respond to the challenges we face.

We expect to complete the strategy in early 2022 for inclusion in the 2024 – 2034 Long Term Plan.



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Council provides safe, affordable and appropriate facilities that provide for the cultural and social well-being of our community. These, that are activated and vibrant community spaces used by our community.	The number of Community users of the Waipawa Pool.	12,133	12,000	13,000	14,000	14,000+
	The percentage of users that were satisfied with community halls.	New	60%	60%	60%	60%



Key documents and Links

- https://www.chbdc.govt.nz/our-district/facilities/community-halls/
- https://www.chbdc.govt.nz/our-district/facilities/swimming-pools/
- Community Facilities Asset Management Plan
- A.W Parsons Heated Pool Complex

Libraries

The Libraries Activity supports the following goals for Council:

CONNECTED CITIZENS
HE KIRIRARAU WHAI HONONGA

PROUD DISTRICT
HE ROHE POHO KERERŪ

STRONG COMMUNITIES
HE HAPORI KAHA

What Council does

Libraries provide a space where our community can fully participate in society, providing social connectedness, lifelong learning and literacy in the widest sense – from celebrating the love of reading, to developing skills related to business, the arts or science.

Central Hawke's Bay is serviced by two libraries in Waipawa and Waipukurau, as well as a range of online services to our community.

In addition to traditional lending services, libraries provide a range of programmes, online services and opportunities for social connectedness, including free wifi 24/7. The programmes on offer seek to break down barriers many face and empower our community to lead better lives.

Libraries Strategic Framework

The service is guided by a Strategic Framework adopted in 2019, the first ever strategic plan for the service. The Strategic Framework is guided by the outcomes and vision in Project Thrive, 'Connecting Minds, Creating Futures'. This vision is supported by four goals:

1. Leading the Way – Relevant to all
2. Facilitators for discovery, innovation and lifelong learning
3. Empowering our community to lead better lives
4. Inspiring everyone to thrive

Guided by our Libraries Strategic Framework, our libraries are transitioning into providing services that have wide ranging relevance to our community.



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Our libraries are inclusive places, and all people are encouraged to make use of the library's services.	The number of people visiting our libraries (physical).	Based on 2018/2019 Physical visits Waipukurau 81,942 Waipawa 66,000	Waipukurau 81000 Waipawa 66,000	Waipukurau 81,000 Waipawa 66,000	Waipukurau 81,000 Waipawa 66,000	Waipukurau 81,000 Waipawa 66,000
	The number of digital visits through our website, online databases, and platforms.	Based on 2019/20 12,000 digital visit.	12,000	12,000	12,500	12,000
Council will provide a range of information services for community to access.	Levels of issues per capita per annum - both physical and digital.	Based on Public Library Stats 2018/19 8 issues per capita.		"8 issues per capita" across all four years	"8 issues per capita" across all four years	"8 issues per capita" across all four years
Council will provide a range of activities and learning opportunities.	The number of events and programmes available and participants.	Based on 2019/20 400 events and programmes.	400	400	400	400 events and programmes

Key documents and Links

- Libraries Activity Management Plan
- https://www.chblibrary.nz/

Cemeteries

The Cemeteries Activity supports the following goals for Council:

ENVIRONMENTALLY RESPONSIBLE
HE WHAKAARO NUI KI TE TAIAO

PROUD DISTRICT
HE ROHE POHO KERERŪ

What Council does

The Council provides and maintains cemeteries across the District, maintaining accurate records of lost loved ones.

We provide and operate eleven operational cemeteries and four closed cemeteries in the District.

The history and essence of our community in contained within our cemeteries. The community expects attractive and peaceful cemetery facilities to celebrate the lives of their loved ones, which into the future will need to cater for a growing range of differing needs and preferences.

Families and loved ones can arrange burials at Councils cemeteries or through the services of a funeral director.

Providing and managing cemeteries is carried out in accordance with the Burial and Cremations Act 1964.



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Council looks after its Cemetery grounds, providing a special place of remembrance for loved ones amongst attractive and well-maintained grounds.	The percentage of the community satisfied with the condition and maintenance of our Districts cemeteries.	97% of residents were satisfied in the 2019/20 residents opinion survey.	95%	90%	90%	90%
	No complaints about late or inadequate interment services at our cemeteries.	New	100%	100%	100%	100%

Key documents and Links

- https://www.chbdc.govt.nz/services/cemeteries/

Planning and Regulatory Services



This Group includes the following activities:

- District Planning
- Building Control
- Animal Services
- Compliance and Monitoring
- Environmental Health
- Land Use and Consenting

What will these activities cost and how will we pay for them?

Planning and Regulatory	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	$000	$000	$001	$002	$003	$004	$005	$006	$007	$008	$008
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	823	1,207	1,397	1,402	1,509	1,651	1,767	1,842	1,988	2,003	2,176
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and Grants for Operating Purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges	1,393	1,686	1,805	1,879	1,931	1,987	2,046	2,098	2,157	2,223	2,277
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	17	16	17	20	22	23	24	24	25	26	26
Total operating funding	**2,233**	**2,908**	**3,219**	**3,300**	**3,462**	**3,661**	**3,837**	**3,964**	**4,169**	**4,252**	**4,479**
Applications of operating funding											
Payments to staff and suppliers	1,583	2,064	2,211	2,221	2,316	2,443	2,568	2,639	2,798	2,856	3,020
Finance costs	35	66	88	90	92	93	93	88	83	77	71
Other operating funding applications	585	596	639	666	690	727	730	757	788	812	843
Total applications of operating funding	**2,202**	**2,726**	**2,938**	**2,978**	**3,097**	**3,263**	**3,391**	**3,484**	**3,669**	**3,745**	**3,935**
Surplus (deficit) of operating funding	**31**	**182**	**281**	**322**	**365**	**399**	**446**	**479**	**500**	**507**	**545**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	695	1,344	781	55	25	4	(30)	(227)	(239)	(236)	(264)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**695**	**1,344**	**781**	**55**	**25**	**4**	**(30)**	**(227)**	**(239)**	**(236)**	**(264)**
Applications of capital funding											
Capital expenditure											
to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
to improve the level of service	726	1,526	1,063	377	390	403	416	252	261	270	280
to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**726**	**1,526**	**1,063**	**377**	**390**	**403**	**416**	**252**	**261**	**270**	**280**
Surplus (deficit) of capital funding	**(31)**	**(182)**	**(281)**	**(322)**	**(365)**	**(399)**	**(446)**	**(479)**	**(500)**	**(507)**	**(545)**
Funding balance	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

How are we going to get there?

	LTP 2022 $000	LTP 2023 $000	LTP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000
Capital Expenditure										
Dog Pound Facility	700	0	0	0	0	0	0	0	0	0
District Plan	826	1,063	377	390	403	416	252	261	270	280
Total applications of capital funding	**1,526**	**1,063**	**377**	**390**	**403**	**416**	**252**	**261**	**270**	**280**

District Planning

The District Planning Activity supports the following goals of Council:

- **ENVIRONMENTALLY RESPONSIBLE** HE WHAKAARO NUI KI TE TAIAO
- **PROSPEROUS DISTRICT** HE ROHE TŌNUI
- **SMART GROWTH** HE TIPU ATAMAI
- **STRONG COMMUNITIES** HE HAPORI KAHA

What Council does

The Council prepares plans and policies that deliver the Resource Management Act 1991 (RMA), including Development Strategies and the District Plan.

The District Plan, a legal requirement under the RMA, controls the way we use, subdivide and develop land in our District. It identifies where activities can take place, how land can be developed and what special features of our District should be protected.

This requires careful consideration and balancing of the need to protect our heritage, taonga, and quality of living environments with enabling development and growth.

District Plan Review

In 2017, Council embarked on a full review of its District Plan. The current District Plan is nearly 20 years old and no longer compliant with the RMA.

In June 2019, Council undertook consultation with the community on the scope of the District Plan review and in May 2021 the Plan is due to be formally notified.

Through the life of this long term plan, investment is planned to see a continuing rolling review of the District Plan put in place. This rolling review will be critical to ensuring the Plan remains compliant with the RMA. It will also, importantly, ensure we keep pace with, and prepare for the growth our District is currently experiencing and that which is forecast in the Central Hawke's Bay Integrated Spatial Plan 2020 – 2050.



Cost over 10 years

Operating Expenditure	Capital Expenditure
$4.24m	$4.53m

Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Council creates an environment where development and the use of land in our District balances the need for growth while protecting our special places and community values.	A District Plan current within the statutory timeframes.	Our current District Plan is not RMA compliant and we have not given effect to national policy statements	Not achieved	Not achieved	Achieved	Achieved
	A District Plan that is future focussed and responsive to the Districts Growth and development.	New	Develop a project plan for changes to respond to growth and rolling reviews over the next ten years.	Develop changes to the District Plan to provide for projected residential and commercial growth.	Develop changes to the District Plan to provide for projected residential and commercial growth.	Develop changes to the District Plan to provide for projected residential and commercial growth

Key documents and Links

- Draft District Plan (May 2019)
- www.chbdc.govt.nz/services/district-plan/district-plan-review/
- District Planning Activity Management Plan

Building Control

The Building Control Activity supports the following goals of Council:

PROUD DISTRICT
HE ROHE POHO KERERŪ

SMART GROWTH
HE TIPU ATAMAI

STRONG COMMUNITIES
HE HAPORI KAHA

What Council does

The Council is responsible for receiving, processing and issuing building consents. This involves processing applications, conducting inspections throughout building projects, enforcing building standards, and responding to building-related complaints.

'As a Council, we must manage building consents in a manner that contributes to the health and wellbeing of the community. We work hard to ensure that all people, including developers, understand the requirements, costs and timeframes involved in a building process. Providing advice and guidance through the process is an important part of this activity and helps to generate successful outcomes for all.

We encourage people to come in and talk to us before or during works to ensure things are done correctly the first time.

A growing District

There are 1,500 new homes forecast for construction in Central Hawke's Bay over the next ten years.

In the 20/21 year, the District experienced its largest year of commercial construction value in over 20 years. Further expansion and capital investment in commercial construction is expected over the life of this plan.

This growth will require Council to be prepared to respond to this increase in Building Consents.



Cost over 10 years

Operating Expenditure	Capital Expenditure
$10.8m	$0

Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
To protect the community from unsafe buildings and ensure buildings are designed and constructed in a manner that promotes sustainable development.	The percentage of Building Consents processed within 20 working days (the statutory timeframe).	98%	100%	100%	100%	100%
	The percentage of customers satisfied with Building Control services provided.	79%	90%	90%	90%	90%

Key documents and Links

- Building Control Activity Management Plan
- Building Act 2004

Animal Services

The Animal Services Activity supports the following goals of Council:

STRONG COMMUNITIES
HE HAPORI KAHA

PROUD DISTRICT
HE ROHE POHO KERERŪ

What Council does

The Council delivers services to manage dog and stock control, safeguarding the public from wandering, threatening and aggressive animals. This includes educating the public on responsible animal ownership and providing services for dog registration.

We receive and respond to complaints from the public and issue fines for breaches of legislation when necessary.

The Council operates a pound, which provides roaming or abandoned animals with shelter and food and offers a microchipping service. This involves re-housing stray animals where possible and appropriate.

We have a statutory responsibility to undertake this activity, through the Dog Control Act 1996 and the Stock Impounding Act 1955.





Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
To ensure that animals are looked after in a humane manner and are not menacing, dangerous or a nuisance to the public.	The percentage of known dogs registered.	98%	>95%	>95%	>95%	>95%
	Percentage of serious dog incidences responded to within 2 hours.	91.5%	100%	100%	100%	100%
	Response to all stock complaints and requests within 24 hours.	100%	100%	100%	100%	100%
	The percentage of users satisfied with the Animal Control service provided.	73%	90%	90%	90%	90%

Key documents and Links

- Animal Services, Compliance and Environmental Health Activity Management Plan
- Dog Control Act 1996
- Stock Impounding Act 1955

Compliance and Monitoring

The Compliance and Monitoring Activity supports the following goals of Council:

ENVIRONMENTALLY RESPONSIBLE
HE WHAKAARO NUI KI TE TAIAO

SMART GROWTH
HE TIPU ATAMAI



What Council does

This activity ensures that standards, either set by Council through policies or bylaws, or by Central Government legislation that Council is required to monitor, are being met.

This includes monitoring the conditions of resource consents and requirements the Resource Management Act 1991 (RMA).

We carry out inspections under legislation including the inspection of swimming pool fences and management of earthquake prone building legislation. We also implement our requirements under the Building Act 2004, relating to Building Warrants of Fitness and other related requirements.

We respond to noise complaints and other bylaw breeches, and issue Land Information Memorandums (LIMS) and Property Information Memorandums (PIMS).

Earthquake Prone Buildings

In 2018, Council commenced work to implement the Building (Earthquake-prone Buildings) Amendment Act 2016.

This legislation sets timeframes to identify potentially earthquake prone buildings in the District, and to notify owners to either strengthen or demolish buildings that are confirmed as earthquake prone.

Funding for this activity to complete the legislative requirements Council must meet has been included in the 2021–2031 Long Term Plan.

Funding to support an Earthquake Prone Building Response Plan for building owners has also been included in the Long Term Plan. This is identified in the *Central Hawke's Bay Integrated Spatial Plan 2020 -2050*.

Cost over 10 years

Operating Expenditure	Capital Expenditure
$4.35m	$

Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Council provides a compliance and monitoring service which is compliant, efficient and customer friendly.	Owners, or their agents, advised that their BWOF has lapsed within one month of expiry.	New	90%	95%	100%	100%
	All PIMs, LIMs, and CCCs issued within the statutory timeframe.	100%	100%	100%	100%	100%
	Respond to complaints about non-compliance with bylaws within three days.	100%	100%	100%	100%	100%
	The percentage of resource consents monitored within two years of being issued.	New	100%	100%	100%	100%
	The percentage of users satisfied with the Compliance and Monitoring service provided.	90%	90%	90%	90%	90%

Key documents and Links

- Animal Services, Compliance and Environmental Health Activity Management Plan
- Local Government Act 2002
- Resource Management Act 1991
- Building Act 2004
- Fencing of Swimming Pools Act 1987
- Litter Act 1979
- Associated Regulations
- Council Bylaws

Environmental Health

The Environmental Health Activity supports the following goals of Council:

- **PROSPEROUS DISTRICT** HE ROHE TŌNUI
- **STRONG COMMUNITIES** HE HAPORI KAHA
- **ENVIRONMENTALLY RESPONSIBLE** HE WHAKAARO NUI KI TE TAIAO

What Council does

The Council monitors and enforces environmental and public health standards to keep our community safe and healthy.

We ensure that public health standards are maintained so you are confident that your food is safe when you go out to eat. We also respond to complaints in accordance with our legislative responsibilities.

This activity delivers three key functions among other powers and responsibilities:

1. Registration and inspection of premises including hair salons, camping grounds and funeral directors.
2. Registration and auditing of food premises
3. Alcohol Licensing



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
To keep the community safe and healthy by ensuring environmental and public health standards are maintained.	Complaints received are responded to within three working days.	100%	100%	100%	100%	100%
	The percentage of customers satisfied with the public health services delivered.	72%	95%	95%	95%	95%

Key documents and Links

- Animal Services, Compliance and Environmental Health Activity Management Plan
- Food Act 2014
- Health Act 1956
- Local Government Act 2002
- Associated Regulations
- Council Bylaws

Land Use and Consenting

The Land Use Consent Activity supports the following goals of Council:

ENVIRONMENTALLY RESPONSIBLE
HE WHAKAARO NUI KI TE TAIAO

SMART GROWTH
HE TIPU ATAMAI

DURABLE INFRASTRUCTURE
HE HANGANGA MAUROA

What Council does

The council processes, and provides advice on, resource consent applications, which enable the use, development and subdivision of land in line with our District Plan and other policies.

When assessing applications or providing advice, we look at how any proposed use, development and subdivision will affect the community as a whole.

We work with developers to facilitate new initiatives and developments in our District. As part of this we work to ensure the advice we give, and the consents we issue, benefit the wider community and facilitate good development decisions. We monitor compliance with the District Plan standards, and conditions of consents, to ensure any negative effects on the environment are avoided, remedied or mitigated. This sometimes means there are appeals to the Environment Court on our decisions, and managing that process is an important part of this activity.

Growth a major focus

Forecast growth is expected to be a major ongoing challenge in this area. We are managing unprecedented levels of growth and development in the District, not seen to the same extent since the 1960's.

In the 2019/20 year, we processed nearly 160 resource consents - more than double what we were processing only three years ago.

An additional 1,500 homes are expected to be constructed over the next ten years across the District, and with this will come the required subdivision to create land parcels for these homes.

Cost over 10 years

Operating Expenditure	Capital Expenditure
$7.56m	$0



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	PERFORMANCE MEASURES	BASELINE	TARGETS 2021/22	TARGETS 2022/23	TARGETS 2023/24	TARGETS 2024+
To enable use, development and subdivision of land in line with our District Plan and other environmental policies.	The percentage of resource consents (non-notified) processed within 20 working days (the statutory timeframe).	79%	80%	80%	80%	80%
	The percentage of customers satisfied with the land use and subdivision consent services provided.	83%	90%	90%	90%	90%

Key documents and Links

- Land Use and Consenting Activity Management Plan
- Resource Management Act 1991
- Central Hawke's Bay Operative District Plan

Solid Waste

The Solid Waste Activity supports the following Council goals:

- CONNECTED CITIZENS – HE KIRIRARAU WHAI HONONGA
- DURABLE INFRASTRUCTURE – HE HANGANGA MAUROA
- ENVIRONMENTALLY RESPONSIBLE – HE WHAKAARO NUI KI TE TAIAO
- PROSPEROUS DISTRICT – HE ROHE TŌNUI
- PROUD DISTRICT – HE ROHE POHO KERERŪ
- SMART GROWTH – HE TIPU ATAMAI
- STRONG COMMUNITIES – HE HAPORI KAHA

What Council does

Our solid waste activities cover refuse collection and disposal, transfer stations, recycling, hazardous waste management, management of the District's operating Landfill on Farm Road and closed landfill sites, and support for waste minimisation and educational activities.

In one year we typically manage over 15,000 tonnes of waste. This comes from weekly and fortnightly kerbside collections and deliveries direct to our transfer stations. Nearly 12,000 tonnes heads directly to landfill from Central Hawke's Bay and other Districts such as Tararua that utilise our landfill. An additional 3,000 tonnes is recycled from recycling services.



WASTE FREE CHB

A major focus for Council has been the vision of achieving a Waste Free CHB. This vision, established through the Waste Management and Minimisation Strategy in 2019, introduces three new targets:

1. To increase diversion from landfill to 70% by 2040
2. To increase diversion from landfill to 48% by 2025
3. To increase participation in kerbside recycling services (measured through set-out rates) to 60% by 2025

Central Hawke's Bay was an early adopter of new approaches to rubbish and kerbside, however no major change to services has occurred since the 1990's.

A Section 17a Review of the Solid Waste Activity in 2020, primarily focussed on changes on kerbside recycling, rubbish and transfer station provision and was an area of consultation during the Long Term Plan consultation process.

Cost over 10 years

Operating Expenditure	Capital Expenditure
$38.89m	$8.86m

Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
Council supports and provides incentives for waste reduction, reuse and recycling in order to achieve its Waste Free CHB goals.	The percentage of total waste that is diverted from the landfill to recycling, re-use and recovery.	New Measure	32%	40%	48%	>50%
	The amount of greenwaste processed each year.	2,273 m^3	2,275 m^3	2,275 m^3	2,275 m^3	2,275 m^3
	The number of schools participating in waste minimisation programmes.	94.4%	94.4%	94.4%	94.4%	94.4%
	Hold waste minimisation promotional events in the District.	5	5	5	5	5
	The percentage of users satisfied with the solid waste service provided.	77%	80%	85%	90%	90%

Key documents and Links

- Environmental and Sustainability Strategy
- Solid Waste Management and Minimisation Plan 2019
- Solid Waste Activity Management Plan

Significant Negative Impacts

Significant Negative Impacts and their solutions for the Solid Waste Activity are:

Leachate and Stormwater Discharge

If not contained, leachate discharges from the landfill, along with sediment eroding off the landfill, can result in degradation of the environment. To mitigate the effect of leachate, a leachate irrigation system is currently being installed, with leachate currently being trucked to Council wastewater ponds in Waipawa and Waipukurau. In addition, extensive groundwater monitoring for potentially toxic substances is required in accordance with the operative resource consent.

Windblown recyclable materials

Paper and other lightweight recycling materials are prone to wind displacement, particularly in exposed areas. Perimeter fences are in place around transfer stations to intercept windblown materials. These are periodically cleaned to maintain the visual presentation of the sites, however do not always contain all materials.

Waste to Landfill

Landfilling of rubbish presents the most significant adverse effect on the receiving environment.

Council currently receives some 12,000 tonnes of waste a year to its landfill – 6,700 tonnes from the District's transfer stations and commercial rubbish contractors, and a further 5,000 tonnes annually from Tararua District and other Districts.

Council has set goals through its Waste Management and Minimisation Plan 2019 (WMMP) to increase diversion from landfill from 32% to 48% by 2025 and to 70% by 2040. The WMMP outlines strategies that Council can implement to meet this target.



What will these activities cost and how will we pay for them?

Solid Waste	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	$000	$000	$001	$002	$003	$004	$005	$006	$007	$008	$008
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	1,196	1,316	1,370	1,283	1,581	1,562	1,629	1,538	1,566	1,643	1,816
Targeted rates	373	357	367	561	578	594	611	628	645	663	681
Subsidies and Grants for Operating Purposes	53	260	267	275	283	291	299	307	316	325	333
Fees, charges	1,713	1,808	1,861	1,731	1,782	1,833	1,883	1,936	1,990	2,045	2,101
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	**3,335**	**3,741**	**3,865**	**3,851**	**4,223**	**4,281**	**4,422**	**4,408**	**4,516**	**4,677**	**4,931**
Applications of operating funding											
Payments to staff and suppliers	2,472	2,748	2,835	2,935	3,042	3,098	3,197	3,275	3,368	3,542	3,560
Finance costs	44	38	34	31	84	79	74	69	64	58	182
Other operating funding applications	501	544	583	605	632	676	661	683	708	730	756
Total applications of operating funding	**3,017**	**3,330**	**3,453**	**3,572**	**3,758**	**3,853**	**3,932**	**4,026**	**4,140**	**4,330**	**4,499**
Surplus (deficit) of operating funding	**318**	**411**	**413**	**279**	**465**	**428**	**489**	**382**	**376**	**347**	**432**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	10	10	11	11	11	12	12	12	13	13
Increase (decrease) in debt	(129)	(143)	(137)	(103)	2,029	(201)	(206)	(211)	(217)	(178)	4,852
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**(129)**	**(133)**	**(127)**	**(93)**	**2,040**	**(190)**	**(195)**	**(199)**	**(204)**	**(166)**	**4,865**
Applications of capital funding											
Capital expenditure											
to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
to improve the level of service	0	33	74	76	2,423	8	9	4	2	9	5,143
to replace existing assets	97	105	110	64	155	135	190	83	73	75	90
Increase (decrease) in reserves	93	140	102	46	(72)	95	96	96	96	97	64
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**190**	**278**	**286**	**186**	**2,506**	**238**	**295**	**183**	**172**	**181**	**5,297**
Surplus (deficit) of capital funding	**(318)**	**(411)**	**(413)**	**(279)**	**(465)**	**(428)**	**(489)**	**(382)**	**(376)**	**(347)**	**(432)**
Funding balance	**0**	**0**	**0**	**0**	**(0)**	**(0)**	**0**	**(0)**	**0**	**0**	**0**

	LTP 2022 $000	LTP 2023 $000	LTP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000
Capital Expenditure										
Closed Dump	0	0	0	27	0	0	0	0	0	0
Landfill Cell Extension	0	0	0	2,179	0	0	0	0	0	0
Landfill	33	10	11	22	11	127	24	12	13	26
Litter Bins	0	0	0	0	0	0	0	0	0	0
Recycling	45	87	90	93	17	17	18	18	19	19
Transfer Stations	61	86	39	257	115	55	46	45	53	49
Construction of Central Transfer Station	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5,139**
Total applications of capital funding	**138**	**184**	**140**	**2,577**	**143**	**199**	**87**	**75**	**84**	**5,233**

How are we going to get there?

Stormwater

The Stormwater Activity supports the following Council goals:

ENVIRONMENTALLY RESPONSIBLE
HE WHAKAARO NUI KI TE TAIAO

DURABLE INFRASTRUCTURE
HE HANGANGA MAUROA

What Council does

Stormwater is the water that runs off surfaces such as roads, driveways, footpaths and rooftops after rain events.

The Council operates and manages four stormwater systems in Otāne, Takapau, Waipawa and Waipukurau. These systems are designed to take stormwater away from built up urban areas and disperse it to waterways (streams, rivers and the ocean) to minimise the effects of flooding on property and the risk to human life. Our stormwater systems include underground pipes, open drains, overland flow paths, pump stations and stormwater ponds.

Networks in Pōrangahau, Ongaonga, Te Paerahi, Tikokino and other coastal settlements form part of the roading network and drainage system.

Alongside our urban stormwater drainage systems, the Hawke's Bay Regional Council (HBRC) is responsible for managing rivers and rural drainage schemes to ensure our communities are protected from flooding.

Freshwater Management – National Policy Statement

The National Policy Statement Freshwater Water Management 2020, came into effect in September 2020.

The new policy statement aims to avoid further loss or degradation of waterways and will involve a whole new approach to how stormwater is currently managed in the District.

This means Council can expect required upgrades to its existing and/or new stormwater discharges, with the ongoing levels of maintenance and treatment standards of stormwater to be much higher than currently provided for in future resource consents.



Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
To effectively manage stormwater in a manner that respects and protects private and public assets and preserves the health of our waterways.	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)	0	0	0	0	0
	Compliance with the territorial authority's resource consents for discharge from its stormwater systems measured by the number of:					
	• abatement notices;	0	0	0	0	0
	• infringement notices;	0	0	0	0	0
	• enforcement orders; and	0	0	0	0	0
	• successful prosecutions, received by the territorial authority in relation those resource consents.	0	0	0	0	0
	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	0 (no flooding events in 2020)	≤2hr	≤2hr	≤2hr	≤2hr
	The number of complaints received about the performance of the stormwater system (expressed per 1000 properties connected to the stormwater system)	4.7	≤ 5	≤ 5	≤ 5	≤ 5
	The percentage of users satisfied with the solid waste service provided	92%	90%	90%	90%	90%

Significant Impacts

Significant Negative Impacts and their solutions for the Stormwater Activity are:

Stormwater Discharges impacting on the natural environment

Stormwater discharges can contain a wide range of contaminates. This is relative to the environment the stormwater comes from, and the behaviours and acts (intentional or otherwise) of those in our community who inappropriately use the stormwater network for the disposal of chemicals or other contaminates.

The Council regularly monitors many stormwater discharges and shares messages about the importance of stormwater. Upgrades to existing stormwater systems are also proposed in this plan, the seek to reduce the impact of stormwater on the receiving environments. Increasing requirements relating to the Council's conditions of discharge are also expected with the introduction of the National Policy Statement Freshwater 2020.

Inadequacy of existing Stormwater Systems

Historic underinvestment in our stormwater networks, is now being exacerbated by the impacts of growth and development we are currently seeing in Central Hawke's Bay.

The inadequacy of existing stormwater assets to cope with large rainfall events and potentially cause flooding, is a realistic threat for the Districts urban networks.

Major investment in upgrades to address demand, both debt and development contribution funded, are proposed in this plan to address the existing stormwater systems across the District.



Key documents and Links

- Environmental and Sustainability Strategy
- Three Waters Activity Management Plan
- Infrastructure Strategy
- www.chbdc.govt.nz/services/stormwater/

What will these activities cost and how will we pay for them?

Stormwater	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	$000	$000	$001	$002	$003	$004	$005	$006	$007	$008	$008
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	0	85	106	106	119	193	257	216	222	228	234
Targeted rates	782	790	976	985	1,095	1,768	2,339	1,973	2,027	2,080	2,139
Subsidies and Grants for Operating Purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges	0	0	0	0	0	0	0	0	0	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	**782**	**875**	**1,082**	**1,091**	**1,214**	**1,961**	**2,596**	**2,189**	**2,249**	**2,308**	**2,373**
Applications of operating funding											
Payments to staff and suppliers	312	358	469	382	396	410	424	440	455	472	492
Finance costs	17	34	66	105	139	144	145	138	132	125	118
Other operating funding applications	208	312	335	349	361	382	383	397	412	425	441
Total applications of operating funding	**538**	**704**	**870**	**836**	**896**	**936**	**952**	**975**	**999**	**1,022**	**1,051**
Surplus (deficit) of operating funding	**245**	**171**	**212**	**255**	**318**	**1,026**	**1,643**	**1,215**	**1,250**	**1,286**	**1,321**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	217	224	230	237	244	251	259	266	274	282
Increase (decrease) in debt	(19)	771	1,231	1,508	1,280	167	31	(265)	(272)	(278)	(285)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**(19)**	**988**	**1,454**	**1,738**	**1,518**	**411**	**282**	**(6)**	**(5)**	**(4)**	**(3)**
Applications of capital funding											
Capital expenditure											
to meet additional demand	0	245	886	764	830	253	231	238	245	253	260
to improve the level of service	0	140	309	583	328	338	868	119	123	126	130
to replace existing assets	226	774	797	821	736	758	721	743	765	788	810
Increase (decrease) in reserves	0	1	(326)	(174)	(58)	88	105	108	111	114	118
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**226**	**1,159**	**1,666**	**1,994**	**1,836**	**1,437**	**1,925**	**1,208**	**1,245**	**1,282**	**1,318**
Surplus (deficit) of capital funding	**(245)**	**(171)**	**(212)**	**(255)**	**(318)**	**(1,026)**	**(1,643)**	**(1,215)**	**(1,250)**	**(1,286)**	**(1,321)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**

	LTP 2022 $000	LTP 2023 $000	LTP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000
Capital Expenditure										
Bush Drain Restoration	0	26	27	27	28	0	0	0	0	0
District Wide	644	663	683	703	674	1,155	713	735	757	778
Lake Whatuma Health	0	103	106	55	0	0	0	0	0	0
Otāne	50	52	53	55	56	58	60	61	63	65
Takapau	50	52	53	55	56	58	60	61	63	65
Waipawa	140	52	318	328	338	347	60	61	63	65
Waipukurau	275	376	292	290	197	202	209	215	221	227
Waipukurau CBD	0	0	159	382	0	0	0	0	0	0
Waipukurau Eastern Interceptor	0	412	212	0	0	0	0	0	0	0
Waipukurau Industrial	0	258	265	0	0	0	0	0	0	0
Total applications of capital funding	**1,159**	**1,992**	**2,168**	**1,894**	**1,349**	**1,821**	**1,101**	**1,134**	**1,168**	**1,200**

Wastewater

The Wastewater Activity supports the following Council goals:

- CONNECTED CITIZENS – HE KIRIRARAU WHAI HONONGA
- DURABLE INFRASTRUCTURE – HE HANGANGA MAUROA
- ENVIRONMENTALLY RESPONSIBLE – HE WHAKAARO NUI KI TE TAIAO
- PROUD DISTRICT – HE ROHE POHO KERERŪ
- PROSPEROUS DISTRICT – HE ROHE TŌNUI
- SMART GROWTH – HE TIPU ATAMAI
- STRONG COMMUNITIES – HE HAPORI KAHA

What Council does

The Council operates and manages six wastewater schemes, servicing the urban areas of Pōrangahau, Otāne, Takapau, Te Paerahi, Waipawa and Waipukurau.

The Council provides a variety of infrastructure to manage sewerage within our identified urban and residential areas. Our sewer system includes sewer service lines, manholes, underground pipes, pump stations and sewer treatment plants. Major investment is required across our entire network, as a result of rates being held at artificially low levels over a number of years, at the expense of essential renewals.

This activity also includes the Council's 'Tradewaste' functions, which include the monitoring and treatment of liquid discharged from businesses into the wastewater system.

We undertake wastewater activities because of statutory obligations, duty of care and public demand. The alternative to a Council provided sewerage system is the use of septic tanks. These independent systems are approved and monitored by the Hawke's Bay Regional Council (HBRC).

The six Council managed wastewater schemes all have resource consents that have expired or will expire in the life of this plan.

Wastewater Strategy 2020

In September 2020 Council adopted a District Wastewater and Discharge Management Strategy 2020 (Wastewater Strategy 2020).

The purpose is to set out the process to achieve a resilient and sustainable wastewater management system for the District for the next 50 years.

Our vision is that...

"Our effluent is treated in a sustainable way that creates a resource, protects our environment, and continues to do so for generations to come'.



Facing the Facts – Poor Historic Investment Decisions

Between 2013 and 2017, the community invested nearly $10 million in the upgrade of the Waipawa and Waipukurau Wastewater Treatment Plants.

At this time, the elected Council took a low cost option. They chose to continue discharging treated effluent into the Tukituki and Waipawa rivers, rather than taking a long-term land based disposal option.

The systems installed never worked. The plants have never been able to meet resource consent conditions for the discharges since the upgrade.

Residents experienced significant odour issues for extended periods and there were multiple environmental challenges with discharges. In July 2017 the Council pleaded guilty in the Environment Court to breaching resource consent conditions for the plants.

Many components of the upgrade installations have failed or been removed, such as the floating wetlands and the sand filtration systems.

#the BIG Waste Water Story

In response, #thebigwastewaterstory was launched. This saw engagement with the community over a two-year period to confirm a range of preferred options for the disposal and treatment of wastewater across the District. These options are included in this plan following the Long Term Plan consultation.

Project 1: Waipukurau, Waipawa and Otāne

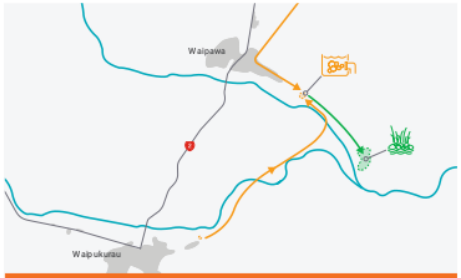
Establishing a combined wastewater treatment solution that irrigates effluent to land only. This project will be delivered over 15 years at a total cost of $50.8 million.

Project 2: Pōrangahau and Te Paerahi

Establishing a new combined wastewater treatment solution that also irrigates effluent to land only. This project will be delivered over 15 years at a total cost of $17.6 million.

Project 3: Takapau

Small treatment upgrades are required and wastewater will be irrigated to land. The project will be delivered over 15 years at a total cost of $2.4 million.



Project 1: Waipukurau, Waipawa and Otāne



Project 2: Pōrangahau and Te Paerahi



Project 3: Takapau Wastewater

Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
To provide for the effective reticulation, treatment and disposal of wastewater in a way that protects the health of our communities and our natural environment.	Target number of dry weather sewerage overflows (per 1000 connections to the total sewerage systems).	3.5	≤10	≤10	≤10	≤10
	Target number of total sewerage overflows (per 1000 connections to the total sewerage.	3.5	≤30	≤30	≤30	≤30
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:					
	• abatement notices;	0	0	0	0	0
	• infringement notices;	0	0	0	0	0
	• enforcement orders; and	0	0	0	0	0
	• convictions, received by the territorial authority in relation to those resource consents.	0	0	0	0	0
	Median response time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that the service personnel reach the site).	47 minutes	≤1hr	≤1hr	≤1hr	≤1hr

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
	Median resolution time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that service personnel confirm resolution of the blockage or other fault).	2 hours 20 minutes	≤ 4 hrs	≤ 4 hrs	≤ 4 hrs	≤ 4 hrs
	Number of complaints received per annum per 1000 sewerage connections about any of the following: Sewage odour, Sewerage system faults, Sewerage system blockages or Council's response to issues with its sewerage systems.	14.4	≤ 10	≤ 10	≤ 10	≤ 10
	The percentage of users satisfied with the wastewater service provided.	91%	90%	90%	90%	90%

Key documents and Links

- Environmental and Sustainability Strategy
- Three Waters Activity Management Plan
- Infrastructure Strategy
- https://www.chbdc.govt.nz/services/sewerage/wastewater/
- https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/

Significant Impacts

Significant Negative Impacts and their solutions for our Wastewater Activity are:

Environmental and Cultural Impacts of Wastewater Discharges

Currently all of the District's wastewater networks discharge after treatment into waterways. Major investment to remove discharges from waterways for all of Councils treatment facilities is planned through this Long Term Plan and the #bigwastewaterstory plan.

We need to radically improve our approach to managing wastewater discharges in the long term. This will enable us to meet new resource consent requirements and continue to build positive and enduring relationships with manawhenua.

Affordability of rates to meet the cost of upgrades for environmental and legal requirements

Major upgrades, required to meet legislative and environmental standards, have a major impact on the affordability of rates for those connected to the networks.

Council has limited options to introduce new revenue sources, or to further delay or reduce the scope of works that are required. To this end, this plan includes major rates increases for those connected to the reticulated wastewater networks. Council will continue to explore opportunities to reduce the cost of services to the community, including continued participation in the three waters reform programme.

Unplanned network failures and overflows

There is a real risk of overflows of untreated sewage from the sewerage network due to blockages, pump station or other plant malfunction, inflow/infiltration of stormwater into the sewerage network and/or insufficient capacity.

The Council endeavours to offset this risk through regular maintenance programmes on network assets and ensuring environmental controls are put in place in the event of overflows. The Council also delivers key messages to those connected to networks about the challenges associated with flushing items such wetwipes, which can contribute to blockages.



What will these activities cost and how will we pay for them?

Wastewater (Sewerage)	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	$000	$000	$001	$002	$003	$004	$005	$006	$007	$008	$008
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,932	3,121	3,523	3,987	4,297	5,745	8,250	9,387	9,308	13,171	14,936
Subsidies and Grants for Operating Purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges	417	650	674	699	725	751	777	805	834	863	893
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	**3,349**	**3,771**	**4,197**	**4,686**	**5,021**	**6,496**	**9,027**	**10,192**	**10,142**	**14,034**	**15,829**
Applications of operating funding											
Payments to staff and suppliers	1,459	1,397	1,481	1,561	1,669	2,522	1,810	1,885	1,963	2,044	3,023
Finance costs	375	426	551	727	849	1,011	1,152	1,140	1,199	1,250	1,201
Other operating funding applications	675	781	840	872	908	963	958	990	1,028	1,061	1,101
Total applications of operating funding	**2,509**	**2,605**	**2,872**	**3,160**	**3,425**	**4,497**	**3,920**	**4,015**	**4,190**	**4,356**	**5,326**
Surplus (deficit) of operating funding	**841**	**1,165**	**1,326**	**1,526**	**1,596**	**1,999**	**5,107**	**6,177**	**5,952**	**9,678**	**10,503**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	700	0	0	0	0	0	0	0	0	0
Development and financial contributions	50	902	929	957	986	1,015	1,044	1,075	1,107	1,140	1,172
Increase (decrease) in debt	977	1,535	4,836	6,852	4,712	6,291	5,432	(541)	2,230	1,943	(1,960)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**1,027**	**3,137**	**5,765**	**7,809**	**5,698**	**7,306**	**6,475**	**534**	**3,337**	**3,083**	**(788)**
Applications of capital funding											
Capital expenditure											
to meet additional demand	0	1,496	1,541	1,587	1,635	56	58	60	61	3,856	3,964
to improve the level of service	1,609	2,969	2,128	2,170	1,748	2,022	1,054	1,242	4,286	4,108	0
to replace existing assets	259	3,698	4,437	5,955	4,180	7,071	10,262	4,769	4,431	4,636	5,374
Increase (decrease) in reserves	0	(3,860)	(1,014)	(377)	(269)	156	210	642	511	162	378
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**1,868**	**4,302**	**7,091**	**9,335**	**7,294**	**9,305**	**11,583**	**6,712**	**9,290**	**12,762**	**9,716**
Surplus (deficit) of capital funding	**(841)**	**(1,165)**	**(1,326)**	**(1,526)**	**(1,596)**	**(1,999)**	**(5,107)**	**(6,177)**	**(5,952)**	**(9,678)**	**(10,503)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

	LTP 2022 $000	LTP 2023 $000	LTP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000
Capital Expenditure										
Te Paerahi/Pōrangahau Plant	2,086	2,128	2,170	781	1,035	1,054	1,242	4,286	4,108	0
Takapau Plant	533	0	0	967	987	0	0	0	0	0
Reticulation Upgrades	2,346	2,056	2,118	2,072	983	1,010	1,040	1,072	4,897	5,034
Waipukurau/Waipawa/Otāne Plant	3,198	3,922	5,424	3,743	6,145	9,309	3,788	3,421	3,595	4,304
Total applications of capital funding	**8,162**	**8,105**	**9,712**	**7,563**	**9,149**	**11,373**	**6,070**	**8,779**	**12,600**	**9,338**

Water Supply

The Wastewater Activity supports the following Council goals:

- CONNECTED CITIZENS – HE KIRIRARAU WHAI HONONGA
- DURABLE INFRASTRUCTURE – HE HANGANGA MAUROA
- ENVIRONMENTALLY RESPONSIBLE – HE WHAKAARO NUI KI TE TAIAO
- PROSPEROUS DISTRICT – HE ROHE TŌNUI
- PROUD DISTRICT – HE ROHE POHO KERERŪ
- SMART GROWTH – HE TIPU ATAMAI
- STRONG COMMUNITIES – HE HAPORI KAHA

What Council does

We operate seven different water supply schemes servicing Kairakau, Pourerere, Pōrangahau, Takapau Te Paerahi, Waipawa and Otāne, and Waipukurau. These supply schemes provide water to over 4,100 households and businesses.

Our water supply schemes require a large amount of infrastructure including water treatment plants, reservoirs, pump stations, pipe networks, water meters, back flow prevention units, hydrants and more.

The water supply systems are designed to treat raw water to make sure it is safe to drink, and to continuously supply this water to users at a suitable pressure and quantity through a piping network. Council's water supply systems also needs to provide enough water pressure for firefighting services in urban areas. Council undertakes these water supply activities because of public demand, statutory obligations and duty of care.

We work under a Ministry of Health framework to ensure our supplies are meeting the Drinking Water Standards for New Zealand.



Sustainable Water Management Plan 2021

Council are currently developing a new Sustainable Water Management Plan for the longterm strategic use of its supply. Due to timing, it is expected that this will be complete in late 2021 and included in the 2024 Long Term Plan for community consultation.

#the BIG Water Story

In the 2018 Long Term Plan we developed #thebigwaterstory as the basis for the start of the conversations for the major works we face. This 2021 Long Term Plan has seen much of the investigative and research completed as part of the #thebigwaterstory on the condition and state of our assets reflected in this 2021 Long Term Plan.

Major features include the need to replace our key reservoirs that are reaching the end of their life and the amalgamation of the water network between Otāne, Waipawa and Waipukurau, to boost supply and resilience of the supply.

Step change in renewals

Council needs to make a step change in our renewals to address the significant long-term underinvestment in our water supply networks. The results of this underinvestment are the regular leaks and network outages our community experience across our networks.

Over the first five years, Council will be loan funding renewals, rather than soley rate funding renewals, to provide a major injection of investment in our water supply reticulation renewals. This work is expected to provide a solid platform as the basis for renewals for the future.



Three Water Reform

Hawke's Bay Councils were already working together on opportunities to improve our three waters, ahead of Central Government Reform announced in 2020. We have signed a MoU with central government to explore future service delivery options. The Government expects to make substantive decisions in April/May 2021. Council will be asked to participate in the new service delivery system in late 2021, in the form of an 'opt out' approach. This means affected councils would be included in one of the new water service delivery entities by default, but can decide not to participate (in consultation with their communities). We expect to engage on the opt out decision in late 2021. For councils that participate in the reforms, any potential transfer or responsibilities or assets may occur from, assets, etc. is likely to occur from 2023/24 onwards.

Our community needs three waters services regardless of what happens. As such, we have included three waters in our financial and infrastructure strategies, and as a key challenge within our LTP. This has been considered as a potential change in our key assumptions. For more information on the Government reforms visit www.dia.govt.nz/three-waters-reform-programme

Measuring our Progress

The following measures describe how we will demonstrate progress and achievement in this area.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
To provide safe, reliable and consistent water supplies to our community working with our customers to support wise and sustainable water use.	The extent to which the local authorities drinking water supply complies with Part 4 of the drinking water standards (bacteria compliance criteria).	**Reticulation** Otāne Pass (2019: Pass) Waipawa Pass (2019: Pass) Waipukurau Pass (2019: Pass) Takapau Pass (2019: Pass) Kairakau Pass (2019: Pass) Pōrangahau Pass (2019: Pass) **Treatment** Otāne Pass (2019: Fail) Waipawa Pass (2019: Fail) Waipukurau Fail (2019: Fail) Takapau Fail (2019: Pass) Kairakau Fail (2019: Fail) Pōrangahau Fail (2019: Fail)	All potable supplies 100%	All potable supplies 100%	All potable supplies 100%	All potable supplies 100%
	The extent to which the local authorities drinking water supply complies with Part 5 of the drinking water standards (protozoal compliance criteria).	Otāne Pass (2019 Fail) Waipawa Pass (2019 Fail) Waipukurau Fail (2019 Fail) Takapau Fail (2019 Pass) Kairakau Fail (2019 Fail) Pōrangahau Fail (2019 Fail)	All potable supplies 100%	All potable supplies 100%	All potable supplies 100%	All potable supplies 100%
	Percentage of real water loss from the local authority's networked reticulation system.	Not available	≤ 30%	≤ 30%	≤ 30%	≤ 30%
	Attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	28 minutes	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours

How are we going to get there?

WHAT WE DO	HOW WE SHOW WE ARE DOING A GREAT JOB					
LEVEL OF SERVICE	**PERFORMANCE MEASURES**	**BASELINE**	**TARGETS 2021/22**	**TARGETS 2022/23**	**TARGETS 2023/24**	**TARGETS 2024+**
	Resolution of urgent call outs: from the time that the Local Authority receives notification to the time the service personnel confirm resolution of the fault or interruption.	1 hour 48 minutes	≤ 12 hours	≤ 12 hours	≤ 12 hours	≤ 12 hours
	Attendance for non-urgent call outs: from the time that the Local Authority receives notification to the time the service personnel reaches the site.	38 minutes	≤ 6 hours	≤ 6 hours	≤ 6 hours	≤ 6 hours
	Resolution of non-urgent call outs: from the time that the Local Authority receives notification to the time the service personnel confirm resolution of the fault or interruption.	27 hours 18 minutes	≤ 72 hours	≤ 72 hours	≤ 72 hours	≤ 72 hours
	Number of complaints relating to drinking water received (per annum per 1000 connections to the local authority's networked reticulation system).	3.68	≤ 5	≤ 5	≤ 5	≤ 5
	The average consumption of drinking water per day per water connection.	1.65m3				≤1.80m3
	The percentage of users satisfied with the water supply service provided.	83%	90%	90%	90%	90%



Key documents and Links

- Three Waters Activity Management Plan
- Infrastructure Strategy
- New Zealand Drinking Water Standards 2008
- www.chbdc.govt.nz/services/water/about-water/
- #thebigwaterstory



Significant Negative Impacts

Significant Negative Impacts and their solutions for the Water Supply Activity are:

Over Extraction of Water

The Council's water is drawn from bores at each of its networks. Groundwater levels are an increasing area of concern for Central Hawke's Bay, particular as a result of over extraction, the resulting impact on the aquifer and overall ground water levels.

The Council has resource consents for the extraction of water. These consents limit the extent of extraction the Council is able to draw. Monitoring water take and availability are key mitigating tools, along with the use of water conversation messaging and where necessary water restrictions also.

Potential Contamination of Water Schemes

There is a potential risk of the contamination of water schemes. Unknown contamination, could cause severe and wide ranging social and economic challenges to our community.

The Council has a number of emergency response plans, operational procedures and monitoring processes for the management of our water supplies. Public Health Risk Management Plans are also in place, along with a rigorous audit process completed by the Drinking Water Assessors as part of the Hawke's Bay District Health Board.

Insufficient Water Supplies during times of drought or Emergency

In 2020 Central Hawke's Bay experienced a period of prolonged drought. Damage to reservoir connections in Waipawa also saw Waipawa come within hours of losing water completely.

As part of the drought response, demand management practices were used, including water conservation messaging and education. Water restrictions and other methods of restriction are also available to Council.

Investigation is underway to improve the resilience and security of water supplies across the District. Some projects such as the Integrated network for Otāne, Waipawa and Waipukurau are included in this Long Term Plan, while other resilience projects are still at an investigation phase.

What will these activities cost and how will we pay for them?

Water Supplies	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	$000	$000	$001	$002	$003	$004	$005	$006	$007	$008	$008
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	3,416	3,720	4,090	4,423	4,733	5,338	6,034	6,392	6,486	6,545	6,699
Subsidies and Grants for Operating Purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges	3	5	5	5	5	5	6	6	6	6	7
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total operating funding	3,419	3,725	4,094	4,428	4,738	5,343	6,039	6,398	6,493	6,552	6,705
Applications of operating funding											
Payments to staff and suppliers	1,522	1,985	2,151	2,163	2,258	2,450	2,454	2,558	2,756	2,780	2,895
Finance costs	347	293	375	591	688	822	853	838	848	817	786
Other operating funding applications	703	781	840	872	908	963	958	990	1,028	1,061	1,101
Total applications of operating funding	**2,572**	**3,060**	**3,366**	**3,627**	**3,853**	**4,235**	**4,265**	**4,386**	**4,633**	**4,658**	**4,781**
Surplus (deficit) of operating funding	847	665	729	802	885	1,108	1,774	2,011	1,860	1,893	1,924
Sources of capital funding											
Subsidies and grants for capital expenditure	0	2,300	0	0	0	0	0	0	0	0	0
Development and financial contributions	50	770	793	817	841	867	891	918	945	974	1,001
Increase (decrease) in debt	1,675	1,707	3,199	8,426	3,694	5,197	1,117	(652)	344	(1,258)	(1,271)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	1,725	4,777	3,992	9,243	4,535	6,064	2,008	265	1,289	(285)	(270)
Applications of capital funding											
Capital expenditure											
to meet additional demand	0	163	167	172	178	56	58	448	61	613	65
to improve the level of service	1,990	3,939	3,182	4,245	1,564	1,611	1,118	238	552	0	0
to replace existing assets	832	1,668	3,045	8,024	3,566	6,164	1,881	1,121	1,652	635	653
Increase (decrease) in reserves	(250)	(328)	(1,673)	(2,397)	112	(660)	725	470	884	361	936
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**2,572**	**5,441**	**4,721**	**10,044**	**5,420**	**7,172**	**3,783**	**2,277**	**3,149**	**1,609**	**1,654**
Surplus (deficit) of capital funding	**(847)**	**(665)**	**(729)**	**(802)**	**(885)**	**(1,108)**	**(1,774)**	**(2,011)**	**(1,860)**	**(1,893)**	**(1,924)**
Funding balance	**0**	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**

	LTP 2022 $000	LTP 2023 $000	LTP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000
Capital Expenditure										
Waipawa	494	637	1,166	1,219	1,275	1,331	0	0	0	0
Waipukurau	2,937	3,429	3,828	1,466	1,169	507	522	1,035	0	0
Water Metering & Demand Management	213	219	597	615	506	521	627	552	549	0
Reticulation & Water Security	836	2,109	2,077	1,188	1,224	698	658	678	699	718
Reservoir Replacement	1,290	0	4,774	820	3,658	0	0	0	0	0
Total applications of capital funding	**5,770**	**6,394**	**12,442**	**5,307**	**7,832**	**3,057**	**1,807**	**2,265**	**1,248**	**718**


Wāhanga 3
Section 3
Finance and Rating Information

In this section you'll find what key assumptions we have made in preparing our financial information. You'll also find details about the rating impact and other key policies that have formed the basis of this plan.



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Prospective Financial Statements Central Hawke's Bay Long Term Plan 2021 - 2031

The statements provide the expected financial position, based on the key documents we have developed as the basis of the Long Term Plan.

Prospective Statement of Comprehensive Revenue and Expenses for the 10 Years to 30 June 2031

	Annual Plan 2021 $000	Long Term Plan 2022 $000	Long Term Plan 2023 $000	Long Term Plan 2024 $000	Long Term Plan 2025 $000	Long Term Plan 2026 $000	Long Term Plan 2027 $000	Long Term Plan 2028 $000	Long Term Plan 2029 $000	Long Term Plan 2030 $000	Long Term Plan 2031 $000
Revenue											
Rates Revenue	21,453	23,129	24,922	26,374	28,333	31,957	36,135	37,943	38,694	42,688	46,544
Subsidies and Grants	7,566	18,960	7,665	7,517	8,316	8,670	8,628	8,965	9,240	10,134	9,806
Interest and dividends	92	71	40	23	5	6	(1)	5	3	8	8
Fees and charges	4,338	5,013	5,403	5,393	5,558	5,781	5,891	6,061	6,297	6,424	6,597
Development Contributions	107	2,072	2,133	2,197	2,263	2,331	2,396	2,467	2,541	2,617	2,690
Other Revenue	265	249	258	262	271	279	287	295	304	312	321
Total revenue	**33,821**	**49,492**	**40,421**	**41,765**	**44,746**	**49,025**	**53,337**	**55,736**	**57,079**	**62,183**	**65,966**
Expenditure											
Personnel costs	5,829	7,400	7,725	8,157	8,473	8,968	9,338	9,733	10,147	10,578	11,017
Depreciation and amortisation	13,065	12,775	14,925	17,055	18,886	20,705	22,690	24,164	25,466	27,305	28,933
Finance costs	462	732	1,060	1,409	1,773	2,078	2,295	2,335	2,341	2,408	2,488
Other operating costs	15,316	16,602	17,478	17,603	18,783	19,980	19,458	20,137	21,025	21,342	23,018
Total operating expenditure	**34,673**	**37,507**	**41,188**	**44,224**	**47,915**	**51,730**	**53,781**	**56,369**	**58,978**	**61,633**	**65,456**
Net Operating Surplus/(Deficit)	**(851)**	**11,985**	**(767)**	**(2,459)**	**(3,169)**	**(2,705)**	**(444)**	**(633)**	**(1,899)**	**550**	**510**
Other (Gains)/Losses											
(Gains)/Losses on Public Debt	0	0	0	0	0	0	0	0	0	0	0
(Gains)/Losses on Investments	0	0	0	0	0	0	0	0	0	0	0
Total Other (Gains)/Losses	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Operating surplus/(deficit) before tax	**(851)**	**11,985**	**(767)**	**(2,459)**	**(3,169)**	**(2,705)**	**(444)**	**(633)**	**(1,899)**	**550**	**510**
Income tax expense	0	0	0	0	0	0	0	0	0	0	0
Net surplus/(deficit) after tax	**(851)**	**11,985**	**(767)**	**(2,459)**	**(3,169)**	**(2,705)**	**(444)**	**(633)**	**(1,899)**	**550**	**510**
Other comprehensive income											
Gains/(Losses) on the revaluation of property, plant, equipment	14,928	24,963	32,164	24,603	28,728	41,216	25,744	30,421	46,195	27,620	32,028
Total other comprehensive Income	**14,928**	**24,963**	**32,164**	**24,603**	**28,728**	**41,216**	**25,744**	**30,421**	**46,195**	**27,620**	**32,028**
Total comprehensive income for the year	**14,076**	**36,948**	**31,397**	**22,145**	**25,560**	**38,511**	**25,300**	**29,788**	**44,296**	**28,170**	**32,538**

Prospective Statement of Financial Position for the 10 Years to 30 June 2031

	Annual Plan 2021 $000	Long Term Plan 2022 $000	Long Term Plan 2023 $000	Long Term Plan 2024 $000	Long Term Plan 2025 $000	Long Term Plan 2026 $000	Long Term Plan 2027 $000	Long Term Plan 2028 $000	Long Term Plan 2029 $000	Long Term Plan 2030 $000	Long Term Plan 2031 $000
Assets											
Current assets											
Cash and cash equivalents	4,561	2,527	2,527	2,527	2,527	2,527	2,527	2,527	2,527	2,527	2,527
Accounts receivable	4,548	4,927	4,981	5,025	5,084	5,194	5,320	5,374	5,397	5,528	5,644
Prepayments	238	296	296	296	296	296	296	296	296	296	296
Stock on Hand	22	22	22	22	22	22	22	22	22	22	22
Current Investments	27	119	1,074	119	119	119	119	119	119	119	119
Total current assets	**9,395**	**7,891**	**8,901**	**7,990**	**8,049**	**8,158**	**8,284**	**8,339**	**8,361**	**8,493**	**8,609**
Non-current assets											
Investments	2,386	3,298	278	77	255	128	259	700	936	740	732
Property, plant and equipment	895,164	937,957	982,226	1,023,736	1,061,445	1,113,547	1,143,488	1,170,599	1,215,254	1,246,019	1,279,779
Total non-current assets	**897,550**	**941,255**	**982,504**	**1,023,814**	**1,061,699**	**1,113,675**	**1,143,747**	**1,171,299**	**1,216,190**	**1,246,759**	**1,280,511**
Total assets	**906,945**	**949,147**	**991,404**	**1,031,804**	**1,069,748**	**1,121,834**	**1,152,032**	**1,179,637**	**1,224,551**	**1,255,252**	**1,289,120**
Liabilities											
Current liabilities											
Trade and other payables	9,239	7,430	7,484	7,528	7,587	7,697	7,823	7,877	7,900	8,031	8,147
Employee entitlements	238	330	330	330	330	330	330	330	330	330	330
Current public debt	26	4,118	10,118	118	2,118	4,118	118	118	118	118	118
Total current liabilities	**9,503**	**11,877**	**17,932**	**7,976**	**10,035**	**12,144**	**8,270**	**8,325**	**8,347**	**8,479**	**8,595**
Non-current liabilities											
Non-current public debt	18,157	22,493	27,252	55,413	65,690	77,104	85,826	83,538	84,081	86,427	87,588
Provisions for landfill closure	3,573	4,029	4,078	4,127	4,176	4,226	4,277	4,328	4,380	4,433	4,486
Total non-current liabilities	**21,730**	**26,523**	**31,329**	**59,540**	**69,866**	**81,331**	**90,103**	**87,866**	**88,462**	**90,860**	**92,074**
Total liabilities	**31,233**	**38,400**	**49,261**	**67,516**	**79,901**	**93,475**	**98,373**	**96,191**	**96,809**	**99,339**	**100,669**
Equity											
Special and other funds	6,909	7,813	6,856	7,036	7,243	7,530	7,824	8,238	8,695	9,177	9,641
Trust funds	0	162	152	142	132	122	112	102	92	82	72
Revaluation reserve of assets	624,408	626,166	658,330	682,933	711,662	752,878	778,622	809,043	855,237	882,858	914,886
Ratepayers' equity	244,396	276,605	276,805	274,176	270,810	267,828	267,100	266,063	263,718	263,796	263,852
Total equity	**875,713**	**910,747**	**942,143**	**964,288**	**989,847**	**1,028,359**	**1,053,659**	**1,083,446**	**1,127,742**	**1,155,913**	**1,188,451**
Total Liabilities and Equity	**906,946**	**949,147**	**991,404**	**1,031,804**	**1,069,748**	**1,121,834**	**1,152,032**	**1,179,637**	**1,224,551**	**1,255,252**	**1,289,120**

Prospective Statement of Cashflows for the 10 Years to 30 June 2031

	Annual Plan 2021 $000	Long Term Plan 2022 $000	Long Term Plan 2023 $000	Long Term Plan 2024 $000	Long Term Plan 2025 $000	Long Term Plan 2026 $000	Long Term Plan 2027 $000	Long Term Plan 2028 $000	Long Term Plan 2029 $000	Long Term Plan 2030 $000	Long Term Plan 2031 $000
Cash flows from operating activities											
Cash was provided from:											
Receipts from rates revenue	20,510	23,086	24,881	26,340	28,289	31,875	36,041	37,902	38,677	42,589	46,457
Subsidies and grants received	7,566	3,494	3,426	3,372	3,772	3,814	3,805	3,995	4,119	4,858	4,375
Fees and charges received	3,638	4,998	5,389	5,382	5,544	5,754	5,860	6,047	6,292	6,391	6,568
Interest received	92	71	40	23	5	6	-1	5	3	8	8
Receipts from other revenue	265	249	258	262	271	279	287	295	304	312	321
Development contributions	107	2,072	2,133	2,197	2,263	2,331	2,396	2,467	2,541	2,617	2,690
Cash was disbursed to:											
Payments to suppliers of goods and services	(12,136)	(16,497)	(17,375)	(17,509)	(18,675)	(19,821)	(19,281)	(20,031)	(20,950)	(21,158)	(22,849)
Payments to employees	(5,832)	(7,400)	(7,725)	(8,157)	(8,473)	(8,968)	(9,338)	(9,733)	(10,147)	(10,578)	(11,017)
Interest paid	(462)	(732)	(1,060)	(1,409)	(1,773)	(2,078)	(2,295)	(2,335)	(2,341)	(2,408)	(2,488)
Net cash from operating activities	**13,748**	**9,341**	**9,967**	**10,501**	**11,223**	**13,193**	**17,473**	**18,612**	**18,498**	**22,631**	**24,065**
Cash flows from investing activities											
Cash was provided from:											
Proceeds from sale of property, plant and equipment	35	25	26	21	22	22	23	24	24	25	26
Subsidies and grants received	0	15,466	4,240	4,144	4,544	4,857	4,824	4,970	5,121	5,276	5,431
Proceeds from investments	0	2,679	2,065	1,156	(177)	126	(131)	(441)	(235)	195	8
Cash was disbursed to:											
Purchase of investment	68	0	0	0	0	0	0	0	0	0	0
Purchase of intangible assets	0	0	0	0	0	0	0	0	0	0	0
Purchase of property, plant and equipment	(15,649)	(34,399)	(27,055)	(33,983)	(27,888)	(31,613)	(26,910)	(20,878)	(23,951)	(30,474)	(30,690)
Net cash from investing activities	**(15,547)**	**(16,228)**	**(20,725)**	**(28,663)**	**(23,500)**	**(26,607)**	**(22,194)**	**(16,325)**	**(19,042)**	**(24,977)**	**(25,225)**
Cash flows from financing activities											
Cash was provided from:											
Proceeds from borrowing	2,404	6,887	14,758	28,162	12,277	15,415	8,721	(2,288)	543	2,346	1,160
Cash was disbursed to:											
Repayment of borrowings	0	0	(4,000)	(10,000)	(0)	(2,000)	(4,000)	(0)	0	(0)	(0)
Net cash from financing activities	**2,404**	**6,887**	**10,758**	**18,162**	**12,277**	**13,415**	**4,721**	**(2,288)**	**543**	**2,346**	**1,160**
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	606	0	0	0	0	0	0	0	0	0	0
Cash, cash equivalents and bank overdrafts at the beginning of the year	3,956	2,527	2,527	2,527	2,527	2,527	2,527	2,527	2,527	2,527	2,527
Cash, cash equivalents and bank overdrafts at the end of the year	**4,562**	**2,527**	**2,527**	**2,527**	**2,527**	**2,527**	**2,527**	**2,527**	**2,527**	**2,527**	**2,527**

Statement of Accounting Policies

Prospective Notes to the Financial Statement for the 10 Years to 30 June 2031

Reporting Entity

Central Hawke's Bay District Council (Council) is a New Zealand territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return and accordingly, Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

Basis of Preparation
Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 2 entity. The prospective financial statements incorporated within the ten year plan have been prepared in compliance with PBE 'Financial Reporting Standards 42: Prospective Financial Statements (PBE FRS 42).

The preparation of prospective financial statements in conformity with PBE Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, and financial instruments.

Functional and Presentation Currency

The financial statements are presented in the functional currency of New Zealand, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars ($'000).

Changes in Accounting Policies

There have been no changes in accounting policies during the year.

Significant Accounting Policies.
Revenue

Revenue is measured at the fair value of consideration received. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Revenue may be derived from either exchange or non-exchange transactions.

Exchange Transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-Exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange revenue transaction, the Council receives value from another entity without directly giving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. A liability arises only when there is a condition attached to the revenue which requires the entity perform in a certain way, or return the asset.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange revenue transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Non-Exchange Revenue

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced quarterly within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Government Subsidies

Council receives government grants from NZ Transport Agency, which subsidises part of Council's costs in providing the local roading infrastructure services. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

Fees and Charges

Non-exchange revenue from the rendering of services consists of services in activities where Council subsidise the activity. Such revenue is recognised by reference to the stage of completion of the transaction at balance date based on the actual service provided as a percentage of the total services to be provided only when there are conditions attached that require the funds to be returned if performance does not occur. When no conditions are attached revenue is recognised when receivable.

Exchange Revenue

Contribution Revenue

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Rates Revenue from Water by Meter

Water meter revenue is based on actual usage charged at the time of use.

Provision of Services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of Goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash.

Interest and Dividends

Dividends are recognised when the right to receive payment has been established. Interest revenue is recognised using the effective interest method.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Operating Leases as Lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental revenue (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts where applicable are shown within borrowings in current liabilities in the statement of financial position.

Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the debtor is impaired.

When the receivable is uncollectible, it is written off against the provision account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Inventories

Raw materials and stores, and finished goods are stated at the lower of cost and net realisable value costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Purchases and sales of financial assets are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories: fair value through surplus or deficit, held-to-maturity investments, loans and receivables and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial Assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses recognised in the surplus or deficit.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits, and related party loans.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Fair Value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

Impairment of Financial Assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Loans and Other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense. When the receivable is uncollectable, it is written off against the allowance account.

Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use and that the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property Plant and Equipment

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. Property, plant and equipment consist of:

- **Operational Assets**
  These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.
- **Infrastructure Assets**
  Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.
- **Intangible Assets**
  These include Software and GIS District Imagery.
- **Restricted Assets**
  Restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction, and the museum assets are not depreciated.

The useful lives and associated depreciation and amortisation rates of major classes of assets have been estimated as follows:

Asset Category	Useful Life	Depreciation Rate
Infrastructural Assets		
Roading		
Base Course	50-75	1.3%-2%
Bridge (Deck)	70-140	.7%-1.4%
Crossing	75	1.3%
Drainage	30-80	1.3%-3.3%
Footpath	30 -75	1.3%-3.3%
Marking	2	50%
Minor Structure	75	1.3%
Railing	20-40	2.5%-5%
Retaining Wall	35-75	1.3%-2.9%
SW Channel	75	1.3%
Sign	15	6.7%
Street Light (Bracket)	25	4%
Street Light (Light)	6	16.7%
Street Light (Pole)	25	4%
Sub Base [urban]	50-75	1.3%-2%
Sub Base [rural]	50-75	1.3%-2%
Top Surface	3-25	4%-33.3%
Sewerage Network		
Pipes and manholes	60-135	0.7%-1.7%
Manholes	100	1%
Treatment ponds and pumps	15-100	1%-3.8%
Flow monitoring equipment	10	10%
Stormwater		
Pipes	30-100	1%-3.5%
Manholes	100	1%
Water Network		
Monitoring equipment (hardware)	5-20	5%–20%
Monitoring equipment (software)	5-20	5%–20%
Pipes, hydrants, valves	25-50	2%–4%
Treatment plants and pumps	5-20	5%–20%
Items under construction	**Non-depreciable**	

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

Revaluations	Frequency
Roads (except land under roads)	Annually
Bridges	Annually
Sewerage	Every 3 years
Stormwater	Every 3 years
Water	Every 3 years
Land, excluding land under roads	Every 3 years
Restricted Assets	Every 3 years
Buildings	Every 3 years

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Infrastructural Asset Classes: Roads

Roading assets are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. The most recent valuation was performed by Pauline True, Consultant, BBS Economics, PGDipArts (GIS), Stantec through their professional services contract.

Infrastructural Asset Classes: Water, Sewerage and Stormwater Systems

Water, sewer and stormwater infrastructure assets are revalued at fair value determined on a depreciated replacement cost basis. The valuation was completed internally using commercial rates provided by and reviewed by an independent external consultant (Stantec).

Operational and Restricted Land and Buildings

These are revalued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation for land was performed by Registered Valuer, David Nagel, B.Agr.Sc (RVM), SPINZ, ANZIV, and Ashton Gibbard BBS (VPM), MPINZ from QV Asset & Advisory.

Two properties (Waipukurau Library and Memorial Hall) have been partly impaired due to seismic concerns during 2020 based on the expected cost to strengthen to 67% of building code.

Land Under Roads

Land under roads is based on cost less impairment.

Unformed or Paper Roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the statement of financial position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to value. In addition, there is a very limited market for sale to the surrounding or adjacent property owner, and cannot be measured reliably because of the small individual area of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

Intangible Assets

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested annually for impairment. They are derecognised when they are used to satisfy carbon emission obligations.

Creditors and Other Payables

Trade and other payables are measured by amortised cost using the effective interest method. Trade payables are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

Employee Benefits

Short-Term Benefits

Employee benefits are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements able to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Long-Term Benefits

These are long-term employee benefits that are assessed on an actuarial entitlement basis at current rates of pay.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Borrowing

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of Comprehensive Revenue and Expense.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Ratepayers equity
- Revaluation reserves
- Special funded reserves
- Trust funds.

Special Funded and Council Created Reserves

Special funded reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Trust Funds

Trust funds are those subject to specific conditions accepted as binding by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

- Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.
- Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using specific allocation ratio.

Statement of Cash Flows

Cash means cash and cash equivalent balances on hand, held in bank accounts, demand deposits and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Council invests such assets as part of its day to day cash management.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. They include cash received from all revenue sources (such as rates, taxes and operating government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of non-current assets, which are intended to generate future income and cash flows. Investing and financing activity transactions have had their respective sources and applications of cash netted off where roll over of financing has occurred and where there have been transfers between Council bank accounts.

Financing activities comprise activities that change the equity and debt capital structure of the Council.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Overdue Receivables Provision**
  The appropriate note discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding impairment provision for overdue receivables.
- **Landfill Aftercare Provision**
  The appropriate note discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.
- **Infrastructural Assets**
  There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:
- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense.

To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers are used in performing or reviewing the Council's infrastructural asset revaluations.

Critical Judgements in Applying Council's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies for the periods ending 30 June 2022-2031.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's housing policy. These properties are accounted for as property, plant and equipment.

Prospective Financial Information

Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. The purpose for which it has been prepared is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flow of Council.

The actual results achieved for any particular financial year is also likely to vary from the information presented, and may vary materially depending on the circumstances that arise during the period.

Cautionary Note

The forecast financial statements are prepared based on best estimates available at the time of preparing the accounts. Actual results are likely to vary from information presented and the variations may be material.

Financial Information

Rounding

There will be rounding of numbers in the Report as the model used calculates to the dollar but the Report is rounded to the nearest thousands.

Central Hawke's Bay District Council Financial Strategy Long Term Plan 2021 -2031

This Strategy sets out our financial goals for the 2021–2031 Long Term Plan.
It sets out where we are now and where we will be at the end of the ten-year term.

Alongside the Infrastructure Strategy, it is a core document that outlines how we consider and approach the funding of expenditure proposals outlined in the Infrastructure Strategy in this Financial Strategy.

Executive summary

Overall, the district is in good shape, compared to other areas in New Zealand significantly affected by Covid-19. Despite still facing the fallout of drought, Central Hawke's Bay's economy is resilient. Consenting levels remain strong, which indicates the District is still an attractive place to live. It is forecast that the number of households will grow by 1,340 residents over the next ten years.

While we welcome the growing prosperity of the district, we know that parts of our community are struggling. Rates rebates and remissions are effective tools for helping the vulnerable households in our community. The completion of our rating review will ensure that rates affordability and any inequities are addressed.

The Council has recognised that while the direction set in the 2018-28 long term plan started addressing our aged infrastructure as part of the #BigWaterStory, we still need to continue this work. The focus of the 2021-31 financial strategy is to complete this capital investment programme, focusing on infrastructure that supports resilience, managed growth, and catches up on years of underinvestment in asset renewals. We are planning to spend just under $288 million on capital expenditure during the first 10 years of the plan, which equates to an average of $29 million a year.

This capital investment program will see external debt grow to $86.5 million by 2031 (this goes beyond the Council's current allowable debt cap), after which we will be in a position to start paying down the debt.

Year 1 of the LTP has a required rate increase of 7.8%, broken down between general rate of 8.5%, and 6.5% in targeted rates (driven mainly by the three waters programme). For the remaining 9 years, the average rate increase is 8.1% per annum. These increases are largely driven by our renewals programme (across three waters and community facilities) which goes from $9.5m this year to $22.2m in Year 3 of the LTP (a 235% increase). This increase looks even higher if you exclude New Zealand Land Transport Agency $6 million contribution to this figure. This reflects the age and quality of our infrastructure assets. This balances our focus of upgrading our infrastructure, capping our debt, with keeping rates increases at a manageable level.

Introduction

1. What is a financial strategy?

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

The Local Government Act 2002 (LGA) is the guiding legislation for all councils' planning and activities for the next 10 years. We recognise the importance of planning for our long term future as the decisions we make today can have significant impacts on future generations.

The financial strategy also provides guidance on how we consider and approach funding of expenditure proposals in the current long term plan, and informs all subsequent activity decisions made for the duration of the 2021-31 LTP.

2. Council's long-term vision

The Council's draft LTP strategy identified the challenges the District faces, including the affordability of Council services and the sustainability of the District economy. While all activities which are planned to move the District forward will have a financial component, the financial strategy focuses on the core financial actions.

The main areas of focus are the Big Water Story; Waste Free CHB; Improved Roading and Sustainable Transport; Sustainable Water Supply Management; Community Facilities for the Future; Housing for all; Responding to growth; and Open Spaces for the Future; while at the same time balancing the cost of this against what is affordable for the District. Part of this is ensuring that Central Hawkes Bay District Council makes the most of all funding opportunities presented that aren't ratepayer funded, such as the Provincial Growth Fund and the Crown Infrastructure Fund.

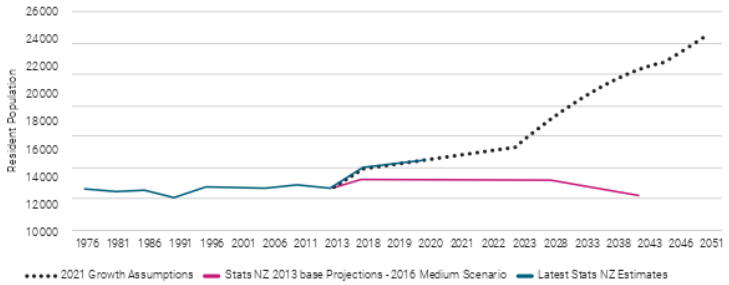
The key outcomes these actions will support aim to put the Council's finances on a more sustainable footing, increase the resilience of our assets and plan for the future.

Strategic context

3. Growth in population

The chart below shows the population growth projections supplied by Squillions' data analysts in May 2020. The high projection forecasts a growth of 2,700 people over the next ten years. The modelling indicates a slowing of migration initially due to Covid-19, but recovering from mid-2022. The high forecast is what we are using to underpin our modelling for the 2021-31 Long Term Plan.

Population Actuals and Forecasts



Source – Squillions Growth Predictions Presentation May 2020

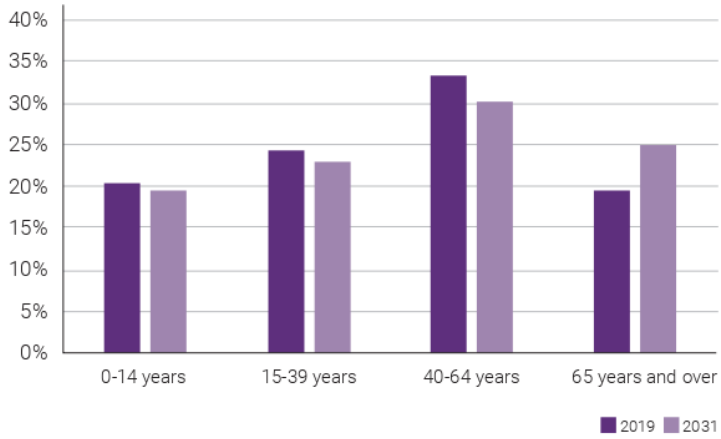
	2021 Households	2031 Households	Forecast Change	% Increase
Waipawa	853	968	115	13.5%
Waipukurau	1,793	2,253	460	25.6%
Otāne	258	408	150	57.9%
Pōrangahau	83	143	60	72.3%
Takapau	222	296	74	33.2%
District Wide	5,530	6,870	1,340	24.2%

The drivers of population growth are lower house prices; the proximity to Napier-Hastings, which provides a wide range of employment opportunities for commuters and semi-remote workers; and flight connections through Hawke's Bay Airport. The result is a population that ages less rapidly than the New Zealand average, featuring more families with children moving to the district and maintaining average household size.

Population by age

The forecasts also anticipate 26% of the population to be aged 65 and over by 2031, compared with 20% in 2019. Our infrastructure strategy shows how the Council intends to meet the changing infrastructure needs of its community as the population ages.

The chart below shows the predicted age range of the population for the district.



Source –Squillions Growth Projections May 2020

Ratepayer growth

The link between the District population and the number of ratepayers is the average number of people per household, which determines the number of dwellings that are required. The lower the average household size, the greater the number of dwellings required. For the purposes of forecasting, the number of dwellings is used as a proxy for the number of rating units (ratepayers).

The aging population and smaller family sizes are expected to put downward pressure on the average household size over the next 30 years.

However, the current economic uncertainty leads to a slight increase in the average household size towards 2025/26 under our medium and high scenarios. After the Global Financial Crisis, the average household size rose in the years that followed (Kiernan, 2017). The Covid-19 crisis is expected to affect people's income and financial security in a similar way.

The lift in household size over the next few years, illustrated in our medium and high scenarios, is only of a small magnitude due to growing demographic pressures from an older population. These same pressures see the average size ease over the outer years in our medium scenario.

Year	Total Households	Average Household Size
2018*	5,418	2.6
2019E	5,570	2.7
2020	5,650	2.7
2021	5,730	2.7
2022	5,820	2.7
2023	5,920	2.7
2024	6,020	2.8
2025	6,130	2.8
2026	6,260	2.8
2027	6,380	2.7
2028	6,490	2.7
2029	6,610	2.7
2030	6,720	2.7
2031	6,870	2.7
2036	7,370	2.7
2041	7,890	2.7
2046	8,410	2.7
2051	9,070	2.6

The predicted growth in the number of dwellings is the key forecasting tool we use to support our expectations for ratepayer growth.

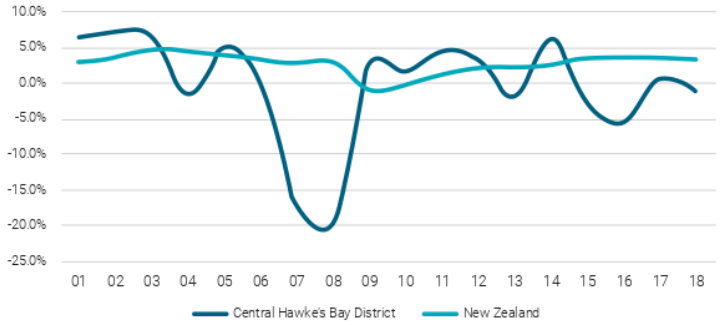
This anticipated growth is supported by the house price and consent data in the next section.

4. Economic growth

National and international context

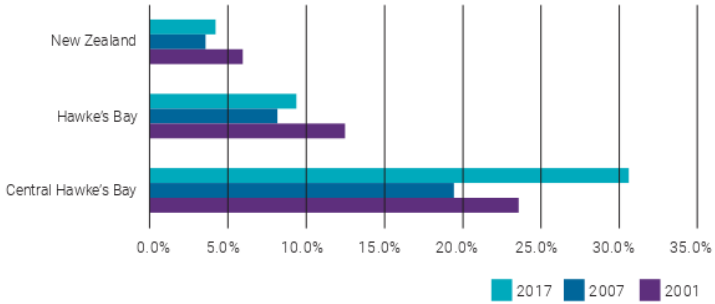
Covid-19 could cast a shadow over the economy for years after the virus has passed. Consumers and businesses could go into their shells amid potential high unemployment, falling house prices, and damaged balance sheets. The farm sector could suffer an income hit due to potential global recession. And the dearth of international tourists will be keenly felt. Scarring from the Covid-19 recession could permanently damage New Zealand's long-run productivity, meaning GDP and wellbeing may never fully return to their pre-Covid-19 trends.

The table below shows real GDP growth in Central Hawke's Bay District, compared to New Zealand as a whole. Central Hawke's Bay District was particularly hard hit during 2006-2008 by a widespread drought and weak agricultural exports. But when New Zealand was struggling with the Global Financial Crisis, agriculture-heavy Central Hawke's Bay was in the initial stages of a recovery. However economic growth in Central Hawke's Bay District has fluctuated since.



Source MBIE real GDP estimates – annual growth rate

The importance of agriculture to the Central Hawke's Bay economy – over 30% of GDP in 2017 compared to 4.2% for New Zealand – makes it particularly vulnerable to adverse growing conditions and conditions in export markets. But conversely, agriculture will make Central Hawke's Bay District more resilient to the Covid-19 crisis as the world and the country still need to eat.



Agriculture as a percentage of total (nominal) GDP

GDP is only part of the picture for Central Hawke's Bay District's economy, as it measures where production is occurring. Commuters who earn their income outside the district will contribute to Central Hawke's Bay District in many ways, socially, culturally, and financially.

Central Hawke's Bay District has a unique mix of agriculture and service industries. Nearby, Napier and Hastings offer a wider range of non-agricultural industries.

Industry (4-digit)	Central Hawke's Bay District		Napier - Hastings		Hawke's Bay Region	
Meat and Meat Product Manufacturing	1,150	18.9%	1,470	2.0%	3,200	3.9%
Sheep, Beef Cattle and Grain Farming	750	12.3%	665	0.9%	2,100	2.6%
Fruit and Tree Nut Growing	640	10.5%	5,330	7.3%	6,000	7.3%
Agriculture and Fishing Support Services	360	5.9%	3,160	4.4%	3,600	4.4%
School Education	270	4.4%	3,450	4.8%	4,000	4.9%
Supermarket and Grocery Stores	190	3.1%	1,740	2.4%	2,050	2.5%
Dairy Cattle Farming	160	2.6%	120	0.2%	310	0.4%
Road Freight Transport	120	2.0%	1,000	1.4%	1,150	1.4%
Residential Care Services	110	1.8%	2,160	3.0%	2,300	2.8%
Other Food Product Manufacturing	110	1.8%	165	0.2%	270	0.3%
All Others	2,240	36.7%	53, 340	73.5%	57,020	69.5%
Total Industry	**6,100**		**72,600**		**82,000**	

ANZSIC 1 – digit industries by employee count 2019. Source: Squillions Growth Projections May 2020

A key consideration for planning is which industries are creating jobs and which are static or declining in terms of employee count.

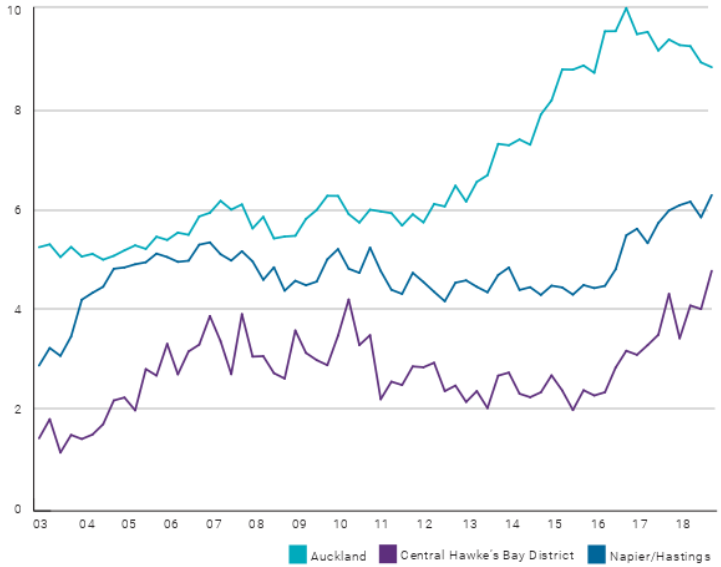
Agriculture, while still vitally important to the economy (see Figure 4) was not the largest creator of jobs over the last three years.

Industry Name	Central Hawke's Bay	Napier - Hastings	Hawke's Bay Region
Manufacturing	490	600	900
Agriculture, Forestry and Fishing	150	700	500
Construction	50	1,150	1,200
Professional, Scientific and Technical Services	40	550	650
Public Administration and Safety	30	700	700
Administrative and Support Services	25	250	300
Financial and Insurance Services	20	10	-
Electricity, Gas, Water and Waste Services	20	115	130
Retail Trade	10	400	400
Other Services	10	120	100
Accommodation and Food Services	-	600	550
Wholesale Trade	-	290	300
Arts and Recreation Services	-	(50)	(100)
Rental, Hiring and Real Estate Services	-	140	150
Mining	(5)	(21)	(25)
Information Media and Telecommunications	(7)	(140)	(150)
Health Care and Social Assistance	(10)	100	200
Education and Training	(20)	200	100
Transport, Postal and Warehousing	(20)	400	350
Total Industry	**800**	**5900**	**6,400**

Employee count change by ANZSIC 1 – digit industry, 2016-2019 (Business Demography)
Source: Squillions Growth Projections May 2020

5. Affordability

Housing in the regions tends to be more affordable than the main centres



Housing (un)affordability: Medium house sale price/Medium household income, 2003-2018

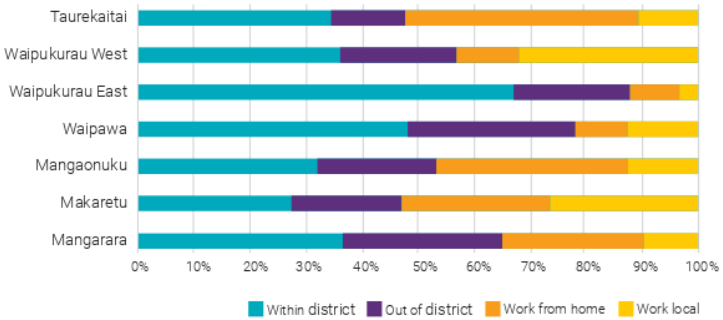
Area	Affordability	Median Sales Price	Median HH Income
Auckland	9.0	852,250	94,200
Central Hawke's Bay District	5.8	352,500	60,700
Napier-Hastings	7.0	475,000	67,700

Key housing market indicators

Commuting

Many workers commute to Napier and Hastings (more on commuting in the following section) and cheaper housing is a key consideration for commuters. The comparison with Auckland also lends support to the anecdotal reports of "cashed-up" Auckland homeowners moving to regions like Central Hawke's Bay District.

Where did workers commute in 2018?

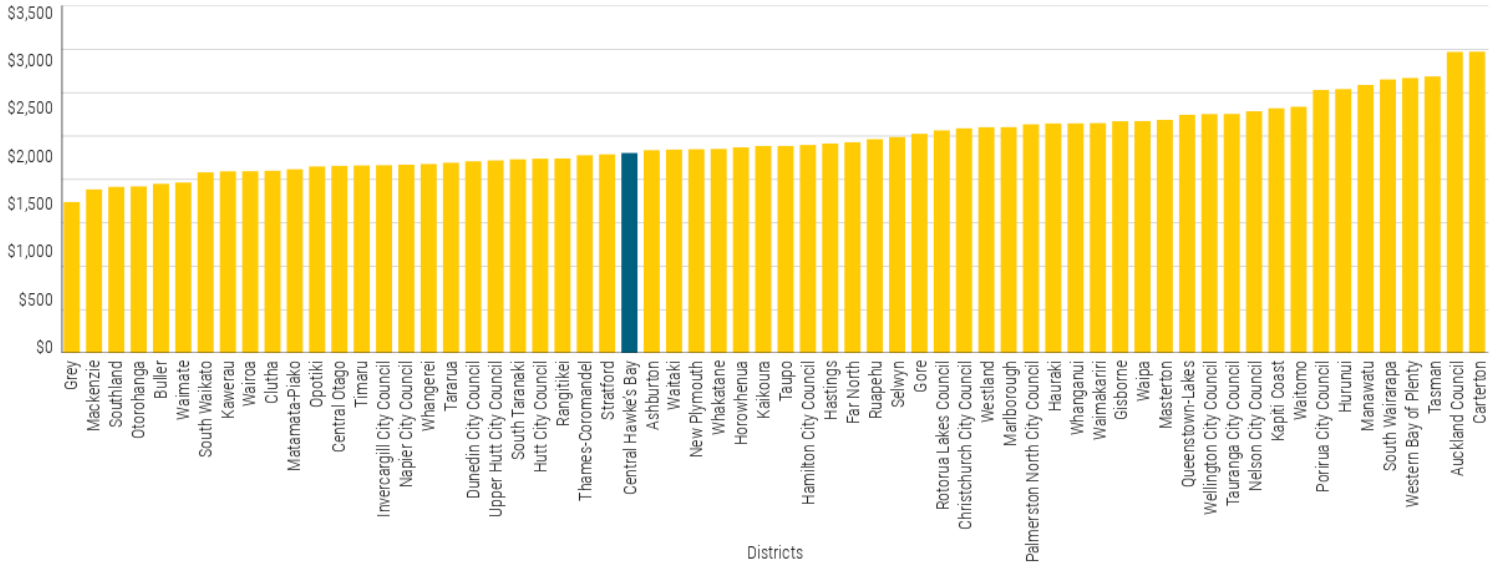


Propensity to commute: Percentage of workers by commuting category

Rates affordability

The chart below indicates the level of our rates when compared with the other councils.

Average Annual Residential Rates



Source Tax Payers Organisation 2020

At an overall level, Central Hawke's Bay District Councils rates are in the mid quartile of all Council rates across New Zealand, which means that rates are similar to our neighbouring Councils.

While rates may appear high, Central Hawke's Bay District Council only has 7,950 rateable units and from these rate payers it is responsible for maintenance and upkeep of 1,264 km of roads, six water treatment plants, and six wastewater treatment plants.

6. Review of rating system

As part of the Long Term Plan process, we undertook a review of our rating system. The aim of the review was to make our rates more equitable. We were concerned whether the central business district was receiving a higher level of service than the rest of the district, and, with growth in some satellite townships, whether stormwater rating boundaries needed to be reviewed, and if a small proportion of stormwater should be funded by the general rate.

7. Infrastructure strategy

What is an infrastructure strategy?

The purpose of the infrastructure strategy is to identify the significant infrastructure issues facing Central Hawke's Bay and options for managing them over a period of at least 30 years.

The infrastructure strategy must describe how we intend to manage our infrastructure assets, and associated expenditure needs, over the period of the strategy. It takes into account a range of factors that affect the nature and cost of infrastructure provision.

The full infrastructure strategy follows this document in this Long Term Plan Document.

Known infrastructural issues

The most significant issue faced by the district is the aging non-compliant sewage treatment ponds.

Our preferred option is to pipe the waste from Otāne, Waipawa, and Waipukurau to a single upgraded sewage treatment plant in Waipawa. The indicative costs of doing this are $60 million. Given our need to balance our resilience investments against our financial constraints, this programme will require external funding (non-ratepayer funds) to complete.

Planned major projects

The most significant issue faced by the district is the aging non-compliant sewage treatment ponds.

Major Project	Value
Wastewater – Waipukurau, Waipawa, Otāne Treatment upgrade	$46.8m
Wastewater – Te Paerahi, Pōrangahau Treatment upgrade	$18.9m
Wastewater – District I&I Project	$3.4m
Drinking Water – Reticulation Renewals	$7.5m
Drinking Water – Waipukurau Second Supply	$7.4m
Drinking Water – Fire Fighting Improvements Waipawa, Waipukurau	$9.4m

In addition to the drinking water/wastewater upgrades/renewals listed above, we will spend a further $116.6 million on renewals (this excludes new assets to improve levels of service and growth).

Renewals profile

Our below ground (water, stormwater and wastewater) assets have an average remaining useful life of 40-45 years. For roading (excluding surface coats) the average remaining life is between 37-48 years, depending of the category. As a risk minimisation strategy, the Council doesn't run its assets to failure, so this LTP includes a significant renewal programme to replace the oldest of these assets that pose the highest risk of failure.

It is important that the Council is in a strong financial position going into this major renewals period, and that we retain sufficient debt headroom to accommodate these renewals in a sustainable and managed fashion.

8. Land use changes

With the Spatial plan just being adopted and woven into the proposed district plan, and the district plan itself not being operational until 2021, its full impacts are yet to be known. The plan provides for the on-going growth and development of the Central Hawke's Bay District and does not anticipate any significant changes of land use.

9. Development impact fees

Development impact fees are a combination of:

- development contributions, required under the provisions of the Council's development contributions policy (as amended in the 2021-31 LTP); and
- financial contributions provided for under the Resource Management Act 1991 and the Council's district plan (part E).

Development contributions

Development contributions are forecast according to how we expect the district to grow. They contribute to the cost of capital expenditure for core infrastructure required as a result of growth. The Council's policy on development contributions states that 100% of the cost of capital expenditure that is needed to meet growth requirements is paid for by development. Or more simply – growth pays for growth. The Council funds some costs of development in advance of receiving the development contributions.

Having significant development contributions can be a disincentive for developers and adversely impact housing affordability. Equally, large rates increases to fund growth costs would not be fair to our existing ratepayers so the Council needs to find a balance.

As required by the Local Government Act 2002, we are reviewing our development contributions policy and consulting on any changes that we propose as part of the Long Term Plan process.

The proposed development contribution takes into account the high population and household growth forecasted for the region, alongside the significant growth component of the Councils proposed Capital programme. This requires a lift in development contributions required per new Household Equivalent (HUE).

Financial contributions

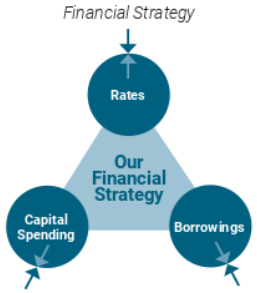
Financial contributions consist mainly of reserves contributions, which are used to fund reserve development activities, such as the management of natural areas and the creation of recreation resources.

10. Intergenerational equity

Intergenerational equity requires each generation that benefits from an investment, to contribute to the cost of that investment. Councils should generally only borrow to fund capital investment such as the building of infrastructure and amenities that benefit current and future generations. Debt is one way of smoothing the cost of construction over the generations that make use of, or benefit from, the service. It is a way of meeting the principle of 'intergenerational equity'.

11. Financial strategy

The financial strategy aims to achieve a balance to deliver affordable rates to the community, while minimising council borrowings and optimising capital spend. This balance is represented by the three financial components of rates, capital expenditure and borrowings as levers, as shown in the diagram below:



The size of the triangle represents the level of service provided by the Council. A bigger triangle means an increased level of service (or new services). The triangle is affected by the three levers: rates, capital expenditure and debt. Changing only one lever can be achieved without affecting service levels by allowing the other components to adjust. Changing more than one component means the third lever also has to change, and thus service levels will change too.

Other sources of revenue

The non-rates revenue that we can draw upon comprises mainly fees and charges, grants and subsidies, and development and financial contributions. Outside of NZTA roading subsidies, fees and charges are the largest contributors of non-rates revenue and include building and resource consent fees, landfill and transfer station fees, community housing rental income, and library and swimming pool charges.

12. What has happened since the 2018-28 long term plan?

The Council has delivered a significant programme of works and operations since the 2018–28 long term plan was approved, with investment in our roads, footpaths, as well as improvements to our drinking water, stormwater and wastewater infrastructure #BigWaterStory.

Pre-Covid19 the economy was strong and the attractiveness of living in Central Hawke's Bay grows further as house prices continue to rise in Hastings and Napier. The Council is getting on with its three waters upgrades as signalled in its #BigWaterStory.

Covid-19 threatens to push the world economy into recession, however Central Hawke's Bay is in a good place to weather the storm compared with other regions. The primary activity and employer in the region is farming. The worldwide demand for food hasn't changed. Likewise, Central Hawke's Bay isn't reliant on international tourism so is less impacted than neighbouring Councils such as Napier with their Conference Centre, Aquarium, and Art Deco. That's not to say Central Hawke's Bay will get away unscathed, but it should face less impacts than other regions.

13. A focus on debt

The Council has actively chased funding through the Provincial Growth Fund and Crown Infrastructure Fund, realising that with the limited number of Rate Payers in the District the cost of necessary water and sewage treatment plants is beyond normal funding mechanisms of debt.

To date the Council has been successful in attracting over $50 million of external funding into the region. However, not all of this funding is for infrastructure and this is where we will need to focus our funding applications for the next 10 years.

During the 2021-2031 Long Term Plan it is expected, even with external non-ratepayer funding that debt levels will increase to $86.5 million (which is beyond our current allowable debt cap). This is because of the legislative requirement to replace the Waipawa, Waipukurau, and Otāne Wastewater treatment ponds which no longer comply with consent conditions.

In an ideal world by capping debt and restricting capital expenditure must haves, this would allow rates to be kept within proposed limits without affecting the current levels of service. However, due to both drinking water standards and wastewater discharge consents this won't be possible.

The Council recently updated its treasury management policy (consulted on as part of the LTP), which sets out a framework for the Council to manage its borrowing and investment activities in accordance with Council objectives. It also incorporates legislative requirements. The updated policy supports the strategy by introducing targets and setting new limits on the amount of money that the Council can borrow.

Measure	2021-2031 Long Term Plan Preferred Limit	Upper Limit
Debt to Revenue	<150%	<175%
Interest to Total Revenue	<10%	<20%
Interest to Rates Revenue	<20%	<25%

Based on the above proposed debt cap of 150%, and the Council's 2020/21 budgeted revenue of $33.7 million (excluding PGF grants) this would make Council's debt cap $50.5 million.

As a Council that is not credit rated, we can borrow up to 175% of revenue which is $58.9 million.

If the Council was to get a credit rating (from Standard and Poors, Fitch, or Moodys at a cost of approximately $60k per annum) then the Council's LGFA's (Local Government Funding Agency – the Council's banker) lending limit would lift to 250% of revenue, or $84.2 million. In addition, the Council will get a preferential interest rate from the LGFA, saving 0.01% per annum for any loan drawn once the credit rating is in place. Based on $86.5 million of debt (2031). This could save the Council as much as $86.5k per annum in interest, once all the Council's debt is refinanced after obtaining a credit rating (which would offset some of the cost of holding a credit rating).

The calculations on this page are based on the Council's current revenue budget, however over the course of the LTP, revenue will increase, which will increase the Council's ability to borrow.

Based on the LTP debt and revenue profiles in the proposed budgets, the Council will exceed its existing treasury policy debt limit of 150% of revenue at the end of Year 4. At this point the Council will need to take action to remedy this situation. See borrowings section for more information on what range of actions will be considered.

14. The three financial levers

Capital expenditure

The Council's proposed capital expenditure budget of just under $280 million provides the key focus for the 2021-31 LTP.

The forecast capital expenditure over the next 10 years of the plan is shown in the following charts. The capital expenditure figures stated in the financial strategy are gross figures, that is they exclude the impacts of external capital funding that the Council receives from, for example, NZTA or the PGF.

The capital expenditure programme is driven by the infrastructure strategy, which prioritises a programme of capital work necessary to meet the ongoing needs of the community. The infrastructure strategy is constructed from the activity management plans for our core infrastructure (roads, three waters and solid waste, as well as some of our community facilities), which considers the age, condition and useful lives of our assets, and the costs of renewing and/or upgrading them.

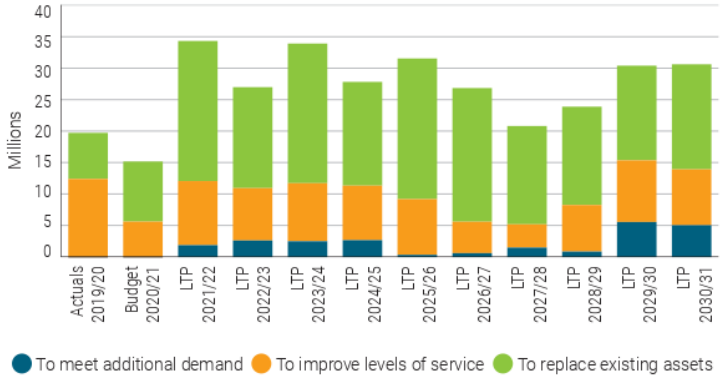
Therefore, a key part of the financial strategy is to balance the requirements of the infrastructure strategy with the financial limits that the Council is proposing to work within. The infrastructure strategy covers a 30-year period to ensure that we are planning our asset requirements well into the future and that we are resourced to meet the requirements.

There are two main areas of capital expenditure – renewals and upgrades. Asset renewals are paid for by rates-funded depreciation. Upgrades may be required either as a result of growth or because we need to increase the level of service of a particular asset. Upgrades that are required as a result of growth should be funded entirely through development contributions; upgrades that are due to a level of service increase are funded largely through debt.

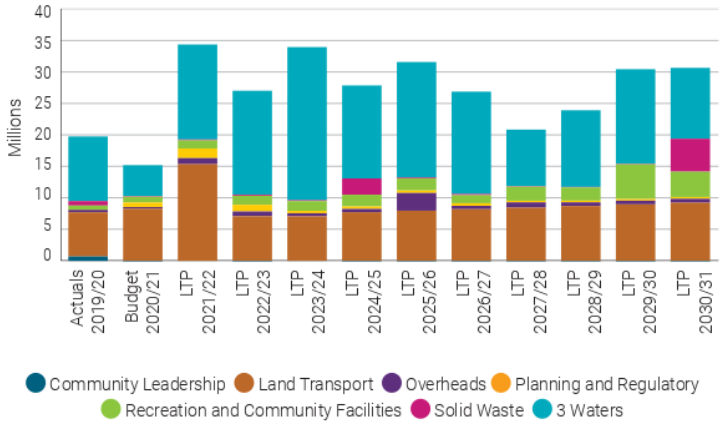
Renewals

We have $853.7 million in assets, mainly relating to our core infrastructure of roads, three waters and solid waste. Our activity management plans identify the timing for renewals, based on the condition of the assets. We are undertaking a continuous programme of condition assessments to help us build a more detailed picture of all our assets. This is so that we can renew them all at the right time – before they deteriorate significantly or fail, but not while they still have a significant useful life.

Capital Program over 2019-2031



Capital Program over 2019-2031

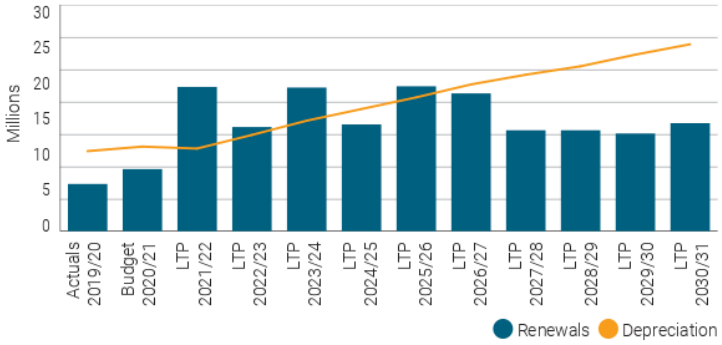


In the 2021-31 LTP we are planning to spend an average of $18.4 million a year on renewals (a step change from the $9.5 million budgeted for the 2020-21 year). We are still maintaining our assets to a good standard with timely, but not early, replacement of assets.

A number of our assets are nearing the end of their useful life, which is the reason for this significant renewals cycle.

When we look at our planned renewals and our forecast depreciation together, the annual depreciation can be considered a reasonable estimate of the annual renewals cost, as shown in the chart below.

Depreciation as a proxy for renewals



If, over time, renewals expenditure is approximately equal to depreciation, it can reasonably be assumed that the assets and the services that they are providing are sustainable.

For the Council, the estimated cost of renewals is significantly more than the forecast depreciation for the earlier part of the LTP. This reflects the fact that the Council has under invested in renewals in previous years and is now having to catch up. By Year 7-10 of the LTP, renewals begin to decline and dip back below depreciation, indicating that all the urgent renewal programme is complete. It is important to remember that while depreciation is charged is a smooth and even manner, while actual asset replacement expenditure can be lumpy in nature (see funding depreciation for further commentary).

You will notice that the depreciation charge increases significantly over the course of the LTP. This represents the new portfolio of assets the Council will be looking after (including new wastewater plants, toilet blocks, and playgrounds). In time these new assets will need replacing.

Upgrades

In this Long Term Plan we plan to spend $8 million a year on upgrades (Levels of Service Improvements).

Some hard decisions have had to be made to finalise the proposed capital expenditure budgets of just over $123 million for the first four years of the LTP. Further difficult decisions, including prioritising expenditure and managing risk, will have to be made if the Council's goal of capping debt growth is to be achieved.

Funding depreciation

Including depreciation in our operating expenses each year is a way of ensuring ratepayers pay their fair share, and only their fair share, of the assets they use and benefit from – it ensures intergenerational equity.

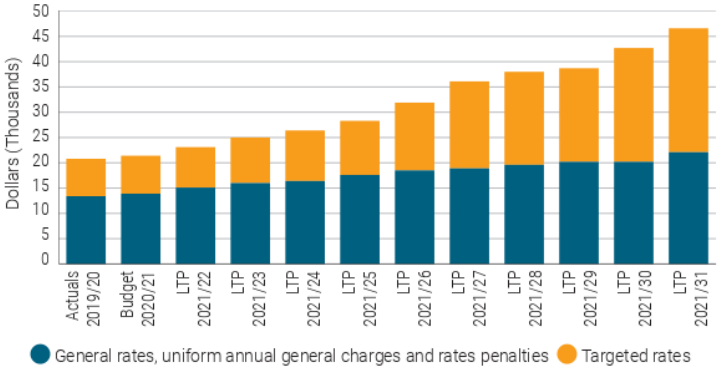
In previous LTPs the council has opted not to fully fund depreciation, on the basis that the asset renewals and rates funding thereof was not required until later. The cumulative effect of the non-funded depreciation is significant, and will have to be matched with additional debt to replace assets.

Because the Council is having to catch up on renewals in Years 1 to 6 of the LTP, the Council has no capacity to fully fund depreciation in this LTP. However, should Central Government Three Waters Reform occur in 2023/24, we will use this opportunity to revisit budgets with a view to fully funding depreciation at this point. Otherwise this will be revisited in the 2025-2034 Long Term Plan.

Rates

This LTP proposes an average rates increase of 7.8% for Year 1 of the plan (8.5% general rate increase, and 6.5% targeted rate increase), and then an average increase of 8.1% for the remaining nine years of the LTP. This chart shows that our forecast rates increases and highlights the rates increase attributable to targeted rates (mainly a three waters issue).

Projected Rates

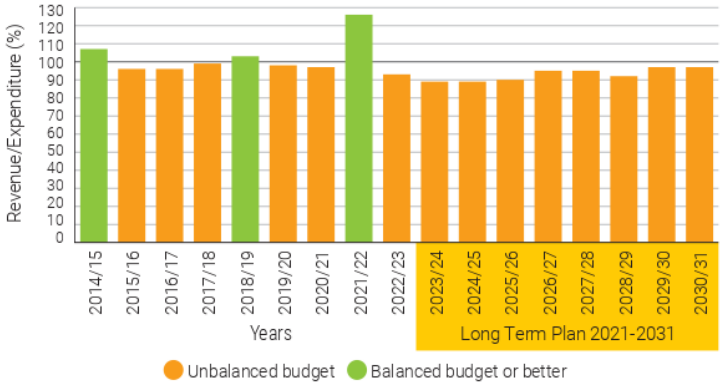


This LTP does not include any significant changes in levels of service. The forecast rates increases over the term of the plan are largely due to the catch up on deferred renewals, and the operating impacts of our capital expenditure programme, and regulatory compliance changes.

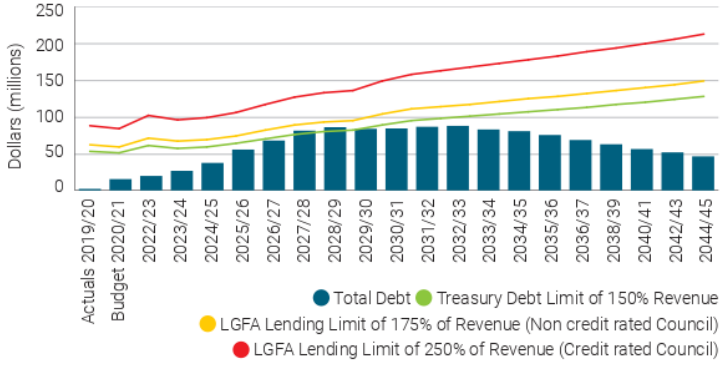
The non-funded depreciation also means that the Council does not currently have a balanced budget (see graph below). This benchmark compares Council's revenues (excluding development contributions) to its operating costs (including depreciation). What this indicates is that Council is unable to fully fund depreciation, and therefore run a balanced budget at present. Nor has it been able to in recent years.

Council has made the decision to debt fund asset renewals in the short term (years 1-5 of the Long Term Plan), and then switch to rate funding in years 6-10. That is why the Council is closer to balanced in these later years.

Balanced Operating Budget Benchmark



CHBDC Debt vs Debt Limit – LTP 2021/31



To be fully balanced Council would require further rate increases to those proposed in the Long Term Plan. It is Councils intention to repay its debt that this Long Term Plan creates as quickly as possible, so that it has the rates headroom beyond year 11 to start fully rate funding depreciation and returning to a balanced budget in later Long Term Plans.

Borrowings

The chart below reflects our forecast borrowings profile based on the achievement of our capital expenditure limits. The solid green line in the chart represents our treasury management policy borrowings preferred limit where net external debt over total operating income is less than 150%.

This borrowing cap jumps in year 1 of the LTP due to the projected rates increase of 7.8% in year 1.

A capping of borrowings is the key outcome of the Council's proposed plan. This will help to manage the capital expenditure programme and lessen the burden on rate payers. Before this happens, funding aged non-compliant infrastructure must be addressed. Thereafter, the Council can start to rate-fund for surpluses, to start paying down the debt.

New Zealand Councils borrow through the Local Government Funding Agency (LGFA), and they operate a multi-tier lending limit system. Tier 3 Councils can only borrow up to $20 million, Tier 2 Councils can borrow up to 175% of their annual operating income (the orange line on the graph), and Tier 1 Councils can borrow up to 250% of their operating revenue (the red line on the graph).

Until recently Central Hawke's Bay District Council was a Tier 3 Council, but in anticipation of the capital programme, we have moved to Tier 2 and are proposing, as part of this consultation, to update the Treasury Policy to so we can borrow up to 150% of our operating revenue, which is lower than the LGFA's 175% limit (the green line on the graph).

This will allow us to deliver the first two years of our capital programme, however at Year 4 we will again run out of debt headroom. Before this headroom is exhausted in Year 4 of the Long Term Plan, Council will need to exercise one or more of the following options:

1. While Council could simply adjust its own internal treasury policy to allow for the debt to operating revenue cap to be 175% rather than the current 150% that decision would see Council sitting at a hard debt limit set by the Local Government Funding Agency (LGFA) and not provide any headroom to be able to respond to a unforeseen event (such as floods, pandemics, and earthquakes). Therefore the first and preferred option is to become a Tier One Council with the Local Government Funding Agency (LGFA) and at the same time revise Council's Treasury Policy to allow borrowing to 200% of Council's revenue. To allow this to occur, Council would need to obtain a credit rating from a credit agency such as Standards and Poors. Once this is obtained, the LGFA would allow borrowings of up to 250% of revenue (the red line in the graph).
2. Require a capital contribution towards the construction of the new wastewater treatment plants from every connected property. This would be in addition to the ongoing annual rates each property pays. This capital contribution would be utilised to complete the capital programme without incurring further debt.
3. There is a Central Government Three Waters Reform process occurring separate to this Long Term Plan. Depending on the outcome of the Government reforms, the Council may be required to transfer its water assets and associated debt in 2023/24 and as a result the Council will not need to substantially borrow any further funds for the implementation of three waters upgrades.
4. The fourth option is to halt the infrastructure upgrades it proposes and seek an alternative funding avenue before continuing with the upgrades.

15. Security for borrowings

Our liability management policy (part of our treasury policy) has recently been updated and is included for consultation as part of the LTP Consultation.

The Council's external borrowings and interest rate risk management instruments will generally be secured through a Debenture Trust Deed. Under a Debenture Trust Deed, the Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government Rating Act. The security offered by the Council ranks equally with other lenders. From time to time, and with Council approval, security may be offered by providing a charge over one or more of the Council's assets.

Investments

The Council's primary objective when investing is the protection of its investment capital. Accordingly, the Council may only invest in approved creditworthy counterparties.

16. Level of service statement

As outlined in this strategy, for the 10 years to 2031, the expenditure incurred to maintain existing services, increase service levels and provide for additional capacity falls within the limits set in this strategy and its associated financial policies.

17. Insurance

The Central Hawke's Bay District Council, together with other Hawke's Bay Councils, Manawatu/Wanganui LASS, and Bay of Plenty LASS, collectively purchase insurance for their respective assets on a combined basis. This syndicate provides scalability to the benefit of accessing wider domestic and off-shore insurers.

The Council is facing a number of emerging potential financial risks. They include an increase in insurance premiums due to the perception of increased risk profile for the Hawke's Bay Region following the Kaikōura and Christchurch earthquakes.

To address the increased risk, the Council is undertaking a number of mitigation strategies, including buying syndicates beyond just Hawke's Bay LASS, completing loss modelling, insurance valuations and risk profiling.

Balancing the budget

The Local Government Act 2002 (LGA) requires the Council to budget each year for operating revenue at a level sufficient to meet the operating expenses budgeted for that year. This is known as the "balanced budget" requirement.

Council intends to achieve a balanced budget in Year 1 of the Long Term Plan 2021 -2031 and unbalanced budgets for the period of Year 2 to Year 10.

This document outlines the rationale for why Council believes it is financially prudent to not deliver a balanced budget over Year 2 to 10 of the Long Term Plan, and describes the levers Council is using to work towards achieving a balanced budget.

Introduction

The Local Government Act 2002 (LGA) requires the Council to budget each year for operating revenue at a level sufficient to meeting the operating expenses budgeted for that year. This is known as the "balanced budget" requirement.

The LGA does allow the Council to budget for a deficit, if it resolves that it is financially prudent to do so.

Council intends to achieve a balance budget in Year 1 of the Long Term Plan 2021 -2031 and unbalanced budgets for the period of Year 2 to Year 10.

In assessing the unbalanced budget as being a financially prudent decision, consideration is to be given to:

- the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the Long-term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life
- the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life
- the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life
- the funding and financial policies adopted under Section 102 of the Local Government Act 2002.

The Council acknowledges that it runs deficits from a balanced budget perspective, because it does not fully rate fund depreciation. The following fiscal levers will be used to move progressively towards achieving a balanced budget within the life of this LTP:

a) fees and charges
b) rating for depreciation
c) development and financial contributions
d) efficiencies
e) debt repayment
f) rates setting

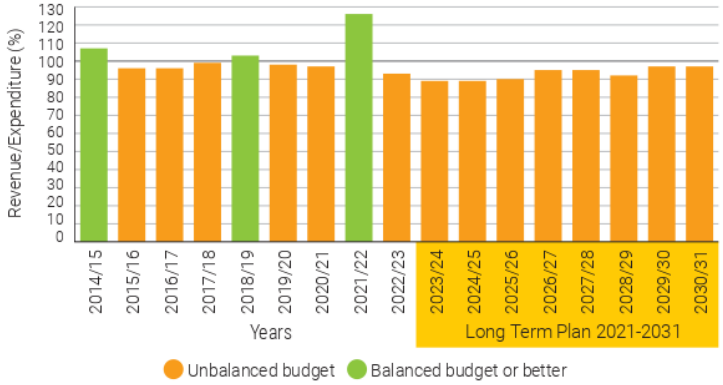
In 2014, Government introduced a number of amendments to the LGA, including the Local Government 2014 Financial Regulations, which established eight benchmarks against which all councils must report.

One of these benchmarks is the balanced budget, defined as "Council Revenue – excluding development contributions, vested assets, gains on derivatives and revaluations of PBE as a proportion of operating expenses – excluding losses on derivatives and revaluations". This definition includes New Zealand Transport Agency (NZTA) capital subsidies as revenue and assumes councils fully rate for depreciation. Central Hawke's Bay District Council however does not fully rate for depreciation.

Historically, Council has been running year-upon-year deficits, which is not sustainable. Historically Council has also been working hard at reducing the amount of the annual deficit through efficiencies and delaying capital replacements, while holding rates low. These actions alone were not sufficient, and has seen average asset conditions deteriorate to the point that Council now has to catch up on prior years' underinvestment. This overlaid with ever increasing water quality standards coming from Central Government (both in drinking water standards and wastewater discharge standards) has seen significant compliance cost increases. This coupled with cost increases in other areas, such as insurance rises following Christchurch and Kaikoura earthquakes, has put increasing pressures on Councils finances.

Ignoring the 2021/22 financial year, which benefits from one-off Central Government funding, Council is forecasting to continue run operating deficits throughout this Long Term Plan (as shown in the graph below).

Balanced Operating Budget Benchmark



Section 100 and clause 14 of Schedule 10 of the Local Government Act 2002, requires us to have a balanced budget for all years of the LTP. We acknowledge that we will not achieve this for nine of the next ten years. This is because we believe that setting rate levels to immediately achieve this would be inequitable and extremely hard on ratepayers.

The Council continues to believe the gradual changes proposed will result in the best fiscal and sustainable outcome for Council and the Community. While rates will be higher than people would like for the next few years, it will Council to achieve the capital investment required for the District, while maintaining the existing levels of service that residents expect.

Throughout the Long Term Plan 2021-2031, Council has programed some significant rates increases, and the graph above shows that over time Council's budgets get closer to balanced that the earlier years as a result – 97% at Year 9 of a 100% benchmark. Despite getting closer to achieving a balanced budget, what this graph also shows is that this won't be achieved by 2031 and that rate increases beyond inflation will need to continue beyond 2031, in order for Council to become fully balanced and to be fully funding depreciation.

Key levers to achieve a balanced budget

The following are key levers that Council are using to work towards long-term achieving a balanced budget:

Depreciation

Principle

1. Depreciation is recognition of the current use of the asset by residents and ratepayers.
2. Depreciation is a charge that today's ratepayers should meet as it provides the funds for renewal of the asset. Applied like this it recognises the key issue of intergenerational equity and will ensure that future generations are not left with an unsustainable fiscal burden.
3. The Council will steadily increase the amount of depreciation that is rate funded.
4. Debt will be used where funds from depreciation, capital subsidy and development contributions are insufficient to meet the capital programme expenditure.

Logic

Depreciation spreads the capital cost of assets over their useful lives, so that each generation of ratepayers pays for their fair share of use of the asset. By not rate funding, it places an unfair burden on future ratepayers, who have to pay for the asset replacement.

Rate funding depreciation supports the intergenerational equity principle whereby everyone who benefits from use of the asset pays their fair share over the assets' useful life.

By rating for depreciation, we are providing cash to fund the capital renewal programme.

Rate funding for depreciation

In order to run a balance budget, Council has determined it wishes to move towards fully rating for depreciation. With our roading assets, it is not necessary to rate-fund fully for depreciation of this asset class.

The table below shows the capital program over the Long Term Plan, and how this program is going to be funded.

The Development Contributions/Subsidies line is made up through, "The New Zealand Transport Agency (NZTA) partly funds the replacement of roading assets. In year one they'll fund $0.61 in the dollar, decreasing to $0.60 year two, and $0.59 years three onwards. Council is only required to rate fund "its share" of this cost".

Council operates the strategy that assets required due to district growth should be paid for by developers creating the growth, and this is what development contributions are for. Existing rate payers only pay for the upkeep of existing assets and improvements to levels of service.

	LTP YR1 $000	LTP YR2 $000	LTP YR3 $000	LTP YR4 $000	LTP YR5 $000	LTP YR6 $000	LTP YR7 $000	LTP YR8 $000	LTP YR9 $000	LTP YR10 $000
Capital Expenditure by year	34,374	27,029	33,962	27,867	31,591	26,887	20,854	23,927	30,449	30,664
Funded by Year										
Rates	9,949	9,898	9,459	8,783	10,989	14,946	15,705	15,722	20,210	21,383
Debt	6,887	10,758	18,162	12,277	13,415	4,721	(2,288)	543	2,346	1,160
Development Contributions/Subsidies	17,538	6,373	6,341	6,807	7,188	7,219	7,437	7,662	7,893	8,121
Percentage of Capital Expenditure that is Rate Funded	29%	37%	28%	32%	35%	56%	75%	66%	66%	70%

In order to keep rate increases sustainable, Council has agreed to loan fund significant asset replacements in years 1-5 of the Long Term Plan and revert back to rate funding in years 6-10 of the Plan. This is represented by that fact that the rate funded proportion of the capital program transitions from 29% of total funding in year one to 70% by year ten with the balance coming from Developers, NZTA, or debt. Due to rates affordibility constraints, Council won't get to fully funding depreciation in this LTP. However, should Central Government Three Waters Reforms occur in 2023/24, we will use this opportunity to revisit budgets with a view to fully funding depreciation at this point. Otherwise this will be revisited in the 2025-2034 LTP.

Council has assumed that no new Central Governments funding (that isn't already committed outside of the NZTA mentioned above) will be received during the Long Term Plan.

Debt

Principle

1. Debt is a fiscal tool to achieve intergenerational equity.
2. Debt to fund capital (and where rated depreciation is not available) will typically be raised and repaid over a 20–25 year period.
3. The financial impact of new debt (interest and debt repayments) will require to be reflected in rate levels.
4. Debt is a tool that helps manage risk.

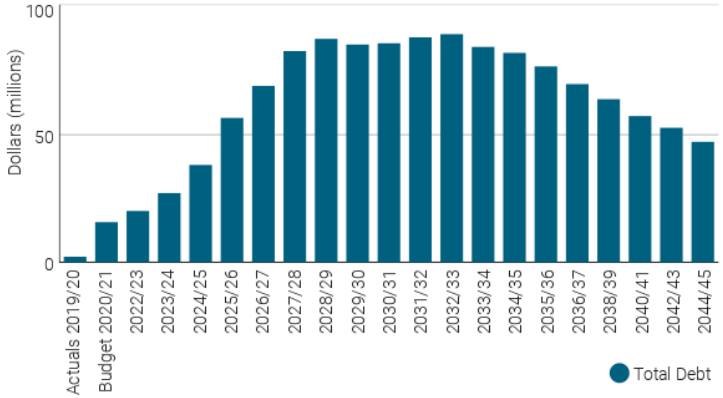
Logic

A certain level of debt is considered prudent financial management. Debt is a key component of recognising intergenerational equity. The 2021-2031 Long Term Plan provides for the interest cost for $86.5 million of debt in year ten.

Having no debt (without stopping capital expenditure) places an unacceptable burden on current ratepayers as it would require rates to increase significantly. Similarly, unlimited debt is not a sensible approach.

The actual level of debt is a decision based upon the capital requirements, the impact of the servicing of the debt (interest charge) on rates, and the ability to repay principal. The first ten years of the LTP see significant increase to debt to support the replacement of aged infrastructure and to bring the water and wastewater treatment plants up to compliance levels. Beyond year 10 Council will begin to pay down the new debt (see the graph to below).

CHBDC debt required over the next 20 years



Debt levels and borrowing limits

Council's existing internal treasury policy limits offer security for its borrowings by way of a charge over its rates through its Debenture Trust Deed. The Council joined the Local Government Funding Agency (LGFA) as a borrower in 2011, and has since secured long-term funding of $20 million through the LGFA at attractive margins. In 2021 Council has moved from a Tier Three borrower to a Tier Two Borrower which has seen Council cap with the LGFA lifted to 175% of operating revenue, and Council become a guarantor to the LFGA.

Council current own internal treasury policy limits Council's ability to borrow to the following caps:

- Debt/Operating Revenue Ratio - 150%
- Interest Costs/Operating Revenue - 10%

Even with this projected debt increase Council does not breach the second cap,however it will breach cap one by year four. While Council could simply adjust its own internal treasury policy to allow for the debt to operating revenue cap to be 175% rather than the current 150% that decision would see Council sitting at a hard debt limit set by the Local Government Funding Agency (LGFA) and not provide any headroom to be able to respond to a unforeseen event (such as floods, pandemics, and earthquakes). Therefore Council has assumed in its prospective financial statement modelling that Council

becomes a Tier One Council with the Local Government Funding Agency (LGFA)

and revises its Treasury Policy to allow Council to borrow to 200% of its revenue.

To allow this to occur, Council would need to obtain a credit rating from a credit

agency such as Standards and Poors. Once this is obtained, the LGFA would allow

borrowings of up to 250% of revenue

Other options Council considered but discounted due to the undesirable outcomes on the community, or the uncertainty were:

- Require a capital contribution towards the construction of the new wastewater treatment plants from every connected property. This would be in addition to the ongoing annual rates each property pays. This capital contribution would be utilised to complete the capital programme without incurring further debt.
- There is a Central Government Three Waters Reform process occurring separate to this Long Term Plan. Depending on the outcome of the Government reforms, the Council may be required to transfer its water assets and associated debt in 2023/24 and as a result the Council will not need to substantially borrow any further funds for the implementation of three waters upgrades.
- Halt the infrastructure upgrades it proposes and seek an alternative funding avenue before continuing with the upgrades.

The increase in the Council's debt is the result of funding major infrastructural renewal. For example, water supply, stormwater, wastewater reticulation and solid waste and libraries.

Council plans to spend $287.6 on replacing or creating new assets over the ten years of the Long Term Plan. This will be funded from rates, loans, development contributions and cash reserves.

Notwithstanding raising the level of debt during the Long-term Plan, the Council will throughout the Plan retain the capacity to raise additional debt in the event of a major failure or significant event during this period. However, to do so would result in an increase in rates above the limits set in the Long-term Plan for the servicing of such additional loans. The Council has carefully considered the timing of its capital programme and the associated borrowing requirements to ensure that this best meets the needs of current and future generations.

Intergenerational equity

Principle

1. Intergenerational equity will ensure that present and future generations of ratepayers will be treated fairly with neither bearing an unnecessary share of debt or rate burden.

2. Rating for both depreciation and debt repayment are major fiscal tools the Council will use to ensure both transparency and intergenerational equity.
3. The Council endorses the concept of intergenerational equity and it will be a factor considered when developing annual and long-term plans to ensure an appropriate balance of cost and benefit for present and future generations.

	Long Term 2022 $000	Long Term 2023 $000	Long Term 2024 $000	Long Term 2025 $000	Long Term 2026 $000	Long Term 2027 $000	Long Term 2028 $000	Long Term 2029 $000	Long Term 2030 $000	Long Term 2031 $000
Total comprehensive income for the year	**36,948**	**31,397**	**22,145**	**25,560**	**38,511**	**25,300**	**29,788**	**44,296**	**28,170**	**32,538**
Add Back Non-cash Asset Revaluations	24,963	32,164	24,603	28,728	41,216	25,744	30,421	46,195	27,620	32,028
Net Operating Surplus/(Deficit)	**11,985**	**(767)**	**(2,459)**	**(3,169)**	**2,705)**	**(444)**	**(633)**	**(1,899)**	**550**	**510**

Operating surplus (deficit)

Throughout the LTP, under the Public Benefit Entity – International Public Sector Accounting Standards (PBE – IPSAS) reporting standards Council is recording a

	Long Term 2022 $000	Long Term 2023 $000	Long Term 2024 $000	Long Term 2025 $000	Long Term 2026 $000	Long Term 2027 $000	Long Term 2028 $000	Long Term 2029 $000	Long Term 2030 $000	Long Term 2031 $000
Net Operating Surplus/(Deficit)	**11,985**	**(767)**	**(2,459)**	**(3,169)**	**2,705)**	**(444)**	**(633)**	**(1,899)**	**550**	**510**
Add Back Development Contributions	2,072	2,133	2,197	2,263	2,331	2,396	2,467	2,541	2,617	2,690
LGA Prudential Balanced Budget Benchmark	**9,913**	**(2,900)**	**(4,656)**	**(5,432)**	**(5,036)**	**(2,840)**	**(3,100)**	**(4,440)**	**(2,067)**	**(2,180)**

comprehensive income surplus (see the table below), however this is largely due to asset revaluations. If these are back out, only years one, nine, and ten are in surplus.

However the Local Government Act 2002 prudential benchmark also requires that Development Contributions are also excluded, which means Council doesn't not met this benchmark for years 2-9 of the Long Term Plan.

While Council is moving towards fully funding its depreciation (excluding that covered by NZTA), as presented by the table rate funding for depreciation above), this Long Term Plan only gets Council part way along this journey. The table above indicate that Council would require at least $2m of additional rates in year ten to achieve this goal.

Conclusion

With average rate increases of 8.1% through the life of the long term plan, Council is reluctant for affordability purposes, to get to the goal of a fully balanced prudential budget any faster than outlined above.

Council believes the deficits in the Long Term Plan 2021-31, Year 2 to 9 is financially prudent as it works through this fundamental shift in policy over time. This approach does not exhaust Councils debt headroom and ability to react to major failure or significant event during this period.

Central Hawke's Bay Infrastructure Strategy 2021 – 2051

This strategy sets out to identify the significant infrastructure issues facing Central Hawke's Bay and options for managing them over a period of at least 30 years.

Describe how we intend to manage our infrastructure assets, and associated expenditure needs, over the period of the strategy.

Key Terms	
Asset Management	The coordinated activities of an organisation to realise value from assets
Asset Management Policy	A document to translate the organisations wider objectives into a set of guiding principles for how assets across the organisation will be managed.
Asset Management Plan	Plans prepared for each asset grouping at the portfolio (e.g. Water, Wastewater, Roading, Community Facilities). The plans provide detail on the assets, their status and base information, the approaches taken to make decisions about investing in the assets and then show the outcome of those decision making processes by presenting a costed forward works programme.
Infrastructure Strategy	This document - Subordinate to the Policy and other documents and contains the 30yr strategy for managing key asset classes at a higher level of detail than individual asset management plans
Financial Strategy	Councils specified approach to funding the activities of the business.
Renewal	The replacement of assets due to age or condition. Importantly assets are replaced close to like for like and there is no targeted improvement or change in the levels of service delivered by the asset
Service Level or Level of Service	Measures on the services provided by Council through various activities. Measured and reported on regularly and a key part in setting programmes of work through the Long Term Plan.
Development Contribution	An amount paid by private developers as a one off charge to contribute to the capital costs of infrastructure investment to accommodate growth.

About the Strategy

Purpose

The purpose of the 30-year Infrastructure Strategy (the Strategy) is to identify significant infrastructure challenges for Central Hawke's Bay District Council (the Council) over the next 30 years, and to identify the principal options for managing those challenges and the implications of those options.

To meet provisions of the Local Government Act 2002, the Strategy must set out how Council, in managing its infrastructure assets, will:

- respond to growth or decline in demand
- manage the renewal or replacement of existing assets over their lifetime
- allow for planned increases or decreases in levels of service
- maintain or improve public health and environmental outcomes and
- address natural hazard risks in terms of infrastructure resilience and financial planning.

Scope

This Strategy applies to Councils management of infrastructure supporting the delivery of three waters, land transport, landfill, and at a basic level – community facilities and open spaces services across the District.

Strategic Context



Principles

In setting the Strategy, Council commit to the below listed principles for managing infrastructure. These principles are intended to guide decision making at a strategic and operational level and most importantly provide clarity to Asset Managers in creating their unique Asset Management Plans for respective asset classes.



Principle 1 – Dig Once

Council will seek to optimise and integrate its various infrastructure investment programs so that disruption to our residents is minimised and that projects or programmes of work are as cost effective as possible. In simple terms this means that Council will take every effort to ensure that through its careful planning we are not sealing a road one year and digging it up the next to replace a pipe.



Principle 2 – No Band Aids

If a job is worth doing it is worth doing right. Investing ratepayer's funds to repair, renew or upgrade infrastructure carries a burden of responsibility. Council will ensure that infrastructure investment decisions do not chase a quick or easy fix but instead provide a long-term solution to identified challenges.



Principle 3 – Enabling Smart Growth

Growth is a critical component of Central Hawke's Bays current success. Council, through its investments in infrastructure wish to enable and support growth where possible. 'Smart' growth is the term that Council have given to describe growth that makes sense for Central Hawke's Bay in the broadest of terms. This means growth that supports our residents, supports the environment, supports the economy and is deliverable with our infrastructure. Enabling this growth means removing barriers and planning ahead collaboratively.



Principle 4 – Community and Environmental Bottom Lines

Council have committed to delivering infrastructure that is beyond the minimum requirements of our various regulating bodies in many cases. Regulatory compliance is a must, but Council will exceed this where possible to meet community and environmental requirements and ambitions through its investment in infrastructure.



Principle 5 – Fiscal Responsibility

Council will act within its own financial means and ensure that infrastructure investment decisions are financially sustainable for Council and its community.



Principle 6 – Innovation and Technology

Council will leverage innovation and new technology to improve levels of service and reduce cost through its investments in infrastructure.

Design of this Strategy

This Strategy is configured in a logical flow progressing in detail and specificity. It begins with an acknowledgement of targeted community outcomes of project thrive and then discusses key areas of focus for infrastructure investment and planning. It then details at a high level the programmes of investment over the 30 year period.



Community Outcomes

Council's project thrive has become synonymous with all things related to Councils vision, values and the direct translation of community aspirations into Council action.

Project thrive has resulted in the creation and clarification of listed outcomes and intent for Council that are embodied in this Strategy and the way in which Council manages its infrastructure. The Community Outcomes that are supported by the effective strategic management of infrastructure are:



Infrastructure Focus Areas

To meet the challenges identified with managing Council infrastructure, and to achieve the listed Community Outcomes, Council has committed to prioritising the following Focus Areas for infrastructure planning and investment:

The diagram provides the structure for the discussion in this Strategy. Each focus area is discussed in the following sections of this Strategy. The discussion identifies significant capital decisions that are anticipated over the next 30 years and options that will need to be considered as part of these decisions. The key external factors that may impact infrastructure investment opportunities and timing are discussed in the external factors section. Examples of types of partnerships and the challenges and opportunities that the Council faces using them for delivery of infrastructure is discussed in the using partnership opportunities section.



Focus Area 1: Delivering the Renewals Programme

Assets need to be replaced when they reach the end of their useful lives and can no longer continue to perform their intended function reliably, safely or within set parameters or compliance requirements. For some asset classes this is typically represented by a physical and sometimes catastrophic failure (e.g. the bursting of an aged water pipe). For other asset classes it can be less obvious and less dramatic (e.g. the degradation of a pump over time meaning it is no longer reliable and poses intolerable risk to the achievement of objectives).

Renewals are applicable to all asset classes covered within the scope of the Strategy and typically include:

Asset Class	Typical Renewal Activities
3 Waters Assets	Replacement of aged pipes, pumps and valves
Transport Assets	Renewal of pavements through re-sealing or area wide treatments and the replacement of aged structures
Landfill and Solid Waste Assets	Replacement of hard surfaces at landfill and transfer station sites and replacement of large bins/containers.
Places and Open Spaces Assets	Renewal of aged and deteriorating public assets including buildings, halls, playground equipment.

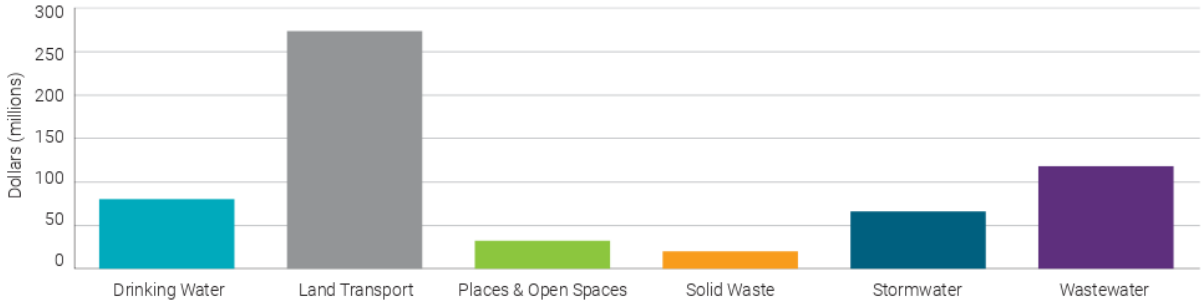
The determining driver for renewal is asset performance against performance standards or objectives. Simply put, if the asset is not performing to any one of many required criteria, then it should be replaced or another intervention taken as necessary (e.g. refurbishment/rehabilitation). While measuring the actual performance of individual assets is typically only possible retrospectively, it is possible and commonplace to use proxies to determine the future performance of assets. The most common proxy used to determine current or future asset performance is asset age. While not perfect, age is an identified and widely used indicator of asset condition and performance. Key asset age data is provided below:

Asset class		Average asset age (yrs)	Average asset remaining useful life (yrs)
Drinking Water Reticulation		40	48
Wastewater Reticulation		52	42
Stormwater Reticulation		39	59
Transport Assets	Drainage	30	42
	Footpaths	34	48
	Sealed Surfaces	9	6
	Sealed First Coats	27	40
	Sealed Base Course	27	39
	Sealed Sub Base	29	37
	Unsealed Wearing Course	4	2
	Unsealed Pavement	55	45
	Bridges	36	39
	Culverts	35	37
Landfill and Solid Waste Assets			Not available
Places and Open Spaces Assets			Not available

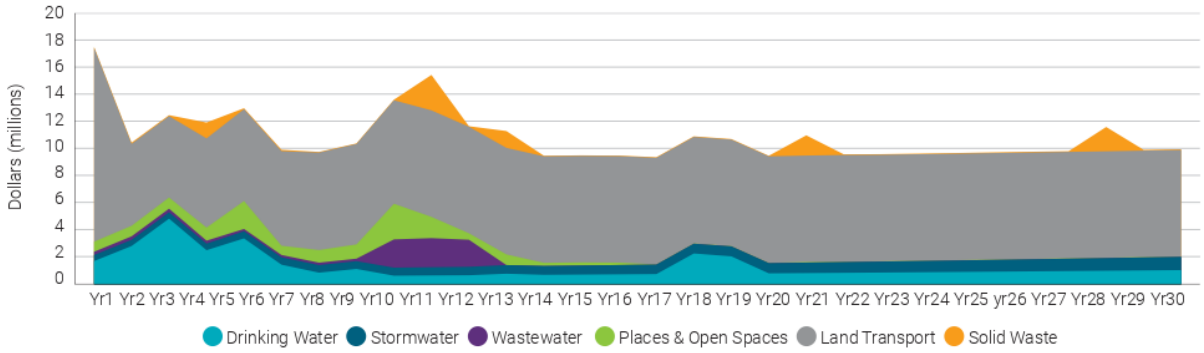
It is often the case that organisations struggle to match funding with the continuing degradation of assets and the need to renew them. Council is no exception to this and for several planning periods has failed to invest appropriate amounts to match the degradation of assets. Asset and Activity Management Plans prepared for the 2021 LTP have sought to provide a bottom-up view of asset risk and have developed programmes of renewal to manage that risk. The renewal planning approach is logically more sophisticated for some asset classes than others as is prudent based on respective levels of risk (e.g. three waters compared with open spaces).

The baseline renewal requirements for each asset class are shown in the chart below.

Total renewal expenditure (30 years) by activity



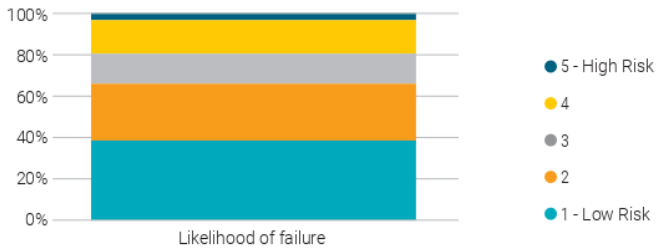
Renewal investment by year by activity



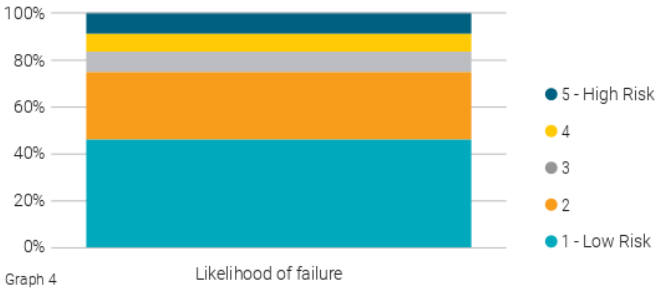
Beyond asset age, additional performance and condition metrics are used to inform investment decisions. There are a number of different ways an asset can be condition assessed with some very simple methods (e.g. visual inspection) and some complex and sophisticated methods (e.g. laser used to measure road roughness). The type of condition assessment carried out is primarily based on the risk in the asset. E.g. higher risk assets (bridges, treatment plants) have higher sophistication condition assessments than lower risk assets (lateral pipes, valves). As discussed prior, asset age is always a fall back when richer condition data is not available.

Various methods of condition assessment, and asset age can be combined to provide a single view on the assets status and its likelihood of failure. This calculated likelihood of failure for 3 waters assets is shown in the charts below:

Wastewater assets likelihood of failure

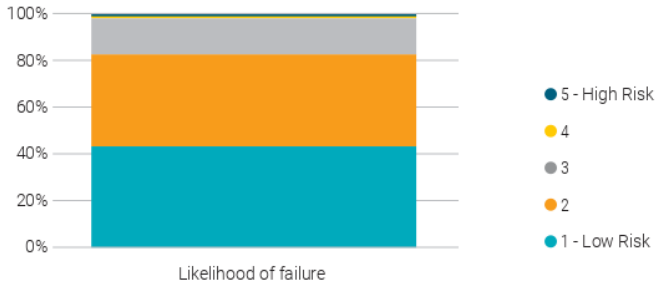


Drinking water assets likelihood of failure



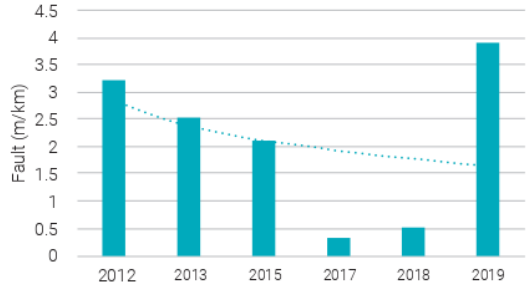
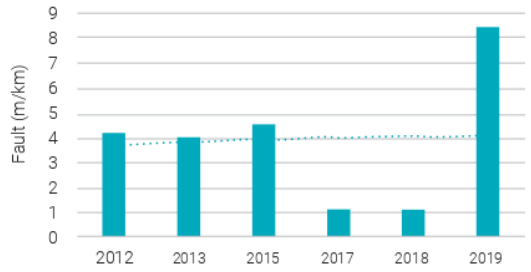
Graph 4

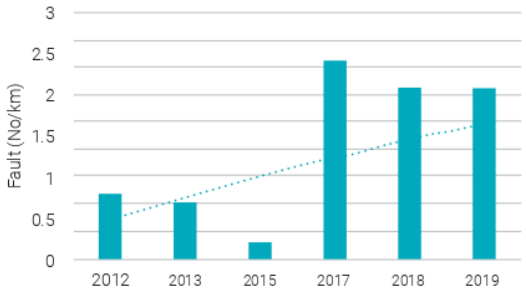
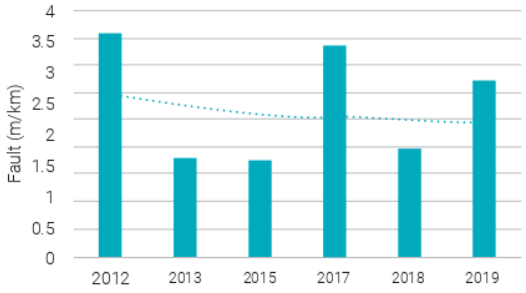
Stormwater assets likelihood of failure

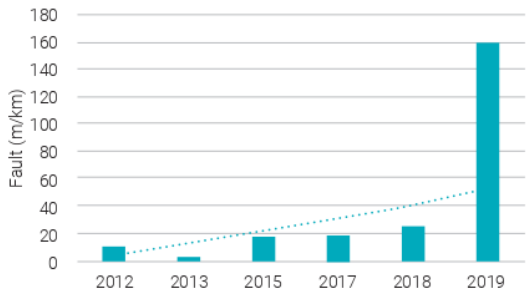
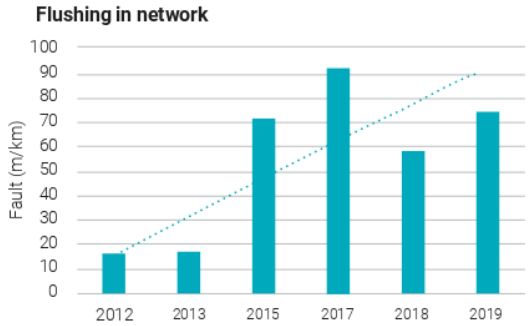


For transport/roading assets a similar approach is taken with the best available condition data ultimately informing investment decisions. A full network survey was completed to include all high-volume roads in 2008, 2010, 2013, 2015, 2017 and 2019.

For these assets, condition rating involves visually inspecting 10% of the high volume high-volume road network at regular intervals, with the rating process identifying types of pavement and surface faults and trending these over time.

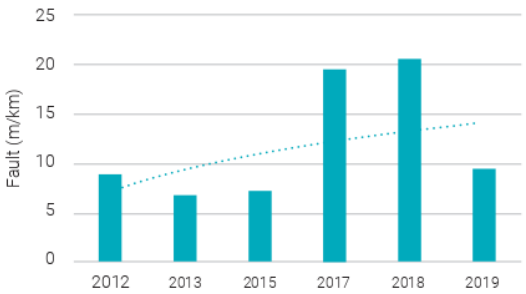
Underlying	
Shoving in sealed network 	**Shoving:** Waving or bulging of the pavement. This is a sign of failure along a shear surface at some depth within the road formation. High values indicate, renewal/strengthening of the pavement is required. The graph shows a decreasing trend 2012 to 2018. There is a significant increase in shoving faults for 2019. It is believed that the slumps in 2017 and 2018 is a result of underreporting not a reflection of the actual performance.
Rutting in sealed network 	**Rutting:** The longitudinal depression in the wheel path of the traffic lane. In most cases rutting indicates deteriorating pavements; however extreme rutting is also a safety concern leading to loss of control accidents. There are a number of potential causes including the breakdown of a weak gravel base material, an insufficient strength in the shoulder of the road or the failure of the subgrade material. It is believed that the slumps in 2017 and 2018 is a result of underreporting not a reflection of the actual performance. The low visual rating of rutting may be due to a number of reasons as rutting may be identified as edgebreak, shear failure, deformation and depression (subsidence) rather than rutting. This will require further investigation.

Underlying	
Potholes network 	**Pothole:** A hole in the pavement, resulting from loss of pavement material caused by the action of traffic and in some cases insufficient camber. This is one of the indicators of a resealing requirement. The graph shows a slight increase trend of number of potholes through to 2017 which has slightly reduced since. Potholes have increased despite increased investment in repair work. The increase in potholes and subsequent expenditure is largely related to logging haulage. There is an intent to shift from reactive to proactive pavement maintenance to manage temporary repair costs.
Alligator cracking in sealed network 	**Cracking:** The appearance in the road surface of small, regular, or irregular shaped continuous cracked areas. Cracking includes alligator (or chicken wire) cracking, block cracking, reflective cracking, longitudinal and transverse cracking, shrinkage cracking and slippage cracking. Cracking occurs when pavements are subjected to repeated loadings causing flexing and ultimately cracking. The increase in Alligator cracking from 2015 most probably reflects the growth in heavy vehicle and traffic loading.

Surface	
Scabbing in network 	**Scabbing:** The progressive loss of chip from a chipseal, often in patches. Can be exacerbated by cold weather and the action of increased traffic. Mostly scabbing will occur through poor construction technique, methodology or programming. This can be due to poor compaction, low binder application, rain within the first few days of the sealing. Other factors such as traffic travelling too fast over the new seal, dirty or poor graded chip or aging of the seal. The graph indicates an increasing trend of scabbing after 2013, which can be attributed to the increase in heavy vehicle and traffic loading combined with the age of some of the seals. There is a significant increase in Scabbing in 2019.
Flushing in network 	**Flushing:** A pavement surface defect in which the binder is near or above the uppermost surface of aggregate particles. Flushing can occur due to excess binder used during sealing, hot weather causing the binder to melt or surface chips getting pushed down by traffic into a softened basecourse. Flushing will occur through poor construction technique and methodology and programming. This can be due high binder application, insufficient compaction of the basecourse layer and rain within the first few days of the sealing. The graph indicates an increasing trend of Flushing after 2013, which can be attributed to the increase in heavy vehicle and traffic loading. Flushing also reflects multiple seal layers are present within some of the network.

Surface

Edgebreak in the network



Edgebreak: Fretting or breaking of the edge of a bituminous surface.

The edgebreaks are a sign of inadequate pavement width. High values indicate, seal widening is required. There is an increased amount since 2013 with a reduction in 2019. Two aspect may have influenced this;

- In the last few years the Council has started considerable chemical control of its edge of seal environments which reduced the effect of the binding effect of vegetation, thus reducing edge strength.
- Wheel damage to seal edges caused by increase in over-width heavy vehicles.
- Budget has not allowed all edge break to be repaired as priority as on other pavement issues.

Confidence in Condition Data

As above, condition data is a key driver for investment decisions and is important to know when it can and cannot be relied upon. To amanage the risk of poor decision making, Council rely on a range of condition data and ensure that high risk assets or high risk decisions are given preference. Further, it is common practice that during the more advanced stages of investment planning or preparation (e.g. project design), that further investigation and analysis is completed on the assets to verify any data or previously held assumptions.

The Table below outlines the confidence grading system for data.

Confidence in accuracy	Description
A – Highly Reliable	Data based on sound records, procedure, investigations, and analysis which is properly documented and recognised as the best method of assessment.
B – Reliable	Data based on sound records, procedures, investigations, and analysis which is properly documented but has minor shortcomings.
C – Uncertain	Data based on sound records, procedures, investigation, and analysis which is incomplete or unsupported, or extrapolation from limited sample for which grade A or B data is available.

For Waters Assets, capital planning based on condition is completed annually through a series of models that use data from core asset information systems (namely GIS and Asset Finda) as well as supplementary data (such as that made available from ad hoc or specifically commissioned condition assessments).

Asset Class	Confidence Level	Justification
3 Waters Reticulation	**B-C**	Limited availability of sophisticated condition information means age is used as the primary driver for preliminary decision making.
3 Waters Treatment	**A**	Sophisticated assessment techniques used on primary high risk assets at treatment plants as part of routine daily operations and maintenance practices
3 Waters Pumping	**B**	Detailed condition assessment carried out in 2019 but not repeated since.

For Roading assets, uses the RAMM system as a central repository for storing information on the transportation assets. RAMM contains a schedule of all roads in the network and information on carriageway widths, surfacing types and ages, pavement composition, traffic volumes and loadings and road condition data. Information on all other assets is also stored in the RAMM system.

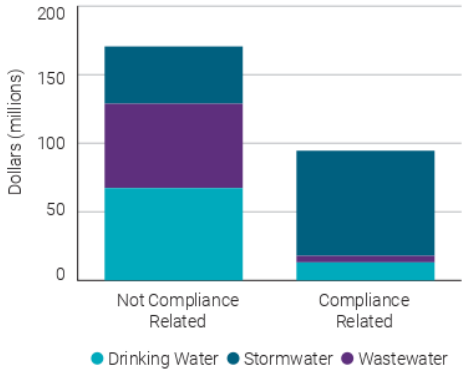
The accuracy of asset inventories in RAMM is critical in the development of strategies for each of the asset groups within this Transportation Activity Management Plan. The confidence level for all asset groups is "B – Reliable."

Focus Area 2: Meeting New and Existing Compliance Standards

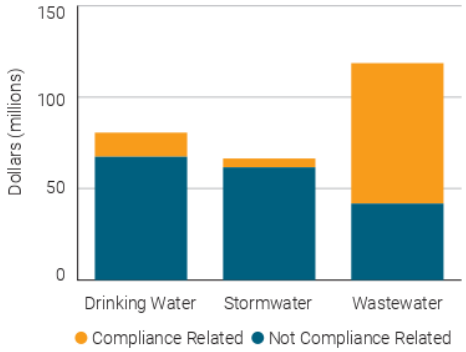
The costs to comply with new and existing standards continue to place strain on Councils resources. Council has chosen to make every effort to comply with standards in all cases and the Strategy provides the outline of continued investment in infrastructure to continue to comply.

The impact of compliance related costs is felt most heavily with respect to 3 waters infrastructure. While 'compliance' is not a typically reported against category at a project or programme level, it is possible to split out compliance related projects for these activities. The chart below shows the split between compliance-driven and non compliance-driven investment for the three waters activities over the 30 year period.

Compliance driven investment – 3 waters



Compliance driven investment – 3 waters



Drinking Water Standards

The Drinking Water Standards for New Zealand (revised 2018) prescribe the availability of safe drinking-water for all New Zealanders, irrespective of where they live, as a fundamental requirement for public health.
The Drinking-Water Standards for New Zealand
provide requirements for drinking-water safety
by specifying the:

- maximum amounts of substances or organisms or contaminants or residues that may be present in drinking-water
- criteria for demonstrating compliance with the Standards
- remedial action to be taken in the event of non-compliance with the different aspects of the Standards.

These standards supersede previous versions and follow the outfall of the 2016 Havelock North Water Crisis. The new standards represent a step-change in terms of compliance thresholds by promoting a multi-barrier approach and by requiring significant increases in the need to demonstrate compliance. Council focusses heavily on its own compliance with these standards as evidenced through the investment in treatment infrastructure and capability during the period of the previous LTP. This Strategy continues to prioritise investment in the provision of safe drinking water and demonstrable compliance with existing and forecasted standards.

Resource Consent Conditions

Council own and operate six wastewater plants plus landfill that are required to comply with the conditions of allocated resource consents. These assets span drinking water, wastewater, stormwater as well as the operative and closed landfills.

Council consider that all assets/activities that require resource consent are largely already consented in some form. That is, Council does not plan in this Strategy or other Strategies/Plans to invest significantly in new consents for activities that are not already consented. With that said however, the nature of consents and consented activities is changing rapidly and as Councils existing activities continue to grow in scale and scope, the complexity of consenting is growing in turn.

While the wastewater discharge activity has historically been consented, Council is planning for consent renewals and new consents in that activity. Similarly, Council is planning for consent renewals and new consents in other already consented activities including stormwater, drinking water and landfill. Council also plans in almost all cases that consent renewals will come with new and increased levels of compliance requirements.

Seismic Performance

The Building (Earthquake-prone Buildings) Amendment Act 2016 introduced major changes to the way earthquake-prone buildings are identified and managed under the Building Act. The system is consistent across the country and focuses on the most vulnerable areas and buildings in terms of people's safety. Council are continuing to work through a programme of engineering assessments of relevant Council owned buildings prioritised based on risk. This work is resulting in additions to Councils programme of investment in buildings in some cases.

Focus Area 3: Improving Infrastructure Resilience

Councils infrastructure is exposed to numerous and changing demands, pressures and sometimes physical forces. Resilience for infrastructure is the respective assets ability to recover quickly from any difficulties or challenges. In most cases this means returning to normal levels of service following any type of event.

The following approaches are used across Councils key asset classes to ensure that infrastructure is resilient:

Approach	Description
Renewals	Assets are routinely condition assessed and renewed to reduce the likelihood of failure in service. This supports resilience whereby poor conditioned assets are often more likely to fail during adverse events or when they are challenged.
Operations and Maintenance	It is often through effective maintenance and operations procedures that asset managers, operators or engineers learn most about our infrastructure. Effective procedures and approaches to maintenance and operations can ensure that when something goes wrong, the mechanisms are in place to respond quickly and effectively.
Asset Design	Each asset should be designed in a way that it will not fail but if it does that the impact is minimised as far as practicable. This can be as simple as ensuring that spare parts are readily available or that assets are located in places where they are not exposed to undue risk.
Network Design	Networks or hierarchies of assets should be designed to add resilience to 'the system'. This can be installing redundant or duty spares, alternate routes etc.

Focus Area 4: Planning for and Responding to Growth Opportunities

Central Hawke's Bay is growing – fast. In fact, it is growing at a rate that is unprecedented and far out-strips recent plans and provisions to accommodate it. Having effective plans in place to precede growth with necessary infrastructure is vitally important to achieving targeted community outcomes. Allowing agility and responsiveness in plans to accommodate growth when it occurs outside of projections is also important.

In 2020 Council completed a holistic revision of its existing planning approaches relating specifically to growth. A project, the Integrated Spatial Plan (ISP), was designed to fill gaps and build bridges between existing work in the business that connected to growth. The ISP work connected existing infrastructure plans, joined up and guided sporadic modelling and data sets, completed community-led focussed analysis and design of town centres and comprehensively revised numerical growth projections for the District.

The ISP and its context is depicted below:



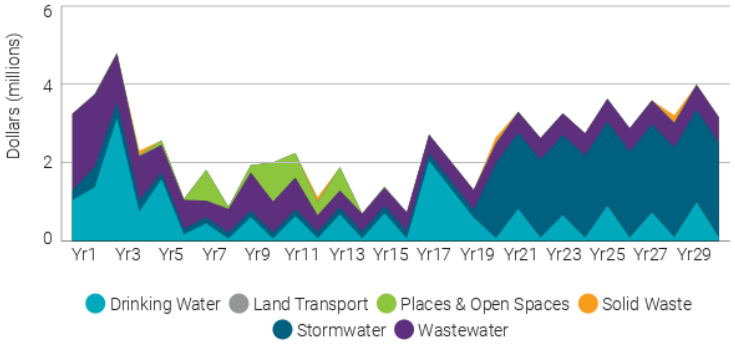
The ISP work contained three primary growth scenarios that could be utilised for further modelling, analysis and planning. Council adopted the 'high growth' scenario. This scenario forms the basis of our key assumptions as part of the Long Term Plan 2021 - 2031. The detailed growth projections can be found here.

This scenario has been used to inform detailed planning at an activity-level within Council and importantly has informed infrastructure needs to service and accommodate growth. The ISP work largely focussed on the Districts three main urban centres (Otāne, Waipawa and Waipukurau) beyond these however, the growth projections are more widely applicable.

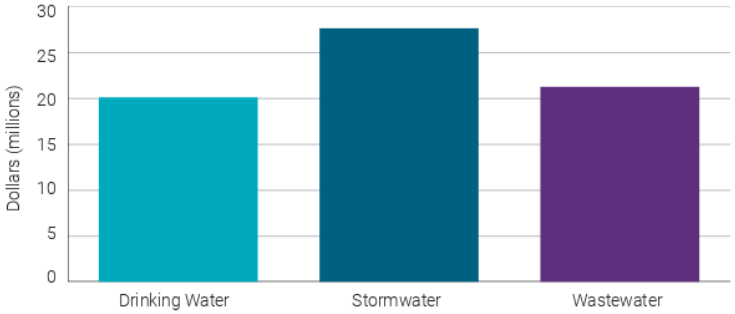
The ISP provided listed tables of actions for each of the three main urban centres aligned with Councils THRIVE objectives. The objective most relevant to this Strategy is 'Durable Infrastructure'.

The chart below shows planned infrastructure investment to accommodate growth over the 30 year period.

Growth investment by activity



Total growth expenditure – 3 waters (30 years)



Focus Area: 5
Prioritising Community-Centred and Partnership Opportunities

Council's strength is in its partnerships. Enshrined in Councils driving vision of 'E ora nga tahi ana' Together we Thrive, Council knows that in order to succeed it cannot do it alone. This has specific relevance to the way in which Council manages its infrastructure.

From setting levels of service specifically to ensure that end-users needs are met, to designing, building and operating assets with stakeholders and industry experts. Council is steadfast in its drive to partner and engage in all facets of its management of infrastructure.

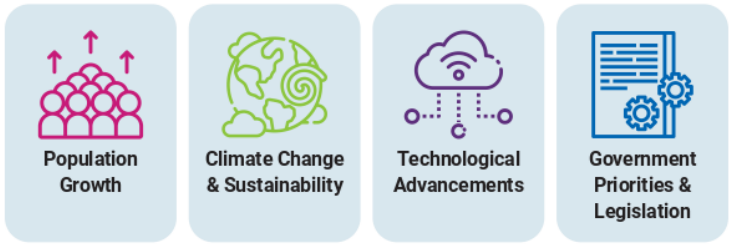
Below are examples of practical applications of partnering creating community value specific to infrastructure as set against a typical asset lifecycle.

Asset Lifecycle Stage	Partnering Approach	Community Outcomes
Design	Assets are designed with end-users in mind, often collaboratively, to meet specified levels of service that in turn are also often established in partnership with stakeholders.	Assets designed to meet end-users needs
Procure	When procuring works (physical or otherwise), Council seeks to find partners rather than fly-in and fly-out contractors. By partnering, giving and taking, Council is often able to provide better infrastructure and community outcomes.	Partners engaged who understand Councils and Communities values and expectations
Construct	Council leverages the skills, expertise and resources of numerous service providers to construct physical assets. Council seeks to work with all partners in a collaborative fashion.	Assets built with community outcomes in mind.
Operate/ Maintain	Assets are operated and maintained by relevant trained and skilled operators from Council or many of its partner organisations. Council ensures that at all times the operation of assets is carried out to ensure that community outcomes are at the centre.	Assets being used to deliver value to community.

External Factors

There are several factors that can influence Councils ability to achieve its goals and in the case of this strategy, the community outcomes given effect to by the provision and management of infrastructure. While external factors are in some ways, by definition, beyond Councils control, it is important to recognise them and to prepare where possible.

The key external factors identified by Council relevant to this Strategy are:



Population Growth

Councils consideration of population growth is detailed in previous sections referencing the 2019 Integrated Spatial Plan and growth modelling work.

Climate Change And Sustainability

In New Zealand, changes in climate, such as temperature and rainfall, are already occurring. These changes will occur to differing extents in different places. Climate change is considered as part of the Council's long-term asset management planning processes within relevant asset and activity management plans. Current models predict storms of greater frequency and intensity in the future for much of New Zealand and we are already experiencing these in our district with particularly noticeable impacts on our roading assets. Beyond roading, climate and environmental change will particularly impact the Council's water, wastewater and stormwater assets. Council staff review new studies and guidance as part of their ongoing planning for assets.

Our Asset Management Planning has been influenced by climate change in the following ways:

Drinking Water

Intense dry periods places strain on Council Drinking water networks both in the capacity of our consented takes as well as the ability of our reticulated networks to meet demand in hot periods. A significant 'second supply' project for the township of Waipukurau is programmed in year 1 of the Long Term Plan to address existing shortfalls in supply to Waipukurau and design for this work has allowed for climate change parameters. Routine operational and minor capital works have been increased through the period of the plan to address small-medium pipe leaks which reduce supply and put added pressure on already strained networks. Significant investment in energy and resource is also placed into partnering with other relevant local agencies and authorities to share climate messaging and the sustainable use of fresh water. Councils new Sustainable Water Demand Management Plan provides an action plan for investment in demand management initiatives and this has been specifically created to meet climate change impacts.

Stormwater

Significant investment in Stormwater upgrades has been tagged in the Long Term Plan (>$66M over the period). This work has been designed to reflect the current known capacity and performance issues of the Districts Stormwater systems and known difficulties to meet existing demand, planned growth and the impacts of climate change. Severe weather events and heavy downpours cause flooding in low lying areas. Comprehensive modelling of all Stormwater catchments is being completed with 50-100yr event thresholds modelled to include climate change parameters.

Wastewater

Significant pipe renewals and upgrades have been completed and are planned in the early part of the Long Term Plan to address capacity and performance issues. A focus on separating Stormwater and groundwater from the wastewater network through targeted Infiltration and Inflow (I&I) reduction programmes is programmed to reduce demand on the wastewater network. This is particularly important during storm events which will become more common with continued climate shifts. These storm events cause 'peaking' factors at our wastewater plants and can make them incapable of effectively treating the high volumes. The very large upgrades planned for all six of Councils wastewater treatment plants in the first 15 years of the plan include design limits to account for climate change.

Land Transport

Severe weather events cause significant damage to roading assets. Heavy downpours and 'cloudburst' events are becoming more regularly experienced on Central Hawke's Bays network and between 2018-2020 have caused over $6M in damage to road assets. The Long Term Plan includes provision for a number of bridge and culvert upgrades as these are often the assets most highly affected by these extreme weather events. Modelling used in the design of these upgrades is completed to account for 100yr rain event scenarios using climate change parameters.

Technological Advancements

Technology can be disruptive or advantageous to Council and its infrastructure. New technology or changing uses of technology can have a direct impact on the type and timing of infrastructure required and can also be used to help deliver services differently and alter what infrastructure is required. Managing infrastructure systems in a smarter way could reduce the need to construct new assets in the face of increasing demand. Also, technology can increase the effective capacity of our infrastructure, reduce maintenance and operating costs and improve reliability and safety.

New technology may increase the demand for certain infrastructure, redefine how we use infrastructure, or even lead to an entirely new infrastructure system. This would need to be supported by an accessible and sustainable charging infrastructure system.

Council does not have dedicated plans focussed on changing technologies but instead ensures that relevant asset and activity management plans consider technological change on both the demand and supply side.

Government Priorities And Legislation

The most significant external factor facing Council being driven by Central Government is the in-progress National 3 Waters Reform work programme. Council are an active and engaged participant in the reform work having been a key part of the Hawke's Bay Regions collaborative work to review 3 waters service delivery arrangements in 2019 and 2020. Council are actively contributing to the governments reform work through various means. Council are also the grateful recipient of $11.1 million in funding to expedite 3 waters work programme in recognition of its continued contributions to the reform work.

Importantly, while acknowledging that fundamental change is possible and even probable in the period of this Strategy, Council have not planned for the changing of the 3 waters delivery model in any parts of this Strategy, as outlined in our key assumptions that form part of the Long Term Plan 2021 - 2031.

Partnerships and Opportunities

"E ora nga tahi ana – Together we Thrive" is at the heart of Councils values system. Scale and ambition combine at Council in a way that mean Council simply cannot deliver on its own objectives without the support of committed partners. This section details Councils strategic approach to working with partners to support the effective delivery of infrastructure services.

Community Organisations

Council partners with numerous groups who represent parts of the community in order to drive understanding and collaboration both ways with respect to all Council activities and specifically infrastructure. Council partners with community groups and sometimes forms groups (e.g. wastewater community reference group) to workshop infrastructure management issues and activities.

Developers

Growth in the rohe continues in most cases to exceed expectation and in all cases to exceed previous formal plans. Council works with these at the centre of much of the growth (Land Developers) to influence and understand current and future pressures on infrastructure. Examples of current partnering with Developers include work on the District Plan and the Integrated Spatial Plan.

Other local authorities

Council work particularly close with the other Hawke's Bay Councils to leverage resources and ideas. Beyond Hawke's Bay, Council are involved in numerous National and sub-National working groups and forums to promote collaboration and innovation and the sharing of ideas. For infrastructure it is common for Council to leverage the work of others with respect to procurement or design and construction.

Asset Class Plans

Most Likely Scenario

This strategy provides the overview of Council's most likely scenario for the management of its infrastructure. This scenario has been determined by:

- Including the funded capital and operating budget forecasts from the draft 2021-31 Long Term Plan. The timing of projects and budget provisions have been informed by the 30-Year AMPs.
- Identifying projects through the Long Term Plan that are unable to fit within the financial provision set by the Financial strategy. These projects are assumed to be required in the future and this is reflected in the Financial Strategy.
- Using the assumptions for levels of service, demand and renewals as outlined in each activities AMPs.

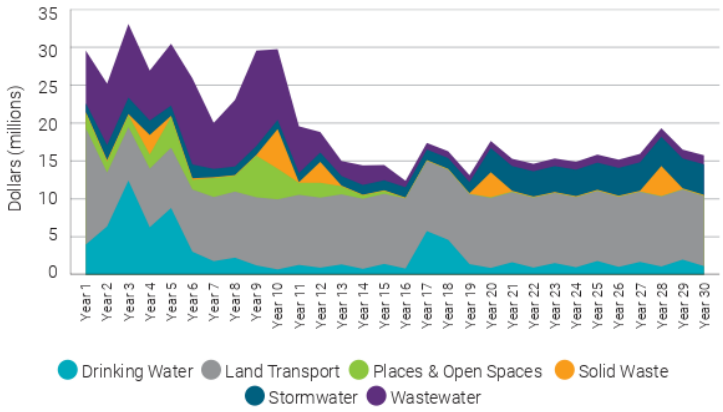
The plans and forecasts for the first three years have the most detail and confidence as the greatest amount of planning has taken place. The investments identified between 4 and 10 years are an outline and have a reasonable degree of confidence. The forecasts beyond year 10 should be viewed as indicative estimates and will be developed further as time passes and more information is obtained.

Changes to the requirements and management of infrastructure is expected to occur and the Council will consider the appropriate approach as part of the future relevant 10-Year Plan process. This uncertainty and need for ongoing refinement is acknowledged in the tiered framework for forecast expenditure contained in the Local Government Act 2002.

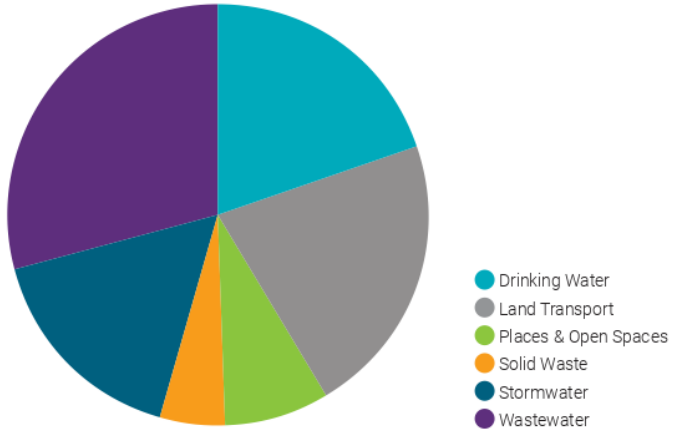
The forecasted expenditure is significantly higher than historical expenditure. For each of the next ten years, the forecasted annual capital expenditure is over $Xm. The most significant driver of this expenditure is the investment required in infrastructure to meet new compliance requirements as well as to maintain levels of service that are compromised by aging and deteriorating assets.

The estimated requirement for capital investment over the next 30 years has been prepared and is shown below.

30Yr CAPEX by activity



Total CAPEX (30yrs) by activity



The forecasted expenditure from 2021 to 2030 represents a period of significant investment over and above historic levels. While there are significant increases in the expenditure forecasted, there is also a large increase in growth related revenue (through Development Contributions from developers and new ratepayers). This helps pay for growth and creates some additional capacity for borrowing.

There is a high likelihood that over time the indicative estimates beyond ten years in this Strategy will need to change to reflect:

- changes in assumed growth rates
- changes to standards and compliance requirements not anticipated
- new technologies and options for provision of infrastructure
- new models for the funding and delivery of infrastructure (these may include the Council not funding and / or owning infrastructure)
- greater certainty about the nature and timing of the projects that are required
- affordability and ability for the Council to deliver the programme.

The Council's Financial Strategy has been updated through the development of the 2021-31 LTP. The Financial Strategy has a ten-Year horizon and helps the Council and the community to understand the long-term financial impacts and sustainability of the Council's budget and plans. The Financial Strategy describes the impact on debt and rates of the Council's budget.

Water Supply

There are eight public water supply systems in the district; Otāne, Waipawa, Waipukurau, Takapau, Pōrangahau, Te Paerahi, Pourerere and Kairakau.
Water is also supplied to the Pourerere Camping Ground, Pourerere toilet block and two private dwellings, however is not managed by the network operators. Otāne and Waipawa are sometimes referred as one supply as both towns are fed from the same reservoirs. This is the same for Pōrangahau and Te Paerahi as they are fed from the same treatment plant.

Water Supply Reticulation

Water supply reticulation includes water mains, submains, hydrants, valves, fittings and connections. Asset management effort focusses on mains and submains as these make up the majority of the value of the reticulation network. Valves, hydrants, fittings and other auxiliary assets connected to the mains and submains generally last as long as the main or submain and are renewed as part of a main or submain renewal.

A new renewal framework is being used for the first time greater decision-making transparency. The following criteria is assessed for each pipe in the database:

- Likelihood of Failure
- Consequences of Failure
- Failure Risk
- Replacement cost

The output of the renewal framework is used for two separate purposes.

1. to set an appropriate long-term reticulation renewal budget
2. to provide a prioritised list of renewal candidates on a pipe by pipe basis

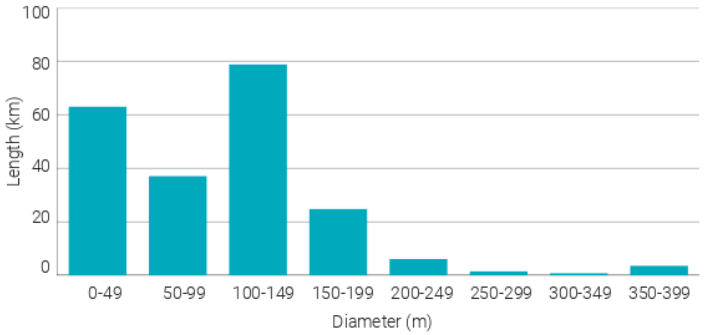
Water Supply Reticulation

The key issues for the water reticulation network and how they are addressed is outlined in the table below.

Key Issue	Priority for this Plan
Large proportion of pipes at the end of their estimated useful life (particularly AC pipes)	Addressing the renewal of pipes at the end of their useful lives, focussing on high failure risk
Ensuring water supply works are coordinated with other works (stormwater, wastewater and roading)	Overlay areas of priority water renewal with areas showing other works to identify where combined projects will deliver better outcomes
Reducing water consumption	Implementing pressure management and increased focus on leak detection. Installing water meters to track water use
Reducing reactive maintenance	Prioritising pipe renewal based on risk and begin collecting maintenance data in a form that supports renewal decisions
Increase maturity and transparency of investment decision-making	Use the risk based outputs of the renewal criteria and integrate with growth and improvement criteria
Additional Water meters	Replacing standard meters with smart meters when submains are renewed

Graph 1 shows the length of pipe installed in the district by diameter. The total length of pipe is 215 km.

Drinking water reticulation length by diameter



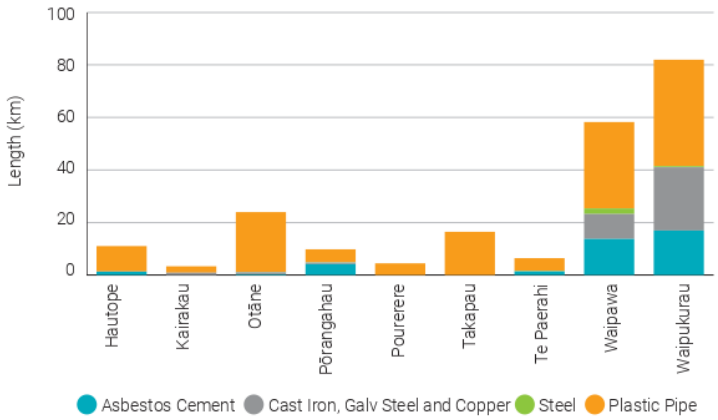
Graph 1

The largest cohort of pipe is 100 mm diameter. There are also significant lengths of pipes smaller than 100 mm diameter pipe that are used for service connections. This is typical for smaller schemes each individually servicing a community.

Over half of the pipe network is UPVC or MDPE. The proportions of the network likely to have condition-related performance issues are cast iron (CAST I), asbestos cement (AC, AC-E and AC-F), and galvanised steel (GI).

Graph 2 shows the distribution of pipes by type between each community scheme.

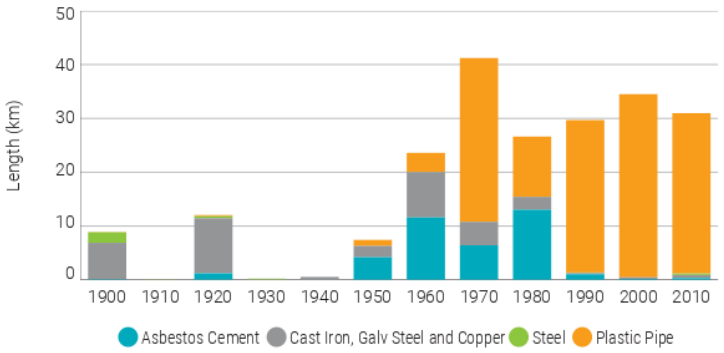
Drinking water reticulation length by community



Graph 2

Graph 3 below shows the length of pipe installed during different decades and is coloured according to the pipe material.

Drinking water reticulation length by install decade



Graph 3

This shows the cast iron pipe installed in 1900 - 1930, the period of asbestos cement pipe installation in 1950 – 1980 and the increased use of plastic pipes from 1960 onwards.

As described in this Strategy, Council currently uses asset age as a proxy for determining the likelihood of failure of many assets.

Graph 4 shows the likelihood of failure distribution for water supply pipes.

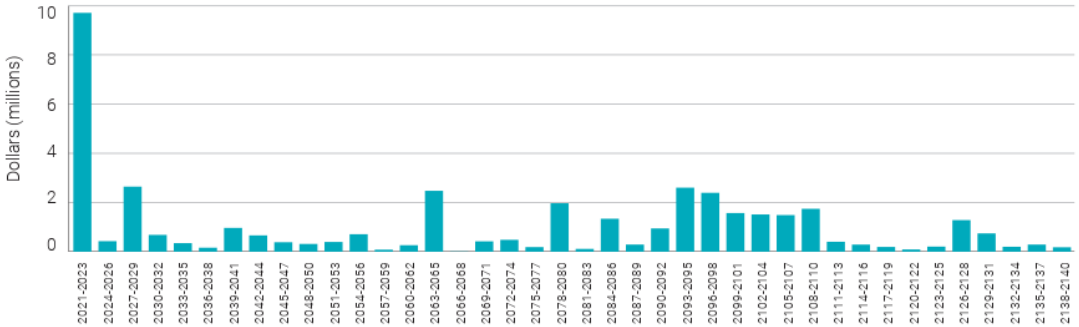
Drinking water assets likelihood of failure



Graph 4

There is a significant portion of assets that have already exceeded their theoretical useful lives and this is represented in the large spike in costs for the first period. Budgets are presented in three year periods.

Drinking water assets renewal profile

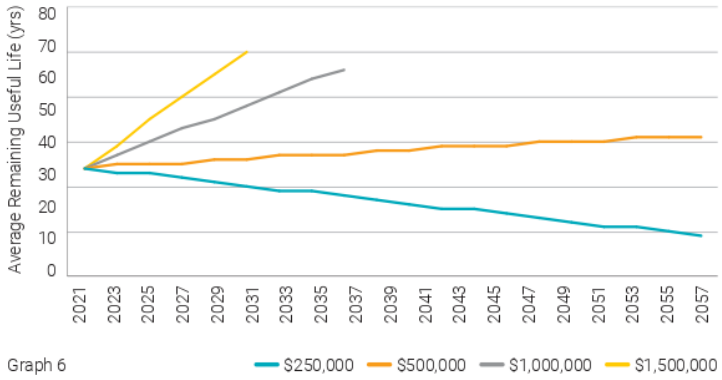


Graph 5

Renewal investment profiles and risk.

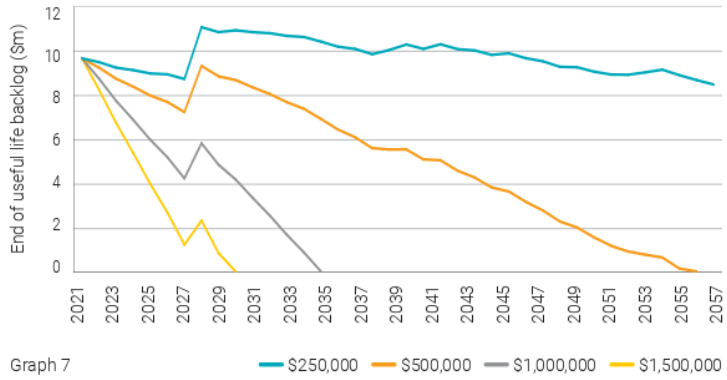
Graph 5 illustrates the impact of differing levels of reticulation renewal investment on indices commonly regarded as suitable proxies for risk. These are capital weighted average asset remaining useful life, and total assets beyond normal useful life. The charts show a total decrease in asset remaining useful life for annual renewal investment at $250,000 and an approximate flattening of the aging curve at $502,000 per year. The charts also show the speed at which assets currently beyond the end of their remaining useful life are replaced under each investment scenario. Both charts are viewed and used together to inform investment decisions.

Water supply: average remaining useful life at different levels of renewal investment



Graph 6

Water supply: end of useful life "backlog" over time at different levels of renewal investment



Graph 7

Water Supply Pumping

The pumping, storage and treatment assets are grouped by the following operational sites:

- Johnson Street WSTP
- Kairakau Water Supply Reservoirs
- Kairakau WSTP
- Otāne Water Supply Reservoirs
- Pōrangahau Water Supply Reservoirs
- Pōrangahau WSTP
- Pourerere Water Supply Reservoirs
- Pourerere Water Supply Spring
- Takapau Water Supply Reservoirs
- Takapau WSTP
- Tikokino Road WSTP
- Waipawa Water Supply Reservoirs
- Waipukurau Water Pumping Stations
- Waipukurau Water Supply Reservoirs
- Waipukurau WSTP

Water Supply Pumping storage and treatment key issues

The key issues for waste supply pumping storage and treatment are shown in the table below.

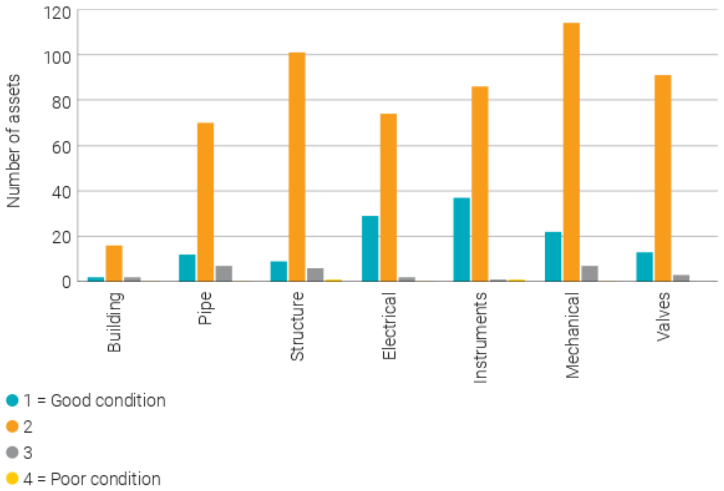
Key Issue	Priority for this Plan
The key issues for water supply pumping storage and treatment are shown in the table below.	
Several reservoirs and suction tanks are in very poor condition and pose water safety and seismic vulnerability concerns.	Assessment, refurbishment and replacement of these assets where required. Several priority repairs are already identified as well as full replacement of the Pukeora and Hunter Park reservoir sites
Pump failures	Prioritise replacement of the older more critical pumps. Prioritise renewal budget spending to accumulate a set of critical spare parts.
Asset data for stations is poor. Current O&M data is not easily useful for long term decision-making	Resourcing to: a) collect and update inventory data that supports asset management planning, b) refine and update valuation process and how costs are applied, c) collect O&M data that can be analysed network-wide to determine strategy for proactive/ reactive split
Instrumentation renewal needs to account for increased regulatory monitoring requirements	Replacement and upgrade of instrumentation to latest regulatory standards
Several pumping and treatment assets require replacement or upgrade due to non-renewal drivers. Works on these sites needs to be optimised with respect to the future upgrades and capital works	Identify crossover issues where renewal needs to either be brought forward or delayed due to interaction with other planned upgrades or capital works
Security of Council SCADA system	Dedicated programme for upgrading SCADA data security

Water Supply Pumping Storage and Treatment Assets

The installation date records for pumping, storage and treatment assets held in Council's core asset database are unreliable or have large data gaps. Asset age, as derived from the core asset database, is not currently used as a core indicator of asset condition.

A condition assessment was conducted by Veolia in 2018 at the beginning of the new maintenance contract. This condition grading data uses a 1 to 4 scale (1 is good and 4 is very poor) and is the most up to date reference for estimating asset likelihood of failure. A summary of the data is presented below.

Drinking water above ground asset condition grading



Wastewater

The provision of wastewater services ensures public and environmental health outcomes for Central Hawke's Bay. Managing the infrastructure that underpins this activity is guided by the 2020 adopted Wastewater Strategy that sets out the long term aspirations and plans for the upgrade of treatment and discharge schemes, and by effective asset management and renewal planning which primarily focuses on the reticulation network.

Wastewater Reticulation

Wastewater reticulation includes mains, lateral, manholes and valves. Asset management effort focusses on mains as these make up the majority of the value of the reticulation network. Laterals, manholes, valves and other auxiliary assets connected to the mains generally last as long as the main and are renewed as part of a main renewal.

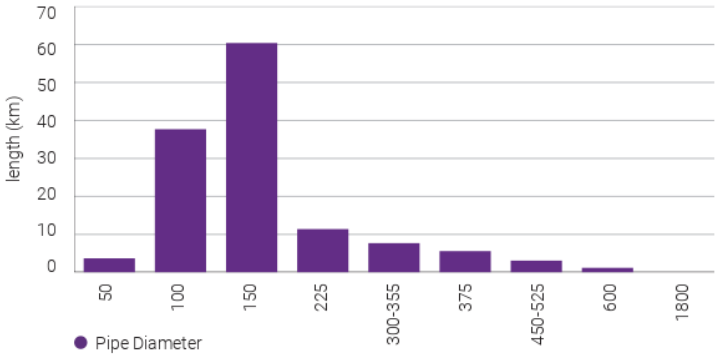
Wastewater Reticulation Key Issues

The key issues for wastewater reticulation are shown in the table below.

Key Issue	Priority for this Plan
Pipes at the end of their estimated useful life (particularly earthenware pipes)	Addressing the renewal of pipes at the end of their useful lives, focussing on high failure risk. Pipe renewal will be optimised by using CCTV assessment to confirm condition and apply trenchless lining for pipe renewal (already used successfully in parts of the network to refurbish earthenware pipes).
Reducing inflow and infiltration due to network condition	Targeting asset renewal at locations where pipe replacement will reduce or eliminate the downstream impacts of inflow and infiltration
Low seismic resilience	Target asset renewal at locations to replace older brittle materials with new flexible materials and jointing systems
Reducing reactive maintenance	Prioritising pipe renewal based on risk and begin collecting maintenance data in a form that supports renewal decisions
Increase maturity and transparency of investment decision-making	Use the risk based outputs of the renewal criteria and integrate with growth and improvement criteria
Relying on age-based condition assessment criteria for decision-making	Targeting CCTV inspection to increase the evidence base for specific renewal project decisions

Graph 1 shows the length of pipe installed in the district by diameter. The total length of pipe is 131 km.

Wastewater reticulation length by diameter



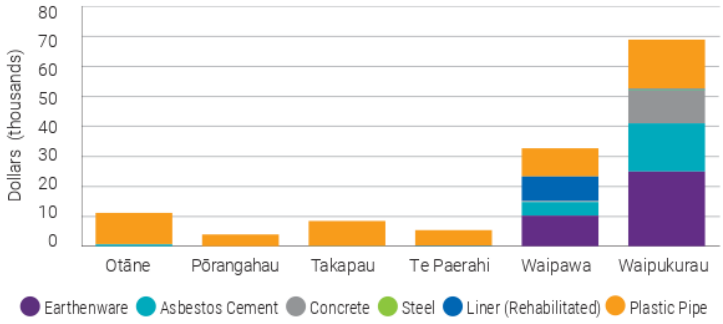
Graph 1: Districtwide Wastewater reticulation pipe by diameter.

The network is split approximately 50/50 between flexible materials (plastic pipe and liner) and brittle materials. The proportions of the network likely to have condition-related performance issues are earthenware (GEW and EW), asbestos cement (AC, AC-E and AC-F), and some concrete (CONC).

Figure Graph 1 shows the distribution of pipes between each community scheme.

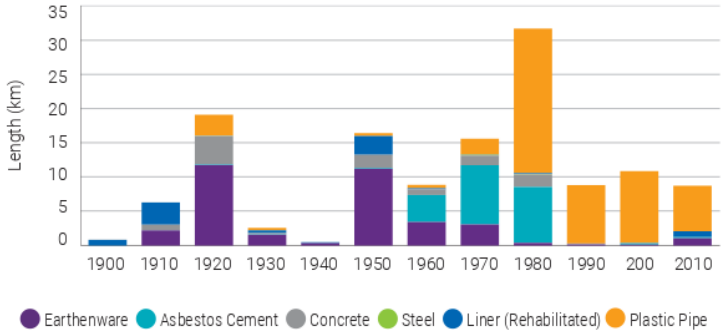
Graph 2 shows the length of pipe installed during different decades and is coloured according to the pipe material.

Wastewater reticulation length by community



Graph 2: Distribution of pipes between Community Wastewater Schemes

Wastewater reticulation length by install decade

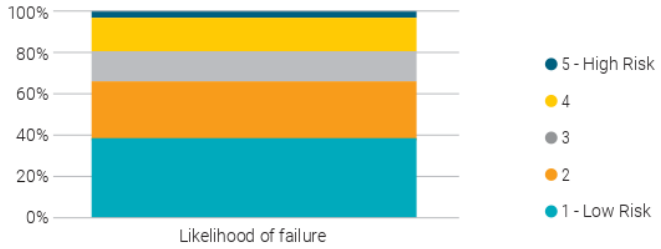


Graph 3 Data of Pipe Installation

This shows significant lengths of earthenware pipe installed in the 1920s and 1950s. Some of this pipe has now been lined (labelled as CIPP/GEW and AM_Liner/GEW). Steel was used heavily during between 1960 and 1980. UPVC pipe has been used as the predominant material from 1980 onwards. Some further pipe material data validation is required to remove the anomaly of plastic pipe shown above for the 1920 decade.

Graph 4 shows the likelihood of failure distribution for wastewater pipes.

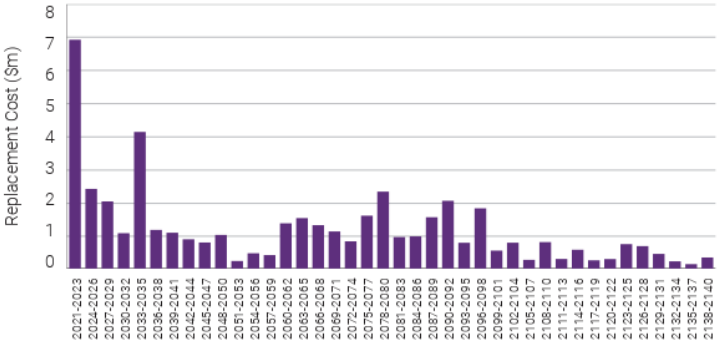
Wastewater assets likelihood of failure



Graph 4 - Likelihood of Wastewater Reticulation Network Failure

Graph 5 shows there is a significant portion of assets that have already exceeded their theoretical useful lives and this is represented in the large spike in costs for the first period. Budgets are presented in three year periods.

Wastewater assets renewal profile

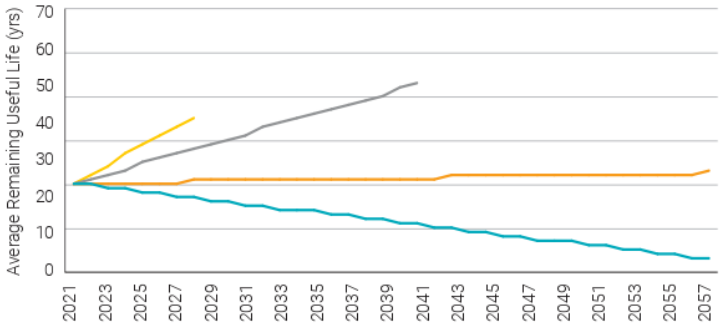


Graph 5

Renewal investment profiles and risk.

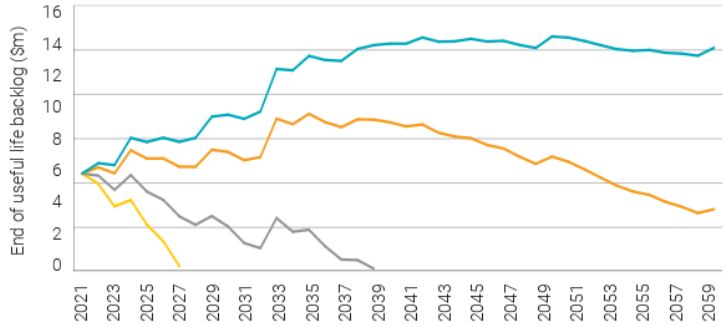
The below charts illustrate the impact of differing levels of reticulation renewal investment on indices commonly regarded as suitable proxies for risk. These are capital weighted average asset remaining useful life, and total assets beyond normal useful life. The charts show a total decrease in asset remaining useful life for annual renewal investment at $250,000 and an approximate flattening of the aging curve at $523,007 per year. The charts also show the speed at which assets currently beyond the end of their remaining useful life are replaced under each investment scenario. Both charts are viewed and used together to inform investment decisions.

Wastewater: average remaining useful life at different levels of renewal investment



Graph 6 $250,000 $500,000 $1,000,000 $1,500,000

Wastewater: end of useful life "backlog" over time at different levels of renewal investment



Graph 7 $250,000 $500,000 $1,000,000 $1,500,000

Wastewater Pumping, Storage and Treatment/Discharge

The pumping, storage and treatment assets are grouped by the following operational sites:

- Otāne WWTP
- Pōrangahau Wastewater Pumping Stations
- Pōrangahau WWTP
- Takapau Wastewater Pumping Stations
- Takapau WWTP
- Te Paerahi Beach Wastewater Pumping Stations
- Te Paerahi WWTP
- Waipawa Wastewater Pumping Stations
- Waipawa WWTP
- Waipukurau Wastewater Pumping Stations
- Waipukurau WWTP

Wastewater Pumping Storage and Treatment Key Issues

The following table outlines the key issues the network faces with wastewater pumping storage and treatment.

Key Issue	Priority for this Plan
Ability of Councils treatment plants and discharge schemes to meet consent requirements and community aspirations.	Prioritise the investment in long-term, transformational upgrades for all 6 wastewater treatment plants and discharge schemes as per the adopted Wastewater Strategy.
Pump failures	Prioritise replacement of the older more critical pumps. Prioritise renewal budget spending to accumulate a set of critical spare parts.
High pumping and treatment flows during wet weather	Target I&I reduction to offset the cost of having to design and maintain pumping and treatment infrastructure capacity for extremely high wet weather flows
Asset data for stations is poor. Current O&M data is not easily useful for long term decision-making	Resourcing to: a) collect and update inventory data that supports asset management planning, b) refine and update valuation process and how costs are applied, c) collect O&M data that can be analysed network-wide to determine strategy for proactive/ reactive split
Some high value assets such as civil structures pose risk of failure and require more detailed assessment	Condition assessment of civil structures
Instrumentation renewal needs to account for increased regulatory monitoring requirements	Replacement and upgrade of instrumentation to latest regulatory standards
Several pumping and treatment assets require replacement or upgrade due to non-renewal drivers. Works on these sites needs to be optimised with respect to the future upgrades and capital works	Identify crossover issues where renewal needs to either be brought forward or delayed due to interaction with other planned upgrades or capital works
Security of Council SCADA system	Dedicated programme for upgrading SCADA data security

Upgrade of systems/schemes

The upgrade of existing schemes is guided by Councils adopted Wastewater Strategy 2020 which outlines the need for investment to accommodate growth, meet existing and new consent/compliance requirements and importantly to meet the aspirations of the community at large with a special focus respecting the voice of manawhenua..

The Strategy outlines 5 key projects which are outlined below with the most likely options/scenarios for each

1. Otāne, Waipawa and Waipukurau upgrades

Short term – less than 2 years

- Reticulate Otāne to Waipawa
- Establish rapid infiltration system at Waipawa
- Minor treatment plant upgrades

Medium term – less than 5 years

- If appropriate design pipeline from Waipukurau to Waipawa
- Expand the rapid infiltration system at Waipawa

Longer term – less than 10 years

- If appropriate, build new treatment plant
- Decommission Otāne treatment plant
- Decommission of old treatment facilities

2.Takapau upgrades

Short term – less than 2 years

Minor treatment upgrades
Develop irrigation system

Medium term – less than 5 years

- Provide storage

3. Te Paerahi and Pōrangahau upgrades

Short term – less than 2 years

- Acquire land for irrigation
- Pipe Te Paerahi wastewater to a new irrigation site

Medium term – less than 5 years

- Establish irrigation for both Te Paerahi and Pōrangahau
- Cease discharge to Te Paerahi sand dunes
- Build storage
- Reduce discharges to the Pōrangahau River

Longer term – less than 10 years

- If appropriate, build a new treatment plant
- Develop alternative wet weather discharge
- Decommission unused infrastructure

4. Residuals

A focus of the discussion to date, and with the wider community, has been with managing the treated water. Running in parallel is a critical, and equally important, design discussion about managing residual products that can be generated from the treatment systems. This includes sludge from the bottom of ponds, sludge from new treatment plants, screenings and grit.

More sophisticated treatment systems may produce greater residuals, and potentially require different ways for it to be managed. As with the treated water, there are opportunities to manage the residual as a resource, which is in contrast with current practices that see it stockpiled with no intended use or landfilled. The forward options look to use the residual material as a resource.

The development of Project 4 is divided into current programmes and future programmes. The current programmes are largely operational while the future programmes are subject to further design work associated with Project 1 to 3.

Current programmes:

Remove current dewatered sludge stockpile at Waipawa and Waipukurau – ideally applied to land.

- Desludge Waipawa and Waipukurau ponds.
- Apply for consents as needed.
- Develop a dedicated residual management strategy.

Future programmes:

- Plan for bio-solids production from residuals at new and upgraded treatment plants.
- Identify future end use/disposal pathways and hence alignment of residual handling technology to suit.
- Interface with tradewaste review project to manage contaminants that would be

detrimental to future reuse options.
- Decommission ponds systems as new treatment plants come online.
- Base case solution is assumed to be creation and management of a dewatered biosolids monofill cell on site at Waipawa.
- Apply for consents as needed.

5. Loading and Flow Management

A key aspect in managing wastewater is managing what needs to be treated and then discharged; and this is achieved by knowing and controlling what is coming into a treatment plant. Volume and composition are two key groups of parameters that help to decide what the treatment plant does and how it operates. While the treatment can modify the composition, knowing the volume is essential as it helps to inform the nature of discharge opportunities.

Key influences of volume and composition (Loadings and Flow Management) are:
- Reticulation management, and particularly the management of infiltration and ingress (I and I) i.e. leakage into the sewer network; and
- Trade waste contributions, which include industrial contributions and the likes of septage reception (septic tank sludges).

All community wastewater systems must manage reticulation and trade waste impacts. Understanding their nature determines the treatment required and discharge impacts. This can change over time, as communities grow and sewer networks expand, and as industry is attracted to communities.

All of the six Central Hawke's Bay communities will have some degree of reticulation I and I. Understanding it and having a plan to reduce where appropriate is critical. This may change over time as reticulation infrastructure ages and renewal programmes take effects.

Waipukurau is the community that is currently most influenced by industrial discharges, with current industry accounting for more than 50 % of the community's organic load to the treatment plant and less than 15 % of the flow. Subtle changes in the volume and composition can have a significant impact on treatment plant selection and design. A further important aspect is having confidence in the potential for changes over time, requiring growth projections of not just the residential population to be considered, but also changes in industry.

The nature and type of treatment plant required, as influenced by reticulation and tradewaste, then influences the management of residuals, as set out in Project 4.

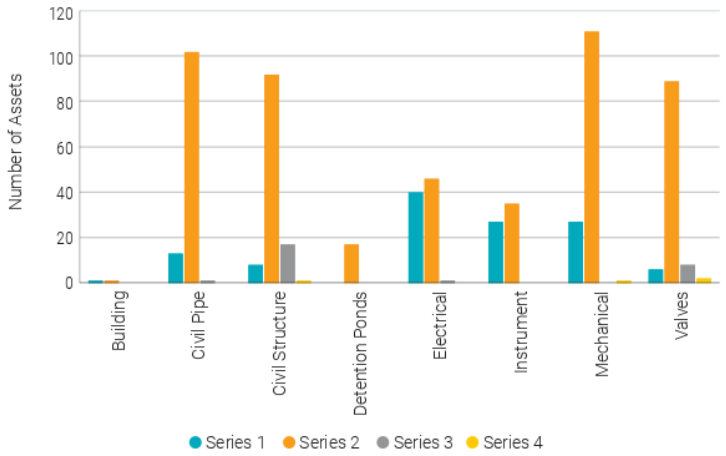
Current programmes:
- Tradewaste review programme.
- Tradewaste bylaw review.
- I and I programme.
- Reticulation renewals.
- Growth planning.

Future programmes:
- Tradewaste development strategy.
- Reticulation and sewer management strategy.

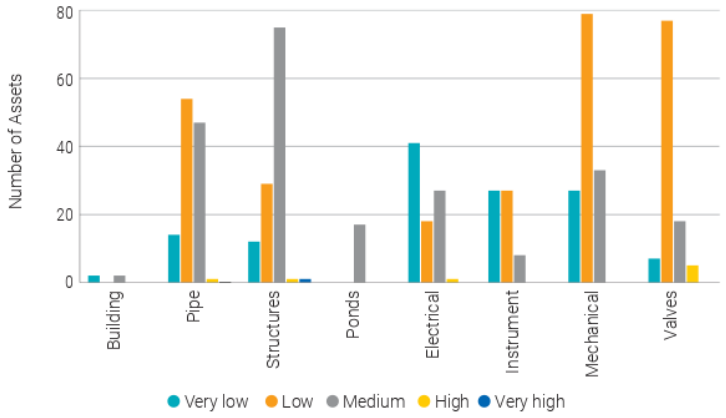
Renewal of existing Wastewater

The installation date records for pumping, storage and treatment assets held in Council's core asset database are unreliable or have large data gaps. Asset age, as derived from the core asset database, is not currently used as a core indicator of asset condition.

Condition grading by asset class



Risk grading by asset class



A condition assessment was conducted by Veolia in 2018 at the beginning of the new maintenance contract. This condition grading data uses a 1 to 4 scale (1 is good and 4 is very poor) and is the most up to date reference for estimating asset likelihood of failure. A summary of the data is presented below.

A number of civil structure, mechanical and valve assets are in very poor condition (condition grade 4) and have a high likelihood of failure. The majority of assets have been assessed as condition 2 and are in average condition.

A rudimentary risk assessment has been conducted by multiplying the 1 – 4 condition grade scores (representative of the likelihood of failure,), with the 1 – 3 criticality scores (representative of the consequence of failure). The resulting risk is presented below. This method does not fully align with the typical 5 x 5 risk matrix used by Council but is useful as a basic estimate of risk.

A number of civil structures represent the highest risk. These are the priority focus for future condition assessment work to identify proactive renewal projects.

Stormwater

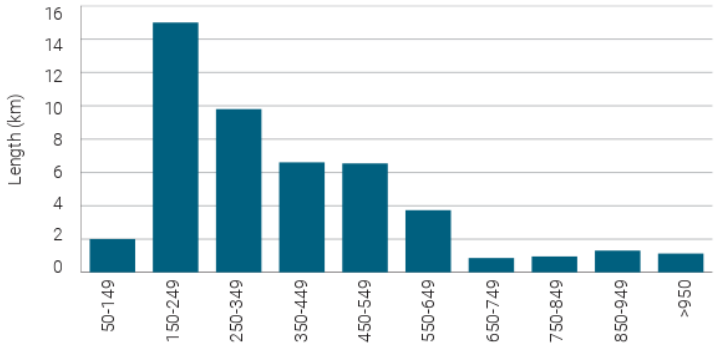
There are two main stormwater networks servicing the towns of Waipawa and Waipukurau. There are also six smaller networks providing varying levels of coverage for the townships of Otāne, Takapau, Pōrangahau, Te Paerahi, Kairakau, and Blackhead Beach. The management or control of stormwater flows elsewhere in Central Hawke's Bay falls under the control of Council's Land Transport section, The Hawke's Bay Regional Council or the private land owner. Graph 1 shows the length of pipe installed in the district by diameter. The total length of pipe is 48 km.

Stormwater Key Issues

The table below outlines the key issues for the Stormwater network.

Key Issue	Priority for this Plan
Helicore pipe failure risk	Helicore pipe has been collapsing, causing sink holes and poses significant risk. Council is targeting the replacement of all Helicore pipe, however there is uncertainty around which pipes are Helicore. Council has set aside budget for dealing with reactive replacement of Helicore pipe if new failures occur or if Helicore pipe is identified during regular day to day activity. There is also a proactive stormwater condition assessment programme which will help identify the location of Helicore pipe.
Open drains – maintenance requirements and condition assessment	Council has an extensive network of open drains and is increasing effort to maintain the condition of the drains. Targeted ongoing maintenance is required to ensure that open drain capacity is maintained, and flood risk is reduced.

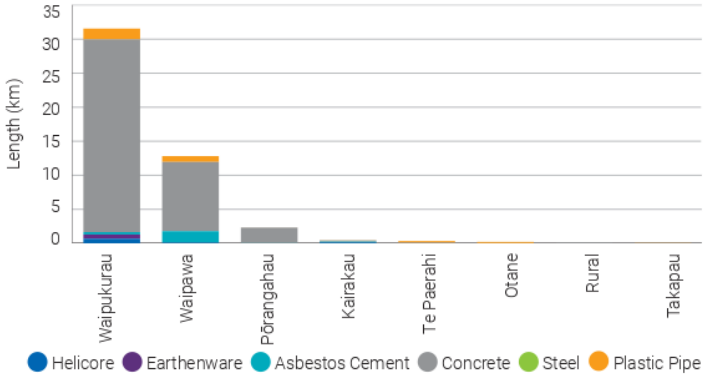
Stormwater reticulation length by diameter



Graph 1

The largest cohort of pipe is 225 mm diameter. There are also significant lengths between 300 and 600 mm diameter. Graph 2 shows the distribution of stormwater pipes between each community scheme.

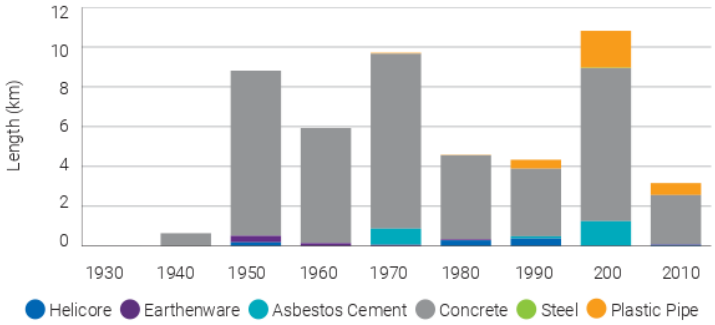
Stormwater reticulation length by community



Graph 2

Graph 3 shows the length of pipe installed during different decades and is coloured according to the pipe material.

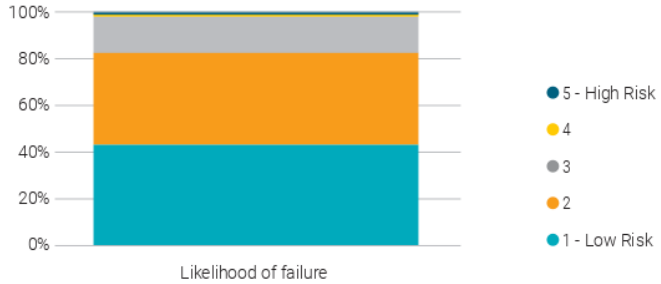
Stormwater reticulation length by install decade



Graph 3 - Date of Stormwater Pipe Installation

This shows large portions of the network installed in the 1950s, 1970s and 2000s. Concrete pipe has been the predominant material throughout.

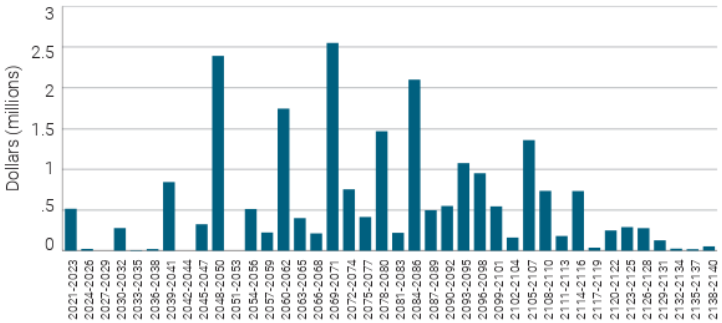
Stormwater assets likelihood of failure



Graph 4 shows the likelihood of failure distribution for stormwater pipes.

Graph 5 shows that while few assets have already exceeded their theoretical useful lives. Increased renewal budget is expected beyond 2050 when the older concrete pipes begin to approach the end of their estimated useful lives. Budgets are presented in three year periods.

Stormwater assets renewal profile



Graph 5

Land Transport

The district is served by State Highway 2 and State Highway 50 (managed by Waka Kotahi) and 1,264 km of local roads. These roads, and associated assets, provide vital links to Central Hawke's Bays residents.

Much of the land transport activity's focus is guided by the adopted 2020 Land Transport Strategic Framework with the stated vision to:

"deliver safe, reliable and lasting road assets that connect our people and places and allow our district to prosper"

The Strategic Framework provides the vision for the activity and details four pillars for achieving community outcomes. These are:

1. Safety above all else
2. Connected and resilient infrastructure and communities
3. Protecting our natural and built environments
4. Economic resilience and financial sustainability

These pillars, their supporting actions and the overall intent of the Strategic Framework flow through into infrastructure investment decision making at all levels.

The table below shows the local road lengths summarised in terms of the One Network Road Classification hierarchy

One Road Network Hierarchy	Length (km)	Proportion (%)
Arterial	0.57	<1%
Primary Collector	0.75	<1%
Secondary Collector	268.00	21%
Access	551.00	44%
Access (Low Volume)	444.00	35%
Total	**1,264.00**	

The table below summarises the same local roads this time by type.

Pavement Type	Rural (km)	Urban (km)	Total (km)
Sealed	788.10	68.08	856.18
Unsealed	400.07	1.91	401.98
Major Bridges	5.74	0.13	5.86
Total	**1,193.91**	**70.12**	**1,264.02**

The average age and average remaining life of roading assets is a key determining factor in driving planned future investment. This information is shown in the table below for major asset classes.

	Age (weighted average)	Remaining Life (weighted average)	Standard Lives (Range)
Drainage	30	42	30-80 Years
Footpaths	34	48	40-75yrs
Sealed Pavements			
Surface	9	6	2-25yrs
First Coats (as pavement structure)	27	40	50-75yrs
Basecourse	27	39	50-75yrs
Subbase Urban	29	37	50-75yrs
Unsealed Pavements			
Wearing course	4	2	5 Years
Bridges			
Bridges	55	45	80-140 Years
Bridge Culverts (Cross-sectional area >3.4m2)	36	39	70-80 Years
Retaining Walls	35	37	35-75 Years

Council develop and maintain a 10-year forward work programme to ensure effective and efficient service level delivery in line with requirements set heavily by NZTA who are a major (60%) funder of the activity. This programme is based on

historical records, recent work practices, along with visual inspections of the network and incorporates outcomes of analysis tools such as the Treatment Selection Algorithm (TSA) and RIMS dTIMs (pavement performance modelling). The programme incorporates road sections requiring Area Wide Pavement Treatment (AWPT), resealing, metalling of unsealed roads and drainage requirements one year in advance of the reseal programme. The process details are included in the life cycle management plans for each asset group.

The key issues with the Central Hawke's Bay transport network are as per the problems identified in the Strategic Business Case prepared as part of the regular asset management planning cycle and preparation of work programmes to NZTA. The issues identified for addressing are:

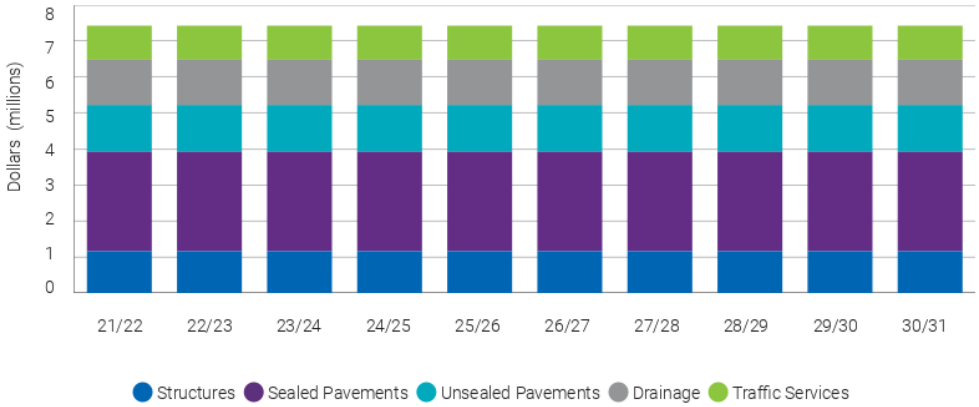
- **Safety:** Deficiencies in the transport network combined with an increasing demand on the system is leading to crashes that result in death and serious injury.
- **Resilience:** Existing infrastructure is vulnerable, aging and unable to meet increasing demands reducing the reliability of the transport network leading to isolated communities, higher transport costs and reduced economic opportunities.
- **Access:** Existing transport infrastructure provides limited multi-modal options for people to access goods and services leading to inefficient trips and high reliability on private motor vehicles.

There are also routine problems that arise as a result of operating in difficult environmental conditions (soft soils, hilly terrain, high rain fall) causing the road network to deteriorate over time, for example:

- The sealed network requires resealing as the seal wears out causing loss of traction and permeable pavements increasing the likelihood of accidents and further pavement deterioration.
- Metal loss from unsealed roads creates unsafe situations for road users and exposes the road base to more rapid deterioration.
- Drains and drainage appliances lose their effectiveness over time due to vegetation growth, silt, scour etc. putting the network at risk from high rainfall events. This increases the risk of interruption of transport services and potentially increases the cost to businesses in the area by lowering productivity.
- Lighting, line marking, and signs deteriorate over time increasing the accident risk to road users.

The below chart shows the significant areas for investment in transport assets over the 10 year period from 2022 to 2032.

Land transport investment



Places and Open Spaces

1. Introduction

This strategic overview of the Places and Open Spaces Activity is supported by three separate Asset Management Plans:

- Open Spaces Asset Management Plan
- Cemeteries Asset Management Plan
- Community Facilities Asset Management Plan.

The Places and Open Spaces activity has aimed to achieve a 'basic' level of asset management sophistication across these three asset management plans. Through improvement Planning the activity is aiming to work towards achieving a 'core' level of asset management sophistication by 2027. Significant work however, compiling full asset lists and completing condition grading and renewal profiling will be required to achieve this level of sophistication.

This section of the Infrastructure Strategy provides a strategic overview of the Places and Open Spaces Activity for a period of ten years only, not thirty years as required by legislation for other activities.

2. Overview of the Assets

The following table provides an overview and description of the Activity and sub-activities that make up the Places and Open Spaces Activity Group.

Activity	Description
Open Spaces	This activity is split into four sub-activities of Camping Grounds, Reserves, War Memorials and Urban Maintenance. A brief summary of each sub-activity is provided below: **Camping Grounds** Camping Grounds includes four campgrounds, three located on our Coastline and the Waipukurau Holiday Park. All of these assets are leased. The activity also included freedom camping sites.
	Open Spaces Reserves includes a total of 66 recognised reserve areas, across at least 185 hectares **War Memorials** Our Districts Cenotaphs and memorials. **Urban Maintenance** Urban maintenance includes roadside spraying and mowing in our urban areas as well as litter bins and open space furniture.
Public Toilets	24 Public Toilet facilities are split into three categories – high, medium and low profile, with the maintenance, renewal and development of the assets prioritised accordingly.
Retirement Housing	The activity includes a total of 48 units spread across three sites: • Kingston Place Waipawa • Ruahine Place Waipukurau • Wellington Street Waipukurau
Libraries	Council has provide two library facilities at the Waipukurau Centennial Memorial Library and the Waipawa Library. At the time of writing the Waipukurau Library is closed due to critical seismic vulnerabilities.
Community Facilities	Community Facilities include the following facilities: • Civic Theatre • CHB Municipal Theatre • Waipukurau Memorial Hall • Waipawa Pool • Waipukurau Heated Pool • Community Halls • Community Rooms • Miscellaneous Council Properties Councils administration building is managed under this asset management plan, however is funded through the organisational overhead.
Cemeteries	There are 15 Cemeteries across the District that Council maintain. 12 of those cemeteries are still open cemeteries for burials.

3. Challenges and Opportunities

The following challenge and opportunities have been identified for the Places and Open Spaces Activity.

Activity	Challenge	Opportunity
Open Spaces	**Camping Grounds**	
	The lease and wastewater consent for Pourerere expire in 2023. Kairakau Campground currently occupies road reserve and has no legal tenure. Waipukurau Campground requires ongoing investment to meet lease and basic legal requirements of the Campground Regulations. There is no strategic direction for camp grounds.	Opportunity to create a sustainable long term strategic approach to camping grounds, that achieves a holistic range of Council outcomes through the development of a Camping Strategy. Opportunity to rationalise or dispose some of its assets or reconsider the benefits realised for the District.
	Open Spaces	
	Significant long term underfunding and deferred maintenance requiring urgent investment in the renewal of many assets, in particular playgrounds. No strategic or tactical documents to help guide Councils investment in open spaces. Operational funding for tree management and increasing community expectations significant potential requirements. We have not provided for open spaces in new growth areas, meaning no development contributions have been collected over time and opportunities for integrated transport networks and funding availability to acquire key land parcels is not available.	Opportunity to partner with passionate community groups for the long-term development and management of community open spaces. Opportunity to identify new open spaces for acquisition and to plan for these in conjunction with development contributions. Unique opportunity to community pride and address the communities wellbeings, particularly in areas of heightened deprivation.
	War Memorials	
	The Waipawa Memorial Clock needs upgrading and painting at notable cost. The site has not yet been assessed for its seismic capacity.	There are no immediate opportunities.
	Urban Maintenance	
	There are no immediate challenges relating to urban maintenance.	There are opportunities to placemaking and creating vibrancy in our town centres, through minor tidy ups and renewal of components over time
Public Toilets	Public Toilets do not have a detailed renewal programme and have not had detailed renewal profiling completed. Pourerere Beach toilets have significant water and wastewater challenges and require significant upgrade. Vandalism is an ongoing risk for the activity.	The upgrade and renewal of some facilities, has the opportunity to support and add to the experience and facilities for visitors and the community.

Retirement Housing	In its current operating approach the activity will have exhausted its reserves in full within three years. Rents have been low for a long time and significant increases are required. Increasing legislative requirements mean investment in the units is required over the next three years. The units are aging and ongoing renewals needs to be planned and funded for. There is a notable waiting list for access to the flats	Opportunity to increase rents to make the portfolio viable as part of the Section 17a review of the service. Ability to further raise rents and develop new flats, subject to Councils financial borrowing constraints.
Libraries	The closure of the Waipukurau Library is closed due to critical seismic vulnerabilities is a major challenge for the activity, particularly after Council and community expectation the facility had been strengthened. Community expectation of a library facility in Waipukurau.	The opportunity to rethink the operation of the Waipukurau Library in the short and long term as part of the Development of a Community Facilities Strategy, that supports the implementation of the Integrated Spatial Plan and Town Centre Planning. Ongoing opportunity to leverage community funding and volunteerism to support programmes that enhance the social, cultural and economic wellbeing of Central Hawke's Bay.
Community Facilities	Many buildings have been assessed as requiring seismic work, or through ongoing seismic assessment will require further work through the life of the long term plan. The Waipukurau Memorial Hall being confirmed as earthquake prone is a major challenge for the activity, particularly after Council and community expectation the facility had been strengthened in 2016. Facilities such the AW Parsons Facility requires community funding for the ongoing delivery of their service and to support their upgrade, which cannot be achieved through community funding. Detailed renewal profiling and condition grading of community facilities has not been completed. Councils administration building is reaching the end of its economic life, not being fit for purpose.	The development of a Community Facilities Strategy through the 2021 Long Term Plan for implementation in 2024, will provide a holistic opportunity to strategically consider the role, purpose and long-term investment position Council and Community makes in community facilities. There may be the opportunity for the transformational realisation of some assets that are currently underutilised or undervalued.
Cemeteries	There are particular risks around data management as a result of human error. A systemised approach is required to mitigate this risk.	There are no immediate opportunities for the activity.

4. Current and Future Demand

The demand forecasts and their impacts on the assets are broken down by group and the key demand impacts and asset programmes/approach to meet demand area identified in the following Table.

Activity	Demand Forecast/Trend	Impact on Asset	Asset Programme/approach to meet demand
Reserves and Open Spaces	**Providing for Development Growth in Otāne, Waipawa and Waipukurau** Through the Integrated Spatial Plan 2020 – a blue print for growth in Otāne, Waipawa and Waipukurau has identified	New assets and development will be required to cater for quality and fit for purpose open spaces	The acquisition of new open spaces identified in integrated spatial plan has been including development over the life of the Asset Management plan out to 20 years.
	Provision of quality integrated open space facilities The public expect Council to be able to provide quality and safe outdoor spaces and a requirement and core function of local government.	Ongoing renewal and upgrade of assets will be critical ongoing through the life of asset management plans and the strategy to meet the expectations of our community.	Renewals and upgrades of open spaces assets have been recommended in asset management plans, as well as the development of other walkway and cycleway networks.
Public Toilets	**Increasing public and community expectation of quality, accessible and clean facilities** Community expectation to accessible, quality and clean public toilets are continually increasing, and will continue to increase. With a growing population and the expansion of key facilities such as the Tukituki Trails, and coastal experiences, quality facilities for visitors and the communiaty are minimum expectations.	Considered renewals to ensure the quality of facilities and quality operational maintenance plans to ensure cleanliness and reliability. Provision of new facilities to respond to growth will need to be considered.	Funding for the ongoing renewal and maintenance of toilets has been made in Asset Management plans. Provision of upgraded and new facilities in Asset Management Plans are also proposed.
Retirement Housing	**Our over 65+ population will increase from 20 to 26% of our population by 2031** In real terms this will see 1,515 more people in our community aged over 65 by 2031 and a further 2,173 over 65's from 2031 to 2051.	Demand for our units will continue to increase, with an additional 3,688 over 65's forecast for the next 30 years and a greater level of over 65's entering retirement with significant debt or considered the 'working poor'.	At this time, no provision has been made for the addition of new Retirement housing despite the increases forecast due to affordability.
Libraries	**Library Facility in Waipukurau** The closure of the Waipukurau Library is closed due to critical seismic vulnerabilities is a major challenge for the activity, particularly after Council and community expectation the facility had been strengthened. The Community expectation is that a library facility in Waipukurau will occur.	Council will need to consider short term and longer term arrangements to provide library services in Waipukurau.	Funding is provided for a major renewal and upgrade of a library facility in Waipukurau.

Community Facilities	**Earthquake Strengthening** A number of properties that are key assets including the Waipukurau Library and Waipukurau Memorial Hall are earthquake prone and requiring strengthening to meet legislative requirements as well as being function and safe buildings for staff, customers and contractors. Councils main building is not an Importance Level 4 building and no other facility that will achieve Importance Level 4 has been identified as an option for business continuity of Councils Services.	Key buildings will require seismic strengthening to meet legislative and business continuity requirements.	Investment in strengthening of the Waipukurau Memorial Hall is provided for in this plan. Major upgrade of new facilities for Councils administration building and Waipukurau Library is made in this plan. No provision has been made in this plan for the demolition or disposal of Waipukurau Library.
	Reducing or low levels of use of some assets Buildings such as the St Johns Building receive little or no use, however the land is restricted by legislation or required for future use.	Building use will continue to decline however the potential for future use of the land remains. Many buildings are no longer fit for purpose, with a run to failure approach or demolition proposed.	Run to failure of assets such as non-essential sheds, St Johns Building. Community Facility Strategy to provide strategic response to address usage of assets. Future disposal of some assets when they have reached the end of their economic life.
	Modern, accessible and fit for purpose spaces Customers and Lessee's expect modern fit for purpose spaces, allowing for programmes and services to be delivered as well as providing accommodation for staff and contractors that are attractive and comfortable working spaces. Many buildings are still configured in traditional approaches to building design, making them not fit for purpose or inefficient in relation to design or layout.	Upgrade and reconfiguration of many buildings is required to make them fit of purpose and to provide a level of provision satisfactory to the community. Where upgrade is not provided, there is customer pressure or declined use as customers choose other services.	Community Facility Strategy to provide strategic response to address usage of assets. Modernisation of key buildings is proposed including the CHBDC Administration Building and Waipukurau Library. Provision is made for the renewal of high profile facilities, however further analysis is required to ensure assets remain in a condition suitable to the community.
Cemeteries	**Shift to 'other' interment options** Natural burials are increasingly an area where additional interest is being raised. Central Hawke's Bay has a unique opportunity to be a leader for the provision of natural burials for the wider Hawke's Bay Region into the future. While Central Hawke's Bay is largely bi-cultural, there is increasing diversity in the community of cultural background. There has been no demand or requests for burial areas to respond to specific religious beliefs or requirements at this time.	No provision for alternative interment options are currently available within our Districts Cemeteries.	We have made provision for the development of a Cemetery Management Plan to guide the development, operation and future of our Districts Cemeteries.

5. Capital Projects

The following projects are the capital projects for the Places and Open Spaces Activity, based on the Asset Management Plans for the Activities.

Places and Open Spaces – Capital Expenditure Breakdown	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Capital Expenditure										
Campgrounds	29	26	439	17	55	18	18	87	19	20
Cemeteries	10	82	17	11	11	12	46	29	255	40
Community Buildings & Halls	72	69	99	89	92	94	97	100	103	105
Council Admin Building	0	0	0	0	0	0	0	0	0	0
Cycleways & Walkways	0	144	16	153	0	374	0	608	863	161
Libraries	122	162	138	168	164	161	427	174	188	195
Open Spaces	69	36	227	276	445	28	1,047	271	544	1,093
Parks & Reserves	184	349	294	486	140	319	321	91	169	1,112
Public Pools	458	8	8	57	704	9	9	161	49	56
Public Toilets	37	366	108	259	42	43	44	45	47	131
Retirement Housing	193	113	116	120	123	127	130	103	106	109
Theatres & Museums	115	83	85	242	152	92	95	98	100	1,002
Waipukurau Community Hall Earthquake Strengthening	0	0	0	0	0	0	0	0	888	0
Waipukurau Library Construction	0	0	0	0	0	0	0	338	2,177	0
	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**1,288**	**1,437**	**1,548**	**1,877**	**1,928**	**1,277**	**2,235**	**2,106**	**5,508**	**4,026**

6. Financials

The following financial impact statement is provided for Places and Open Spaces.

Places and Open Spaces Group of Activities	Budget 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	3,644	4,138	4,422	4,700	4,829	5,087	5,141	5,517	5,608	5,259	6,350
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and Grants for Operating Purposes	13	2	2	2	3	3	3	3	3	691	3
Fees, charges	746	776	916	986	1,020	1,049	1,078	1,112	1,143	1,175	1,207
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	51	43	44	45	46	48	49	50	52	53	55
Total operating funding	**4,454**	**4,959**	**5,384**	**5,733**	**5,898**	**6,186**	**6,270**	**6,682**	**6,805**	**7,178**	**7,615**
Applications of operating funding											
Payments to staff and suppliers	2,659	3,074	3,253	3,429	3,494	3,594	3,676	3,815	3,930	4,021	4,148
Finance costs	98	114	126	141	162	177	181	185	206	306	343
Other operating funding applications	934	1,007	1,067	1,115	1,165	1,217	1,246	1,291	1,346	1,390	1,441
Total applications of operating funding	**3,691**	**4,195**	**4,446**	**4,685**	**4,821**	**4,989**	**5,103**	**5,291**	**5,482**	**5,717**	**5,933**
Surplus (deficit) of operating funding	**763**	**764**	**938**	**1,048**	**1,076**	**1,198**	**1,167**	**1,391**	**1,323**	**1,461**	**1,682**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	175	0	0	0	0	0
Development and financial contributions	4	173	178	183	188	193	199	204	210	216	222
Increase (decrease) in debt	129	371	520	573	864	613	167	140	837	3,978	1,460
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**133**	**544**	**697**	**755**	**1,052**	**981**	**366**	**345**	**1,047**	**4,194**	**1,681**

Applications of capital funding											
Capital expenditure											
to meet additional demand	0	0	51	0	54	0	288	769	517	863	784
to improve the level of service	326	455	474	656	1,014	1,172	247	525	816	3,890	1,884
to replace existing assets	586	833	912	892	809	756	743	940	773	754	1,359
Increase (decrease) in reserves	(16)	20	198	255	251	251	256	(499)	263	148	(663)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**897**	**1,308**	**1,635**	**1,803**	**2,129**	**2,179**	**1,533**	**1,736**	**2,369**	**5,656**	**3,363**
Surplus (deficit) of capital funding	**(763)**	**(764)**	**(938)**	**(1,048)**	**(1,076)**	**(1,198)**	**(1,167)**	**(1,391)**	**(1,323)**	**(1,461)**	**(1,682)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Solid Waste & Landfill

Council currently provide a kerbside recycling collection service in Waipukurau and Waipawa and a kerbside refuse collection service across the District using official council green 60 litre and yellow 35 litre plastic bags. A 60 litre comingle crate is used for kerbside collection of plastics, cans, papers and cardboard and a dedicated 45 litre crate for glass.

Materials including general refuse, green waste, scrap metal and hazardous waste can be taken to the Council's four transfer stations located at Waipukurau, Waipawa, Pōrangahau and Takapau. All waste generated from within the district is transported to the Council operated landfill on the outskirts of Waipukurau. Waste is also transported in from outside the district. There are eight closed landfills around the district, which are monitored under the terms of their resource consents.

Funding is provided for waste minimisation and sustainability education services to schools across the district and funding is also provided for a number of waste minimisation activities and initiatives. The source of this funding is through the Ministry for the Environment's Waste Minimisation Levy Fund.

The key projects identified for the Solid Waste activity in this plan for the period of 2021 – 2031 are detailed in the table below. These projects have been identified as the key projects to address demand and expected increases in levels of services identified in this plan.

Location	Project Description	Year	Value
Waipukurau TS	New weighbridge	1	$1,000,000
Waipukurau TS	Concrete surface of greenwaste area	1	$47,000
Waipawa TS	Concrete surface of greenwaste area	2	$47,000
District Landfill	New Landfill Extension Cell	4	$2,000,000
Waipukurau	New transfer station	10	$4,000,000

Key issues, assumptions and uncertainties affecting solid waste are discussed below.

Affordability

There is a strong incentive coming from Central government to encourage an increase in New Zealand's diversion from landfill. The most effective method to achieve increased diversion is to make it more expensive to dump to the landfill. Central Hawke's Bay currently has a diversion rate of only 32%. The cost of dumping rubbish is going to rise significantly because of increased landfill costs, an increase in the waste levy and the increased cost of carbon credits. The landfill levy will almost certainly double from $10 to $20 per tonne, or could rise significantly to $40 or $50 per tonne. As 50% of levy money collected is returned to councils for waste minimisation incentives and projects, this would result in huge increases in funding for Council.

Reduction

A waste analysis carried out in 2019 as part of the WMMP review process, discovered that 68% of potential recycling material ended up in the landfill, in other words, 32% diversion. This is a very low percentage and the new WMMP has set a target of 48% reduction by 2025.

Incentive

To encourage our residents to dispose of less recycling as rubbish in the transfer stations, Council needs to make it more difficult to dispose of waste and much easier to recycle. This will require the installation of better facilities and processes.

Increased Activity

As the district grows, so will the volumes of refuse and recycling and through the WMMP and the Section 17A review, it is vital that Council ensures there is adequate infrastructure in place to manage it. Failure to do so will have a detrimental environmental effect on the district.

Education

Council has an active schools education programme, but residents also need to be educated about what is recyclable and what is not. It can be difficult to understand what plastics are recyclable, what cans to put in their kerbside recycle crates, can they recycle their glossy magazines and so on. Central government has launched a national initiative to standard kerbside recycling. There has been vast support for the initiative from councils, including CHBDC, and from the industry, recycling companies.

Confusion

The recycling message has not been clear enough in the past and surveys show that people are confused, not just in CHB, but across the country. The international recycling symbols are not easy to read in many cases and even when they are, people are not sure whether they should put their items in the rubbish bag or recycling crate for kerbside collection.

Bad Messaging

Most councils experience the same problem, a belief amongst their residents that their recycling only goes to landfill anyway, so why even bother to recycle. Unfortunately, this type of messaging travels better than fact and Central Hawke's Bay District Council is currently launching a 'Waste Free CHB" communications programme informing residents about things like:

- waste reduction
- identifying recycling
- encouraging effective recycling
- where their recycling goes for processing

The programme will run continually and will run parallel to other solid waste communications messaging.

Communications

Correct and effective communications are a massive part of a successful solid waste activity within council. Central Hawke's Bay is very fortunate to have a great communications team which proactively interacts with the community. Further communications is planned for all means of social media and Council website.

Significant Negative Effects

Waste to Landfill

Landfilling of rubbish presents a significant adverse effect on the receiving environment. Council has set goals through its Waste Management and Minimisation Plan 2019 (WMMP) to increase diversion from landfill from currently 32% to 48% by 2025 and aspirationally, to 70% by 2040. The WMMP outlines strategies that Council can implement to meet this target.

Leachate and Stormwater Discharges

Leachate discharging from the landfill and sediment eroding off the landfill can result in degradation of the environment if they are not contained. To mitigate the effect of leachate, a leachate irrigation system is currently being installed. In addition, extensive groundwater monitoring for potentially toxic substances is required in accordance with the operative resource consent.

Windblown Recyclable Materials

Paper and other lightweight recycling material are prone to wind displacement, particularly in the exposed areas. Perimeter fences are in place around transfer stations intercept windblown materials and are periodically cleaned to maintain the visual presentation of the sites.

Revenue and Financing Policy

This policy was adopted on 23 May 2019 and reviewed and confirmed by Central Hawke's Bay District Council on 22 October 2020 following a period of community consultation.

The changes adopted on 22 October 2020 have formed the basis for the development of this supporting information for the Long Term Plan.

There are a number of small changes that have been made to the Policy since its adoption in October 2020, to account for proposed changes in the Tradewaste Bylaw and changes to activities in community facilities.

Like all of the supporting information, we invite the community to give us feedback on our Revenue and Financing Policy as part of this Long Term Plan consultation.

Revenue and Financing Policy

Purpose of this Policy

The Revenue and Financing Policy is required under Section 102 of the Local Government Act 2002 (LGA) and the required contents are set out in section 103 of the LGA. The policy must be included in full in the LTP. Section 103(2) allows the following funding mechanisms to be used when funding operating and capital expenditure:

- General Rates
- Uniform Annual General Charge
- Targeted Rates
- Grants and Subsidies
- Interest and Dividends from Investments
- Fees and Charges
- Borrowing
- Proceeds from Assets Sales
- Development or Financial Contributions
- Lump Sum Contributions
- Any other source

This policy summarises the funding sources to be used by Council and their intended use. Sources are identified for each Council activity, including those that may be used to fund operating and capital expenditure. The General Rate is set on a District Wide basis (not on a differential basis), on the capital value of the rating unit. Council sets a Uniform Annual General Charge that is assessed on separately used or inhabited parts of a rating unit in the district.

Council must consider the following elements in deciding on appropriate funding mechanisms for each activity:

- Community Outcomes – the community outcomes an activity will primarily contribute to.
- Distributions of benefits – the distribution of benefits between the community as a whole, any identifiable parts of the community and individuals.
- Timeframes of benefits – the period in and over which those benefits are expected to occur. For example, the benefits may occur on an ongoing basis, but may also benefit future generations.
- Contributors to need for activity – the extent to which actions or inactions of particular individuals or groups contribute to the need to undertake the activity.
- Costs and Benefits of distinct funding – the cost and benefits, including for transparency and accountability, of funding the activity distinctly from other activities.

The Council has also considered the overall impact of any allocation of liability on the community and has determined this doesn't require any modification to the activity by activity analysis.

Definitions of Council Service Funding Options

The Local Government Act 2002 requires the Council to meet its funding needs from a defined list of sources. The Council determines which of these are appropriate for each activity, considering equity between generations, fairness and affordability. The Council seeks to maintain an affordable and predictable level of rates in the future.

District Wide Rates

General rates

General rates are rates applied to the entire rating base of the district.

This is a variable charge based on a property's capital value. The variable component of general rates is set as cents per dollar of capital value, which is assessed according to two differentials based on location:

- Central Business District in Waipawa/Waipukuaru (all rating units excluding domestic residential)
- All other Rating Units

Therefore, the level of rates paid by a landowner will depend on the capital value and the differential category within which the property falls, as well as any targeted rates (see below).

Differential Groups

The variable capital value component of the Council's general rate is set using two differentials.

The rationale for this approach is that the dollar per capital value set for each differential category is a fair and equitable amount related to the benefits that properties within that differential group receive, and not subject to fluctuations in property values that may occur between the different categories over time. The level of rates a landowner pays will vary, based on both capital value and the differential category within which the property falls.

As property values change, the Council will alter the group differentials (the amount of rates charged per dollar of value) to ensure each differential group continues to pay the same overall proportion of the general rates. The proportion of general rates set for each differential category is outlined in the following table:

Uniform Annual General Charge (UAGC)

A Uniform Annual General Charge (UAGC) is a flat charge levied from each separately used or inhabited part of a rating unit (SUIP) in the district.

Definition – for the purposes of the Uniform Annual General Charge and the targeted rates below, a separately used or inhabited part of a rating unit is defined as:

"A separately used or inhabited part of a rating unit includes any portion inhabited or used by [the owner/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".

This definition includes separately used parts, whether or not actually occupied at any time, which are used by the owner for occupation on an occasional or long term basis by someone other than the owner.

Examples of separately used or inhabited parts of a rating unit include:

- For residential rating units, each self-contained household unit is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self-contained would include the provision of independent facilities such as cooking/kitchen or bathroom, and its own separate entrance.
- Residential properties, where a separate area is used for the purpose of operating a business, such as a medical or dental practice. The business area is considered a separately used or inhabited part.

These examples are not considered inclusive of all situations

District Land Transport Rate

This rate is set for the purpose of funding the operation and maintenance of the land transport system and is based on the land value of all rateable land in the district.

General Rate Differential Zone	2021/22 Differential	2022/23 Differential	2023/24 Differential	2024/25 Differential	2025/26 and onwards Differential
CBD (excl Domestic Residential)	1.1	1.2	1.3	1.4	1.5
Non-CBD	1.0	1.0	1.0	1.0	1.0

Targeted rates

Targeted rates are set to recover the costs of providing services such as wastewater, refuse collection, disposal and recycling charges. A targeted rate is levied only from those SUIPs that receive the service. For example, a household connected to the Council's water network is charged a targeted rate for water supply, but a household using tank water is not. The Council charges targeted rates in the form of uniform annual charges (flat rate) and demand-related charges.

Voluntary targeted rates

The voluntary targeted rate is used in cases where the Council provides financial assistance to property owners for particular capital projects, such as upgrades to private water supplies. The voluntary targeted rate is levied only from properties that receive Council assistance and is used to recover the borrowed amount and any administration costs.

Fees and charges

The Council levies over 1,000 fees and charges. Fees and charges are usually either full or part charges to recover the costs of delivering the services. Fees and charges are usually only set for services that a user has discretion to use or not, and where it is efficient for the Council to collect the fees and charges.

Interest and dividends from investments

The Council receives interest and dividends from short-term cash management and from its investments.

Borrowing

Borrowing is defined as taking on debt. The Council usually only borrows to fund long-lived capital assets.

Proceeds from asset sales

Proceeds from asset sales are the net sum received when physical assets are sold. Proceeds from the disposition of assets are used firstly in the retirement of related debt and then are credited to the Capital Projects Fund.

Development contributions

These are levies paid in accordance with the Council's Development Contributions Policy and the Local Government Act 2002. They recover Council expenditure on reserves, community infrastructure and network infrastructure to meet increased demand resulting from new development. These levies can be used for capital expenditure for the purpose they were charged for, and may not be used to cover operational costs.

Financial contributions under the Resource Management Act

Financial contributions apply to holders of resource consents in the form of sums payable, or land transferred to the Council. These contributions are used to mitigate, avoid or remedy any adverse effects arising from subdivision or development.

Grants and subsidies

These are payments from external agencies and are usually for an agreed, specified purpose. For the Council, the major source of grants and subsidies is the New Zealand Transport Agency (NZTA), which offers subsidies for road maintenance, renewals and improvements.

Funding of Operating Expenditure

The following table shows which mechanisms may be used to fund operating expenditure for Council's activities:

	General Rates	Uniform Annual General Charge	Targeted Rates	Grants and Subsidies	Fees and Charges
Community Leadership Group					
Leadership, Governance and Consultation	✔	✔		✔	
Economic and Social Development	✔	✔	✔		
Planning and Regulatory Group					
District Planning	✔				
Land Use and Subdivision Consents	✔				✔
Building Control	✔				✔
Public Health	✔				✔
Animal Control	✔				✔
Compliance & Monitoring	✔				✔
Land Transport Group					
Land Transport	✔		✔	✔	✔
Solid Waste Group					
Solid Waste	✔	✔	✔		✔
Water Supplies Group					
Water Supplies			✔		✔
Wastewater Group					
Wastewater			✔		✔
Stormwater Group					
Stormwater			✔		
Places and Open Spaces Group					
Parks, Reserves and Swimming Pools	✔	✔			✔
Public Toilets	✔				
Retirement Housing					✔
Libraries	✔	✔			✔
Community Facilities	✔				✔
Cemeteries	✔				✔

- Council does not fund operating expenditure by borrowing unless in exceptional circumstances by way of Council resolution or for Asset Management Planning where the information has relevance over more the 10 years
- Interest and Dividends are used to offset the general rate requirement except where the interest is credited to a special fund or reserve fund.
- Proceeds from the Sale of Land and Buildings are transferred to the Capital Projects fund for funding future capital projects by resolution of Council. Proceeds from Sale of other Assets are used to fund the renewals of assets within the activity.

Funding of Capital Expenditure

The following table shows which mechanisms may be used to fund capital expenditure for Council's activities:

Activity	General Rates	Targeted Rates	Borrowings	Reserves	Funding Assistance/User Charges/Fees and Charges	Funding assistance/ User Charges	Development Contributions
Community Leadership Group							
Leadership, Governance and Consultation	No Capital Expenditure						
Economic and Social Development	No Capital Expenditure						
Planning and Regulatory Group							
District Planning			✔				
Land Use and Subdivision Consents	No Capital Expenditure					✔	
Building Control	No Capital Expenditure					✔	
Public Health	No Capital Expenditure					✔	
Animal Control	✔						
Compliance & Monitoring	✔					✔	
Land Transport Group		✔	✔	✔	✔	✔	✔
Solid Waste Group	✔		✔	✔	✔		
Water Supplies Group		✔	✔	✔	✔		✔
Wastewater Group		✔	✔	✔	✔	✔	✔
Stormwater Group	✔	✔	✔	✔	✔	✔	✔
Places and Open Spaces Group				✔			
Reserves and Open Spaces	✔		✔	✔	✔	✔	
Public Toilets	✔		✔	✔	✔		
Retirement Housing				✔	✔	✔	
Libraries			✔	✔	✔		
Community Facilities	✔		✔	✔	✔	✔	
Cemeteries	✔		✔	✔	✔		
Overheads	✔	✔	✔	✔	✔		

- Council takes into account the useful life of the asset and the use by future generations in the funding of the capital expenditure. Lump sum contributions are not utilised by Council.

Community Leadership Group

Leadership, Governance and Consultation

Description

The Leadership, Governance and Consultation activity includes the elected Council.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Connected Citizens

Distributions of benefits

Benefits from the Leadership, Governance and Consultation activity are for the community generally. The Council is the vehicle for making decisions affecting the district.

Timeframes of benefits

Ongoing.

Contributors to need for activity

Living in a democratic society contributes to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding for this activity. Public funding is through the capital value based general rate.

Social Development

Description

This activity supports the implementation of the community wellbeing strategy and supports other key community funding and planning initiatives.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Environmentally Responsible
- Prosperous District
- Strong Communities
- Connected Citizens
- Smart Growth

Distributions of benefits

Social benefits accrue from the wider community. Some benefits may accrue to businesses or individuals using these services, but it is difficult and illogical to recover these benefits.

Timeframes of benefits

Ongoing.

Contributors to need for activity

All groups contribute to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding for this activity. Public funding is collected through the Uniform Annual General Charge.

Economic Development

Description

This activity supports the implementation of the Economic Development Action Plan and seeks to progress the economic wellbeing of Central Hawke's Bay.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Environmentally Responsible
- Prosperous District
- Strong Communities
- Smart Growth

Distributions of benefits

Benefits from economic development accrue largely to the community. This is due to the ongoing economic benefits of visitor spending, creation of employment and investment in the potential of the district.

Timeframes of benefits

Ongoing.

Contributors to need for activity

All groups contribute to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding for this activity. Public funding is collected through the Uniform Annual General Charge.

Planning and Regulatory Group

District Planning

Description

The Council is required by the Resource Management Act 1991 to prepare, implement and administer a District Plan that meets the needs of the community. The District Planning Activity, is part of Council's statutory obligations under the Resource Management Act 1991 and involves -

- Providing advice on the District Plan
- Providing Policy advice on planning and rules of the District Plan
- Monitoring of the effectiveness and efficiency of the policies and rules in the District Plan

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Strong Communities
- Prosperous District
- Smart Growth
- Environmentally Responsible

Distributions of benefits

The district planning services benefit the users of the District Plan through clear information available for development and land use.

The community benefits highly through protection of the environment, appropriate and sustainable development of land and property.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding for this activity. Public funding is through the capital value based general rate.

Land Use and Consenting

Description

Land Use and Consenting Activity ensures that development occurs in a manner that complies with the District Plan, through processing resource consent applications and monitoring.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Durable Infrastructure
- Smart Growth
- Environmentally Responsible

Distributions of benefits

The district planning services mainly benefit the users of the resource and subdivision consent process through meeting legislative requirements.

The community benefits through protection of the environment, appropriate and sustainable development of land and property.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity. Generally, this is met through extra charges on these people.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 70-80% private funding for this activity, with the remainder coming from public funding. Public funding is through the capital value based general rate and private funding is collected through fees and charges.

Building Control

Description

Building Control is responsible for administering and enforcing the Building Act 2004 (and related legislation). This includes:

- Processing applications for building consents
- Enforcing the provisions of the Building Act 2004 and associated regulations

Once a consent has been obtained, the Council monitors compliance through inspections and provides code compliance certificates confirming that new building work meets the provisions of the building code.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities
- Smart Growth

Distributions of benefits

Benefits from building control accrue mainly to users of these services (people who build or alter buildings) through meeting legislative requirements and safe buildings. The community benefits through the enforcement of regulations that ensure safe, sanitary and accessible buildings in which people live, play and work.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity. In some cases, (for example, property purchase where consent standards are not met), it may be difficult to identify who should pay.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 70-85% private funding for this activity, with the remainder funded from public funding. Private funding is collected through various fees and charges. Public funding is through the capital value based general rate.

Environmental Health

Description

Environmental Health Activity covers the regulatory functions relating to environmental health, liquor licensing, hazardous substances, and other environmental monitoring.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Prosperous District
- Strong Communities

Distributions of benefits

Benefits from environmental health services accrue to both the community, individuals and organisations. Individuals and organisations benefit from assurances that their premises are of an acceptable standard to the consumer and meet other legislative requirements (for example, liquor licensing).

The community benefits through the expectation that:

- standards of operation are being met and
- assurances of a safe and healthy environment for residents and visitors.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity. Generally, this is met through extra charges on these people.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 27-36% private funding for this activity, with the remainder from public funding. Public funding is through the capital value based general rate and private funding is collected through fees and charges.

Animal Services

Description

This activity includes the implementation of requirements of the Dog Control Act 1996 and related legislation and Council bylaws. Main objectives include education, response to complaints and management of registration systems for dogs and stock.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities

Distributions of benefits

Benefits from the animal control service accrue mainly to animal owners from the provision of a service that either confines or returns lost or stray animals. The community generally benefits through the enforcement of regulations against aggressive and straying animals.

Timeframes of benefits

Ongoing, but occur mainly in the short-term.

Contributors to need for activity

People who do not properly control their animals can be a significant contributor to this activity. In some cases, it can be difficult to identify who these people are.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 90-100% private funding for this activity, with the remainder from public funding. Private funding is collected through various fees and charges – including fines and impounding costs. Public funding is through the capital value based general rate.

Compliance and Monitoring

Description

Compliance and Monitoring primarily involves the monitoring of resource consent conditions; responding to noise complaints and bylaw breaches; and carrying out territorial authority responsibilities, as defined in legislation - including the inspection of swimming pool fences, earthquake prone buildings, and processing of Land Information Memoranda (LIMS), Compliance Schedules and Building Warrants of Fitness.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Smart Growth
- Environmentally Responsible

Distributions of benefits

Benefits from this activity accrue across the wider community, through ensuring that activities are monitored and comply with legislative, policy and bylaw requirements, thereby minimising negative impacts on residents of, and visitors to, the District.

Timeframes of benefits

Ongoing. Benefits occur now through continuous monitoring of activities, response to complaints, and public education.

Contributors to need for activity

Where matters of non-compliance are brought to Council's attention, there is a requirement to ensure that compliance is achieved for the safety and wellbeing of the wider public.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 10-25% private funding for this activity, with the remainder from public funding. Public funding is collected through the capital value based general rate. Private funding is obtained through various fees and charges including fines.

Land Transport Group

Land Transport

Description

The Local Government Act 2002 and Land Transport Management Act 2003 provide the framework under which the Council operates a land transport network within the District. Council aims to achieve an integrated safe, responsive and sustainable land transport network.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Prosperous District
- Connected Citizens
- Durable Infrastructure

Distributions of benefits

There is a mix of public and private benefits with these activities. Public benefits include an attractive urban environment and streetscape, tidy roadsides, the ability to transport people, goods and services throughout the district, connections to other transport networks and location and property identification. Private benefits are for people and businesses using roads and footpaths to carry out their day to day business.

Timeframes of benefits

Ongoing.

Contributors to need for activity

All groups contribute to the need for this activity. In some cases, damage may be caused, and additional costs may be incurred through vandalism, accidents and activities beyond normal usage.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed to 100% public funding. Public funding is collected through the land value based targeted rate. New Zealand Transport Agency funding applies to subsidised roading projects. A small amount of private funding is recovered through fees and charges.

Solid Waste Group

Solid Waste

Description

Central Hawke's Bay District Council provides the following services:

- District landfill
- transfer stations
- recycling drop-off centres
- kerbside refuse and recycling collections
- management of closed landfills.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Connected Citizens
- Smart Growth
- Environmentally Responsible
- Durable Infrastructure

Distributions of benefits

The benefits of the solid waste activity are largely public and private. Individuals benefit from not having to arrange their own systems of waste disposal. An environmentally sound landfill and rubbish collection maintains a sustainable and clean district.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits from having solid waste collection and disposal available. In some cases, illegal dumping and inappropriate disposal of hazardous wastes may result in extra costs to the Council.

Costs and Benefits of distinct funding

It is appropriate to recover the private benefit via a separate funding mechanism.

Recommended Funding

Council has agreed on 46-48% private funding for this activity. The remaining public funding is collected through a combination of a Capital Value based General Rate, Uniform Annual General Charge, alongside targeted rates for kerbside recycling and refuse collection. Private funding is derived from fees and charges.

Water Supplies Group

Water Supplies

Description

The Central Hawke's Bay District Council owns and operates six water supply schemes.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Connected Citizens
- Smart Growth
- Environmentally Responsible
- Durable Infrastructure

Distributions of benefits

Provision of water supplies provides a number of public benefits, including access to potable water and availability of water for key public services and amenities (for example, firefighting, landscaping, swimming pools). There are significant direct benefits to ratepayers and consumers connected to a Council piped water scheme through access to water for drinking and water availability for industry.

Timeframes of benefits

Ongoing and long-term for future generations.

Contributors to need for activity

Those sections of the community where water services are available benefit widely from having a supply available. The wider community who use the facilities and business who depend on the water supply also benefit.

Costs and Benefits of distinct funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity through targeted rates and fees and charges. In addition development and capital contributions are applied to new development to recognise capacity requirements.

Recommended Funding

Council has agreed on a 100% private funding for this activity. Private funding is derived from a targeted rate from those connected to water systems, volumetric water meter rates and fees and charges. In addition development and capital contributions are applied to new development to recognise capacity requirements.

Wastewater Group

Wastewater

Description

Central Hawke's Bay District Council sewer systems comprise of six reticulated systems and associated treatment plants.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Connected Citizens
- Smart Growth
- Environmentally Responsible
- Durable Infrastructure

Distributions of benefits

Provision of a sewerage system provides a number of public benefits, including maintenance of public health standards, prevention of disease and maintenance of a healthy environment.

All properties, both domestic and industrial, that are connected to the Council's sewerage system receive a direct benefit which relates to the cost of providing the service. A sewerage system is a key infrastructural need for maintaining public health and growth of business opportunities.

Timeframes of benefits

Ongoing and long-term for future generations.

Contributors to need for activity

The community benefits widely from having a sewerage system available. Additional costs may be caused through overloading of systems, disposal of hazardous material and illegal connections.

Costs and Benefits of distinct funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity through targeted rates and charges. In addition, development and capital contributions are applied to new development to recognise capacity requirements.

Recommended Funding

Council has agreed on a 100% private funding split for this activity. Private funding is collected through a targeted rate from those connected to wastewater systems and with fees and charges and levies raised through the Trade Waste Bylaw.
In addition, development and capital contributions are applied to new development to recognise capacity requirements.

Stormwater Group

Stormwater

Description

Central Hawke's Bay District Council's stormwater systems comprise of several systems. The systems generally consist of a primary piped network with some open channel and secondary flow paths.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Environmentally Responsible
- Durable Infrastructure

Distributions of benefits

Provision of a stormwater system provides a number of public benefits, including decreased risk from flooding and encouraging residential development. Private benefits are particularly to property owners via stormwater disposal away from their properties.

Timeframes of benefits

Ongoing and long-term for future generations.

Contributors to need for activity

The community benefits widely from having a stormwater system available.

Costs and Benefits of distinct funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity separately.

Recommended Funding

Council has agreed on 80-90% private funding for this activity. Private funding is collected through a targeted rate from those within stormwater catchment areas, with the remainder from public funding. Public funding is collected through the capital value based general rate. The funding of the Te Aute drainage scheme is based on a targeted rate on scheme members. In addition, development and capital contributions are applied to new development to recognise capacity requirements.

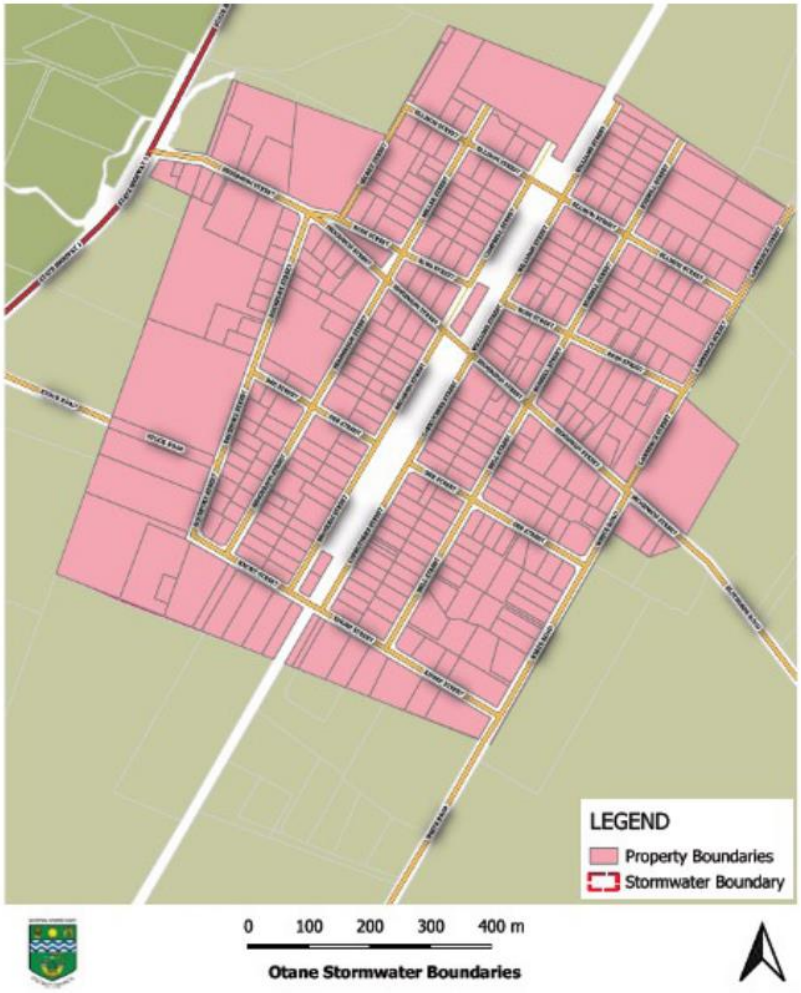
Maps of the Stormwater Catchment Areas:

Takapau

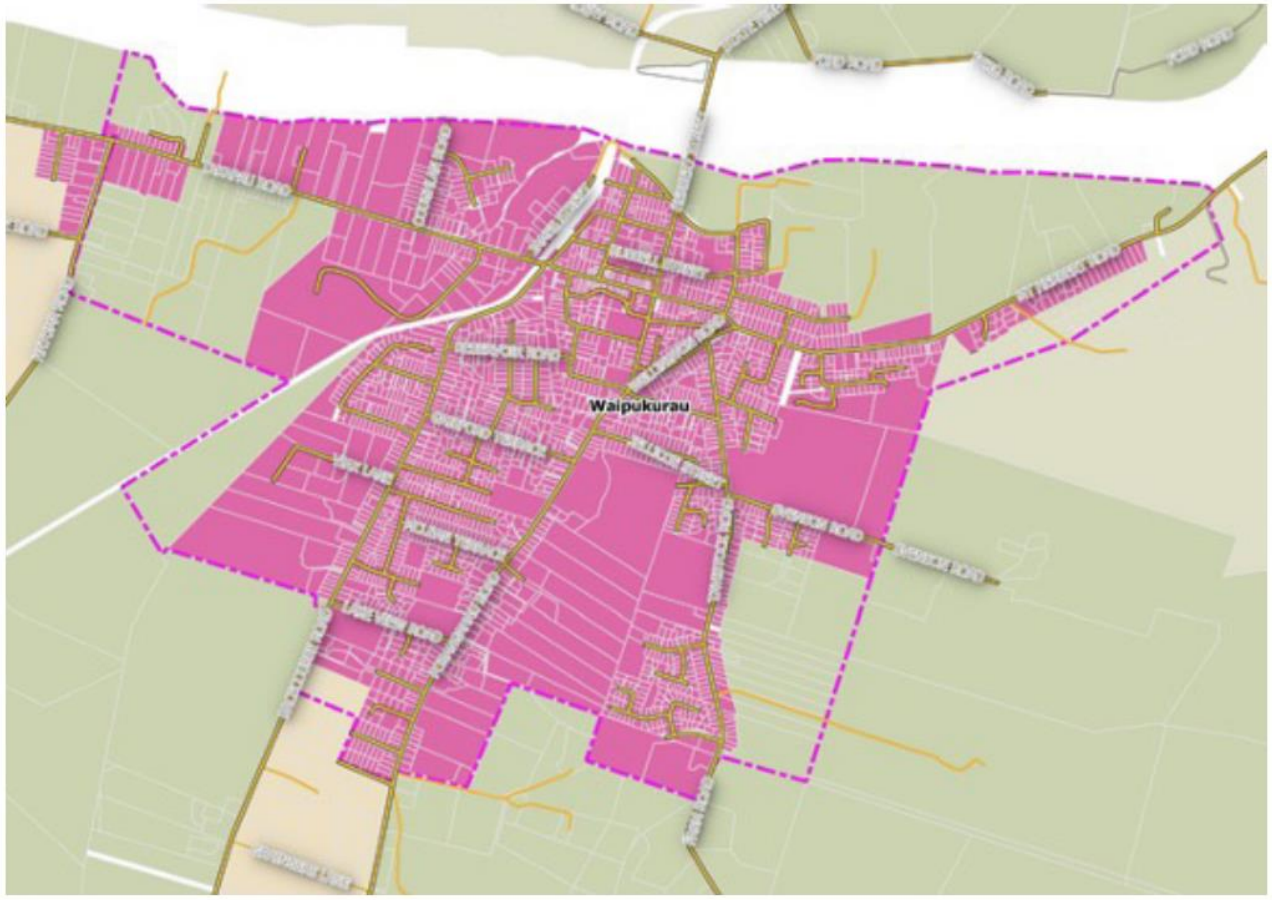


Takapau Stormwater Details

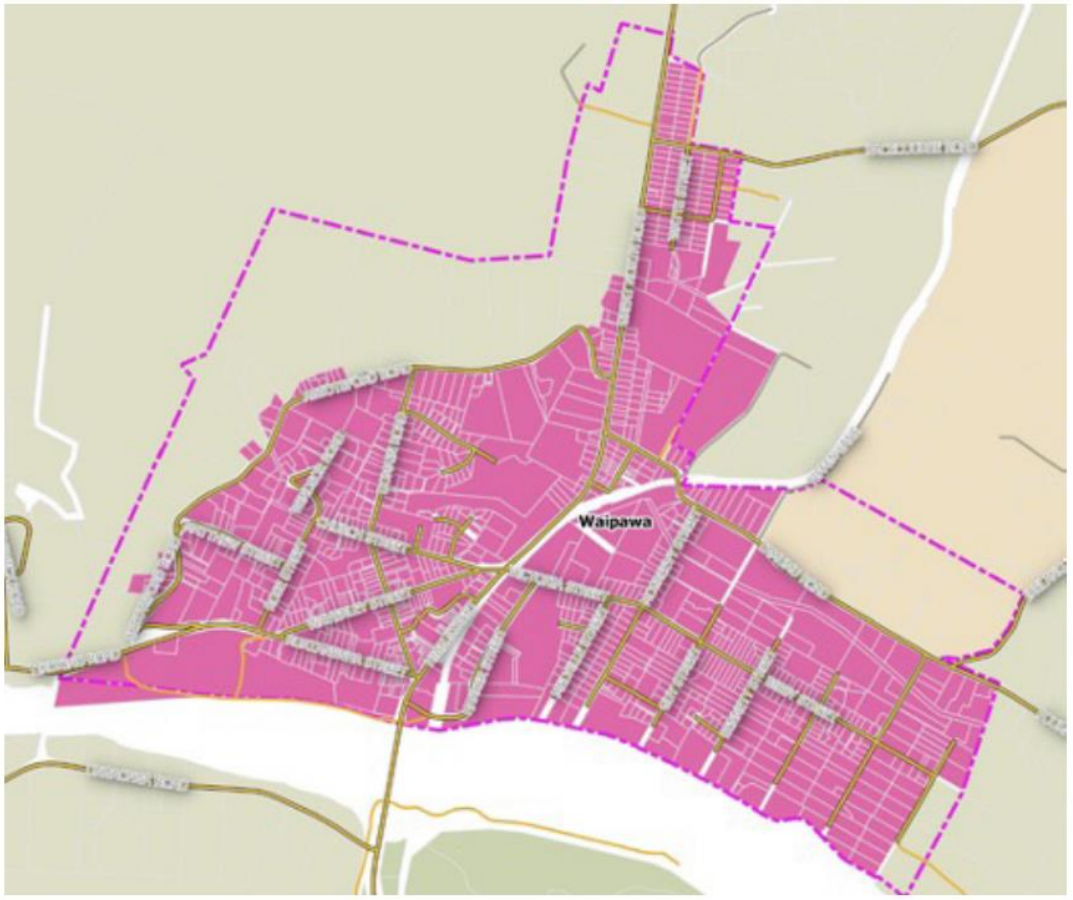
Otāne


LEGEND
Property Boundaries
Stormwater Boundary
0 100 200 300 400 m
Otane Stormwater Boundaries

Waipukurau



Waipawa



Differential Groups

The variable capital value component of the Council's stormwater targeted rate is set using four differentials.

The rationale for this approach is that the dollar per capital value set for each differential category is a fair and equitable amount related to the benefits that properties within that differential group receive, and not subject to fluctuations in property values that may occur between the different categories over time. The level of rates a landowner pays will vary, based on both capital value and the differential category within which the property falls.

As property values change, the Council will alter the group differentials (the amount of rates charged per dollar of value) to ensure each differential group continues to pay the same overall proportion of the stormwater targeted rates. The proportion of stormwater targeted rates set for each differential category is outlined in the following table:

Stormwater Zone	2021/22 Differential	2022/23 Differential	2023/24 Differential	2024/25 Differential	2025/26 and onwards Differential
Otāne	0.16	0.32	0.48	0.64	0.80
Takapau	0.12	0.24	0.36	0.48	0.60
Waipawa	1.00	1.00	1.00	1.00	1.00
Waipukurau	1.00	1.00	1.00	1.00	1.00

Places and Open Spaces Group

Reserves and Open Spaces

Description

A number of parks, reserves, war memorials and camping grounds are provided throughout the district for recreation, including sports fields, children's playgrounds and amenity areas.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Prosperous District
- Strong Communities
- Connected Citizens
- Environmentally Responsible

Distributions of benefits

Benefits from parks accrue to the community generally through the provision of facilities for groups and individuals to pursue active and passive leisure pursuits, education on the natural environment, community pride and contributing to community health and well-being.

There can be private benefits to people and sports groups through the use of sports fields for organised sport, but these are available to the wider community at other times.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having these facilities available.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed a 97% public, 3% private funding split. The cost of funding the public component of the Parks, and Reserves should occur by way of 70% from the General Rate assessed on Capital Value and 30% from the Uniform Annual General Charge. The private funding component will be collected from fees and charges with market rentals being applied to camp grounds.

Public Toilets

Description

The Council provides 24 public conveniences located throughout the District.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Prosperous District
- Environmentally Responsible

Distributions of benefits

Public toilets provide a mix of public and private benefits. While private benefits are obvious, the public benefits by having these essential facilities available for residents and visitors, and maintaining standards of public hygiene.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having public conveniences available.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed 100% public funding and that the cost of funding the public component of the Public Toilets should occur by way of 100% from the General Rate assessed on Capital Value

Retirement Housing

Description

A total of 48 one bedroom flats are owned by the Council in different locations in Waipukurau and Waipawa. These provide affordable housing for those elderly in need.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Strong Communities
- Connected Citizens

Distributions of benefits

Benefits from housing accrue to tenants of the housing units. This is a relatively small and identifiable group who are provided with affordable accommodation in convenient locations. There may be some small community benefits through the availability of low cost housing to vulnerable groups in the community.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits from having housing available. The main benefit is to people who choose to tenant these units.

Costs and Benefits of distinct funding

The activity is self-funding and separate funding is not required.

Recommended Funding

The Council believes the optimum funding is 100% private, through user rental charges.

Libraries

Description

The Council operates two libraries in Waipukurau and Waipawa.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities
- Connected Citizens

Distributions of benefits

Benefits from libraries accrue largely to the community, by promoting and supporting literacy, unlocking access to information and providing valued community resources. There is a direct benefit to each individual who reads a book or accesses one of the other library service. In some cases these can be recovered, however a high level of recovery could restrict the ability of some users to access these services.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having library services available.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

The Council has agreed the optimum allocation of costs is 90% public to 10% private. Public funding is through the Uniform Annual Charge, with private funding through user charges for some library services.

Community Facilities

Description

Community Facilities include several community halls located throughout the District, the Council's Civic Theatre and the Municipal Theatre and the Central Hawke's Bay Museum. There are two swimming pools, one owned by the Council and one owned by a Community Trust that is largely funded by the Council.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Strong Communities
- Connected Citizens

Distributions of benefits

Benefits from this activity largely accrue to the community, through cultural enrichment and community identity. There may be direct benefits to some people using these services, but a high level of recovery may restrict the ability of some people to continue to use these services.

Public benefits are from the ability to use the facilities for public events and gatherings and as a hub for communities in the event of natural disaster. There are direct benefits for individuals and groups who choose to use the facilities available for personal functions.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from the provision of these assets and services.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is not benefit perceived from separate funding.

Recommended Funding

Council have agreed 100% public funding. Public funding is 100% from the capital value based general rate, with limited private funding through user charges for hireage and rental.

Cemeteries

Description

The Council currently operates ten cemetery sites for burial and cremation interments.

Community Outcomes

This activity contributes primarily to the following community outcomes:

- Proud District
- Environmentally Responsible

Distributions of benefits

Benefits from cemeteries are considered to be largely private, although it is necessary for communities to have an interment system that meets appropriate health standards. Private benefits are from the provision of individual gravesites for remembrance and burial.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having cemeteries available. In some cases, vandalism and failure to maintain headstones may cause additional costs.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

The Council have agreed a 90% public, 10% private funding split. Public funding is from the capital value based general rate, with private funding through fees and charges.

Treasury Management (including Investment and Liability) Policy

This policy forms the basis of how all treasury activity should be undertaken to ensure the robust and prudent management of community funds.

Purpose of this Policy

The purpose of the Treasury Management Policy ("Policy") is to outline approved policies and procedures in respect of all treasury activity to be undertaken by Central Hawke's Bay District Council ("Council"). The formalisation of such policies and procedures will enable treasury risks within Council to be prudently managed.

As circumstances change, the policies and procedures outlined in this Policy will be modified to ensure that treasury risks within Council continue to be well managed.

It is intended that the Policy be distributed to all personnel involved in any aspect of the Council's financial management. In this respect, all staff must be completely familiar with their responsibilities under the Policy at all times.

Scope and Objectives of this Policy

Scope

- This document identifies the Policy of Council in respect of treasury management activities, incorporating both borrowing and investment activity.
- The Policy has not been prepared to cover other aspects of Council's operations, particularly transactional banking management, systems of internal control and financial management. Other policies and procedures of Council cover these matters.

Treasury Management Objectives

The objective of this Policy is to control and manage costs, investment returns and risks associated with treasury management activities, incorporating both borrowing and investment activity.

Statutory objectives

- All external borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy.
- Council is governed by the following relevant legislation:
- Local Government Act 2002, in particular Part 6 including sections 101,102, 104, 105 and 113.
- Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.
- Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.
- Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself, without charging any rate or rates revenue as security.
- A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
- The period of indebtedness is less than 91 days (including rollovers); or
- The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, 5.0% of the Council's consolidated annual operating budget for the year (as determined by Council's Significance and Engagement Policy).

General objectives

- Ensure that all statutory requirements of a financial nature are adhered to.
- Minimise Council's costs and risks in the management of its external borrowings.
- Minimise Council's exposure to adverse interest rate movements.
- Arrange and structure external long term funding for Council at a favourable margin and cost from debt lenders. Optimise flexibility and spread of debt maturity terms within the funding risk limits established by this Policy statement.
- Maintain appropriate liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements.
- Manage investments to optimise returns in the long term whilst balancing risk and return considerations.
- Develop and maintain relationships with financial institutions, brokers and LGFA.
- Comply, monitor and report on borrowing covenants and ratios under the obligations of Council's lending/security arrangements.
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- Borrow funds, invest and transact risk management instruments within an environment of control and compliance.
- Monitor, evaluate and report on treasury performance.
- Ensure the Council, management and relevant staff are kept abreast of the latest treasury products, methodologies, and accounting treatments through training and in-house presentations.
- Ensure adequate internal controls exist to protect Council's financial assets and to prevent unauthorised transactions.

In meeting the above objectives Council is, above all, a risk averse entity and does not seek risk in its treasury activities. Interest rate risk, liquidity risk, funding risk, investment risk or credit risk, and operational risks are all risks which Council seeks

to manage, not capitalise on. Accordingly activity which may be construed as speculative in nature is expressly forbidden.

Policy setting and management

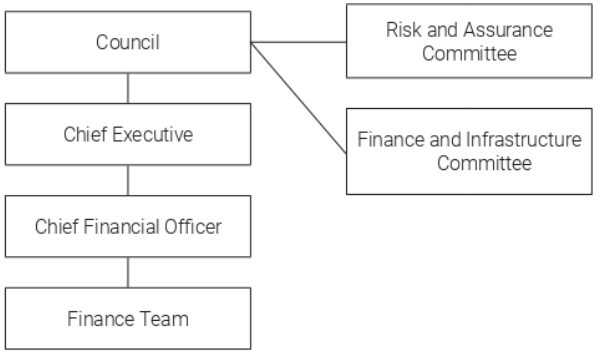
Council approves Policy parameters in relation to its treasury activities. The CE has overall financial management responsibility for the Council's borrowing and investments, and related activities.

The Council exercises ongoing governance over its subsidiary companies (CCO/ CCTO), through the process of approving the Constitutions, Statements of Intent, and the appointment of Directors/Trustees of these organisations.

Governance and Management Responsibilities

Overview of Management Structure

The following diagram illustrates those individuals and bodies who have treasury responsibilities. Authority levels, reporting lines and treasury duties and responsibilities are outlined in the following section:



Council

The Council has ultimate responsibility for ensuring that there is an effective Policy for the management of its risks. In this respect the Council decides the level and nature of risks that are acceptable, given Council's statutory objectives.

The Council is responsible for approving the Policy. While the Policy can be reviewed and changes recommended by other persons, the authority to make or change Policy cannot be delegated.

In this respect, the Council has responsibility for:

- Approving the long-term financial position of Council through the Long Term Plan (LTP) and Financial Strategy along with the adopted Annual Plan.
- Approve and adopt the Liability Management and Investment Policies (the Treasury Management Policy).
- Approval for one-off transactions falling outside Policy.

Finance and Infrastructure Committee

Under delegation from Council:

- Monitor and review treasury activity through at least six monthly reporting, supplemented by exception reporting.

Risk and Assurance Committee

Under delegation from Council:

- Review formally, on a three yearly basis, the Treasury Management Policy document.
- Evaluate and recommend amendments to the Treasury Management Policy to Council.

Chief Executive Officer (CE)

While the Council has final responsibility for the Policy governing the management of treasury risks, it delegates overall responsibility for the day-to-day management of such risks to the CE. The CE has approval and monitoring responsibilities over the treasury function.

Chief Financial Officer (CFO) and Finance Team

The CFO along with the Finance Team share the treasury tasks and responsibilities of the treasury function ensuring an adequate segregation of treasury duties and cross-checking of treasury activity. Oversight is maintained by the CE through regular reporting and approval delegations.

Delegation of authority and authority limits

Treasury transactions entered into without the proper authority are difficult to cancel given the legal doctrine of "apparent authority". Also, insufficient authorities for a given bank account or facility may prevent the execution of certain transactions (or at least cause unnecessary delays).

To prevent these types of situations, Council's Delegations Register must be complied with at all times.

Liability Management Policy

Introduction

Council's liabilities comprise of borrowings and various other liabilities. Council maintains external borrowings in order to:

- Raise specific debt associated with projects and capital expenditures.
- Raise finance leases for fixed asset purchases.
- Fund the balance sheet as a whole, including working capital requirements.
- Fund assets whose useful lives extend over several generations of ratepayers.

Borrowing provides a basis to achieve inter-generational equity by aligning long-term assets with long-term funding sources, and ensure that the cost are met by those ratepayers benefiting from the investment.

Borrowing limits

Debt will be managed within the following limits:

Item	Council Limit	LGFA Limit
Net External Debt / Total Revenue	<150%	<175%
Net Interest on External Debt / Total Revenue	<10%	<20%
Net Interest on External Debt / Annual Rates Income	<20%	<25%
Net Debt / Council Equity	<10%	
External, term debt + committed bank facilities + unencumbered cash/cash equivalents to existing external debt.	>115%	>110%

- Total Revenue is defined as cash earnings from rates, government capital grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).
- Net external debt is defined as total external debt less unencumbered cash/ cash equivalents.
- The liquidity ratio is defined as external debt plus committed LGFA/bank facilities, plus unencumbered cash/cash equivalents divided by external debt.
- Net interest on external debt is defined as the amount equal to all interest and financing costs (on external debt) less interest income for the relevant period.
- Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).
- Disaster recovery requirements, urgent financing of emergency-related works and services are to be met through the special funds and liquidity policy.

Asset management plans

In approving new debt Council considers the impact on its external borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with Council's LTP and Financial Strategy.

Borrowing mechanisms

Council is able to externally borrow through a variety of market mechanisms including issuing stock/bonds, commercial paper (CP), direct bank borrowing, accessing the short and long-term wholesale debt capital markets either directly or through the LGFA, or internal borrowing of reserve and special funds. In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the following is taken into account:

- The size and the economic life of the project.
- Available terms from banks, the LGFA and debt capital markets.
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- Prevailing interest rates and margins relative to term for debt issuance, the LGFA, debt capital markets and bank borrowing.
- The market's outlook on future interest rate movements as well as its own.
- Legal documentation and financial covenants considerations.
- Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.

Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong financial standing and manage its relationships with the LGFA, and financial institutions/brokers.

Security

Council's external borrowings and interest rate management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government Rating Act. The security offered by Council ranks equally or pari passu with other lenders.

From time to time, and with Council approval (or through an approved person as per the delegations register), security may be offered by providing a charge over one or more of Councils assets, where it is beneficial and cost effective to do so.

- Any internal borrowing will be on an unsecured basis.
- Any pledging of physical assets must comply with the terms and conditions contained within the Debenture Trust Deed.

Debt repayment

The funds from all asset sales, operating surpluses, grants and subsidies will be applied to specific projects or the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

Debt will be repaid as it falls due in accordance with the applicable borrowing arrangement. Subject to the appropriate approval and policy limits, a loan may be rolled over or re-negotiated as and when appropriate.

Council will manage debt on a portfolio basis and will only externally borrow when it is commercially prudent to do so.

Guarantees/contingent liabilities and other financial arrangements

Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts, Council-controlled trading organisations or Business Units, when the purposes of the loan are in line with Council's strategic objectives.

Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed. Guarantees given will not exceed any amount agreed by Council in aggregate. The Finance Team monitors guarantees and reports six-monthly to the CE.

Internal borrowing of special funds

Special Funds must generally be used for the purposes for which they have been set aside.. Council may, however, modify such purposes from time to time. Funds held in excess of the special funds requirement are held as ratepayers equity reserves, and can be utilised as needed. Recorded special fund balances must be used for their intended purpose.

Council maintains its funds in short term maturities emphasising counterparty credit worthiness and liquidity. The interest rate yield achieved on the funds therefore is a secondary objective

Any internal borrowing of equity reserves must be reimbursed for interest revenue lost.

The cost of internal borrowing is set by the Finance Team from time to time.

For reasons of cost distribution, records on internal borrowings will be maintained to ensure Funds are not disadvantaged.

New Zealand Local Government Funding Agency (LGFA) Limited

Despite anything earlier in this Policy, Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA. For example borrower notes.
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.
- Subscribe for shares and uncalled capital in the LGFA.

Investment Policy

Introduction

Council generally holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity. Generating a commercial return on strategic investments is considered a secondary objective. Investments and associated risks are monitored and managed, and reported at least six-monthly to the Finance and Services Committee. Specific purposes for maintaining investments include:

- For strategic and intergenerational purposes consistent with Council's LTP and AP.
- The retention of vested land.
- Holding short term investments for working capital and liquidity requirements.
- Holding assets (such as property and land parcels) for commercial returns.
- Provide ready cash in the event of a natural disaster. The use of which is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets.
- Invest amounts allocated to specific reserves.
- Invest funds allocated for approved future expenditure.
- Invest proceeds from the sale of assets.

Council recognises that as a responsible public authority all investments held, should be low risk, giving preference to conservative investment policies and avoiding speculative investments. Council also recognises that low risk investments generally mean lower returns.

To minimise raising external debt, Council can internally borrow from equity, reserves and investment funds, in the first instance to meet operational and capital spending requirements.

Policy

Council's general Policy on investments is that:

- Council may hold financial, property, and equity investments if there are strategic, commercial, and economic or other valid reasons.
- Council will keep under review its approach to all investments and the credit rating of approved creditworthy counterparties.

Mix of investments

Council maintains investments in the following assets:

- Equity investments
- Property investments
- Financial investments

Equity investments

It may be appropriate to have limited investment(s) in equity (shares) when Council wishes to invest for strategic, economic development or social reasons.

Council will approve equity investments on a case-by-case basis, if and when they arise.

Generally such investments will be (but not limited to) Council Controlled Trading Organisations (CCTO) or Council Controlled Organisations (CCO) to further district or regional economic development. Council does not invest in offshore entities.

Council reviews performance of these investments as part of the annual planning process to ensure that stated objectives are being achieved.

Any disposition of these investments requires approval by Council. Acquisition of new equity investments requires Council approval. The proceeds from the disposition of equity investments will be taken to the Capital Projects Fund. .

All income, including dividends, from Council's equity investments is included in general revenue.

Equity investment performance is reported to the Finance and Services Committee at least annually, along with the consideration of and approval of the Statement of Intent.

New Zealand Local Government Funding Agency Limited

Despite anything earlier in this Policy, Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

Council's objective in making any such investment will be to:

- Obtain a return on the investment.
- Ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council.

As a borrower, Council's LGFA investment includes borrower notes.

Property investments

Council's primary reason to own property is to allow it to achieve its strategic objectives as stated in the LTP or deemed to be a core Council function. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services. Council generally follows similar assessment criteria in relation to new property investments.

Council may also hold investment properties that are not held for core function delivery purposes, where such a property is held for commercial returns (both rental returns and capital gains). Any purchase of investment properties must be approved by Council Resolution.

Council reviews the performance of its property investments at least annually and ensures that the benefits of continued ownership are consistent with its stated objectives. Council's policy is to dispose of any property that does not achieve a commercial return having regard to any restrictions on title or other requirements or needs to achieve Council objectives. All income, including rentals and ground rent from property investments is included in the consolidated revenue account. All rented or leased properties will be at an acceptable commercial rate of return so as to minimise the rating input, except where Council has identified a level of subsidy that is appropriate.

Proceeds from the disposition of property investments are used firstly in the retirement of related debt and then are credited to the Capital Projects Fund.

Council's investment in properties, other than reserves and those required for own occupation/core service delivery and infrastructural services, will not exceed 50% of total fixed assets in the land and building category.

Any purchased properties must be supported by a current registered valuation, substantiated by management including a fully worked capital expenditure analysis.

Financial investments

Objectives

Council's primary objectives when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties. For financial investments (excluding equity and property investments) Council should only hold investments with a underlying credit rating of AA- or above. Credit ratings are monitored and reported at least six-monthly.

Council's investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due. Council prudently manages liquid financial investments as follows:

- Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections.
- Council may choose to hold specific reserves in cash and financial investments. Interest income relating to special reserves is allocated to those accounts annually based on the opening balance.
- Internal borrowing will be used wherever possible to minimise external borrowing.

Trust funds

Where Council hold funds as a trustee, or manages funds for a Trust then such funds must be invested on the terms provided within the Trust Deed. If the Trust's Investment Policy is not specified then this Policy should apply.

Investment management and reporting procedures

Council's policy for the management and reporting of investments includes:

- The legislative necessity to maintain efficient financial systems for the recording and reporting (inter alia) of:
  - All revenues and expenditures;
  - All assets and liabilities; and
- The treatment and application of special funds.
- Adherence to Council's financial processes and delegations to Council's staff to invest surplus short-term funds and negotiate reinvestments, subject to the provision of adequate cash resources to meet normal expected cash demands;
- Treasury reporting is completed on at least a six-monthly basis.

Risk Recognition / Identification Management

The definition and recognition of liquidity, funding, investment, interest rate, counterparty credit, operational and legal risk of Council is detailed below and applies to both the Liability Management Policy and Investment Policy.

Interest rate risk on external borrowing

Risk recognition

Interest rate risk is the risk that funding costs (due to adverse movements in market wholesale interest rates) will materially exceed or fall short of projections included in the LTP or Annual Plan so as to adversely impact revenue projections, cost control and capital investment decisions.

The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing/hedging of interest costs. Certainty around interest costs is to be achieved through the management of underlying interest rate exposures.

Interest rate risk control limits

Exposure to interest rate risk is managed and mitigated through the risk control limits below. Council's forecast core external debt should be within the following fixed/floating interest rate risk control limit, and will apply when forecast 12 month core debt exceeds $10 million.

Core external debt is defined as gross external debt. When approved forecasts are changed, the amount of fixed rate protection in place may have to be adjusted to ensure compliance with the Policy minimums and maximums.

Master Fixed / Floating Risk Control Limits	
Minimum Fixed Rate	Maximum Fixed Rate
50%	100%

"Fixed Rate" is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.

"Floating Rate" is defined as an interest rate repricing within 12 months.

The percentages are calculated on the rolling 12 month projected core debt level calculated by management.

The fixed rate amount at any point in time should be within the following maturity bands:

Fixed Rate Maturity Limit		
Period	Minimum Hedge %	Maximum Hedge %
1 to 4 years	15%	100%
4+ years	0%	60%

A fixed rate maturity position that is outside the above limits, however self corrects within 90-days is not in breach of this Policy. Maintaining a maturity profile beyond 90-days requires specific approval by Council.

- Any interest rate swaps with a maturity beyond 10 years must be approved by Council.
- Hedging outside the above risk parameters must be approved by Council.
- At all times these instruments must be used within the context of the prudent financial objectives of Council's treasury function.

Approved financial instruments

Approved financial instruments (which do not include shares or equities) are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank/LGFA accepted bill facilities Loan stock /bond issuance • Floating Rate Note (FRN) • Fixed Rate Note (Medium Term Note/Bond) • Commercial paper (CP)/Promissory notes
Financial investments – no more than 12-month term (except for LGFA borrower notes, investments linked to debt pre-funding and bank bonds)	Bank call/term deposits Bank registered certificates of deposit (RCDs) Secured/unsecured senior bank bonds for terms up to 5-years LGFA borrower notes
Interest rate risk management	Forward rate agreements ("FRAs") on: • Bank bills Interest rate swaps including: • Forward start swaps. Start date <24 months, unless linked to existing maturing swaps • Swap maturity extensions and shortenings Interest rate options on: • Bank bills (purchased caps and one for one collars) • Interest rate swaptions (purchased swaptions and one for one collars only)
Foreign exchange management	• Spot foreign exchange • Forward exchange contracts (including par forwards)
Carbon price risk management	• New Zealand Units (NZUs) and Assigned Amount Units (NZAAUs) • Emission Reduction Units (ERUs), Certified Emission Reduction Units (CERs), Removal Units (RMUs) – until such time as inadmissible on the NZ Emission Trading Scheme (ETS)

Any other financial instrument must be specifically approved by the Council on a case-by-case basis and only be applied to the one singular transaction being approved.

Liquidity risk/funding risk

Risk recognition

Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of cash, short-term financial investments, loans and bank facilities. Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at acceptable pricing (fees and borrowing margins) and maturity terms of existing loans and facilities.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to changing market conditions.

Liquidity/funding risk control limits

To ensure funds are available when needed Council ensures that:

- There is sufficient available operating cash flow, liquid investments (cash/cash equivalents) and unused committed bank facilities to meet cash flow requirements between rates instalments as determined by the Finance Team.
- For liquidity purposes Council maintains the following;

External term debt plus committed bank facilities, plus unencumbered cash/cash equivalents to existing external debt of at least 115%.

Unencumbered liquid financial investments (cash/cash equivalents) used for liquidity management purposes are to not have a maturity term greater than 30-days.

- Council has the ability to pre-fund up to 12 months forecast debt requirements including re-financings.
- The CE has the discretionary authority to re-finance existing external debt.
- Council will only borrow from strongly rated banks with a minimum long-term credit rating of at least "A+" (S&P, or equivalent Fitch or Moody's rating).
- The maturity profile of the total committed funding in respect to all external term debt and committed bank facilities is to be controlled by the following system. No more than the greater of $10m, or 35% of Councils total debt can mature in any 12 month rolling period.

A funding maturity profile that is outside the above limits, however self corrects within 90-days is not in breach of this Policy. Maintaining a maturity profile beyond 90-days requires specific approval by Council.

Counterparty credit risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by the Finance and Services Committee at least six-monthly. Treasury related transactions would only be entered into with approved counterparties.

Counterparties and limits are only approved on the basis of the following Standard & Poor's (S&P, or equivalent Fitch or Moody's rating) long and short-term credit ratings matrix. Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure.

Counterparty /Issuer	Minimum S&P long term / short term credit rating	Investments maximum per counterparty	Risk management instruments maximum per counterparty ($m)	Total maximum per counterparty
NZ Government	N/A	Unlimited	None	Unlimited
Local Government Funding Agency (LGFA)	AA-/AA-1	10.0	5.0	15.0
NZ Registered Bank	AA- /AA-1	10.0 (with the exception of Council's transactional bank which may exceed this for up to 5 working days)	5.0	15.0

Credit ratings should be reviewed by the Finance Team on an ongoing basis and in the event of material credit downgrades should be immediately reported to the CE and assessed against exposure limits. Counterparties exceeding limits should be reported to the Council.

Risk management

To avoid undue concentration of exposures, financial instruments should be used with as wide a range of approved counterparties as possible. The approval process must take into account the liquidity of the market and prevailing market conditions the instrument is traded in and repriced from.

Foreign currency

Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

All individual commitments over NZ$100,000 equivalent are hedged using approved foreign exchange instruments, once expenditure is approved, legal commitment occurs and the purchase order is placed, exact timing, currency type and amount are known. Only approved foreign exchange instruments are used.

Council shall not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency. Council does not hold investments denominated in foreign currency.

Emissions Trading Scheme (ETS)

The objective of the ETS carbon credit policy is to minimise the financial impact of carbon price movements on Council's forward carbon liability. The objective requires balancing Council's need for price stability with the benefit of realising market opportunities to reduce costs as they arise. ETS is risk managed on a case-by-case basis, with any strategy approved by the CE.

Operational risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures and inadequate procedures and controls. Detailed controls and procedures are agreed between the CE and CFO on an annual basis.

Legal risk

Legal risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation.

Council will seek to minimise this risk by adopting Policy regarding:

- The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties.
- The matching of third party confirmations and the immediate follow-up of anomalies.

The use of expert advice.

Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with Council. All ISDA Master Agreements for financial instruments and carbon units must be signed under seal by Council.

Financial covenants and other obligations

Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements. Council must comply with all obligations and reporting requirements under existing bank funding facilities, LGFA, Trustee and legislative requirements.

Measuring Treasury Performance

In order to determine the success of Council's treasury management function, the following benchmarks and performance measures have been prescribed.

Those performance measures that provide a direct measure of the performance of treasury staff are to be reported to the Finance and Services Committee on, at least, a six-monthly basis.

Management	Performance
Operational performance	• All Policy limits must be complied with, including (but not limited to) counterparty credit limits, control limits and exposure limits. • All treasury deadlines are to be met, including reporting deadlines.
Management of debt and interest rate risk (borrowing costs)	• The actual borrowing cost (taking into consideration any costs/benefits of entering into interest rate management transactions) should be below the budgeted YTD/annual interest cost amount.
Treasury investment returns	• The actual investment income should be above the budgeted YTD/annual interest income amount.

Cash Management

The Finance Team has responsibility to manage the day-to-day cash and short-term cash management activities of Council. The Finance Team prepares rolling cash flow and debt forecasts to manage Council's cash management and borrowing requirements. The overdraft facility is utilised as little as practical with any operational surpluses prudently invested.

Reporting

When budgeting interest costs and investment returns, the actual physical position of existing loans, investments, and interest rate instruments must be taken into account.

Treasury reporting

Regular treasury reporting on at least a six monthly is provided to the Finance & Infrastructure Committee.

Accounting treatment of financial instruments

Council uses financial arrangements ("derivatives") for the primary purpose of reducing its financial risk to fluctuations in interest rates.

Under New Zealand Public Benefit Entity (PBE) International Public Sector Accounting Standards (IPSAS) changes in the fair value of derivatives go through the Statement of Comprehensive Revenue and Expense unless derivatives are designated in an effective hedge relationship.

Council's principal objective is to manage Council's interest rate risks within approved limits and chooses not to hedge account. Council accepts that the marked-to-market gains and losses on the revaluation of derivatives can create potential volatility in Council's financial accounts.

The Finance Team is responsible for advising the CE of any changes to relevant New Zealand Public Sector PBE Standards which may result in a change to the accounting treatment of financial arrangements.

All derivative instruments must be revalued (marked-to-market) at least six-monthly for reporting purposes.

Policy Review

The Policy is to be formally reviewed on a triennial basis in conjunction with the LTP.

The Chief Financial Officer has the responsibility to prepare the annual review report (following the preparation of annual financial statements) that is presented to the Chief Executive. The report will include:

- Recommendation as to changes, deletions and additions to the Policy.
- Overview of the treasury function in achieving the stated treasury objectives and performance benchmarks.
- Summary of breaches of Policy and one-off approvals outside Policy.

Council receives the report, approves Policy changes and/or rejects recommendations for Policy changes. The Policy review should be completed and presented to the Council, through the Finance and Services Committee within five months of the financial year-end.

Rates Remission, Postponement, Discounts, and Collection Policy

This policy contained in this Long Term Plan, was adopted on 18 June 2020, combining a number of separate policies into a single policy called the Rates Remission, Postponement, Discounts and Collections Policy.

The latest version of our Rates Remission, Postponement, Discounts, and Collection Policy can be found on our website.

Community Contribution and Club Rebate Remission Policy

Objective of the policy

To assist clubs who provide their own facilities and enable them to facilitate the ongoing provision of non-commercial community services and recreational opportunities to the District.

Conditions and criteria

Council may remit 50% of the general rates where the application meets the following criteria:

1. Where land is owned by Council or owned and occupied by a society or association of persons, and the land is used exclusively or principally:

(a) As a showground or place of meeting which is incorporated under the Agricultural and Pastoral Societies Act 1908; or

(b) For games or sports, except galloping, harness or greyhound races; or

(c) For the purposes of non-commercial community services and recreational opportunities

The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.

The policy will not apply to organisations that engage in the above mentioned sporting or community services, as a secondary purpose only.

The policy shall apply to such organisations as approved by the Group Manager – Customer and Community Partnerships and the Chief Executive, as meeting the relevant criteria.

The extent of any remission to any qualifying organisation shall be as determined by the Chief Financial Officer and the Chief Executive.

No remission will be granted in respect of those rates referred to in Section 16 of the Local Government (Rating) Act 2002 (e.g. targeted rates for water supply, sewage disposal or waste collection).

Organisations making an application should include the following documents in support of their application:

- Statement of objectives.
- Full financial accounts.
- Information on activities and programmes.
- Details of membership or clients.

The Community Contribution and Club Rebate Remission Policy will be reviewed every three years as part of the triennial Long Term Plan Process.

Remission of Rates on Māori Freehold Land Policy

The purpose of policy

The Central Hawke's Bay District Council recognises the complexities involved when dealing with Māori land, and has formulated a policy (the Māori Land Policy) to deal with some of these. When, in the judgement of Council, it would be unfair or unreasonable to collect rates at this time, land may be placed on this Māori Land Register, and retired from rating liability for a period.

In general, reasons for placement on the register would include some or all of the following:

- **Fragmented ownership** – ownerships vary in number and individual share proportions. Owners are scattered throughout the country and even worldwide. An attempt to contact a majority representation is often difficult.
- **Unsecured legal title** – there may be some land titles that have not been surveyed. They would not be able to be registered with the District Land Registrar. Owners seeking finance for development of their land are restricted, as mortgages cannot be registered against the title.
- **Isolation and marginal in quality** – the geographical isolation and economic climate of the district are clearly illustrated by the much needed development, as the lands are of marginal quality.
- **No management structures** – lands have no management or operating structures in place to administer matters.
- **Rating problems** – because of the above factors there is a history of rate arrears and/or a difficulty in establishing who is/should be responsible for the payment of rates.

Note: The register is not designed as a way for owners to elect not to use land and therefore not to pay rates.

The register

Māori landowners can apply to have their lands entered on the register. By making an application, owners are asking Council for a discretionary remission of rates.

If accepted, the land will be 'retired' from rates for a term specified by Council, with a maximum term of three years. While lands are 'retired' or 'parked up', the onus is on the owners to ensure that no one breaches the conditions by using the land.

Lands on the register are inspected regularly to monitor for any breaches.

Each application is examined on its own merits. Intending applications should not be compared to others already on the register.

The criteria

The criteria to determine eligibility for application to the Māori Land Register is as follows:

- It must be Māori land (as defined in Te Ture Whenua Act 1993 Part VI Section 129 or the Local Government (Rating) Act 2002, Part 1, Sub-paragraph 1, Section 5).
- It must have historical, ancestral or cultural significance.
- It must be unoccupied. The definition of occupation which comes direct from Part 4 Section 96 of the Local Government (Rating) Act 2002 says that 'occupation' is where a person/ persons does one or more of the following:
- Resides upon the land
- De-pastures or maintains any livestock whatsoever on the land
- Cultivates the land and plants any crop on the land
- Stores anything on the land
- Uses the land or any improvements in any way.

General comment

For an application to be considered:

- Communication must be established between owners and the Council
- Rating problems must have been identified and amicable solutions worked towards
- Where the land has potential for land use, owners are provided with the time to re-assert responsibility and should be actively seeking prospective occupiers or usage. Land that is unrealistic for rating purposes can be identified, e.g. mudflats, heavily eroded cliff faces, severe bush and scrub.

Remission of Additional Charges Policy

Objective of the policy

The objective of the Remission of Additional Charges Policy is to enable Council to act fairly and reasonably in its consideration of rates, which Council have not received by the penalty date, due to circumstances outside the ratepayer's control.

Conditions and criteria

Council grants to the Chief Financial Officer or their nominee delegated authority in the following circumstances to approve on receipt of an application, the remission of such additional charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

1. Where the rate payment history of the property over the last 3 years (or back to purchase date where the property has been owned by the offending ratepayer less than 3 years) shows no previous evidence of late payment and the instalment was received by Council no later than 10.
2. Working days after the day of adding the instalment additional charge.
3. Where payment has been late due to significant family disruption i.e. in the case of death, illness, or accident of a family member, as at the due date.
4. Where the ratepayer can provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.
5. Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment, when the original account was issued in the name of the previous owner/lessee.
6. Where a direct debit authority is commenced in time for the next instalment.
7. Where an error has been made on the part of Council staff, or arising through error in the general processing or levying, which has subsequently resulted in an additional charge being imposed.

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Remission of Rates for QEII National Trust and Land

Objective of the policy

To recognise and support the environmental value of such protected areas and to acknowledge the non-commercial use of such protected land. To preserve and promote natural resources and heritage by encouraging the protection of land for natural, historic or cultural conservation.

Natural, Historic or Cultural Conservation Policy

Conditions and criteria

1. The extent of the rates remission if approved is to be 100%.
2. Applications are to be received in writing requesting rates relief be given to areas protected by the registration of a QEII Open Space Covenant or a covenant that gives the same effect.
3. Pest eradication shall be primarily the responsibility of the owner.
4. No portion of the covenanted area is to be developed or utilised in any way for commercial activity. This includes generating income for maintenance of the covenanted area.
5. Authority to consider applications is delegated to the Chief Financial Officer with right of appeal to the Chief Executive and Council.

Remission of Water Meter Rates Attributable to Water Leaks Policy

Objective of the policy

To provide relief to people in situations where water usage is high due to a water leak.

Conditions and criteria

Council may remit water meter rates where all of the following apply:

- A remission application has been received; and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The leak has been repaired as soon as practical, and within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council promptly after repair of the leak.
- The amount of the remission will be the difference between the average consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above that average.
- Remission is limited to the period where the leak was identified and fixed and the last invoice.
- Remission for any particular property will generally be granted only once every year. Where a remission for a water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the Chief Financial Officer.
- Any remission over 4,000 cubic metres of water is to be referred to the relevant Council Committee for decision.

School Sewerage Charges Remission Policy

Objective of the policy

To ensure that schools are not disproportionately charged for sewerage services based on the number

of connections. Charges will be based on the school's staff and student numbers.

Conditions and criteria

The policy will apply to the following educational establishments:

- Established as a special school under Section 98(1) of the Education Act 1964; or
- A state school under Section 2 (1) of the Education Act 1989; or
- An integrated school under Section 2 (1) of the Private Schools Conditional Integrated Act 1975; or
- A special institution under Section 92 (1) of the Education Act 1989; or
- An early childhood centre under Section 308 (1) of the Education Act 1989, but excluding any earlychildhood centre operated for profit.

The policy does not apply to school houses occupied by a caretaker, principal or staff.

An amount levied using the same mechanism as are applying to other separately rateable rating units within the District and reduced in accordance with the following formula:

(a) Divided by the number of toilets as determined in accordance with condition 3 below (the full charge); and reduced in accordance with the following graduated formula:
   i. The full charge for each of the first 4 toilets or part thereof:
   ii. 75% of the full charge for each of the next 6 toilets or part thereof;
   iii. 50% of the full charge for each toilet after the first 10.

(b) For the purpose of 1 (a) above the number of toilets for a rating unit used for the purposes of an educational establishment is 1 toilet for every 20 students and staff or part thereof, irrespective of the actual number of toilets contained in the qualifying part of the rating unit.

(c) The number of students in an educational establishment is the number of students on its roll on 1 March in the year immediately before the year to which the charge relates.

(d) The number of staff in an educational establishment is the number of teaching staff and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relates.

Calculation of Council's standard sewerage charge (based on the number of water closets/urinals).

Calculation of the number of full time equivalent on-site students and staff divided by 20 and multiplied by the applicable wastewater targeted rates.

The amount to be remitted is the difference between the amount calculated under 1 and the amount that would have applied, had the rating unit not been used by an educational institution.

That the Chief Financial Officer be delegated authority to approve remission of the sewage charges in excess of the charges payable according to the policy.

Example

Green Intermediate School is situated in Moa District Council. Moa collects its rates by way of a pan charge of $100 per pan. At 1 March 2011, Green Intermediate has 500 students, 30 staff and 28 toilet pans. How much will it pay in sewage disposal rates?

Answer: Green School would be levied $1,762.93.

The total charge in this case would be $100x28 pans = $2800. Local Government New Zealand has a legal opinion which holds that the actual number of pans should be used for this part of the calculation.

The number of rateable pans is 530/20 = 26.5 pans which gets rounded to 27 pans for the purposes of reducing the rates.

Council calculates that the full charge on each toilet would be $2800/27 = $103.70 per pan.

The total charge is then calculated with reference to the scale e.g. 4 pans at the full charge ($103.70*4 = $414.80).

6 pans at 75 percent of the full charge ($77.78*6 = $466.68).

17 pans at 50 percent of the full charge ($51.85* 17 = $881.45).

Total = (414.8+466.68+881.45) = $1762.93

Sundry Remission of Rates Policy

Objective of the policy

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be covered pursuant to sections 67/76 of the Local Government (Rating) Act 2002; or where Council or its delegated officer(s) consider the levy impractical to recover.

To facilitate the use of Māori Freehold Land (and therefore the collection of rates), by removing the burden on the potential lessee of existing arrears.

Conditions and criteria

Council or its delegated officer(s) shall determine the extent of any remission based on the merits of each situation. Decisions on the extent of remissions shall be as determined by the Chief Financial Officer through the Chief Executive, as meeting the relevant criteria.

Uniform Annual Charges on Contiguous Properties Remission Policy

Objective of the policy

To enable Council to act fairly and reasonably and provide for the possibility of rates remission where two or more Uniform Annual General Charges (UAGC) are levied on rating units which are occupied, or used by the same ratepayer, being a lessee/owner using the rating units jointly as a single property.

Conditions and criteria

Section 20 of the Local Government (Rating) Act 2002, stipulates that there shall be one property for the purposes of levying the UAGC, where two or more separately rateable properties are:

(a) Owned by the same ratepayer (owner or person with right to occupy by virtue of lease for more than 10 years); and

(b) Used jointly as a single unit (for the same purpose); and

(c) Contiguous or separated only by road, railway, drain, water race, river or stream, they shall be deemed to be one property for the purposes of any Uniform Annual General Charges.

Council will allow, without further enquiry (except for clarification), applications made by ratepayers in the form of a statutory declaration to the effect that two or more separately rated properties are occupied by the same ratepayer and are used jointly for the same purpose and the Uniform Annual General Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments will be cancelled.

Council may remit the rates where the application meets the following criteria:

- The rating units must be contiguous and occupied by the same ratepayer who is the lessee/owner of each unit and who uses them jointly as a single property contiguous or separated only by road, railway, drain, water race, river or stream and used for the same purpose.

Where farming or horticultural operations conducted on separate blocks of land are so far apart as to indicate that there is no possible continuity between them, full charges may be levied on each. Factors such as stock rotation, stock driving, property size, and the number of properties affected will be taken into account.

Council may, on written application from a ratepayer of such rating units, reduce or cancel any separate Uniform Annual General Charge levied on the rating units if it considers it to be reasonable in the circumstances to do so.

Council grants to the Chief Financial Officer or their nominee delegated authority in the above circumstances to approve on receipt of an application, the cancellation of Uniform Annual General Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments.

Financial Hardship due to Covid-19 Rates Remission Policy

Purpose of this policy

To provide rating relief to residential / lifestyle property owners where, due to Covid-19, the full payment of rates would otherwise cause extreme financial hardship.

Please complete the application (see appendix three) and attach any additional information, which may be relevant to your application.

Important information

- To be eligible for this remission the primary use of the property (as defined by Quotable Value) must be residential or lifestyle.
- Commercial property owners, residential and commercial landlords, and rural ratepayers are not eligible for this remission. They should apply for relief under the Rates Postponement Natural Calamities Policy.
- This $200 (GST inclusive) remission is available to the first 1,000 eligible applicants and is only available for the 2020/2021 rating year.
- A ratepayer making an application must be the registered owner and occupier during the period for which rates relief is sought.
- The ratepayer must supply sufficient evidence to satisfy the Council that extreme financial hardship exits. Examples of this would include, but not be limited to:
  a) Evidence of loss of employment; or
  b) Evidence of salary/wage reduction for a period; or
  c) Evidence of a qualification for a mortgage "holiday" from the bank being granted; or
  d) Evidence of a new/changed WINZ entitlement
- Council will consider, on a case by case basis, applications received that meet the criteria described in the paragraphs (a)-(d) under this Policy.
- If the applicant is eligible for a Central Government Rates Rebate and has not already applied, then such application must be made at the time of applying for rates relief due to financial hardship.

Rates Postponement for Financial Hardship Policy

Purpose of this policy

To provide rating relief to property owners where the full payment of rates would otherwise cause extreme financial hardship.

You must first approach your bank or financial advisor for either a mortgage, reverse mortgage, or annuity. If your application was declined, please provide a copy of the letter that outlines the reasons why. Please complete the application (see appendix one) and attach any additional information, which may be relevant to your application.

Important information

- Even if rates are postponed, as a rule, the ratepayer will be required to pay the first $1,000 of the annual rates assessment by setting up regular Direct Debit payments.
- Council will add a Rates Postponement Fee to any outstanding amount of postponed rates for the period between the due date of the postponed rates and the date that they are paid.
- The Rates Postponement Fee is a financing cost that is charged on a compounding basis on all outstanding rates and postponement fees, and will equate to the ANZ Bank Floating Mortgage Rate prevailing at commencement and reviewed at the commencement of each financial year (1 July).
- Postponed rates will be postponed until a date specified by the Council or the death of the ratepayer, or the ratepayer ceases to be the owner of the property or ceases to use the property as their primary residence.
- The amount postponed plus the Rates Postponement Fee will be required to be repaid through a repayment plan to be agreed with Council by regular Direct Debit payments.
- The repayment plan repayments must commence within 2 years of the original due date of the rates being postponed, and must clear the postponed rates plus postponement fees owing within 5 years of the original due date.
- The postponed rates or any part of thereof, may be paid by lump sum at any time.
- Applicants must provide evidence of having received budget advice from an approved budget advisory service.

Rates Postponement for Natural Calamities Policy

Purpose of this policy

To provide rating relief to commercial property owners where the full payment of rates would otherwise cause extreme financial hardship due to a declared event.

Please complete the application (see appendix two) and attach any additional information, which may be relevant to your application.

Important information

- Central Government has recognised the seriousness of the event and declared a regional drought, or the Civil Defence Emergency Management have declared a state of local or national emergency.
- The ratepayer runs a business / farm from the property that the application is over and can demonstrate that they have been financially impacted due to the event, and now face financial hardship.
- The ratepayer can demonstrate that they have sought relief from their bankers in the first instance.
- Even if rates are postponed, as a rule, the ratepayer will be required to pay the first $1,000 of the annual rates assessment by setting up regular Direct Debit payments.
- Council will add a Rates Postponement Fee to any outstanding amount of postponed rates for the period between the due date of the postponed rates and the date that they are paid.
- The Rates Postponement Fee is a financing cost that is charged on a compounding basis on all outstanding rates and postponement fees and will equate to the ANZ Bank Floating Mortgage Rate prevailing at commencement and reviewed at the commencement of each financial year (1 July).
- Postponed rates will be postponed until a date specified by the Council or the death of the ratepayer or the ratepayers ceases to be the owner of the property or ceases to use the property as their primary residence.
- The amount postponed plus Rates Postponement Fee will be required to be repaid through a repayment plan to be agreed with Council by regular Direct Debit payments.
- The repayment plan repayments must commence within 2 years of the original due date of the rates being postponed, and must clear the postponed rates plus rates postponement fees owing within 5 years of the original due date.
- The postponed rates or any part of thereof, may be paid by lump sum at any time.

Rates Postponement Policy (Economic Development)

Objective of the policy

To assist ratepayers who undertake economic development that benefits the District as a whole.

Conditions and criteria

1. The applicant must be the current rate payer of the rating unit.
2. The Chief Financial Officer must be satisfied that economic benefits will flow to the District from the development.
3. The ratepayer must make a written application to Council.
4. Applications for a rates holiday will be considered by the Chief Financial Officer.
5. Postponed rates will be postponed until a date specified by the Council or the death of the ratepayer or the ratepayers ceases to be the owner of the property or ceases to use the property as their primary residence.
6. Even if rates are postponed, as a rule, the ratepayer will be required to pay the first $1,000 of the annual rates assessment.
7. The amount postponed plus Rates Postponement Fee will be required to be repaid through a repayment plan to be agreed with Council by regular Direct Debit payments.
8. The repayment plan repayments must commence within 2 years of the original due date of the rates being postponed, and must clear the postponed rates plus postponement fees owing within 5 years of the original due date.
9. The postponed rates or any part of thereof, may be paid by lump sum at any time.

Rates Remission, Postponement, Discounts, and Collections Policy

Introduction

Under Section 55 of the Local Government (Rating) Act 2002, a discount policy may be adopted for the payment of some or all rates that are identified in the rates assessment before the due date or dates for those rates in the current year.

This discount policy must be adopted using the special consultative process and may be included in the annual plan. The policy is based on existing practice. The discount policy assumes that there is only a single discount rate.

Objective

To provide a consistent and fair basis for the application of discount for the early payment of rates in the current financial year.

Conditions and criteria

Ratepayers will qualify for the discount if all due rates are paid in full, together with any outstanding prior years' rates and penalties, on the due date for payment of the first instalment in the current year (in accordance with Section 55 of the Local Government (Rating) Act 2002).

The amount of the discount will be 2% of the annual rates.

The discount rate may be reviewed annually as required, taking into consideration current borrowing interest rates and will be calculated to be fiscally neutral.

Payment plans

1. Those ratepayers who agree to pay all current rates plus arrears by the end of the subsequent rating year will have all additional charges struck within that period, waived by Council.
2. All rates receipts will be credited against each ratepayers account in the following order:
   i. Court Costs
   ii. Additional charges
   iii. Previous rate arrears – oldest first
   iv. Current rate arrears
   iv. Current instalment
3. A discount set at the June Council meeting each year be allowed where all rates are paid in full before the penalty date for the first instalment.

Outstanding Accounts Policy

Objective

1. To collect all rates, penalties on rates, outstanding rates and fees in a timely and efficient manner.
2. That the Chief Financial Officer be delegated full powers of the Local Government (Rating) Act 2002 to collect outstanding rates of Central Hawke's Bay District Council.
2. That the Chief Financial Officer be authorised to enter into arrangements with Rate Debtors and providing such arrangements are satisfactorily maintained, no legal action be initiated.
4. That in all cases where legal action brings Council to the point of Rating Sales all such instances shall be referred to Council for authorisation.

Significant Forecasting Assumptions

One of several key components of the Long Term Plan is the disclosure of significant forecasting assumptions and risks underlying the preparation of the Long Term Plan.

Schedule 10 of the Local Government Act 2002, requires the contents of a LTP, where there is a high degree of uncertainty to identify the uncertainty and estimate the potential effects of that uncertainty on the financial estimates.

The forecasting assumptions include such matters as:

- Useful life of significant assets
- Sources of funds for the future replacement of these significant assets
- Growth (population vs. household) and demand
- Inflation

Forecasting Assumptions do not include statements of fact that fall within the decision making discretion of the Council, nor do they include reasonably unlikely events or probabilities about which an assumption needs to be made. Such maatters are included in the Activity Statements or description of activity groups in this document.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Strategic Direction and community demand for levels of services The assumption for the LTP is that Council has a clear strategic direction for the future of the District and for Council services and that resources are applied to progress that direction. The Council's budgets and work programme are based on the strategic direction as set out in the introductory chapters to this LTP, developed through Project Thrive. The priorities respond to a number of opportunities and challenges facing the future of our District. The Strategic direction is informed by the community through information from the Council's annual residents surveys, engagement on Project Thrive, ongoing engagement with key stakeholders, whānau and community focus groups and from direct consultation on the LTP key issues.	Substantial changes in the strategic direction and level of service as a result of changing community and political priorities, or other contextual drivers, could result in increased cost and/or opportunity costs.	Moderate	Moderate	The strategic direction and services of Council are regularly monitored to ensure a clear, appropriate and realistic direction for the District. Any changes to the Council's strategic direction would be considered within the parameters of the Financial Strategy and if needed reassessed through an Annual Plan process.
Structure of Central Hawke's Bay District Council services The LTP is based on the assumption of activities being delivered under the current structure. Of note this includes three water related services. The 'better local government' reform process continues to explore opportunities for improved local government effectiveness and efficiency. Central Hawke's Bay District Council is already participating in a regional project considering the future of the operation and delivery of its three waters portfolio. Council have also agreed to work collaboratively with Central Government on Three Waters opportunities, resulting in it receiving $11 million of grant funding for its three water services, through the signing of an Memorandum of Understanding (MOU). The Government is not expected to make a decision on the three waters reforms until around May 2021. This means that Council will not have access to a reform proposal in sufficient detail to meaningfully engage with our community as part of this Long Term Plan. Council is not expected to be required to confirm its long term participation in the reform until late 2021. Even if the reform proceeded, any transfer of responsibilities, asset or liabilities is likely to occur from 2023/24. More information on the reform can be found here. For now, the status quo model for three waters has been assumed in this LTP.	Major changes to the structure of service delivery could be costly and significantly disruptive to the delivery of services during a transition phase.	High	High	Any changes to the structure of local government services will be developed with a long lead in time and with consultation with Council and affected communities. This would allow our communities and the Council to influence the process and outcome and to plan for the financial implications accordingly. Further, the change of any core activities would have a significant impact on the operation of Council. Any changes by Central Government that changes Services delivered or Levels of Service would likely require an amendment to the LTP.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Effects of COVID-19 and Global Pandemic Guidance from the Office of the Auditor General (December 2020) encourages Councils to be as specific as it can be in its forecasting assumptions relating to Covid-19. This includes running multiple scenarios if required. Through COVID-19, the effects for Central Hawke's Bay have been minimal in comparison to other Councils, with prolonged drought being experienced simultaneously having a greater impact on Council than COVID financially, despite the unprecendented global event. The total cost to Council over this period was less than $200,000 including lost revenue. To this end, we are proposing that there are no significant impacts to income or rates affordability and have considered the impact of COVID-19 in our other key assumptions. The effects of COVID-19 has created global, national and local conditions, unprecedented in a modern economy. This has seen significant depressions in national Gross Domestic Profit and significant government fiscal intervention in business and community. The immediate future of COVID-19 is unclear, with the risk of national community transmission a realistic threat that Central Government continues to actively manage. To this end and the dynamic and rapidly evolving nature of COVID-19, we have not made any assumptions for a further lockdown and have assumed that the restrictions on the borders will not have a material impact (other than minor supply chain issues), and the projected increase in net population from returnees assumed in our population growth assumptions. Nationally, Covid-19 will cast a shadow over the economy for years after the virus has passed. Scarring from the Covid-19 recession will permanently damage New Zealand's long-run productivity, meaning GDP and wellbeing may never fully return to their pre-Covid-19 trends. Despite this, internal and national spending are at higher than normal (pre-Covid) levels. Central Hawke's Bay District was particularly hard hit during 2006-2008 by a widespread drought and weak agricultural exports. But when New Zealand was struggling with the Global Financial Crisis, agriculture-heavy Central Hawke's Bay was in the initial stages of a recovery. However economic growth in Central Hawke's Bay District has fluctuated since. To date, Central Hawke's Bay has experienced similar economic resilience similar to these events due to the largely agricultural economy base, despite COVID-19 and its effects being an unprecedented global health and economic event.	The most significant risk is the loss of rating revenue – Councils main source of revenue due to unaffordability or hardship creating by the re-emergence of community transmission of COVID-19 and a sustained or long term period of lockdown as a result of community transmission.. A further risk is potential population growth could be higher than projected, as residents in larger centres and overseas residents continue to return home.	Moderate	High	Council continues to activity participate in, monitor and prepare for any resurgence planning. It is noted that in these unprecedented times, ongoing management and monitoring of the effects of COVID-19 should be undertaken. Council already has key interventions, including quarterly financial reporting and ways to measure any tangible impact from any re-emergence of or ongoing effect of COVID-19.

Population Projections

The following Population and Growth projections have been taken from the Central Hawke's Bay Demographic and Economic Growth Projections 2020 – 2051 undertaken by Squillions as part of the Integrated Spatial Plan process. In June 2020 Council adopted the high scenario for growth for Central Hawke's Bay. These assumptions took into account the effects of COVID-19 and in particular, how the COVID-19 is assumed to impact our growth forecasts with changes to returnees from overseas and changes in key behaviours – such as working from home. You can view the full Demographic and Economic Growth Projections report here.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Population Growth Population growth has been calculated using the high growth assumption rate over the next 10 years to 2031. This population projection is drawn from the Central Hawke's Bay Demographic and Economic Growth Projections 2020 – 2051 undertaken by Squillions as part of the Integrated Spatial Plan process. This assumes a growth rate of 2.0% per annum which is comparable to the average growth in the district between the 2013 and 2018 census which was 2.1% p.a. Central Hawke's Bay has a current population of 15,190 in 2020. 2021: 15,520 / 2031: 18,770 / Growth Rate: 2.0% p.a. Most of the growth is expected to occur in the three main towns, Waipukurau, Waipawa and Ōtāne.	That population growth is higher than expected.	Moderate	Moderate	Increase in population will exacerbate the strain on council services, facilities and infrastructure.
	That population growth is lower than expected.	Moderate	Moderate	Will impact on rate revenue calculated from growth assumptions and therefore ability to maintain infrastructure `and services from current rating base.
An aging population The growth assumptions identify that the proportion of the districts over 65 resident population will rise from 20% in 2019 to 25% in 2031. This is a trend that will continue past 2031 into subsequent years. 2020: 15,190 / 20% 2025: 16,880 / 23% 2030: 18,470 / 25% 2051: 23,980 / 29% Age 0 – 14: 2021: 3243 / 2031: 3780 Age 15 – 39: 2021: 3789 / 2031: 4412 Age 40 – 64: 2021: 5214 / 2031: 5788 Age 65 and over: 2021: 3274 / 2031: 4789	An increasingly older population increases the number of residents on fixed incomes and therefore the ability to pay more for services. It will also influence the nature of services and design of infrastructure.	High	Moderate	Population projections were finalised after the onset of COVID-19 but there are a large number of variables that remain uncertain nationally and internationally that could impact the projections. An ageing population will need different levels of service to support accessibility and affordability.

<table>
<tr><th>Forecasting Assumption</th><th>Risk</th><th>Likelihood of Occurrence</th><th>Financial Impact</th><th>Risk Mitigation Factors</th></tr>
<tr><td>Housing Growth
With increasing population comes the demand for increased housing to support growth. To calculate projected households we consider population projections as well as household size in terms of number people residing in each home. Population growth is expected to increase by 2.0% p.a over the next 10 years and household sizes are expected to increase mid-way through the next 10 years before returning to the same average size as now.
Total new households per year.
<table>
<tr><th>Year</th><th>Total Households</th><th>Average household size</th><th>Average no households per year</th></tr>
<tr><td>2020</td><td>5,650</td><td>2.7 people</td><td></td></tr>
<tr><td>2025</td><td>6,130</td><td>2.8 people</td><td>96</td></tr>
<tr><td>2030</td><td>6,720</td><td>2.7 people</td><td>118</td></tr>
</table></td><td>Household growth is lower than the levels expected.

Household levels increase above the expected levels.</td><td>Moderate

Moderate</td><td>High

Moderate</td><td>Council have adopted the high growth scenario from the growth projection work based on the level of activity over the past 12 months and the trend over the past 5- 7 year.

If this is not achieved, it could result in a lower number of ratepayers to contribute to funding Council's activities and impact on ratepayer affordability.</td></tr>
<tr><td>Inflation forecasts
The assumption for the LTP is that local government cost inflation will be in keeping with BERL forecasts.
The BERL local government cost index reflects the selection and relative importance of the goods and services which represent broadly the expenditure pattern of Local Authorities in New Zealand. This basket thus includes more directly relevant items including capital expenditure on pipelines, and earthmoving and site works, and operating expenditure such as local government sector salary and wage rates. Forecasts have been provided across specific activity groups; for capital expenditure versus operating expenditure and broadly overall (as set out below) in the form of the LGCI.
<table>
<tr><th colspan="4">Annual Inflation forecast 2021 – 2031 (total LGCI)</th></tr>
<tr><td>2021/22</td><td>3.1%</td><td>2026/27</td><td>2.7%</td></tr>
<tr><td>2022/23</td><td>2.9%</td><td>2027/28</td><td>2.8%</td></tr>
<tr><td>2023/24</td><td>2.9%</td><td>2028/29</td><td>2.8%</td></tr>
<tr><td>2024/25</td><td>2.9%</td><td>2029/30</td><td>2.8%</td></tr>
<tr><td>2025/26</td><td>2.9%</td><td>2030/31</td><td>2.7%</td></tr>
</table></td><td>The risk is that inflation is higher than forecast. This could impact the cost and affordability of Council services.</td><td>Moderate</td><td>Moderate</td><td>BERL price change estimates are an industry recognised measure.</td></tr>
</table>

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Insurance Forecast Insurance premiums change over time and in particular in relation to natural events resulting in major insurance payouts. Insurance costs are based on the cost of renewal in the 2020 year and will be inflated in accordance with the inflation forecast by BERL.	The risk is that inflation is higher than forecast. This could impact the cost and affordability of Council services.	Moderate	Moderate	BERL price change estimates are an industry recognised measure. As these are updated annually, Council will review its financial strategy accordingly noting in particular the impact of any upward movement on affordability.
Interest Rates Forecast The assumption for the LTP is that Council will be able to negotiate favourable borrowing terms, and interest rates for borrowing will be in keeping with forecast expectations. Council is forecasting for the ten year period of this LTP that the interest rate for the new borrowing will be below or equal to 2.5%. Council's current cost of capital (existing loans) is 2.3%	The risk is that we will not be able to access loan funding, or interest rates are higher than forecast. The Council will have a greater level of exposure to this risk with increases in Council's debt levels and cap likely to be required for water related services.	Moderate	High	The Council has a Financial Strategy and Liability Management Policy which sets parameters for Council debt and contains strategies to protect ratepayers against significant fluctuations.
Borrowing Status with LGFA Currently the Local Government Funding Agency will lend Council up to 175% of its operating revenue as a non-credit rated Council. By Year 5 (2025/2026) of the Long Term Plan it is Council's desire to obtain a credit rating so that it has the ability to borrow beyond 175% of operating revenue. This will provide Council with the debt headroom, enabling it to have the capacity to respond to unplanned events (such as earthquakes, floods, pandemics). Obtaining a credit rating will grant Council the ability to borrow up to 250% of its operating revenue (limit set by LGFA's rules).	The risk is that Council fails to obtain a credit rating by 2025/2026 and the hits the LGFA debt ceiling of 175% and no longer has access to further debt funding.	Low	High	The likelihood of this occurring is low, as even distressed business can obtain credit ratings (all be it poor ratings). Credit Rating Agencies look favourably on New Zealand Councils as their main revenue stream is guaranteed by statue (rates), and can be changed annually to suit Councils budgets.

Interest Rates Forecast 2021 – 2031			
2021/22	2.5%	2026/27	2.5%
2022/23	2.5%	2027/28	2.5%
2023/24	2.5%	2028/29	2.5%
2024/25	2.5%	2029/30	2.5%
2025/26	2.5%	2030/31	2.5%

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Income from Development Contributions Income received from development contributions is sufficient to fund growth related infrastructure, as per the Development Contributions Policy. The Central Hawke's Bay District Council uses development contributions to recover from developers, a fair, equitable, portion of costs of capital expenditure needed to service growth. The Council's Development Contributions Policy is currently being reviewed to reflect new growth related projects in the LTP. Development contribution fees are proposed to increase as a result. The proposed policy provides for the annual adjustment of Development contributions relative to lending costs and inflation, with these inflated values being based on the current levels of inflation forecast in the overall financial model.	The risk is that development contributions do not cover the cost of growth related infrastructure because there is less growth than expected or changes to the zoning of land in the Proposed District Plan are not progressed through decisions.	Moderate	Moderate	The Council's Development Contributions Policy is reviewed alongside the development of the LTP and conservatively based on latest available growth forecasts

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Income from Central Government Subsidies and/or grants The assumption for the LTP is that the Council will continue to receive subsidies from NZTA as per the agreed funding regime, noting however forecast decreases in the Funding Assistance Rate (FAR) projected in the LTP. The Land Transport activity remains one of the most expensive activities of Council. Any changes to the regime of subsidy funding will have an impact on the level of service that is able to be delivered. The Council receives substantial subsidies from the NZ Transport Agency (FAR) for the operation and upkeep of the local road network in the District. This is currently provided at 61% and forecast to drop to 60% in Year 2 (2022/23), and to 59% in Year 3 (2023/24) and remain at this level for the remainder of the LTP. In the 2020/21 Year and previous financial year, Council has also received significant grants from the Provincial Growth Fund and the Crown Infrastructure Partners Fund, which has made it possible to increase the levels of services. This has included other funding as major stimulus funding to recover from the effects of COVID-19. This LTP has conservatively budgeted for no additional income from the Crown Infrastructure Partners or the Provincial Growth Fund, however applications to funds will be made where appropriate.	The risk is that the level of subsidy funding available for services and projects is less than budgeted and/or expected.	Moderate	Moderate to High	The FAR subsidy is the largest source of Council revenue after rates and is budgeted to drop to 59% by 2022/23. This amount gets reviewed every three years and if subsidy available is reduced, this could have a longer term detrimental effect on our network. Levels of service may have to reduce if subsidy rates or level of funding continues to decrease.
Projects Contingent upon External Funding External funding will be secured for projects, where indicated. The Council has a number of projects planned that are contingent upon a significant level of external funding alongside rates (sponsors, grants and fund raising from central government, regional government and community sources). Some examples include: • Waipukurau Library and Community Centre ($500k) • Waipawa Centennial Memorial Pool Upgrade	The risk is that the level of external funding available for services and projects is less than expected/ budgeted.	Moderate	Moderate	The Council will continue to seek subsidies for projects where available. However, where funding becomes unavailable or is less than expected, the viability of the project will be reassessed before progressing.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Trade Waste – Capital Financial Contributions Council has assumed a total of $2.84 million of capital financial contributions from Trade Waste Suppliers over the ten years of the Long Term Plan to fund part of the cost of the demand that trade creates on our District Wastewater Services as part of the Tradewaste Bylaw Review, that will be undertaken as an 'other consultation' alongside the Long Term Plan.	The key risk is that the bylaw is not amended significantly and the revenue forecast in the Long Term Plan does not eventuate. This means that over the ten years in the event that no funding eventuated (in the absolute worst case scenario), Council would have to loan fund the $2.84 million of revenue forecast for the ten years, with ratepayers having to further pay for the associated servicing costs of the loan.	Moderate	Moderate	Council has engaged early with trade waste users on the proposed bylaw review, that forms part of the other consultations that have been included as part of the Long Term Plan Consultation Document. There is awareness amongst the tradewaste industry that Capital Financial Contributions, would at some point be required, as they currently experience at other operating locations throughout the country. Council has been relatively conservative apportioning the level of capital contribution that Trade Waste creators will pay in the Long Term Plan, currently apportioning only only $2.84 million (inflated) of the total cost of upgrades that could reasonably be apportioned to Trade Waste Users. To this end, this is the potential that this revenue could increase, decreasing Councils requirement for borrowing to fund the balance of Councils wastewater programme.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Legislative Demands on Council Freshwater management reforms are already here and expected to have a significant impact on Council service delivery and resourcing over the term of the LTP. Further priorities that may influence Council into the future could for example include direction in relation to national and international scale issues such as housing affordability, wealth disparity, aging and climate change. Further change in relation to the reform of the Resource Management Act and new National Policy Standards that are at this point unknown have not been factored at this time. Guidance from SOLGM as part of the three waters reform (December 2020) has also confirmed that there will be a much stronger regulatory system for water regulations, environmental regulation and Economic Regulation.	The risk is that there will be major unexpected changes to the legislation that will cause significant changes to how we operate, what we do, and who pays for things. Changes could have a significant financial impact on the way we operate.	High	High	We have and will continue to set our work programme to take into account the expected outcome of legislative changes where possible. Legislative change is often progressed with a long lead in time, allowing Council to respond accordingly.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Climate Change Climate change is already impacting how our communities live and function and these impacts are expected to increase in magnitude and extent over time. Climate change assumptions are factored into Council strategies and plans including notably the District Plan and Infrastructure Strategy and can be seen for example, through projects such as the continued improvement of Council stormwater systems, Council's risk management work and work through the Hawke's Bay Emergency Management Group, through the Hazards Management Portal, particularly relating to flooding and coastal hazards. We expect that there will be a greater emphasis on the grandfathering of combustion engines, however we expect this to t be comparable as the increase in availability offsets the cost of purchase currently.	Climate change is high on the political agenda, locally and nationally but there is concern that assumptions could be on the conservative side and that impacts may occur sooner or be more intense than predicted. This could result in increased costs due to an accelerated climate change which could result in increased occurrence of fires, droughts, and flash flooding. At this time, we expect climate change to have an increase in insurance premiums most notably, particularly as a result of events such as flooding and other natural hazards as weather becomes more severe.	High	High	Further detailed analysis on the impact of Climate Change across Councils assets, needs to remain an area of focus, particularly as the sophistication of asset management practices continue. Many of the capital projects built into the Long Term Plan have been designed to withstand the impacts higher water demands, and to cope with greater levels of flooding events expected due to changing weather patterns based on current climate science and best practice. As climate change is only one small consideration in the design of new assets, it is impossible to identify the impact of this cost as a separate budget component. Council will continue to monitor insurance costs and appropriately address these over the long-term through the annual plans and Long Term Plan reviews as required.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Natural Hazards The LTP is prepared on the basis that minor storm and flood events are expected to continue to happen on a frequent (often annual) basis whereas significant high impact events cannot be accurately predicted. Our District is at risk of a range of natural hazards such as earthquakes, flooding, tsunami, debris flows, slips, tornado and fire activity. Storms and tropical cyclone events occur on a frequent basis often bringing high intensity rainfall but are generally manageable within existing work programmes and budgets. However, the return period for significant high impact events is very long and events are difficult to predict. A number of projects, plans and initiatives seek to reduce the risk associated with natural hazards. In the first instance these seek to reduce exposure to risk while the secondary focus is on community preparedness for response.	The risk is that our District and Council could face significant costs to respond to hazard events and/ or that our District is unable to recover sufficiently or quickly enough in order to prevent long term adverse effects on population or local economy.	Moderate	High	Council has a Policy to build up contingency funds to pay for storm damage to roading and general disaster response and recovery. Our underground assets are also covered through the Council's insurance. Alongside the Council, Central Government also has a role in disaster recovery and restoration works after natural disasters have happened.
Lifecycles of Significant Assets The useful life of assets will be in keeping with expectations as shown in the Statement of Accounting Policies. Accurate condition assessments and knowledge of the lifespan of our assets are necessary to inform Council's asset maintenance and renewal programme. Accurate information on assets allows for timely and efficient maintenance and renewal that minimises service disruption and maximises lifespan.	The risk is that the useful life of assets is substantially shorter or longer than our assumptions. This could result in service disruption and/or have financial implications due to changes to the capital works programme, or an inefficient renewal programme.	High	High	Condition assessments continue to be undertaken by the Council with condition information updated based on actual rather than theoretical expectations.
Average Replacement Costs of Assets Planning for renewals over the long term involves building an understanding of the condition of assets, the risk of them failing and then modelling/building plans to replace them. To create budget estimates, the type and number of assets planned for replacement each year is multiplied by assumed average asset replacement costs.	The risk is that the actual costs to replace/renew assets are higher or lower than the average costs used to create long-term budgets. This could result in changes to the work programme and levels of service or financial impacts.	Moderate	High	There is still however a significant area of improvement for Council to make as it increases its levels of Asset Management Sophistication. Recent project data has been used to inform average replacement cost assumptions giving confidence that figures used are as up to date as possible.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Asset Management Planning The approaches used to plan for the maintenance, replacement, upgrade and disposal of assets range in levels of sophistication and maturity between various asset classes. More sophisticated planning approaches require more resource but produce better quality outputs.	The risk is that asset management planning approaches are not adequately sophisticated and result in sub-optimal asset management plans.	Moderate	High	There is typically a relationship between the level of risk involved in an asset class and the sophistication of the asset management planning approaches used for that asset class (i.e. wastewater has more sophisticated planning approaches than reserves).
Capital Do-ability That Council will be able to deliver on its capital programme as outlined in proposed work programmes associated with the Long Term Plan. The plan sees a major increase in capital expenditure over the ten years, particularly in the three waters activity. This increases are significant increases above the level of capital funding this Council has been able to successfully deliver historically.	The key risk is that the Council is unable to deliver the works programmes as outlined. If the risk occurs then this creates a wave and backload of work, in particular continued delays in the delivery of renewals and upgrades, subsequently that may impact on the achievement of levels of service, potential increased costs from delays and tangibly risks to the continuity and delivery of services with the risks of assets failing before they can be replaced. This also comes with the risk is that Council rates, borrows, and charges Development Contributions to fund a program it can't deliver in the budgeted timeframe.	Moderate	Moderate	Council has been purposely raising the level of project management sophistication and rigour in the organisation over the last three years to prepare for the anticipated major increases in capital expenditure this Long Term Plan includes. The key changes have included the establishment of a specialist internal project management office, made up of key technical and project management roles that have been fully resourced, along with specialist project management software and other technical services. In 2018 and 2019, Council have also procured and implemented long-standing professional services arrangements with key providers to support the increased scope and deliverability requirements of the organisations projects. Some of the engineering design work for the wastewater projects has already been completed as part of earlier option consultations. Therefore the risk is more related to engaging construction firms and project managing this work. If the projects does fall behind the schedule contained in the Long Term Plan, Council has the ability to revise the speed of delivery in future annual plans, and alter rating, developments contribution, and borrowing assumptions at that time. Any money already collected can be carried forward to a later year to be used at the point of construction.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Skill shortages The Council will be able to attract and retain suitably qualified and able staff. Many technical and knowledge based professions are forecasting future skills shortages. In part this is in recognition of an aging population particularly in instances where this is alongside flat or declining populations. Further, there is a need to retain suitably qualified staff to ensure efficient continuity of activities and minimise loss of institutional capacity and knowledge.	The risk is that the Council will not be able to recruit and retain the right staff. If the risk occurs then increased reliance may be placed on contractors with an impact on costs or there may be a risk to continuity of service and loss of institutional knowledge.	Moderate	Moderate	As part of enhanced people and capability functions, council has implemented recruitment processes that focus on the lifestyle offering of the Central Hawke's Bay District and that provide a market based remuneration. A process to develop staff and grow leadership is also in place to meet organisational needs, as well as an overarching communications approach celebrating and recognising the unique work of our District.
Contractor Availability We will be able to find skilled contractors to undertake the work we require, to the agreed standards, deadlines and cost. There are a number of emerging and forecast challenges with availability of contractors. These are associated with the current building boom and focus on major centres, as well as possible skill shortages within the contracting sectors themselves. These challenges may present to the Council in terms of availability, cost and quality of work. A certain amount of this risk is reduced with some services being brought in-house rather than contracted out.	The risk is that there will be a shortage of contractors, or that contractors will not deliver to the agreed standards and specification within the agreed time. If the risk occurs, it could result in an increase in the price, timeframes, and/or quality.	Moderate	High	We have a procurement manual which ensures we have robust contracts. Our contracts outline what we expect to receive from our contractors. If the work is not completed to the agreed standards and specifications, then we have legal rights. We are further supporting industry through skills and talent opportunities to bridge these gaps.

Forecasting Assumption	Risk	Likelihood of Occurrence	Financial Impact	Risk Mitigation Factors
Technology and Connectivity Technology is changing rapidly in terms of both availability and uptake. Making accurate predictions and forecasts for this factor is difficult. Advances in science and technology continue to transform the way our society works. This provides some exciting new opportunities and solutions but also comes with risks. Governments at various levels will be challenged by demand to harness the benefits of technology while providing prudent oversight. • High-speed internet access is increasing demand for online Council services. • Robotics and automation will change the way we work and provide new futures for manufacturing. • Advancement in the 'internet of things' provides opportunities for smarter and more responsive services. • Opportunities will continue to emerge for different models of service delivery and connectedness. • Cybercrime will increase as will the related focus and resource requirements for security • Dramatic changes to vehicle technology are around the corner and could dramatically change our models of transport and vehicle ownership. • Advances in technology may provide alternative solutions to large scale network infrastructure challenges (such as wastewater systems). • Energy technology is becoming more advanced, effective and cheaper. Public demand for clean energy is increasing. • 3D printing (or additive manufacturing) will dramatically change the way we design, produce and distribute products.	Technology generally presents opportunities rather than risk. However, there is some risk associated with long term planning and infrastructure commitments made by Council which could be inconsistent with any emerging technologies that provide more preferable solutions. The greatest risk is therefore for the 'opportunity loss' of new technologies that are not taken up or adopted late.	Moderate	Moderate	Local government is generally risk averse where investment into new technologies is concerned. Generally, these need to be established and proven for Council to make the investment. Major strategies and projects will explore technology based solutions as part of the contextual and options analysis. Of note this will include the upgrades that will be required to wastewater treatment systems over the coming ten years and beyond.

Draft Development Contributions Policy 1 July 2021 – 30 June 2031

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1. Executive Summary

What is a Development Contributions Policy?

Development contributions are a funding tool to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

This Development Contributions Policy (DCP) seeks to establish a transparent, consistent, equitable and efficient basis for recovering the longer term costs from those persons undertaking developments that cause the need for additional capital investment in public infrastructure.

In June 2006, Central Hawke's Bay District Council (CHBDC – The Council) adopted its first DCP to fund a portion of the costs of capital expenditure directly related to growth that results in the CHBDC having to provide additional Community and Network Infrastructure. CHBDC has the power to do this under the Local Government Act 2002 (LGA). The DCP has been updated as part of each Long Term Plan process every three years, the last being in 2018.

CHBDC, like many Councils across New Zealand, is experiencing increased growth pressures from both residential and non-residential development. Council has determined that the funding of new assets or assets of increased capacity to meet demand created by new development should be recovered by way of Development Contributions (DC's) from those benefiting from the infrastructure.

CHDBC will apply development contributions only where new or additional assets or assets of increased capacity are required. CHBDC has aging infrastructure that is in many cases at full capacity so growth that results from development will drive the need for new or expanded assets. Development contributions will only be sought in the geographic catchments that the infrastructure will serve. The nature and extent of the infrastructure and its associated anticipated costs are detailed for each geographic area.

This DCP comes into effect on 1 July 2021.

Summary of Changes in this Policy

A review of the current DCP has highlighted the need to:

1. Be more transparent on the assumptions and basis for setting charges
2. Be more specific in responding to the requirements set out in the Local Government Act 2002 (LGA)
3. Significantly change the proportion of growth costs funded by DCs
4. Significantly increase the forecast growth
5. Add sections on units of demand and the rationale for the Policy settings
6. Increasing the categories and transparency of non-residential categories and measures,
7. Include some Community Infrastructure (Administration building, library landfill / transfer stations, and public toilets
8. Include some Reserves projects, and
9. Tidy up the references and structure of the DCP.

Council has reviewed the growth model, the land use categories for non-residential developments, and the measures used to define each Household Equivalent Unit (HEU).

Changes in Forecast Growth

Growth in the Central Hawkes Bay District (CHB), and in the main urban areas of Otāne, Waipawa and Waipukurau in particular, has seen a significant jump in growth in the last three years since the 2018 DCP was adopted. This is evident in the Statistics NZ 2018 Census results, and their estimate of population as at June 2020.

Average house prices have increased by 73% and rental costs are up 32% in the last four years. There has yet to be a significant surge in new house building, despite high numbers as there is a shortage of available sections.

CHBDC is expecting a significant increase in infill subdivisions in response to this demand as land owners respond to the pricing signals. The yield of greenfield subdivisions is also expected to significantly increase as average residential section sizes are becoming smaller. This increases the number of houses built on each block of land. This will be driven by the market demand as well as the review of the Central Hawke's Bay District Plan Review over the next few years.

CHBDC has adopted a high growth scenario forecast prepared by Squillions Ltd, that can be found here. The new forecasts are for moderate to strong population growth for CHB and the major urban townships at 2% a year from 2021 to 2031. This is significantly faster growth than previously expected. The effect of this is higher growth of HEUs expected in this DCP compared to the previous version, and much higher growth related infrastructure costs.

Table A – District Growth forecasts 2021 - 2031

CENTRAL HAWKE'S BAY DISTRICT – AS AT JUNE 2020				
			Forecast	
	2018	2020	2021	2031
Population				
Statistics NZ actual and estimates	14,650	15,250		
Forecasts 2021 LTP and DCP			15,520	18,770
Households – Occupied				
Forecasts 2021 LTP and DCP	5,418		5,530	6,870
Additional households above 2018 Forecasts				805
Total forecast increase in Households 2021 - 2031				1,340

Table B below indicates projected household growth within the Central Hawke's Bay district over the long-term period 2018-2048.

Table B: Location of Projected Central Hawke's Bay District Household Growth 2021-2031

TOWNSHIP / MAIN URBAN AREA	NUMBER OF HOUSEHOLDS (HEU)				
	Actual	Forecast – June Year			
	2018	2021	2031	Change 2021-2031	2018 DCP forecast Change 2018- 2028
Waipukurau	1,755	1,793	2,253	460	230
Waipawa	843	853	968	115	60
Otāne	246	258	408	150	50
Takapau	216	222	296	74	5
Pōrangahau	78	83	143	60	20
Total Main Urban Areas	3,138	3,210	4,068	858	365
CHB District	5,418	5,530	6,870	1,340	535

The updated forecasts show a projected increase in urban households from 2021 to 2031 of 858 and the overall CHB of 1,340. This compares to a forecast increase of 365 urban and 535 district wide households in the 2018 DCP (for the 10 years 2018 – 2028). While this will help fund the infrastructure cost per additional household, the total infrastructure investment to service the growth has also increased, and Council is proposing to charge 100% of these costs to development.

The number of residential HEUs do not include non-residential gross floor areas (GFA) and these were not included in the 2018 DCP. These developments are sporadic and hard to forecast and a conservative small number of HEUs have been included as part of the overall setting of DCs. Council will monitor these developments to see if the increased population continues to result in more commercial developments. The non-residential measures and charges have been included to allow Council to respond to a rapid surge in non-residential developments if this occurs.

These forecasts will result in Council needing to undertake more analysis of the existing networks to determine the impacts – particularly the impacts from infill subdivision. Council will closely monitor the actual growth in households over the next few years and the costs on the network from infill housing development.

The 2018 DCP included charges for a few other small townships such as Te Paerahi and Kairakau. Council has no planned three waters growth related investments in these other townships and therefore will not be charging a DC for development for them. There will be a DC charge for Parks and reserves, and Community infrastructure as this applies to the entire CHB District.

Changes in the Non-residential Categories

Currently the 2018 DCP has two categories for non-residential development – small developments and those with over 20 staff. The 2018 DCP lacks clarity and definitions for what is intended to be charged. Council is proposing to increase the categories to four and to clearly state the expectation that charges will be levied for three waters, Community infrastructure and Parks and Reserves.

Farm buildings outside of the urban catchments on existing lots will not be charged DCs. Rural subdivisions will receive a Districtwide DC charge applied for Reserves and Community Infrastructure.

It is not practical for Council to set out categories that completely match all the many types of non-residential developments that can occur. Council retains the right in the DCP to have a proposed development considered as a special assessment. This occurs when Council considers that the development has an impact on infrastructure that significantly differs from the set categories and standard assessed HUE's (e.g. a large meat processing plant). Developers have the right to request a reconsideration of the Council assessment, and there is an objection process as set out in the LGA.

Development contributions payable

The development contributions payable for reserves, community infrastructure, water supply, wastewater, stormwater per HEU and catchment as at 1 July 2021 are set out in the following table.

GROWTH GEOGRAPHIC AREA	ACTIVITY	TOTAL GROWTH CAPEX	PER LOT DC
Districtwide	Reserves	$1,568,500	$1,171
	Community Infrastructure	$1,410	$239
			$1,410
Otāne, Waipawa and Waipukurau	Wastewater	$9,461,582	$10,838
	Water	$8,570,973	$9,818
	Stormwater	$2,147,825	$2,736
	Reserves		$1,171
	Community Infrastructure		$239
			$24,802
Takapau	Wastewater	$237,143	$3,205
	Water	$104,109	$1,407
	Stormwater	$112,713	$1,523
	Reserves		$1,171
	Community Infrastructure		$239
			$7,545
Pōrangahau	Wastewater	$962,143	$16,036
	Water	$84,413	$1,735
	Stormwater	$62,713	$1,045
	Reserves		$1,171
	Community Infrastructure		$239
			$20,226

(Prices are as at 1 July 2021 and exclude GST).

2. Introduction

CHBDC plays a significant role in facilitating and coordinating development and providing infrastructure in a timely and affordable manner. It is an essential part of CHBDC business to take into account the social, economic, environmental and cultural interests of people and communities to meet reasonably foreseeable needs of future generations. This is a strategic role that individuals, the community, the private sector or central government cannot fulfil alone. The effects of growth require CHBDC to incur capital expenditure, acting on behalf of the wider community to provide new or additional network or community infrastructure.

Development contributions are the fees payable to Council for capital expenditure planned to be provided, or already constructed, for additional community facilities (such as stormwater, roads, reserves and public amenities) required to service growth. These contributions may be required on resource consents (subdivision and land use) and / or building consents or service connections in situations where the development will have additional impact on infrastructure.

This Policy applies when you subdivide land, build, alter or expand a non-residential building, or may apply when you change the use of an existing building. The extent of the Development Contribution required will depend on the type, size and location of the development.

The legislation that sets out how Council operates and prepares a Policy is the Local Government Act 2002 (LGA). Council considers how it funds the required infrastructure as part of the overall preparation of the Long Term Plan. Council must weigh up where benefits and costs should lie as any reduction in the proportion of development contribution charges to pay for growth will have to be paid by existing ratepayers.

The LGA (S199) provides that development contributions may be required in relation to development if the effect of the development, either individually or cumulatively, is to require new or additional assets or assets of increased capacity, and as a consequence Council incurs capital expenditure to provide appropriately for:

- Reserves
- Network infrastructure
- Community infrastructure

Council will apply development contributions only where new or additional assets or assets of increased capacity are required. CHBDC has aging infrastructure that is in many cases at full capacity so growth that results from development will drive the need for new or expanded assets. Development contributions will only be sought in the geographic catchments that the infrastructure will serve. The nature and extent of the infrastructure and its associated anticipated costs are detailed for each geographic area.

This DCP is set out in five sections:

- Section 1 sets out the overview of the DCP and the process.
- Section 2 sets out the Vision and Strategy of Council, the key assumptions, and how this relates to Council goals and other policies.
- Section 3 sets out how the charges are calculated and the categories of land use development, the administration procedures and the process for objections and reconsiderations.
- Section 4 sets out how the charges have been developed and the methodology behind the allocation of costs to each type of development.
- Section 5 covers how the Policy is reviewed and the Schedule of Charges is carried out.
- Section 6 is the Glossary with key definitions of terms in the Policy.

The schedules and appendices to the policy contain further detail about development and the implementation of the policy. This includes development contribution rates and development contribution catchment maps. It also lists the assets/programmes of work that development contributions fund.

Planned investment for Water and Wastewater in Otāne, Waipawa and Waipukurau over the next ten years supports these urban areas being treated as one catchment (connected water supplies and a single wastewater treatment plant). Stormwater will still be treated as a separate catchment in each urban area. Community infrastructure and Parks
and Reserves are charged district wide to reflect
the benefits and access for these activities across the District.

Council will charge Development Contributions for these five major groups, with the majority of costs focused on the three waters:

- Water
- Wastewater
- Stormwater
- Community Infrastructure (Libraries, Solid Waste and Community Buildings)
- Parks and Reserves

No contributions are sought for land transport and community halls at this time. Existing hall facilities are deemed adequate to provide for the potential future demand created through growth. Councils existing approach to Financial Contributions for Land Transport will remain.

It is fair that those driving development pay a proportionate share towards the cost. The ratepayers of the District are facing a significant increase in investment to meet the servicing demands from development. Development contributions will help to reduce reliance on ratepayers and other funding sources.

3. Section 1 – Overview of the DCP and Process

3.1 Purpose and Principles of Development Contributions

The purpose of the DCP is to ensure that reserves and infrastructure capital expenditure is funded by those parts of the community who benefit from that expenditure. Those responsible for creating growth within our district, whether through subdivision, building, new service connections or a change in land use, are being asked to pay a fair share of the resulting additional infrastructure cost incurred by council. The market by itself will not achieve the coordinated response required to develop the networks.

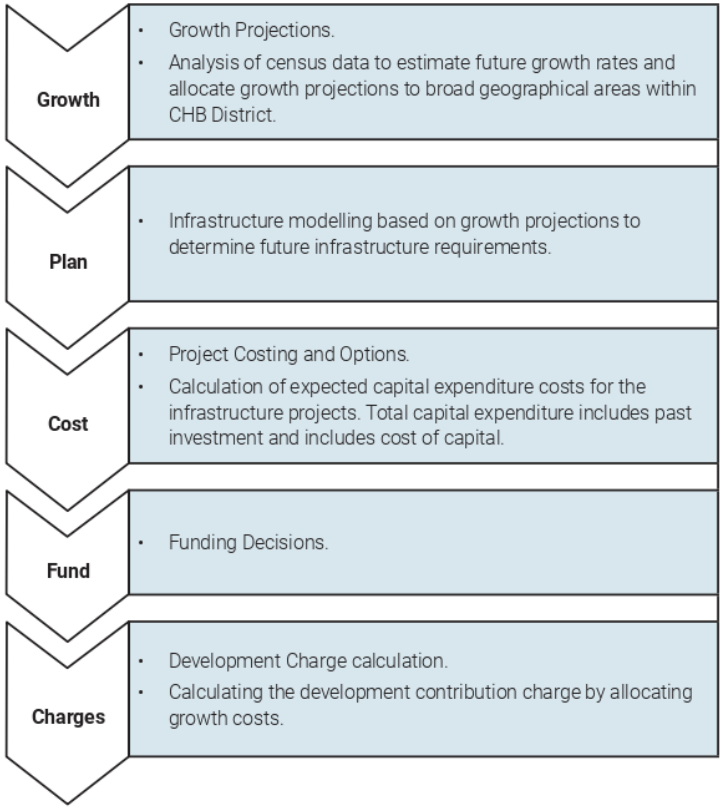
This DCP sets out the DCs payable by developers and property owners, how and when they are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution required.

The purpose of this policy is to:

1. Enable Council to provide infrastructure and facilities to cater for growth, in a timely fashion and affordable for ratepayers
2. To provide the framework for Council to charge DCs for residential and non-residential development in the District to fund capital expenditure for network infrastructure, reserve land and community infrastructure
3. Provide predictability and certainty to stakeholders on how infrastructure for growth is to be funded, and establishing a transparent, consistent and equitable basis for recovering DC from developers
4. To recover from developers a fair, equitable and proportionate portion of the total costs of the capital expenditure to service growth over the longer term.

This DCP has been developed to be consistent with the purpose of the DC provisions as stated in section 197AA of the Local Government Act 2002 (LGA). In preparing the DCP Council has had regard to and taken into account the DC principles in section 197AB of the LGA. These have been used by Council to ensure the DCs charged are fair and reasonable, as well as lawful.

Section 102 of the LGA requires the Council to have a policy on Development and/or Financial Contributions as part of its funding and financial policies in its LTP. Sections 106 and 201 of the LGA set out the required contents of this DCP. This policy must be reviewed at least every three years.



The process for Council to develop DC charges is set out below. The DCP has a considerable amount of planning and analysis that underpins the charges set by Council.

A fair and equitable approach needs to be taken to fund the provision of infrastructure having regard to existing and future populations. The existing population has already made a considerable investment in services. Those initiating new development benefit from connecting to or using existing services and should pay their fair share of capital expenditure.

The following diagram demonstrates the flow process in the development of the DCP.

3.2 History

Council's first DCP was adopted in June 2006. Council had previously funded growth related costs of development via financial contributions (FCs) under the Resource Management Act 1991 (RMA), and through rates. The DCP was subsequently revised in 2008 and during each 10-Year Plan cycle in 2009, 2012, 2015 and 2018. These policies were amended to reflect different growth forecasts, legislation changes, standards of infrastructure, experience in implementing the DCP and changing Council policies.

This 2021 review has been developed as part of the 2021 Long Term Plan (LTP) process and is based on the Council's capital expenditure programme as set out in the 2021 - 2031 LTP.

3.3 How Infrastructure Growth Funding is Allocated

DCs are driven by the infrastructure projects required to meet service demands related to growth. These projects are designed to meet the forecast levels of service as stated in the LTP. Development that results in additional dwellings, buildings and activity, in turn impacts on CHBDC's services infrastructure. This impact must be recognised and mitigated. Those causing the impact should meet a reasonable proportion of the costs associated with upgrading infrastructure where that upgrading occurs due to development pressure.

Council has reviewed the proportion of infrastructure growth costs that will be funded from DCs. Council has determined DCs are the appropriate funding source to fund 100% of the growth related costs. Where there is a level of service or renewal component this proportion of the capital cost is funded from rates and loans. In particular, see the analysis contained in Appendix 4.

The total cost of forecast capital projects is set out in Appendix 1. Funding part of these costs through rates would otherwise result in an unfair burden being placed on the existing ratepayer community. Growth related infrastructure costs make up around 5.7% of CHB's total planned capital expenditure of $314 million of the life of the Long Term Plan 2021 – 2031.

3.4 Activities for Funding Capital Expenditure of Growth

Council activities for which DCs will be used to fund growth related capital expenditure are:

a) Network infrastructure for stormwater, wastewater, water supply;
b) Reserve land acquisition and development for parks and open space (including Esplanade Reserves, walkways and cycleways);
c) Community infrastructure (Solid Waste, Library, Administration Building).

3.5 When a Development Contribution is Required

Under Sections 198 and 199 of the Local Government Act 2002, Council may apply a development contribution, including GST, for developments generating increased reserves, network or community infrastructure demands upon the granting of:

1. A resource consent
2. A building consent
3. An authorisation for a service connection.

As a general rule, DC will be assessed, and any requirement for payment of contributions advised, at the earliest opportunity. This is generally at the subdivision consent stage.

Council considers that the subdivision consent stage is normally the most appropriate stage to take a development contribution for residential developments for the following reasons:

- Practicality of implementation
- Economies of scale in implementation costs
- Best available knowledge for projections and allocating budgets

In the absence of subdivision, Council will apply DCs at the building consent or service connection stage where additional units of demand are created by additions to land or buildings.

A DC is required in relation to a development when:

- A particular subdivision, construction of a building, land use or work generates a demand for reserves, network infrastructure, or community infrastructure
- The development (either alone or in combination with another development) requires new or additional assets or assets of increased capacity (reserves or infrastructure).

The effect of a development in terms of impact on these assets includes the cumulative effect that a development may have in combination with another development. A DCP also enables Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by the Council to provide infrastructure to service expected growth.

The Council has a preferred approach to require payment for assessed DC charges at the time of assessment. For non-residential subdivisions one or more HUEs would be payable at the resource consent stage. Future developments on that subdivided land would be reassessed at a building consent stage and any additional DCs required from that development would be invoiced at that stage.

Council does have the ability to defer/postpone DC requirements, where allowed for in this Policy and considered appropriate. The processes detailing these issues are set out in section 5.19.

3.6 Limitations to the Application of Development Contributions

Development which does not either in itself or in combination with other developments generate additional demand for community facilities will not be liable to pay a DC.

Council will also not require a DC for network infrastructure, reserves or community infrastructure in the following cases:

- Where it has, under Section 108(2)(a) of the Resource Management Act 1991 (RMA), imposed a condition on a resource consent in relation to the same development for the same purpose; or
- Where the Council has already required a DC for the same purpose or the same building work (so long as there is no change in scale and intensity)
- Where agreed with the Council the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure; or
- Where the territorial authority has received or will receive sufficient funding from a third party to fund particular infrastructure.

3.7 Relationship to Resource Management Act

DCs under the LGA are in addition to, and separate from, financial contributions under the RMA. Council intends to use DCs under the DCP as its main means of funding infrastructure required as a result
of growth over and above the works and services that may be required as conditions of subdivision
or resource consent.

Council may require a Financial Contribution, as a condition of consent, in accordance with any relevant rule in the District Plan under the RMA. Financial Contributions cannot be applied as a condition of consent where a DC has been required for the same purpose on the same development.

In 2006, Council resolved to only take financial contributions for Roading work when the road to be modified or upgraded is adjacent to the subdivision. This will be done by way of conditions in a Resource Consent for subdivision and the development will not be subject to Development Contributions under the LGA for Roading.

Financial Contribution provisions are detailed in the current Central Hawkes Bay Operative District Plan.

In the reviewed District Plan due to be notified in May 2021, Council will only be seeking Financial Contributions for land Transport and Roading Infrastructure, noting that growth impacts have been identified through this policy and in the event that

Council will also still have the authority to require works or services on new developments to avoid, remedy and mitigate the environmental effects of proposed developments through resource consent conditions or in accordance with any relevant rule in the District Plan. DCs are for the acquisition, installation or expansion of assets over and above the works and services that may be required as a condition of consent.

For the smaller urban areas outside of the current urban serviced areas, Council as service provider may require capital contributions through fees and charges for properties who apply to connect to township water or wastewater services.

4. Vision, Strategy and Council Assumptions

The Council outlines its Vision, Strategy and Council outcomes in the LTP. Linkages to the DCP are discussed in Appendix 4.

Urban growth is spread across Waipukurau, Waipawa, Otāne, Takapau and Pōrangahau. Considerable growth in rural subdivision and population is forecast across the District. Council has developed Project Thrive that was adopted in 2017 and included in the 2018 LTP. This sets the vision, goals and objectives for Central Hawke's Bay. The District Plan is currently under review and may impact the 2024 revision of the DCP, based on the implementation of the Central Hawke's Bay Integrated Spatial Plan 2020 – 2050 and the relevant timing of development forecast for the ten year period.

A new wastewater treatment plant is planned to service Otāne, Waipawa and Waipukurau. The new plant will include capacity for growth. New treatment plants for water and wastewater are also planned to meet the new vision, as well as mandatory standards and RMA consents.

4.1 Significant Assumptions of the Development Contributions Policy

4.1.1 Council Role

Council is assuming that it will act as the lead agency to ensure existing core infrastructure requiring upgrading is available to service growth developments in the District. Where new infrastructure is required only within a development, it is the responsibility of the Developer to provide, with the option of gifting the new assets to Council provided they meet Councils standards.

There is the potential for major developments, where agreed with Council through a development agreement, for developers to take the lead role. In this instance Council may contribute to a development where additional capacity is required to service adjacent developments to ensure other developments are not constrained. Council's role will be assessed at each review of the LTP and DCP every three years. There is also the possibility of the 3 waters sector being removed from Council responsibility as part of a government led review. This DCP and the 2021 CHBDC Long Term Plan, based on national guidance assumes that the current structures and responsibilities will remain as they are as a key assumption.

The Council ensures, on behalf of current and future residents and ratepayers, that land development is carried out in a manner that results in acceptable outcomes in terms of aesthetics, environmental impacts and service standards.

4.1.2 Development Contribution Areas

For the purposes of DCs, the areas shown for each township (and the district as a whole for Community Infrastructure and Reserves) that has growth related infrastructure asset type are the areas that development contribution charges apply. Growth in the CHB District is occurring mainly in these areas and additional infrastructure is required to meet this demand.

The ***service catchments*** show each urban area that forms a catchment (Refer to Maps in Appendix 2 of this policy and further explanation in Appendix 4).

Table 1: Table outlining areas for activities where Development Contributions will be charged

AREA	ACTIVITIES FOR WHICH DEVELOPMENT CONTRIBUTIONS WILL BE CHARGED
Central Hawke's Bay District (Districtwide)	Reserves and other Community Infrastructure
Waipukurau, Waipawa and Otāne	Water, Wastewater and Stormwater
Takapau	Water, Wastewater and Stormwater
Pōrangahau	Water, Wastewater and Stormwater

For clarity the council considers that for stormwater activities, a development not only creates a demand for infrastructure within the hydrological catchment it is located in, but also creates demand (by the growth community within the development) for stormwater management and flood protection over a wider area.

The other small rural townships in the CHB have little growth currently and infrastructure capacity is available. There is no growth related infrastructure investment planned in the ten-year period. Council will reassess demand and capacity in these coastal townships as part of the 2024 review.

4.1.3 Development types and units of demand.

In meeting its requirements under Schedule 13(2) of the LGA 2002 to attribute units of demand to particular developments or types of development on a consistent and equitable basis, the council has considered:

a. the need to separate residential and non-residential activities because of the different demands they place on activities of the council,

b. the range of non-residential development types and impacts on infrastructure,
c. the complexity of trying to make the Policy account for every different development type,
d. the availability of data to support differential unit of demand factors for various types of development.

The Council considers that:

- There is data currently available to identify some average demand factors for a limited number of non-residential development types,
- Using broad averages for a limited number of development types is sufficient to approximate the range of development likely to occur in CHB urban areas,
- As determined by Council staff a special assessment can be used where a development results in an impact on infrastructure significantly different from that envisaged in this policy.

4.1.4 Planning Horizons and the Period Covered by this Policy

A 10-year timeframe has been used as a basis for forecasting growth and applying a development contribution. Benefits will be distributed over that timeframe with averaging to avoid the effects of lumpy infrastructure works within any given year on DCs.

This timeframe aligns to the period included in the Long Term Plan. Council has detailed planning and costings for infrastructure networks for this ten year period.

Development beyond this timeframe will involve additional growth related infrastructure services that have not yet been fully costed. These longer term infrastructure requirements to service growth, and the additional households enabled, will be included in future DCPs.

4.1.5 Projecting Growth

The Council is planning for new development that is occurring in the CHB urban centres. This places demands on the Council to provide a range of new and upgraded infrastructure. The successful application of the DCP is dependent on population projections and the Council adopted spatial growth demand within the District.

The DCP uses the growth projections as set out in the Key Forecasting Assumptions section of the LTP. These forecasts are based on the high growth scenario from Squillions Ltd adopted by Council in July 2020 and available here. CHB is currently experiencing a surge in growth that is resulting in strong population and household growth driven in part by strong growth in Hastings and Napier. This is a significant change in trend that is putting increasing pressure on infrastructure. The Covid-19 pandemic has caused additional population gains as more people return to smaller townships and family roots, and there are very few opportunities for existing residents to migrate elsewhere. The latest annual estimate from Statistics NZ indicates growth is at 2.3% a year. The population and new dwellings are growing faster than was forecast in the 2018 LTP and DCP.

Forecasts will be updated as part of each LTP process based on actual growth, Statistics NZ forecasts and annual population estimates.

District growth has been split into each major urban area and the balance of the district. The forecasts are informed by Project Thrive, the Operative District Plan, Council Asset Management Plans and actual historic developments. The impact of non-residential development varies depending on economic conditions but is expected to be relatively minor.

This DCP applies an assessment of the demand for services generated for each urban catchment and district wide (for Community Infrastructure and Reserves) to determine the number of HEUs for Water, Wastewater, Stormwater, Community Infrastructure and Reserves.

A summary table of the key forecasts is shown below. Council is forecasting strong household growth of 2% a year to 2031.

Table 2: Forecast Household Equivalent Unit numbers

TOWNSHIP / MAIN URBAN AREA	NUMBER OF HOUSEHOLDS (HEU)				
	Actual	Forecast – June Year			
	2018	2021	2031	Change 2021-2031	2018 DCP forecast Change 2018- 2028
Waipukurau	1,755	1,793	2,253	460	230
Waipawa	843	853	968	115	60
Otāne	246	258	408	150	50
Takapau	216	222	296	74	5
Pōrangahau	78	83	143	60	20
Total Main Urban Areas	3,138	3,210	4,068	858	365
CHB District	5,418	5,530	6,870	1,340	535

4.2 Non-Residential Growth and Focus

Council has not carried out detailed growth forecasts of non-residential gross floor areas for the urban areas. These forecasts have been assessed as not being required due to the very modest growth in non-residential developments. Over the last six years new non-residential developments have averaged 1,100m2 a year. Some of this will just be replacing existing buildings so would not be levied a DC charge. There may also be some developments where existing buildings have been extended, which could have a DC charge levied.

While population and household growth is forecast to be much stronger than previously forecast, the current impacts with Covid-19 means that non-residential growth is not expected to increase to the same extent. In the 2019/20 year new non-residential consents has increased to over 2,000m2. Given the level of uncertainty Council has decided to retain and expand the ability to charge DCs.

The DCs for non-residential growth related to the three waters will only include charges for the urban catchments. It is expected that this growth will be centred on the Otāne, Waipukurau, Waipawa catchment. A modest amount of HEUs are included in the overall forecasts. No growth in non-residential has been assumed for Takapau or Pōrangahau, however the ability to charge a DC in those catchments has been provided for in the event that development occurs and has an impact on the network infrastructure.

Farm buildings outside of the urban catchments on existing lots will not be charged DCs. Rural subdivisions will have a DC charge applied for Reserves and Community Infrastructure.

Table 3:

NON – RESIDENTIAL CATCHMENTS	DC CHARGES THAT APPLY	FORECAST CHANGE IN GROSS FLOOR AREA 2021 TO 2031	ADDITIONAL HUE'S 10 YEAR TOTAL
Otāne, Waipukurau, Waipawa	Water, Wastewater, Stormwater	20,000m²	Water – 148 Wastewater – 148 Stormwater - 60
Takapau, Pōrangahau	Water, Wastewater, Stormwater	Nil	Nil

Table 4: Non-residential growth Assumptions and multipliers

	PROPORTION OF GROWTH	M2	MULTIPLIER	WATER	WASTE-WATER	STORMWATER
Commercial / Retail / Office / Community	0.2	4000	GFA	12	12	12
Industrial / Warehouse	0.3	6000	GFA	24	24	18
Restaurants and bars	0.2	4000	GFA	52	52	12
Visitor Accommodation and Residential Services	0.3	6000	Unit / Room @ 30m2 each	60	60	18
Total EHU		**20,000**		**148**	**148**	**60**

4.3 Other Assumptions

- Timing of expenditure – the timing of specific projects is likely to vary over time as they are reliant on actual growth rates, the cost of providing infrastructure, demand for housing, the state of the economy, developer profit margins and many other economic and societal factors that Council has little control over. Council is carefully monitoring the actual level of development and aims to be just ahead of service demands on infrastructure, where it is cost efficient to do so.
- Method of service delivery when Council is providing infrastructure - Council uses both in-house staff and external consultants to fund, design and manage the provision of core infrastructure needed to service forecast growth. Construction is usually done through a tender process by the private sector. This is currently assessed as the most efficient model for delivery. Council will reassess this assumption at least every six years as part of meeting the requirements of section 17A of the LGA.
- Third party funding availability – Council is assuming that there will be no third party funding for growth related infrastructure projects used to calculate the DC charges. If alternative funding for these projects does become available, from Development Agreements or government / regional grants, Council will amend the schedule and reduce total funding required through DCs.

- Debt servicing – From time to time, Council DC activity reserves may be in deficit. This occurs if the required infrastructure is more expensive than the balance of DC revenue already collected. Council will loan fund any required work at this point. Future DC revenue will pay off the loan, including interest. The interest rate charged will be at the average Council rate at that time.

4.3.1 Best Available Knowledge

This DCP is based on the best available knowledge that Council has at the time of adoption. The Project expenditure schedule in Appendix 1 is consistent with the LTP, however may be updated each year and the DCP will be reviewed every three years. As time passes, discrepancies may emerge between historic Council documents and the updated schedule in Appendix 1. For DC purposes the Schedule will prevail.

4.4 Capital Expenditure Council Expects to Incur as a result of growth

Each capital project is identified as renewal, level of service (Rates funded) or growth (DC funded). The total growth costs for each activity covered by this DCP are then divided by the number of additional HEUs in each activity in each catchment, including the non-residential component. This results in DC charges by activity and catchment for each additional HEU.

In determining the total estimated growth component to be funded by DCs, careful consideration was given to those matters listed under sections 101(3) and 106 of the LGA for each individual activity (network infrastructure or community facility). Key considerations included:

- The nature and operation of the activity
- An analysis of who will benefit from the planned capital expenditure work, and
- An analysis of who will cause the need for the planned capital expenditure work.

A more detailed description of each activity, the funding approach taken for each activity and justification for the funding approach taken for each activity is included in Section 6 of this Policy.

The level of service component of Council's identified infrastructure works, relates to increasing the level of infrastructure provision due to higher public expectation, environmental or statutory obligations e.g. environmental standards for water quality or technological improvements Asset Management Plans, for each activity, define the relevant level of service for that activity.

Where the infrastructure works to service growth also result in an increase in the level of service to the community, then the value of the improved service is treated separately. This is noted as Total Level of Service Component in Table 3. Renewal of all assets is also identified separately and makes up the largest proportion of capital expenditure. Levels of service and renewals are not funded through DCs.

4.5 Capital Expenditure Council has already Invested in Anticipation of Development

DCs will also be required to meet the cost of capital expenditure for growth already incurred over the past ten years, but have not yet been funded. This applies only where Council has previously made the decision to carry out the work on the basis that it is to be fully or partly funded by future DCs. Council has a legal requirement to use the funds within 10 years for the purpose they were taken for.

4.6 Unit of Demand

A unit of demand is a Household Equivalent Unit (HEU), the average demand for infrastructure services created by one additional house developed. A DC for network infrastructure is required where additional units of demand are created. A HEU is equivalent to one residential lot containing one residential unit. All residential lots are assumed to contain one HEU as this is efficient, equitable and appropriate. While actual demand will vary between households the impact on infrastructure is assessed as minor.

It is assumed that these demand levels will remain the same for the forecast period. Reviews of the DCP will consider the relativities between residential and non-residential developments.

4.7 Schedules forecast Values

All capital expenditure schedules in this policy are exclusive of GST.

The schedules are in 2021 dollars. Schedules will be updated annually to ensure relevance and transparency. The DC charge applied in future years will be adjusted for inflation using the Producers Price Index Outputs for Construction (PPI) as at 30 June each year and included in the Fees and Charges Schedule of Council.

To enable a simple application of the policy CHBDC has set the minimum unit of demand as an household equivalent unit (HEU). Any activity that in CHBDC's opinion uses CHBDC's network infrastructure to a greater extent than that of a single household unit will be assessed in multiples of household units as covered under the section headed "Extraordinary Users" in this policy.

4.8 Development contributions payable

The development contributions payable for reserves, community infrastructure, water supply, wastewater, stormwater per HEU and catchment as at 1 July 2021 are set out in the following table.

GROWTH GEOGRAPHIC AREA	ACTIVITY	TOTAL GROWTH CAPEX	PER LOT DC
Districtwide	Reserves	$1,568,500	$1,171
	Community Infrastructure	$320,350	$239
			$1,410
Otāne, Waipawa and Waipukurau	Wastewater	$9,461,582	$10,838
	Water	$8,570,973	$9,818
	Stormwater	$2,147,825	$2,736
	Reserves		$1,171
	Community Infrastructure		$239
			$24,802
Takapau	Wastewater	$237,143	$3,205
	Water	$104,109	$1,407
	Stormwater	$112,713	$1,523
	Reserves		$1,171
	Community Infrastructure		$239
			$7,545
Pōrangahau	Wastewater	$962,143	$16,036
	Water	$84,413	$1,735
	Stormwater	$62,713	$1,045
	Reserves		$1,171
	Community Infrastructure		$239
			$20,226

(Prices are as at 1 July 2021 and exclude GST).

5. Assessment of Development Contributions

5.1 Commencement

Relevant applications (as set out in section 3) made on or after 1 July 2021 are subject to assessment for development contributions under this policy. Applications made on or after 1 July 2006 and before 1 July 2021 will be subject to assessment under previous policies. Applications for resource consent may also be subject to assessment for financial contributions under the Operative District Plan.

5.2 Delegation of assessments

Assessments will be made by an officer of Council. Reconsideration of assessments, as described in Section 5 of this Policy, will be made in accordance the delegations provided to the appropriately authorised Officer of Council.

Decisions about whether to enter into development agreements and on what terms will be made in accordance with the delegations provided to the appropriate authorised Officer of Council.

Decisions about waiving or remitting the costs that would otherwise be recoverable in respect of objections, will be made in accordance the delegations provided to the appropriate authorised Officer of Council.

Decisions about remitting development contributions will be made in accordance the delegations provided to the appropriate authorised Officer of Council.

5.3 Applications assessed

Council will assess the following types of applications to determine whether development contributions are required under this policy:

a) Applications for subdivision resource consent under the Resource Management Act 1999 (RMA).

b) Applications for land-use resource consent under the RMA, or for building consent or a Certificate of Acceptance under the Building Act 2004 (Building Act) where the consent/certificate is associated with:

   i. the creation of new dwellings (including relocation of existing houses) on a site

   ii. the creation of new buildings or extension of the gross floor area of buildings

   iii. the change in use of a building

   iv. an increase in the design occupants of a visitor accommodation or residential services activity

   v. an increase in the area of impervious surfaces.

c) Applications for service connection including water, wastewater, trade waste and stormwater.

The assessment will be made against the first consent application lodged for a development and a reassessment made on every subsequent consent application.

The Council will assess subdivision for a non-residential development as a minimum of 1 additional HEU per activity per allotment. The development will be reassessed if there is a subsequent building consent or service connection.

When Council takes a development contribution at subdivision consent stage, the expected principle nature of activities authorised by any existing land use consent for the site and/or, in the underlying Zoning, will determine the type of development contribution payable.

The Council may choose to defer the assessment of land use consents if there are special circumstances. For clarity Council will usually charge a minimum of 1 additional HEU per activity per allotment at the subdivision stage.

Each reassessment will take into account the number of units of demand previously assessed and determine whether the development still generates the same number of units of demand.

Note:

1. Council will not defer assessment of development contributions for residential development.
2. Development Contribution fees will not be deferred for non-residential subdivisions and one or more HEU are payable at resource consent stage with the balance payable at building consent stage when the full scope becomes apparent.
3. Designations are not assessed, but the development may be assessed at building consent stage.
4. Applications for works necessitated by a condition of a consent are not exempt from development contributions.

Process for assessing Development Contributions payable:

Table 6: Process of assessing if Development Contributions are payable

Step 1	Catchment Area	Establish what catchment area the 'development' lies (Appendix 2)
Step 2	Number of HEU's	Establish the number of HEUs created by the 'development' (Section 5.7)
Step 3	Number of HEU's Credit	Establish per activity the 'credits' applicable to the parcel of land (Section 5.10)
Step 4	Number of HEU's payable	Calculate the increase in HUE's
Step 5	Charge per HEU	Establish the development contribution per HUE for that particular catchment area as per Schedule of Charges (Appendix 1)
Step 6	Amount of DC's payable	Calculate the development contributions payable

5.4 Activities for which development contributions are assessed

Applications will be assessed for contributions for five different activities:

- reserves
- community infrastructure
- water supply
- wastewater
- stormwater.

Land Transport is not included in this DCP. The Central Hawke's Bay road network is extensive, servicing a relatively spread population, has severe geotechnical conditions and is subject to weather extremes. The network itself is generally of a good standard and of a high value. No major roading capital expenditure for growth is anticipated. It is however possible that this will need to be revised in the event of an increase in truck and other heavy vehicle movements.

In the event of significant subdivision development, all changes to the road network directly caused by the development (internally and/or externally) are to be completed by the developer at the developers' expense based on the criteria set out in the District Plan under the Financial Contributions as allowed under the RMA. Therefore, no Development Contributions have been assessed or required under this policy.

5.5 Formula for calculating contributions

Contributions (C) for reserves, land transport, water supply, wastewater and stormwater will be calculated according to the following formula: C = H x R

Where:
H = Number of Household Equivalent Units (HEUs) or units of demand calculated in accordance with section 5, less any credits calculated in accordance with section 5.10; and R = The applicable rate per HUE for the type of contribution (activity) and the catchment associated with the development (refer to Appendix 2).

5.6 Catchments

The catchments for charging each type of contribution are set out in Appendix 2, and the rationale further explained in Appendix 4. If for any reason a development or service connection request falls outside the catchment for water, wastewater or stormwater and is still served by the network infrastructure, then the calculation of contributions shall be as if the development or service connection was located within the catchment.

The capital expenditure related to growth is associated with one or more catchments on an activity-basis. The catchments are determined based on key characteristics including geography, service delivery and the nature and complexity of service provision. The catchments can be either local or district-wide. Individual capital works projects are allocated to catchments depending on the nature of the project and the community the project is intended to serve.

For this DCP there is four catchments:

Table 7: Table outlining the catchment areas and activities covered in each catchment

CATCHMENT AREA	ACTIVITY COVERED
Otāne, Waipawa and Waipukurau	Water, Wastewater and Stormwater
Takapau	Water, Wastewater and Stormwater
Pōrangahau	Water, Wastewater and Stormwater
District wide	Reserves and Community Infrastructure

Any development outside of the identified catchments has not been addressed in terms of infrastructure capacity anticipated as part of the existing reticulation network. Any request to extend services or infrastructure outside of the determined areas will need to be specifically assessed through a separate development agreement.

5.7 Assessment of HUES on the basis of multipliers

Subject to Section 5.8 and 5.9, the number of HEUs associated with a development will generally be assessed on the basis of the standard multipliers set out below, less any credits provided for in 5.10.

a) Residential Developments

ACTIVITY FOR WHICH CONTRIBUTIONS ASSESSED	UNIT OF MEASURE	MULTIPLIER (HEU MEASURE)
All	Allotment or 1st dwelling on an allotment	• 1 - (allotments and dwelling units).
All	Every second and subsequent dwelling unit on an allotment.	• 1 - Every second and subsequent dwelling unit on an allotment.

b) Non-residential Developments

The following are based on common factors of average demand. For the three waters the units of demand are set at 100m2 of Gross Floor Area (GFA), then converted to HEUs based on the standard for a residential dwelling. Reserves and Community Infrastructure are zero rated as the demand is primarily generated from households. Developments that are determined by Council as having an impact on network services well above what is covered by the categories below (such as wet industries or a major food processing plant) can be considered as a special assessment (see section 5.9).

Table 9: Non-residential base unit conversion multipliers

NON-RESIDENTIAL CATEGORY	WATER PER 100M² GFA	WASTEWATER PER 100M² GFA	STORMWATER PER 100M² GFA	RESERVES	COMMUNITY INFRASTRUCTURE
Commercial / Retail / Office / Community	0.3	0.3	0.3	Nil	Nil
Industrial / Warehouse	0.4	0.4			
Restaurants and bars	1.3	1.3			
Community Facilities	0.3	0.3			
Visitor Accommodation and Residential Services	0.3 Per Unit / room	0.3 Per Unit / room			

5.8 Additional rules relating to assessment on the basis of multipliers

Each application is assessed as a residential development, non-residential development, or a mixture. Mixed developments are assessed under the provisions that apply to both residential and non-residential developments for the applicable parts of the development.

Units of demand will only be assessed for water or wastewater if a connection to the network is or will be available. Stormwater will only be assessed if the development is within a stormwater catchment area.

Allotments subject to an amalgamation condition, or that will be subject to an amalgamation condition, shall be considered as one allotment for the purpose of calculating HEUs.

Non-residential developments will generally be classified as a single development type, i.e. the one that best represents the dominant or primary activities associated with the development; and ancillary activities will not be considered separately. However, where a development has distinct parts, Council may, in its discretion, consider these parts separately. For example, the wine manufacturing component of a winery may be considered separately from the restaurant component.

Where a non-residential development is not described by the types of non-residential development identified above, the multiplier for the type of development with the most similar demand characteristics will be used.

Outdoor display areas for goods, e.g. garden centre display areas will be included in the calculation of GFA for retail, provided they are formalised areas primarily for display and not storage of goods.

Where a residential and non-residential aspect of a development share a common footprint, the number of HEUs for stormwater shall be based on the approach for non-residential development, i.e. impervious surfaces.

5.9 Special Assessments of HEUs on the basis of actual or anticipated demand

If the actual demand associated with a non-residential development is likely to be significantly different, that is at least 50% more or less than what is implied by the multipliers and demand assumptions in 5.7b, the Council may, in its discretion, choose to calculate the number of HEUs on the basis of the actual anticipated demand (including peak water take, peak wastewater discharge and wastewater content), less any credits provided in 5.10.

This 'special assessment' may be called for at the Council's discretion. The applicant will be expected to provide supporting information and detailed calculations of their development's water supply, wastewater and stormwater demands in base units. Using the standard base unit/HEU conversions (Table 9) these estimates may then be converted to HEU's and charged accordingly. This additional information could be made part of a Section 92 (RMA 1991) request or at requested pre-application stage.

In determining whether to use this alternative calculation Council will consider the likelihood that the demand will change over time and whether, therefore, the standard approach may be more appropriate.

An assessment on the basis of actual anticipated demand shall be made by estimating the actual demand associated with the development for each service in the units of measure set out in 5.7, and dividing this by the demand assumptions for a HEU set out in table 11 in section 6.3. The calculation may be adjusted to reflect other factors that influence the design of infrastructure, peak demand issues and measures to mitigate demand.

5.10 Assessment of credits for historic development

Historic credits acknowledge prior development of the site which has ceased and will be applied against the number of units of demand assessed for a development calculated under 5.3 to 5.9. The following principles shall apply to calculating credits:

- the onus is on the applicant to include details in the application of the historic development
- credits can only be used for a development on the same site and cannot be transferred from one site to another
- the number of credits available is calculated under the policy that applies at the time of the assessment of the new development
- additional credits will not be refunded if the number of units of demand assessed for any activity for the historic development exceed the number of units of demand assessed for the new development. However, the historic development may be considered again when assessing credits for any future development

There are a number of situations where credits may be considered:

- Existing residential dwelling units on site
- Payment of ½ or full rates charges for the water, wastewater or stormwater on the existing lot
- The previous lawfully established activity or lawfully consented buildings on a site
- Credits will not be given if the original activity was non-residential and did not pay or was unlikely to have paid a contribution. This applies to activities that were permitted and did not require any form of consent, but that have placed additional demand on Councils services.
- Cross leases that are separated into 'Fee Simple' titles will not attract contributions if there are no related works on site that will increase demand for Council infrastructure.
- Any vacant section is assumed to have one HEU credit to the extent that it is serviced (if physical connections are not in place no credit may be assumed).
- credits for historic non-residential development will only be awarded if the elements that imply that development (i.e. the buildings, impervious surfaces etc.) were present in the ten years prior to assessment.

5.11 Reductions

The value of the development contribution assessed will be reduced for the following reasons:

a) Esplanade reserves

Esplanade Reserves or strips required under the RMA and associated with the development will be offset against development contributions payable for Reserves, up to the value of the contribution payable. Valuation of the Esplanade Reserve or strip will be GST exclusive and shall be assessed in terms of section 62(1)(b) of the Public Works Act 1981. The date of valuation shall be no more than 12 months before the requirement for the contribution.

b) Special circumstances

Special circumstances may apply in relation to some service connections that may be taken into account to reduce the development contribution payable e.g. a targeted or special rates levy has been agreed pending the installation of a new service and as such provides for that property to connect to the services when commissioned. Under these circumstances the agreement would be honoured and no development contribution would be applied, except for where the demand proposed is greater than that envisaged by the special rate and a development contribution, or part thereof, will be charged.

c) On-site provision of infrastructure

The Council will consider a reduction in the development contribution assessed where the applicant will provide additional infrastructure on-site that reduces the demand for Council infrastructure. This could include:

- Wetlands, storage tanks and rain gardens to limit stormwater run-off and reduce reticulated water usage,
- Onsite pre-treatment of wastewater.

The applicant would need to prove that the additional infrastructure is over and above the standard services required by Council and would directly offset the standard demand for services. An assessment may be carried out by Council to identify how many (if any) HEU's should be deducted from the development contributions calculated under 5.7 and 5.8.

5.12 Remissions

Council will consider requests for remission of development contributions on the following grounds:

- The development is by a non-profit organisation and/or it will provide wide ranging benefits to the public.

Any such request must be made in writing and within 20 working days after the date on which the Council sent notice of the level of development contribution Council requires.

The request must include the following information:

- description of the site and specific application subject to the contribution
- description of the organisation seeking the remission and confirmation that it is a non-profit organisation as defined in the glossary
- description of the benefits that the development will provide to the public and the extent of access to those benefits.

The request will be considered in accordance the delegations provided to the appropriate authorised Officer of Council.

The Authorised Officer will have regard to the following criteria in determining whether to grant a remission and the quantum of the remission:

- the level of the public benefits provided by the activity and the extent of access to those benefits, and
- the development contributions reserve funding available to Council.

Council will give written notice of the outcome of its consideration of the request within 15 working days of its receipt of the request and all relevant information relating to the request.

5.13 Reassessment of a development

Where a development becomes subject to assessment under more than one development contribution policy or version of a policy then the assessment of units of demand under the most recent policy or version shall prevail for the development as a whole.

To avoid doubt, no refund shall be given, or additional contributions required, because the rate per unit of demand has changed.

5.14 Money or land

The LGA provides that a development contribution for Reserves may be money or land, or both. Under this policy the contribution for Reserves shall be made in money unless, at the sole discretion of the Council, land is accepted.

In general, Council will only accept land as a development contribution for Reserves where it is specifically for a recreation, scenic or historic reserve and will be vested as such on subdivision or otherwise classified. However, Council may also accept easements for access etc. to existing Reserves or for recreational purposes. In determining whether to accept land the Council will have regard to existing policies. Drainage reserves and areas within reserves that are used primarily for drainage (e.g. retention pond areas), while they may be accepted by Council, will not form part of a development contribution for Reserves.

5.15 Development agreements

Council reserves the discretion to enter into a Private Development Agreement with a developer for the provision of infrastructure to meet the special needs of development. This scenario is anticipated in circumstances where significant developments occurs and requires new capital expenditure to cater for growth, but no budgeted capital expenditure has been provided or development contribution has been set or the development requires a level of service of a type or scale that is not readily assessed in terms of units of demand. Council may enter into a private developer agreement if:

- The developer has requested in writing that Council enter into an agreement with the developer; or
- Council has requested in writing that the developer enter into an agreement with CHBDC.

The developer must provide information to Council on the demands of the development including detailed calculations in terms of units of demand. The agreement must state departures from the standard process and calculations and the reasons for entering the agreement. The agreement must also specify land to be vested in Council, works to be undertaken on or off-site, timeframes for when infrastructure will be provided and financial contributions for the provision or upgrading of existing services. Council may:

- accept the request;
- accept the request in part;
- decline the request; or
- accept the request subject to any agreed amendments.

Council must provide the developer with written notice of its decision and the reasons for it.

A developer who receives a request from CHBDC to enter into a developer agreement may in a written response to Council accept the request in whole or part subject to any agreed amendments or decline the request.

Note: Further details about development agreements, including the process Council must follow when receiving a request for a development agreement, the content and effect of a development agreement, are set out in sections 207A to 207F of the LGA.

5.16 Payment Due Dates

The following table summarises when a development contribution invoice is generated and required to be paid. In most instances the invoice will be generated at the time an application for Code Compliance Certificate, Certificate of Acceptance or 224c is made, unless requested earlier.

Table 10: Summary of Invoicing and Payment

APPLICATION TYPE	TIMING OF ACTION
Land use	An invoice will be issued at the time the Land Use resource consent is granted. Payment must be made within 20 days of the invoice being issued on granting the consent, and / or before the Land Use is given effect to.
Service Connection Request (where a building consent is not lodged/required)	An invoice will be issued at the time the connection request is approved and payment is due within 20 days of the invoice being issued. Payment must be made prior to any connection being made.
Building consent	An invoice can be requested at any time by the applicant. If no invoice is requested, an invoice will be issued automatically at the time of application for Code Compliance Certificate or Certificate of Acceptance. Payment must be made prior to Issue of the Code Compliance Certificate or Certificate of Acceptance.
Resource Consent (subdivision)	An invoice can be requested at any time by the applicant. If no invoice is requested, an invoice will be issued automatically at the time of application for 224c. Payment must be made prior to issue of the 224c.

5.17 Enforcement Powers

Council may recover debt through normal court action.

Until development contributions required in relation to a development have been paid Council may also, pursuant to section 208 of the LGA:

- In the case of a development contribution required when granting resource consent under the RMA, withhold the section 224(c) certificate on a subdivision and prevent the start of a resource consent
- In the case of a development contribution required when granting a building consent under the Building Act, withhold the Code of Compliance Certificate
- In the case of a development contribution required when granting a Certificate of Acceptance, withhold the Certificate of Acceptance
- In the case of a development contribution required for an authorisation for a service connection, withhold that service connection
- In each case, register the unpaid development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

5.18 Refunds

A refund of money or return of land will occur in the circumstances set out in sections 209 (development does not proceed) and 210 (Council does not spend) of the LGA where applicable.

5.19 Postponements

Postponements on payment of a development contribution will not be applied.

5.20 Reconsideration Process

As set out in section 199A(1) of the LGA, any person required by Council to make a development contribution may request a reconsideration of the requirement if they believe that:

- the development contribution was incorrectly calculated or assessed under the territorial authority's development contributions policy; or
- the territorial authority incorrectly applied its development contributions policy; or
- the information used to assess the person's development against the development contributions policy, or
- the way the territorial authority recorded or used it when requiring a development contribution, was incomplete or contained errors.

As set out in section 199A(4) a person may not apply for a reconsideration of a requirement for development contributions if they have already lodged an objection to that requirement under section 199C and Schedule 13A of the LGA.

Any such request must be made in writing within 10 working days after the date on which the person lodging the request for the reconsideration received notice from the Council of the level of development contribution Council requires.

The request must clearly state the site and specific application subject to the contribution, the particular contribution(s) to be reviewed, and any matters the person would like Council to take into consideration when undertaking the review.

The reconsideration will be undertaken in accordance the delegations provided to the appropriate authorised Officer of Council.

The reconsideration will be limited to consideration of the grounds for reconsideration listed in the bullets in this section.

Council will give written notice of the outcome of its reconsideration within 15 working days of its receipt of the request and all relevant information relating to the request.

Note: The LGA also provides a process for persons to object to development contributions assessed and for decisions on objections to be made by independent development contribution commissioners. Refer to Schedule 13A of the LGA for further details.

5.21 Other Matters

Goods and services tax (GST)

Once all the development contribution calculations are complete, GST shall be added to the final invoice as required by the legislation and/or regulation of the day.

Valuations

Where it is necessary to value land to ensure the maximum contribution requirement in section 203(1)of the LGA is not exceeded, or to assess the value of an Esplanade Reserve or contribution in land, the value shall be assessed in terms of section 62(1)(b) of the Public Works Act 1981. The date of valuation shall be no more than 12 months before the requirement for the contribution.

In addition, where it is necessary to value land to ensure the maximum contribution requirement for Reserves in section 203(1) LGA is not exceeded, valuation of the additional allotments created by subdivision shall be calculated as the average value (the mean) of all post-development allotments intended or capable of supporting residential development.

Applications to vary consents or the conditions of consent

Where applications are received to vary a consent or the conditions of a consent, a new assessment will be made reflecting any increase or reduction on the demand for infrastructure and/or services that would result in a change to the HUEs relating to the original consent application.

Council developments

Council is exempt from paying any development contributions on any development that itself is a capital expenditure for which development contributions are required. Council is otherwise required to pay development contributions as assessed under the policy.

6. Explanation of the Method for Development of the Schedule of Charges

6.1 Relevant provisions in the Local Government Act 2002

Relevant provisions in the LGA that provide the legislative framework for this DCP include the following:

- Section 197AA and 197AB provides the purpose and principles for development contributions
- Section 199 provides the basis on which development contributions may be required.

Subsection (2) clarifies that Council may require a development contribution in relation to capital expenditure already incurred by the territorial authority in anticipation of the development.

Subsection (3) states that in subsection (1), effect includes the cumulative effects that a development may have in combination with other developments.

Section 203 (1) sets the maximum contributions for reserves and for network infrastructure and community infrastructure - Development contributions for reserves must not exceed the greater of:

- 7.5% of the value of the additional allotments created by a subdivision, and
- the value equivalent of 20 square metres of land for each additional household unit created by the development.

Development contributions for network or community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand by the number of units of demand assessed for a development or type of development (Clause 1 and 2 of Schedule 13 of the LGA).

Schedule 13 contains the general methodology for determining the maximum development contribution. In short, this requires identification of the capital expenditure costs, as set out in the LTP, which the Council expects to incur to meet increased demand resulting from growth and to attribute these costs to units of demand.

Clause 2 of Schedule 13 of the LGA, further requires that Council demonstrate that the units of demand are attributed to developments on a consistent and equitable basis.

6.2 The Capital Works Programme

Development contributions are only charged in relation to capital projects identified in the LTP. This includes both current projects identified in the Activity Management plans, as well as past

projects. These are listed in Appendix 1. The Capital Works Programme is founded on a range of considerations including:

- Provisions of the LGA, such as the purpose of local government (Section 10), decision-making requirements (sections 76-81), the principles relating to local government (Section 14)
- The community outcomes identified in the Long Term Plan under the LGA
- Projections of growth and other changes in the community which could drive changes in demand
- service provision levels and standards, which define the services being provided to the community in terms of criteria
- plans and strategies.

Other types of network and community infrastructure capital projects could potentially be considered for development contributions in the future.

Council has used the best information available at the time of developing this policy to estimate the capital expenditure. However, it is likely that actual costs will differ from estimated costs due to factors beyond the Council's control, such as changes in the price of raw materials, labour, etc and the timing of capital works taking place.

6.3 Unit of Demand

The Household Equivalent Unit (HUE) is the base unit of demand used to apportion costs between different types of development in the calculation of development contributions. It represents the assumed demand for the service generated by an average household.

Units of demand can be assessed at subdivision, land use and building consent stages. It is Council's preference to assess and apply a development contribution at the first stage of development, namely the subdivision consent stage. Individual developments may create multiple units of demand for any of the given community facilities.

This table contains the demand assumptions for an independent household unit (i.e. one unit of demand or 1 'HEU'). The demand assumptions were used to develop the multipliers used to attribute units of demand to non-residential developments. They are also used to attribute units of demand to developments assessed as a special assessment under section 5.9.

Table 11: Demand assumptions for an HEU

ACTIVITY	UNIT OF MEASUREMENT FOR HEU	DEMAND PER HEU	COMMENTS
Reserves	Apportionment of total demand on Reserves	1 apportionment	
Community Infrastructure	Apportionment of total demand on Community Infrastructure	1 apportionment	
Water	Daily flow	820 litres per day	
Wastewater	Daily flow	615 litres per day	
Stormwater	Impervious surface area	340 m^2	Excludes impervious surfaces associated with roads or other public land.

Every dwelling is assumed to represent one HEU of demand for each service.

Section 5.7 sets out the multipliers used to calculate the number of HEUs associated with non-residential development. In essence, these multipliers represent the assumed typical relationship between the demand generated by non-residential development and the demand generated by households. Similar multipliers are used to convert the growth model to HEUs in the funding model.

6.4 Measurements to determine Units of Demand for Activities

Different types of measurements are used to allocate units of demand for each activity for residential and non-residential developments (refer Section 6.3).

For all activities a differentiation is made between residential and non-residential development due to the demand they place on the network activities. The catchment areas are defined for each activity as shown on the maps in Appendix 2.

The HEU divisor needs to account for both residential growth and non-residential growth. Residential is assumed at 1 HEU per additional allotment. Non-residential growth is converted to HEUs using the following assumptions:

- Water = 1 HEU per 0.84 m3 per day usage
- Wastewater = 1 HEU per 0.6145 m3 per day of discharge
- Stormwater = 1 HEU per 340 m2 of impervious surface area (ISA), including roof area
- Reserves and Community Infrastructure = 1 HEU per additional allotment.

There will be circumstances where no HEU assessment is necessary. For example, where the development is providing all its own infrastructure, thereby creating no demand on Council assets.

The following provides a specific explanation of units of demand allocated for each activity. Increasingly Councils are managing the three waters as integrated networks. Each impacts on the others and growth and capacity requirements have to be managed across the three activities. This is driving the integration of the Otāne, Waipawa and Waipukurau urban three waters networks.

Contributions for water, wastewater and stormwater will be used for the works identified, but can generally be described as:

- increasing the capacity of pipes, pumps, and storage, treatment and disposal facilities
- providing new pipes, pumps, and storage, treatment and disposal facilities
- extension of piped infrastructure to service additional areas
- increasing the capacity of drains, culverts and other structures
- extension of the drainage network to service other areas
- land purchase and easements
- modelling networks to assess the impact of development
- design and consenting costs which form part of the capital work projects

6.4.1 Water Supply

For the purposes of DC's, interdependence within the networks creates a need for integrated management of the operation of the necessary components. As such, the management and professional services of Water is undertaken with District urban supply and demand issues in mind. The catchments have been split into the following for the direct catchment operations:

- Otāne, Waipawa and Waipukurau – operating as an interconnected network with supply pipes linked.
- Takapau
- Pōrangahau

An amount of 100% growth has been assumed where the works are purely to service future development and include extensions of the existing network to and within future development areas. Where existing reticulation is being duplicated or upgraded, and there are currently deficiencies in the level of service, i.e. marginal capacity with regard to firefighting capacity or low-pressures during peak demand, a proportion of the cost has been included as level of service.

A development contribution for the reticulated water network will be based on the value of future identified growth works, and any works already completed since June 2021 for the key network in anticipation of growth. All new developments in the reticulated water network will be subject to a development contribution.

All growth works within the service catchment are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. All components of the network also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified key network add to the capacity of the existing network directly.

6.4.2 Wastewater

For the purposes of DCs, like the water network, the interdependence within the networks creates a need for integrated management of the operation of the necessary components. As such, the management and professional services of Wastewater is undertaken with District urban treatment and discharge and demand issues in mind. The catchments have been split into the following for the direct catchment operations:

- Otāne, Waipawa and Waipukurau – operates as an interconnected network with planned investment in a combined treatment plant.
- Takapau
- Pōrangahau

The infrastructure works identified include significant upgrades to the existing trunk sewer network in Waipawa and Waipukurau, treatment plants and some pump stations to provide capacity for future growth. Generally, the growth component for trunk and pump station upgrades and treatment plants is assessed at between 0% and 50%. Extension of the wastewater network or new pump stations are assessed as 100% growth component.

A development contribution for the wastewater service catchments will be based on the value of future identified growth works, and any works already completed since June 2021 for the key network in anticipation of growth. All new developments in the above wastewater service catchments will be subject to a development contribution.

All growth works within the service catchment are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. All components of the network also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified key network add to the capacity of the existing network directly.

6.4.3 Stormwater

Like the water and wastewater networks, each stormwater network is defined using an integrated catchment approach as all stormwater runoff within each urban catchment area has to be catered for, regardless of where the stormwater originates from. Runoff from areas with no stormwater issues flows into areas that do require capital works, so all areas are covered by the catchment area. The network has interdependent network components and there is an integrated system of services and facilities designed to protect property from flooding and improving water quality.

Stormwater infrastructure development within the catchments will be based on compliance as outlined in Operative District Plan or any future District Plan, and the network capacity, under a fully developed catchment scenario. The catchments are:

- Otāne, Waipawa and Waipukurau – operates as a interconnected network with planned investment in a combined treatment plant.
- Takapau
- Pōrangahau

A stormwater development contribution for each of these catchments is based on the value of future growth components, and any works already completed since June 2021, to be located within the entire catchment in order to meet the defined level of service under the fully developed catchment scenario.

All new developments in the defined service catchments will be subject to a development contribution. Additional development in areas with existing developed stormwater assets still creates additional runoff and this has to be catered for as it flows through the network. Additional development in partially developed or

new areas can have a significant effect on the demand for additional stormwater infrastructure including secondary flow paths.

The standard allotment area of residential development and hence information related to site coverage and impermeable surface area (ISA) has been used to calculate a unit of demand. Note these are relative units of demand between each type of development. All residential development is assumed to create one HEU. All non-residential development is assessed on the amount of ISA (site coverage) compared with residential development, with a minimum of one HEU.

HEUs are based on the typical residential unit. Houses have been increasing in size for many years, and lot sizes have been declining. With driveways and paths the ISA of an average residential lot is now assessed at 340 m^2. This is the ISA used to determine the number of HEUs for each non-residential development.

6.4.4 Reserves and other Community Infrastructure

The Reserves and Community Infrastructure assets are composed of two distinct parts. They are: land identified as reserve for recreational purposes ("reserves"), and infrastructure associated with that identified land or other land owned or controlled by the Council for public amenities ("community infrastructure").

Community infrastructure is composed of capital developments and facilities associated with the identified reserves and other land owned or controlled by the Council. This includes, but is not limited to playgrounds, administration buildings, carparks, landfills, libraries and recreational complexes, and public toilets – both on and off reserves.

The reserves and community infrastructure provide active and passive recreational facilities to the District community. For new community infrastructure, park and reserve facilities established specifically for new growth areas, 100% of these infrastructure works are to be funded by growth. For new facilities that include improvements to existing levels of service, various proportions of the cost have been attributed to future growth over the next 10 years depending on the details of each project.

The Development Contributions are district wide and are based on the value of identified future provision, and any works already completed since June 2021, of district wide parks, reserves and community infrastructure associated with growth.

Increased numbers of households and residents create additional demand for sportsfields, passive reserves, libraries, administration buildings, walkways and associated assets such as toilets and playgrounds. Council purchases key new land for reserves significantly before the developments are completed in order to minimise the cost of land purchase and reduce unnecessary servicing costs.

All residential and rural developments in the District specified in the Reserves and Community Infrastructure map in Appendix 2 will pay a DC for reserves and other community infrastructure. DCs will not be charged on non-residential development, or the non-residential component of mixed use developments.

The assumed demand for parks reserves and other community infrastructure is created and driven as a result of additional people, or residential households, being located within the District. Increased demand for parks reserves and other community infrastructure can come from anywhere within the defined area from residential and rural development. Non-residential development generally has no impact on the demand for reserves and community infrastructure networks and therefore DCs for Reserves and other community infrastructure do not apply.

All residential and rural development is assumed to create one unit of demand. All non-residential development is assumed to create zero units of demand.

6.5 Assessment of growth model

Council has developed growth projections for the period 2021-2051 to estimate future growth within the CHB district. This underpins the development of the policy at two levels. Firstly, as growth drives changes in demand on infrastructure, the growth projections are a foundation for the capital works programme. Secondly, the growth projections are converted into HEUs to model funding and to calculate the development contribution charge (refer to section 5).

The growth projections address three indicators of growth:

- resident population
- households
- gross floor area of non-residential activities.

The full forecasts are available from Councils website and accessible here.

6.6 Key risks/effects associated with growth projections

Growth projections are subject to uncertainties as to the quantum, timing and location of growth. There is a risk that the growth projections in the model will not eventuate, resulting in a change to the assumed demands on community facilities. This could result in the over-provision of infrastructure. Furthermore, if the total

amount of growth is less than projected, then the proportion of capital expenditure recovered through development contributions will be less than expected. As a consequence, there may be increased debt servicing costs to Council. Council will continue to monitor the rate of growth and will update outcomes in the growth and funding models as required.

Under-assessing growth, on the other hand, may result in the under-provision of infrastructure to meet the future demand for services.

6.7 Identification of growth expenditure and funding mechanisms

General approach

A schedule of the capital expenditure identified in the LTP that Council expects to incur to meet the increased demand for community facilities resulting from growth is contained in Appendix 1. The proportion of this expenditure that Council expects to fund from development contributions is also indicated.

In determining the growth expenditure and associated funding mechanisms, an analysis is undertaken at three levels:

1. **Activity Level**
   The range of funding mechanisms (consistent with the Revenue and Financing Policy) is identified at the activity level and an initial analysis is made of the considerations in the LGA, including section 101(3).
2. **Programme Level**
   Further consideration is given to the considerations in the LGA and their implications for funding.
3. **Project Level**
   At the project level, the drivers for the project are reviewed and a cost allocation process is undertaken to separate the costs into three drivers (growth, level of service and renewal).

A catchment is then identified for the project and the funding model applied to provide an indication of the 'raw development contributions charge' required to fund the growth component. Further consideration is then given to appropriate funding mechanisms, building on the analysis at the activity and programme level and the considerations in the LGA. This may result in re-consideration of the drivers and cost allocation process.

In general terms, Council has determined to use development contributions to fund the portion of capital indicated in Appendix 1 because:

a. the portion of capital expenditure identified relates to the growth community in terms of sections 101(3)(a)(ii) (beneficiaries) and/or 101(3)(a)(iv) (exacerbators). Development contributions provide a means of directing funding to the growth community.
b. Council recognises that liability for rates is increasingly putting pressure on the social wellbeing of the community and the use of this alternative source of funding will have the benefit of easing the burden of rates.
c. Council wishes to keep debt levels within the covenants identified in its Financial Strategy.

6.8 Cost Allocation

Council makes a judgement about whether the assets being created will provide additional capacity or improve Level of Service (LOS) / renewals and therefore who benefits, the existing users, or the growth users. For this policy Council has only looked at the capital projects for water, wastewater, stormwater, reserves and community infrastructure.

The capital expenditure and benefit allocation in this policy is analysed in the following way:

- Renewal expenditure: this benefits the existing user only and replaces the existing asset base
- Backlog expenditure: new asset capacity is of benefit to the existing user only, to meet the short fall in the current Level of Service
- New services expenditure: capital expenditure to provide benefits to both the existing and the growth user on a pro-rata basis
- Growth expenditure: that which benefits and is needed by the projected growth in the community, estimated over the next 10 years. The life of the LTP. Asset capacity which provides benefits beyond that period will be allocated to future growth communities and may form part of future Development Contribution Policy.

The Level of Service supplied for these activities generates a benefit that is enjoyed by the whole community, both existing and growth users. There is no mechanism to exclude one group from the other. Similarly, both existing and growth users share proportionately in the benefits of excess capacity up to the point that it is consumed by the expanding community.

There is recognition of transitional benefits to both the existing community and the incoming growth community that may occur in some circumstances as a result of excess capacity provided in anticipation of growth. This is often perceived as an improvement in Level of Service, but if there has been no change in the planned Level of Service this is an 'improvement' that will be eroded over time as growth takes up that additional capacity. Council's cost allocation methodology takes account of this transitional benefit where appropriate and allocates it between the growth community and the existing community.

It is recognised that there are components built into the existing network with excess capacity which will benefit the growth community. Some of these components are included in the development contributions calculations as past projects with residual capacity for anticipated growth. Therefore, the growth community benefits from some significant past capital expenditure without incurring any additional charges.

The process of cost and benefit allocation is undertaken using a modelling tool, this model records:

- The judgements made about the drivers of a project i.e. the reasons Council has undertaken the project and who will benefit from the project.
- The model assists in making and recording the allocation of costs between the beneficiaries.
- The model apportions the cost of infrastructure that can be attributed to the existing and growth communities.

Council has, after deliberations and having regard to considerations of fairness and equity under section 197AB of the LGA and the overall impact on the commencing of development contributions under section 101(3) (b), of the LGA, elected to use a rate of 100% for DCs on any identified growth capital work listed in the LTP as cost of development.

The decision to take this action was made by considering the following to:

- Provide reasonable consistency to the growth community of the level of charges (both across all networks and over time),
- Provide fairness and equity to existing ratepayers,
- Recognise the costs to the existing community of sustainable District-wide growth and Council's role in the development cycle that has longer timeframes than other parties,
- Ensure optimal environmental outcomes and to protect public health.

Therefore, the model we currently use sets the sharing of benefits as follows:

- 100% for new or growth users of the identified infrastructure

All changes to the utility network directly caused by the development (internally or externally) are to be constructed by the developer at the developers' expense and completed to CHBDC standards. The developer will therefore meet the full actual cost of the water supply, wastewater or stormwater disposal system to the development.

6.9 Funding Model

The funding model is used to calculate the development contribution charges, per HEU, by activity and catchment. Each contribution charge represents the sum of the Development Contributions charges calculated for the projects within the activity.

Essentially, the funding model divides the growth portion of cost of each project (identified using the cost allocation process) by the number of Household Equivalent Units projected for the catchment over the funding period for the project, also allowing for:

- interest credited, when income from development contributions is projected to exceed the amount spent on the project
- interest on debt, when the amount spent on the project is projected to exceed the income received from development contributions
- the effects of inflation on costs, using the Statistics NZ Producers Price Index Outputs for Construction (PPI) as at 30 June each year.

It is assumed that by the end of the funding period the debt owing on each project is zero.

Interest rates are subject to fluctuation and will be reviewed at each policy review.

6.10 Aggregation of the contribution

Once funding mechanisms have been decided at the project level, the development contributions per HEU are aggregated by catchment and activity to determine the rates per HEU. These are listed in Section 4.

7. Review of the Policy and Revision of the Schedule

7.1 Review of Policy

It is anticipated that a new DCP will be developed or reviewed with each LTP, or at shorter intervals if Council considers necessary, to take account of significant changes to:

- The DCP
- policy and strategic plans
- the capital works programme accounting for growth
- the pattern and distribution of development in the district
- anticipated inflation or interest rates
- any other matters Council considers relevant.

7.2 Revision of the schedule of contributions

Council may also revise the schedule of contributions (Appendix 1) with each Annual Plan to reflect significant differences between actual capital costs incurred and the anticipated costs in the capital work programme.

8. Glossary of Terms

Allotment	Has the same meaning as sections 2 and 218 of the RMA.
Backlog	That portion of a project that relates to historical catch-up to meet the required level of service for the existing community.
Building	Any structure having a roof supported by columns or walls used or intended to be used for the shelter or enclosure of persons, animals or property of any kind.
Commercial / Retail / Office / Community	Property and business services (e.g. real estate, architects), retail, finance and insurance services, personal services (e,g. beauticians), government administration (e.g. courts, local government), commercial cultural and recreational services (e.g. tourism operators, cinemas), service stations and offices. Medical services (eg doctors, optometrists, hospitals), veterinary services, dental services, community care services (excludes accommodation).
Community Facilities	Has the same meaning as section 5 of the LGA - reserves, network infrastructure or community infrastructure for which development contributions may be required in accordance with s199 of the LGA.
Community Infrastructure	For the purpose of classifying developments for calculating HEUs means libraries, halls, churches, club rooms, landfills, sports facilities, places of assembly, museums, etc.
Cost Allocation	The allocation of the capital costs of a project to the various drivers for the project, such as renewal, catch-up (backlog), and additional capacity to meet growth.
Development	As set out in the LGA 2002 S197 Any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but does not include the pipes or lines of a network utility operator.
Development Contribution/DC	As set out in the LGA 2002 S197 means a contribution provided for in a development contribution policy included in the long-term plan of a territorial authority; and calculated in accordance with the methodology; and comprising (i) money; or (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or (iii) both
DCP	Development Contributions Policy
Dwelling Unit	A building (or part of any building) in which a single housekeeping unit resides or could potentially reside.
HEU / Household Equivalent Unit	The unit of demand that relates demand of developments for community facilities to the typical demand by an average household. It forms the basis of assessing development contributions.
GFA / Gross Floor Area	The total of the area of the floors of all buildings, measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two buildings or, in the absence of walls, from the exterior edge of the floor. Gross Floor Area shall include floor spaces in roofed terraces, balconies and porches. Gross Floor Area shall exclude: • service station canopies • covered pedestrian circulation areas.
GST	Goods and Services Tax.

Headworks	Headworks describe the pumping station/treatment/Bores etc. part of the network. For Water this occurs at the start of the network where the water is extracted from the bores. For Wastewater and Stormwater headworks means the main pumping stations, treatment ponds, discharge structures etc that occur at the end of the network.
Impervious Surface Area/ISA	Hard surface area which either prevents or retards the entry of water into the soil mantle as it entered under natural conditions pre-existent to development, or that hard surface area which causes water to run off the surface in greater quantities or at an increased rate of flow from that present under natural conditions pre-existent to development. Common impervious surfaces include, but are not limited to, rooftops (concrete or asphalt), walkways, patios, driveways, parking lots or storage areas, and oiled, macadam or other surfaces which similarly impede the natural infiltration of surface water.
Industrial / warehouse	Manufacturing and processing activities of a substantial size, e.g. steel fabrication, food processing factories, timber processing, packing houses. Activities primarily involving the storage of goods or property, including warehousing, depots, and wholesaling activities for agriculture / forestry.
LGA	Local Government Act 2002
Lot	Lot is deemed to have the same meaning as 'Allotment' under both the Local Government Act 2002, and the Resource Management Act 1991.
LTP	Long Term Plan
Non-profit Organisation	Any society, association, organisation or registered charitable trust that: • Is not carried out for the profit or gain of any member; and • Has rules that do not allow money or property to be distributed to any of its members. For the avoidance of doubt, non-commercial Council activities will be considered non-profit organisations for the purpose of the remissions.
Network Infrastructure	The provision of roads and other transport, water, wastewater, and stormwater collection and management
RMA	Resource Management Act 1991
Renewal	That portion of project expenditure that has already been funded through depreciation of the existing asset
Residential Allotment	An allotment zoned Residential or Rural in the Combined Regional Land and District Plan and capable of development for residential purposes.
Restaurants /bars	Activities where food is prepared on-site and/or drinks are sold and consumed on-site (whether private or public).
Service Connection	A physical connection to a service provided by, or on behalf of, CHBDC, including roads and water, wastewater, stormwater reticulation.
Subdivision	Subdivision is deemed to have the same meaning as 'subdivision' under the Resource Management Act 1991.
Visitor Accommodation and Residential Services	Hotels, motels, backpackers, campgrounds, etc. Residential care facilities, e.g. aged care homes

9. Appendices

Appendix 1 – Project Schedule

Appendix 2 – Geographic Catchments

Appendix 3 – Development Contributions Calculations - Examples

Appendix 4 - Appendix 4 - Analysis of Benefits – Section 101(3) LGA Requirements

9.1 Appendix 1 – Project Schedule

For development in the Areas shown in the activity Maps in Appendix 2

Community Infrastructure

PROJECT NAME	YEARS OF PLANNED EXPENDITURE	TOTAL ESTIMATED CAPITAL EXPENDITURE	FUNDED FROM FUTURE DEVELOPMENT CONTRIBUTIONS (GROWTH COMPONENT) IN $ 2021	FUNDED FROM RATES / LOANS	FUNDED FROM EXTERNAL SOURCES
Waipukurau Campground Development of new toilet block	2023/24	250,000	12,500	237,500	
New WPK Library Building Construction and FFE	2028 -2030	2,018,000	100,900	1,917,100	
CHBDC Admin Building Strengthen & Modernisation	2026/27	1,789,000	89,450	1,699,550	
District Landfill New cell for Landfill extension	2025/26	2,000,000	100,000	1,900,000	
Transfer Station Capex New Waipukurau Weighbridge	2025/26	150,000	7,500	142,500	
Public Toilets Russell Park New toilet & changing rooms	2025/26	200,000	10,000	10,000	
Total Community Infrastructure Projects Growth related		$6,407,000	**320,350**	5,944,150	
Reserve Balance as at June 2020			**Nil**		
Total to be funded from Development Contributions			**320,350**		

Water

PROJECT NAME	YEARS OF PLANNED EXPENDITURE	TOTAL ESTIMATED CAPITAL EXPENDITURE	FUNDED FROM FUTURE DEVELOPMENT CONTRIBUTIONS (GROWTH COMPONENT) IN $ 2021	FUNDED FROM RATES / LOANS	FUNDED FROM EXTERNAL SOURCES
Developer led projects		500,000	500,000	-	
Structure Planning for growths		450,000	450,000	-	
Upgrades for growth (District wide)		760,435	760,435	-	
Waipawa water mains replacement and upsize		1,861,000	372,200	1,488,800	
Great North Rd - High St Main Replacement and upsize		200,000	66,000	134,000	
Waipawa Reservoir Replacement		2,500,000	825,000	1,675,000	
Waipukurau water mains replacement and upsize		1,861,000	372,200	1,488,800	
Waipukurau Second Supply		7,166,000	2,364,780	4,801,220	
Hunter Park Reservoir Replacement		1,500,000	495,000	1,005,000	
Pukeora Reservoir Replacement		4,500,000	1,485,000	3,015,000	
SH2 Replacement and upsize AC Main (Risk)		1,500,000	495,000	1,005,000	
Waipawa Water Supply Capital Renewals	2020/21	160,904	8,045	152,859	
Waipawa Water Supply Capital Projects	2020/21	160,904	16,090	144,814	
Waipukurau Water Capital Renewal	2020/21	294,990	14,750	280,240	
Waipukurau Water Supply Capital Projects	2020/21	1,829,490	182,949	1,646,541	
Water treatment plant improvements	2021 - 2024	200,000	20,000	180,000	
Reticulation renewal including pipes and other assets	2021 - 2031	6,658,680	332,934	6,325,746	
District Water Capital Renewal	2020/21	376,145	18,807	357,338	
Total Water Projects Growth related		32,479,548	**8,779,190**	23,700,358	
Reserve Balance as at June 2020			Less surplus 34,128		
Total to be funded from Development Contributions – Water			**8,745,062**		

Wastewater

PROJECT NAME	YEARS OF PLANNED EXPENDITURE	TOTAL ESTIMATED CAPITAL EXPENDITURE	FUNDED FROM FUTURE DEVELOPMENT CONTRIBUTIONS (GROWTH COMPONENT) IN $ 2021	FUNDED FROM RATES / LOANS	FUNDED FROM EXTERNAL SOURCES
Reticulation renewal and upsizing pipes and other reticulation		3,138,042	1,569,021	1,569,021	
Developer led projects		500,000	500,000	-	
Great North Rd link Abbotsford to Tamumu for Barret property		350,000	175,000	175,000	
Upsize Mt Herbert main for hospital		1,381,000	690,500	690,500	
Growth - WPK Old Saleyards / Industrial area		1,381,000	690,500	690,500	
Structure plan for growth		260,000	260,000	-	
Racecourse Road parallel main		1,231,000	1,231,000	-	
Winlove to Svenson Hospital Site enablement		1,531,000	1,531,000	-	
Pōrangahau wastewater treatment and discharge upgrade	2021 - 2030	17,000,000	850,000	16,150,000	
Takapau wastewater treatment and discharge upgrade	2021 - 2026	2,500,000	125,000	2,375,000	
Waipukurau / Waipawa / Otāne wastewater treatment and discharge upgrade	2021 - 2031	45,300,000	2,265,000	43,035,000	2,400,000
District Sewer Capital Renewal	2020/21	258,877	12,944	245,933	
District Sewer Capital Improvements	2020/21	1,609,038	160,904	1,448,134	
Waipukurau industrial reticulation review	2029 - 2031	6,000,000	600,000	5,400,000	
Total Wastewater Projects Growth related		**82,439,957**	**10,660,869**	**71,779,088**	**2,400,000**
Reserve Balance as at June 2020			Less surplus $118,428		
Total to be funded from Development Contributions – Wastewater			**$10,542,441**		

Stormwater

PROJECT NAME	YEARS OF PLANNED EXPENDITURE	TOTAL ESTIMATED CAPITAL EXPENDITURE	FUNDED FROM FUTURE DEVELOPMENT CONTRIBUTIONS (GROWTH COMPONENT) IN $ 2021	FUNDED FROM RATES / LOANS	FUNDED FROM EXTERNAL SOURCES
Developer led projects		1,000,000	1,000,000	-	
Structure Planning for growth		180,000	180,000	-	
Waipawa Shortfalls in existing assets		500,000	165,000	335,000	
Bush Drain Restoration and upsizing		100,000	50,000	50,000	
Pah Flat Drain Channel Upgrade and treatment for growth		300,000	150,000	150,000	
Improve performance of open drain racecourse road for growth		90,000	45,000	45,000	
Eastern Interceptor capacity increase to fit in with sewer works		600,000	300,000	300,000	
Otāne Shortfalls in existing assets	2021 - 2031	500,000	50,000	450,000	
Takapau Shortfalls in existing assets	2021 - 2031	500,000	50,000	450,000	
Waipawa - Parkland infrastructure improvements	2025 - 2026	90,000	9,000	81,000	
Waipukurau Shortfalls in existing assets	2021 - 2031	1,750,000	175,000	1,575,000	
Waipukurau CBD Flooding Upgrade	2023 - 2025	500,000	75,000	425,000	
Reticulation renewal including pipes and other assets	2021 - 2031	1,485,000	74,250	1,410,750	
Total Stormwater Projects Growth related		**7,595,000**	**2,323,250**	**5,271,750**	
Reserve Balance as at June 2020			Less surplus $7,668		
Total to be funded from Development Contributions – Stormwater			**$2,315,582**		

Reserves

PROJECT NAME	YEARS OF PLANNED EXPENDITURE	TOTAL ESTIMATED CAPITAL EXPENDITURE	FUNDED FROM FUTURE DEVELOPMENT CONTRIBUTIONS (GROWTH COMPONENT) IN $ 2021	FUNDED FROM RATES / LOANS	FUNDED FROM EXTERNAL SOURCES
Otāne - Main Street upgrade - Concept, Design, Construct		240,000	12,000	228,000	
Districtwide Implementation of Cycling and walking Strategy		375,000	18,750	356,250	
Waipawa - Nelly Jull Connection - Land Acquisition to SH2		210,000	10,500	199,500	
Waipawa - Nelly Jull Connection - Demolition and dev		150,000	7,500	142,500	
Waipawa - Implement Town Centre Master Plan		250,000	12,500	237,500	
Waipukurau - Town Centre Plan Development		200,000	10,000	190,000	
Ongaonga - Upgrade Main Street Tree Planting, furniture		65,000	3,250	61,750	
Takapau - Upgrade Main Street Tree Planting, furniture		165,000	8,250	156,750	
Districtwide - Implementation of Cycling Strategy		250,000	12,500	237,500	
Waipawa - Bush Drain Walkway Land Purchase		420,000	21,000	399,000	
Waipukurau - Holt Place to Pōrangahau RD Accessway Development		270,000	13,500	256,500	
Waipukurau - Mt Herbert RD to Tukituki Trails Accessway Land Acquisition		200,000	10,000	190,000	
Waipukurau - Mt Herbert RD to Tukituki Trails Development		75,000	3,750	71,250	
Waipukurau - Svenson RD to Mount Herbert RR Accessway Land Acquisition		300,000	15,000	285,000	
District Parks & Reservse New Playground		200,000	200,000	-	
Otāne - New Open Space Land Acquisition		560,000	560,000	-	
Waipukurau - New Open Space Land Acquisition Hospital Site		650,000	650,000	-	
Total Reserves Projects Growth related		**4,580,000**	**1,568,500**	**3,011,500**	
Reserve Balance as at June 2020			Less surplus $5,429		
Total to be funded from Development Contributions – Reserves			**$1,563,071**		

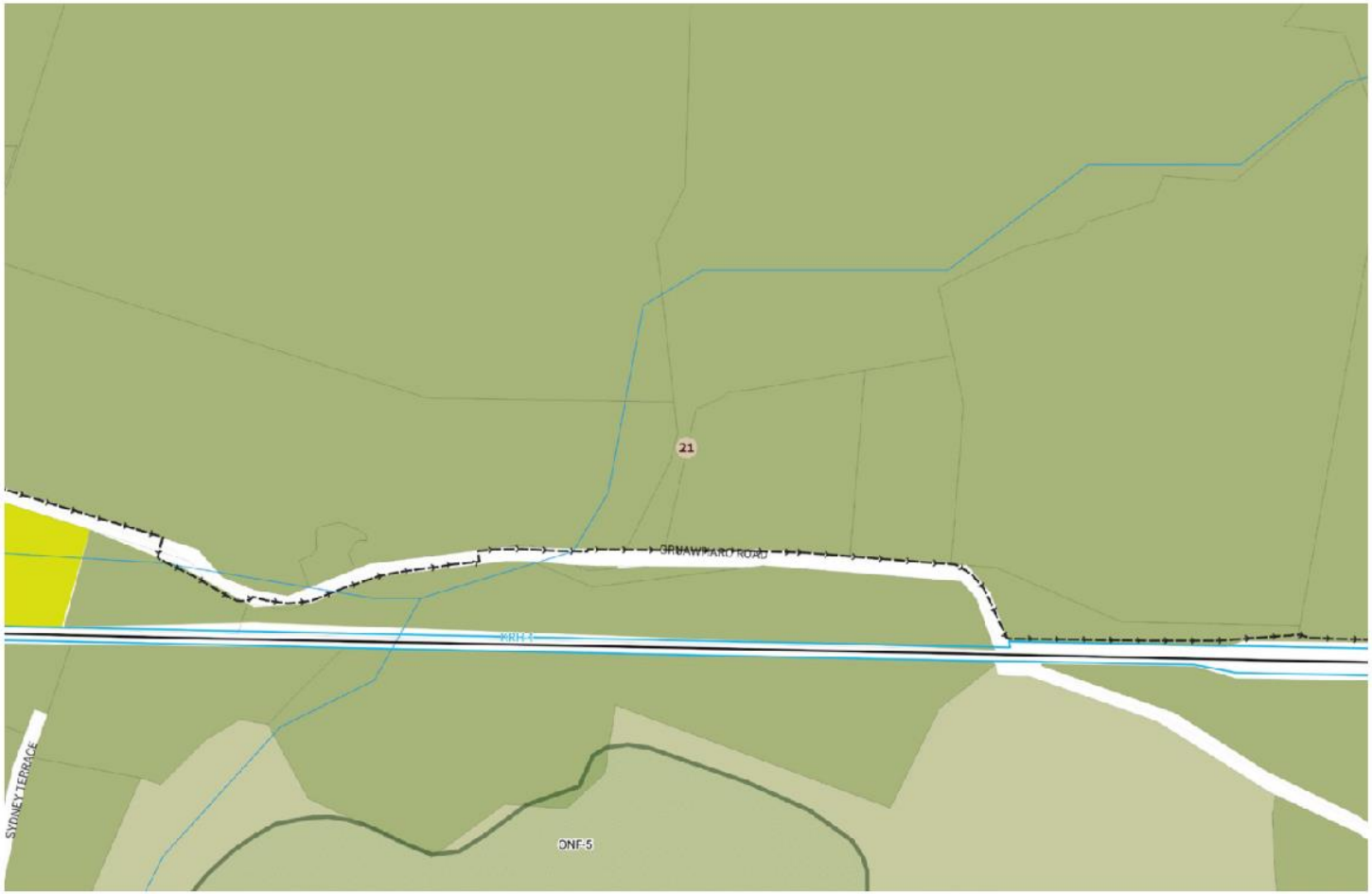
CATCHMENT	ACTIVITY	TOTAL TO BE FUNDED BY DEVELOPMENT CONTRIBUTIONS 2021 - 2031	TOTAL ADDITIONAL HUES RESIDENTIAL FORECAST TO 2031	TOTAL ADDITIONAL HUES NON-RESIDENTIAL FORECAST TO 2031	TOTAL ADDITIONAL HUES FORECAST TO 2031	DEVELOPMENT CONTRIBUTION CHARGE PER HEU – EX GST
Otāne, Waipawa and Waipukurau	Wastewater	$9,461,582	725	148	873	$10,838
	Water	$8,570,973		148	873	$9,818
	Stormwater	$2,147,825		60	785	$2,736
Takapau	Wastewater	$237,143	74	nil	74	$3,205
	Water	$104,109		nil		$1,407
	Stormwater	$112,713		nil		$1,523
Pōrangahau	Wastewater	$962,143	60	nil	60	$16,036
	Water	$84,413		nil		$1,735
	Stormwater	$62,713		nil		$1,045
District Wide	Reserves	$1,568,500	1,340	nil	1,340	$1,171
	Community Infrastructure	$320,350		nil		$239
	Total	**$23,632,463**				

9.2 APPENDIX 2 – Geographic Catchments – Water, Wastewater and Stormwater, Reserves and Community Infrastructure

Takapau Geographic Catchment



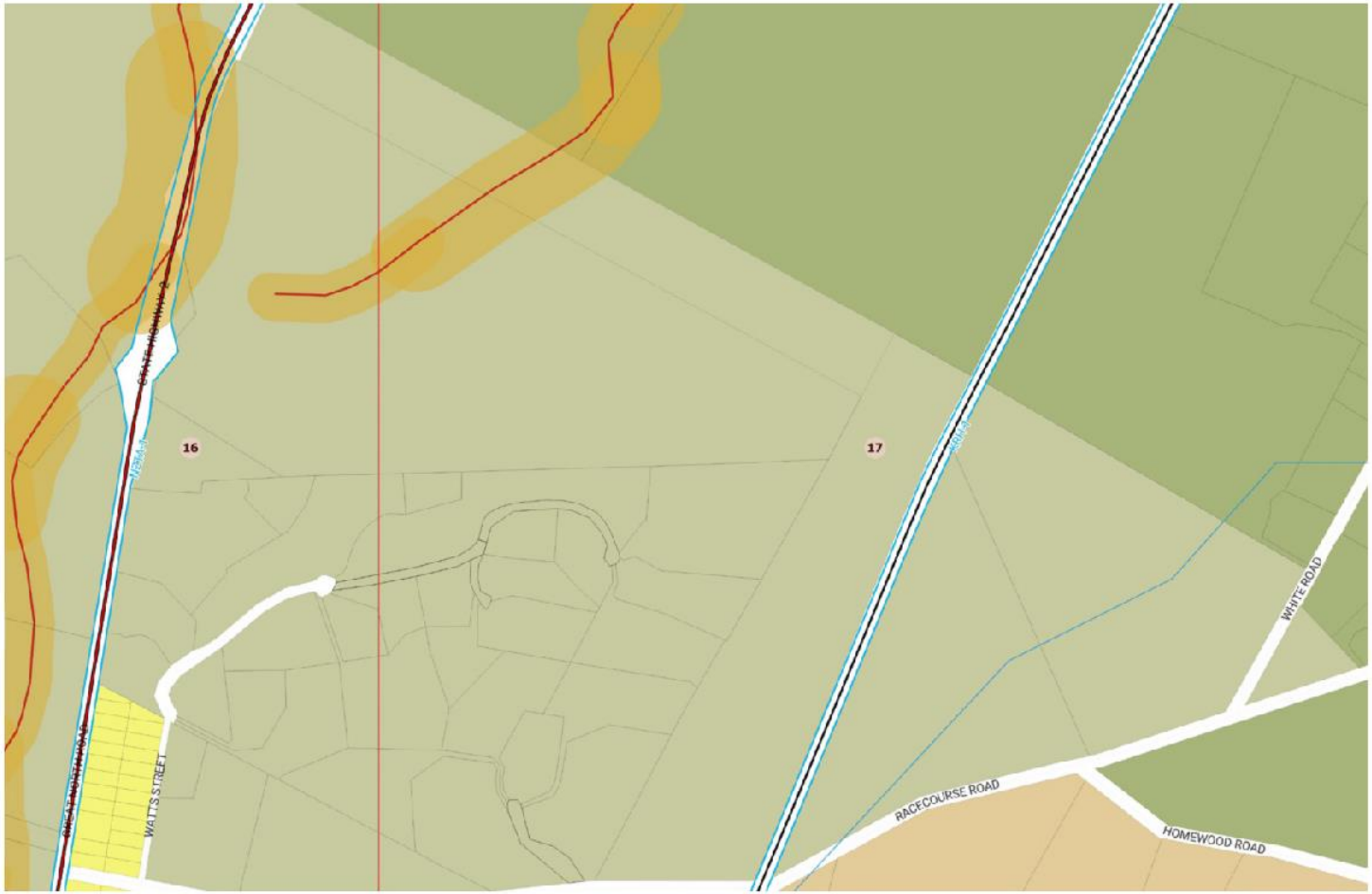
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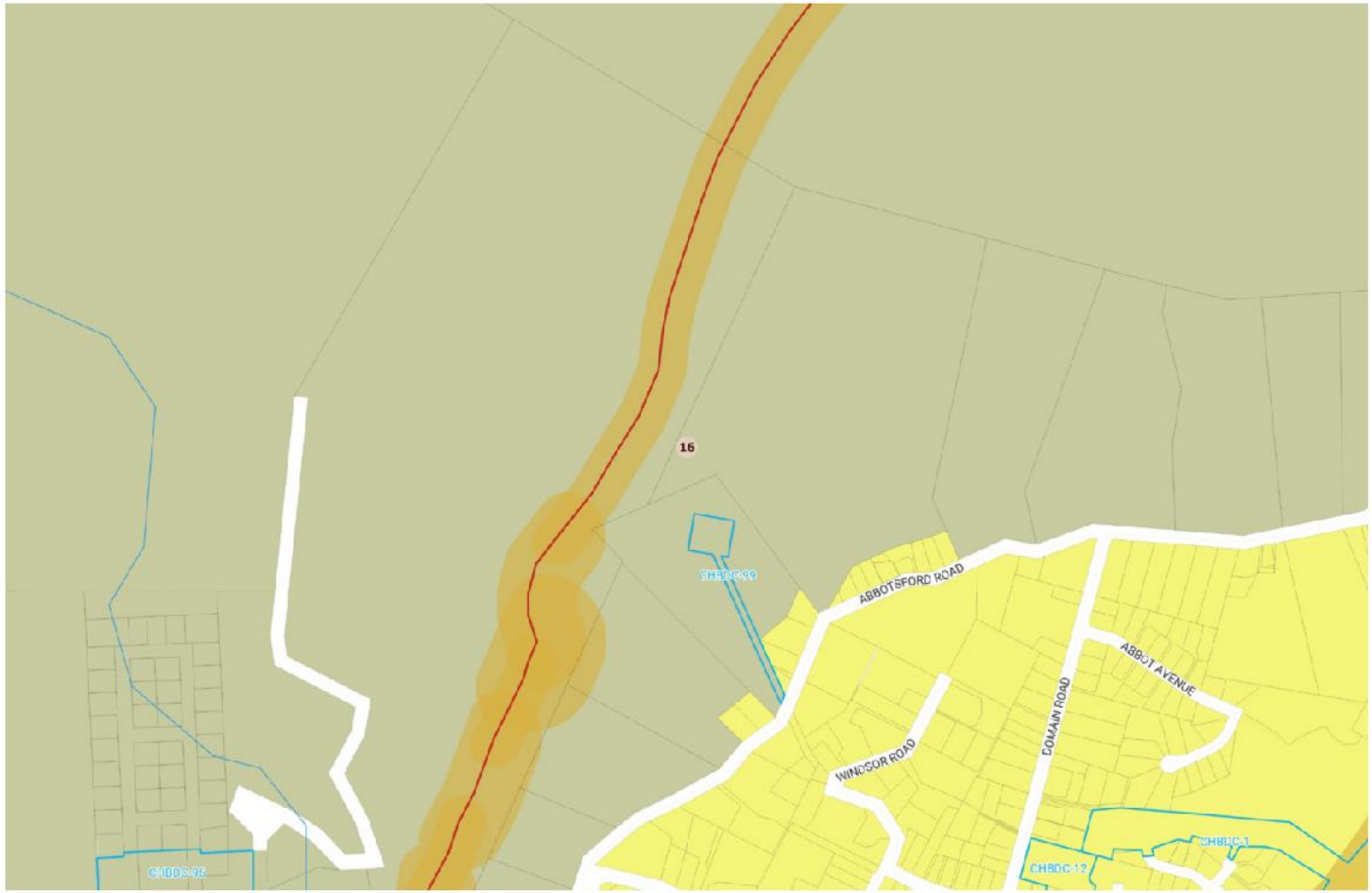
Takapau Geographic Catchment



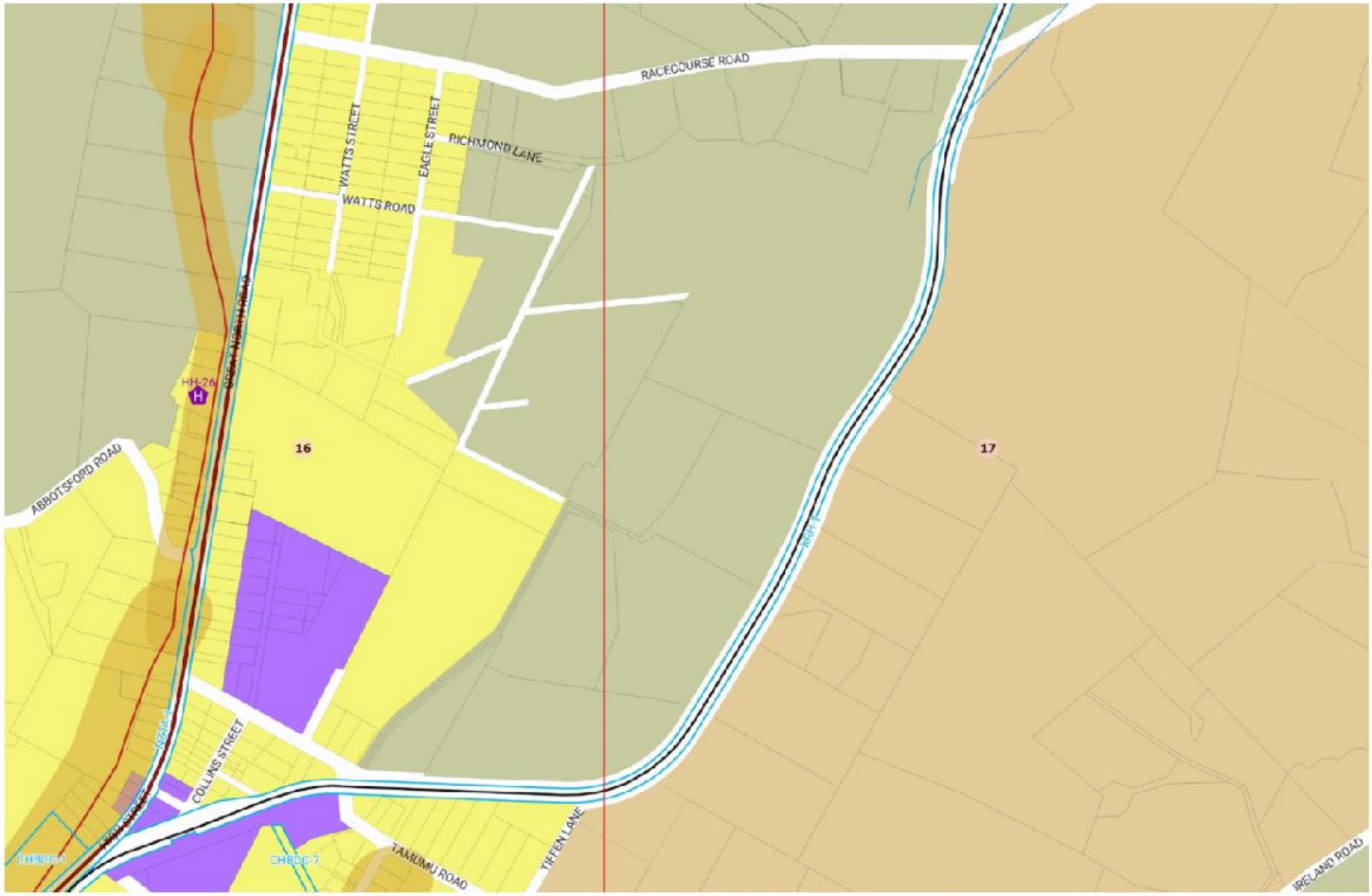
Waipawa Geographic Catchment



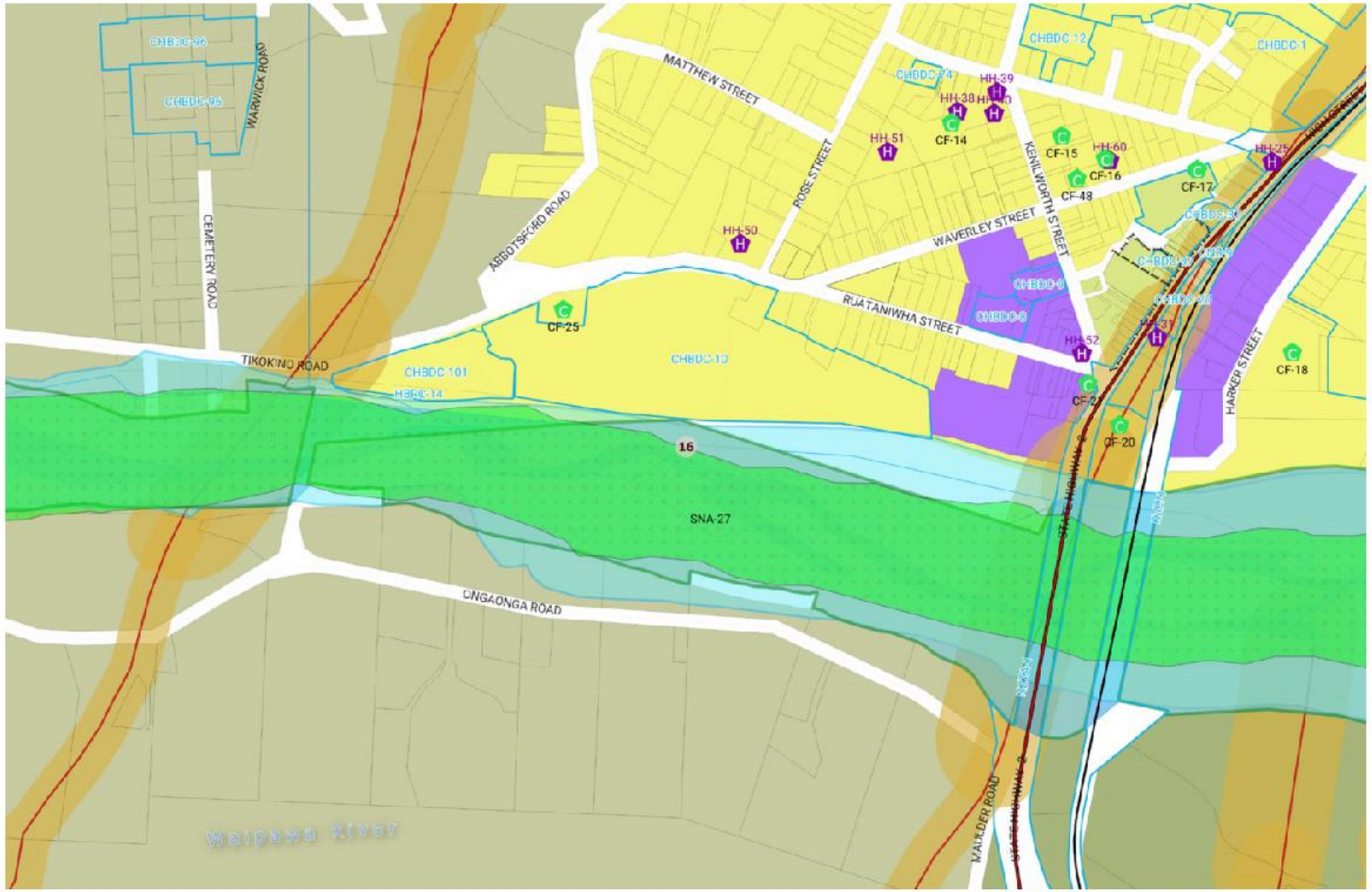
Waipawa Geographic Catchment



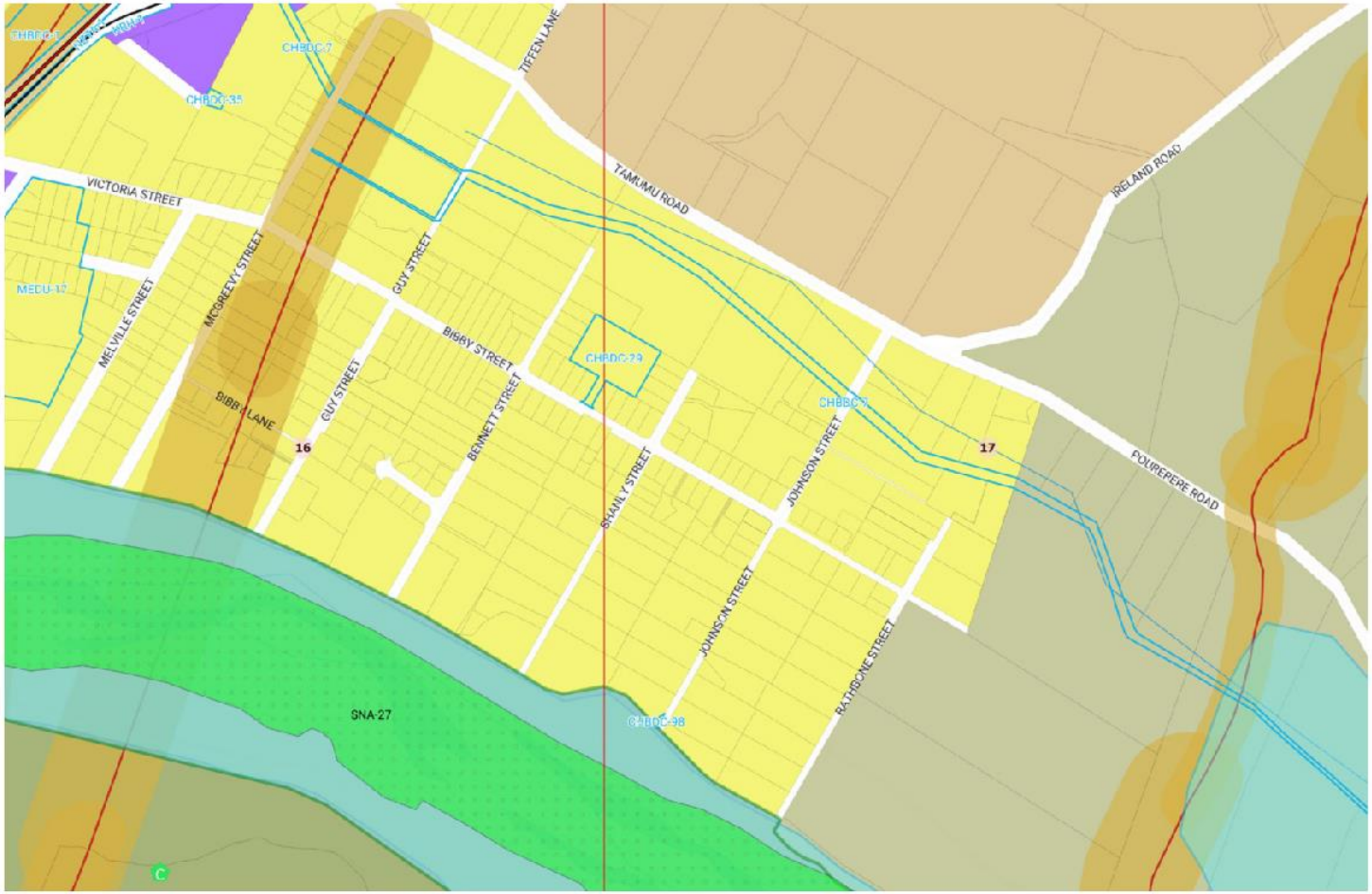
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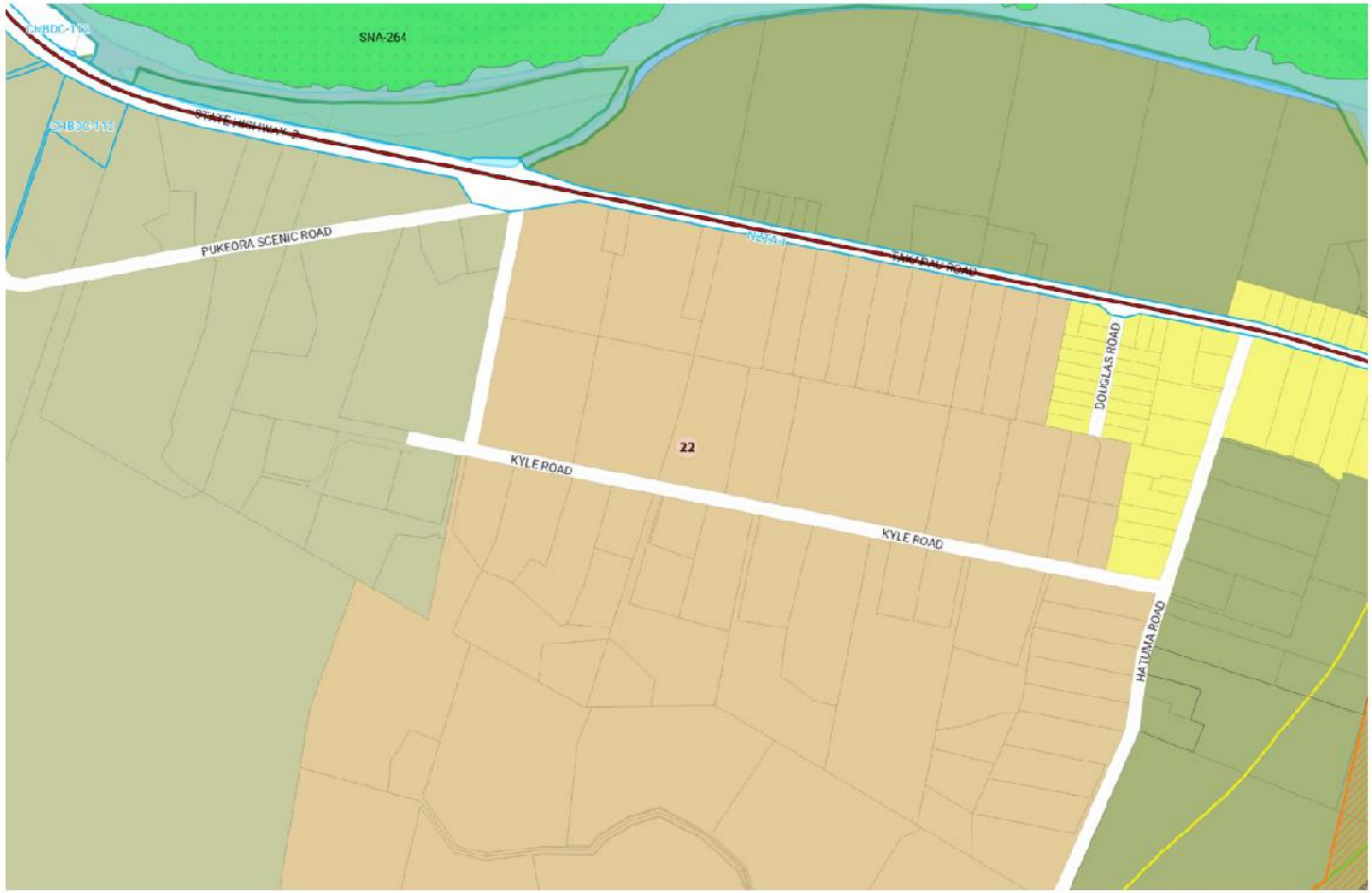
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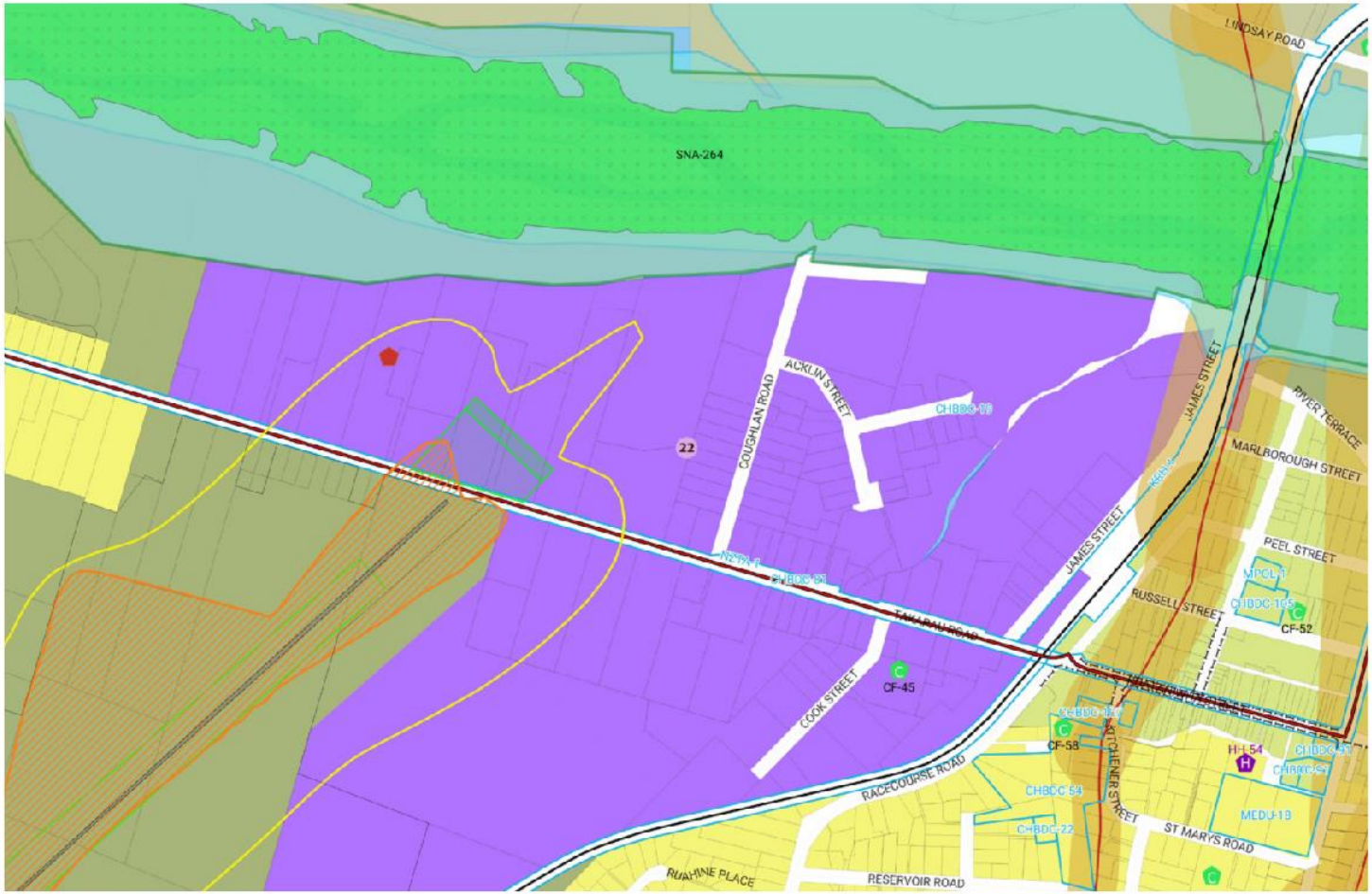
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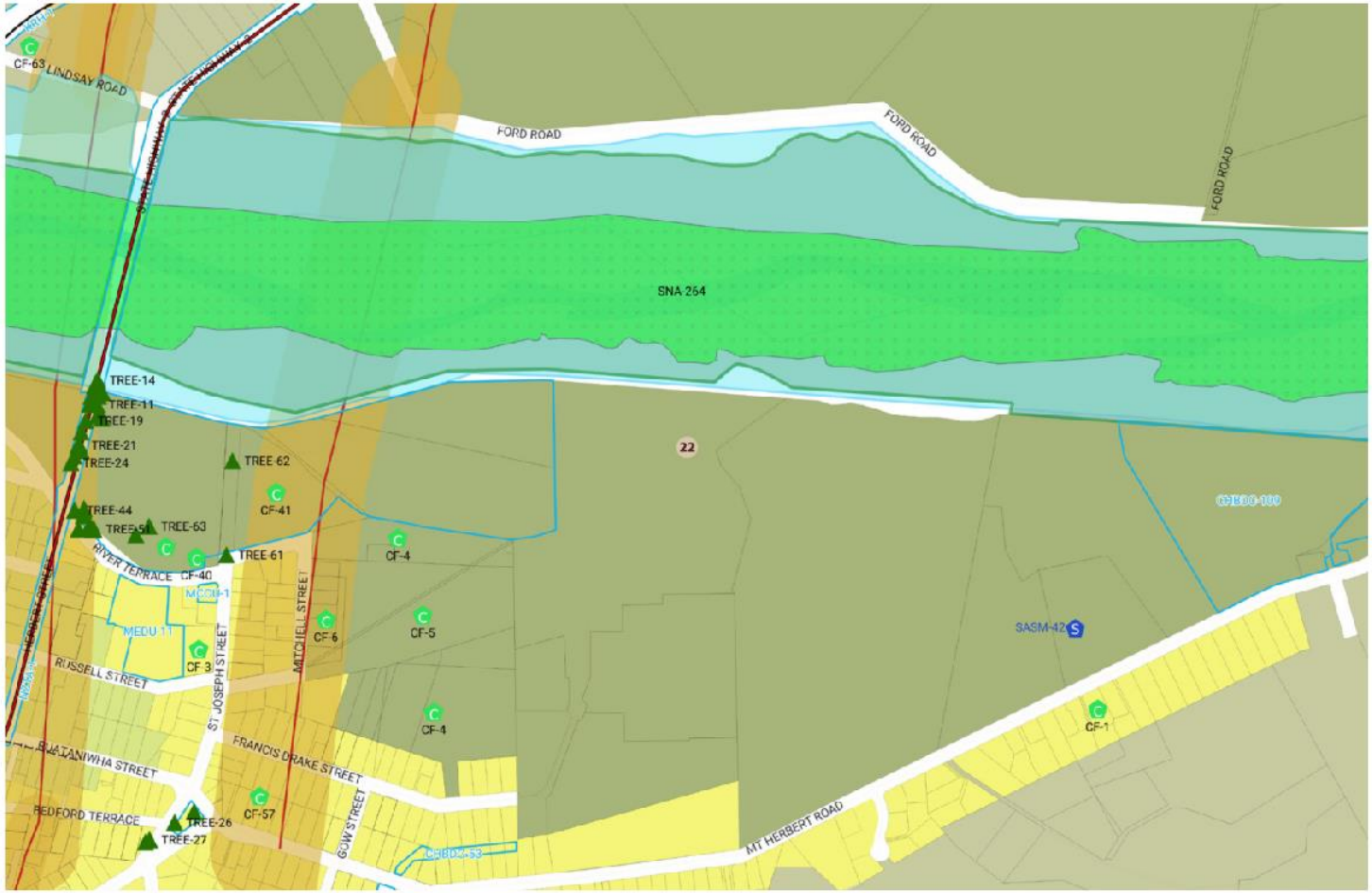
Waipukurau Geographic Catchment



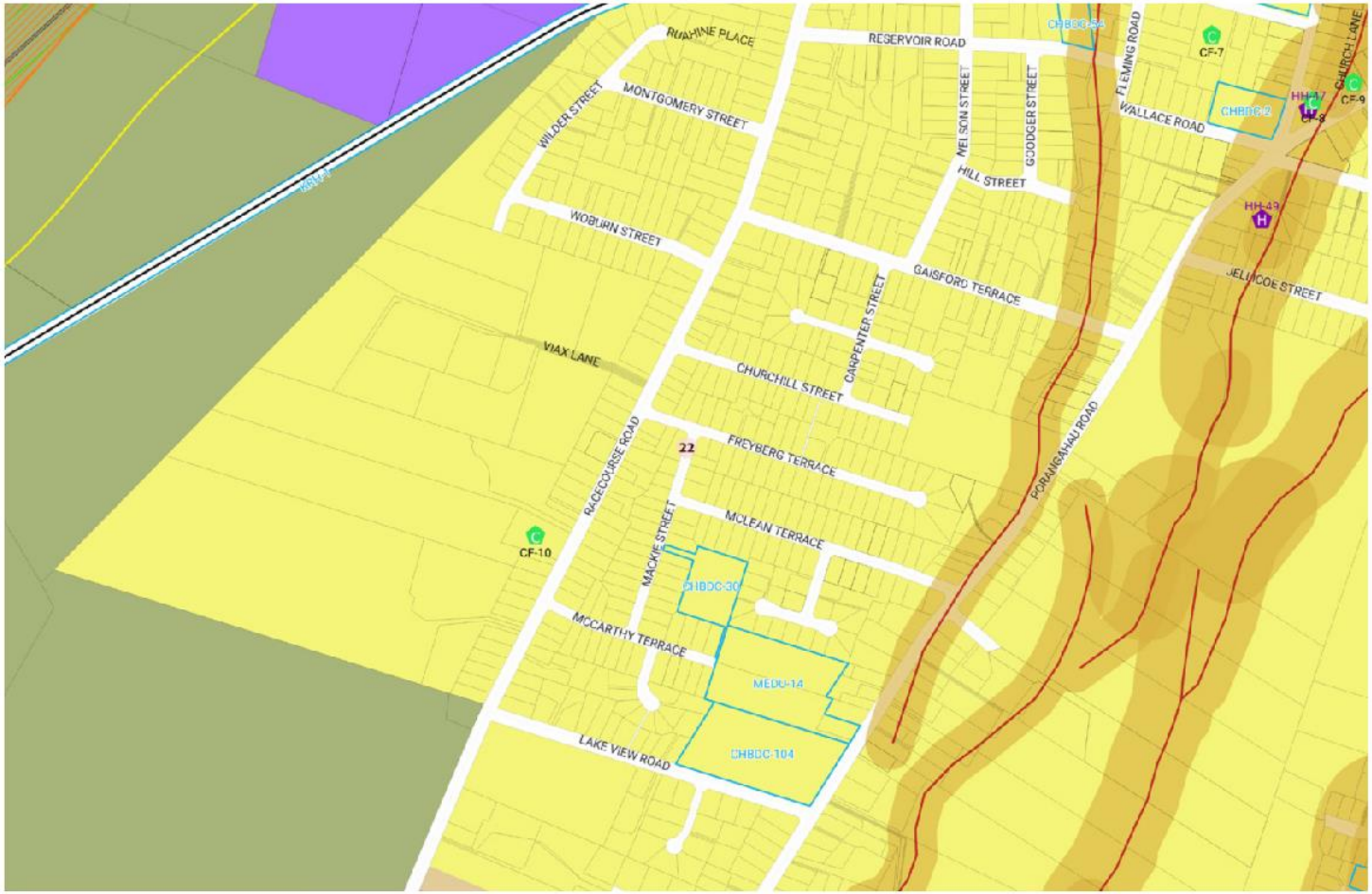
Waipukurau Geographic Catchment



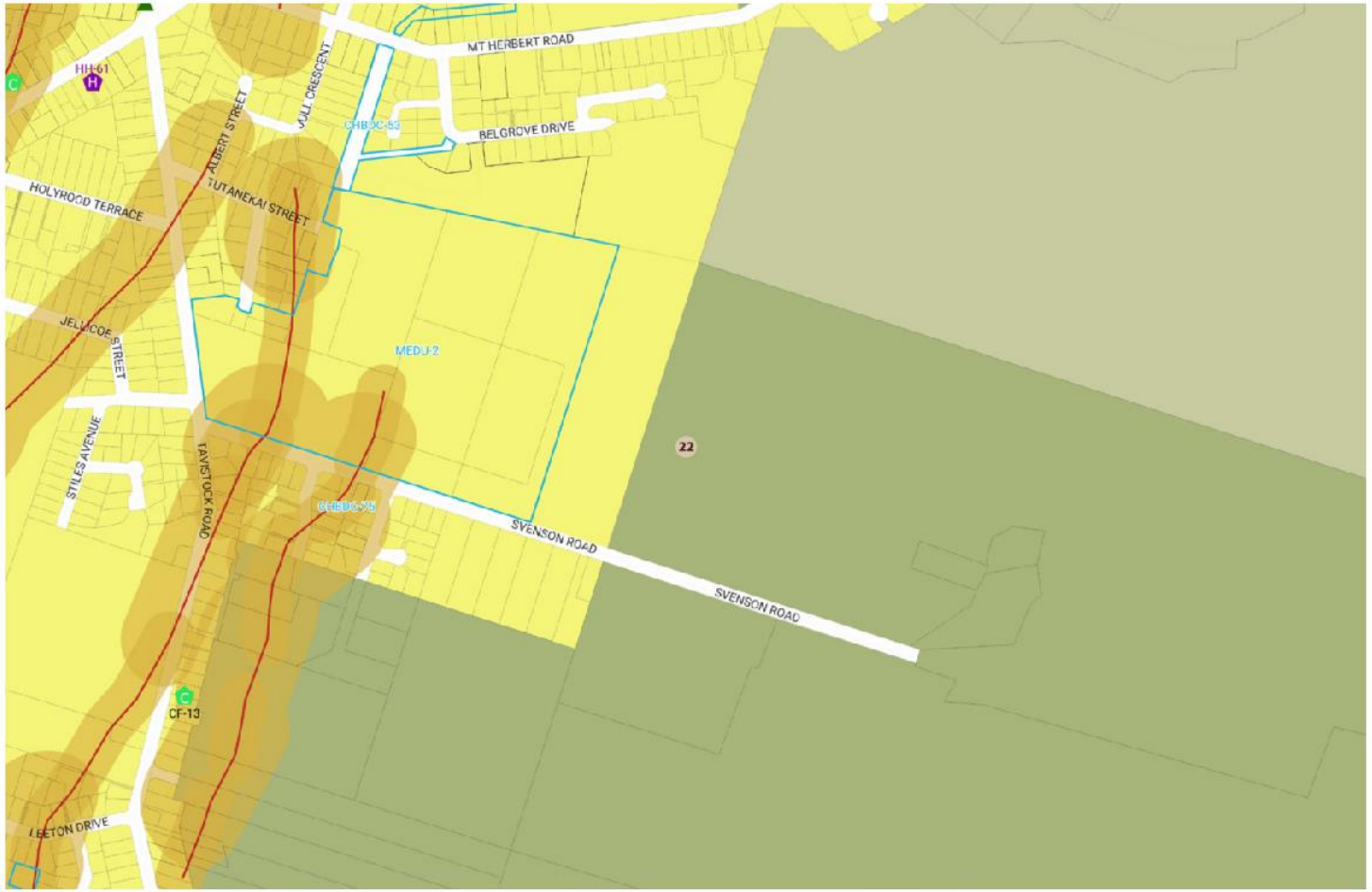
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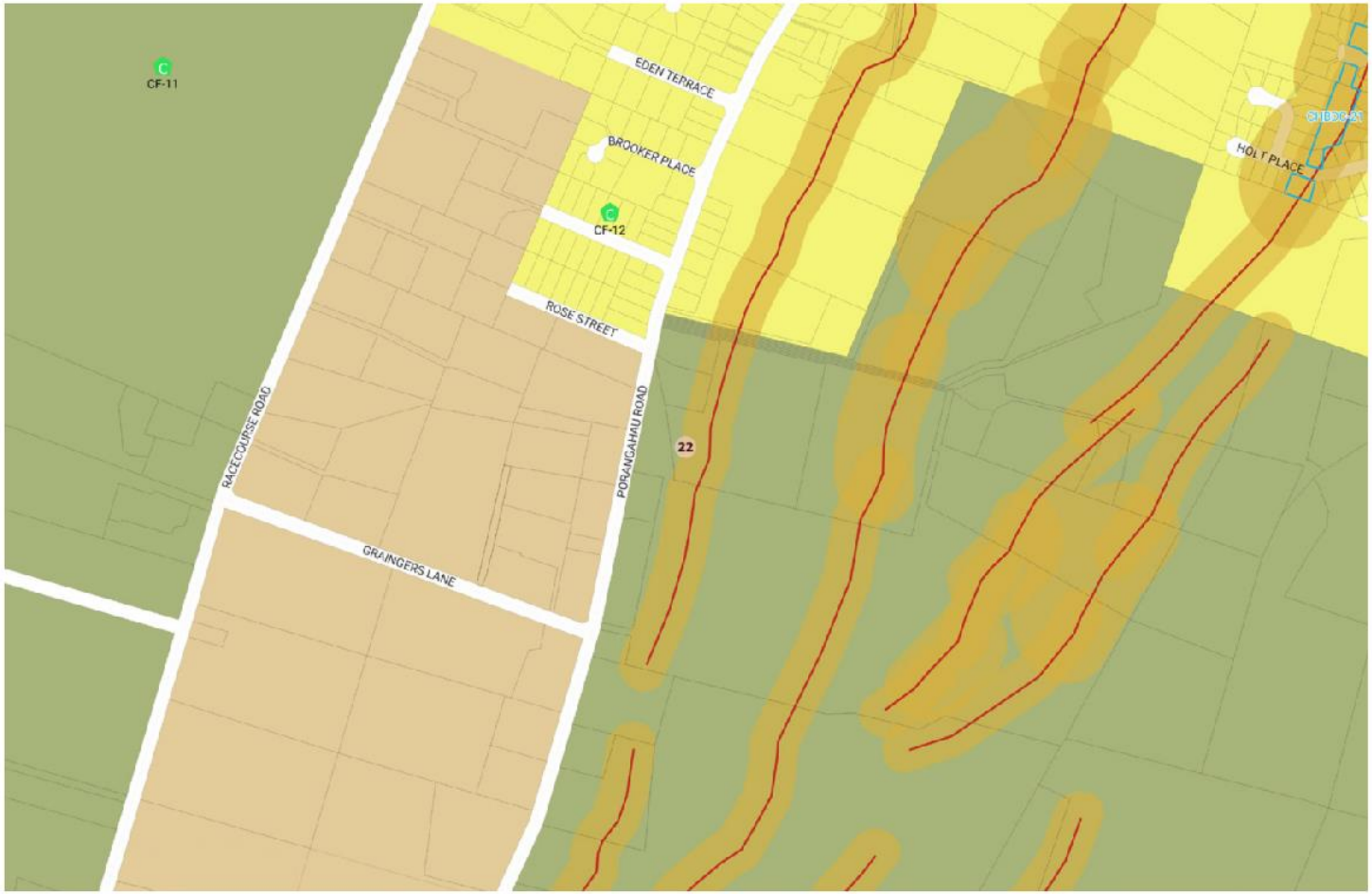
Waipukurau Geographic Catchment



Waipukurau Geographic Catchment



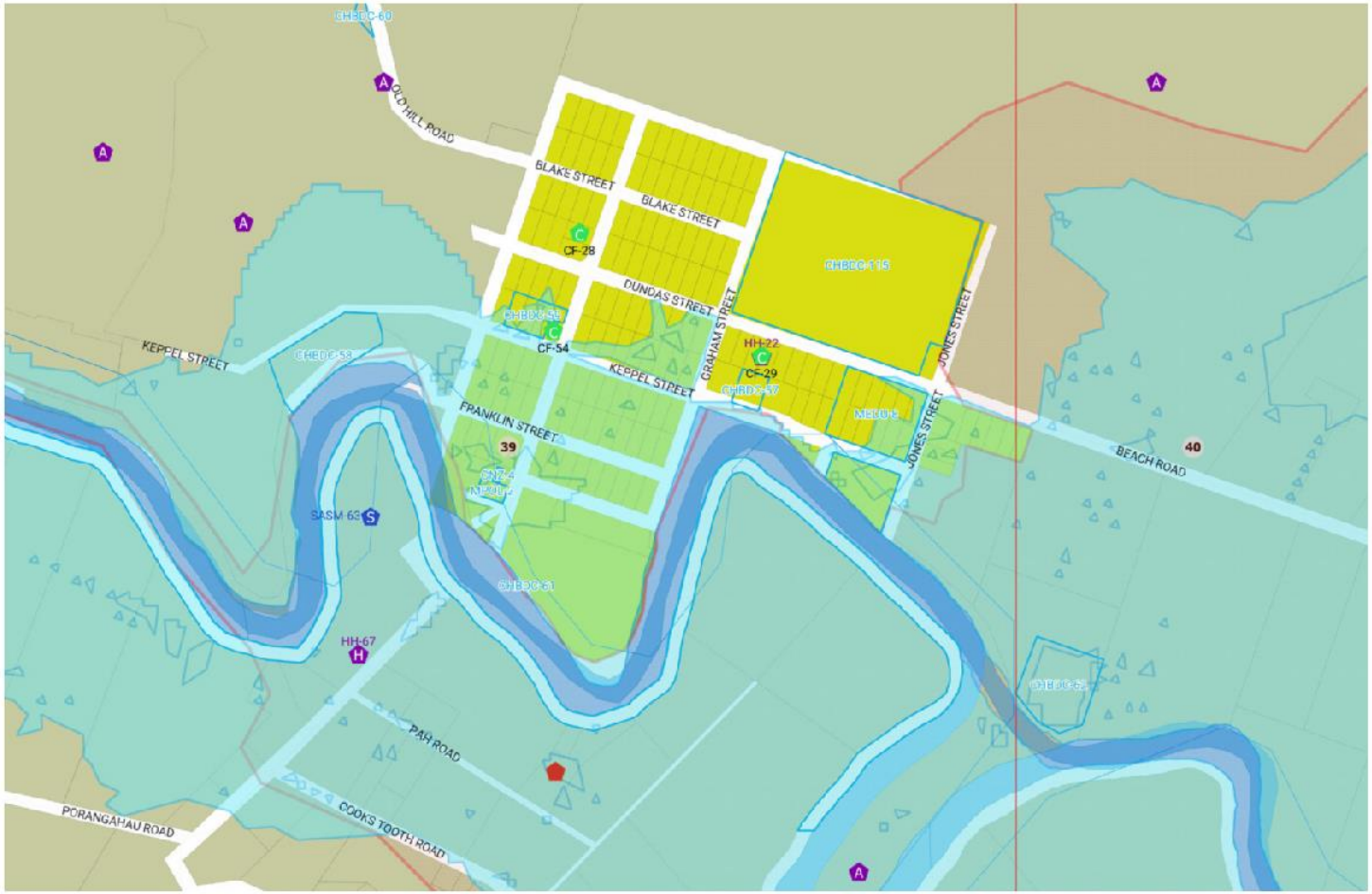
Waipukurau Geographic Catchment



Waipukurau Geographic Catchment



Pōrangahau Geographic Catchment



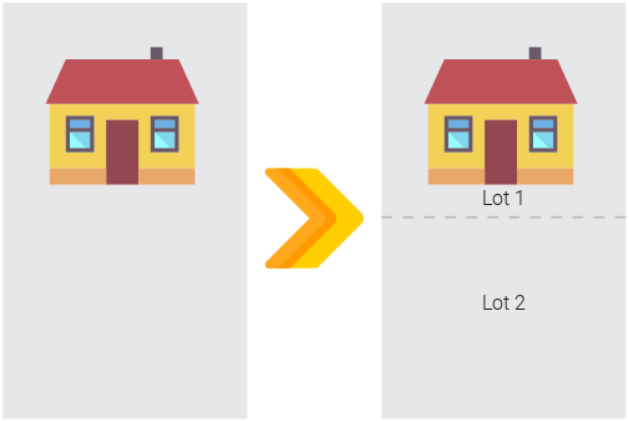
9.3 Appendix 3 - Development Contributions Calculations - Examples

Example 1 – Residential Subdivision

Proposal: Subdividing to create an additional lot (Lot 2) located within the Otāne, Waipawa, Waipukurau Urban Area (as located on Maps in Appendix 2). The new site is connecting to council services.

Assessment: One set of contributions for the additional lot created.

ACTIVITY	NUMBER OF EXTRA HEU'S BEING CREATED BY THE PROPOSAL	CHARGE PER HUE ($)	TOTAL COST OF THE PROPOSAL (GST EXCLUSIVE)
Reserves	1	$1,171	$1,171
Community Infrastructure	1	$239	$239
Water	1	$9,818	$9,818
Wastewater	1	$10,838	$10,838
Stormwater	1	$2,736	$2,736
Total DC Charge			**$24,802**



Example 2 – Development Contributions Calculation (Residential multi lot):

Consider the example of a proposed residential subdivision as shown in diagrams 1 and 2 below. The proposed subdivision is from an original lot size of 4000 m² that is located within the Otāne, Waipawa, Waipukurau Urban Area. The proposed subdivision will result in the creation of three new additional allotments each consisting of variable areas of up to 1000 m². The Development Contribution will be worked out in relation to the new units of demand created (four new additional lots) that will contain a total area of 3200 m². An example to work out the appropriate contribution is set out below.

DIAGRAM 1 ORIGINAL LOT SIZE
4,000 m²


DIAGRAM 2 PROPOSED NEW ALLOTMENTS FOR ORIGINAL LOT				
800 m²	800 m²	600 m²	600 m²	1,000 m²
				
Remaining Lot	Four proposed new allotments			

Step 1 *What Development Contribution catchment is the development in?* Otāne, Waipawa, Waipukurau

Step 2 *Establish what type of development and stage of development?* Residential activity at subdivision stage.

Step 3 *What is the demand for each Community Facility being created for the proposed development?* 4 additional lots .

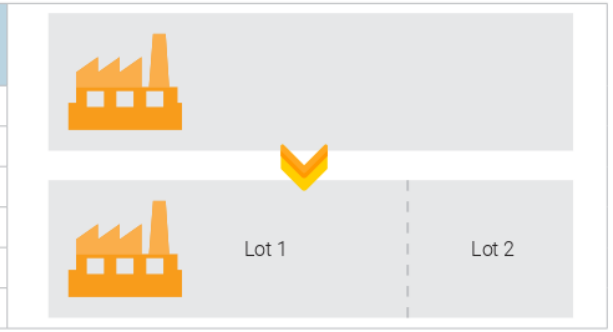
ACTIVITY	ALLOTMENTS	NUMBER OF HUES PER LOT	$ PER HUE (GST EXCLUSIVE)	TOTAL DC CHARGE PAYABLE (GST EXCLUSIVE)
Reserves	4 additional allotments (5 final lots less 1 existing lot)	1	$1,171	$4,684
Community Infrastructure	4 additional allotments (5 final lots less 1 existing lot)	1	$239	$956
Water	4 additional allotments (5 final lots less 1 existing lot)	1	$9,818	$39,272
Wastewater	4 additional allotments (5 final lots less 1 existing lot)	1	$10,838	$43,352
Stormwater	4 additional allotments (5 final lots less 1 existing lot)	1	$2,736	$10,944
Total DC Charges			$24,802	$99,208
(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development.				

Example 3 – Non-Residential Subdivision

Proposal: Subdividing to create one additional vacant non-residential lot in the Otāne, Waipawa, Waipukurau Urban Area. The new site will be serviced.

Assessment: One set of contributions for the additional vacant lot created.

ACTIVITY	NUMBER OF EXTRA HUE'S BEING CREATED BY THE PROPOSAL	CHARGE PER HUE ($)	TOTAL COST OF THE PROPOSAL (GST EXCLUSIVE)
Reserves	1	Nil	Nil
Community Infrastructure	1	Nil	Nil
Water	1	$9,818	$9,818
Wastewater	1	$10,838	$10,838
Stormwater	1	$2,736	$2,736
Total DC Charge		$23,392	**$23,392**



Example 4 – Develop one Non-Residential building on a site with existing buildings

Proposal: Erect a 500m2 single storey Industrial Building located in the Otāne, Waipawa, Waipukurau Urban Area. The building is in addition to existing buildings on site and is connected to council services. Creates an additional Impervious Service Area of 900m2 including carparks.

ACTIVITY	HUE'S PER 100M2 GFA (AS PER SECTION 5.7 B)	CHARGE PER HUE ($)	TOTAL COST OF THE PROPOSAL (GST EXCLUSIVE)
Reserves	Nil	Nil	Nil
Community Infrastructure	Nil	Nil	Nil
Water	0.4 * 500/100 = 2	$9,818	$19,636
Wastewater	0.4 * 500/100 = 2	$10,838	$21,676
Stormwater	0.3 * 900/100 = 2.7	$2,736	$7,387
Total DC Charge			**$48,699**



9.4 Appendix 4 - Analysis of Benefits – Section 101(3) LGA Requirements

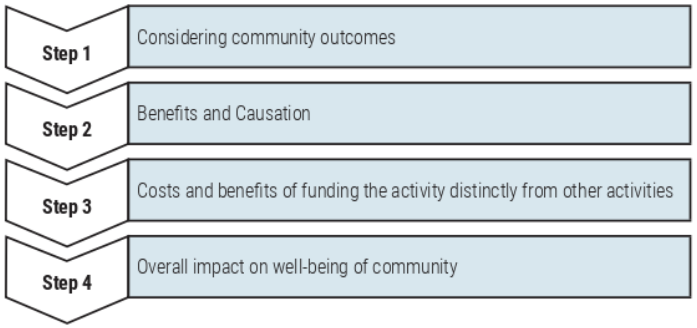
The Council has determined the appropriate funding sources to meet the expected total capital cost of growth capital expenditure identified in the schedules of this DCP. Council has elected to fund through DCs the total cost of growth related capital expenditure. Sections 106 and 101(3) of the LGA require that the following be considered:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

(a) in relation to each activity to be funded:
  (i) the community outcomes to which the activity primarily contributes;
  (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
  (iii) the period in or over which benefits are expected to occur;
  (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
  (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and

(b) The overall impact of any allocation of liability for revenue needs on the community.

The Council has followed the four steps outlined below in making the above assessment. These steps are discussed in detail below.



Step 1 - Considering community outcomes (section 101(3)(a)(i))

Our vision for Central Hawke's Bay is a proud and prosperous district made up of strong communities and connected people who respect and protect our environment and celebrate our beautiful part of New Zealand. Community outcomes are as identified in the draft 2021 LTP. For the purposes of the DCP, activities have been grouped into:

- Reserves
- Community Infrastructure
- Water supply
- Wastewater, and
- Stormwater.

DCs have been established to support these activities and help deliver the Vision and community outcomes to which each group of activities contributes as shown below:

Table – CHBDC infrastructure activities contributions to Community Outcomes / Strategic Priorities - Project Thrive

Vision:	**Central Hawke's Bay – a proud and prosperous District, made up of strong communities and connected people, who respect and protect our environment and celebrate our beautiful part of New Zealand.**						
Our DNA:	**Working Together Customer Excellence Thinking Smarter Planning for Tomorrow**						
Goal:	**Proud District**	**Prosperous District**	**Strong Communities**	**Connected Citizens**	**Smart Growth**	**Environmentally Responsible**	**Durable Infrastructure**
Solid Waste	✓	✓	✓	✓	✓	✓	✓
Water Supplies	✓	✓	✓	✓	✓	✓	✓
Wastewater	✓	✓	✓	✓	✓	✓	✓
Stormwater						✓	✓
Places and Open Spaces	✓	✓	✓	✓		✓	

Step 2 – Benefits and Causation

Under sections 101(3)(a)(ii) through (iv) of the LGA, Council also has to consider who benefits from the community facilities, over what time period, and who created the need.

When having regard to how Council activities contribute to identified community outcomes, the Council develops a programme of infrastructural capital works and reserves purchases. For each of the individual capital projects included in the programme, the Council assesses who created the need for that project, who will benefit from the asset that it creates and how long that benefit will last.

The Council has:

- estimated the extent of growth within the overall District and each township, translated this estimated growth into an expected number of Households and Household Unit Equivalents (HEU); and
- identified the capital expenditure necessary to meet the needs of the growth community.

Where the existing capacity of community facilities is insufficient to provide the levels of service to new residential and non-residential users specified by the Council in the LTP, those new developments create the need for new community facilities which requires the Council to incur capital expenditure.

The Council also recognises that there may be capital expenditure necessary to increase the level of service for all, due to:

- required renewals;
- ratepayers who want increased levels of service;
- obligations on the Council to raise the levels of service to meet resource consent or statutory obligations and conditions; and
- visitors to the District using the facilities.

The allocation of the benefits and the costs (public vs private benefit) has had regard to these factors.

For each of the individual projects that require capital expenditure to cater for growth, the Council makes an assessment about whether the asset being created will benefit the existing community or the new developments, or both of those groups. In making this assessment, the Council will consider a number of factors, including:

- the capacity of existing facilities to meet stated levels of service;
- the extent to which the relevant capital project will provide:
  i. a renewal,
  ii. an increased level of service; or
  iii. a new service.

For each individual project that requires capital expenditure, the Council determines the length of time over which the asset created by that expenditure will provide a benefit to the community.

Step 3 – Costs and benefits of funding the activity distinctly from other activities

On an activity by activity basis, the Council considers the costs and benefits of funding each activity distinctly from other activities as required by s101(3)(a)(v). This analysis is contained in the Revenue and Finance Policy. The benefits of additional community infrastructure capacity generally accrue to the improved or new properties generating demand for that capacity.

The Council considers that the use of DCs to fund the cost of growth in community facilities, in proportion to the benefit received by forecast developments, provides the benefits of greater transparency, greater accountability and intergenerational equity.

The current community facilities for stormwater, water, wastewater, community infrastructure and reserves servicing the CHB are not sufficient to cater for growth. Some small townships have considerable capacity in these facilities after many years of static population and household numbers, and Council has a strategic goal of supporting these townships. Development in the rural area will only by asked to contribute to Reserves and Community Infrastructure. All future residents in the CHB will gain benefits from these facilities.

Step 4 – Overall impact on well-being of community

Finally, the Council considers how funding each activity will impact on the wellbeing of the community. DCs are considered to be fair because they allocate growth costs to the section of the community that creates the need for Council to incur that expenditure, i.e. developers, new residents and new business activities.

Council must balance the overall impact of rates and fees and charges. DCs need to be set at a level which still enables development and they must be levied in a fair,

reasonable and equitable manner. Setting DCs at a level that does not fund growth would impose an unfair burden on the economic wellbeing of the existing ratepayer community.

Additional analysis for each of the following types of community facilities is set out in Section 6:

- Water: section 6.4.1
- Wastewater: section 6.4.2
- Stormwater: section 6.4.3
- Reserves and Community Infrastructure: section 6.4.4

The following analysis sets out the rationale for Council identifying the catchment areas for DC charges for water, stormwater and wastewater, reserves and community Infrastructure. Each of the three waters activities (water, stormwater and wastewater) has three catchments based on the different networks of water supply, reticulated services and treatment plants. These areas are defined in the maps in Appendix 2.

- **Reserves and Community Infrastructure**
  Reserves assets are open to all residents and visitors to access free of charge. New developments increase the number of residents and generate increased demand for passive and active recreational facilities, as well as assets such as toilets, libraries and community halls.

  Regardless of the location of the development, additional residents utilise a range of facilities and create demand for more walkways, reserve space and other assets. Council has reserve land, halls and other assets located across the District. Walkways, major playgrounds, libraries and major parks are located in the areas of greatest population density.

  While most Recreation and Community Infrastructure assets in the CHB have been assessed as having spare capacity for growth Council has identified some assets that have capacity issues. These projects have been included in the DC schedule of projects that require DC funding.

- **Water**
  The water networks service urban and industrial areas and are funded by properties connected to each network in urban areas. Across the district all the major urban areas require additional capacity (supply, treatment and pipe reticulation) to cater for expected growth. As such DC charges apply to each network area that requires capacity investment to service the developments that are forecast for each network.

  The Otāne, Waipawa, Waipukurau network is planned to be operated as a single network system. All properties connected to an urban water supply in the CHB are now charged the same for operating costs, except those properties with a meter and charged on a volume basis. Each network is designed to achieve the same level of service for water quality and delivery. Where supply is interconnected the networks are treated as one for DC purposes. For these reasons there is a single HEU DC charge for Otāne, Waipawa, Waipukurau residential, and equivalent HEU charges for non-residential, for the costs to service growth. The Takapau and Pōrangahau networks are physically separated and have specific DC charges that reflect the upgrades required for growth in those networks.

  CHB undertakes modelling and planning work that benefits all the networks. These costs related to future growth are charged to DCs at a uniform level across the three catchments.

- **Wastewater**
  The wastewater networks service urban and industrial areas and are funded by properties connected to each network. Across the district all the major urban areas require additional capacity (reticulation, treatment and discharge) to cater for expected growth. As such DC charges apply to each network area that requires capacity investment to service the developments that are forecast for each network.

  The Otāne, Waipawa, Waipukurau network is planned to be operated as a single network system. A single connected treatment plant and discharge is planned to service all three urban areas. All properties connected to urban wastewater in the CHB are now charged the same for operating costs, except those non-residential properties charged under the trade waste bylaw. Each network is designed to achieve the same level of service for water quality and delivery. For these reasons there is a single HEU DC charge for Otāne, Waipawa, Waipukurau residential, and equivalent HEU charges for non-residential, for the costs to service growth. The Takapau and Pōrangahau networks are physically separated and have specific DC charges that reflect the upgrades required for growth in those networks.

  CHB undertakes modelling and planning work that benefits all the networks. These costs related to future growth are charged to DCs at a uniform level across the three catchments.

- **Stormwater**
  The networks service urban and industrial areas and are funded by properties connected to each network. Existing stormwater flows within catchments are also generated from flows from rural areas upstream of urban areas. stormwater within urban areas is generated as runoff of rainfall from impervious hard surfaces and saturated ground. Across the district the three catchments identified for DCs require additional capacity to cater for expected growth. The need for additional stormwater network services is generated by development and the downstream impacts have to be catered for.

  In the last decade there have been significant changes to the requirements to control and capture stormwater. Rules set by Hawkes Bay Regional Council now require more stormwater neutrality from new developments during peak stream / river flows. The result is that Council and developers need to plan to capture and hold parts of stormwater runoff during peak flow events. Council is planning to continue to invest in additional stormwater capacity to meet the new requirements.

  Due to the increasing need to manage stormwater in an integrated way with Water and Wastewater Council is using the same catchments as outlined in Water and Wastewater. Infiltration of stormwater into wastewater pipes and discharge impacts from stormwater mean that each activity cannot be managed in isolation.

  Regardless of where a development is located in each of the catchments it will add to the need for larger pipes and retention ponds to reduce runoff into the waterways during peak flows in that network catchment.

  CHB undertakes modelling and planning work that benefits all the networks. These costs related to future growth are charged to DCs at a uniform level across the three catchments.

Proposed Fees and Charges 2021/22

The following fees and charges are proposed for the 2021/22 Financial Year.

All prices include GST unless stated otherwise.

Land Transport

Fee	2020/21	2021/22 Proposed
Vehicle Crossings Notes: • Vehicle crossings must be installed by a contractor approved by the Council. Council must approve the design and location of crossing prior to installation. Full cost must be paid by the applicant. • The applicant shall supply to the Council an estimate of the cost of the vehicle crossing along with a bond of 150% of the estimate prior to approval to construct being granted by the Council. The estimate must be not more than 30 days old and must be provided by a Contractor acceptable to Council. • Bond is refundable. • The vehicle crossing must be constructed within 12 months of being granted the approval to proceed or the Council will construct the crossing using the bond. • Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.		
Administration Fee payable at time of Vehicle Crossing application	$205.10	$210.00
Bond Administration Fee	$58.37	$60.00
Plans and Consents		
Generic Traffic Management Plan (annual fee)	$1,606.50	$1,650.00
Individual Traffic Management Plan	$150.00	$155.00
Corridor Access Request	$300.00	$310.00
Corridor Access Request with Traffic Management Plan	$400.00	$410.00
Generic Overweight Permit	$250.00	$260.00
Individual Overweight Permit	$150.00	$155.00

Fee	2020/21	2021/22 Proposed
Temporary Road Closure		
Application	$410.19	$415.00
Road Inspection Staff (per inspection)	$267.75	$275.00
Travel Costs (per km)	$1.07	$1.10
Road Stopping		
Application	$2,000.00	$2,500.00
Livestock Crossing Permit		
Application	$203.49	$210.00
Licence to Occupy – Road Reserve		
Note: Pursuant to section 150 of the Local Government Act 2002.		
Application Fee	No Charge	No Charge
Annual Licence Fee (up to one acre (4000m²))	No Charge	No Charge
Annual Licence Fee (larger than one acre (4000m²))	No Charge	No Charge

Places and Open Spaces Group

Open Spaces

Fee	2020/21	2021/22 Proposed
Sportsgrounds		
Changing Rooms (per season)	$250.00	$250.00
Junior Fields (all – per season)	Free	Free
Senior Fields (all – per season)	$250.00	$250.00
Districtwide Parks		
Casual hire – field or area (per day) major codes (additional games, tournaments, etc), social clubs, service clubs, schools	$65.00	$65.00
Key Bond	$100.00	$100.00
Commercial Event Bond (eg circus)	$1,000.00	$1,000.00
Special Opening or Closing of Gate	$75.00	$75.00
Rubbish Bin Supply and Removal (per bin)	$12.00	$12.00
Other Service required including reline marking, cleaning, rubbish removal – actual cost per hour including vehicle	$60.00	$60.00
Wedding Ceremonies	Free	Free
Pourerere Beach Freedom Camping		
Note: For permits issued for a one-week period between the 20th December and 6th February each summer. At all other times no fee applies.		
Booking Administration Fee	$35.00	$35.00

Libraries

Fee	2020/21	2021/22 Proposed
Notes: All residents of Central Hawke's Bay have free membership.		
Rental Books		
Standard Free Issue		
Rental Book - Category A (4 weeks)	$1.00	$1.00
Rental Book - Category B (4 weeks)	$0.90	$0.90
Rental Book - Category C (4 weeks)	$0.80	$0.80
Rental Book - Category D (4 weeks)	Free	Free
Rental Book - Category E (4 weeks)	Free	Free
Rental Book Automatic Renewal Fee - Where item not returned within issue period		
Rental Book Renewal Fee - Category A (4 weeks)	$1.00	$1.00
Rental Book Renewal Fee - Category B (4 weeks)	$0.90	$0.90
Rental Book Renewal Fee - Category C (4 weeks)	$0.80	$0.80
Rental Book Renewal Fee - Category D (4 weeks)	Free	Free
Rental Book Renewal Fee - Category E (4 weeks)	Free	Free
Magazines	$1.00	$1.00
Magazines - Teens and Students		
Magazines - Older		
Holds - up to 1 week		
Library Request books from libraries with reciprocal agreement	$10.00	$10.00

Fee	2020/21	2021/22 Proposed
Library Request books from other libraries	$25.00	$25.00
Books for Sale	Library Services Manager Discretion	Library Services Manager Discretion
Lost books (Adults Content)	Replacement item cost plus $5.50 processing fees	Replacement item cost plus $5.50 processing fees
Lost books (Children's Content)	Replacement item cost only	Replacement item cost only
Printing		
A4 Single Sided per sheet	$0.20	$0.20
A4 Double Sided per sheet	$0.40	$0.40
A4 Colour Single Sided	$1.50	$1.50
A3 Single Sided per sheet	$0.40	$0.40
A3 Double Sided per sheet	$0.80	$0.80
A3 Colour Single Sided	$3.00	$3.00
Scanning for first page	Free	Free
Scanning for extra pages	Free	Free
Aotearoa Peoples Network Kaharoa printing - per page (black and white)	$0.20	$0.20
Aotearoa Peoples Network Kaharoa printing - per page (colour)	$0.50	$0.50
3D Printing charged per gram	$0.11	$0.11
A4 size - laminating	$2.00	$3.00
A3 size - laminating	$4.00	$4.00

Libraries

Fee	2020/21	2021/22 Proposed
DVD Rental		
DVDs Set - 3 week issue	$7.00	$7.00
DVDs Restricted - 3 week issue	$7.00	$7.00
DVDs Category A - 1 week issue	$5.00	$5.00
DVDs Category B - 1 week issue	$4.50	$4.50
DVDs Restricted - 1 week issue	$5.00	$5.00
School DVD's - 1 week all categories	Free	Free
DVD Automatic Renewal Fee - Where item not returned within issue period		
DVDs Set - 3 week issue	$7.00	$7.00
DVDs Restricted - 3 week issue	$7.00	$7.00
DVDs Category A - 1 week issue	$5.00	$5.00
Room Hire		
Waipawa Meeting room rental - Commercial (day)	$50.00	$50.00
Waipawa Library Meeting room - Not for profit	Free	Free
Waipawa Library Meeting - Regular Meetings	Library Services Manager Discretion	Library Services Manager Discretion
Miscellaneous		
Replacement Library Cards	$2.50	$2.50
Book Covering	$4.00	$4.00
Bond for temporary membership	$20.00	$20.00
Road Code Bond	$10.00	$10.00
Aotearoa Peoples Network Kaharoa Internet Access	Free	Free

Fee	2020/21	2021/22 Proposed
Notes: • These fees will be effective from September 2021, being not less than 12 months from the previous increase • Retirement housing rentals have been included in the Fees and Charges Schedule purely for review and information purposes. They do not form part of the Special Order procedures. • New tenancies that occur during the year, may be negotiated at rentals which exceed the below. • Rentals are reviewed annually. • Residential Rents are GST exempt supplies and therefore do not include GST.		
Kingston Place Waipawa or Ruahine Place Waipukurau (per week)		
Single Occupancy	$124.00	$159.00
Married Occupancy	$139.00	$174.00
With Council owned and maintained heat pump		
Single Occupancy	$137.00	$172.00
Married Occupancy	$152.00	$187.00
Wellington Road Waipukurau (per week)		
Single Occupancy	$139.00	$179.00
Married Occupancy	$149.00	$189.00
With Council owned and maintained heat pump		
Single Occupancy	$152.00	$192.00
Married Occupancy	$162.00	$202.00

Cemeteries

Fee	2020/21	2021/22 Proposed
Notes: • Fees include 'burial plot fees' plus 'interment fees' and potentially 'other cemetery fees' • The sale of reserve plots is restricted to one and then only in conjunction with the burial of a member of the same family. (With each application a standard form is filled out so that an accurate record of the reserve plot is kept. A copy of this form is also forwarded to the local Funeral Director.) • Those persons who have reserved plots on behalf of another person or for family members cannot reserve a further plot until the original reserved plots are used. • Pursuant to section 10 (4) of the Burial and Cremation Act 1964 the exclusive right of burial will lapse after sixty (60) years. All plots not used after 60 years will be offered for re-sale following deliberate effort to trace the purchaser or descendants thereof. • The cost of general grounds maintenance in the cemetery including mowing plots in the lawn cemetery areas is carried out by Council and paid for in the Burial Plot Fee. However, maintenance of headstones, fences, concrete-work, etc on any plot is the responsibility of the deceased's descendants and relatives.		
Burial Plot Fees		
Standard Adult Burial Plot	$850.00	$850.00
Child's Burial Plot (under age 13 and in children's area)	No charge	No charge
Baby Burial Plot (Waipukurau Cemetery Memorial only)	No charge	No charge
RSA Burial Plot	No charge	No charge

Fee	2020/21	2021/22 Proposed
Ashes Plot Fees		
Lawn Ashes Plot	$275.00	$275.00
Garden Ashes Plot	$275.00	$350.00
8 plot Family Ashes Garden Area (where available)	$2,500.00	$2,500.00
10 plot Family Ashes Garden Area (where available)	$3,000.00	$3,000.00
RSA Ashes Plot	No charge	No charge
Takapau Ashes Wall	$0.00	$100.00
Interment Fees		
Standard Adult Burial Interment	$900.00	$900.00
Children under 13 and Babies Burial Interment	No charge	No charge
Afterhours Burial Interment fees - *This fee will apply to burial interments that begin after 1.00pm Saturday and 4.00pm on weekdays. There are no burial interments on Sundays or Public Holidays. This fee is additional to the interment fee.*	$750.00	$750.00
Ashes Interment	$250.00	$250.00
Afterhours Ashes Interment Fees - *This fee will apply to burial interments that begin after 1.00pm Saturday or anytime Sunday or public holidays and 4.00pm on weekdays. This fee is additional to the interment fee.*	$0.00	$500.00

Cemeteries

Fee	2020/21	2021/22 Proposed
Other Cemetery Fees		
Memorial Plaque on Wall (Takapau Cemetery)	$100.00	$100.00
Transfer of Burial Rights	$50.00	$50.00
Double Depth (more than one burial where ground permits). This fee is additional to the interment fee.	$250.00	$250.00
Breaking Concrete	Actual Cost	Actual Cost
Disinterment	Actual Costs	Actual Costs
Monumental Permit Fee - A monumental permit is required for all new headstones and plaques, including ash garden plaques within the cemetery. It also applies to major monumental works.	$50.00	$50.00
District-wide Reservations (maximum of one adjoining burial plot at the time of interment)	200% of the current plot fee	200% of the current plot fee
Manual Records Search Fee - per entry (per hour) plus actual costs	$150.00	$150.00

Central Hawke's Bay Municipal Theatre

Fee	2020/21	2021/22 Proposed
Notes: • See Terms and Conditions for inclusions to Room Hire • The below rates apply unless a pre-agreed written rate has been provided • The Places and Open Spaces Manager has the discretion to establish new fees and charges for events, catering and other beverages as required.		
Stephenson Transport Auditorium (Large Venue)*		
Per Hour Community		
Full Community Organisations/Fundraisers/Schools per hour	$100.00	$150.00
Standard Community Organisations/Fundraisers/Schools per hour		$125.00
Basic Community Organisations/Fundraisers/Schools per hour		$100.00
Floor Only Community Organisations/Fundraisers/Schools per hour		$80.00
Full day Community		
Full Community Organisations/Fundraisers/Schools Full Day	$700.00	$900.00
Standard Community Organisations/Fundraisers/Schools Full Day		$800.00
Basic Community Organisations/Fundraisers/Schools Full Day		$700.00
Floor Only Community Organisations/Fundraisers/Schools Full Day		$600.00
Per Hour Corporate		
Full Corporate Organisations/Private Events per hour	$175.00	$225.00
Standard Corporate Organisations/Private Events per hour		$200.00
Basic Corporate Organisations/Private Events per hour		$175.00
Floor Only Corporate Organisations/Private Events per hour		$150.00
Full Day Corporate		
Full Corporate Organisations/Private Events Full Day	$1,300.00	$1,500.00
Standard Corporate Organisations/Private Events Full Day		$1,400.00
Basic Corporate Organisations/Private Events Full Day		$1,200.00
Gwen Malden Chambers (Smaller Venue)		
Per Hour Community		
Full Community Organisations/Fundraisers/Schools per hour	$40.00	$60.00
Standard Community Organisations/Fundraisers/Schools per hour		$40.00
Full Day Community		
Full Community Organisations/Fundraisers/Schools Full Day	$250.00	$300.00
Standard Community Organisations/Fundraisers/Schools Full Day		$250.00
Per Hour Corporate		
Full Corporate Organisations/Private Events per hour	$100.00	$100.00
Standard Corporate Organisations/Private Events per hour		$85.00
Full Day Corporate		
Full Corporate Organisations/Private Events Full Day	$700.00	$800.00

Fee	2020/21	2021/22 Proposed
Standard Corporate Organisations/Private Events Full Day		$700.00
Pack-In/Pack-Out		
Pack-In/Pack-Out Half-Day	$125.00	$125.00
Pack-In/Pack-Out Full-Day	$250.00	$250.00
Backstage Change Rooms (ideal for weddings) per hire	$30.00	$30.00
Kitchen Hire		
Corporate Organisations/Private Events kitchen only per hour	$25.00	$25.00
Cutlery & Crockery Hire		
Note: Items below may be charged out at a higher cost if hired externally. All damages will be charged out.		
Champagne Flutes	$0.60	$0.60
Wine Glasses	$0.60	$0.60
Carafes	$4.00	$4.00
Cutlery (Knife/Fork/Spoon)	$1.40	$1.50
Side Plates	$0.70	$0.70
Dinner Plates	$0.70	$0.70
Bowls	$0.70	$0.70
Serving platters (assortment) from	$1.20	$1.20
Fee	**2020/21**	**2021/22 Proposed**
Equipment Hire		
Screen & Projector	$150.00	$150.00
Round Tables (1.5m diameter0	$23.00	$23.00
Trestle Tables	$18.00	$18.00
Round Table Cloths (floor length)	$18.00	$20.00
Trestle Table Cloths	$12.00	$12.00
Decorative Hire		
Arch	$60.00	$60.00
Red carpet runner	$60.00	$60.00
Ivy wall	$350.00	$350.00
Fairy lights	$60.00	$60.00
Festoon light	$100.00	$100.00
Fee	**2020/21**	**2021/22 Proposed**
Food & Beverage		
White Wine per glass	$7.00	$7.00
White Wine per bottle	$28.00	$28.00
Red Wine per glass	$8.00	$8.00
Red Wine per bottle	$30.00	$30.00
Bubbles per glass	$7.00	$7.00
Bubbles per bottle	$28.00	$28.00
Beers per bottle/can	$6.00	$6.00
Cider & RTD's per bottle/can	$8.00	$8.00
Orange Juice per glass	$4.00	$4.00
Tea & Coffee Buffet per person	$3.00	$3.00
Soft Drinks	$4.00	$4.00
Bar Snacks	$3-$18.00	$3-$18.00

Council Chambers and Administration

Fee	2020/21	2021/22 Proposed
Notes: • Non-Council organisations and clubs using the Council Chamber will be charged $30.00 per hour with a minimum charge of $60.00. This includes the use of the kitchen and crockery		
Chambers Hire		
Minimum Charge	$60.00	$60.00
Hourly Charge	$30.00	$30.00
Photocopying		
Note: There is no discount if customer supplies their own paper.		
A4 Single Sided per sheet	$0.20	$0.20
A4 Double Sided per sheet	$0.40	$0.40
A4 Colour Single Sided	$1.50	$1.50
A3 Single Sided per sheet	$0.40	$0.40
A3 Double Sided per sheet	$0.80	$0.80
A3 Colour Single Sided	$3.00	$3.00
A2 Single Sided per sheet (Council Office Only)	$2.50	$2.50
A1 Single Sided per sheet (Council Office Only)	$5.00	$5.00
A4 Scanning for first page	$1.00	$1.00
A4 Scanning for extra pages	$0.20	$0.20

Fee	2020/21	2021/22 Proposed
A1 and A2 Scanning to USB drives only (Council Office Only)	$10.00	$10.00
A4 Single Sided per sheet	$0.20	$0.20
A4 Double Sided per sheet	$0.40	$0.40
Laminating		
A4 size	$2.00	$2.00
A3 size	$4.00	$4.00

Planning and Regulatory Group

Fee	2020/21	2021/22 Proposed
Land Use and Consenting **Notes:** • Pursuant to Section 36, 36(1) and 36(3) of the Resource Management Act 1991, Council may require the person who is liable to pay one or more of the below charges, to also pay an additional charge to recover actual and reasonable costs in respect of the matter concerned. • These set fees relate to the minimum administration charge only. The actual fee payable includes the cost of time taken to process each application, memorandum, consent, certificate or schedule and the cost of the inspections required. • Extra charges will be applicable for development contributions. These will be assessed on a case by case basis. Please contact Council for exact costs.		
Land Use and Subdivision Consents		
Notified Applications (Deposit)	$4,000.00	$5,000 plus Actual and reasonable costs
Non Notified Applications (Deposit)	$1,000.00	$0.00
Deemed Permitted Boundary Activity (s87AAB)	$180.00	$250.00
Variation of Conditions of Consents (s127)	$1,000.00	Actual and reasonable costs
Extension of Time Application (s125)	$800.00	Actual and reasonable costs
Certificate of Compliance (s139) (Deposit)	$600.00	Actual and reasonable costs
Designations and heritage orders (New and alterations)	$1,500.00	Actual and reasonable costs
Notice of Requirement	$1,200.00	Actual and reasonable costs

Fee	2020/21	2021/22 Proposed
Outline Plan of Works (s176A)	$600.00	Actual and reasonable costs
ROW application (S348 LGA)	$600.00	Actual and reasonable costs
Bond Administration Fee	$150.00	$175.00
Inspection Fee – Zone 1	$205.00	$215.00
Inspection Fee – Zone 2	$215.00	$225.00
Inspection Fee – Zone 3	$235.00	$245.00
Inspection Fee – Zone 4	$265.00	$275.00
Inspection Fee – Outside Zone 4	$300.00	$315.00
Travel Costs (per km)	$1.00	0.79 subject to change
Sale of Liquor Certificate (RMA)	$100.00	$140.00
Objection of RMA decisions (Section 357)	$1,000.00	$1000 lodgement fee plus actual and reasonable charges

Fee	2020/21	2021/22 Proposed
Subdivisions		
Subdivision Consents 1-8 Lots	$1,200.00	Actual and reasonable costs
Subdivision Consents more than 8 Lots	$2,400.00	Actual and reasonable costs
Subdivision Compliance Fee (section 223 and/or 224 and Deamalgamation Certification s241(3) Resource Management Act 1991) (1-7 lots)	$400.00	$650.00
Subdivision Compliance Fee (section 223 and/or 224 Resource Management Act 1991) - more than 8 lots	$1,500.00	$1,500.00
Consent Notices and miscellaneous subdivision documents (ie: Cancellation of Easement s243(e), Certificate Confirming Allotments s226(e)(ii)	$150.00	$250.00
Processing, Monitoring and Compliance		
Monitoring fee	$165.00	Hourly rate plus mileage
Engineering Plan Approval	Actual and reasonable costs	Actual and reasonable costs
Charge out Rates per Hour		
Administration	$135.00	$140.00
Planner	$165.00	$170.00
Senior Planner, 3 Waters and Land Transport	$175.00	$180.00
Manager, Team Leader	$195.00	$195.00

Fee	2020/21	2021/22 Proposed
Engineers		Actual and reasonable costs
Technical Report Peer Review		Actual and reasonable costs
Administrative Charges		
Supply of documents	Photocopying costs	Photocopying costs
District Plan Charges		
Private District Plan Change (Deposit)	$25,000.00	$25,000.00
Designations and heritage orders (New and alterations) (deposit)	$1,500.00	$1,500.00
District Plan (including Planning Maps) Hardcopy	Actual and reasonable costs	Actual and reasonable costs
District Plan (including Planning Maps) Electronic	$50.00	$50.00
Development Contributions Excludes GST		
Districtwide	$0	$1,410
Waipukurau	$3,375	$24,802
Waipawa	$1,952	$24,802
Otāne	$6,383	$24,802
Takapau	$8,823	$7,545
Pōrangahau	$2,351	$620,226

Fee	2020/21	2021/22 Proposed
Building Consents **Notes:** • A Building consent deposit payable on application. • The actual fee payable includes the cost of time taken to process each application, project information memorandum, building consent or compliance schedule and the cost of the inspections required. • Extra charges may be applicable for development contributions. These will be assessed on a case by case basis. Please contact Council for exact costs. • Deposits are based on adequate documentation being provided to Council at the time of application and a set number of inspections. Further charges will be incurred should further work be required during processing and issuing consent or should extra inspections be required. • It is anticipated that the scheduled deposit will cover some of Council's actual and reasonable expenses. Where additional costs are incurred, the applicant will be charged accordingly. Where, upon issue of a Code of Compliance Certificate, the deposit is found to exceed the actual and reasonable cost, a refund will be made. • Pursuant to Building Research Association Legislation, materials, labour and plant costs must be included in the total value of building work for the calculation of levies. • The accreditation fee is to cover continuing Central Government accreditation costs relating to the Building Act 2004.		
Consent Fees		
Solid Fuel Burner – Free Standing (including accreditation fee) plus travel fees	$265.00	$275.00
Solid Fuel Burner – In Built (including accreditation fee) plus travel fees	$360.00	$375.00
Marquee Consent / Inspection Fee	$180.00	$185.00
Minor plumbing and drainage works including new connections, replacement septic tanks and effluent fields, demolition work and swimming pool fences	$380.00	Actual and reasonable costs
Additions and alterations or similar building works up to value of $50,000	$715.00	Actual and reasonable costs
Dwellings, commercial/industrial buildings and building alterations, repiling and in ground pools	$1,220.00	Actual and reasonable costs
Pole Barn / Garage / Carport / Conservatory under $20,000	$800.00	Actual and reasonable costs
Amendment to building consent	$500.00	Actual and reasonable costs
Administrative Charges		
Administration Fee – under $20,000	$280.00	$295.00
Administration Fee – over $20,000	$520.00	$550.00
Administration Fee – over $100,000 and commercial buildings	$730.00	$750.00
Issue of Compliance Schedule	$275.00	$275.00
Compliance Schedules update and reissue	$10.00	$215.00
Non Consented Compliance Schedules / Warrant of Fitness check / Audit (hourly rate)	$160.00	$175.00
Building Warrant of Fitness Administration Fee (per hour)	$150.00	$140.00
Inspection Fee – Zone 1	$205.00	$215.00
Inspection Fee – Zone 2	$215.00	$225.00
Inspection Fee – Zone 3	$235.00	$245.00
Inspection Fee – Zone 4	$265.00	$275.00
Inspection Fee – Outside Zone 4	$300.00	$315.00
Re-Inspection Fee	As per Zone Fee	As per Zone Fee

Fee	2020/21	2021/22 Proposed
Inspections for which no other fee has been paid (mileage will be charged for inspections outside the district) - eg effluent system subdivision inspections	$300.00	$300.00
BRANZ and MBIE Levy	Actual cost	Actual cost
Section 72 administration (Building subject to natural hazards)	$400.00	Actual and reasonable costs
Section 75 administration and Certification (Building across 2 or more allotments)	$400.00	Actual and reasonable costs
Central Government Accreditation Recovery Fee – under $20,000	$35.00	$45.00
Central Government Accreditation Recovery Fee – under $100,000	$70.00	$75.00
Central Government Accreditation Recovery Fee – over $100,000	$125.00	$130.00
Central Government Accreditation Recovery Fee – Commercial	$185.00	$195.00
Hourly Charge Out Rate - Administration	$135.00	$140.00
Hourly Charge Out/Processing Rate - Building Consent Officer/Monitoring and Compliance	$170.00	$175.00
Hourly Charge Out Rate - Plan check of building consent	$170.00	$175.00
Hourly Charge Out Rate - Pre-lodge of building consent	$170.00	$175.00
Hourly Charge Out/Processing Rate - Building Control Team Lead	$195.00	$195.00
Simpli Consent Fee	Actual Cost – to be set by Simpli based on building cost	$45.00
GoGet Administration Fee - all consents	$50.00	$50.00

Fee	2020/21	2021/22 Proposed
Travel Costs (per km)	$1.00	$0.79
Peer review of engineering and technical reports	Actual Cost	Actual and reasonable costs
Property File Request	$35.00	$35.00

Fee	2020/21	2021/22 Proposed
GIS Map Information		
Every Day Map Requests (No Photograph) – Note – A request that involves less than 15 minutes to produce.		
A4	$10.00	$10.00
A3	$14.00	$14.00
A2	$25.00	$25.00
A1	$30.00	$30.00
Every Day Map Requests (With Photograph) – Note – A request that involves less than 15 minutes to produce		
A4	$20.00	$20.00
A3	$28.00	$28.00
A2	$50.00	$50.00
A1	$60.00	$60.00
Special Map Request Charges		
Note: Specialised maps are those which require new layers to be added, minor analysis work and/or specialised printing techniques. In addition to the printing charges outlined above there is a charge based on actual time taken plus any disbursements.		
Hourly charge out rate	$165.00	$165.00
Minimum charge for specialist maps	$80.00	$80.00

Fee	2020/21	2021/22 Proposed
Information Memoranda		
Property Information Memoranda	$360.00	$370.00
Land Information Memoranda – ten (10) working days (Residential Property)	$335.00	$350.00
Land Information Memoranda (Commercial) - ten(10) working days	$600.00	$625.00
Certificate of Title	$35.00	$35.00
Monitoring and Compliance		
Certificate of Public Use	$350.00 Plus actual and reasonable costs	$350.00 Plus actual and reasonable costs
Certificate of Acceptance	$500.00 Plus actual and reasonable costs	$500.00 Plus actual and reasonable costs
Applications for Change of use of a building	$500.00 Plus actual and reasonable costs	$500.00 Plus actual and reasonable costs
Compliance Inspection for existing fence (deposit)	$200.00	$200.00
Noise Complaints		
Note: Pursuant to Section 36(1) and 36(3) of the Resource Management Act 1991, Council may require the person who is liable to pay one or more of the below charges, to also pay an additional charge to recover actual and reasonable costs in respect of the matter concerned.		
Seizure charge for noise emission equipment	$200.00	$200.00
Abatement Notice Fee	$60.00	$60.00

Fee	2020/21	2021/22 Proposed
Environmental Health		
Registration of Premises		
Annual Registration of Premises		
Food premises / Food control plans	$410.00	$410.00
Verification Fee- hourly rate	$155.00	$155.00
Prepacked food only/low risk	$210.00	$210.00
Re-inspection for failure to comply / failure of CAR hourly rate	$155.00	$155.00
Offensive Trades: Operating under Schedule 3 of Health Act 1956	$205.00	$205.00
Hairdressers Registration	$160.00	$160.00
Cake Makers Registration		$100.00
Camping Grounds	$210.00	$210.00
Funeral Directors	$210.00	$210.00
Animal Sale Yards	$210.00	$210.00
Transfer of Registration	$110.00	$110.00
Registration of event on public / open space (Small)	$75.00	$75.00
Registration of event on public / open space (Medium / Large)	$160.00	$160.00
Street tables and chairs	$210.00	$210.00
Food Control Plan Registration	$210.00	$210.00
National Programme Registration	$110.00	$110.00

Fee	2020/21	2021/22 Proposed
Food Control Plan Renewal	$110.00	$110.00
National Programme Renewal	$75.00	$75.00
Other Applications		
Sale of Liquor Certificate (Building)	$75.00	$75.00
Complaint driven investigation resulting in issue of improvement notice by food safety officer	$150.00	$150.00
Application for review of issue of improvement notice	$150.00	$150.00
Monitoring of food safety and suitability, i.e. at an event	$150.00	$150.00
Liquor		
Note: Fees are set by Regulation under Sale and Supply of Alcohol Act 2012		
Application Fees		
Very low risk application	$368.00	$368.00
Low risk application	$609.50	$609.50
Medium risk application	$816.50	$816.50
High risk application	$1,023.50	$1,023.50
Very high risk application	$1,207.50	$1,207.50
Annual Fees		
Very low risk application	$161.00	$161.00
Low risk application	$391.00	$391.00
Medium risk application	$632.50	$632.50

Fee	2020/21	2021/22 Proposed
High risk application	$1,035.00	$1,035.00
Very high risk application	$1,437.50	$1,437.50
Special Licence Applications		
Class 1 – 1 large event, more than 3 medium events or more than 12 small events	$575.00	$575.00
Class 2 – 1 to 3 medium events or 3 to 12 small events	$207.00	$207.00
Class 3 – 1 to 2 small events	$63.75	$63.75
Other Applications		
Managers Certificate Application	$316.25	$316.25
Temporary Authority / Temporary Licence	$296.70	$296.70
Permanent Club Charters annual fee	$632.50	$632.50
Extract from registrar	$57.50	$57.50
Sale of Liquor Certificate (Building)	$75.00	$75.00
District Licensing Committee Costs	At actual costs	At actual costs
Hawkers, Pedlars, Itinerant Traders, Markets and Street Stalls - Trading Licence (Public Places)		
Hawker/Itinerant Trader License	$50.00	$50.00
Lease/Rent of private land or buildings	$200.00	$200.00
Markets – Event Organisers – seasonal	$75.00	$75.00
Markets – Food Stall Holder – seasonal	$25.00	$25.00

Fee	2020/21	2021/22 Proposed
Street Stalls, Raffle Days, Street Collections - Non Commercial	No permit fee is required	No permit fee is required
Vehicle Stands		
Licences For Vehicle Stands On Streets		
(Omnibus and Taxicabs)		
Application	$200.00	$200.00
Annual Rental	$115.00	$115.00
Amusement Devices and Shooting Galleries		
Note: The Permit Fee for Amusement Devices is in addition to any Ground Rental etc that may be required.		
Amusement Devices Permit Fees		
For one device, for the first 7 days of proposed operation or part thereof	$11.50	$11.50
For each additional device operated by the same owner, for the first 7 days or part thereof	$2.30	$2.30
For each device for each further period of 7 days or part thereof	$1.15	$1.15
Annual Fixed Amusement Facility	$115.00	$115.00
Class 4 Gaming Licensing		
Note: Pursuant to the Gambling Act 2003.		
Application Fee	$250.00	$250.00
License Inspection Fee	$150.00	$150.00

Fee	2020/21	2021/22 Proposed
Skateboard and Bicycle Confiscation		
Return of confiscated skateboards and bicycles	$50.00	$50.00
Hoardings and Signs		
Application and Permit	As for resource consents	As for resource consents
Annual Licence Fees (per m² or part thereof per month)	$2.00	$2.00
Animal Control		
Note: Proportionate fees apply for Dog Registration from 1st August for all dogs legally required to be registered from that date and pups that turn 3 months of age after that date.		
Dog Registration		
Town Dogs	$112.00	$108.00
Responsible Dog Owner	$76.50	$71.50
Rural Dogs	$56.00	$51.00
Working Dogs (as per Dog Control Act 1996)		$51.00
Selected Owner Policy (Responsible Dog Owner) Property Inspection for first time application	$50.00	$50.00
Transfer of Selected Owner Policy (Responsible Dog Owner) or more than two dogs permit from another district		$25.00
Gold Card Dog Owner (Early Bird Discount does not apply and not available after 1st August)	$38.00	$45.00

Fee	2020/21	2021/22 Proposed
Dangerous Dog	150% of the applicable registration category	150% of the applicable registration category
Penalty for payment received after 1 August	$25.00	50% standard registration fee
Dog Impounding		
First impounding	$75.00	$75.00
Second impounding	$90.00	$90.00
Third impounding	$130.00	$130.00
Daily charge	$16.00	$16.00
After hours opening fee	$50.00	$50.00
Other charges		
Microchipping	$15.00	$25.00
Replacement tags	$5.00	$5.00
Collars – Large	$10.00	$10.00
Collars – Small	$10.00	$10.00
Rehoming fee		$230.00
Application to keep more than two dogs		$50.00
Voluntary handover (surrender dog)		$40.00
Seizure fee		$80.00
Officer Time		$80.00

Fee	2020/21	2021/22 Proposed
Ranging Charges in regards to State Highways		
Note: Pursuant to the Impounding Act 1955		
Staff attendance at incidents of stock on roads including State Highways (per hour)	$250.00	$250.00
Travel Costs (per km)	$1.00	$1.00
Minimum charge	$100.00	$100.00
Impounding fees for stock (excluding dogs)		
Note: Trespass rates shall be additional and as described in the Regulations to the Impounding Amendment Act 1980.		
Impounding for every animal per day	$20.00	$20.00
Sustenance for every animal per day	$16.00	$16.00
Notice to owner by post or delivery	$15.00	$15.00
Notice to owner by advertisement[s]	At cost	At cost
Transport to Pound [By transport operators or other]	At cost	At cost
Transport to Pound [By Council]	At cost	At cost
Transport to Pound [By droving]	At cost	At cost
Minimum charge for any impounding	$200.00	$200.00
Minimum Charge for second and subsequent impounding of stock from same owner - additional fee.	$250.00	$250.00

Fee	2020/21	2021/22 Proposed
Bylaws and Compliance		
Attendance at bylaw breaches	$200.00	$200.00
Travel Costs (per km)	$1.00	$1.00
Minimum charge	$200.00	$200.00
Parking Fees		
Note: Fixed by the Land Transport Act (Schedule B, Part 1 - Offences parking wardens may enforce		
Not more than 30 minutes but less than an hour	$12.00	$12.00
More than 30 minutes, but less than 1 hour	$15.00	$15.00
More than 1 hour, but less than 2 hours	$21.00	$21.00
More than 2 hours, but less than 4 hours		
More than 4 hours, but less than 6 hours	$42.00	$42.00
More than 6 hours	$57.00	$57.00
Unlawfully on disability car park	$150.00	$150.00
Parking on or within 6 metres of an intersection	$60.00	$60.00
Parking on or near a pedestrian crossing	$60.00	$60.00
Parking on broken yellow lines	$60.00	$60.00
Double Parking	$60.00	$60.00
Inconsiderate Parking	$60.00	$60.00
Parking on a clearway	$60.00	$60.00

Fee	2020/21	2021/22 Proposed
Parking on a bus-only lane	$60.00	$60.00
All other parking offences	$40.00	$40.00
Towage Fee:		
Effective from 1 October 2010 the towage fees as set out in the Transport (Tow Fees) Notice 2004 are:		
Where the vehicle gross weight does not exceed 3500kgs – Between hours 0f 0700 and 1800 Monday to Friday (other than Public Holiday)		$53.67
Where the vehicle gross weight does not exceed 3500kgs – Between hours 0f 0700 and 1800 Monday to Friday any other time		$71.56
Where the vehicle gross weight exceeds 3500kgs – Between hours 0f 0700 and 1800 Monday to Friday (other than Public Holiday)		$132.89
Where the vehicle gross weight exceeds 3500kgs – Between hours 0f 0700 and 1800 Monday to Friday any other time		$204.44

Solid Waste

Fee	2020/21	2021/22 Proposed
The following conditions apply to all trade refuse users of the landfill and transfer stations: • The disposal of Special wastes (as defined in the landfill management plan) at the landfill requires the Waste Generator to complete the "Special Waste Questionnaire" and "Waste Profile Declaration". Special waste will be only accepted after Council's approval of the application • Hazardous waste, Prohibitive waste and Trade waste (as defined in Council's Solid Waste Bylaw) will not be accepted at Council facilities • Council will invoice commercial users at appropriate intervals. The assessment of volumes of refuse for charging will be based on the volume of refuse in the vehicle, not the compacted volume in the landfill. Council's assessment of volumes will be final. • Unless agreed with Council NO truckloads of trade refuse or loads of clean fill greater than 0.2m³ will be accepted at the transfer stations. Such loads may be accepted at the landfill and will be charged for separately at the landfill charge. • Unless agreed with Council or the landfill operator no after hour access is allowed to the landfill or transfer stations. No keys to the landfill or transfer stations will be issued • Special/Difficult Refuse is waste that is bulky, lightweight or requiring immediate burying due to containing offensive odour, or is easily windblown, attractive to vermin, has health implications, contains asbestos, or as required by the Council or landfill operator • * Based on $10/tonne Waste Levy contribution (excluding GST) and $29.75/tonne carbon credits (GST exempt). These prices are subject to change during the year based on third party pricing.		
Landfill - Refuse		
(minimum charge of $60.00)	$60	$157.50
Standard Refuse (per tonne)	$198.80	$210.00
Special/Difficult Refuse (per tonne)	Actual Costs of disposal (Min standard refuse rate charge)	Actual Costs of disposal (Min standard refuse rate charge)

Fee	2020/21	2021/22 Proposed
Landfill Key Tag Bond	$20.00	$20.00
Landfill Admin Fee for Manual Dockets	$50.00	$50.00
Asbestos (per tonne)		$315.00
Designations and heritage orders (New and alterations)	$1,500.00	Actual and reasonable costs
Notice of Requirement	$1,200.00	Actual and reasonable costs
Transfer Station - Refuse		
Car	$18.00	$18.00
Van or ute with a contained load being either a Wheelie bin/drum/small wool sack/up to 2 bags	$18.00	$18.00
Utes and Vans	$33.00	$33.00
Trailers up to 2m long		$33.00
Trailers over 2m long, up to 4m		$49.00
Trailers over 4m long		$65.00
Flat Deck Truck	Landfill or pre agreed measured m³ rate	Landfill or pre agreed measured m³ rate
Other Truck	Landfill or pre agreed measured m³ rate	Landfill or pre agreed measured m³ rate

Fee	2020/21	2021/22 Proposed
Per cubic metre (compacted)	$101.00	$101.00
Per cubic metre (not compacted)	$48.00	$48.00
Weighed load at Transfer Station (incl. weigh fee)	$40.00	$40.00
Vehicle and Trailer	Charged for both individually	Charged for both individually
Mixed loads	Charged at refuse rate	Charged at refuse rate
Car Bodies	Not accepted	Not accepted
Concrete (per cubic metre)	$80.00	$80.00
Steel		
Minimum Charge	$20.00	$20.00
Utilities and Trailers up to 2.0m	$45.00	$45.00
Trailers over 2.0m	60.00	60.00
Electronic		
Television (Old)	40.00	40.00
Television (flat screen)	25.00	25.00
Monitor (old)	20.00	20.00
Monitor (new flat screen)	14.00	14.00
Printer/Scanner (small)	18.00	18.00
Printer/Scanner (large)	50.00	50.00
Laptops and Tablets	6.00	6.00

Fee	2020/21	2021/22 Proposed
Photocopier Small/Medium	50.00	50.00
Photocopier Large	70.00	70.00
Small Appliances/Drills/Alarm Clocks/Cameras	7.00	7.00
Heaters/Fans	7.00	7.00
Vacuums	12.00	12.00
Microwaves	12.00	12.00
DVD/VCR players	10.00	10.00
Stereo Systems and Gaming Consoles	7.00	7.00
Stereo Speakers per unit	4.00	4.00
Washing Machines/Dryers/Dishwashers	29.00	29.00
Fridges/Freezers	45.00	45.00
Keyboards and Docking Stations	4.00	4.00
Electric Bike Batteries	30.00	30.00
Paint		
Paint (up to 4 litre can)	2.00	2.00
Paint (over 4 litre can)	4.00	4.00
Transfer Station – Greenwaste		
Car	13.00	13.00
Wheelie bin/ drum/ small wool sack / up to 2 bags	13.00	13.00

Fee	2020/21	2021/22 Proposed
Utilities and Vans	$25.00	25.00
Trailers up to 2m long		$25.00
Trailers over 2m long, up to 4m		$35.00
Trailers over 4m long		$45.00
Flat Deck Truck	Measured m³ rate	Measured m³ rate
Other Truck	Pre agreed m³ rate	Pre agreed m³ rate
Per cubic metre	$35.00	$35.00
Tyre Disposal		
Car	10.00	10.00
Motorcycle	10.00	10.00
4x4	15.00	15.00
Truck	20.00	20.00
Tractor	50.00	50.00
Tyres on rims	2 X individual tyre charge	2 X individual tyre charge
Refuse bags / Recycling bin Charges (Recommended Retail Price)		
Refuse Bag – 35 litre	1.90	1.90
Refuse Bag – 60 litre	2.30	2.30
Refuse Bag 35 litre (Box)	850.00	850.00

Fee	2020/21	2021/22 Proposed
Refuse Bag 60 Litre (Box)	1,000.00	1,000.00
Recycling Bin	25.00	25.00
Unauthorised dumping - Council will prosecute persons caught dumping rubbish unlawfully.		
Staff time for investigating and clearing per hour	150.00	150.00
Travel Costs (per km)	2.00	2.00
Minimum Charge	200.00	200.00

Water Services

Fee	2020/21	2021/22 Proposed
Water Supply Notes: • Extraordinary users may be charged by private arrangement with Council • Quarterly water billing will apply for metered water users. • Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.		
Tankered water (taken from standpipes) per m³	$3.85	$3.85
Note: for information only as this charge is a rate and is set as a rate		
Water to metered properties per m³ Common Charges	$2.65	$2.65
Note: Water Connections from the Council main, to and including the toby and/or meter manifold must be installed by a contractor approved by Council for the installation of water connections, at the applicant's expense		
Application fee	$135.00	$135.00
Installation Administration fee	$200.00	$200.00
Inspection fee	$135.00	$135.00
Debt Recovery - hourly rate	$135.00	$135.00
Restrictor Fee (Plus actual costs)	$135.00 plus actual costs	$135.00 plus actual costs
Installation of testable Backflow Preventer	Contractors cost	Contractors cost
Maintenance and Annual Testing Fees	Contractors cost	Contractors cost
Disconnections and Reconnections	Contractors cost	$720.00
Reconnection following Council imposed disconnection	Contractors cost	$380.00
New Connections	Contractors cost	Contractors cost

Fee	2020/21	2021/22 Proposed
Wastewater Notes: • Sewerage connections must be installed by a contractor approved by the Council for the installation of sewerage connections. Connections at the applicant's expense. • Extra charges will be applicable for development levies. These will be assessed on a case by case basis. Please contact Council for exact costs.		
Application fee	$135.00	$135.00
Installation Administration fee	$200.00	$200.00
Inspection fee	$135.00	$135.00
New Connections		
Disconnections and Reconnections		$344.00
Reconnection following Council imposed disconnection		$344.00
Existing Connections		
Note: Work and repair to existing connections to Council sewer main. All physical work associated with repair at applicant's expense.		
Inspection fee	$132.00	$132.00
Discharge of Trade Waste		
Note: Charges for the discharge of Trade Waste and conditions thereof are recovered under the Central Hawke's Bay District Council Trade Waste Bylaw 2006. The following charges are provided in Schedule 1D of the Bylaw.		

Fee	2020/21	2021/22 Proposed
B Trade Waste Charges		
Category	incl GST	incl GST
B1 Volume	$0.26	$0.26
B3 Suspended solids	$1.89	$1.89
B3 Suspended solids	$0.26	$0.26
B4 Organic loading	$1.97	$1.97
B5 Nitrogen	$2.95	$2.95
B6 Phosphorous	$9.77	$9.77
Tankered Waste Charges		
Tankered Wastes ($/per litre)	$0.02	$0.02
Wastewater Capital Contributions Recovery These costs will be set through the Tradewaste Bylaw review that is being publicly consulted on as part of 'other consultations' supporting this Long Term Plan.		

Fee	2020/21	2021/22 Proposed
Stormwater Notes: • Stormwater connections must be installed by a contractor approved by the Council for installation of stormwater connections. Connections at the applicant's expense. • Connections to a Council piped stormwater system will incur an Installation Administration fee.		
Application fee	$135.00	$135.00
Inspection fee	$135.00	$135.00
Installation Administration fee	$200.00	$200.00
Existing Connections		
Note: Work and repair to existing connections to Council's stormwater drain, kerb and channel, or open drain. All physical work associated with repair at applicant's expense.		
Other Water Service Charges		
Water Service locates at / hour rate		$135.00
Wastewater service locate / hour		$300.00
Meter testing		$270.00
Operational assistance / hour. Minimum charge 1 hour		$50.00
Technical services / hour		$135.00
Water Service locates at / hour rate		$135.00
Wastewater service locate / hour		$300.00


HAVE YOUR SAY
We want to hear from you!
Central Hawke's Bay District Council
www.chbdc.govt.nz • thrive@chbdc.govt.nz • 06 857 8060
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CENTRAL HAWKE'S BAY
DISTRICT COUNCIL

7.2 THREE WATERS BYLAW - ADOPTION OF DRAFT BYLAWS AND STATEMENT OF PROPOSAL FOR CONSULTATION

File Number: **1234**

Author: **Darren de Klerk, 3 Waters Programme Manager**

Authoriser: **Monique Davidson, Chief Executive**

Attachments:
1. **Draft_Statement of Proposal_Three Waters Bylaw Review_2021** ⇩
2. **02.02.21_Final Draft Stormwater Bylaw - Part 21.2021** ⇩
3. **02.02.21_Final Draft Water Supply Bylaw - Part 07.2021** ⇩
4. **02.02.21_Final Draft Wastewater Bylaw - Part 22.2021** ⇩
5. **02.02.21_Final Draft Trade Waste Bylaw - Part 23.2021** ⇩

PURPOSE

The matter for consideration by the Council is to consider adopting the three waters draft bylaws and statement of proposal for consultation as part of the Long Term Plan engagement in March 2021.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

a) That Council adopt the Draft Stormwater Bylaw, Draft Water Supply Bylaw, Draft Wastewater Bylaw and Draft Tradewaste bylaws, and Statement of Proposal for consultation in March 2021 alongside the Long Term Plan 2021 – 2031 consultation.

EXECUTIVE SUMMARY

The bylaws are intended to deliver on an integrated approach to three waters management in the District. Ensuring our approach aligns to, compliments and reflects the feedback we heard clearly from the community through Project Thrive, as well as the development of other projects such as the District Plan Review and the Integrated Spatial Plan 2020 – 2050.

These bylaws influence things like who can connect to our supplies, how much waste can be discharged, the requirement for water tanks at each property and how we manage stormwater.
Our current bylaws need to be refreshed to ensure they reflect the environmental and infrastructural demands of our time.

The new bylaws will inform how we approach asset management and durable infrastructure practices to support our sustainable water demand management plan and wastewater strategy. The impact of these bylaws is wide reaching – it ensures that step by step, we make positive changes which lead to smart growth while being environmentally sustainable.

BACKGROUND

Council bylaws and policies are a set of rules or regulations that are created to control specific activities within the Central Hawke's Bay District. Bylaws and policies are a useful way of developing a local solution to local nuisance problems. Bylaws and policies focus on those issues which Council have determined can be dealt with appropriately using regulatory enforcement.

Council instigated a review of the bylaws to better align with recently adopted or under evaluation strategies and plans like the Wastewater Strategy, Environmental and Sustainability Strategy, Sustainable Water Demand Management Plan, Spatial Plan and District Plan.

The Bylaws act as the enablers that set the rules to support these strategies and plans.

DISCUSSION

The four, three waters bylaws are proposed to be taken out for community consultation in March 2021 to gather review and feedback on the proposed changes.

The changes proposed are outlined in the key changes within the Statement of Proposal, to support the Statement of Proposal, the draft bylaws are supplied in a clean and tracked changes copy, and a table of all changes is also available.

The Key Changes are;

- Inclusion of an introductory note including the Overarching Purpose, Objectives and Context of the new Bylaw
- Continuing to expand on water meters to meter water usage for high users or to align better with water sustainability outcomes
- Introducing urban water tanks - Making dual purpose rainwater tanks mandatory for new urban residential dwellings
- Expand and strengthen contents in respect to prevention of contaminant discharges to the stormwater and drainage networks and systems
- Strengthening the ability to issue defects notice, and recover costs where defect notices were not implemented or resolved
- Strengthening the ability through the bylaws, and fees and charges to recover costs for capital upgrades for the wastewater system where an industry contributor relatively contributes to the need for the upgrade.

RISK ASSESSMENT AND MITIGATION

The bylaw reviews carry risks across community, regulatory and legal components, positively the bylaws support the operational components of Council and enables officers to better influence key Council policies, plans or strategies.

The risks will be mitigated through a thorough legal review and input, and the community risk will be mitigated through opportunity for engagement and input into the draft bylaw.

FOUR WELLBEINGS

The report and particularly the supporting documents (draft bylaws) consider the four wellbeings through an overarching purpose.

The overarching purpose proposes to achieve a holistic and integrated approach to three waters management in the District that is consistent with Council's District Plan, other Policies, Plans, Strategies and Objectives and also reflect the principles of the Te Mana o Te Wai, the following overarching purposes have been set for all four water services bylaws (Water Supply, Stormwater, Wastewater and Trade Waste).

a) Meet Legislation Requirements

Proactively meet all Council's statutory requirements relating to the provision of three waters services.

b) Integrated Approach

Adopt an integrated and holistic approach to the Three Waters (water supply, wastewater including trade waste and Stormwater) that recognises the interconnections between each of the waters and promotes their sustainable management.

c) Environmental Responsibilities

Facilitate environmentally responsible practices by raising awareness of how the three waters interact and effect the District's natural Environment. Additionally, ensure that Council meet its own responsibilities in terms of resource consent requirements set by the Hawke's Bay Regional Council.

d) Sustainable Practices

Encourage and incentivise the community and businesses to adopt practices that lead to the enhancement of the Environment and the sustainable management of water resources including water and product stewardship, rainwater harvesting, waste minimisation and Cleaner Production.

e) Support Sustainable Growth

Support the sustainable provision of three waters infrastructure to enable future growth while minimising impacts on the Environment.

f) Achieve Project Thrive Values

Develop and implement the Three Waters Bylaws to give effect to 'Project Thrive' values in particular trust, honesty, respect, innovation, and valuing people.

g) Te Mana o te Wai

Recognise the fundamental concept of Te Mana o Te Wai as prescribed under the National Policy Statement for Freshwater Management 2020 and in particular the need to restore and preserve the balance between the water, the wider Environment, and the community.

h) Tangata Whenua Status

Recognise the status of tangata whenua status as Kaitiaki.

i) Durable Infrastructure

Develop and maintain durable and resilient infrastructure that achieves Council's levels of service in an efficient and cost-effective manner.

j) Safety and Health

Ensure the protection, safety and health of Council staff and the community when using or operating the water supply system, and the wastewater and stormwater networks.

k) Obligations

Define the obligations of residential Occupiers and businesses including trade waste Occupiers and the public at large in relation to the Council's water supply, wastewater and stormwater networks.

l) Discharge Controls

Regulate wastewater and stormwater discharges, including trade waste, and hazardous substances, into the wastewater and stormwater networks.

m) Equitable Costs

Provide a system for the equitable share of Council's water services costs between trade waste dischargers, other businesses, and domestic customers.

DELEGATIONS OR AUTHORITY

This bylaw review triggers significance and engagement and requires council to resolve to take the bylaws out for consultation.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed of significance and will be engaged on as part of the Long Term Plan in March 2021, as led out through the Statement of Proposal.

OPTIONS ANALYSIS

Three options presented for analysis are;

1. Adopt the four draft bylaws and Statement of Proposal for consultation

2. Adopt the draft trade waste bylaw ONLY, and simplify the Statement of Proposal for consultation
3. Do not adopt the bylaws for consultation, and provide guidance on next steps

	Option 1	**Option 2**	**Option 3**
	Adopt the four draft bylaws and Statement of Proposal for consultation	**Adopt the draft trade waste bylaw ONLY, and simplify the Statement of Proposal for consultation**	**Do not adopt the bylaws for consultation, and provide guidance on next steps**
Financial and Operational Implications	The bylaw review is funded through the 3 Waters Reform process – so no operational impact. The Trade Waste Bylaw supports the proposed additional capital recovery for wastewater upgrades	The bylaw review is funded through the 3 Waters Reform process – so no operational impact. A delay in when the other three bylaws are engaged on may impact District Plan and other council plan and strategy ambitions. The Trade Waste Bylaw supports the proposed additional capital recovery for wastewater upgrades	The 3 Waters Reform funding for the review does not see an outcome. The Trade Waste bylaw and fees and charges are required to support the current allowance for capital contribution to support wastewater upgrades – not adopting the trade waste bylaw, negatively affects this assumption.
Long Term Plan and Annual Plan Implications	Fully supports the approach outlined within the Draft Long Term Plan	Moderately supports the approach outlined within the Draft Long Term Plan	Does not support the Draft Long Term Plan, and assumptions within the Draft Long Term Plan.
Promotion or Achievement of Community Outcomes	The bylaws have been drafted in such a way that they promote community outcomes and objectives.	The bylaws have been drafted in such a way that they promote community outcomes and objectives.	Does not promote or achieve community outcomes.

Statutory Requirements	Providing ongoing engagement and notification to relevant parties as required through a bylaw review – the bylaw review will meet statutory requirements.	Providing ongoing engagement and notification to relevant parties as required through a bylaw review – the bylaw review will meet statutory requirements.	Not applicable, the current bylaws could compliantly remain in place to 2023.
Consistency with Policies and Plans	Consistent and supports the District Plan, Environmental and Sustainability Strategy, Wastewater Strategy and Sustainable Water Demand Management Plan.	Consistent and supports the Wastewater Strategy and Sustainability Strategy only.	Does not support recently adopted or in progress policies and plans.

Recommended Option

This report recommends **Option 1 - Adopt the four draft bylaws and Statement of Proposal for consultation in March 2021 alongside the Long Term Plan** for addressing the matter.

NEXT STEPS

Prepare draft bylaws and Statement of Proposal for consultation from 01 March 2021 to 31 March 2021, ensure all supporting documentation is available on various channels for the community to transparently understand the key changes and impacts.

Continue to work with the key industry contributors to understand the proposed Trade Waste bylaw, and the financial impact if certain scenarios are adopted.

RECOMMENDATION

That having considered all matters raised in the report:

a) That Council adopt the Draft Stormwater Bylaw, Draft Water Supply Bylaw, Draft Wastewater Bylaw and Draft Tradewaste bylaws, and Statement of Proposal for consultation in March 2021 alongside the Long Term Plan 2021 – 2031 consultation.

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Statement of Proposal

Drinking Water, Stormwater, Wastewater and Trade Waste Bylaw Review 2021

Public Consultation Period
01 March – 31 March 2021

Together we Thrive! E ora ngātahi ana!

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BACKGROUND

Council bylaws and policies are a set of rules or regulations that are created to control specific activities within the Central Hawke's Bay District. Bylaws and policies are a useful way of developing a local solution to local nuisance problems. Bylaws and policies focus on those issues which Council have determined can be dealt with appropriately using regulatory enforcement.

REASONS FOR THE PROPOSAL

1. Bylaws

The Local Government Act 2002 (the Act) enables Councils to adopt bylaws for the following general reasons:

- To protect the public from nuisance;
- Protect, promote, and maintain public health and safety; and
- Minimise the potential for offensive behaviour in public places.

The Act also lists specific purposes for which Councils may make bylaws. These purposes include regulating activities such as trade wastes, solid wastes, keeping of animals and trading in public places. Council is also able to make bylaws to manage, regulate and protect its infrastructure, including reticulated wastewater, stormwater and water supply networks, cemeteries and parks and reserves from damage, misuse or loss. The Act also has special powers relating to the making of bylaws for alcohol control purposes.

Most bylaws, including those now subject to review, are made under the Local Government Act 2002. Some other Acts, such as the Dog Control Act 1996 also empower the Council to make bylaws on specific topics. Bylaws may be supported by accompanying policies.

The Act requires that a new bylaw is reviewed within 5 years of it being made.

2. Bylaw and Policy Review

In 2020, Council initiated a consolidated review of the following:

- 2018 Drinking Water Bylaw
- 2018 Stormwater Bylaw
- 2018 Wastewater Bylaw
- 2018 Trade Waste Bylaw and Appendices

3. The Review

The bylaws are intended to deliver on an integrated approach to three waters management in the District. Ensuring our approach aligns to, compliments and reflects the feedback we heard clearly from the community through Project Thrive, as well in the development of other projects such as the District Plan Review and the Integrated Spatial Plan 2020 – 2050.

These bylaws influence things like who can connect to our supplies, how much waste can be discharged, the requirement for water tanks at each property and how we manage stormwater.

Our current bylaws need to be refreshed to ensure they reflect the environmental and infrastructural demands of our time.

The new bylaws will inform how we approach asset management and durable infrastructure practices to support our sustainable water demand management plan and wastewater strategy. The impact of these bylaws is wide reaching – it ensures that step by step, we make positive changes which lead to smart growth while being environmentally sustainable.

4. Guiding principles for bylaw / policy review and development

The principles which have guided the review process are:

i. That consideration was given to current bylaws and policies requiring review in advance of statutory review requirements.

ii. A rolling programme of review, whereby groups of bylaws and policies are reviewed together.

iii. The bylaws and policies selected for development and review were identified on the basis of the following matters:
   a) Support and alignment with the district plan
   b) Support the Revenue and Financing Policy to deliver a user pays model

iv. The bylaws and policies subject to development and review will be made available for public consultation as one Statement of Proposal. The advantages being:

   a) Cost and efficiency of process
   b) Alignment and interaction between bylaws

v. Each bylaw / policy focuses only on those matters that can, and will, be enforced by the Council

vi. Unless required by statute, matters relating to fees and charges will be set by a separate annual special consultative procedure or by Council resolution.

5. Developing and amending a bylaw / policy

When developing or amending a bylaw / policy, Council must use the special consultative procedure and comply with section 86 of the Act if the bylaw concerns a matter identified in the Council's policy under section 76AA of the Act as being of significant interest to the public; or if the Council considers that there is, or is likely to be, a significant impact on the public due to the proposed bylaw or changes to, or revocation of, the bylaw. In this instance, the Council considers that the matters addressed by the bylaws require the use of the special consultative procedure as infrastructure assets relating to water, stormwater, and wastewater are identified as being of significant interest to the public in the Council's Significance and Engagement Policy.

Under the Local Government Act 2002, a bylaw must be made and reviewed by making the determinations required by section 155 of the Act. These are:

1. Identification of a perceived problem, and consideration of whether a bylaw is the most appropriate way of addressing the perceived problem (section 155(1) of the LGA 2002). In considering whether a bylaw is the most appropriate way to respond to a problem, the

Council must consider the other regulatory and non-regulatory tools that are available to it, including existing statute and public education.

2. If a bylaw is the most appropriate way of addressing the perceived problem, then the Council must decide before making the bylaw whether:
    a. The bylaw is the most appropriate form of bylaw (section 155(2) (a)); and,
    b. The bylaw gives rise to any implications under the New Zealand Bill of Rights Act 1990 (NZBORA) (section 155(3))

The sections at the end of this statement of proposal set out the perceived problems relating to the different aspects of three waters management in the District. The Council considers that bylaws are the most appropriate way to address these issues, as bylaws allow the Council regulate behaviours that affect three waters management and the use of three waters systems in the District. The Council considers that the most appropriate way to respond to these particular problems is through revoking and replacing the existing bylaws so that new bylaws can more efficiently and effectively deliver on an integrated approach to three waters management in the District. The Council does not consider that the new bylaws proposed give rise to any implications under NZBORA.

6. Other considerations

When Council makes or amends a bylaw, it needs to take into account the general law that applies to bylaws. These include:

a. Repugnancy

A bylaw is in effect a local law and is subservient to primary legislation. The bylaw cannot seek to override legislation determined at a national level. If a bylaw sought to override another statute or the common law, then the bylaw would be found to be invalid because it is repugnant to the general laws of New Zealand. Section 14 of the Bylaws Act 1910 states 'no bylaw shall be invalid merely because it deals with a matter already dealt with by the laws of New Zealand, unless it is repugnant to the provisions of those laws.' Each bylaw contained within this Statement of proposal is found not to be repugnant to any legislation.

b. Certainty

A bylaw must be certain. In other words, there must be adequate information as to the duties of those who are to obey it. Each bylaw contained within this Statement of Proposal provides adequate information on the duties and expectations of the Council, its stakeholders, and the community.

c. Reasonableness

The reasonableness of any bylaw is a major consideration. There is case law about what constitutes 'unreasonableness' in a bylaw context. Generally speaking, the following considerations are taken into account when looking at reasonableness:

The surrounding facts, including the nature and condition of the locality in which the bylaw takes effect, the danger or inconvenience it is designed to remedy, and whether or not public or private rights are unnecessarily or unjustly invaded.

A bylaw which unnecessarily interferes with public right without producing a corresponding benefit to the inhabitants of the locality in which it applies is deemed unreasonable.

All bylaws being developed within this Statement of Proposal have been found to be reasonable.

BACKGROUND TO THE BYLAW REVIEW

7. Pre-consultation

Council consulted informally about specific topics within the Water Supply Bylaw during August 2020. The information gathered during this pre-consultation informed the drafting of the Water Supply Bylaw and Stormwater Bylaw. For data from this pre-consultation process, see https://www.chbdc.govt.nz/our-council/consultations/our-thriving-future/the-great-eight/.

Council consulted informally about specific topics within the Trade Waste and Wastewater Bylaws during December 2020 and January 2021. The information gathered during this pre-consultation informed the drafting of the Trade Waste Bylaw. For data from this pre-consultation process, see https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/.

8. Stakeholder Engagement

As well as pre-consultation with the wider community, Council consulted with key stakeholders for specific bylaws. Their feedback informed the drafting of the relevant bylaws:

Bylaw	Key Stakeholders
Draft Wastewater Bylaw	General Community
Draft Trade Waste Bylaw	Industry Contributors, General Community
Draft Water Supply Bylaw	General Community
Draft Stormwater Bylaw	General Community

A schedule is a formal part of the bylaw and contains specific information to be read in conjunction with the bylaw. A schedule can only be changed using a formal process. These processes could either be through a Special Consultative Procedure, or through resolution of Council which requires Public Notification.

CONSULTATION PROCESS

Anyone can make a submission about the proposals described in this proposal document. This document is intended to be a summary of the key changes proposed to be made to each of the current bylaws through this review. Council's "Have Your Say" website (www.chbdc.govt.nz) includes additional information, including a tracked changes version of each of the draft bylaws and policy and a table for each of the draft documents that list all proposed changes and the reasons for those changes.

Hard copies of this Statement of Proposal, including the proposed new bylaws and tracked changes versions from the current bylaws and copies of the submission forms will be available, for the duration of the consultation period, from:

- Central Hawkes Bay District Council offices
- Council's website (www.chbdc.govt.nz)

Copies of the documents may also be obtained by contacting the Council on (06) 857 8060.

Submissions close at **5pm on the 31st March 2021**

9. The Submission Process

The bylaw proposals contained in this document are open for public submission from **01 March to 31 March 2021.** This is your opportunity to let the Mayor and Councillors understand your views about the bylaw and policy proposals.

Operative bylaws and policies of Council may be found on the Council website, http://www.chbdc.govt.nz/our-council/policies-and-bylaws/bylaws/ or viewed at Council's Administration Building in Waipawa, the Waipukurau Library and Service Centre, and the Waipawa Library.

Your submission or comments can be sent to Council by:

- Sending an email to facingthefuture@chbdc.govt.nz
- **Completing the online submission form**
- Completing the submission form at the end of this document and delivering it to:

  Central Hawke's Bay District Council
  32 Ruataniwha Street
  Waipawa 4210

  Or mailing it to:

  Central Hawke's Bay District Council
  PO Box 127
  Waipawa 4240

Please state in your submission whether or not you wish to present your submission in person at a hearing.

Submitters should note that their submission will be copied and made available to the public after the submission period closes.

a. Hearing

A hearing will be held for those who wish to share their views with the Hearings Committee. The hearing is scheduled for the 13th and 14th April 2021.

Council will contact submitters following the close of the submission period to confirm the time, date and venue for the Hearing.

10. What happens next?

Once the public consultation period has concluded, Council will determine a schedule for the hearing of submissions on bylaws in **April 2021**. Submitters will be advised of the hearing dates (anticipated to be **13th** and **14th April 2021**), and those who have indicated that they wish to speak to their written submissions advised of their allocated speaking time. Council will consider all submissions received.

Submitters will be advised of the outcome of their submission following conclusion of the hearings process.

Long Term Plan Deliberations are proposed for **13th May 2021.**

The Long Term Plan and relevant Bylaws are anticipated to be adopted in **June 2021.**

PROPOSAL

The following sections provide a summary of:

- The purpose of each bylaw
- The perceived problems they seek to address
- The key changes proposed to the bylaw through this review
- Whether the proposed bylaw would likely give rise to concerns under the Bill of Rights Act 1990.

WATER SUPPLY BYLAW

Purpose

The purpose of the Water Supply Bylaw is to:

a) Enable the Council to manage and provide public water supply services;

b) Protect the public water supply network from damage, misuse, and interference;

c) Protect the environment and health and safety of the people using the public water supply;

d) Ensure the efficient use of water and improve water resilience during periods of water shortage/restrictions.

e) Align with the wider 'Sustainable Water Demand Management Plan'

Perceived Problems

The proposed new Water Supply Bylaw seeks to address the following perceived problems in the Central Hawkes Bay District:

1. Contamination of drinking water supplies (e.g. from poorly constructed connections to mains, backflow of contaminants into mains from private networks, damage to mains and connections) potentially resulting in sickness or deaths within the communities served.
2. Loss of water or service pressures to other customers (damage to mains and connections by other service suppliers, uncontrolled removal of bulk water from hydrants, removal of restrictors where fitted on unmetered supplies).
3. Uncontrolled high water usage such that Council exceeds permitted water take resulting in fines for consent breaches from Hawkes Bay Regional Council or damage to aquifers.
4. Customers on limited or restricted supplies running out of water.
5. Damage to reticulated services from contractors excavating or drilling in close proximity to services.

Key Changes to the Water Supply Bylaw

Table 1 summarises the key changes proposed through the proposed new bylaw compared to the existing Central Hawkes Bay District Water Supply Bylaw 2018 and the reasons for the changes. Any section or clause references in the table relate to the tracked changes version of the Water Supply Bylaw 2018 that is available on Council's website.

Also available on the website is a table that shows all of the proposed changes to be brought about by this new bylaw, including section and clause references, and reasons for the changes (refer to "Proposed Changes to the Water Supply Bylaw").

***Table 1**: Key Changes to the Water Supply Bylaw*

Key Change	Reason for the Change
1. **Inclusion of an introductory note including the Overarching Purpose, Objectives and Context of the new Bylaw**	To set the scene for a holistic and integrated approach to all three of Council's Water Services and meet Councils District Plan, Policies and Strategies

2. **Water tanks - Making dual purpose rainwater tanks mandatory for new urban residential dwellings**	Rain water tanks will provide relief to the potable water network in times of peak demand, and allow people to continue watering their gardens when and if water restrictions are imposed. In addition, there is also a benefit from the retention of rain water in terms of reducing the amount of water entering the storm water network during rainfall events (refer storm water Bylaw relating to storm water retention devices).
3. **Removal of requirement to provide water storage in rural areas for fire fighting**	It is not common to use storage tanks for fire fighting. Voids warranty and adding no value to customers or FENZ.
4. **Providing the Council with the ability to impose restrictions on water use**	Restricting the use of water will enable Council to maintain an adequate supply of drinking water during, for example, a drought or emergencies. This includes the ability to restrict the filling of domestic swimming pools.
5. **Expanding Council's ability to meter water usage for high users or to align with water sustainability outcomes**	Our water is precious, and a range of tools are needed to manage its use. Meters are a valuable tool by which Council can measure how much water is being used; identify unaccountable water loss, provide information to users on how much water they are using; indicate to Council how it can plan for water use in the future. Councils existing bylaw provides for the installation of meters to manage high users only. Council wish, to expand the ability to meter where required for other water management criteria such as demand management, information capture, loss management etc. The proposed change does not mandate the installation of meters on any property at any time but merely provides Council with the ability to where necessary.
6. **Water Safety**	Backflow is one of the biggest risks to the water supply. It is a potential source of contamination that can seriously affect the quality and safety of our drinking water. Amendments are proposed to provide clarity on customer responsibility for backflow prevention to ensure the safety of the water network.

Assessment against the New Zealand Bill of Rights Act 1990

Consideration has been given to the New Zealand Bill of Rights Act 1990. The proposed Central Hawkes Bay District Water Supply Bylaw 2021 will not give rise to any implications under the NZBORA and the limits imposed by this proposed bylaw is appropriate to the purpose of the bylaw.

STORMWATER BYLAW

Purpose

The purpose of the Stormwater Bylaw is to:

a) To achieve a holistic and integrated approach to the management of stormwater as part of Council's overall three waters management.

b) Minimise and control the discharge of Contaminants into the Public Stormwater Drainage Network.

c) Minimise the effects of discharges from the Public Stormwater Drainage Network on the downstream receiving Environment.

d) Manage the Public Stormwater Drainage Network, and the land, structures and infrastructure associated with that network, so as to protect the public from Nuisance and promote and maintain public health and safety.

e) Enable the Council to meet relevant objectives, policies, standards and resource consents for discharges from the Public Stormwater Drainage Network to the receiving Environment.

f) Protect the land, structures and natural features that make up the Public Stormwater Drainage Network.

g) Prevent the unauthorised discharge of Stormwater into the Public Stormwater Drainage Network and ensure that Private Stormwater Drainage Systems are not causing a Nuisance or harm to the Council's networks infrastructure.

h) Define the obligations of the Council, installers, Occupiers and the public in matters related to the discharge of Stormwater and management of the Public Stormwater Drainage Network and the administration of equitable costs and charges.

Perceived Problems

The Stormwater Bylaw seeks to address the following perceived problems in the Central Hawkes Bay District:

a) Discharge of contaminants into the stormwater and drainage networks and systems.

b) Damage to the Council's public stormwater and drainage networks by contractors and other parties.

c) Non-compliance with Council's requirements for the design, construction and operation of stormwater works.

d) Discharges exceeding the capacity of Council's stormwater and drainage network.

e) Stormwater discharges leading to non-compliance of Council's resource consents.

f) Cumulative adverse effects of multiple stormwater discharges as well as other discharges.

Key Changes to the Stormwater Bylaw

Table 2 summarises the key changes proposed through this proposed new bylaw compared to the existing Central Hawkes Bay District Stormwater Bylaw 2018.

Also available on the website is a table that shows all of the proposed changes to be brought about by this new bylaw, including section and clause references, and reasons for the changes (refer to "Proposed Changes to the Stormwater Supply Bylaw").

***Table 2**: Key Changes to the Stormwater Bylaw*

Key Change	Reason for the Change
1. Inclusion of an introductory note including the Overarching Purpose, Objectives and Context of the new Bylaw	To set the scene for a holistic and integrated approach to all three of Council's Water Services and meet Councils District Plan, Policies and Strategies
2. Introduce Stormwater Management Devices and Stormwater Retention and Detention Device requirements along with the concept of Cleaner Production	Such procedures are compatible with more sustainable approaches to stormwater management and their use will be compatible with achieving the overarching purpose of the new Bylaw
3. Water tanks - Making dual purpose rainwater tanks mandatory for new urban residential dwellings	Rainwater tanks will have dual purpose, to attenuate and retain stormwater so it can be used to provide relief to the potable water network in times of peak demand and allow people to continue watering their gardens when and if water restrictions are imposed.
4. Expand and strengthen contents in respect to prevention of contaminant discharges to the stormwater and drainage networks and systems	Current Bylaw needs strengthening in this respect in order to protect the infrastructure, safety and health of people and the receiving environment
5. Inclusion of reference to Council's operative stormwater discharge consents (issued by the Hawke's Bay Regional Council) and the need for stormwater dischargers not to cause exceedance conditions in these consents	Reference to these consents is not included in the current Bylaw

Assessment against the New Zealand Bill of Rights Act 1990

Consideration has been given to the New Zealand Bill of Rights Act 1990. The proposed Central Hawkes Bay District Stormwater Bylaw 2021 will not give rise to any implications under the NZBORA and the limits imposed by this proposed bylaw is appropriate to the purpose of the bylaw.

WASTEWATER BYLAW

Purpose

The purpose of the Wastewater Bylaw is to promote and protect the health of communities and the environment, and to protect the wastewater drainage system from damage and misuse.

Perceived Problems

The Wastewater Bylaw seeks to address the following perceived problems in the Central Hawkes Bay District:

a) If a defect notice is served on a premise (public, private or business property or building) and no action is taken by the owner, then there is nothing in the bylaw to enable Council to rectify the defect, other than through the onerous route of provisions in the LGA. This is particularly for addressing inflow and infiltration on private property.

b) Inflow and infiltration are an issue in urban areas in the District. The stormwater bylaw and the wastewater bylaw cover this, but it is through Council processes that the ability to resolve I&I issues on private property needs to be managed and controlled.

c) Caravan disposal points will be installed in the District. The current bylaw does not specifically cover these types of wastes.

d) Wastewater disconnections can cause inflow of stormwater into the wastewater system. By capping them and having a record of a capped wastewater lateral in Council's system, this will assist with reducing inflow and infiltration (I&I), and for the next building connecting on that site for location of existing services.

Key Changes to the Wastewater Bylaw

Table 3 summarises the key changes proposed through this proposed new bylaw compared to the existing Central Hawkes Bay District Wastewater Bylaw 2018.

Also available on the website is a table that shows all of the proposed changes to be brought about by this new bylaw, including section and clause references, and reasons for the changes (refer to "Proposed Changes to the Wastewater Supply Bylaw").

Table 3: *Key Changes to the Wastewater Bylaw*

Key Change	Reason for the Change
1. **Inclusion of an introductory note including the Overarching Purpose, Objectives and Context of the new Bylaw**	To set the scene for a holistic and integrated approach to all three of Council's Water Services and meet Councils District Plan, Policies and Strategies
2. **Format of the bylaw such as removing unnecessary headings, amending some of the language used in clauses and moving, condensing or deleting some clauses within the bylaw.**	To improve readability and flow of the document by removing any duplication within the bylaw and with the Local Government Act and clarifying the intent of the bylaw.
3. **A definition of tankered waste has been added into the bylaw and includes caravan disposal waste.**	These are being installed in two locations in the district. Currently the bylaw does not cover caravan waste. This is now covered in the

	definition of tankered waste, defining it as domestic. The management and control of the caravan waste disposal points will be done through guidance on the Council website, and through Council processes.
4. Disconnections have been updated to include the need for them to be capped.	This will assist with the prevention of inflow into the wastewater network, and with locating the private drains for any future connection to the existing drain

Assessment against the New Zealand Bill of Rights Act 1990

Consideration has been given to the New Zealand Bill of Rights Act 1990. The proposed Central Hawkes Bay District Wastewater Bylaw 2021 will not give rise to any implications under the NZBORA and the limits imposed by this proposed bylaw is appropriate to the purpose of the bylaw.

TRADE WASTE BYLAW

Purpose

The purpose of the Trade Waste Bylaw is to control and monitor trade waste discharges into the wastewater system in order to:

a) protect public health and the environment;

b) protect the wastewater system infrastructure;

c) protect wastewater system workers;

d) ensure compliance with resource consent conditions related to the wastewater treatment plants;

e) provide a basis for monitoring discharges from industry and trade premises;

f) provide a basis for charging trade waste users of the wastewater system to cover the cost of conveying, treating and disposing of or reusing their wastes;

g) ensure that the costs of treatment and disposal are shared fairly between trade waste and municipal dischargers;

h) promote cleaner production;

i) encourage waste minimisation; and

j) encourage water conservation.

Perceived Problems

The Trade Waste Bylaw seeks to address the following perceived problems in the Central Hawkes Bay District:

a) Discharge flow is currently estimated by using water use data. This may not be a true reflection of the trade waste flow. Currently the bylaw allows Council to stipulate the installation of a discharge flow meter, but other districts have mandatory requirements for discharge flow meters. Council proposes moving towards a mandatory discharge flow meters in the next bylaw review (by 2026). That way, for the duration of this bylaw, if traders are doing any modifications in the discharge area, they can include the installation of a discharge flow meter. Council needs to notify stakeholders of the intention to make them mandatory.

b) The definition of trade waste, how they are classified i.e. permitted, conditional or prohibited and what the triggers are for each is not clear.

c) The bylaw needs to provide for the fair allocation of the cost for the wastewater treatment plants (WWTP) and the operation of them. How fees and charges for trade waste discharges are categorised and calculated in the bylaw is unclear and confusing such as the formula for annual charges, as there is no definition for all the components that make up the formula. Capital contributions are currently identified in the bylaw as a mechanism for Council to charge, however it is not clear how these are to be calculated – this is a driver for the bylaw review, with the focus on “user pays”.

d) The bylaw has no enforcement mechanisms other than the onerous provision under the Local Government Act 2002 (LGA). Currently it would be difficult to prove nuisance at the existing WWTPs, but in the future Council needs to tighten up on keeping traders compliant. By adding the provision of a Warning Notice, this allows Council to address consent breaches with a specific notice.

e) Wastewater disconnections can cause inflow of stormwater into the wastewater system. By capping them and having a record of a capped wastewater lateral in Council's system, this will assist with reducing inflow and infiltration (I&I), and for the next building connecting on that site for location of existing services.

f) The bylaw is not very user friendly and difficult to follow. By simplifying it and supporting it with guidance documents and forms which will be available on Council's website, it will make it easier for businesses and council staff to use.

g) Trade waste has a direct impact on the sizing of the future treatment facilities, and the operational costs for the wastewater system. Currently trade waste dischargers are providing Council monitoring data in an ad hoc manner and is not representative making this difficult for Council to manage and understand the trade waste discharges. Providing dischargers with a consistent format to provide data to Council will mean Council can more accurately monitor and understand the trade waste discharges.

Key Changes to the Trade Waste Bylaw

Table 4 summarises the key changes proposed through this proposed new bylaw compared to the existing Central Hawkes Bay District Trade Waste Bylaw 2018.

Also available on the website is a table that shows all of the proposed changes to be brought about by this new bylaw, including section and clause references, and reasons for the changes (refer to "Proposed Changes to the Trade Waste Supply Bylaw").

***Table 4**: Key Changes to the Trade Waste Bylaw*

Key Change	Reason for the Change
1. **Inclusion of an introductory note including the Overarching Purpose, Objectives and Context of the new Bylaw**	To set the scene for a holistic and integrated approach to all three of Council's Water Services and meet Councils District Plan, Policies and Strategies
2. **Format of the bylaw such as removing unnecessary headings, amending some of the language used in clauses and moving, condensing or deleting some clauses within the bylaw.**	To improve readability and flow of the document by removing any duplication within the bylaw and with the Local Government Act and clarifying the intent of the bylaw. Some clauses have been removed and will be included in a guidance note to support the bylaw. The application forms have also been removed and will sit on Council's website.
3. **The definition of trade waste has been clarified.**	To simplify and clarify what is a trade waste.
4. **Clarification around how the trade waste discharges will be classified, when an application is required, the application and decision-making process and the criteria that will be used.**	The classifications and process are not clear. There are some businesses that are discharging trade waste into the wastewater system and Council is not able to monitor the loads and discharge volumes that are affecting the wastewater treatment plants as Council does not have a record of these dischargers. This means there is a larger flow and load of waste going

	into the system than what the wastewater treatment plant has been designed to manage. Clauses have also been amended and new clauses included for each of the trade waste discharge classifications to provide more clarity around how these will be classified by Council. Some clauses within the bylaw were contradictory and therefore needed to be reviewed to clarify the intent. Such as if permitted then a consent is not required however, Council would like to keep a register of these. The bylaw was also unclear how tankered waste was being managed and this has also been clarified with a new conditions section specific to this activity.
5. **The application, review and decision-making processes around trade waste discharges has been simplified.**	The current wording was unclear and ambiguous around how these processes are intended to be undertaken. The bylaw has been restructured and reworded to simplify and provide clarity.
6. **Sampling and monitoring clauses have been condensed and simplified.**	Council needs to understand if the traders are discharging in an optimal way and will undertake audits against management plans to demonstrate compliance. Wording in the bylaw has been amended to clarify this intent. New clauses have been included to specify that the samples must be representative of the discharge to allow for variability of what it is discharging daily. Safe access to the site to monitor and obtain samples has also been included. Wording in the bylaw has been updated to make the need for representative samples explicit, and the mass limits already in the bylaw can be utilised through Council processes.
7. The use of smart meters has been included	Smart meters on flow meters allows for the efficient collection of data from the flow meters, and improving the accuracy of the data by removing the opportunity for human error.
8. Warning Notices have been included	Warning Notices allow the ability for Council to notify the Consent Holder of a breach of the conditions of their consent, and to state the timeframes to rectify the issue. This will be undertaken following the issue of a notice of the intention to undertake a review and why it is necessary. Discussions with the Consent Holder will be part of the process in order to understand the nature of any breaches, and actions required to prevent further breaches.

	A clause has been added to allow Council where Consent Holder actions are not sufficient following the issue of a Warning Notice, or three Warning Notices are issued in a 12 month period, the Consent to discharge can be cancelled.
9. **A biochemical oxygen demand (BOD) limit has been included.**	Currently there is no BOD limit, which means that a trader could discharge very strong waste in a small volume, and they would be considered permitted. The updated bylaw now includes a concentration limit.
10. **New wording has been added in relation to pharmaceutical waste.**	The Ministry of Health has been requesting Councils to add wording into trade waste bylaws to manage pharmaceutical waste. This is to protect the downstream biological treatment systems and the discharge environment. The specific reason cytotoxic waste is mentioned is because the advice in NZS 4304:2002 Management of healthcare waste is outdated and needs to be revised, and until it is the Ministry is managing the risk by requesting that local authorities prohibit its discharge.
11. **The system of charging in respect of volume and strength of trade waste has been removed from the bylaw and will sit in Council's guidance and/or strategy documents to be developed alongside this bylaw.**	The Council is following a user pays and fair allocation of cost model going forward. Council's schedule of fees and charges includes trade waste charges and is reviewed annually. The bylaw still includes a list of potential trade waste charges that can be implemented by Council. How these charges are calculated best sits outside of the bylaw such as capital contributions and annual charges. These can then be reviewed in line with Council's annual fees and charges process. A capital contribution calculator is being developed to determine the level of recovery for capital upgrades relevant to the upgrade, this is in addition to the operational recovery, which remains as set out in fees and charges. Council is required to determine and set the % of industry related cost to recover annually.

Assessment against the New Zealand Bill of Rights Act 1990

Consideration has been given to the New Zealand Bill of Rights Act 1990. The proposed Central Hawkes Bay District Tradewaste Bylaw 2021 will not give rise to any implications under the NZBORA and the limits imposed by this proposed bylaw is appropriate to the purpose of the bylaw.

QUESTIONS FOR SUBMISSION FORM

Water Supply and Conservation

Water conservation is vital in our part of the country. As a Council we use a range of techniques and tools to conserve water so there is enough water for everyone in Central Hawke's Bay. This includes the use of water meters on high use properties.

Q: What do you think about the Council wanting to understand and manage water use better? Including the expansion of monitoring high use properties and network areas with water meters?

Q: Are there other tools or conservation methods you think we should be using to save water in Central Hawke's Bay?

Stormwater management

The Central Hawke's Bay District Council is committed to protecting our environment and the waterways within our district. Stormwater discharge from private properties and businesses is common. This discharge can enter our drainage networks, and ultimately our rivers. Some properties discharge a lot and some discharge a little. What is mixed in with the stormwater varies from property to property.

Q: What things could the Council do to help people manage their stormwater runoff before it enters our drainage networks and rivers?

Q: What would you like the Council to do more or less of to help manage stormwater runoff from businesses?

Connecting a tank to capture roof water has several benefits for a property and for our local infrastructure. Two of the main benefits are that it lessens the impact of big rain events on our stormwater network, and reduces the demand on our drinking water network by using water captured in the tank to water gardens etc.

Q: What do you think about the Council introducing a policy that all new builds in urban areas should install at a minimum a 3000l tank to capture roof water?

Trade Waste and Wastewater Management

We need to ensure that our wastewater systems and processes are able to consistently, effectively and sustainably treat wastewater. Currently, businesses who discharge 'trade waste' into our wastewater network are charged in a different way than our residential ratepayers.

Trade waste is any liquid that is or may be discharged from a trade Premises or tanker to the Council's sewerage wastewater system of a non-domestic nature.

Community feedback to date supports a user pays approach. This means that those who discharge large amounts of waste, or highly concentrated waste, would pay to cover thir relevant contribution to the wastewater system

Q: What do you think about the Council charging businesses purely based on how much (volume) and what (load) they discharge?

Q: Are there any specific factors you think the Council should consider when charging? For example, the economic, employment and social benefits that these businesses may bring?
Q: What do you think we should do when a private property breaches the district's bylaws (e.g. disposing contaminates into our stormwater system)?

a) The Council should fix the issue in the first instance, and then go about recovering costs?
b) The private property should pay for the issue to be fixed and served defect notices, that are held on the property file until rectified?

Q. What do you think about the Council extending the monitoring of industry or commercial wastewater to include smaller contributors to further protect our waterways? Smaller contributors include businesses like restaurants, dentists, hairdressers, and mortuaries etc.

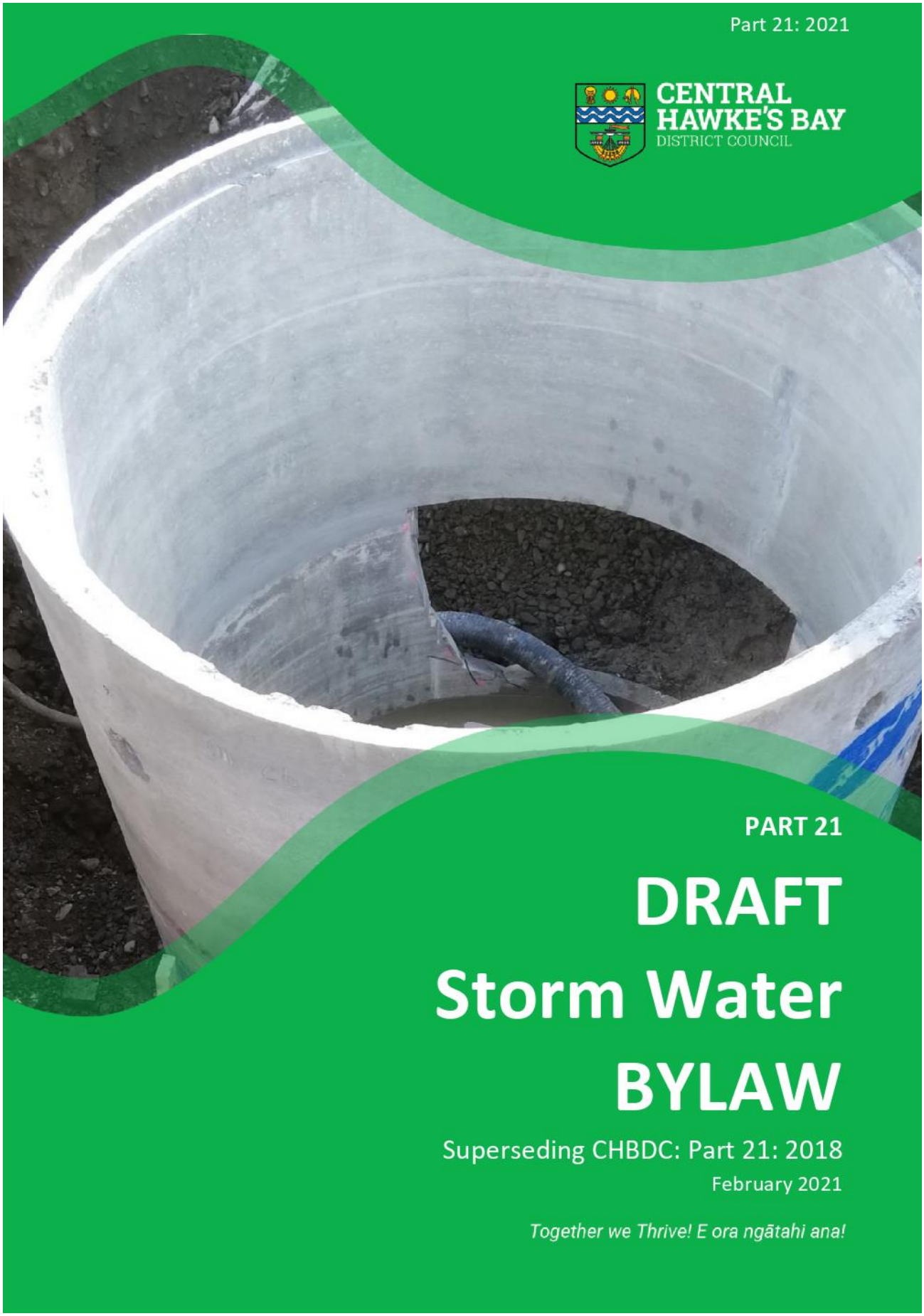

Part 21: 2021
CENTRAL HAWKE'S BAY
DISTRICT COUNCIL
PART 21
DRAFT
Storm Water
BYLAW
Superseding CHBDC: Part 21: 2018
February 2021
Together we Thrive! E ora ngātahi ana!

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INTRODUCTION

Overarching Purpose

To achieve a holistic and integrated approach to three waters management in the District that is consistent with Council's District Plan, other Policies, Plans, Strategies and Objectives and also reflect the principles of the Te Mana o te Wai, the following overarching purposes have been set for all four water services bylaws (Water Supply, Stormwater, Wastewater and Trade Waste)

a) **Meet Legislation Requirements**
Proactively meet all Council's statutory requirements relating to the provision of three waters services.

b) **Integrated Approach**
Adopt an integrated and holistic approach to the Three Waters (water supply, wastewater including trade waste and Stormwater) that recognises the interconnections between each of the waters and promotes their sustainable management.

c) **Environmental Responsibilities**
Facilitate environmentally responsible practices by raising awareness of how the three waters interact and effect the District's natural Environment. Additionally, ensure that Council meet its own responsibilities in terms of resource consent requirements set by the Hawke's Bay Regional Council.

d) **Sustainable Practices**
Encourage and incentivise the community and businesses to adopt practices that lead to the enhancement of the Environment and the sustainable management of water resources including water and product stewardship, rainwater harvesting, waste minimisation and Cleaner Production.

e) **Support Sustainable Growth**
Support the sustainable provision of three waters infrastructure to enable future growth while minimising impacts on the Environment.

f) **Achieve Project Thrive Values**
Develop and implement the Three Waters Bylaws to give effect to 'Project Thrive' values in particular trust, honesty, respect, innovation, and valuing people.

g) **Te Mana o te Wai**
Recognise the fundamental concept of Te Mana o te Wai as prescribed under the National Policy Statement for Freshwater Management 2020 and in particular the need to restore and preserve the balance between the water, the wider Environment, and the community.

h) **Tangata Whenua Status**
Recognise the status of tangata whenua status as Kaitiaki.

i) **Durable Infrastructure**
Develop and maintain durable and resilient infrastructure that achieves Council's levels of service in an efficient and cost-effective manner.

j) **Safety and Health**
Ensure the protection, safety and health of Council staff and the community when using or operating the water supply system, and the wastewater and stormwater networks.

k) **Obligations**
Define the obligations of residential Occupiers and businesses including trade waste Occupiers and the public at large in relation to the Council's water supply, wastewater and stormwater networks.

l) **Discharge Controls**
Regulate wastewater and stormwater discharges, including trade waste, and hazardous substances, into the wastewater and stormwater networks.

m) **Equitable Costs**
Provide a system for the equitable share of Council's water services costs between trade waste dischargers, other businesses, and domestic customers.

OBJECTIVES

Further to the Overarching Purpose the specific objectives for this part of the Bylaw are as follows:

a) Minimise and control the discharge of Contaminants into the Public Stormwater Drainage Network.

b) Minimise the effects of discharges from the Public Stormwater Drainage Network on the downstream receiving Environment. The effects might include:

   i. The effects of Contaminants within the discharge.

   ii. The effects of increased peak flow rates, especially in extreme events.

   iii. The increase in volumes of discharge, particularly in more regular events.

c) Manage the Public Stormwater Drainage Network, and the land, structures and infrastructure associated with that network, so as to protect the public from Nuisance and promote and maintain public health and safety.

d) Enable the Council to meet relevant objectives, policies, standards and resource consents for discharges from the Public Stormwater Drainage Network to the receiving Environment.

e) Protect the land, structures and natural features that make up the Public Stormwater Drainage Network.

f) Prevent the unauthorised discharge of Stormwater into the Public Stormwater Drainage Network and ensure that Private Stormwater Drainage Systems are not causing a Nuisance or harm to the Council's networks infrastructure.

g) Define the obligations of the Council, installers, Occupiers and the public in matters related to the discharge of Stormwater and management of the Public Stormwater Drainage Network and the administration of equitable costs and charges.

CONTEXT

Stormwater is discharged within the District by public and Private Stormwater Drainage Systems (e.g. open Watercourses and pipes), and ground soakage. This Bylaw controls the management and discharge of Stormwater from public and private systems.

Council has responsibility for maintaining a limited number of drains, as shown in Council's policy documents. Watercourses passing through or serving private land are generally considered private. The management and maintenance of private drains are the responsibility of the Owner of the land they serve, and each section of a private Watercourse (including a privately piped Watercourse) is generally the responsibility of the Owner of the land it passes through.

The Central Hawke's Bay District Plan contains rules for use of land subject to flooding. These rules must be complied with (or a resource consent must be obtained if they are not complied with) for any activity or development in a Flood Risk Area.

Consent may also be required from the Hawke's Bay Regional Council for any work in or near a Watercourse or for the discharge of Stormwater to ground or to a Watercourse. Advice should be sought if in doubt.

PART 21 - STORMWATER

1. TITLE

This Bylaw shall be known as the Central Hawke's Bay District Council Stormwater Bylaw 2021.

2. COMMENCEMENT

This Bylaw shall come into force on the **(DATE)**

3. REPEAL

From the day this Bylaw comes into force, any previous Stormwater bylaw or parts of any Stormwater bylaw and their amendments in force in the Central Hawke's Bay District shall be repealed.

4. APPLICATION OF BYLAW

This Bylaw shall apply to the Central Hawke's Bay District.

5. DEFINITIONS

Part 1 *Introductory Bylaw* and the legislation referred to under the Referenced Documents section above, may provide definitions not included in this Part.

For the purpose of this Bylaw, unless inconsistent with the context, the following definitions apply:

Annual Exceedance Probability (AEP)	means the probability that an event (rainfall or runoff) will be equalled or exceeded in any one year: (a) 1% AEP storm corresponds to what would sometimes be known as a 1 in 100-year return period storm. (b) 2% AEP storm corresponds to what would sometimes be known as a 1 in 50-year return period storm. (c) 10% storm AEP corresponds to a what would sometimes be known as 1 in 10-year return period storm.
Approved or Approval	Approved in writing either by resolution of Council or by any Authorised Officer of Council.
Authorised Officer	Any officer of the Council or other person authorised under the Local Government Act 2002 and authorised by the Council to administer and enforce its Bylaws.
Best Practicable Option	The same meaning as in the Resource Management Act 1991
Catchment	Means the area of land within which Stormwater flows (whether by gravity, pumping, piping, or otherwise) to a given point.
Catchment Management Plan	Means a plan prepared by or for Council for the understanding, controlling and management of Stormwater and Stormwater related hazards or effects within a Catchment, for consenting purposes.
Cleaner Production	Means a plan prepared by or for Council for the understanding, controlling and management of Stormwater and Stormwater related hazards or effects within a Catchment, for consenting purposes.
Contaminants	The same meaning as in the Resource Management Act 1991.
Council	Central Hawke's Bay District Council or any officer authorised or delegated to act on its behalf.

Customer	A person who uses or has obtained the right to use or direct the manner of use of water supplied by Council to any Premises.
Development	Means in relation to any land means altering the Stormwater runoff characteristics of that land including by Stormwater drainage works, building works, subdivision or changes of use.
Environment	the same meaning as in the Resource Management Act 1991.
Ephemeral Flows	Means short lived flows of Stormwater across land or in depressions, during rainfall events.
Fees and Charges	The list of items, terms, and prices for services associated with the supply of water as adopted by Council in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002.
Flood Plain	Means a low-lying area, normally adjacent to a Catchment's main Watercourses, which is expected or predicted to flood in a storm event. This is usually in the context of a 1% AEP event.
Flood Risk Area	Means an area which may be at risk of flooding in a 1% AEP or lesser storm, taking into account the consequence of blockage especially at culverts.
Hazardous Substance	The same meaning as in the District Plan.
Level of Service	The measurable performance standards on which Council undertakes to supply water to its customers.
Nuisance	Has the same meaning as Section 29 of the Health Act 1956 and includes a Person, thing, or circumstance causing distress, annoyance or unreasonable interference with the peace, comfort or convenience of another Person In this bylaw this includes but is not limited to: (a) danger to life; or (b) danger to public health; or (c) flooding of any building floor or sub-floor, or public roadway; or (d) damage to property; or (e) damage to the Stormwater network; or (f) erosion or subsidence of land; or (g) long or short term adverse effects on the Environment; (h) adverse loss of riparian vegetation; or (i) wastewater overflow to land or water; or (j) anything that causes a breach of any Stormwater discharge consent condition binding the Council, (including an accumulation of chemicals causing a breach).
Occupier	Means the Person who occupies the Premises. This may be the Owner of the Premises, a lessee, squatter or any other Person on or using the Premises.
Overland Flow Path	Means any secondary flow path illustrated in a Catchment Management Plan or the overland route taken by any concentration of, or significant sheet flow of, Stormwater on its way to a Flood Plain or second Stormwater drainage network.

Owner	Means the Person who owns the Premises.
Person	A natural person, corporation sole or a body of persons whether corporate or otherwise.
Point of Discharge	The point where the Stormwater discharges leading from the Premises connect into the Public Stormwater Drainage Network, which marks the boundary of responsibility between the Owner and Council, irrespective of property boundaries.
Premises	Either: (a) A property or allotment which: (i) is held under a separate certificate of title, or (ii) for which a separate certificate of title may be issued and in respect to which a building consent has been or may be issued; or (b) A building or part of a building that has been defined as an individual unit by a cross-lease, unit title or company lease and for which a certificate of title is available; or (c) Land held in public ownership (e.g. reserve) for a particular purpose.
Pre-treatment	Means any processing of Stormwater that is designed to reduce any detrimental characteristics of Stormwater before discharge to the Stormwater Drainage Network.
Private Stormwater Drainage System	Means any component of the Stormwater network that drains water from Premises on private land to a receiving Environment or up to the point of service connection with the Public Stormwater Drainage Network and includes pipes, gutters, downpipes, catchpits, swales, subsoil drains, stormwater treatment devices, and any stormwater management device or redundant stormwater system.
Public Notice	As defined in section 5 of the Local Government Act 2002.
Public Stormwater Drainage Network	Includes: (a) any pipe, drain, drainage channel, land drainage work or treatment facility, vested in or under the control of the Council, which serves more than one freehold lot; (b) all drains, drainage channels, land drainage works or treatment facilities within legal road reserve or other public places; (c) any drain, drainage channel, land drainage work or treatment facility over which the Council has exercised control for a period of 20 years or longer; and (d) any drain, drainage channel, land drainage work or treatment facility declared to be a public drain under section 462 of the Local Government Act 1974.
Rain Water Tank	A storage tank that has the dual purpose of detaining water by temporarily storing stormwater runoff during a rainfall event that can then be re-used for, for example, hose taps. The water tank is used to collect and store rain water runoff, typically from rooftops via pipes.
Registered Drainlayer	Means a trades Person certified by the Plumbers, Gasfitters, and Drainlayer's Board under the Plumbers, Gasfitters, and Drainlayer's Act 1976 and

	regulations, and holding such other certifications as the Council may require from time to time.
Roading Authority	Means a territorial authority or NZ Transport Agency.
Storage Tank	Any tank having a free water surface.
Stormwater	Means surface water run-off resulting from rainfall.
Stormwater Detention Device	Means areas as shown on Council's stormwater maps that are serviced by Council's Public Stormwater Drainage Networks. From time to time it will be necessary for Council to adjust the boundaries and rules affecting the Stormwater Areas.
Stormwater Detention Device	Means any device such as holding tank or pond designed to detain stormwater on the Premises and limit its outflow from the Premises into the stormwater drainage network.
Stormwater Drainage Network	Means a set of facilities and devices, either natural or man-made, which, in relation to stormwater, are used to convey run off, or reduce the risk of flooding, or to improve water quality. This includes but is not limited to open drains and Watercourses, inlet structures, pipes and other conduits, manholes, chambers, traps, outlet structures, pumping stations, treatment structures and devices. The Stormwater Drainage Network may be either a public or private network.
Stormwater Drainage Policies	Means the policies contained in Council's District Plan and any other relevant Council documentation.
Stormwater Drainage Protection Plan	Means a plan which relates to a specific site and/or activity being carried out on the site and addresses the specific stormwater management approach for that site and/or activity.
Stormwater Management Device	Means a device or facility used to reduce stormwater runoff volume, flow and/or contaminant loads prior to discharge. Including, but not limited to: • rain gardens • porous paving • infiltration trenches • sand filters • settlement traps, tanks and ponds • green roofs • wetlands • ponds • rainwater tanks • proprietary devices • Stormwater Detention and/or Retention Device
Stormwater Retention Device	Means any device such as holding tank or pond designed to retain stormwater on the Premises and limit the volume of outflow from the Premises into the stormwater drainage network. It may also be used to encourage on-site rainwater use.
Supply Pipe	The section of pipe between the point of supply and the customer's Premises through which water is conveyed to the Premises.
Watercourse	The meaning given in Section 2 of the Land Drainage Act 1908, which includes all rivers, streams, creeks, culverts and channels through which stormwater

commonly flows, whether continuously or not. Watercourses passing through private land are generally considered private and are the responsibility of the Owner of the land they pass through. This also includes for piped water courses.

Note: *For the avoidance of doubt, a Watercourse includes any Watercourse or drainage network over private or public land.*

6. PROTECTION OF PUBLIC STORMWATER DRAINAGE NETWORKS, PERSONNEL AND THE ENVIRONMENT

6.1. PROTECTION OF NETWORK AND THE ENVIRONMENT

6.1.1 No Person may:

(a) allow any material, Hazardous Substances, wastewater (including trade waste), chemical (including chlorine and detergents), rubbish, litter, hydrocarbons (from leaking vehicles or other sources) or other substance that causes or is likely to cause a Nuisance, directly or indirectly, into the Public Stormwater Drainage Network unless it has first passed through an appropriate and Approved Pre-Treatment device, or is otherwise Approved by the Council; or

(b) deposit or permit any material, Hazardous Substance, chemical, rubbish, litter or other substance, likely to cause a Nuisance upon entering the Public Stormwater Drainage Network, to be located so that it is likely to enter the public stormwater drainage network (directly or indirectly) in any storm event; or

(c) obstruct, divert, alter or interfere with any Watercourse, Overland Flow Path, or Flood Plain identified by Council in a manner that adversely affects or may affect the efficiency and safety of the Stormwater Drainage Network; or

(d) discharge Stormwater into the Public Stormwater Drainage Network with characteristics that would exceed those allowed for or would result in adverse environmental effects that may lead to non-compliance with Council's operative stormwater discharge consents obtained from the Hawke's Bay Regional Council; or

(e) do anything that damages or is likely to cause damage to any Public Stormwater Drainage Network.

Note: *Without limiting the scope of these provisions, but for the avoidance of doubt, swimming or spa pool water arising from emptying or backwashing may not be discharged into the stormwater network. Disposal of such water is to the Wastewater Drainage Network as provided for in Council's Wastewater Bylaw.*

In reference to Council's operative stormwater discharge consents that commenced on 1st November 2017 and expire on 31 May 2037 general Condition 3, relating to the Resource Management Act Section 107 matters apply. That condition takes into account the effects in the receiving water after reasonable mixing as per the provisions in the consents and covers discharge characteristics including:

- *Conspicuous oil or grease films, scums or foams, or floatable or suspended material;*
- *Any conspicuous change in the colour or visual clarity;*
- *Any emission of objectionable odour;*
- *The rendering of fresh water unsuitable for consumption by farm animals;*
- *Any significant adverse effects on aquatic life.*

Stormwater discharges from Premises which at any time are likely to have the characteristics listed above will be managed through the preparation and Approval of Stormwater Drainage Protection Plans (refer clause 7).

6.2. RESTRICTIONS WITHOUT PRIOR APPROVAL OF COUNCIL

6.2.1 No Person may, without the prior written consent of Council:

(a) erect any barrier within the Stormwater Drainage Network; or

(b) stop, obstruct, alter, interfere with or divert any stormwater drain, or any part of the Public Stormwater Drainage Network; or

(c) erect any defence against water in any stormwater drain, Flood Plain, Flood Risk Area or Overland Flow Path; or

(d) carry out any of the above so as to adversely affect land or buildings including other land and buildings on other land; or
(e) remove vegetation from within any stormwater drain or any part of the Public Stormwater Drainage Network; or
(f) impede the free flow of water in an open stormwater drain, within a distance of at least three (3) metres from the nearest margin of that stormwater drain, with the exception of Approved vehicle crossings.

6.3. STORAGE OF HAZARDOUS SUBSTANCES

6.3.1 No Person may store raw material, or products or waste containing corrosive, toxic, biocidal, radioactive, flammable, or explosive materials, or any other Hazardous Substance or material which, when mixed with Stormwater in the Public Stormwater Drainage Network, may:

(a) generate toxic, flammable, explosive or corrosive materials in hazardous quantities,
(b) damage the Public Stormwater Drainage Network,
(c) damage the Environment or adversely affect the health and safety of Council staff and the public in a manner or location such that there is a more than minor risk of that material entering the Public Stormwater Drainage Network.

6.4. WORKING AROUND BURIED SERVICES

6.4.1 Any person proposing to carry out excavation work must view the as-built information held by Council to establish whether Council services are located in the vicinity.

6.4.2 At least five (5) working days notice in writing must be given to Council of an intention to excavate in the vicinity of its services.

6.4.3 Any Person causing damage or disruption to the Stormwater Drainage Network is liable for the cost of repairs and any other costs incurred as a result of the damage or disruption.

6.4.4 No Person may make any connection to, or otherwise interfere with, any part of the Stormwater Drainage Network except with the written approval of Council.

6.4.5 Any damage or disruption to the Stormwater Drainage Network must be reported to the Council immediately.

6.4.6 No Person may undertake any excavation work within the distance specified within the table below for of any part of the Stormwater Drainage Network, except with the prior written approval of the Council.

6.4.7 When granting approval for excavation work near the Stormwater Drainage Network, the Council may impose such conditions as it considers necessary.

Type of Works	Type of Council Water Supply, Wastewater or Stormwater asset	Specified distance from asset
General excavation	pipes 300mm in diameter and greater, including connected manholes and structures	10 metres
	pipes less than 300mm in diameter, including connected manholes and structures	2 metres
Piling	pipes 300mm in diameter and more, including connected manholes and structures	10 metres
	pipes less than 300 mm in diameter, including connected manholes and structures	2 metres
Blasting	pipes 300mm diameter and more, including connected manholes and structures	15 metres
	pipes less than 300mm in diameter, including connected manholes and structures	15 metres

Note: *Excavation within roadways is also subject to the permit process of the appropriate Roading Authority.*

6.5. LOADING OR STORAGE OF MATERIAL OVER PUBLIC STORMWATER PIPES

6.5.1 No person may cause the crushing load imposed on a public stormwater pipe to exceed that which would arise from the soil overburden plus a HN-HO-72 wheel or axle load (as defined by the New Zealand Transport Agency (Waka Kotahi) Bridge Manual).No person may cover or obscure a public stormwater pipe, manhole, catchpit or other ancillary structure without the prior approval of the Council.

6.5.3 Removal of any covering or obstructing material or adjustment of the structures will be at the property owner's expense.

7. STORMWATER DRAINAGE PROTECTION PLANS

7.1. REQUIREMENT FOR A STORMWATER DRAINAGE PROTECTION PLAN

7.1.1 The Council may require the Owner or Occupier of a premise to submit to the Council for Approval a Stormwater Drainage Protection Plan for that Premises where, in the opinion of the Council:

(a) the Premises generates trade waste containing Contaminants and there is a reasonable probability that accidents or other events may take place where Contaminants could enter the Public Stormwater Drainage Network and have the potential to breach the provisions of this Bylaw; or
(b) for any reason the Council considers there is a reasonable probability of a Contaminant discharge entering the Public Stormwater Drainage Network from that Premises that could cause a breach the provisions of this Bylaw; or
(c) there are Ephemeral Flow Paths present within the Premises that have the potential to breach the provisions of this Bylaw in terms of contaminant discharges to the Public Stormwater Drainage Network.

7.1.2 The Owner or Occupier of the Premises must provide a Stormwater Drainage Protection Plan to Council for review and Approval within three (3) months of a request from the Council.

7.2. CONTENTS OF A STORMWATER DRAINAGE PROTECTION PLAN

7.2.1 Any Stormwater Drainage Protection Plan required to be submitted to the Council by clause 7.1 must be in accordance with the Stormwater Drainage Protection Plans CHBDC guidance document and include:

(a) A suitably scaled drawing showing the site layout, boundaries, all private stormwater and wastewater drainage including the point or points of connection to the Public Stormwater Drainage Network or discharge from the site, relevant buildings and outdoor spaces (including their use);
(b) A site assessment identifying all actual and potential sources of Stormwater Contamination;
(c) Methods in place to prevent contamination of the Public Stormwater Drainage Network and the Stormwater receiving Environment;
(d) Methods and timeframes proposed to control contamination of the Public Stormwater Drainage Network and the Stormwater receiving Environment;
(e) A description of the maintenance procedures in place and proposed;
(f) Spill prevention and spill response procedures;
(g) Cleaner production, pollution prevention, application of innovative solutions and waste minimisation procedures to be adopted including comment on whether the proposed procedures are considered to be a Best Practicable Option and/or innovative solution.
(h) Stormwater Management Devices and Stormwater Detention Devices used to reduce stormwater runoff volume, flow and/or contaminant loads prior to discharge;
(i) A comment on how the Stormwater Drainage Protection Plan meets the Overarching Purpose and intentions of this Bylaw;
(j) Other matters that Council may decide are required in respect to other features of the site in question.

7.3. APPROVAL OF A STORMWATER DRAINAGE PROTECTION PLAN

7.3.1 The Council must approve a Stormwater Drainage Protection Plan if it is satisfied that the measures contained in the Stormwater Drainage Protection Plan are adequate to prevent adversely affecting the health and safety of Council staff, or its agents, and the public, as well as preventing damage to the network and the receiving Environment.

7.4. COMPLIANCE WITH A STORMWATER DRAINAGE PROTECTION PLAN

7.4.1 If a Stormwater Drainage Protection Plan has been Approved by the Council, the Owner and Occupier must comply with all provisions, including any timeframes specified in the Stormwater Drainage Protection Plan.

7.4.2 If any existing Premises discharges Contaminants to the Public Stormwater Drainage Network in a manner that may cause damage to the network, the receiving environment or adversely affect the health and safety of Council staff or its agents and the public, the Occupier must advise the Council immediately and follow such notification up in writing as soon as practically possible and undertake all practical means to stop the discharge as soon as is possible.

7.5. REVIEW OR UPDATE OF A STORMWATER DRAINAGE PROTECTION PLAN

7.5.1 The Council may require that any Stormwater Drainage Protection Plan be revised to the satisfaction of the Council at any time where, in the opinion of the Council, there have been significant changes in the facilities or operational procedures present at the Premises which have the potential to affect the ability of the Premises to comply with this bylaw.

7.5.2 An Owner or Occupier of a Premises subject to an Approved Stormwater Drainage Protection Plan may, at any time submit to the Council a request to update the Stormwater Drainage Protection Plan to remedy this and submit to Council for their consideration.

8. SITE DEVELOPMENT AND SITE MANAGEMENT

8.1. PROPOSED WORKS

8.1.1 No Person shall carry out stormwater works without:

(a) prior written Approval from Council, and
(b) a building consent and/or resource consent as required.

8.1.2 Every application to carry out stormwater works shall include drawings and specifications for the proposed works. The drawings shall show, to the satisfaction of Council, the proposed works and their effects on the subject site and surrounding land.

8.1.3 All proposed stormwater works shall be designed, constructed and operated:

(a) so that Stormwater discharges from a Premises are in compliance with any relevant Council Catchment Management Plan and/or Council's discharge consent issued by Hawke's Bay Regional Council under the Resource Management Act 1991, including its recommendations or conditions for the area concerned; and
(b) in compliance with Council's standards for corresponding public drainage works where they serve or may serve land or buildings in different Ownership; and
(c) in compliance with Council's Stormwater Drainage Policies; and
(d) to minimise sediment discharge to any Stormwater Drainage Network; and
(e) in compliance with any written conditions imposed by Council when approving the works, and with any relevant building or resource consent; and
(f) to be consistent with foreseeable catchment-wide works (for example, extending a pipe upstream or downstream) so as to give a benefit to the Catchment as a whole.
(g) To recognise the fundamental concept of Te Mana o te Wai and the status of tangata whenua as Kaitiaki as far as reasonably practical.

8.1.4 Such stormwater drainage works shall remain the responsibility of the Owner of the land on which the works occur unless and until the works are taken over and vested in Council. The cost of all work involved will be at the Owner of the land's cost, unless specific agreement for alternative cost sharing is Approved in writing by Council.

8.2. OTHER DEVELOPMENT

8.2.1 No development may take place and no building or structure shall be constructed on or over or under any land within a Flood Risk Area, Flood Plain or Overland Flow Path unless specifically Approved by Council, and subject to such conditions as Council may set.

8.2.2 No Person shall extend or alter any building or structure which is already constructed on, over or under any land within a Flood Risk Area, Flood Plain or Overland Flow Path in such a way that:

(a) the extent of the obstruction to the Flood Risk Area, Flood Plain or Overland Flow Path is increased in any way; or
(b) the protection from any Nuisance is reduced; or

(c) the likelihood or extent of any Nuisance is increased,

unless specifically Approved by Council and subject to such conditions that Council may set.

8.3. VEHICLE CROSSINGS AND DRIVEWAYS

8.3.1 Where a building is at an elevation below the carriageway of the adjacent road or access way, the vehicle crossing to the site shall be constructed with an over vertical curve to ensure that run-off from the carriageway does not enter the property via the vehicle crossing.

8.3.2 The internal vehicle drive and parking areas shall be designed and constructed to direct run-off away from the buildings and to eliminate the potential for a Nuisance to be created.

8.4. SILTATION AND EROSION PROTECTION

8.4.1 No Person may, as a result of development, discharge any stormwater into a stormwater drain or any drain leading to a stormwater drain, unless such development includes provisions to ensure siltation and erosion are not increased and that water quality is not reduced. This shall include the installation of adequate silt control measures to the satisfaction of Council to prevent the discharge of silt laden water directly or indirectly to any stormwater drain.

8.4.2 Such provisions shall be made before development is started. These control measures shall be maintained and regularly cleaned out until ground cover has been reinstated on the site.

8.5. DIVERTING PUBLIC STORMWATER PIPES

8.5.1 Subject to specific Approval in writing by Council, a Person may divert a public stormwater pipe (including any ancillary structures) in accordance with any engineering requirements specified by Council, and the Developer shall meet the cost of such diversion work.

9. APPROVAL TO CONNECT TO A PUBLIC STORMWATER DRAINAGE NETWORK

9.1. REQUIREMENT FOR COUNCIL APPROVAL

9.1.1 No Person may make a connection to, or otherwise interfere with, the Public Stormwater Drainage Network without prior Approval of the Council.

9.2. REQUIREMENT FOR ATTENUATION MEASURES

9.2.1 When the stormwater arising from a new connection is such that it exceeds the defined Level of Service limits for the Public Stormwater Drainage Network, Council may require the installation or construction of private stormwater attenuation measures including Stormwater Management Devices.

9.2.2 Matters Council shall consider in determining the need for and capacity of a Stormwater Management Device (over and above the minimum 3,000 litre rain water tank required by the Water Supply Bylaw) will include the roof area of any building from which Stormwater is collected, the extent of impervious (sealed) areas of the property and the capacity of the Public Stormwater Drainage Network to which the property is connected.

9.2.3 After construction of a private Stormwater Management Device, and subsequent Approval by Council, the capacity, discharge rate and orifice size (if any) shall not be altered.

9.2.4 Any such Stormwater Management Device must be constructed at the Occupier's expense. The Occupier must also meet the costs of the required maintenance and servicing program to ensure that the measures continue to meet their design performance criteria.

9.3. APPLICATION

9.3.1 Every application for connection to the Public Stormwater Drainage Network shall be made in writing on the standard Council form and be accompanied by the prescribed charges. The applicant shall provide all the details required by Council.

9.3.2 On receipt of an application Council shall, after consideration of the application and other matters relating to the application and the stormwater drainage network, either:

(a) Approve the application and inform the applicant of the size of the connection and any particular conditions applicable including any requirement for a Stormwater Drainage Protection Plan; or
(b) seek further information prior to making a decision; or
(c) refuse the application and notify the applicant of the decision giving the reasons for refusal.

9.3.3 Failure to comply with any terms and conditions of an Approval constitutes interference with the Public Stormwater Drainage Network without prior Approval and is a breach of this Bylaw.

9.3.4 Any such connection to the Public Stormwater Drainage Network shall be carried out by a Registered Drainlayer and, if required by the Council, under the supervision of the Council.

9.3.5 Any new connection shall be dimensioned from the immediate downstream manhole to the centre of the newly installed connection, and an as-built plan showing the connection shall be provided to Council within seven (7) days of installation and acceptance by Council.

9.3.6 The applicant must have written evidence of authority to act on behalf of the Owner of the property for which supply is sought (should they not be one and the same).

9.3.7 An Approved application which has not been actioned within six (6) months of the date of application will lapse unless a time extension has been Approved. Any refund of Fees and Charges shall be at the discretion of Council.

9.4. PRESCRIBED CHARGES

9.4.1 In addition to any application, administrative, and inspection charges prescribed by the Council in accordance with the Local Government Act 2002, charges applicable at the time of connection may include a payment to Council or an Approved contractor for the cost of the physical works required to provide the connection.

9.5. POINT OF DISCHARGE

9.5.1 The Point of Discharge from a Premises shall be the point on the Public Stormwater Drainage Network which marks the boundary of responsibility between the Owner and Council.

9.5.2 Unless otherwise Approved there shall be one Point of Discharge only for each Premises.

9.5.3 Where a private pipeline discharges into a Public Stormwater Drainage Network on that same private property, the Point of Discharge shall be the upstream end of the pipe fitting which forms the junction with the public pipeline.

9.5.4 No connections shall be made on a private drain to supply other Premises.

9.5.5 Appendix A includes a series of figures showing the Point of Discharge for a range of property ownership and location arrangements.

10. PREVENTION OF INFLOW AND INFILTRATION FROM THE STORMWATER DRAINAGE NETWORK

10.1.1 The Owner shall take all reasonable steps to prevent any Stormwater or groundwater entering the wastewater drainage system (including from roof downpipes, surface water run-off, overland flow, and sub-surface drainage). Reasonable steps include ensuring that:

(a) there is no direct connection of any stormwater pipe or drain to the Wastewater Drainage Network.
(b) gully trap surrounds are set above Stormwater ponding levels (refer New Zealand Building Code G13), or secondary Overland Flow Path flood levels.
(c) inspection covers are in place and are appropriately sealed.
(d) Private Stormwater Drainage Systems are kept and maintained in a state which is free from cracks and other defects which may allow exfiltration.

11. ACCESS FOR MAINTENANCE, REPAIR AND INSPECTION

11.1.1 Subject to the provisions of the Local Government Act 2002, the Owner or Occupier shall allow Council, with or without equipment, access to any area of the Premises for the purposes of carrying out any work on the Public Stormwater Drainage Network including inspection and survey, and for determining compliance with the requirements of this Bylaw.

11.1.2 Wherever practical Council shall make every reasonable attempt to notify the Owner or Occupier of any scheduled work on the Public Stormwater Drainage Network before the work commences. Where immediate action is required and notification is not practical, work will be carried out without notice.

12. PRIVATE STORMWATER DRAINAGE SYSTEMS

12.1. MAINTENANCE OF PRIVATE DRAINAGE SYSTEM

12.1.1 It is the responsibility of the Owner to maintain in good working order, at all times, the Private Stormwater Drainage Systems on the Premises. This includes all pipes, gutters, Stormwater Management Devices or other components as well as the drainage network itself.

12.1.2 Where unmaintained components of a private drainage system affect neighbouring properties and/or the Public Stormwater Drainage Network, Council will investigate and request necessary works to be undertaken by the Owner or Occupier.

12.2. PRIVATE SOAKAGE SYSTEMS

12.2.1 The Owner of a private soakage system shall, at all times, ensure that the private soakage system is functioning in such a way as to prevent a Nuisance in up to a 10% AEP storm.

12.2.2 The Owner of a private soakage system shall, on request by Council, provide such information as is required to demonstrate that their private soakage system is functioning in such a way as to prevent a Nuisance in up to a 10% AEP storm. If this is not the case, the Owner of the private soakage system shall carry out such works as required to make it meet this standard (having first obtained such Approvals as are required for the works involved).

13. PAYMENT

13.1.1 The Owner shall be liable to pay for stormwater services in accordance with Councils Fees and Charges and / or rating requirements prevailing at the time.

13.1.2 Council may recover all unpaid Fees and Charges and rates as prescribed in the Local Government (Rating) Act 2002, Sections 57 to 83.

14. BREACHES AND INFRINGEMENT OFFENCES

14.1. RISK TO PUBLIC HEALTH OR SAFETY, OR CONSEQUENTIAL DAMAGE TO COUNCIL ASSETS OR ENVIRONMENT

14.1.1 If any breach of this Bylaw is such that, in the opinion of the Council, there is a risk to public health or safety, or a risk of consequential damage to Council assets or the Environment, the Council may take immediate action to remove or alter a work or thing that is, or has been, constructed in breach of this bylaw; and recover the costs of removal or alteration from the Person who committed the breach.

14.2. FINES

14.2.2 Every Person who fails to comply with the requirements of this Bylaw, commits an offence and is liable, on summary conviction, to a fine not exceeding $20,000 or as set out in Section 242 of the Local Government Act 2002.

14.2.3 The Council may apply to the District Court under Section 162 of the Local Government Act 2002 for an injunction restraining the Person from committing a breach of this Bylaw.

15. BYLAW APPROVAL DATE

The Common Seal of the Central Hawke's Bay District Council was attached, under Resolution *(Reference - Part XX Stormwater Bylaw 2021)* passed at a meeting of the Central Hawke's Bay District Council held on

…… (Day) …… (Month) …… (Year).

APPENDIX A

Point of Discharge Arrangements

To be applied in conjunction with clause 9.5. of the Bylaw.

Single Ownership

For individual Owners the Point of Discharge shall be located as shown in figures 1 - 6 (or as close as possible where fences, walls, or other permanent structures make it difficult to locate it at the required position). Other positions shall require specific approval.

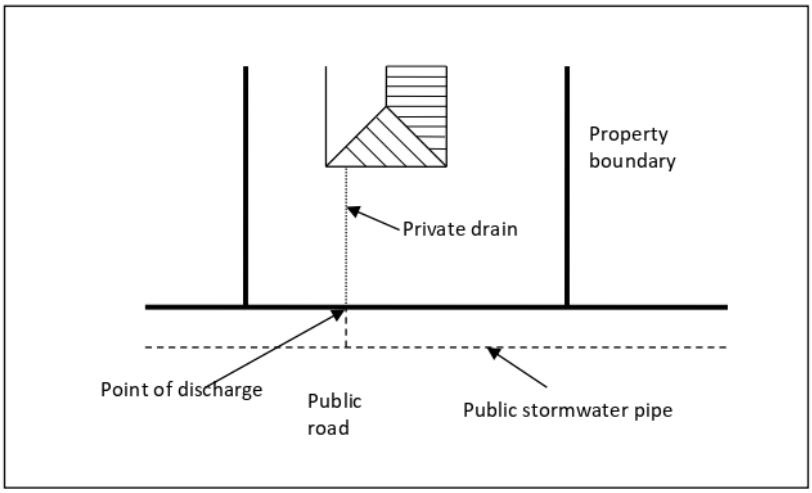


Figure 1 - Point of Discharge Location - With Street Frontage To Public Stormwater Pipe

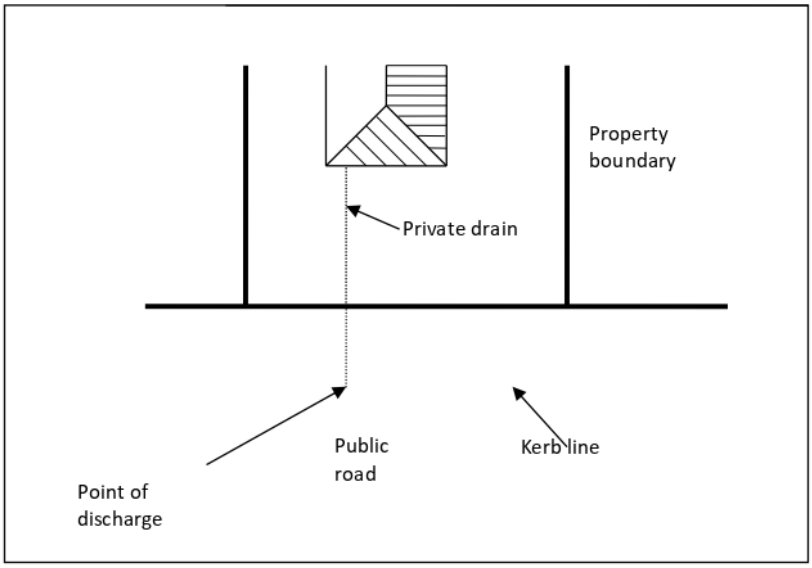


Figure 2 - Point of Discharge Location - With Street Frontage To Kerb

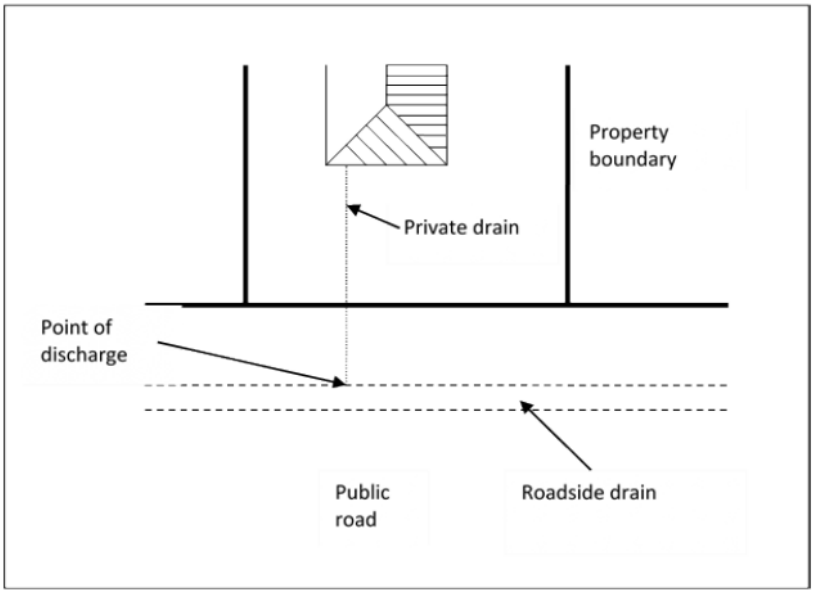


Figure 3 - Point of Discharge Location - With Street Frontage To Roadside Drain

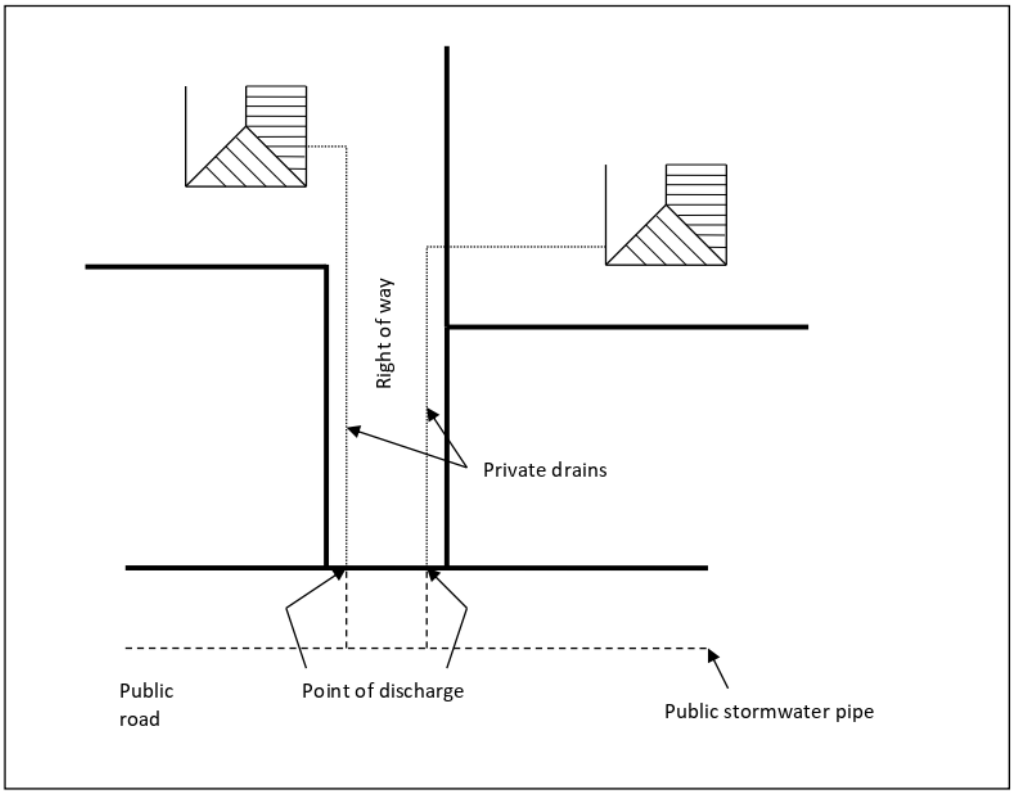


Figure 4 - Point of Discharge Location - Rear Lots

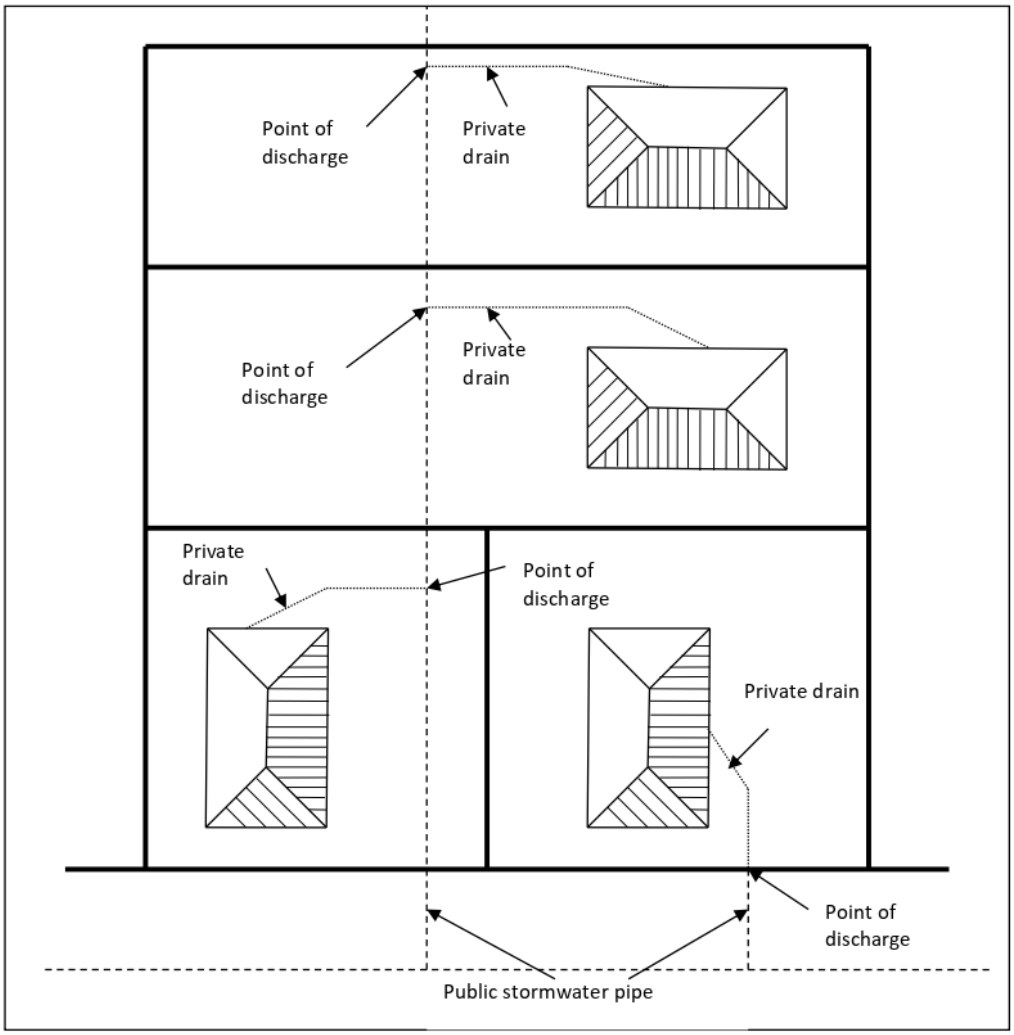


Figure 5 - Point of Discharge Location - Public Stormwater Pipe on Private Property

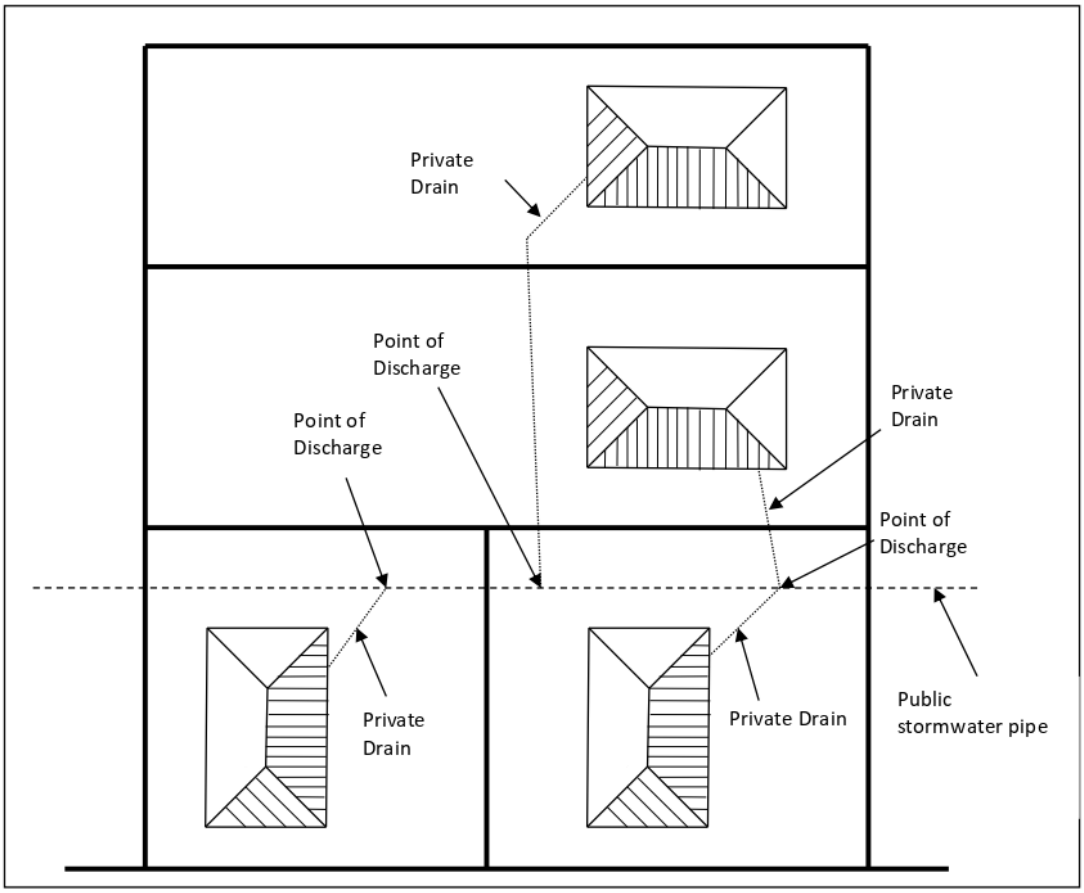


Figure 6 - Point of Discharge Location - Private Drain through Neighbouring Properties

Multiple Ownership

The Point of Discharge for the different forms of multiple Ownership of Premises and / or land shall be:

(a) for a Company Share / Block Scheme (Body Corporate) - as for single Ownership;

(b) for a Leasehold / Tenancy in Common Scheme (Cross Lease), Strata Title, Unit Title (Body Corporate) and any other form of multiple Ownership - each Owner shall have an individual pipe with the Point of Discharge determined by agreement with Council. In specific cases other arrangements may be acceptable, subject to individual approval by Council.

For a multiple Ownership private drain which was in existence prior to the effect of this Bylaw, the Point of Discharge shall be the arrangement existing at that time, or as determined by agreement with Council for any individual case.

Layout

The physical drainage layout at a Point of Discharge shall be as per the New Zealand Building Code, the New Zealand Standard NZS 4404: Land Development and Subdivision Infrastructure, and as Council approves.

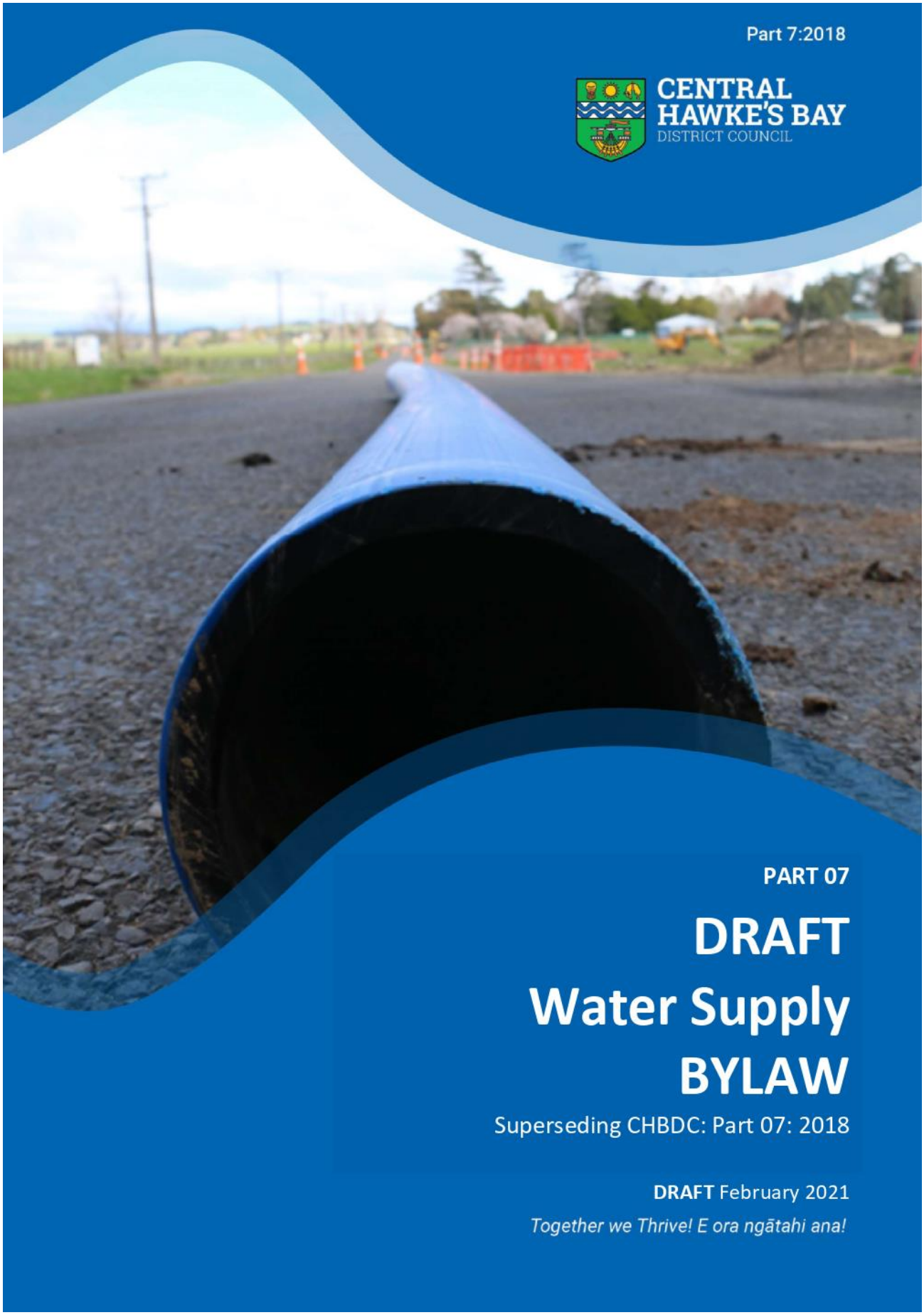

Part 7:2018
CENTRAL HAWKE'S BAY
DISTRICT COUNCIL
PART 07
DRAFT
Water Supply
BYLAW
Superseding CHBDC: Part 07: 2018
DRAFT February 2021
Together we Thrive! E ora ngātahi ana!

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INTRODUCTION

Overarching Purpose

To achieve a holistic and integrated approach to three waters management in the District that is consistent with Council's District Plan, other Policies, Plans, Strategies and Objectives and also reflect the principles of the Te Mana o te Wai, the following overarching purposes have been set for all four water services bylaws (Water Supply, Stormwater, Wastewater and Trade Waste)

a) **Meet Legislation Requirements**

Proactively meet all Council's statutory requirements relating to the provision of three waters services.

b) **Integrated Approach**

Adopt an integrated and holistic approach to the Three Waters (water supply, wastewater including trade waste and Stormwater) that recognises the interconnections between each of the waters and promotes their sustainable management.

c) **Environmental Responsibilities**

Facilitate environmentally responsible practices by raising awareness of how the three waters interact and effect the District's natural Environment. Additionally, ensure that Council meet its own responsibilities in terms of resource consent requirements set by the Hawke's Bay Regional Council.

d) **Sustainable Practices**

Encourage and incentivise the community and businesses to adopt practices that lead to the enhancement of the Environment and the sustainable management of water resources including water and product stewardship, rainwater harvesting, waste minimisation and Cleaner Production.

e) **Support Sustainable Growth**

Support the sustainable provision of three waters infrastructure to enable future growth while minimising impacts on the Environment.

f) **Achieve Project Thrive Values**

Develop and implement the Three Waters Bylaws to give effect to 'Project Thrive' values in particular trust, honesty, respect, innovation, and valuing people.

g) **Te Mana o te Wai**

Recognise the fundamental concept of Te Mana o Te Wai as prescribed under the National Policy Statement for Freshwater Management 2020 and in particular the need to restore and preserve the balance between the water, the wider Environment, and the community.

h) **Tangata Whenua Status**

Recognise the status of tangata whenua status as Kaitiaki.

i) **Durable Infrastructure**

Develop and maintain durable and resilient infrastructure that achieves Council's levels of service in an efficient and cost-effective manner.

j) **Safety and Health**

Ensure the protection, safety and health of Council staff and the community when using or operating the water supply system, and the wastewater and stormwater networks.

k) **Obligations**

Define the obligations of residential Occupiers and businesses including trade waste Occupiers and the public at large in relation to the Council's water supply, wastewater and stormwater networks.

l) **Discharge Controls**

Regulate wastewater and stormwater discharges, including trade waste, and hazardous substances, into the wastewater and stormwater networks.

m) **Equitable Costs**

Provide a system for the equitable share of Council's water services costs between trade waste dischargers, other businesses, and domestic customers.

OBJECTIVES

Further to the Overarching Purpose the specific objectives for this part of the Bylaw are as follows:

(a) Enable the Council to manage and provide public water supply services;

(b) Protect the public water supply network from damage, misuse, and interference;

(c) Protect the environment and the health and safety of the people using the public water supply;

(d) Ensure the efficient use of water and improve water resilience during periods of water shortage/restrictions.

(e) To align with the wider sustainable water demand management plan.

CONTEXT

Communities expect safe and reliable water supply for their health and prosperity. Council has a responsibility to ensure that its water services, infrastructure and water taonga are managed in a manner that supports the wellbeing of current and future generations.

Water supplies are currently provided through seven public water supply systems located at Otane (supplied from Waipawa), Waipawa, Waipukurau, Takapau, Porangahau, Te Paerahi and Kairakau.

Sustaining current levels of supply to the District's customers will become increasingly challenging over the years ahead. To ensure that community needs are meet, Council have developed a Sustainable Water Management Plan. The plan identifies how the Council and the Community will improve water-use efficiency and reduce water loss in operations using a range of techniques that are consistent with industry practice and supports Council's desire to become an efficient user of this valuable resource.

The provisions in the Water Bylaw play a key role in ensuring water is used wisely and in a sustainable manner.

PART 07 – WATER SUPPLY

1. TITLE
This bylaw shall be known as the **Central Hawke's Bay District Council Water Supply Bylaw [2021]**.

2. COMMENCEMENT
This Bylaw shall come into force on the **[DATE]**

3. REPEAL
This Bylaw supersedes and repeals the Central Hawke's Bay District Council Water Supply Bylaw 2018.

4. APPLICATION OF BYLAW
This Bylaw shall apply to the Central Hawke's Bay District.

5. DEFINITIONS
Reference should be made to Part 1 Introductory Bylaw and to the legislation referred to under Referenced Documents, for any other definitions not included in this Part.

For the purpose of this Bylaw, unless inconsistent with the context, the following definitions apply:

Approved or Approval	Approved in writing either by resolution of Council or by any Authorised Officer of Council.
Authorised Officer	Any officer of the Council or other person authorised under the Local Government Act 2002 and authorised by the Council to administer and enforce its Bylaws.
Backflow	A flow of water or other liquid / contaminants in reverse direction to the normal supply flow.
Council	Central Hawke's Bay District Council or any officer authorised or delegated to act on its behalf.
Customer	A person who uses or has obtained the right to use or direct the manner of use of water supplied by Council to any Premises.
Detector Check Valve	A check (non-return) valve which has a positive closing pressure and a metered bypass to measure flows (typically associated with leakage or unauthorised use on a dedicated fire supply).
Extraordinary Supply	A category of on-demand supply, including all purposes for which water is supplied other than ordinary supply and which may be subject to specific conditions and limitations.
Fees and Charges	The list of items, terms, and prices for services associated with the supply of water as adopted by Council in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002.
Fire Protection System	A pumping system designed to supply a sufficient flow of water to extinguish a fire, for example, a sprinkler.
Level of Service	The measurable performance standards on which Council undertakes to supply water to its customers.
On-Demand Supply	A supply which is available on demand directly from the point of supply, subject to the agreed level of service.

Out of Area Supply	Premises that are not within an Urban Water Supply Area but are within practical distance for supply from the Council Water Supply System.
Ordinary Supply	A category of on-demand supply used solely for domestic purposes.
Person	A natural person, corporation sole or a body of persons whether corporate or otherwise.
Point of Supply	The point on the water pipe leading from the water main to the Premises, which marks the boundary of responsibility between the customer and Council irrespective of property boundaries.
Premises	Either: (a) A property or allotment which: (i) is held under a separate certificate of title, or (ii) for which a separate certificate of title may be issued and in respect to which a building consent has been or may be issued; or (b) A building or part of a building that has been defined as an individual unit by a cross-lease, unit title or company lease and for which a certificate of title is available; or (c) Land held in public ownership (e.g. reserve) for a particular purpose.
Public Notice	As defined in section 5 of the Local Government Act 2002.
Rain Water Tank	A storage tank that has the dual purpose of detaining water by temporarily storing stormwater runoff during a rainfall event that can then be re-used for, for example, hose taps. The water tank is used to collect and store rain water runoff, typically from rooftops via pipes.
Service Valve (Toby)	The valve at the customer end of the service pipe.
Storage Tank	Any tank having a free water surface.
Supply Pipe	The section of pipe between the point of supply and the customer's Premises through which water is conveyed to the Premises.
Urban Water Supply Area	An area formally designated by Council and serviced by a reticulated water supply system with firefighting capability, intended to supply water to customers via on-demand supplies.
Water Supply System	All components of the water supply network between the point of abstraction from the natural environment to the point of supply. This includes, but is not limited to: wells, infiltration galleries, intake structures, open raw water storage ponds / lakes, falling mains, treatment plants, treated water reservoirs, trunk mains, service mains, rider mains, pump stations and pumps, valves, hydrants, scour lines, service pipes, boundary assemblies, meters, backflow prevention devices and tobies.
Water Unit	An allocation of water on a restricted flow supply.

6. CONDITIONS OF SUPPLY

6.1. TYPES OF SUPPLY

Water supplied to a Customer may be classified by the Council as either 'on-demand', 'restricted flow', or 'out of area', except that water supplies at Kairakau shall be as described in Section 6.1.4, and at Pourerere shall be as described in Section 6.1.5. The use of water from on-demand supply may be classified by the Council as either 'ordinary' or 'extraordinary'.

6.1.1. ON-DEMAND SUPPLY

For on-demand supplies, there are two types of supply defined as:

(a) Ordinary Supply

The supply of water to a Customer which is used solely for domestic purposes in a dwelling / house (which may include use in a fire sprinkler system for NZS 4517) is an ordinary supply. Domestic purposes includes the use of a hose for:

(i) washing down a car, boat, or similar;

(ii) garden watering by hand;

(iii) garden watering by a portable sprinkler subject to any restrictions that may have been imposed;

NOTE - For use from a fire protection system to NZS 4517 to be classified as an ordinary use, the Customer should comply with the conditions set under Section 6.1.1.

(b) Extraordinary Supply

Water supplied for extraordinary use includes:

(i) Premises greater than 4,000 m^2 in area;

(ii) domestic spa or swimming pool in excess of 10 m^3 capacity,

(iii) fixed garden irrigation systems;

(iv) commercial, business and industrial uses;

(v) agricultural, horticultural and viticultural uses, including stock watering;

(vi) lifestyle blocks (peri-urban or small rural-residential uses), including stock watering;

(vii) fire protection systems other than sprinkler systems installed to comply with NZS 4517;

(viii) out of district (supply to, or within another local authority);

(ix) temporary supply.

An Extraordinary Supply will normally be metered and may be subject to specific conditions and limitations.

Where water supply is classified as 'on-demand', every Premises shall be entitled to an Ordinary Supply of water subject to:

(i) the premises being within an area served by an urban water supply area;

(ii) the exclusion of its use for garden watering or any other specified use under any water restrictions made by Council from time to time;

(iii) payment of the appropriate charges in respect of that premise;

(iv) any other charges or costs associated with sub-divisional development; and

(v) any other relevant conditions of this Bylaw.

Council is under no obligation to provide an Extraordinary Supply of water as defined by this Bylaw.

6.1.2. RESTRICTED FLOW SUPPLY

Restricted flow supply shall be available to Premises within a designated area only, or under special conditions set by Council.

The water supply shall be restricted so as to deliver a specified number of water units at a steady flow rate.

Council may charge for the restricted flow supply based on either:

(a) the volume passing through a meter; or

(b) the agreed number of water units.

6.1.3. OUT OF AREA SUPPLY

An agreement for supply must be entered into for each Out of Area connection. The following conditions will be included in or addressed in any agreement:

(a) The volume of water Council can supply;

(b) Supply will be through a meter and will include the appropriate backflow prevention devices;

(c) Flow may be restricted by a Council supplied or approved flow restrictor;

(d) Supply may be to an on-site water tank of a minimum volume of 30,000 litres;

(e) The applicant must provide a report on the assessment of the best ways to efficiently manage the water supplied, including; use of rainwater to supplement supply and the collection and use of greywater for onsite irrigation needs, and including its effects on wastewater disposal;

(f) The applicant must carry out any changes or improvements resulting from this assessment before a water connection will be installed.

In considering whether to provide a connection, Council will assess the effect the supply of water will have on existing and future water customers. The supply will be classed as an Extraordinary Use.

6.1.4. SUPPLY AT KAIRAKAU

Water will only be supplied at Kairakau from Council's supply through a connection to an on-site water storage tank at each Premises. This supply may be used as an "on-demand" supply for "ordinary use".

The water storage tank shall be of minimum volume of 1,800 litres. The supply pipe from the point of supply must be connected to the water tank and include a ball cock or similar device in the tank to prevent overflow of the water in the tank. No connections shall be taken off the supply pipe, and all plumbing on the Premises must be fed from the water tank.

6.1.5. SUPPLY AT POURERERE

Water supplied at Pourerere shall be for the camping ground at the southern end of the beach, the public toilet block in the middle of the beach, and three other premises adjacent to the camping ground. Any additional connections to this system shall be by specific agreement with Council and be used as directed by Council.

6.2. CHANGE OF OWNERSHIP

In the event of a Premises changing ownership, the Council will automatically record the new owner as being the Customer at that Premises. Where a premises is metered, the outgoing Customer will give the Council seven working days notice to arrange a final reading.

6.3. CONNECTION AND DISCONNECTION

No person may, without Council's approval:

(a) connect to the water supply network;

(b) install a dedicated fire protection connection;

(c) disconnect from the water supply network;

(d) carry out any other works on, or in relation to, the water supply network;

(e) open any manhole, chamber, access point, or valve on, or otherwise tamper with, the water supply network.

Any person wishing to connect or disconnect from the water supply network, or to otherwise carry out work, must make a written application using the relevant Council form accompanied by the prescribed charges. The applicant shall provide all the details required by Council. Charges applicable at the time of

connection may include a payment to Council or an approved contractor for the cost of the physical works required to provide the connection.

Council may grant approval to such connection, disconnection or other works, as the case may be, and may impose conditions which must be complied with in the exercise of the approval.

Without limiting the above, a condition imposed may require that the connection, disconnection or works comply with any relevant code of practice or standard.

Council may refuse the application and notify the applicant of the decision giving the reasons for refusal.

For the agreed level of service to the applicant, Council should determine the sizes of all pipes, fittings and any other equipment, up to the point of supply. Council shall supply and install the service pipe up to the point of supply at the applicant's cost, or may allow the supply and installation of the service pipe to be carried out by approved contractors.

The applicant must have written evidence of authority to act on behalf of the owner of the property for which supply is sought (should they not be one and the same).

An approved application for supply which has not been actioned within six (6) months of the date of application will lapse, unless a time extension has been approved. Any refund of fees or charges shall be at the discretion of Council.

6.3.1. DISCONNECTION AT THE CUSTOMER'S REQUEST

A Customer must give no less than twenty (20) working days notice in writing to Council of the requirement for disconnection of the supply. Disconnection shall be at the Customer's cost.

6.3.2. CHANGE OF USE

Where a Customer seeks a change in the end use or level of service of water supplied to Premises, and / or the supply changes from an ordinary to an Extraordinary Supply or vice versa, a new application for supply shall be submitted by the Customer.

6.4. STORAGE TANKS

6.4.1. RURAL AND / OR INDIVIDUAL ON-SITE WATER STORAGE

Water storage for water supply to individual Premises which are not connected to Council water supply shall include at least one water storage tank of at least 30,000 litres capacity.

NOTE: there is no requirement for rural premises to provide onsite water storage for firefighting purposes.

6.4.2. URBAN WATER SUPPLY AREAS

Within Urban Water Supply Areas, new domestic dwellings built after the approval of this Bylaw must provide a Rain Water Tank with a minimum capacity of 3000 litres.

Rain Water Tanks shall be installed in accordance with Section 4.3.6.8 of NZS4404.

6.5. FIRE PROTECTION SYSTEMS

6.5.1. DESIGN

It is the Customer's responsibility to ascertain in discussion with Council and monitor whether the supply available is adequate for the intended purpose.

6.5.2. FIRE HOSE REELS

Where the supply of water to any Premises is metered, fire hose reels shall be connected only to the metered supply, not to a fire protection system. The water supply to fire hose reels shall comply with the requirements of NZS 4503

6.5.3. ONGOING TESTING AND MONITORING

Customers intending to test fire protection systems in a manner that requires a draw-off of water shall obtain the approval of Council beforehand. Water used for routine flushing and flow testing does not constitute waste for the purpose of clause 4.1, but the quantity of water used may be assessed and charged for by Council.

6.6. POINT OF SUPPLY

6.6.1. RESPONSIBILITY FOR MAINTENANCE

The Customer shall own, maintain and repair the supply pipe and any associated fittings on the Customer's side of the point of supply, irrespective of property boundaries.

6.6.2. PLUMBING SYSTEM

Quick-closing valves, pumps, or any other equipment which may cause pressure surges or fluctuations to be transmitted within the water supply system, or compromise the ability of Council to maintain its stated levels of service, shall not be used on any piping on the Customer's side of the point of supply. In special circumstances such equipment may be approved by Council.

6.6.3. SINGLE OWNERSHIP

For individual Customers the Point of Supply shall be located as shown in Appendix A, Figures 1, 2 or 3 (or as close as possible to these locations where fences, walls, or other permanent structures make it difficult to locate it at the required position). Other positions shall require specific approval.

For each individual Customer there shall be only one point of supply, unless otherwise approved.

The typical layout of pipe fittings at a point of supply is shown in Appendix A, Figures 4 and 5.

The supply pipe shall be wholly contained within the Premises.

No connections shall be made beyond the point of supply to supply other Premises.

Council gives no guarantee of the serviceability of the valve located on the service pipe. Where there is no Customer stopcock, or where maintenance is required between the service valve and the Customer stopcock, the Customer may use the service valve to isolate the supply. However, Council may charge for maintenance or repair of this valve if damaged by such customer use.

6.6.4. MULTIPLE OWNERSHIP

The point of supply for the different forms of multiple ownership of Premises and / or land shall be:

(a) for a Company Share / Block Scheme (Body Corporate) - as for single ownership;

(b) for a Leasehold / Tenancy in Common Scheme (Cross Lease), Strata Title, Unit Title (Body Corporate) and any other form of multiple ownership - each Customer shall have an individual supply with the point of supply determined by agreement with Council. In specific cases other arrangements may be acceptable, subject to individual approval.

For a multiple ownership supply which was in existence prior to the effect of this Bylaw, the point of supply shall be the arrangement existing at that time, or as determined by agreement with Council for any individual case.

6.7. ACCESS TO AND ABOUT POINT OF SUPPLY

6.7.1. RIGHT OF ACCESS

Where the point of supply is on private property, the Customer shall allow Council access to, and about the point of supply between 7.30 am and 6 pm on any day for:

(a) meter reading without notice; or
(b) checking, testing and maintenance work, with notice being given whenever possible.

Outside these hours (such as for night-time leak detection) Council shall give notice to the Customer.

Where access is not made available for any of the times notified and a return visit is required by Council, the actual cost of reading the meter will be charged.

Under emergency conditions the Customer shall allow Council free access to, and about the point of supply at any hour.

6.7.2. MAINTENANCE OF ACCESS

The Customer shall maintain the area in and around the point of supply keeping it free of soil, growth, or other matter or obstruction which prevents, or is likely to prevent convenient access. Council may charge for work required to access and maintain access to the point of supply.

6.8. TRANSFER OF RIGHTS AND RESPONSIBILITIES

The Customer may not transfer to any other person the rights and responsibilities they hold and as set out in this Bylaw.

A supply pipe shall serve only one Customer and shall not extend by hose or any other pipe beyond that Customer's property.

In particular and not in limitation of the above, any water which the Customer draws from Council supply shall not be provided to any other party without approval of Council.

7. METERS AND FLOW RESTRICTORS

7.1. INSTALLATION AND CHARGES

This bylaw expands Council's ability to meter water usage for high users or to align with water sustainability outcomes. The Council may:–

(a) install water meters or other measuring devices for that purpose;
(b) and charge the consumer according to the quantity of water consumed. The Council may prescribe charges to be made in respect of water consumption, by resolution, and may prescribe different charges for different classes of consumer.

Meters for water supplies, and restrictors for restricted flow supplies, will be supplied, installed and maintained by Council, and will remain the property of Council and will be installed in the location required by the Council.

Where on-demand supplies are not universally metered, the Council may fit a meter at the Customer's cost, and charge accordingly where it considers water use is unusually high.

Meters and restrictors shall be located in a position where they are readily accessible for reading and maintenance, and if practicable, immediately on the Council side of the point of supply.

Water used for the purpose of extinguishing fires shall be supplied free of charge. Where the fire protection connection is metered and water has been used for firefighting purposes, Council shall estimate the quantity of water so used, and credit to the Customer's account an amount based on such an estimate.

7.2. CHANGE OF OWNERSHIP

In the event of a Premises changing ownership, Council shall record the new owner as being the Customer at that Premises. Where a Premises is metered, the outgoing Customer shall give Council five (5) working days notice to arrange a final meter reading.

7.3. ESTIMATING CONSUMPTION

Should any meter be out of repair, be removed, or cease to register, Council shall estimate the consumption for the period since the previous reading of such meter (based on the average of the previous four billing periods charged to the customer). The customer shall pay according to such an estimate.

Provided that when, by reason of a large variation of consumption due to seasonal or other causes, the average of the previous four billing periods would be an unreasonable estimate of the consumption, Council may take into consideration other evidence for the purpose of arriving at a reasonable estimate, and the customer shall pay according to such an estimate.

The customer shall be liable for the cost of water which passes through the meter regardless of whether this is used or is the result of leakage. Council may estimate consumption as above, providing that the customer repairs the leak with due diligence.

Where the seal or dial of a meter is broken, Council may declare the reading void and estimate consumption as described above.

7.4. INCORRECT ACCOUNTS

Where a situation occurs, other than as provided for in Section 7.3, where the recorded consumption does not accurately represent the actual consumption on a property, the account shall be adjusted using the best information available to Council. Such situations include, but are not limited to, misreading of the meter, errors in data processing, meters assigned to the wrong account, and unauthorised supplies.

Where an adjustment is required, in favour of Council or the customer, this shall not be backdated more than twelve (12) months from the date the error was detected.

7.5. FIRE PROTECTION CONNECTION METERING

Where the supply of water to any Premises is metered, Council may allow the supply of water for the purposes of firefighting to bypass the meter, provided that:

(a) the drawing of water is possible only in connection with the sounding of an automatic fire alarm or the automatic notification of the fire brigade; or
(b) a Council approved detector check valve has been fitted on the meter bypass.

Any unmetered connection provided to supply water to a fire protection system shall not be used for any purpose other than firefighting and testing the fire protection system, unless the fire protection system is installed in accordance with NZS 4517.

Council may require the supply to be metered where a fire connection has been installed or located so that it is possible that water may be drawn from it by any person for purposes other than firefighting.

8. CONTINUITY OF SUPPLY

8.1. NO GUARANTEE OF UNINTERRUPTED SUPPLY

The Council does not guarantee an uninterrupted or constant supply of water in all circumstances, or the continuous maintenance of any particular quality or pressure.

Where works of a permanent or temporary nature are planned which will affect an existing connected supply, Council shall inform or give notice to all known Customers likely to be substantially affected.

Wherever practical, Council shall make every reasonable attempt to notify the connected Customer of a scheduled maintenance shutdown of the supply before the work commences. Where immediate action is required and notification is not practical, Council may shut down the supply without notice.

No allowance or compensation will be made or allowed on account of the water being shut off.

8.2. RESTRICTING USE OF WATER

Where the Council considers that its ability to maintain an adequate supply of drinking water is or may be at risk because of drought, emergency or for any other reason, it may restrict the use of water supplied to any Premises including to domestic swimming pools. Any such restriction may apply to all of the District or one or more parts of the District.

The Council will give such public notice as is reasonable in the circumstances of any restriction on water.

No person may use water contrary to a restriction made under this clause.

Even when restrictions apply, Council will take all practicable steps to ensure that an adequate supply for domestic purposes is provided to each Point of Supply.

9. APPROPRIATE USE AND PREVENTION OF WASTE

9.1. PREVENTION OF WASTE

The Customer may not knowingly allow –

(a) water to run to waste from any pipe, tap, or other fitting;
(b) leaks to continue unchecked or unrepaired or allow unattended operation of hoses;
(c) the condition of the plumbing within premises to deteriorate to the point where leakage or wastage occurs or where contamination of water supply occurs or is likely to occur.

For clarity, automated sprinkler systems and equivalent, are not considered to be an unattended operation of hoses, in so far as the Customer has programmed that system and knows the expected water use as a result of the operation of that system.

Council provides water for consumptive use not as an energy source. The Customer shall not use water or water pressure directly from the supply for driving lifts, machinery, educators, generators, or any other similar device, unless specifically approved.

The customer shall not use water for a single pass cooling system or to dilute trade waste prior to disposal, unless specifically approved.

Where the Council serves a notice on a Customer requiring action to be taken to repair an identified leak and specifies that the action required is urgent, and the Customer fails to take such action within the required time period, the Council may, in accordance with section 186 of the Local Government Act 2002, repair the leak and charge the customer all associated costs of doing so from the owner of a Premises, the occupier, or both.

9.2. LEAKS

It is the Customer's responsibility to detect and fix all leaks on the Customer's side of the Point of Supply.

10. BACKFLOW PREVENTION

10.1. CUSTOMER RESPONSIBILITY

The Customer must take all reasonable steps on the Customer's side of the point of supply to prevent water which has been drawn from Council's water supply from returning to that supply.

Reasonable steps include:

(a) backflow prevention; either by providing an adequate air gap, or by the use of an appropriate backflow prevention device; and
(b) the prohibition of any cross-connection between Council's water supply and
    (i) any other water supply (potable or non-potable), or
    (ii) any other water source, or
    (iii) any storage tank, or
    (iv) domestic swimming pool, or
    any other pipe, fixture or equipment containing chemicals, liquids, gases, or other non-potable substances.

NOTE - Fire protection systems that include appropriate backflow prevention measures would generally not require additional backflow prevention, except in cases where the system is supplied by a non-potable source or a storage tank or fire pump that operates at a pressure in excess of Council's normal minimum operating pressure.

10.2. UNMANAGED RISK

Notwithstanding Customer responsibilities, Council may fit a backflow prevention device on the Council side of the point of supply if it considers it is desirable or necessary to do so.

11. SUPPLY SYSTEM

11.1. ACCESS TO SYSTEM

No person, other than Council and its authorised agents, may make any connection to, or otherwise interfere with, any part of the water supply system without the written approval of the Council.

11.2. FIRE HYDRANTS

The right to gain access to, and draw water from, fire hydrants is restricted to:

a) The Council or its agents specifically authorised to do so;
b) Fire and Emergency New Zealand personnel; and

Without prejudice to other remedies available, the Council may remove and hold any equipment used by an offender to gain access to, or draw water from, a fire hydrant.

11.3. DEDICATED FILLING POINTS

No person may abstract water from dedicated filling points unless they hold a current permit from the Council. A permit issued by the Council may set such conditions and charges as the Council sees fit.

The Council may restrict or prohibit supply from filling points at its discretion, depending on prevailing conditions.

12. PROTECTION OF SUPPLY AND PROTECTION OF SOURCE WATER

12.1. CATCHMENT CLASSES

Surface water and groundwater catchment areas, from which untreated water is drawn for the purposes of water supply may be designated by the Council as:

a) Controlled;
b) Restricted; or
c) Open

12.1.1. CONTROLLED CATCHMENTS

The following conditions apply to controlled catchments:

(a) *Entry*
No person may enter a controlled catchment, or any area held by the Council as a water reserve, unless specifically authorised or permitted in writing by Council.
Within such areas, unless provided for by Council, no person may:

(i) camp;

(ii) allow livestock to enter or stray;

(iii) bathe or wash anything;

(iv) deposit any dirt, rubbish, or foul material of any kind;

(v) defecate or spit.

(b) *Permits*
Entry permits to controlled catchments may forbid, regulate or control the following activities:

(i) hunting, trapping, shooting, or fishing;

(ii) lighting or maintaining any fire;

(iii) taking of any animal;

(iv) damaging or, destroying or interfering with any property, any trees, shrubs, or other existing cover, or interference with any property;

(v) carrying of any firearm or weapon of any kind, or any trap or any fishing gear which may be used for the hunting or catching of birds, fish or animals;

(vi) use of any pesticide or toxic substance for any purpose whatsoever.

A person may be required to present a medical clearance before an entry permit is issued.

An authorisation or permit may be revoked or suspended by Council at any time, by notice in writing delivered to the holder.

A permit may not be transferred to another person.

(c) *Permits to be Presented*

(i) No person to whom any permit has been issued shall enter or leave any controlled catchment area or land held by Council as a water reserve without notifying an Authorised Officer of their intention of entering or leaving such an area and must present the Council permit for inspection if requested to do so

12.1.2. RESTRICTED CATCHMENTS

Catchment areas which are designated as restricted may allow for certain activities as determined by the Council but shall have restrictions as for controlled catchments for other activities. Those unrestricted activities may include:

(a) tramping;

(b) hunting;

(c) trapping;

(d) shooting;

(e) fishing.

12.1.3. OPEN CATCHMENTS

Open catchment areas, whether designated or not, will generally have no restrictions on activities, other than any provisions of the Regional or District Plan and any applicable National Environmental Standards.

12.2. SPILLAGES AND ADVERSE EVENTS

Any person within any catchment who becomes aware of a spillage, or any other event which may compromise the water supply, must advise Council as soon as practicable. This requirement shall be in addition to any other obligation to notify other authorities of the spillage.

12.3. WORKS NEAR WATER SUPPLY NETWORK

12.3.1. WORKING AROUND BURIED SERVICES

Council will keep accurate permanent records ('as-builts') of the location of its buried services. This information shall be available for inspection at no cost to Customers. Costs may be charged to provide copies of this information.

No person may carry out restricted works except in accordance with an approval granted by Council, and any conditions attached to that approval.

Every person carrying out restricted works must, before commencing the works:

(a) notify Council of their intention in writing at least five (5) working days prior.
(b) obtain written approval from Council for the works, which may include conditions Council considers necessary to protect its network.

For the purposes of this clause, restricted works are works which will or are likely to damage, or adversely affect the operation of, the water supply network or the wastewater network.

Restricted works are works of the following type which are carried out closer than the specified distance to the asset type set out in the following table:

Type of works	**Type of water supply network asset**	**Specified distance from asset**
General Excavation	pipes 300mm in diameter and greater, including connected manholes and structures	10 metres
	pipes less than 300mm in diameter, including connected manholes and structures	2 metres
Piling	pipes 300mm in diameter and more, including connected manholes and structures	10 metres
	pipes less than 300mm in diameter, including connected manholes and structures	2 metres
Blasting	pipes 300mm in diameter and more, including connected manholes and structures	15 metres
	pipes less than 300mm in diameter, including connected manholes and structures	15 metres

Council must, where appropriate, mark out to within ±0.5 m the location of its services. Council may charge for these services.

Subject to approval, a building developer may meet the cost of diverting the public water pipe (including any ancillary structures) in accordance with Council standards.

12.3.2. RESTRICTIONS ON BUILDING WORK

No building may be built over a public rising main, trunk main or other pipes, or closer than the greater of:

Type of works	Type of water supply network asset	Specified distance from asset
Building work	public rising main or trunk main	Over or closer than the greater of 1.5 metres from the centre of any main, or the depth of the centre line of the main, plus the diameter of the main, plus 0.2 metres from the centre of that main.
	Other Public Water Pipes whether on public or private land	Over or closer than the greater of 1.5 metres from the centre of any public water pipe, or the depth of the centreline of the water pipe, plus the diameter of the water pipe, plus 0.2 metres from the centre of that water pipe.

12.3.3. LOADING OR MATERIAL OVER PUBLIC WATER PIPES

No person may cause the crushing load imposed on a public water pipe to exceed that which would arise from the soil overburden plus a HN-HO-72 wheel or axle load (as defined by NZ Transport Agency Bridge Manual).

No person may place any additional material over or near a public water pipe without approval.

Service openings and other ancillary structures shall not be obstructed in any way unless approved. Removal of any obstructing material or adjustment of the structures shall be at the property owner's expense.

13. FEES AND CHARGES

The Customer shall be liable to pay for the supply of water and related services in accordance with Council fees and charges and / or rating requirements prevailing at the time.

The Council may prescribe in its Schedule of Fees and Charges the fees and charges payable to the Council for approvals, inspections, meter readings, and other matters provided for in this Bylaw.

Customers and permit holders shall be responsible to pay all fees and charges associated with connection and disconnection of their Premises to the public water supply network, and any other fees and charges set by the Council.

14. BREACHES AND OFFENCES

Every person who breaches this Bylaw, or breaches the conditions of any approval or permit granted under this Bylaw or fails to comply with a notice served under this bylaw commits an offence and is liable upon conviction to a fine as provided for under the Local Government Act 2002,. Without prejudice to any of the provisions of this Bylaw, Council may pursue any legal remedies available to it pursuant to the provisions of the Local Government Act 2002 or any other act or regulation applicable to the supply of water.

In addition to any legal penalties arising from any breach, offence, or dispute Council may seek to recover all costs arising from and associated with any such breach, offence or dispute.

In the event of a breach of the conditions to supply water, Council shall serve notice on the customer advising the nature of the breach and the steps to be taken to remedy it. If, after one (1) week, the customer persists in the breach, Council reserves the right to reduce the flow rate of water in accordance with section 193 of the Local Government Act 2002. In such an event the full service of the supply shall be re-established only after payment of the appropriate fee and remedy of the breach to the satisfaction of Council.

In addition, if the breach is such that Council is required to disconnect the supply for health or safety considerations, such disconnection should be carried out forthwith.

14.1. INTERFERENCE WITH EQUIPMENT

Any tampering or interfering with Council equipment, either directly or indirectly, shall constitute a breach of this Bylaw.

Without prejudice to its other rights and remedies, Council shall be entitled to estimate (in accordance with Section 7.3) and charge for the additional water consumption not recorded or allowed to pass where a meter or restrictor has been tampered with, and recover any costs incurred.

14.2. REMEDIAL WORKS

The Council may:

(a) remove or alter any work or thing that is, or has been, constructed in breach of this bylaw; and
(b) recover the costs of removal or alteration from the person who committed the breach.

15. BYLAW APPROVAL DATE

The Common Seal of the Central Hawke's Bay District Council was attached, under Resolution *(Reference - Part X Water Supply Bylaw:[202X])* passed at a meeting of the Central Hawke's Bay District Council held on (Day) (Month) (Year).

DATE CONFIRMED : ___/___/202X

Appendix A

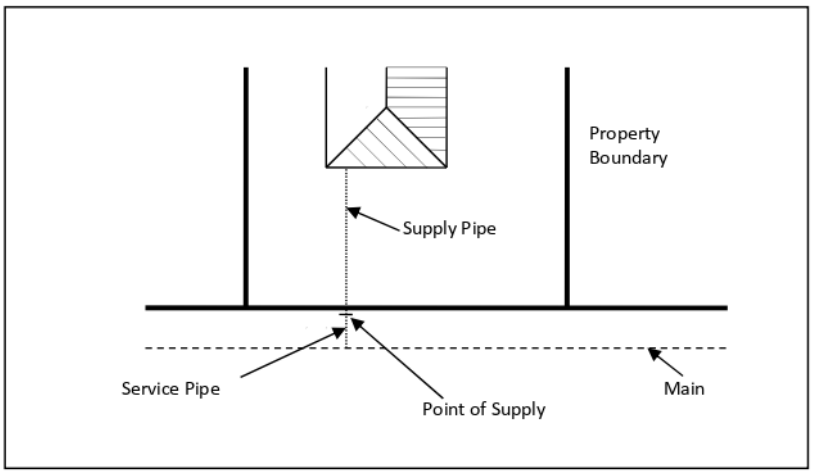


FIGURE 1 - POINT OF SUPPLY LOCATION - INDIVIDUAL CUSTOMERS

Note : Point of Supply is the tail piece of the boundary box, meter, or service valve regardless of property boundary.

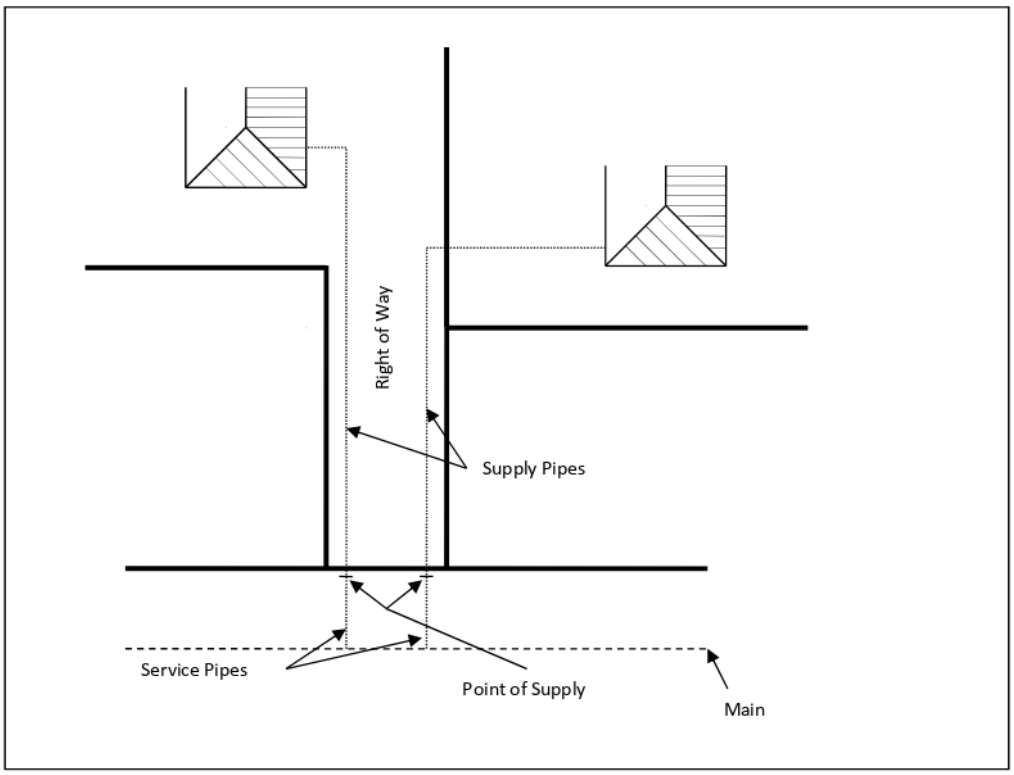
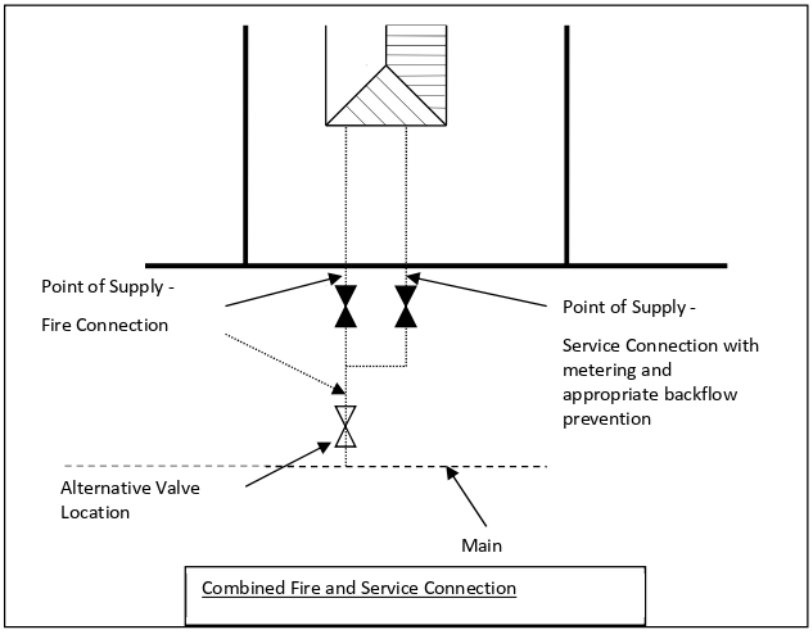


FIGURE 2 - POINT OF SUPPLY LOCATION - REAR LOTS

Note : Point of Supply is the tail piece of the boundary box, meter, or service valve regardless of property boundary.



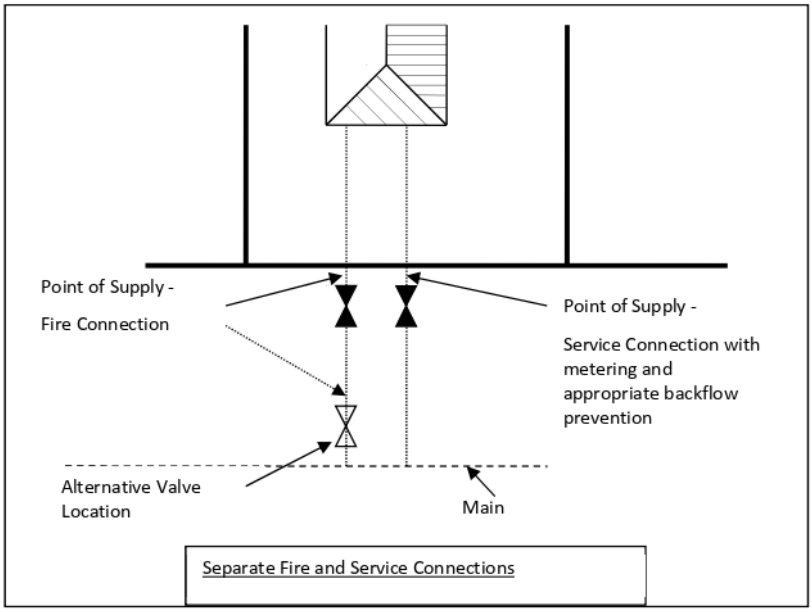
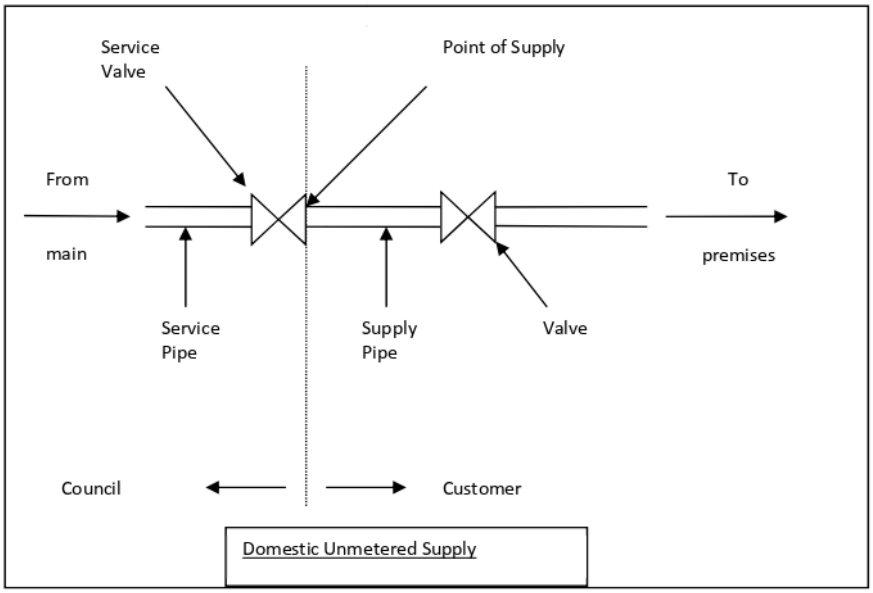


FIGURE 3 - POINT OF SUPPLY LOCATIONS - INDUSTRIAL, COMMERCIAL, DOMESTIC FIRE AND SERVICE CONNECTIONS (INCLUDING SCHOOLS)

Note : Point of Supply is the tail piece of the boundary box, meter, or service valve regardless of property boundary.



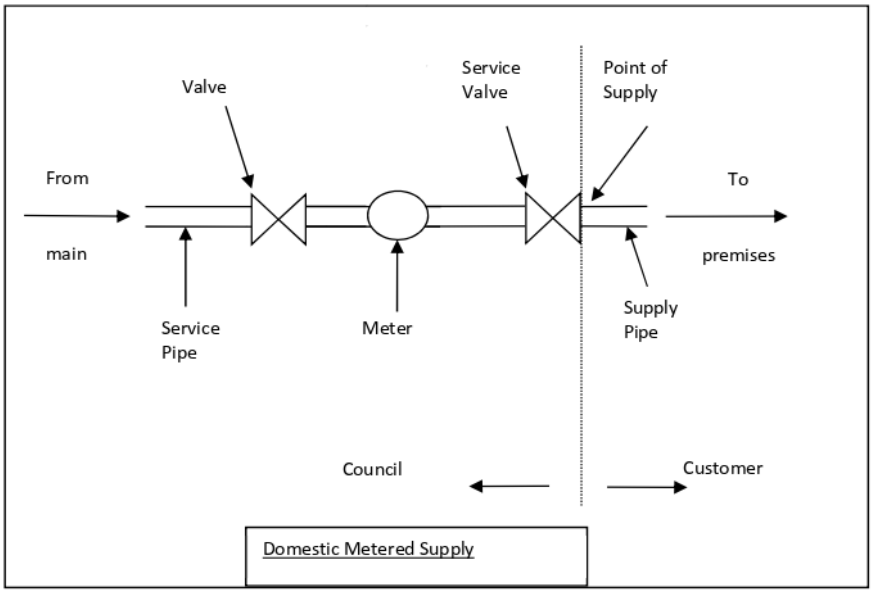
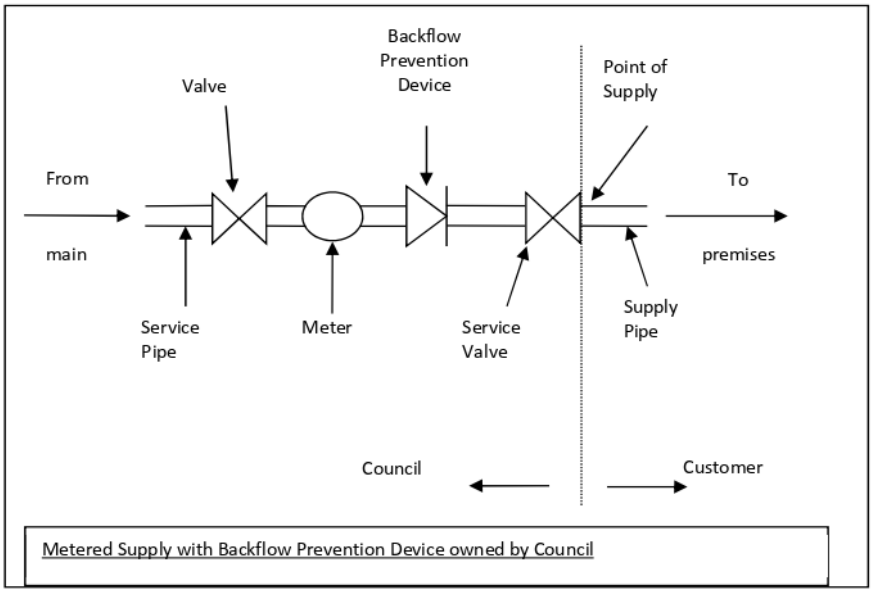
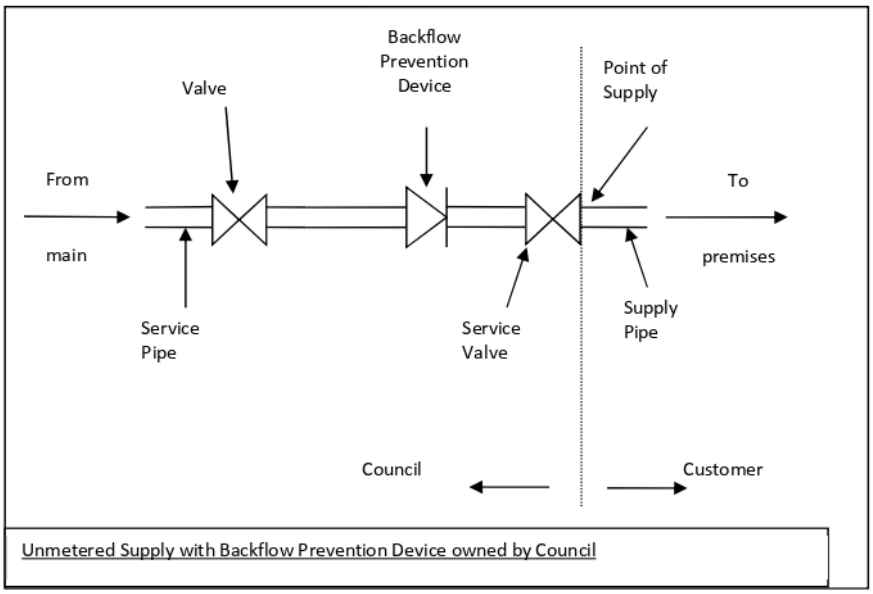


FIGURE 4 - TYPICAL LAYOUTS AT POINT OF SUPPLY

Note: *Point of Supply is the tail piece of the boundary box, meter, or service valve regardless of property boundary.*



Metered Supply with Backflow Prevention Device owned by Council



Unmetered Supply with Backflow Prevention Device owned by Council

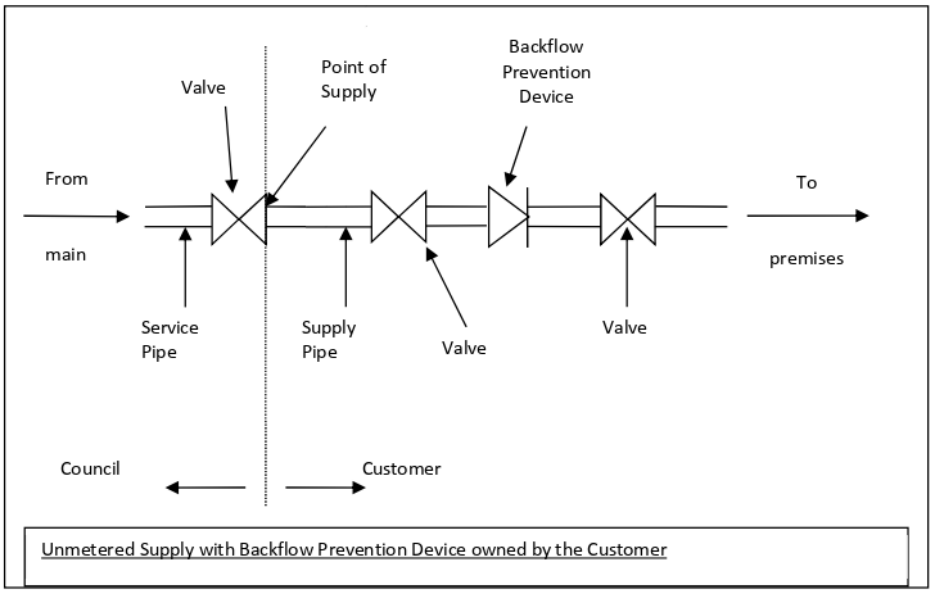
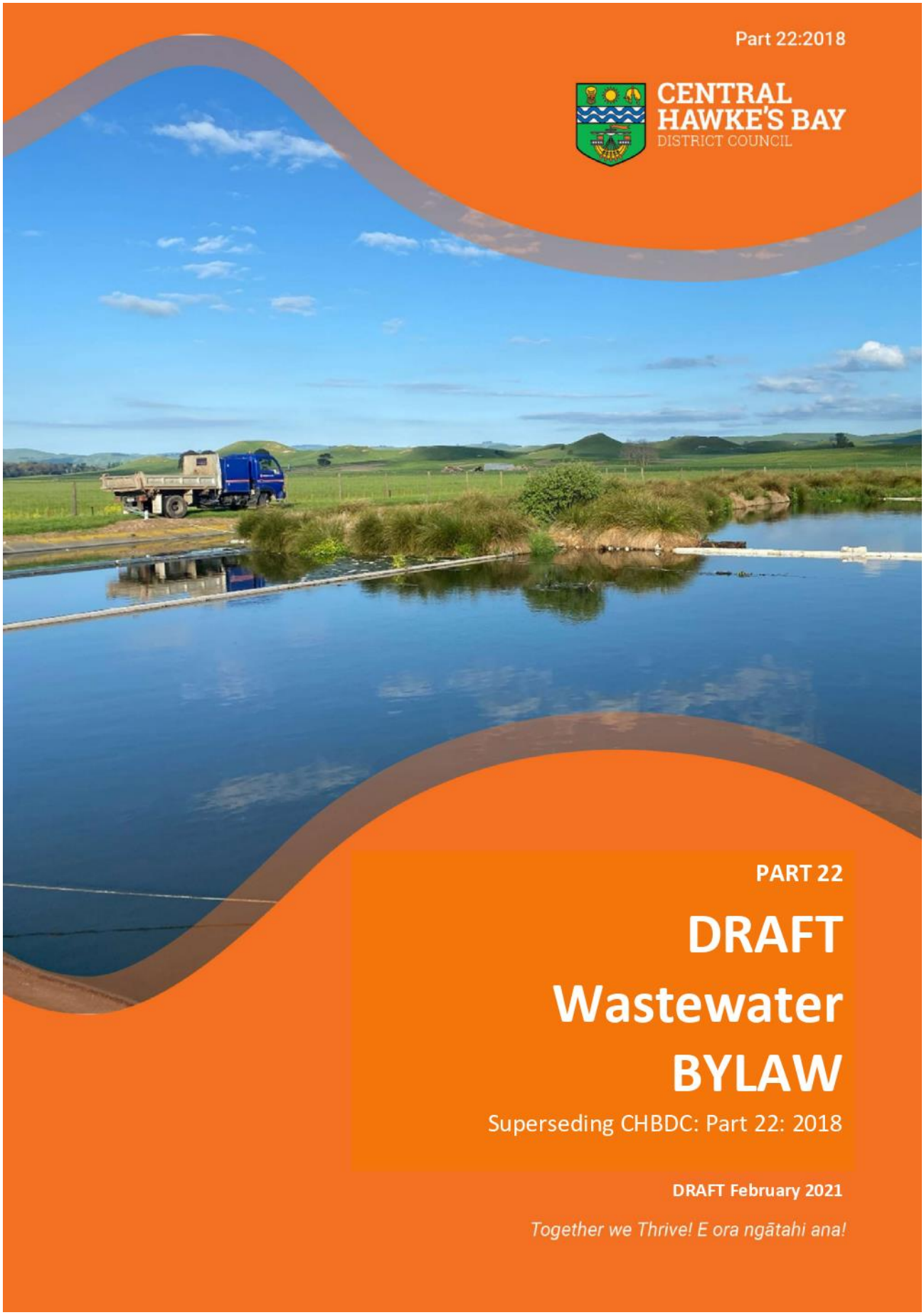


FIGURE 5 - TYPICAL LAYOUTS AT POINT OF SUPPLY INCLUDING BACKFLOW PREVENTION DEVICES

Note:

(1) Point of supply is the tail piece of the boundary box, meter, or service valve regardless of property boundary.

(2) The New Zealand Building Code may require the customer to install additional backflow prevention devices within the site, which will remain the responsibility of the customer.


Part 22:2018
CENTRAL HAWKE'S BAY
DISTRICT COUNCIL
PART 22
DRAFT
Wastewater
BYLAW
Superseding CHBDC: Part 22: 2018
DRAFT February 2021
Together we Thrive! E ora ngātahi ana!

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INTRODUCTION

To achieve a holistic and integrated approach to three waters management in the District that is consistent with Council's District Plan, other Policies, Plans, Strategies and Objectives and also reflect the principles of the Te Mana o Te Wai. The following overarching purposes have been set for all four water services bylaws (Water Supply, Stormwater, Wastewater and Trade Waste).

Overarching Purpose

1. **Meet Legislation Requirements**
   Proactively meet all Council's statutory requirements relating to the provision of three waters services.

2. **Integrated Approach**
   Adopt an integrated and holistic approach to the Three Waters (water supply, wastewater including trade waste and stormwater) that recognises the interconnections between each of the waters and promotes their sustainable use and management.

3. **Environmental Responsibilities**
   Facilitate environmentally responsible practices by raising awareness of how the Three Waters interact and effect the District's natural environment. Additionally, ensure that Council meet its own responsibilities in terms of resource consent requirements set by the Hawke's Bay Regional Council.

4. **Sustainable Practices**
   Encourage and incentivise the community and businesses to adopt practices that lead to the enhancement of the environment and the sustainable management of water resources including water and product stewardship, rainwater harvesting, waste minimisation and cleaner production.

5. **Support Sustainable Growth**
   Support the sustainable provision of three waters infrastructure to enable future growth while minimising impacts on the environment.

6. **Achieve Project Thrive Values**
   Develop and implement Three Water Bylaws to give effect to 'Project Thrive' values in particular trust, honesty, respect, innovation, and valuing people.

7. **Te Mana o te Wai**
   Recognise the fundamental concept of Te Mana o te Wai as prescribed under the National Policy Statement for Freshwater Management 2020 and in particular the need to restore and preserve the balance between the water, the wider environment, and the community.

8. **Tangata Whenua Status**
   Recognise the status of tangata whenua as Kaitiaki.

9. **Durable Infrastructure**
   Develops and maintain durable and resilient infrastructure that achieves Council's levels of service in an efficient and cost-effective manner.

10. **Safety and Health**
    Ensure the protection, safety and health of Council staff and the community when using or operating the water supply system, and the wastewater and stormwater systems.

11. **Obligations**
    Define the obligations of residential Occupiers and businesses including trade waste Occupiers and the public at large in relation to the Council's water supply, wastewater and stormwater systems.

12. **Discharge Controls**
    Regulate wastewater and stormwater discharges, including trade waste, and hazardous substances, into the wastewater and stormwater systems.

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13. **Equitable Costs**
Provide a system for the equitable share of Council's water services costs between trade waste dischargers, other businesses and domestic Customers.

OBJECTIVES

Further to the Overarching Purpose the specific objectives for this part of the Bylaw is to promote and protect the health of communities and the environment, and to protect the Wastewater System from damage and misuse.

CONTEXT

In Central Hawke's Bay, there are currently six public Wastewater collection and treatment systems located at Otane, Waipawa, Waipukurau, Takapau, Porangahau, and Te Paerahi.

Wastewater is collected from public and private premises within these systems into the public sewer system. This wastewater is conveyed to the District's wastewater treatment plants for treatment and is then discharged to the environment. This Bylaw controls the management, treatment and discharge of this wastewater.

Council has responsibility to provide reliable, safe, effective and efficient collection, management and disposal of wastewater and trade waste to ensure that the capacity of available facilities is optimised and that neither public health nor the environment is compromised.

Renewal of wastewater assets is an ongoing process. Pipelines, manholes, pumping stations and treatment plants are renewed as necessary and as funding allows.

Compliance with Resource Consents is also monitored and includes reporting to Hawke's Bay Regional Council.

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PART 22 – WASTEWATER

1. TITLE

This bylaw shall be known as the Central Hawke's Bay District Council Wastewater Bylaw [2021].

2. COMMENCEMENT

This Bylaw shall come into force on the **[Date]**

3. REPEAL

This bylaw supersedes and repeals the Central Hawke's Bay District Council Wastewater Bylaw 2018 and all amendments of that bylaw.

4. APPLICATION OF BYLAW

This Bylaw shall apply to the Central Hawke's Bay District.

5. DEFINITIONS

Reference should be made to Part 1 *Introductory Bylaw* and to the legislation referred to under Referenced Documents, for any other definitions not included in this Part.

For the purpose of this Bylaw, unless inconsistent with the context, the following definitions apply:

Acceptable Discharge	means a Wastewater with physical and chemical characteristics which comply with the permitted discharge characteristics of Council's Trade Waste Bylaw.
Approval	means approved in writing either by resolution of the Council or by any authorised officer of Council.
Buried Services	means all public Sewers, Rising Mains, Trunk Sewers and other underground utilities under the responsibility of Council.
Certificate of Title	means a certificate registering the freehold ownership of land available to any Owner(s) under the Land Transfer Act 1952.
Council	means the Central Hawke's Bay District Council or any officer authorised by Council or legislation to exercise the authority of Council.
Customer	means a person who either discharges or has obtained a consent to discharge or direct the manner of discharge of Wastewater from any Premises to Council's public Sewer. The Customer may be an Owner or an Occupier.
Disconnection	means the physical cutting and sealing of the Drain from a Premises.
Domestic Wastewater	means either that Wastewater which is discharged from Premises used solely for residential activities or wastes of the same character discharged from other Premises, provided that the characteristics of the Wastewater are an Acceptable Discharge. Such activities shall include the draining of domestic swimming and spa pools subject to clause 9.6.
Holding tank	means a tank installed on a property to store Wastewater from that property and intended to be emptied regularly by a tanker. This excludes septic tanks where the septic tank forms part of an on-site Wastewater treatment process that is fully contained within the property and excludes retention tanks where the retention tank is part of a communal Wastewater treatment process.

Infiltration	means water entering a public Sewer or Private Drain from groundwater through defects such as poor joints, cracks in pipes or manholes. It does not include Inflow.
Inflow	means water discharged into a drain from non-complying connections or other drain-laying faults. It includes Stormwater entering through illegal downpipe connections or from low gully traps.
Occupier	the person who occupies the Premises. This may be the Owner of the Premises, lessee, squatter or any other Person on or using the Premises.
Owner	the Person who owns the Premises.
Person	includes a corporation sole and a body of persons whether corporate or incorporate.
Point of Discharge	means the boundary between the public Sewer and a Private Drain.
Premises	means either: a) a property or allotment which is held under a separate Certificate of Title or for which a separate Certificate of Title may be issued and in respect to which a building consent has been or may be issued; or b) a building that has been defined as an individual unit by a cross-lease, unit title or company lease and for which a Certificate of Title is available; or c) land held in public ownership (e.g. reserve) for a particular purpose.
Private Drain	means that section of private drain between the Customer's Premises and the Point of Discharge through which Wastewater is conveyed from the Premises. This section of drain is owned and maintained by the Customer (or group of Customers).
Rising Main	means a Sewer through which Wastewater is pumped.
Sewer	means the main public sewer pipes, manholes and lateral connections that carry away Wastewater from the Point of Discharge. The public sewer is owned and maintained by Council.
Stormwater	means surface water run-off resulting from rainfall.
Tankered waste	means water or other liquid, including waste matter in solution or suspension, which is conveyed by vehicle for disposal, excluding domestic sewage discharged directly from house buses, caravans, buses and similar vehicles.
Trade Premises	means: a) any Premises used or intended to be used for any industrial or trade purpose; or b) any Premises used or intended to be used for the storage, transfer, treatment, or disposal of waste materials or for other waste management purposes, or used for composting organic materials; c) any other Premises from which a contaminant is discharged in connection with any industrial or trade process d) any other Premises discharging other than domestic sewage; and includes any land or Premises wholly or mainly used for agricultural or horticultural purposes.
Trade Waste	means any liquid that is or may be discharged from a Trade Premises or tanker to the Council's Wastewater System of a non-domestic nature.
Trunk Sewer	means a Sewer, generally greater than 150 mm in diameter, which forms a part of the principal drainage system of Council's Wastewater System.
Wastewater	means water or other liquid, including tankered waste and waste matter in solution or suspension, discharged from a Premise to a Sewer (also called sewage).

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Wastewater System means the collection, treatment and disposal of Wastewater and Trade Wastes, including all Sewers, pumping stations, storage tanks, sewage treatment plants, outfalls, and other related structures operated by Council and used for the reception, treatment and disposal of Wastewater and Trade Wastes.

ACCESS TO THE WASTEWATER SYSTEM

1.1.1 No Person other than Council and its authorised agents may have access to any part of the Wastewater System without the written Approval of Council.

WORKING AROUND BURIED SERVICES

1.2 GENERAL

1.2.1 Any Person proposing to carry out excavation work must view the as-built information held by Council to establish whether Council services are located in the vicinity. Excavation work of the following type will be considered as in the vicinity of Buried Services:

Type of Works	Type of Council Water Supply, Wastewater or Stormwater asset	Specified distance from asset
General excavation	pipes 300mm in diameter and greater, including connected manholes and structures	10 metres
	pipes less than 300mm in diameter, including connected manholes and structures	2 metres
Piling	pipes 300mm in diameter and more, including connected manholes and structures	10 metres
	pipes less than 300 mm in diameter, including connected manholes and structures	2 metres
Blasting	pipes 300mm diameter and more, including connected manholes and structures	15 metres
	pipes less than 300mm in diameter, including connected manholes and structures	15 metres

1.2.2 At least five (5) working days' notice in writing must be given to Council of an intention to excavate in the vicinity of its services.

1.2.3 Any Person causing damage or disruption to the Wastewater System is liable for the cost of repairs and any other costs incurred as a result of the damage or disruption.

1.2.4 No Person may make any connection to, or otherwise interfere with, any part of the Wastewater System except with the written Approval of Council.

1.2.5 Any damage or disruption to the Wastewater System must be reported to the Council immediately.

1.2.6 No Person may undertake any excavation work within 2 metres of any part of the Wastewater System, except with the prior written Approval of the Council.

1.2.7 When granting Approval for excavation work near the Wastewater System, the Council may impose such conditions as it considers necessary.

1.3 EXCAVATION, LOADING OR MATERIAL OVER SEWERS

1.3.1 No Person may cause the crushing load imposed on a public Sewer to exceed that which would arise from the soil overburden plus a HN-HO-72 wheel or axle load (as defined by the New Zealand Transport Agency (Waka Kotahi) Bridge Manual).

1.3.2 No Person may cover or obscure a Sewer without the prior Approval of the Council.

1.3.3 Removal of any covering material or adjustment of the structures will be at the property Owner's expense.

1.3.4 No Person may excavate, or carry out piling or similar work closer than:

a) five (5) metres from the centre line of any Rising Main or Trunk Sewer; or
b) two (2) metres from the centre line of any public Sewer;

without written Approval from Council. Such Approval may impose conditions on the carrying out of any work near the Sewer.

BUILDING OVER BURIED SERVICES

1.4 PUBLIC SEWERS, RISING MAINS AND TRUNK SEWERS

1.4.1 Except in accordance with 7.1.3, no building may be built over a public Sewer, Rising Main or Trunk Sewer, or closer than the greater of:

a) 1.5 metres from the centre of any main or Sewer (Refer to Figure 7-1); or

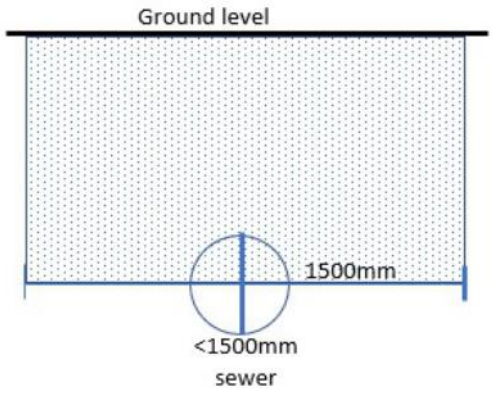


Figure 0-1: No build zone in vicinity of a public rising main or trunk sewer (less than 1500 mm diameter)

b) the depth of the centre line of the Sewer, plus the diameter of the Sewer, plus 0.2 metres from the centre of that Sewer, subject to compliance with 3.1 of NZS 3604 (Refer to Figure 7-2).

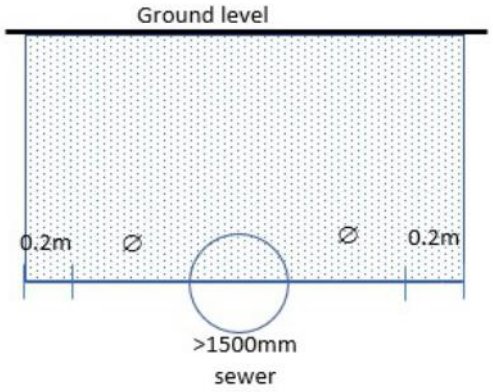


Figure 0-2: No build zone in vicinity of a public rising main or trunk sewer (more than 1500 mm diameter)

1.4.2 Subject to Approval, a building developer may meet the cost of diverting the public Sewer (including any manholes) in accordance with Council's standards.

1.4.3 Where clause 7.1.1 and 7.1.2 above are found to be impractical and the building cannot be sited elsewhere on the property or modified to conform with the above conditions, and it is essential for the proposed building to be built on that part of the property, approval may be granted subject to the building developer meeting the cost of any specific requirements. These requirements may include:

a) the provision of access manholes, pipe strengthening, ducting, additional support of the building's foundations and re-locatable construction;
b) carrying out sufficient investigations to accurately determine the Sewer's location and depth, and to prove that the Sewer is in a condition where it has a remaining life of at least fifty (50) years; and
c) or carrying out remedial work or relaying the Sewer to meet the requirements of:

i. bore piling the building 1.0 metre clear distance either side of the Sewer to below the Sewer invert to ensure that no building loads are transferred to the Sewer and so that it is possible to excavate down to the Sewer without threat to the building;
ii. providing two additional manholes into the Sewer between 2.0 and 3.0 metres from the edge of the building at the points it enters and leaves the building (unless there is an existing manhole within 10 metres), provided that the Sewer lies in a straight line and that there are no other connections between these two manholes;
iii. carrying out all work on and around the Sewer in accordance with Council's engineering standards.

DEVELOPMENT OF PREMISES

1.5 GENERAL

1.5.1 No Person may divert any part of the public Wastewater system except with the prior written Approval of the Council.

1.5.2 No Person may make a connection to, or otherwise interfere with the public Wastewater System without prior written Approval of the Council.

1.5.3 All proposed Wastewater works must be designed, constructed and operated:

a) in compliance with any relevant Wastewater Management Plan or discharge consent, including its recommendations or conditions for the area concerned; and
b) to Council's standards for corresponding public Wastewater works where they serve or may serve land or buildings in different ownership; and
c) to Council's Wastewater Drainage Policies; and
d) in compliance with any written conditions imposed by Council when approving the works, and with any relevant building or resource consent; and
e) to be consistent with foreseeable catchment-wide works (for example, extending a pipe upstream or downstream) to give a benefit to the catchment as a whole.

Such Wastewater drainage works will remain the responsibility of the Owner of the land on which the works occur unless and until they are taken over and vested in Council. The cost of all work involved will be the Owner's cost unless specific agreement for alternative cost sharing is approved in writing by Council.

1.6 APPLICATION FOR CONNECTION

Applications must be made to Council to connect to the Wastewater System.

1.6.1 Every application for a connection to the Wastewater System must be made in writing on the standard Council form (on Council's website). The applicant must provide all the details required by Council.

1.6.2 On receipt of an application Council will, after consideration of the application and other matters relating to the application and the Wastewater System, either:

a) approve the application and inform the applicant of the size of the connection and any particular conditions applicable; or
b) refuse the application and notify the applicant of the decision giving the reasons for refusal.

1.6.3 Failure to comply with any of the terms and conditions of an Approval constitutes interference with the Wastewater System and is a breach of this Bylaw.

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1.6.4 Any such connection shall be carried out by a registered drainlayer under the supervision of Council.

1.6.5 Any new connection will be dimensioned from the immediate downstream manhole to the centre of the newly installed connection, and an as-built plan showing the connection shall be provided to Council within seven (7) days of installation and acceptance by Council.

1.6.6 The applicant must have the authority to act on behalf of the Owner of the Premises for which the connection is sought and shall produce written evidence of this if required.

1.6.7 An approved application which has not been actioned within six (6) months of the date of application will lapse unless a time extension has been approved. Any refund of fees and charges shall be at the discretion of Council.

1.6.8 Every application to carry out Wastewater works must include drawings and specifications for the proposed works. The drawings must show, to the satisfaction of Council, the proposed works and their effects on the subject site and surrounding land.

1.7 PUMP STATIONS

1.7.1 Customers may not use private Wastewater pump stations unless approved in writing by the Council. Approval may only be provided where there are no practical alternatives for a gravity flow discharge to the public Sewer.

CONDITIONS OF SUPPLY

1.8 WASTEWATER FROM HOLDING TANKS

1.8.1 Wastewater from Holding Tanks will not be accepted at any of Council's Wastewater treatment facilities, unless approved in writing by Council.

1.9 POINT OF DISCHARGE

1.9.1 The Point of Discharge marks the boundary of responsibility between the Customer and Council, for maintenance of the Wastewater system, irrespective of property boundaries.

1.9.2 Unless otherwise approved there may only be one Point of Discharge for each Premises, and any private drain shall not extend by pipe or any other means to serve another Premises unless it is a common Private Drain.

Single ownership

1.9.3 For single dwelling units the Point of Discharge will be located at the boundary as shown in Figures 10.1, 10.2, 10.3, 10.4 and 10.5 or as close as possible where fences, walls or other permanent structures make it difficult to locate it at the required position. The Approval of other positions must be made by Council and recorded on the drainage plan.

1.9.4 Where a Private Drain discharges into a public Sewer on that same private property, the Point of Discharge is the upstream end of the pipe fitting which forms the junction with the public Sewer.

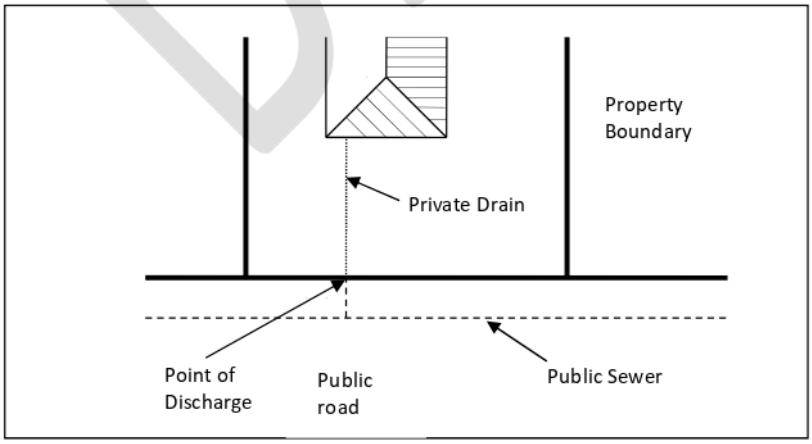


Figure 0-1: Point of Discharge Location - With Street Frontage

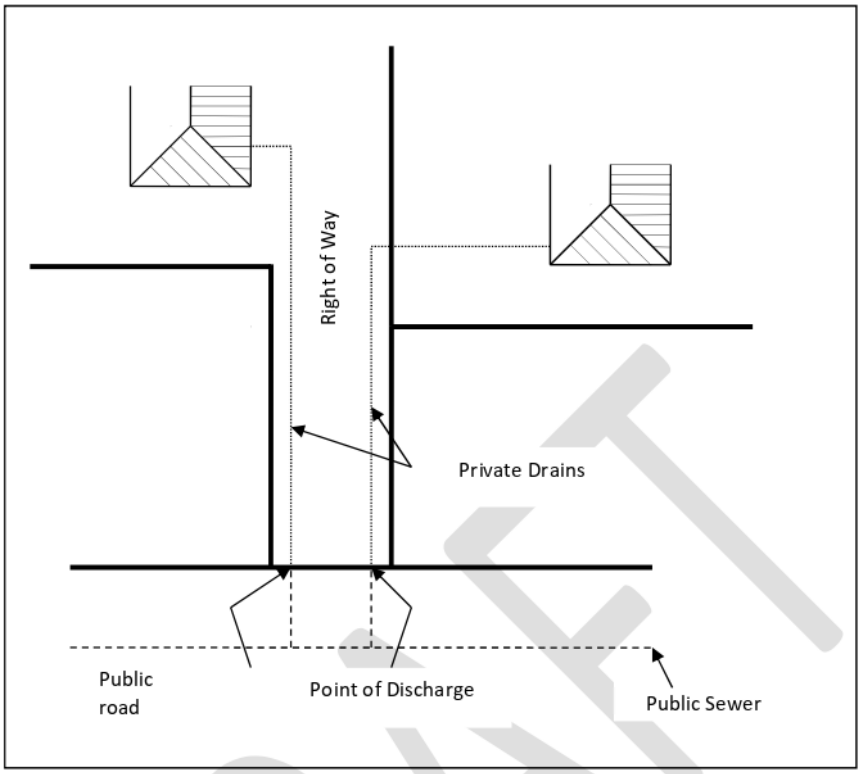


Figure 0-2: Point of Discharge Location - Rear Lots

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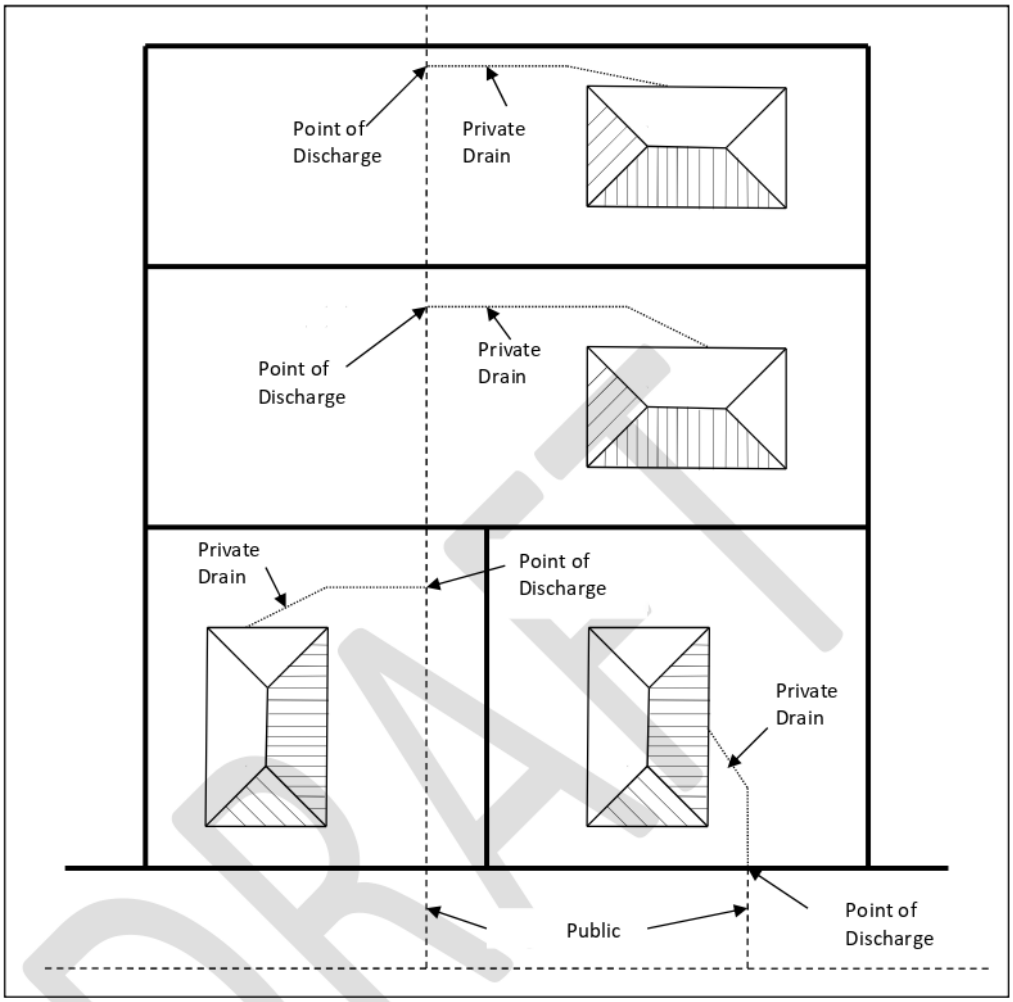


Figure 0-3: Point of Discharge Location - Public Sewer on Private Property

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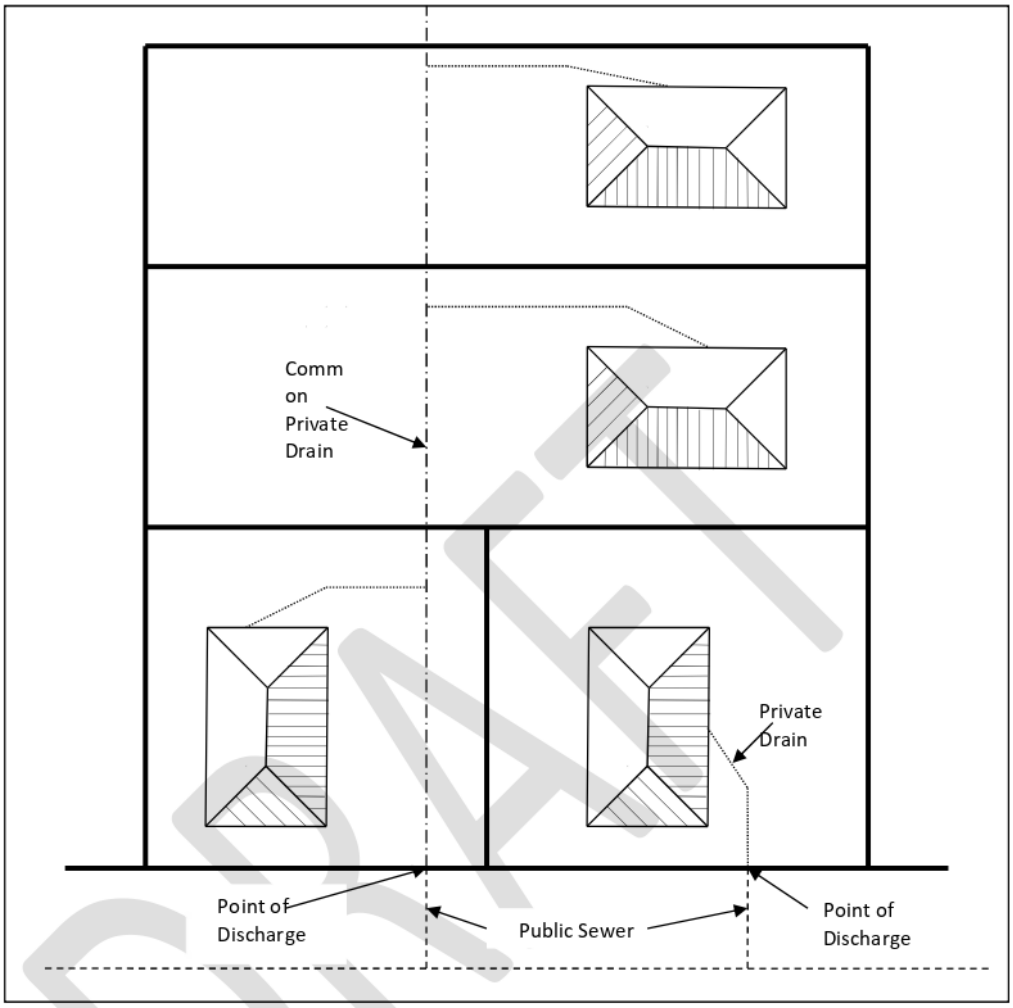


Figure 0-4: Point of Discharge Location - Common Private Drain

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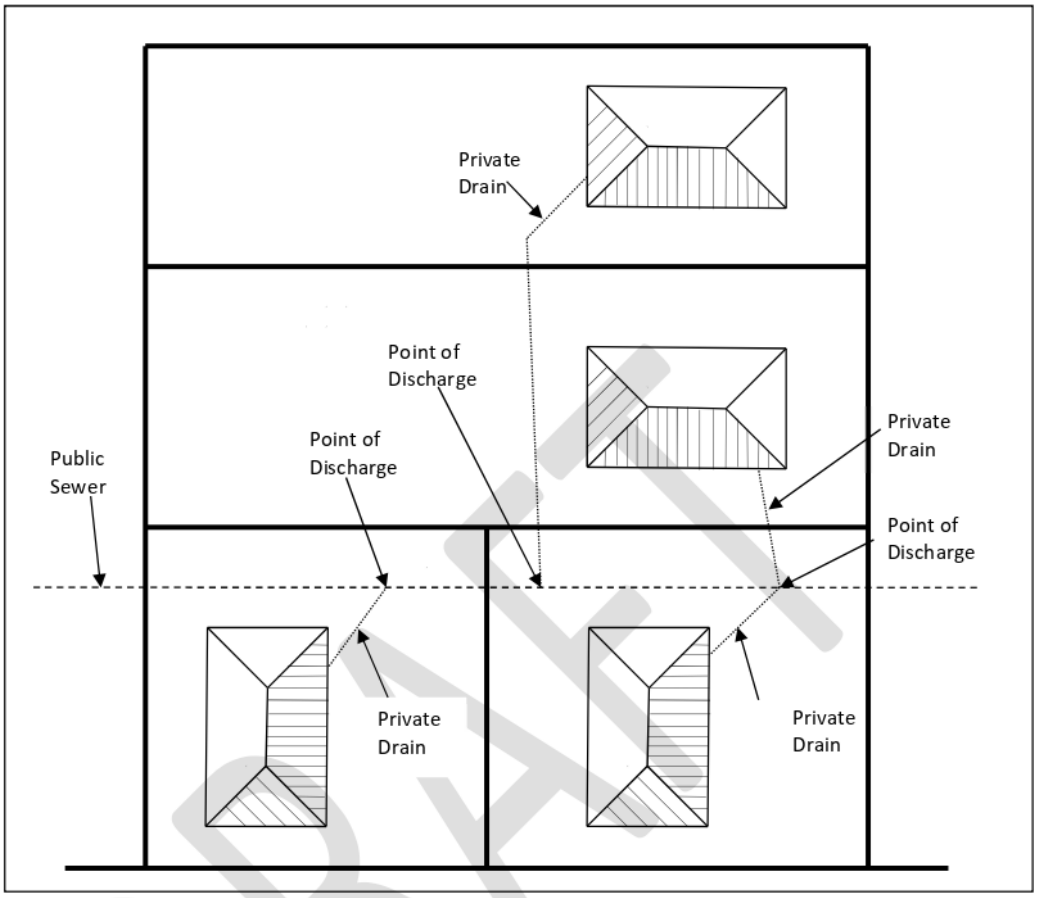


Figure 0-5: Point of Discharge Location - Private Drain through Neighbouring Properties

Multiple Ownership

1.9.5 The Point of Discharge for the different forms of multiple ownership of Premises and / or land shall be as follows:

a) for company share / block scheme (body corporate) - as for single ownership;
b) for leasehold / tenancy in common scheme (cross lease), strata title, and unit title (body corporate);- where practicable each Owner shall have an individual drain with the Point of Discharge determined by agreement with Council. If not practicable there shall be a common private drain which shall be incorporated as an additional provision in the lease agreement. In specific cases other arrangements will be acceptable subject to individual Approval.

Layout

1.9.6 The physical drainage layout at a Point of Discharge must be as per the New Zealand Building Code, the New Zealand Standard NZS4404:2010 Land Development and Subdivision Infrastructure and approved in writing by Council.

1.10 COMMON PRIVATE DRAINS

1.10.1 Common Private Drains may serve a maximum of five (5) single dwelling units and must have one Point of Discharge only (in common).

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1.11 DOMESTIC WASTEWATER

1.11.1 No Domestic Wastewater may:

a) exceed the limits for permitted discharge characteristics in Schedule A of the Council's Trade Waste Bylaw; or
b) contain any of the characteristics prohibited in Schedule B in Council's Trade Waste Bylaw.

1.11.2 Where part of a domestic Premises is used as an office or other trade related activity from which no Trade Waste could be produced, and which no other Persons apart from those living at those Premises use, then it may be treated as domestic Premises for the purpose of this bylaw. Any trade activity which produces or has the potential to produce a Wastewater will be treated as being from Trade Premises.

1.12 MAXIMUM FLOW RATE

1.12.1 The maximum instantaneous flow rate discharged from a domestic Premises must not exceed 2.0 litres/second and / or $5m^3$ per day.

1.13 SWIMMING POOLS

1.13.1 Swimming and spa pool drains must be fitted with a flow limiting device to ensure any discharge does not exceed a maximum instantaneous flow of 2.0 litres/second.

1.14 PREVENTION OF INFLOW AND INFILTRATION

1.14.1 The Customer must take all reasonable steps to prevent any Stormwater or groundwater entering the Wastewater System (including from roof downpipes, surface water run-off, overland flow, and sub-surface drainage). Reasonable steps include ensuring that:

a) there is no direct connection of any Stormwater pipe or drain to the Wastewater System;
b) gully trap surrounds are sealed and set above Stormwater ponding levels (refer New Zealand Building Code G13), or secondary overland flow path flood levels;
c) inspection covers are in place and are appropriately sealed;
d) Private Drains are kept and maintained in a state which is free from cracks and other defects which may allow Infiltration.

1.15 BLOCKAGES

1.15.1 Any Person who causes a blockage in a public Sewer, by discharging non-acceptable wastewater, or by forcing a blockage downstream into the public Sewer in the course of clearing a Private Drain is liable for the cost of unblocking the public Sewer.

1.16 DISCONNECTION

1.16.1 A Customer must give seven (7) working days' notice in writing of their intention to demolish or remove a building connected to the Sewer. The demolition or removal must not commence until the property has been disconnected from the Sewer by Council.

1.16.2 A Customer must give two (2) working days' notice in writing to Council of their requirement for Disconnection of the discharge connections if relaying of the private Drain is required.

1.17 EMERGENCY

1.17.1 During an emergency, Council may restrict or prohibit the discharge of Wastewater for any specified purpose, for any specified period, and for any or all of its Customers.

1.17.2 Any such restrictions shall be publicly notified.

1.18 DEFECT NOTICES

1.18.1 In the event of a breach of this bylaw, Council may serve a defect notice on the Customer advising its nature and the steps to be taken within a specified period, to remedy it. If, after the specified period, the Customer has not remedied the breach, Council may charge a re-inspection fee.

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1.19 REMEDIAL WORKS AND COST RECOVERY

1.19.1 The Council may:

a) Remove or alter any work or thing that is, or has been, constructed in breach of this bylaw; and
b) Recover the costs of removal or alteration from the Person who committed the breach.

FEES AND CHARGES

1.19.2 Council may prescribe fees and charges relating to matters provided for in this bylaw in accordance with section 150 of the Local Government Act 2002.

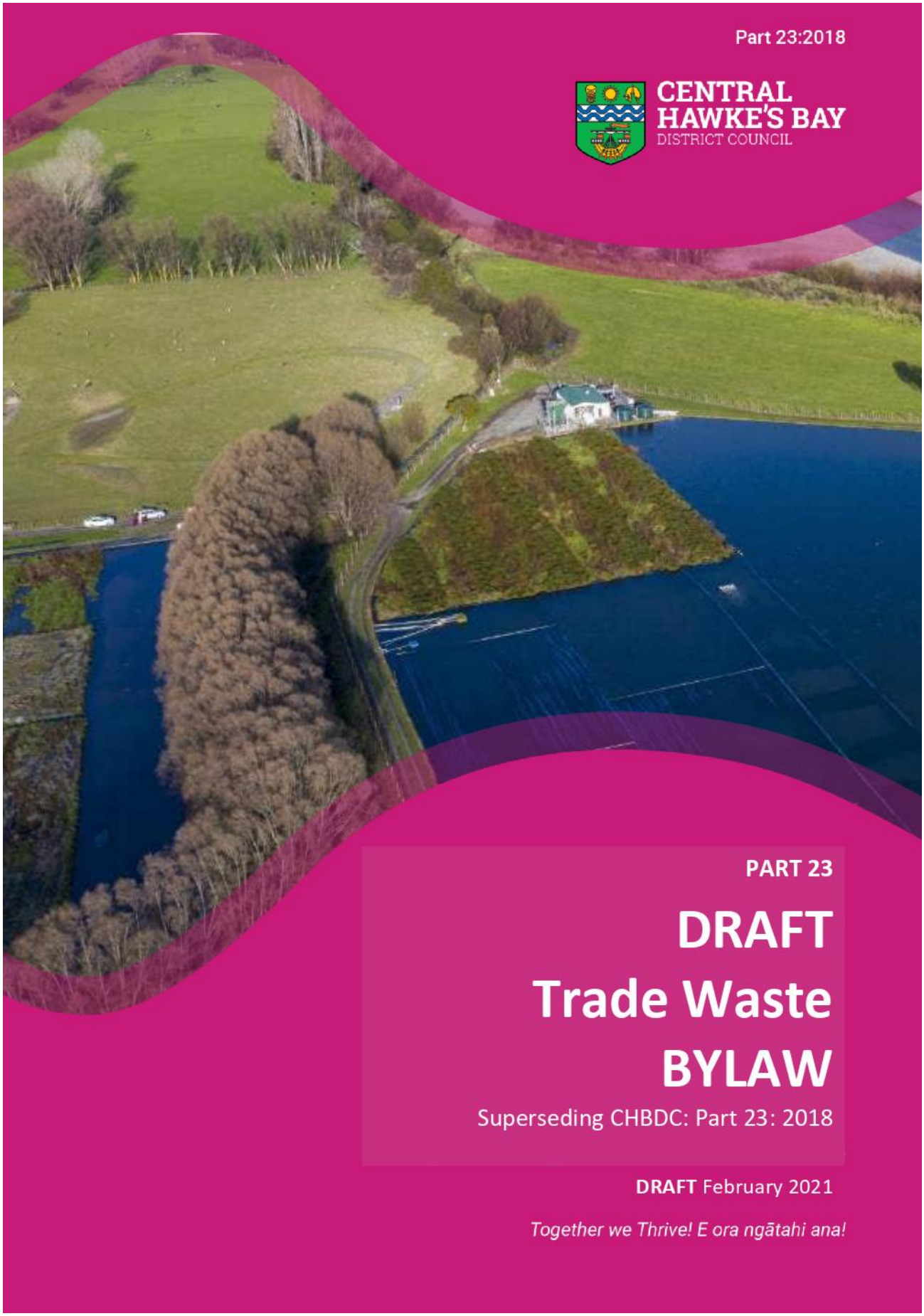
OFFENCES

1.19.3 Every Person who breaches this Bylaw or fails to comply with a notice served under this bylaw commits an offence and is liable upon conviction to a fine as provided for under the Local Government Act 2002 and may be liable to penalties under other legislation.

BYLAW APPROVAL DATE

The Common Seal of the Central Hawke's Bay District Council was attached, under Resolution *(Reference - Part 22: Wastewater Bylaw 2018)* passed at a meeting of the Central Hawke's Bay District Council held on ..... (Day) ..... (Month) ..... (Year).

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Part 23:2018
CENTRAL HAWKE'S BAY
DISTRICT COUNCIL
PART 23
DRAFT
Trade Waste
BYLAW
Superseding CHBDC: Part 23: 2018
DRAFT February 2021
Together we Thrive! E ora ngātahi ana!

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INTRODUCTION

To achieve a holistic and integrated approach to three waters management in the District that is consistent with Council's District Plan, other Policies, Plans, Strategies and Objectives and also reflect the principles of the Te Mana o Te Wai. The following overarching purposes have been set for all four water services bylaws (Water Supply, Stormwater, Wastewater and Trade Waste):

Overarching Purpose

1. **Meet Legislation Requirements**
   Proactively meet all Council's statutory requirements relating to the provision of three waters services.
2. **Integrated Approach**
   Adopt an integrated and holistic approach to the Three Waters (water supply, wastewater including Trade Waste and stormwater) that recognises the interconnections between each of the waters and promotes their sustainable use and management.
3. **Environmental Responsibilities**
   Facilitate environmentally responsible practices by raising awareness of how the Three Waters interact and effect the District's natural environment. Additionally, ensure that Council meet its own responsibilities in terms of resource consent requirements set by the Hawke's Bay Regional Council.
4. **Sustainable Practices**
   Encourage and incentivise the community and businesses to adopt practices that lead to the enhancement of the environment and the sustainable management of water resources including water and product stewardship, rainwater harvesting, waste minimisation and Cleaner Production.
5. **Support Sustainable Growth**
   Support the sustainable provision of three waters infrastructure to enable future growth while minimising impacts on the environment.
6. **Achieve Project Thrive Values**
   Develop and implement Three Water Bylaws to give effect to 'Project Thrive' values in particular trust, honesty, respect, innovation, and valuing people.
7. **Te Mana o te Wai**
   Recognise the fundamental concept of Te Mana o te Wai as prescribed under the National Policy Statement for Freshwater Management 2020 and in particular the need to restore and preserve the balance between the water, the wider environment, and the community.
8. **Tangata Whenua Status**
   Recognise the status of tangata whenua as Kaitiaki.
9. **Durable Infrastructure**
   Develops and maintain durable and resilient infrastructure that achieves Council's levels of service in an efficient and cost-effective manner.
10. **Safety and Health**
    Ensure the protection, safety and health of Council staff and the community when using or operating the water supply system, and the wastewater and stormwater networks.
11. **Obligations**
    Define the obligations of residential occupiers and businesses including Trade Waste occupiers and the public at large in relation to the Council's water supply, wastewater and stormwater networks.
12. **Discharge Controls**
    Regulate wastewater and stormwater discharges, including Trade Waste, and hazardous substances, into the wastewater and stormwater networks.

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13. **Equitable Costs**
Provide a system for the equitable share of Council's water services costs between Trade Waste dischargers, other businesses and domestic customers.

OBJECTIVES

Further to the overarching purpose of the specific objectives for this bylaw is to control and monitor Trade Waste discharges into the wastewater system (public sewers) in order to:

a) protect public health and the environment;

b) protect the wastewater system infrastructure;

c) protect wastewater system workers;

d) ensure compliance with resource consent conditions related to the wastewater treatment plant;

e) provide a basis for monitoring discharges from industry and trade Premises;

f) provide a basis for charging Trade Waste users of the wastewater system to cover the cost of conveying, treating and disposing of or reusing their wastes;

g) ensure that the costs of treatment and disposal are shared fairly between Trade Waste and municipal dischargers;

h) promote Cleaner Production;

i) encourage waste minimisation; and

j) encourage water conservation

CONTEXT

In Central Hawke's Bay, there are currently six public Wastewater collection and treatment systems located at Otane, Waipawa, Waipukurau, Takapau, Porangahau, and Te Paerahi.

Trade Waste is any liquid that is or may be discharged from a trade Premises or tanker to the Council's wastewater system of a non-domestic nature.

Wastewater is collected from public and private Premises within these systems into the public sewer system. This wastewater is conveyed to the District's wastewater treatment plants for treatment and is then discharged to the environment. This Bylaw controls the management, treatment and discharge of this wastewater.

Council has responsibility to provide reliable, safe, effective and efficient collection, management and disposal of wastewater and Trade Waste to ensure that the capacity of available facilities is optimised and that neither public health nor the environment is compromised.

Renewal of wastewater assets which convey and treat Trade Waste is an ongoing process. Pipelines, manholes, pumping stations and treatment plants are renewed as necessary and as funding allows.

Compliance with Resource Consents is also monitored and includes reporting to Hawke's Bay Regional Council.

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PART 23 – TRADE WASTE

1. TITLE

This bylaw shall be known as the Central Hawke's Bay District Council Trade Waste Bylaw 2021.

2. COMMENCEMENT

This bylaw comes into force on **[Date]**

3. REPEAL

This bylaw supersedes and repeals the Central Hawke's Bay District Council Trade Waste Bylaw 2018 and all amendments of that bylaw.

4. APPLICATION OF THE BYLAW

This bylaw shall apply to the Central Hawke's Bay District.

5. DEFINITIONS

Reference should be made to Part 1 Introductory Bylaw and to the legislation referred to under Referenced Documents, for any other definitions not included in this Part.

For the purposes of this bylaw the following definitions shall apply:

Access Point	means a place where access may be made to a private drain for inspection (including sampling or measurement), cleaning or maintenance. The location of the access point shall be in accordance with the New Zealand Building Code.
Analyst	means a testing laboratory approved in writing by an authorised officer on behalf of Council.
Approval or Approved	means approval or approved in writing by the Council, either by resolution of Council or by an authorised officer.
Approved Location	Means a location for the discharge of tankered waste as identified in a condition of a Consent.
Authorised Officer	means any officer appointed by the Council as an enforcement officer under s. 177 of the Local Government Act 2002 as an enforcement officer with powers of entry as prescribed by sections (s. s) 171-174.
Biosolids	means sewage sludge derived from a sewage treatment plant that has been treated and / or stabilised to the extent that it is able to be safely and beneficially applied to land and does not include products derived solely from industrial wastewater treatment plants.
Characteristic	means any of the physical or chemical properties of a Trade Waste.
Change in Activity	means any change on a Trade Premises which may impact on the volume or concentration of Trade Waste contaminants discharged, or the characteristics of a Trade Waste discharge.
Cleaner Production	means the implementation on trade Premises of effective operations, methods and processes appropriate to the goal of reducing or eliminating the quantity and toxicity of wastes. This is required to minimise and manage Trade Waste by: a) using energy and resources efficiently, avoiding or reducing the amount of wastes produced; b) producing environmentally sound products and services; and c) achieving less waste, fewer costs and higher profits.

Condensing Water or Cooling Water	means any water used in any trade, industry, or commercial process or operation in such a manner that it does not take up matter into solution or suspension.
Conditional Trade Waste	means Trade Waste which has conditions placed upon the consent holder by Council.
Consent	means a consent in writing given by Council and signed by an authorised officer authorising a person to discharge Trade Wastes to the wastewater system.
Consent Holder	means the person occupying trade Premises who has obtained a consent to discharge or direct the manner of discharge of Trade Waste from any Premises to Council's wastewater system, and includes any person who does any act on behalf or with the express or implied consent of the consent holder (whether for reward or not) and any licensee of the consent holder.
Contaminant	means any substance (including gases, odorous compounds, liquids, solids and micro-organisms) or energy (excluding noise) or heat, that either by itself or in combination with the same, similar, or other substances, energy or heat - a) when discharged into water, changes or is likely to change the physical, chemical, or biological condition of water; or b) when discharged onto or into land or into air, changes or is likely to change the physical, chemical, or biological condition of the land or air onto or into which it is discharged; or as described or contained in the Resource Management Act.
Contingency Management Procedures	means those procedures developed and used to avoid, remedy, or mitigate the actual and / or potential adverse effects of these activities on the environment from an unexpected or unscheduled event resulting in discharge, or potential discharge of contaminants of concern into the wastewater system.
Council	means the Central Hawke's Bay District Council or any officer authorised by Council or legislation to exercise the authority of Council.
Discharge	means the discharge of Trade Wastes into a sewer whether directly or indirectly by means of any drain, and "the discharge" has a corresponding meaning.
Disconnection	means the physical cutting and sealing of any of the Council's water services, utilities, drains or sewer for use by any person.
District	means the Central Hawke's Bay District.
Domestic Sewage	means foul water (with or without matter in solution or suspension therein) discharged from Premises used solely for residential purposes, or wastes of the same character discharged from other Premises; but does not include any solids, liquids, or gases that may not lawfully be discharged into the wastewater system and may include geothermal water.
Flow Meter	means any device or apparatus used to measuring flow.
Foul Water	means the discharge from any sanitary fixtures (any fixture which is intended to be used for sanitation - the term used to describe activities of washing and / or excretion carried out in a manner or condition such that the effect on health is minimised, with regard to dirt and infection) or sanitary appliance (an appliance which is intended to be used for

	sanitation which is not a sanitary fixture - included are machines for washing dishes and clothes).
Grease Converter	means grease traps which may use chemicals, bacteria, enzymes or other means which are not passive or mechanical to remove fats, oils or greases from Trade Waste.
Hazardous Wastes	means hazardous substances as defined by the Hazardous Substances and New Organisms Act 1996.
Holding Tank	means a tank installed on a Premises to store wastewater from that Premises, and intended to be emptied regularly by a tanker. This excludes septic tanks where the septic tank forms part of an on-site wastewater treatment process that is fully contained within the Premises, and excludes retention tanks where the retention tank is part of a communal wastewater treatment process.
Management Plan	means the plan for the management of operations on a Premises from which Trade Wastes come, and may include provision for Cleaner Production, waste minimisation, discharge, Contingency Management Procedures, and any relevant industry Code of Practice.
Mass Limit	means the total mass (of any characteristic) that may be discharged to the Council wastewater system over any stated period from any single Point of Discharge, or collectively from several points of discharge.
Maximum Concentration	means the peak concentration that may be discharged at any instant in time.
Monitoring Equipment	means any device or combination of devices considered appropriate by Council to measure and record, either on-site or remotely, concentration, temperature or pH or any other factor used to determine Trade Wastes strength.
Occupier	means the person occupying trade Premises connected to the wastewater system and includes any agent, manager, foreman or other persons acting or apparently in the general management or control of trade Premises.
Permitted Discharge	means a Trade Waste discharge that has been approved by, or is acceptable to, the Council and as long as it complies with the requirements of clause 7.1.1 of this bylaw.
Person	means a corporation, sole and also a body of persons whether incorporated or unincorporated.
Point of Discharge	means the boundary between the public sewer and a private drain but for the purposes of monitoring, sampling and testing, shall be as designated in the Trade Waste Consent.
Pre-Treatment	means any processing of Trade Waste designed to reduce or vary any characteristic in a waste before discharge to the wastewater system in order to comply with a Trade Waste Consent.
Premises	means either: a) a property or allotment which is held under a separate certificate of title or for which a separate certificate of title may be issued and in respect to which a building consent has been or may be issued; or b) a building that has been defined as an individual unit by a cross-lease, unit title or company lease and for which a certificate of title is available; or c) land held in public ownership (e.g. reserve) for a particular purpose; or

	d) individual units in buildings which are separately leased or separately occupied.
Private Drain	means that section of drain between the Premises and the point of connection to the Council's wastewater system.
Prohibited Trade Wastes	means a Trade Waste that has prohibited characteristics as defined in Schedule B and does not meet the conditions of Schedule A. The waste is not acceptable for discharge into the Council's wastewater system.
Schedule of Fees and Charges	means the list of items, terms and prices for services associated with the discharge of Trade Waste as approved by the Council.
Sewage	means foul water and may include Trade Wastes.
Sewage Sludge	means the material settled out and removed from sewage during the treatment process.
Sewer	means any sewer of the Council for the reception and discharge of domestic sewage or Trade Wastes and includes any sewer under the control of the Council.
Significant Industry	means to indicate the relative size of a given industry compared to the capacity of the wastewater system which services that industry. Industry size relates to volume and/or loads discharging into the sewage system. Loads can be the conventional loadings of BOD and SS or some other particular Contaminant (e.g. boron, chromium) which will have an effect or the propensity to have an effect on the sizing of the sewage system, the on-going system operation and/or the quality of the treated effluent that is discharged.
Stormwater	means surface water run-off resulting from precipitation, such as runoff from hard stand areas or a roof.
Tankered Waste	means water or other liquid, including waste matter in solution or suspension, which is conveyed by vehicle for disposal, excluding domestic sewage discharged directly from house buses, caravans, buses and similar vehicles.
Temporary Discharge	means any discharge of an intermittent or short duration. Such discharges include the short-term discharge of an unusual waste from Premises subject to an existing consent.
Trade Premises	means: a) any Premises used or intended to be used for any industrial or trade purpose; or b) any Premises used or intended to be used for the storage, transfer, treatment, or disposal of waste materials or for other waste management purposes, or used for composting organic materials; c) any other Premises from which a contaminant is discharged in connection with any industrial or trade process any other Premises discharging other than domestic sewage; and includes any land or Premises wholly or mainly used for agricultural or horticultural purposes.
Trade Waste	means any liquid that is or may be discharged from a trade Premises or tanker to the Council's sewerage wastewater system of a non-domestic nature.
Trench Waster	means groundwater resulting from excavation works.

Warning Notice	means a written notice given by the Council to an Owner or Occupier when the Council has reasonable grounds to believe that a condition of a Consent is being breached and which specifies: a) the nature of the alleged breach; b) the steps required to be taken take to remedy the breach; and c) the period within which the breach must be remedied.
Wastewater System	means the collection, treatment and disposal of wastewater and Trade Wastes, including all sewers, pumping stations, storage tanks, sewage treatment plants, outfalls, and other related structures operated by Council and used for the reception, treatment and disposal of Trade Wastes.
Working Day	means any day of the week other than: a) a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Labour Day; and b) a day in the period commencing with the 25th day of December in a year and ending with the 2nd day of January in the following year.

6. CONTROL OF DISCHARGES

6.1. GENERAL

6.1.1. No person shall:

a) discharge, or allow to be discharged, any Trade Waste to the wastewater system except in accordance with the provisions of this bylaw;

b) discharge, or allow to be discharged, a Prohibited Trade Waste into the wastewater system;

c) add or permit the addition of any potable, Condensing or Cooling Water to any Trade Waste which discharges into the wastewater system unless specific approval is given in a consent;

d) add or permit the addition of Stormwater to any Trade Waste which discharges into the wastewater system unless specific approval is given in a consent; or

e) use refuse or garbage grinders or macerators to dispose of solid waste from trade Premises to the wastewater system unless specific approval is given in a consent.

6.1.2. In the event of failure to comply with clause 6.1.1 (a) to (e) Council may physically prevent discharge to the wastewater system if, in the view of the Council, no reasonable alternative action can be established with the person(s).

6.1.3. Any waste from a holding tank to be tankered to the wastewater treatment plant must have Council written approval prior to transferring to the treatment plant. The waste characteristics must be known and supplied to Council.

6.2. STORAGE, TRANSPORT, HANDLING AND USE OF HAZARDOUS OR HARMFUL MATERIALS

6.2.1. All persons on trade Premises shall take all reasonable steps to prevent the accidental entry of any of the materials listed in clause 6.2.3 (c) of this bylaw from entry into the wastewater system as a result of leakage, spillage or other mishap.

6.2.2. No person may store, transport, handle or use, or cause to be stored, transported, handled or used any hazardous waste or any of the materials listed in clause 6.2.3 (c) in a manner that might cause the material to enter the wastewater system and cause harmful effects.

6.2.3. Materials referred to in clause 6.2.1 and 6.2.2 are those:

a) products or wastes containing corrosive, toxic, biocidal, radioactive, flammable or explosive materials; or

b) likely to generate toxic, flammable, explosive or corrosive materials in quantities likely to be hazardous, when mixed in the wastewater system; or

c) likely to be deleterious to the health and safety of Council's staff, approved contractors and the public or be harmful to the wastewater system.

6.3. ACCIDENTAL ENTRY OF TRADE WASTE DISCHARGES

6.3.1. The person discharging shall inform Council immediately on discovery of any accident including spills or process mishaps which may cause a breach of this bylaw

6.3.2. In the event of any accident occurring when the person holds a conditional consent, Council may require the consent holder, within twenty (20) working days of having provided notice in writing, to review any relevant Contingency Management Procedures and re-submit a reviewed Management Plan for approval to Council.

7. CLASSIFICATION OF TRADE WASTE DISCHARGES

7.1.1. All Trade Waste discharges to the wastewater system will be classified by the Council as one of the following types:

a) Permitted;

b) Conditional; or

c) Prohibited.

7.1.2. Any person that discharges or proposes to discharge Trade Waste, must contact Council to determine if a Trade Waste discharge is permitted, conditional or prohibited. Trade Waste must not be discharged into the wastewater system before Council has determined whether a consent is required.

7.1.3. Applications to council are required for conditional Trade Waste discharges, for a Change in Activity, to renew an expired consent and to vary a condition of an existing consent.

7.2. PERMITTED TRADE WASTE DISCHARGES

7.2.1. A Trade Waste discharge is classified as permitted where the discharge:

a) Does not exceed a 24-hour flow volume of 5 m^3 and a flow rate of 2.0 L/s at any time, at the point of discharge;

b) Complies with the characteristics specified in Schedule A; and

c) Is not tankered waste.

7.2.2. Any person that discharges or proposes to discharge Trade Waste which is likely to be permitted in accordance with clause 7.2.1, must contact Council to confirm the classification and register the permitted discharge.

7.2.3. The person discharging must provide a safe access point for sampling that meets health and safety requirements.

7.3. CONDITIONAL TRADE WASTE DISCHARGES

7.3.1. A Trade Waste discharge is classified as conditional where the discharge is not classified as permitted or prohibited.

7.3.2. No person may discharge a Trade Waste classified as conditional without first obtaining a Trade Waste Consent.

7.3.3. Conditional Trade Waste discharge consents may not be granted for a term exceeding five (5) years.

7.4. PROHIBITED TRADE WASTE DISCHARGES

7.4.1. A Trade Waste discharge is classified as prohibited if the discharge comprises any characteristic specified in Schedule B.

7.4.2. No application for a Trade Waste Consent shall be approved where the Trade Waste discharge would contain, or is likely to contain, characteristics which are prohibited. (See Schedule B)

Note: Council will determine if a Trade Waste discharge is prohibited and may provide further information on what is required to become a conditional discharge.

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8. APPLICATION FOR A CONDITIONAL TRADE WASTE CONSENT

8.1. APPLICATION TO DETERMINE THE CLASSIFICATION AND TO OBTAIN OR VARY A CONSENT

8.1.1. Every application for a Trade Waste consent must be made on the prescribed form (see Council's website) and be accompanied by a Management Plan and the applicable fee payable in accordance with Council's Schedule of Fees and Charges.

8.1.2. On receipt of an application Council will determine if a Trade Waste discharge is permitted, conditional or prohibited in accordance with clause 7.

8.1.3. In considering any application for a Trade Waste Consent, the Council will take into consideration any matters it considers relevant including the following:

a) the source, characteristics, quality, variability, volume, and rate and timing of the discharge;

b) the health and safety of Council staff, Council's agents and the public;

c) any pre-treatment of the discharge;

d) any actual or potential effects on the wastewater system;

e) the limits and / or maximum values for characteristics of Trade Waste as specified in Schedule A and B of this bylaw;

f) the extent to which the Trade Waste may react with other Trade Waste or wastewater to produce an undesirable effect, e.g. settlement of solids, production of odours, accelerated corrosion and deterioration of the wastewater system etc.;

g) any statutory requirements relating to the discharge of raw or treated wastewater to receiving waters, the disposal of sewage sludges, beneficial use of Biosolids, and any discharge to air, (including the necessity for compliance with any resource consent, discharge permit or water classification);

h) the effect of the Trade Waste discharge on the ultimate receiving environment;

i) the possibility of unscheduled, unexpected or accidental events and the degree of risk these could cause to humans, the wastewater system, the sewage treatment process and the environment;

j) consideration for other existing or future discharges;

k) any existing Pre-treatment works on the Premises and the potential for their future use;

l) Cleaner Production techniques and waste minimisation practices;

m) any requirements and limitations such as contaminant masses and/or concentrations related to sewage sludge disposal and reuse;

n) the control of Stormwater;

o) any Management Plan;

p) Tankered Waste being discharged at an Approved Location/s; and

q) The availability of alternative collection, treatment, and disposal systems; and

r) The compliance history of the applicant.

8.1.4. On the receipt of any application for a Trade Waste Consent to discharge from a Premises, or to alter an existing discharge, Council may:

a) require the applicant to submit any additional information which it considers necessary to reach an informed decision;

b) whenever appropriate have the proposed discharge investigated and analysed as provided for in clause 9 Council shall notify the applicant of any requirement under clause 8.7.2 within ten (10) working days of receipt of the application.

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8.2. DECISION ON APPLICATION

8.2.1. Within fifteen (15) working days (or extended as necessary by Council) of receipt of an application complying with this bylaw and / or all requirements under clause 8, the Council shall action one of the following in writing:

a) grant the application as a Permitted Trade Waste and inform the applicant of the decision by issuing the appropriate notice;

b) grant the application as a Conditional Trade Waste discharge consent and inform the applicant of the decision and the conditions imposed on the discharge by issuing the appropriate notice of consent to the discharge; or

c) decline the application and notify the applicant of the decision giving a statement of the reasons for refusal.

8.3. CONDITIONS OF TRADE WASTE CONSENT

8.3.1. Any Trade Waste Consent to discharge may be granted subject to any conditions as the Council sees fit, including but not limited to:

a) the particular public sewer or sewers to which the discharge will be made;

b) the maximum daily volume of the discharge and the maximum rate of discharge, and the duration of maximum discharge;

c) the maximum limit or permissible range of any specified characteristics of the discharge, including concentrations and / or Mass Limits determined in accordance with clause 8.5;

d) the period or periods of the day during which the discharge, or a particular concentration, or volume of discharge may be made;

e) the provision by, or for, the consent holder, at the consent holder's expense, of on-site detention, screens, or other Pre-treatment works to control Trade Waste discharge characteristics to the consented levels;

f) the provision and maintenance at the consent holder's expense of inspection chambers, manholes or other apparatus or devices to provide safe and reasonable access to drains for sampling and inspection;

g) the provision and maintenance of a sampling, monitoring, analysis and testing programme and flow measurement requirements, at the consent holder's expense;

h) the method or methods to be used for measuring flow rates and / or volume and taking samples of the discharge for use in determining the amount of any Trade Waste charges applicable to that discharge;

i) the provision and maintenance by, and at the expense of, the consent holder, of such meters (including smart meters) or devices as may be required to measure the volume or flow rate of any Trade Waste being discharged from the Premises, and for the testing of such meters;

j) at times specified, the provision in a Council approved format by the consent holder to Council of all flow and / or volume records and results of analyses (including Pre-treatment by-products e.g. sewage sludge disposal);

k) at times specified, the provision of a reviewed Management Plan;

l) requirement to provide a bond or insurance in favour of Council where failure to comply with the consent could result in damage to Council's wastewater system, its treatment plants, or could result in Council being in breach of any statutory obligation;

m) A consent holder must provide a safe access point for sampling that meets health and safety requirements;

n) remote monitoring of discharge; and

o) conditions specific to tankered waste, in accordance with clause 8.4.

8.4. CONDITIONS OF TRADE WASTE CONSENT (TANKERED)

8.4.1. Council may accept Tankered Wastes for discharge at an Approved Location, if Council has granted a conditional Trade Waste consent for that Tankered Waste.

8.4.2. Tankered Wastes shall:

a) be transported by a consent holder to discharge domestic septic tank or industrial wastes at an Approved Location;

b) be collected, transported and discharged in a manner compliant with the Liquid and Hazardous Wastes Code of Practice.

c) have material safety data sheets (MSDS) supplied to Council detailing the contents of the waste;

d) be tested to determine their character (if the contents of the waste are not known). Specialist advice on Pre-treatment or acceptance may be required. The cost of all testing and advice sought shall be borne by the consent holder;

e) not be picked up and transported to the disposal site until appropriate arrangements and method for disposal have been determined by Council;

f) to prevent cross-contamination between tanker loads, if the tanker is carrying waste other than domestic septic tank sewage, it shall be thoroughly washed prior to collecting another load for disposal at the Approved Location; and

g) have 24 hours notice given for the disposal of wastes other than waste sourced from domestic septic tanks or grease traps.

8.4.3. Any person disposing of, or causing to be disposed, Tankered Waste either by incorrect disclosure of contents (characteristics and / or amount) or dumping into Council's wastewater system other than at the prescribed location will be in breach of this bylaw.

8.4.4. A conditional Trade Waste consent for tankered waste may be granted subject to any conditions as the Council sees fit, including but not limited to:

a) the Approved Location where the discharge will be made;

b) the requirement to record load details, including the volume and contents, of the tankered waste, and for this information to be provided to the Council at a defined frequency or on request;

c) a requirement to hold public liability insurance, where failure to comply with the Trade Waste consent could result in damage to the wastewater system or could result in the Council being in breach of any statutory obligation;

d) the term of the Trade Waste consent;

e) the period or periods of the day during which the discharge, or a particular concentration, or volume of discharge may be made;

f) at times specified, the provision of all flow and / or volume records and results of analyses (including Pre-treatment by-products e.g. sewage sludge disposal) in a Council approved format, by the consent holder, to Council;

g) a requirement to provide a bond or insurance in favour of Council where failure to comply with the consent could result in damage to Council's wastewater system, its treatment plants, or could result in Council being in breach of any statutory obligation;

h) monitoring and sampling requirements; and

i) any other condition necessary to ensure the efficient operation of the wastewater system.

8.5. MASS LIMITS

8.5.1. A Conditional Trade Waste Consent to discharge may impose conditions on a Trade Waste discharge by specifying Mass Limits for any characteristic.

8.5.2. When setting Mass Limit allocations for a particular characteristic Council may consider:

a) the operational requirements of and risk to the wastewater system, and risks to occupational health and safety, public health, and the ultimate receiving environment;

b) whether or not the levels proposed pose a threat to the planned or actual beneficial re-use of Biosolids or sewage sludge;

c) conditions in the wastewater system near the Trade Waste discharge point and elsewhere in the wastewater system;

d) the extent to which the available industrial capacity was used in the last financial period and is expected to be used in the forthcoming period;

e) whether or not the applicant uses Cleaner Production techniques within a period satisfactory to Council;

f) whether or not there is any net benefit to be gained by the increase of one characteristic concurrently with the decrease of another to justify any increased application for industrial capacity;

g) any requirements of Council to reduce the pollutant discharge of the wastewater system;

h) how great a proportion the mass flow of a characteristic of the discharge will be of the total mass flow of that characteristic in the wastewater system;

i) the total mass of the characteristic allowable in the wastewater system, and the proportion (if any) to be reserved for future allocations; and

j) whether or not there is an interaction with other characteristics which increases or decreases the effect of either characteristic on the sewer reticulation, treatment process, or receiving water (or land).

8.6. PRE-TREATMENT

8.6.1. The Council may, as a condition of a Trade Waste consent, require provision of an appropriate pre-treatment system to reduce or vary any characteristic of any Trade Waste before discharge to the wastewater system. Without limitation to the activities for which pre-treatment may be required, the Council will require pre-treatment of discharges from the following:

a) dental facilities;

b) food preparation facilities;

c) vehicle wash facilities, service station forecourts, automotive dismantlers, car crushing facilities, metal merchants, vehicle washing events;

d) activities resulting in the discharge of trench water; and

e) Significant Industry.

***Note**: The type of pre-treatment system will depend on the nature of the discharge. Typical types of pre-treatment include:*

- pH correction
- Screening
- Dissolved air floatation (DAF)
- Filter Bags
- Grease removal systems

8.7. REVIEW OF A TRADE WASTE DISCHARGE

8.7.1. The Council may review a Trade Waste consent at any time in the following circumstances:

a) failure to comply with any condition of a Trade Waste consent;

b) failure to maintain effective control over the Trade Waste discharge;

c) failure to provide or update a Management Plan as required by a conditional consent;

d) development and availability of any new control and treatment technologies;

e) a change in the characteristics of Trade Waste discharge;

f) a change in the activity being undertaken on site;

g) new information on the Trade Waste discharge becomes available, not known to the Council at the time of its decision on the Trade Waste consent;

h) any change in the Council's legal requirements to discharge contaminants from the wastewater system (i.e. resource consents), or other relevant legislative requirements, or plant treatment processes;

i) to manage mass limits of organic contaminants ($cBOD_5$ or COD limits); or

j) in the event of any negligence which, in the opinion of Council, threatens the safety of, or threatens to cause damage to any part of the sewer system or the treatment plant or threatens the health or safety of any person;

k) if any occurrence happens that, in the opinion of Council, poses a serious threat to the environment; or

l) in the event of any breach of a resource consent held by the Council issued under the Resource Management Act 1991.

8.7.2. The Council will give the consent holder written notice of its intention to undertake a review; describing why the review is considered necessary and will provide the consent holder with an opportunity to submit information for the Council to consider before it makes its decision on the review.

8.7.3. The Council as a result of the review may, by decision in writing:

a) Change the Trade Waste discharge classification;

b) Allow the Trade Waste discharge and / or consent to continue unchanged;

c) Vary the conditions of the Trade Waste consent;

d) Issue a Warning Notice

e) Suspend the Trade Waste consent for a specified period; or

f) Cancel the Trade Waste consent.

8.7.4. A consent holder may at any time during the term of a consent, by written application to Council, seek to vary any condition of consent, as provided for in clause 8.3 of this bylaw.

The Council may suspend or cancel a Trade Waste consent or right to discharge at any time following twenty (20) working days' notice to the consent holder or person discharging any Trade Waste.

8.7.5. If any process changes require more than twenty (20) working days, reasonable time may be given to comply with the consent conditions

9. SAMPLING, TESTING AND MONITORING

9.1. GENERAL MONITORING

9.1.1. The Council may sample, test and monitor Trade Waste discharges, and/or may require that a discharge be sampled, tested and monitored, by the consent holder and/or person discharging to determine:

a) whether a discharge complies with the provisions of this bylaw or a Trade Waste consent;

b) the classification of the discharge (refer to clause 7);

c) if a discharge complies with the provisions of Schedule A for Permitted Discharge;

d) if Trade Waste discharge consent charges are applicable and the calculation of fees and charges that apply;

e) the most efficient means of operating the Wastewater System.

9.1.2. Monitoring may include:

a) Determination of Trade Waste volumes;

b) Sampling and analysis of Trade Waste discharges;

c) Inspection of any pre-treatment system;

d) Auditing of any plans for the maintenance of the pre-treatment system;

e) Auditing of any Trade Waste consent conditions including management plans; or

f) Inspection of the nature and characteristics of the discharge.

g) Auditing the sampling analysis carried out by an analyst or a self-monitoring Trade Waste discharger.

h) Smart meters on flow meters

Note: All costs of monitoring shall be met by the consent holder.

9.1.3. The Council may increase the frequency of its monitoring, if there are reasonable grounds to suspect that a discharge is occurring in a manner that contravenes this bylaw or a Trade Waste consent.

9.1.4. If a sample is to be taken in the course of monitoring, the Council will carry out the following procedures:

a) Council or its authorised agent may take a sample and arrange for this sample to be analysed in an approved laboratory by agreed / approved analytical methods;

b) where the occupier has provided a meter, monitoring equipment or other apparatus for measuring the volume or composition of Trade Wastes passing into a sewer due regard shall be had by the Council in making a composite sample, or when they are arriving at the average value from separate samples, for differences in the volume of Trade Wastes at the time of taking of separate samples;

c) Council will audit the sampling and analysis carried out by a self-monitoring Trade Waste discharger. Analysis will be performed by an approved laboratory. Inter-laboratory checks are to be part of this process;

d) Council will audit the sampling and analysis carried out by an analyst. Analysis will be performed by an approved laboratory. Inter-laboratory checks are to be part of this process; and

e) Council will audit the Trade Waste Consent conditions including any Management Plans.

9.1.5. All costs of monitoring shall be met by the discharger at the discretion of Council either through direct payment to the laboratory or to the Council.

9.2. SAMPLING AND ANALYSIS

9.2.1. The consent holder must provide an access point for samples to be taken using an automatic sample machine.

9.2.2. Any sample taken must be representative of the discharge to allow for the variability of what it is discharging daily.

9.2.3. The sampling, taking, preservation, transportation and analysis of the sample shall be undertaken by an authorised officer or agent of Council, or the person discharging in accordance with accepted industry standard methods, or by a method specifically approved by Council. The person discharging shall be responsible for all reasonable costs.

9.2.4. The discharger must provide Council a certificate with every monitoring record, and that certificate shall:

a) Describe the source of any sample, the time and date it was taken, and the method used to take it;

b) Certify that the sample has been taken in accordance with the provisions of this Bylaw or the relevant Trade Waste discharge consent;

c) Describe the findings of any analysis, their source and methods used to determine them; and

d) Certify that the analysis has been made in accordance with the provisions of this Bylaw or the relevant Trade Waste discharge consent.

9.2.5. When an analyst appointed by the consent holder or person with a right to discharge Trade Waste fails for whatever reason, to carry out their functions, then the Council may appoint an independent analyst to carry out those functions.

9.2.6. Where any dispute arises as to the validity of the methods or procedures used for sampling or analysis, with the approval of the Council, the dispute may be submitted to a mutually agreed independent arbitrator for resolution.

9.2.7. All authorised officers may, acting in accordance with section 172 of the Local Government Act 2002, enter any Premises believed to be discharging Trade Waste at any time in order to determine any characteristics of any actual or potential discharge by:

a) taking readings and measurements;

b) carrying out an inspection; and / or

c) taking samples for testing, of any solid, liquid, or gaseous material or any combination or mixture of such materials being discharged.

9.3. FLOW METERING

9.3.1. The consent holder shall be responsible for the supply, installation, reading and maintenance of any meter required by Council as a condition of a consent for the measurement of the rate or quantity of discharge of Trade Waste. Any such devices shall be subject to the approval of Council, but shall remain the property of the consent holder.

9.3.2. Records of flow and / or volume shall be available for viewing at any time by Council, and shall be submitted to Council at prescribed intervals by the consent holder in a format approved by Council.

9.3.3. Meters shall be located in a position approved by Council which provides the required degree of accuracy and should be readily accessible for reading and maintenance. The meters shall be located in the correct position according to the manufacturer's installation instructions.

9.3.4. The consent holder shall arrange for in situ calibration of the flow metering equipment and instrumentation by a person and method approved by Council upon installation and at least once a year thereafter to ensure its performance. The meter accuracy should be ±10 % but with no greater a deviation from the previous meter calibration of ±5 %. A copy of independent certification of each calibration result shall be submitted to Council.

9.3.5. Should any meter, after being calibrated, be found to have an error greater than that specified in clause 9.3.4 as a repeatable measurement, Council may make an adjustment in accordance with the results shown by such tests back-dated for a period at the discretion of Council but not exceeding twelve (12) months, and the consent holder shall pay or be credited a greater or lesser amount according to such adjustment.

9.4. ESTIMATING DISCHARGE

9.4.1. Where no meter or similar apparatus is required as a condition of consent, Council may require that a percentage of the water supplied to the Premises (or other such basis as seems reasonable) be used for estimating the rate or quantity of flow for the purposes of charging.

9.4.2. Should any meter be out of repair or cease to register, or be removed, Council may estimate the discharge for the period since the previous reading of such meter on the basis of the average of discharges during the previous 12 months, or any other factor it considers relevant, and may determine the charges payable according to that estimate.

9.4.3. Any person who tampers with a meter installed to comply with a requirement under this bylaw, or a consent, commits an offence against this bylaw. Where in the opinion of Council, a meter has been tampered with, Council may declare the reading void and estimate discharge as provided in clause 9.4.2.

9.5. DISINFECTED / SUPER CHLORINATED WATER

9.5.1. Any water used during the repair and construction of water mains shall be de-chlorinated prior to the discharge into the wastewater system. Such water shall not be disposed of to Stormwater or adjacent water courses without written approval from Council.

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10. BYLAW ADMINISTRATION

10.1. FEES AND CHARGES

10.1.1. Council may prescribe fees and charges relating to matters provided for in this bylaw in accordance with section 150 of the Local Government Act 2002. Schedule C outlines the basis for charges which may be prescribed. Charges under this bylaw shall be levied every six months or such greater or lesser charging periods as advised by Council.

10.1.2. Council may set separate charges for different sewage catchment areas within the Central Hawke's Bay District.

10.1.3. All fees and charges determined in accordance with clause 10.1 shall be invoiced in accordance with Council's standard commercial practice. The invoice shall provide each person discharging with a copy of the information and calculations used to determine the extent of any charges and fees due, in regard to a discharge. A consent holder must pay all fees and charges within one calendar month of receipt of an invoice.

10.1.4. All fees and charges payable under this bylaw shall be recoverable as a debt. If the person discharging fails to pay any fees and charges under this bylaw Council may suspend or cancel the right to discharge in accordance with clause 8.7.

10.2. TRANSFER OR TERMINATION OF RIGHTS AND RESPONSIBILITIES

10.2.1. A Trade Waste Consent to discharge shall be issued in the name of the given consent holder. The consent holder shall not, unless written approval is obtained from Council:

a) transfer to any other party the rights and responsibilities provided for under this bylaw, and under the consent;

b) change the activity on the site;

c) allow a Point of Discharge to serve another Premises, or the private drain to that point to extend by pipe or any other means to serve another Premises; or

d) allow sewage or Trade Waste from any other person to be discharged at the Point of Discharge specified in the person's consent.

10.2.2. A request for the transfer of a Trade Waste Consent on change of ownership of Premises shall not be unreasonably withheld if the characteristics of the Trade Waste remain unchanged to that prior to the change of ownership.

10.2.3. The person discharging shall give 48 hours notice in writing to Council of their requirement for disconnection of the discharge connection and / or termination of the discharge consent, except where demolition or relaying of the discharge drain is required, in which case the notice shall be within seven (7) working days. The person discharging shall notify Council of the new address details for final invoicing.

10.2.4. On permanent disconnection and / or termination the person discharging may at Council's discretion be liable for Trade Waste charges to the end of the current charging period.

10.2.5. When a person discharging ceases to occupy Premises from which Trade Wastes are discharged into the wastewater system any consent granted shall terminate but without relieving the person discharging from any obligations existing at the date of termination.

11. OFFENCES AND ENFORCEMENT

11.1.1. Every person who breaches this Bylaw, or breaches the conditions of any consent granted under this Bylaw or fails to comply with a notice served under this bylaw commits an offence and is liable upon conviction to a fine as provided for under the Local Government Act 2002, and may be liable to penalties under other legislation.

11.1.2. In all cases Council may recover any actual and reasonable costs associated with damage or a nuisance to Council wastewater system or the operation of them and / or breach of this bylaw in accordance with s. 175 and s. 176 of the Local Government Act 2002 respectively.

11.1.3. A Trade Waste Discharge Consent may be cancelled by the Council by notice in writing if:

a) the owner or occupier of the Premises to which the Consent relates is convicted of an offence under this Bylaw; or

b) the Council gives a Warning Notice and the Owner or Occupier of the Premises to which the Consent relates fails to take the steps required by the Council within the time period specified in the Warning Notice; or

c) the Council has issued a Warning Notice on three (3) occasions in the previous 12 months, notwithstanding that on each occasion the steps required by the Council have been taken within the time period specified in the notices.

11.1.4. The Council may

a) Remove or alter any work or thing that is, or has been, constructed in breach of this bylaw; and

b) Recover the costs of removal or alteration from the person who committed the breach.

12. TRANSITIONAL PROVISIONS

12.1.1. Any application for a Consent to Discharge Trade Waste made under the Trade Wastes Bylaw 2018 for which a consent has not been granted at the time of this new bylaw coming into force shall be deemed to be an application made under clause 8 of this bylaw.

12.1.2. Every existing Trade Waste Consent shall continue in force as if it were a consent under this bylaw until it reaches its expiry date provided that no consent shall run beyond five (5) years from the date at which it was granted.

13. BYLAW APPROVAL DATE

The Common Seal of the Central Hawke's Bay District Council was attached, under Resolution *(Reference - Part 23 Trade Waste Bylaw:2018)* passed at a meeting of the Central Hawke's Bay District Council held on

…… (Day) …… (Month) …… (Year).

Date Confirmed : ____/____/___

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SCHEDULE A – PERMITTED DISCHARGE CHARACTERISTICS

Introduction

In order to be classified as a permitted discharge the nature and levels of the characteristics of any Trade Waste discharged into Council system must comply at all times with the following requirements.

Physical Characteristics

Flow	a) The 24 hour flow volume shall be less than 5 m^3. b) The maximum instantaneous flow rate shall be less than 2.0 L/s.
Temperature	a) The temperature shall not exceed 40°C.
Solids	a) The Trade Waste discharge must not be macerated to meet the maximum dimension of 15mm. b) The suspended solids content of any Trade Waste shall have a Maximum Concentration which shall not exceed 1000 g/m^3. c) The settleable solids content of any Trade Waste shall not exceed 50 mL/L. d) The total dissolved solids concentration in any Trade Waste shall be subject to the approval of Council having regard to the volume of the waste to be discharged, and the suitability of the drainage system and the treatment plant to accept such waste. e) Fibrous, woven, or sheet film or any other materials which may adversely interfere with the free flow of sewage in the drainage system or treatment plant shall not be present.
Oil and Grease	a) There shall be no free or floating layer. b) A Trade Waste with mineral oil, fat or grease unavoidably emulsified, which in the opinion of Council is not biodegradable shall not exceed 200 g/m^3 as petroleum ether extractable matter when the emulsion is stable at a temperature of 15°C and when the emulsion is in contact with and diluted by a factor of 10 by raw sewage, throughout the range of pH 6.0 to pH 10.0. c) A Trade Waste with oil, fat or grease unavoidably emulsified, which in the opinion of Council is biodegradable shall not exceed 500 g/m^3 when the emulsion is stable at a temperature of 15°C and when the emulsion is in contact with and diluted by a factor of 10 by raw sewage throughout the range of pH 4.5 to pH 10.0. d) Emulsified oil, fat or grease shall not exceed 100g/m^3 as petroleum ether extractable matter when the emulsion is in contact with and diluted by a factor of 10 by raw sewage throughout the range of pH 4.5 to pH 10.0.
Degreasers	a) "Quick Break" is an approved degreaser
Solvents and other Organic Liquids	a) There shall be no free layer (whether floating or settled) of solvents or organic liquids.
Radioactivity	a) Radioactivity levels shall not exceed National Radiation Laboratory Guidelines.
Colour	a) No waste shall have colour or colouring substance that causes the discharge to be coloured to the extent that it impairs wastewater treatment processes or compromises the treated sewage discharge consent.
Pharmaceutical waste	a) Pharmaceutical waste (excluding those containing cytotoxic compounds or material, which are prohibited) discharged does not exceed the following volumes and concentrations of active ingredients per calendar month:

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	Liquid Pharmaceutical Waste
	Volume limit per month * / Active concentration
	10 litres / 125mg / 5ml
	5 litres / 250mg / 5ml
	3 litres / Above 250mg / 5ml
	* If the waste discharge is above these limits then the Trade Waste Consent will be Conditional not Controlled.

Chemical Characteristics

pH value	a) The pH shall be between 6.0 and 9.0 at all times
Organic Strength	a) The Biochemical Oxygen Demand (BOD measured as $cBOD_5$) or Chemical Oxygen Demand (COD) of any waste may require to be restricted where the capacity for receiving and treating organic contaminants in the wastewater system is limited. A $cBOD_5$ or COD restriction may be related to Mass Limits. b) The $cBOD_5$ content of any permitted Trade Waste shall have a Maximum Concentration which shall not exceed 500 g/m^3.

General Chemical Characteristics

Characteristics	Maximum Concentration (g/m^3)
MBAS (Methylene blue active substances)	500
Ammonia (measured as N) - free ammonia - ammonia salts	 50 200
Kjeldahl nitrogen	150
Total Nitrogen	150
Total Phosphorous (as P)	50
Sulphate (measured as SO_4)	200
Sulphite (measured as SO_2)	10
Sulphide - as H2S on acidification	1
Chlorine (measured as Cl_2) - free chlorine - hypochlorite	 3 30
Dissolved aluminium	100
Dissolved iron	100
Boron (as B)	25
Bromine (as Br_2)	5
Flouride (as F)	30
Cyanide - weak acid dissociable (as CN)	1

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Heavy Metals

Metal	*Maximum Concentration (g/m^3)*	*Metal*	*Maximum Concentration (g/m^3)*
Antimony	10	Manganese	20
Arsenic	5	Mercury	0.05
Barium	10	Molybdenum	10
Beryllium	0.005	Nickel	5
Cadmium	0.5	Selenium	10
Chromium	5	Silver	2
Cobalt	10	Thallium	10
Copper	5	Tin	20
Lead	5	Zinc	5

Organic Compounds and Pesticides

Compound	*Maximum Concentration (g/m^3)*
Formaldehyde (as HCHO)	50
Phenolic compounds (as phenols) excluding chlorinated phenols	5
Chlorinated phenols	0.02
Petroleum hydrocarbons	30
Halogenated aliphatic compounds	1
Monocyclic aromatic hydrocarbons	5
Polycyclic (or polynuclear) aromatic hydrocarbons (PAHs)	0.05
Halogenated aromatic hydrocarbons (HAHs)	0.002
Polychlorinated biphenyls (PCBs)	0.002
Polybrominated biphenyls (PBBs)	0.002 each
Pesticides (general) (includes insecticides, herbicides, fungicides and excludes organophosphate, organochlorine and any pesticides not registered in New Zealand).	0.2 in total
Organophosphate pesticides	0.1

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SCHEDULE B – PROHIBITED DISCHARGE CHARACTERISTICS

Introduction

This schedule defines Prohibited Trade Wastes.

B.1 Any discharge has prohibited characteristics if it has any solid liquid or gaseous matters or any combination or mixture of such matters which by themselves or in combination with any other matters will immediately or in the course of time:

(a) interfere with the free flow of sewage in the wastewater system;
(b) damage any part of the wastewater system;
(c) in any way, directly or indirectly, cause the quality of the treated sewage or residual Biosolids and other solids from any sewage treatment plant in the catchment to which the waste was discharged to breach the conditions of a consent issued under the Resource Management Act, or water right, permit or other governing legislation;
(d) prejudice the occupational health and safety risks faced by wastewater system workers;
(e) after treatment be toxic to fish, animals or plant life in the receiving waters;
(f) cause malodorous gases or substances to form which are of a nature or sufficient quantity to create a public nuisance; or
(g) have a colour or colouring substance that causes the discharge from any sewage treatment plant to receiving waters to be coloured.

B.2 Any amount of any liquid pharmaceutical waste containing cytotoxic ingredients.

B.3 A discharge has prohibited characteristics if it has any characteristic which exceeds the concentration or other limits specified in Schedule A unless specifically approved for that particular consent.

B.4 A discharge has a prohibited characteristic if it has any amount of:

(a) harmful solids, including dry solid wastes and materials which combine with water to form a cemented mass;
(b) liquid, solid or gas which could be flammable or explosive in the wastes, including oil, fuel, solvents (except as allowed for in Schedule A), calcium carbide, and any other material which is capable of giving rise to fire or explosion hazards either spontaneously or in combination with sewage;
(c) asbestos;
(d) the following organo-metal compounds: Tin (as tributyl and other organotin compounds);
(e) any organochlorine pesticides;
(f) genetic wastes, as follows: All wastes that contain or are likely to contain material from a genetically modified organism that is not in accordance with an approval under the Hazardous Substances and New Organisms Act. The material concerned may be from Premises where the genetic modification of any organism is conducted or where a genetically modified organism is processed;
(g) any health care waste prohibited for discharge to wastewater system by NZS 4304 or any pathological or histological wastes; or
(h) radioactivity levels in excess of the National Radiation Laboratory Guidelines.
(i) Emulsions of Paint, Latex, Adhesive, Rubber or Plastic

B.5 Any Condensing Water or Stormwater which can practically be removed, or any Trade Wastes to which either Condensing Water or Stormwater has been added.

B.6 The use of grease converters is prohibited.

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SCHEDULE C – FEES AND CHARGES CATEGORIES

Fees and charges are set by Council resolution. This may be done by the annual planning process, fee setting or a similar transparent public process in accordance with the requirements of section 150 of the Local Government Act 2002.

In the following Table the Council states what categories they will charge, or may charge, under the tenure of this bylaw.

A. Administrative Charges		
Category		*Description*
A1	Connection Fee	Payable on application for connection to discharge.
A2	Compliance Monitoring	The cost of sampling and analysis of Trade Waste discharges.
A3	Disconnection Fee	Payable following a request for Disconnection from Wastewater system.
A4	Trade Waste Discharge Consent Application Fee	Payable on an application for a Trade Waste Discharge.
A5	Trade Waste Discharge Registration Fee	Payable once Trade Waste discharge classification has been determined.
A6	Re-inspection Fee	Payable for each re-inspection visit by Council where a notice served under this bylaw has not been complied with by the Trade Waste discharger.
A7	Special Rates for Loan Charges	Additional rates for servicing loans raised for the purposes of constructing or improving the wastewater system.
A8	Temporary Discharge Fee	Payable prior to receipt of Temporary Discharge.
A9	Annual Trade Waste Charges	An Annual Management Fee for a Trade Waste discharge to cover Council's costs associated with for example: • Administration • General compliance monitoring • General inspection of Trade Waste Premises • Use of the wastewater system This charge may vary depending on the Trade Waste sector and category of the discharger.
A10	Rebates for Trade Premises within the District	Reduction of fees is provided for in s. 150(2). Section 150(4) of the Local Government Act 2002 states that the fees prescribed by the Council shall not provide for the Council to recover more than the reasonable cost incurred by the Council for the matter for which the fee is charged. In no event shall the resultant charge be less than the Council's sewerage charge for the equivalent period.
A11	New or Additional Trade Premises	Pay the annual fees and a pro rata proportion of the various Trade Waste charges relative to flows and loads.

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	B Trade Waste Charges	*Includes Trade Waste from Holding Tanks*
	Category	*Description*
B1	Volume	Payment based on the volume discharged $/m^3
B2	Flow Rate	Payment based on the flow rate discharged $L/s
B3	Suspended Solids	Payment based on the mass of suspended solids $/kg
B4	Organic Loading	Biochemical oxygen demand or chemical oxygen demand $/kg.
B5	Nitrogen	Payment based on the defined form(s) of nitrogen $/kg.
B6	Phosphorous	Payment based on the defined form(s) of phosphorous $/kg.
B7	Metals	Payment based on the defined form(s) of the metal(s) $/kg.
B8	Transmissivity	A charge based on the inhibiting nature of the Trade Waste to UV light used by Council's disinfection process.
B9	Screenable Solids	Payment based on the mass of screenable solids $/kg.
B10	Toxicity Charge	Payment based on the defined form(s) of the toxic substance(s) $/kg and/or $/m^3
B11	Incentive Rebate	A rebate for discharging materials beneficial to Council's Wastewater system $/kg and/or $/m^3
B12	Depreciation	Operating cost related to capital and normally spread across the volume and mass charges.
B13	Capital	Apportioned upfront or term commitment capital cost of specific infrastructure required to accommodate a conditional consent. (To be set through annual fees and charges process)
B14	Inorganic Suspended Solids	Payment based on the mass of inert suspended solids $/kg.
B15	Volatile Suspended Solids	Payment based on the mass of volatile suspended solids $/kg.
B16	rbBOD	Rebate for readily biodegradable biochemical oxygen demand $/kg.
B17	(Vc)	Payment based on volume $/m^3.
B18	(BODc)	Payment based on BOD, $/kg,
B19	(TNc)	Payment based on the defined form(s) of nitrogen $/kg.
B20	(TPc)	Payment based on the defined form(s) of phosphorus $/kg.
B21	(ISSc)	Payment based on the mass of inorganic suspended solids $/kg.
B22	(VSSc)	Payment based on the mass of volatile suspended solids $/kg.
C	Tankered Waste Charges	
C1	Tankered Wastes	Set as a fee(s) per tanker load, or as a fee(s) per cubic metre, dependant on Trade Waste category.
C2	Toxicity	Payment based on the defined form(s) of the toxic substance(s) $/kg and/or $/m^3

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7.3 REGIONAL ECONOMIC DEVELOPMENT REVIEW - SECTION 17A REVIEW

File Number:

Author: **Monique Davidson, Chief Executive**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Final - Section 17a Review Regional Economic Development Report** ⇩

PURPOSE

This item presents the findings and recommendations of the *Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region* undertaken by the Giblin Group for the five Hawke's Bay councils. A briefing on the preliminary findings of the review was provided by the Giblin Group to Council in a workshop in late 2020.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

a) That Council receive the Section17a Review Economic Development Report, prepared in accordance with the requirements of the Section17a of the Local Government Act 2002.

b) That Council receive the report titled Review of Local Government Investment in Business and Industry Support Across the Hawke's Bay Region.

c) That Council endorse participation in the second stage of the review process with a more detailed investigation of the recommendations set out in the Giblin Group report.

d) That Council endorses engagement with Treaty Partners and other regional stakeholders on the opportunity to create an enduring Economic Development Delivery Platform with the appropriate scale and mandate to better guide and direct economic development activity to priority areas and issues.

e) That Council support the opportunity to embed a partnership with Māori in the new Economic Development Delivery Platform.

f) That this Council endorses the five Councils' commitment to keeping the Hawke's Bay Business Hub open.

EXECUTIVE SUMMARY

1. This report presents the findings and recommendations of the Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region undertaken by the Giblin Group for the five Hawke's Bay councils.
2. Council is asked to note and consider the findings of the review and support a further phase of work to develop a detailed proposal for a new Regional Economic Development entity. The report also recommends Council support working with the other four councils to keep the Hawke's Bay Business Hub open with the potential assignment of the lease to one of the five councils.
3. This review was commissioned by the 5 Hawke's Bay Councils in August 2020 and stems from a Local Government Act (2002) s17A requirement to review the cost effectiveness of Council arrangements for delivering services on a periodic basis.
4. In commissioning the Review, the councils' Chief Executives recognised that there might be opportunities to improve regional coherence of economic development investments and wanted a clearer picture of this in order to inform Long Term Plan processes starting from late 2020. Disruption arising from the Covid-19 pandemic resulted in later commissioning and completion of the review than had been anticipated and therefore there is insufficient time to

finalise decisions in response to the review for incorporation in current 2021-2031 Long Term Plan processes. However, staff recommend the work continues for the reasons set out in this agenda item.

Key Findings and Recommendations

5. The Giblin Group review finds there are no major gaps in the types of services being delivered and current services are based on addressing issues or leveraging opportunities that are broadly aligned with the role of local government. The current services are generally being delivered efficiently and typically provide a good return on investment. However, current services are often sub-scale and not well coordinated, and as a consequence the region is missing opportunities to leverage central government funding and undertake activities that have the scale or agility to capture the opportunities available to the region. Hawke's Bay Tourism Limited (HBTL) is the exception to these concerns as it currently has the scale, focus and connectedness to deliver the destination marketing function of the region effectively.

6. The Review finds that there is a case for change to improve clarity over roles and functions, increase collaboration and coordination, and to invest in increased capability and capacity to deliver services that support business and industry development.

7. Business Hawke's Bay's (BHB) financial sustainability was highlighted as an issue in the Giblin Group report and at the time of writing the Board of BHB was undertaking formal consultation on a proposal to wind up the organisation. The five Hawke's Bay Councils have expressed their commitment to work with Business Hawke's Bay to keep the Business Hubs open and the potential assignment of the lease to one of the five councils. To support Business Hawke's Bay's process, it is proposed that the councils will develop and agree a transition plan with Business Hawke's Bay for any such eventuality.

8. On the basis there is a strong case for change the Review has provided 14 key recommendations outlined in the report. In summary these recommendations would see the region's councils working with Treaty Partners and the wider community to develop a new non-tourism regional economic development entity, in the form of a joint Council Controlled Organisation (CCO), with the increased investment of approximately $1.6 million to ensure the entity has the scale and mandate to better guide and direct economic development activity to priority areas and issues.

9. It is proposed that the new CCO would pick up the current functions of BHB, including retaining the operation of the Hawke's Bay Business Hub, and operate a 'hub and spoke model working across the region – this is particularly important in the context of Central Hawke's Bay and Wairoa. Embedding a focus on Maori economic development within the entity is recommended, hence the need for co-design with Treaty Partners.

10. The Review recommends giving consideration to embedding the Regional Business Partners programme, currently hosted by the Regional Council, in the new CCO. This would require Central Government agreement and at present the Government is undertaking a review of the delivery of these services which may determine whether or not this recommendation can be considered or not.

11. The Review also recommends reviewing the operation of Matariki, including the governance, developing an impact framework, and increasing resourcing. Further review of the 'Great Things Grow Here' brand and the regions venue and community facilities is also recommended, and exploring wider use of the currently visitor-focussed website www.hawkesbaynz.com.

BACKGROUND

12. In July 2020 the Chief Executives of the five Hawke's Bay councils commissioned Giblin Group to undertake a Local Government Act (2002) s17A review of Hawke's Bay Council-funded, non-statutory activities that are focussed on business, industry and sector development. The specific activities and services that were in scope of this review were:

- Business development activities, such as business information and referral services and business capability support
- Skill building, attraction and retention initiatives
- Innovation, commercialisation and R&D support
- Investment promotion and attraction
- Destination marketing and management and events
- Sector development initiatives and cluster facilitation
- Economic development and economic wellbeing strategy development, intelligence and monitoring
- Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy).

13. The Review was commissioned following a request from Business Hawke's Bay for additional funding and subsequent desire to review the cost effectiveness of Council arrangements for delivering business, industry and sector development activities and services and to consider any opportunities to improve regional coherence of this sub-set of economic development investments.

14. Hawke's Bay councils were seeking an assessment of:

14.1. The role of local government in economic development and economic wellbeing in the region, based on an analysis of:

- Challenges and opportunities facing the Hawke's Bay economy
- Rationales for local government activities in economic development and economic wellbeing
- The landscape in which various actors and mechanisms play a role in the regional economic development system
- Legislative and central government expectations.

14.2. Economic development and economic wellbeing activities, identifying strengths, weaknesses and any relevant gaps in the activities, based on:

- The Councils' objectives, priorities and performance targets
- Identifying any overlaps/duplication and/or gaps across Councils' and key organisation's activities
- The role non-Council parties play in the regional economic development system
- An assessment of the efficiency of current arrangements and the benefits of the activities versus costs
- An assessment of the overall effectiveness of the current delivery models of the five Councils and key delivery organisations, including governance arrangements, funding arrangements and current economic development and economic wellbeing reporting and accountability mechanisms.

14.3. Options for future economic development and economic wellbeing delivery arrangements, based on clear criteria, and recommendations for any changes in functions, form and funding.

15. The Giblin Group Report *Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region* summarises the findings and recommendations of this Review.

DISCUSSION

Current Investment in Activities and Services

16. In terms of the investment Hawke's Bay ratepayers are making in business, industry and sector development the Review finds:

    16.1. In total HB Councils are investing just over $10m in business support and industry development related services and activities

    16.2. Just under half of this is directed to the i-Sites, the Napier Convention Centre and Toi Toi. *[Note – these have been included given their roles in regard to visitor attraction/promotion and/or events].*

    16.3. Funding for Hawke's Bay Tourism Ltd makes up 15.7% of the funding

    16.4. Funding for Business Hawke's Bay makes up 3.3% of funding

    16.5. Funding for specific Council ED teams (salaries + funding for discretionary activities/projects) makes up around 13% of funding

    16.6. At an aggregate level (nominal) funding has remained about the same over the last five years. This means in real terms funding has fallen

    16.7. There has been some change to funding at a more detailed level e.g. HBRC used to have an Economic Development Manager; HDC has been shifting funding from the ED budget to its Strategic Projects team

    16.8. There is a clear path dependence with current ED funding. The region has built infrastructure that requires visitor support e.g. even setting aside i-Sites, ToiToi and NCC, we have Splash Planet, Aquarium, The Faraday Centre etc, and funding has followed this need.

Effectiveness and Efficiency

17. In terms of effectiveness and impact the Review finds:

Councils

18. Performance measures and any related KPIs or targets are organisation specific with varying levels of detail. They are often project based. These are, for the most part, being met. The activities/services are being delivered efficiently (on the basis of FTE resources).

19. There is no explicit relationship to Matariki or broader regional objectives except through general collaboration performance measures (where they exist). There is an opportunity to tighten this.

20. More broadly the region does not have a clear 'impact framework' to articulate the 'intervention logic' between activities delivered and the desired outcomes for the region over the short, medium and longer-term. A framework like this could better inform distributed (individual, team/org) work programmes that contribute to regional outcomes and provide greater clarity on respective roles and responsibilities (e.g. leadership and/or close collaboration where needed).

Business Hawke's Bay (BHB)

21. BHB is meeting the KPIs set out in the Contract for Service (CfS) and has delivered outputs efficiently but it has a large work programme (relative to FTEs/funding available) that goes beyond the CfS areas of focus. This has been a strategic decision (to use reserves to create programmes where a need has been identified). Given limited FTEs this will be constraining the ability to deliver priorities as effectively as possible.

22. Business Hub usage and business connection metrics continue to show growth (even including the COVID-lockdown period). The Hub is clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use. The Hub also plays a critical role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. In an environment where there is a

perception of fragmented services this is important. The Business Hub, however, runs at an overall loss and additional funding is required to support repairs and maintenance and CAPEX.

23. BHB ongoing viability to meet its commitments (over and above the Contract for Service) is currently under review, with decisions to be made by the BHB board on whether to wind up the organisation late January 2021.

Hawke's Bay Tourism Ltd (HBTL)

24. HBTL is meeting the KPIs set out in the funding agreement with HBRC. Central Government considers HBTL an effective RTO. It appears to be delivering outputs efficiently.

25. HBTL's members appear to be satisfied with HBTL's contribution toward the growth of the industry and in representing the region at a national and international level. The area where members think there is an opportunity to do more is in "coordinating business opportunities for its members". This includes education, business events and workshops focussed on the specific issues of SME tourism businesses.

Key Findings

26. The Review finds the following:

27. There are no major gaps in the types of services/activities being delivered and current services/activities are based on addressing issues or leveraging opportunities that are broadly aligned with the role of local government.

28. The services/activities being delivered are, however, often sub-scale (e.g. often less than 1 FTE to deliver significant programmes of work or activities). This will be limiting the potential value of business, industry and sector development investment for Hawke's Bay. This value relates to the ability to:

    28.1. Most effectively leveraging the resources of others (e.g. Central Government funding/involvement and private sector funding/involvement). Regions need to be well organised and focused in order to maximise the opportunities available through Central Government funding support (which will continue to have a large role to play in a COVID-recovery environment), and to partner with the private sector in different ways

    28.2. Work with speed and agility to fully understand the nature of issues, constraints and opportunities presenting for Hawke's Bay in order to design and implement appropriate interventions where there is a clear role for government.

    28.3. Bring mandate, mana and resources to the table to focus on areas of critical priority for Hawke's Bay.

29. A potential value of enhanced economic development investment in Hawke's Bay with a greater ability to meet the overarching outcome of the Matariki Strategy and Action Plan that "Every whānau and every household is actively engaged in and benefiting from growing a thriving Hawke's Bay economy". This requires a focus on existing business (and assisting them to overcome challenges and create greater value through doing things differently and better over time); a focus on creating new platforms for growth for Hawke's Bay (either by growing new activity in the region or by encouraging new activity to the region); and tying these things together, the investments and efforts need to support a thriving business environment (e.g. infrastructure, rules and regulations).

30. The Return on Investment (RoI) from effective business, industry and sector development support can be high. For example:

    30.1. Work to support the Hawke's Bay horticulture and viticulture sector with critical COVID-related seasonal labour issues will help to protect around $715 million of regional economic activity in apples and pears alone. This sector directly supports 2,579 permanent local workers and, indirectly, a further 5,751 permanent local workers in the eco-system of services that supports the industry;

30.2. Economic development work relating to the horticulture potential in Wairoa suggests that a proportionately minor strategic government role in different areas could help support additional expenditure to the local Wairoa economy of around $82 million over a 10 year period and the employment of an additional 197 FTEs over the same period;

30.3. Encouraging a new business to locate in Hawke's Bay could lead to 100s of new jobs and resulting economic activity. Depending on the nature of the activity this could, in time, help to stimulate a range of value-add services (and well-paying jobs) needed to support this activity;

30.4. For relatively small investments, effective regional branding, marketing and promotion can play a key role in attracting visitors, talent, investors and businesses to the region. Following a dedicated 'Baycation' marketing campaign tourists visiting Hawke's Bay spent over $45 million in August 2020 (the highest regional spend in the country), and while not all visitors will have been encouraged to visit by the work of Hawke's Bay Tourism Ltd (HBTL) this still suggests an effective RoI on the $1.5m in annual funding for HBTL. Visitors to Hawke's Bay also support local retail and hospitality and help to create vibrant city centres and regional amenities that locals enjoy and which play a critical role in wider people and talent attraction.

31. There are also opportunities to better align and structure some activities and services e.g. business capability support being provided by Hastings District Council (HDC) should ideally be provided via agencies with core expertise in this area e.g. Business Hawke's Bay (BHB)/a regional Economic Development Agency (EDA), and/or Hawke's Bay Chamber of Commerce. This could promote greater regional coherence of services and better access for business.

32. Some regions and Economic Development Agencies (EDAs) have greater access to funds to support feasibility/business case development. Hawke's Bay currently lacks a regional pool of funds that can be used to investigate economic development opportunities that are aligned with the region's strengths/opportunities/strategy. This means that opportunities are considered in an ad hoc way and support for any investigation will depend on the degree of funding available to individual Councils at the time and the strength of any advocacy.

33. Destination management and marketing is led by Hawke's Bay Tourism Ltd (HBTL) and while there is some cross-over in activities (largely in the events space) there appears to be good coordination between Councils and HBTL.

34. Business capability-related support is largely provided through the Regional Business Partner (RBP) Programme hosted by the Regional Council (although HDC does a small amount of this as well).

35. Cluster and sector work with industry coalitions is largely led by BHB.

36. There are some good examples of collaboration relating to investment attraction e.g. NZ Institute for Skills and Technology and Jetstar, but activity related to investment and talent attraction has been largely ad hoc (notwithstanding a desire to back existing strategies with funding for implementation).

37. Matariki is the main focal point for regional economic development work but there is concern among stakeholders that Matariki is not delivering on its promise and that governance could be improved.

The Case for Change

38. The Review finds that there is a case for change. Analysis, interviews and conversations undertaken for the Review, and the survey of stakeholders conducted between 2-15 September 2020, indicate the following key issues:

38.1. Most stakeholders and those involved in delivery and funding are looking for greater clarity over roles and functions

38.2. Businesses are looking for greater clarity over the activities and services available to support business activity

38.3. There is concern that there are unhelpful and competitive behaviours in the system and that this is constraining more effective collaboration. This is feeding a perception in the business community that the economic development system is fragmented and not particularly transparent

38.4. There is concern about whether Hawke's Bay has the right capability (alongside structure/s) to support effective and efficient delivery of activities and services, leading to views that the region is not as responsiveness to community needs as it could be and punching below its weight externally

38.5. A high proportion of stakeholders feel that funding for economic development activities and services should be increased

38.6. HBTL appears to be doing a successful job and is supported by its main stakeholders. Change would come with costs that could outweigh benefits (that could potentially be achieved through non-structural changes). At this point there doesn't appear to be a strong case for change (at least institutionally)

38.7. Funding for tourism relative to other sectors has been a theme of the feedback, with many viewing this as unbalanced. However, tourism directly supports local retail and hospitality (and helps to create vibrant city centres and regional amenities that locals enjoy and play a role in talent and investment attraction). This means it's not as simple as only one sector benefits from visitor attraction. Ideally, support would be provided to a range of key sectors of importance/opportunity (taking into account the appropriate role of government).

38.8. Business Hawke's Bay's financial sustainability has been highlighted as an issue in the Giblin Group report. On 17 December 2020, Business Hawke's Bay initiated formal consultation on a proposal to wind up the organisation based on its ongoing viability to meet its commitments (over and above the Contract for Service). Decisions to be made by the Business Hawke's Bay board are expected in late January 2021. The five Hawke's Bay Councils have reiterated their commitment to work with Business Hawke's Bay to keep the Business Hubs open and the potential assignment to one of the five councils. To support Business Hawke's Bay's process, it is proposed that the councils will develop and agree a transition plan with Business Hawke's Bay for any such eventuality.

39. On the basis there is a strong case for change the Review has provided 14 key recommendations. These are outlined in the report.

Options Assessment

40. Section 17A of the LGA requires consideration of the following options when considering delivery improvements (note a 17A review is not limited to these options):

- Responsibility for governance, funding, and delivery is exercised by the local authority
- Responsibility for governance and funding is exercised by the local authority, and responsibility for delivery is exercised by –
    - a council-controlled organisation of the local authority; or
    - a council-controlled organisation in which the local authority is one of several shareholders; or
    - another local authority; or
    - another person or agency.

40.1. Responsibility for governance and funding is delegated to a joint committee or other shared governance arrangement, and responsibility for delivery is exercised by an entity or a person listed in paragraph (b)(i) to (iv).

41. The Giblin Group report considers 7 options given the Hawke's Bay context and the Review analysis (i.e. the range of issues, challenges and opportunities that were identified). These are:

    - The Status Quo
    - **Enhanced Status Quo v1**: Improved funding for BHB
    - **Enhanced Status Quo v2**: Improved funding for BHB + BHB takes on RBP contract (with HB Council support and Central Govt agreement via formal procurement process).
    - **Transferring business support services to a Council or across Councils**.
    - **Leveraging other providers**: A variant of Option 4. Responsibility for (non-tourism) business and industry development and support activities/services would sit with a Council or Councils but these activities/services would be contracted to other providers in the region (e.g., industry groups, iwi organisations) to deliver.
    - **Extended regional model of delivery for non-tourism economic development activities (EDA CCO)**: BHB would become Council Controlled Organisation (CCO). No change to HBTL.
    - **Combined Regional Economic and Tourism Agency:** BHB and HBTL would be folded into a new combined Regional EDA/RTO for Hawke's Bay.

42. Council Chief Executives are not seeking any decisions from councils on the recommended options set out in the Giblin Group Report *Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region* at this Time as further more detailed analysis is required.

43. The full Review report contains more detailed analysis that assesses the major advantages and disadvantages of each of the considered options (Table 20, pages 94-96).

Next Steps

44. The Chief Executives intend commissioning Giblin Group to develop the next stage of the review process to develop a more detailed new operating model and transition plan, which will be co-designed with Matariki Partners and other regional stakeholders, to:

    - Further define the entity design that best meets the objectives of Matariki partners and other key stakeholders
    - Help clarify and set the transition time frame
    - Identify the key areas/components that will need to be supported and/or will undergo transition
    - Identify the key tasks in each area, including appropriate checkpoints and milestones
    - Identify relevant risks and risk levels
    - Be used to support a request to Central Government for transitional funding support.

45. The next stage of the review process would begin February 2021 of which the estimated cost is $40,000 (GST exclusive). This cost would be managed via the HBLASS Shared Services Cost Centre and shared by Councils in accordance with the annual budget plan on the following basis:

Wairoa District Council (11%)	$4,400
Napier City Council (26%)	$10,400
Hastings District Council (26%)	$10,400
Central Hawke's Bay District Council (11%)	$4,400
Hawke's Bay Regional Council (26%)	$10,400

46. When the next stage of the review process is completed and the chief executives have considered this analysis a further and final report will be brought to Council to seek decisions to formally consider undertaking community consultation on the options and preferred recommendations. This is expected mid-2021.

47. The table below provides an initial view of the likely areas of focus for the next phase detailed planning.

Key components	Description
1. Co-design and engagement a. With Matariki Partners b. With other key stakeholders e.g. business community	• Co-design with Matariki Partners and other key stakeholder should form the basis of the planning • The opportunity should also be taken to ensure the business community has a voice in the process • Engagement with Matariki RDS GG and ESG will be an important element
2. Existing ED activities/services	• There will be elements of existing ED activities/services which will need to be supported through a transition process e.g. Business Hub
3. Structure and legal form	• This would include the organisational structural and legal considerations in moving from the existing BHB incorporated society structure to a new structure e.g. potentially a trust (as a possible stepping stone to a CCO (if needed))
4. Governance and accountability	• This would include issues such as planning for new Board appointments
5. Communication	• A clear and coherent communications plan will be able to be built around, and in support of, the Transition Plan.

Considerations of Tangata Whenua

Decision Making Process

48. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:

48.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.

48.2. The use of the special consultative procedure is not prescribed by legislation.

48.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.

48.4. The persons affected by this decision are all regional ratepayers and residents who benefit directly or indirectly from the Council's economic development activities.

48.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

DELEGATIONS OR AUTHORITY

Council have appropriate authority to consider these recommendations.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as low significance and do not require community consultation before these decisions are taken.

OPTIONS ANALYSIS

Staff recommend that Council notes and considers the findings of the review and supports a further phase of work to develop a detailed proposal for a new Regional Economic Development entity. Staff also recommend Council supports working with the other four councils to keep the Hawke's Bay Business Hub open with the potential assignment of the lease to one of the five councils. This recommendation is consistent with those set out in this report.

NEXT STEPS

Next steps

49. The Chief Executives intend commissioning Giblin Group to develop the next stage of the review process to develop a more detailed new operating model and transition plan, which will be co-designed with Matariki Partners and other regional stakeholders. When the next stage of the review process is completed a further and final report will be brought to Council to seek decisions to formally undertake community consultation on the options and preferred recommendations. This is expected mid-2021.

50. From a Central Hawke's Bay perspective, ensuring that this communities interests are best served by a regional model is a critical in the second phase design.

51. If Business Hawke's Bay does decide to wind up its operations the councils will work with BHB to ensure a transition of the entity's functions into the new operating model, including ensuring the Hawke's Bay Business Hub continues to operate.

RECOMMENDATION

That having considered all matters raised in the report:

a) That Council receive the Section17a Review Economic Development Report, prepared in accordance with the requirements of the Section17a of the Local Government Act 2002.

b) That Council receive the report titled Review of Local Government Investment in Business and Industry Support Across the Hawke's Bay Region.

c) That Council endorse participation in the second stage of the review process with a more detailed investigation of the recommendations set out in the Giblin Group report.

d) That Council endorses engagement with Treaty Partners and other regional stakeholders on the opportunity to create an enduring Economic Development Delivery Platform with the appropriate scale and mandate to better guide and direct economic development activity to priority areas and issues.

e) That Council support the opportunity to embed a partnership with Māori in the new Economic Development Delivery Platform.

f) That this Council endorses the five Councils' commitment to keeping the Hawke's Bay Business Hub open.



REVIEW OF LOCAL GOVERNMENT INVESTMENT IN BUSINESS AND INDUSTRY SUPPORT ACROSS THE HAWKE'S BAY REGION

Final Report for Hawke's Bay Councils

December 2020

Giblin Group

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1.0 EXECUTIVE SUMMARY

This report summarises the findings and recommendations of a review of Hawke's Bay Council-funded, non-statutory activities that are focussed on business, industry and sector development.

The specific activities and services that were in scope of this review are:

- Business development activities, such as business information and referral services and business capability support;
- Skills building, attraction and retention initiatives;
- Innovation, commercialisation and R&D support;
- Investment promotion and attraction;
- Destination marketing and management and events;
- Sector development initiatives and cluster facilitation;
- Economic development and economic wellbeing strategy development, intelligence and monitoring.
- Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy).

This review was commissioned by the 5 Hawke's Bay Councils in August 2020 and stems from a Local Government Act (2002) s17A requirement to review the cost effectiveness of Council arrangements for delivering services on a periodic basis. Hawke's Bay Councils also recognised that there might be opportunities to improve regional coherence of economic development and economic wellbeing investments and wanted a clearer picture of this in order to inform engagement with Hawke's Bay communities through Long Term Plan processes starting again from late 2020.

This Executive Summary captures the key findings for each of the areas of inquiry. Section 2 contains the Review Recommendations.

1.1 Economic development activities and services currently being provided

Key findings are:

- There are no major gaps in the types of services/activities being delivered and current services/activities are based on addressing issues or leveraging opportunities that are broadly aligned with the role of local government.
- The services/activities being delivered are, however, often sub-scale (e.g. often less than 1 FTE to deliver significant programmes of work or activities). This will be limiting the potential value of economic development investment for Hawke's Bay. This value relates to the ability to:
    - Most effectively leveraging the resources of others (e.g. Central Government funding/involvement and private sector funding/involvement). Regions need to be well-organised and focused in order to maximise the opportunities available through Central Government funding support (which will continue to have a large role to play in a COVID-recovery environment), and to partner with the private sector in different ways;

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- Work with speed and agility to fully understand the nature of issues, constraints and opportunities presenting for Hawke's Bay in order to design and implement appropriate interventions where there is a clear role for government; and
- Bring mandate, mana and resources to the table to focus on areas of critical priority for Hawke's Bay.

- The real potential value of economic development investment in Hawke's Bay is a greater ability to meet the overarching outcome of the Matariki Strategy and Action Plan "*Every whānau and every household is actively engaged in and benefiting from growing a thriving Hawke's Bay economy*". This requires a focus on existing business (and assisting them to overcome challenges and create greater value through doing things differently and better over time); a focus on creating new platforms for growth for Hawke's Bay (either by growing new activity in the region or by encouraging new activity to the region); and tying these things together, the investments and efforts need to support a thriving business environment (e.g. infrastructure, rules and regulations).
- The Return on Investment (RoI) from effective economic development support can be high. For example:
  - Work to support the Hawke's Bay horticulture and viticulture sector with critical COVID-related seasonal labour issues will help to protect around $715bn of regional economic activity in apples and pears alone. This sector directly supports 2,579 permanent local workers and, indirectly, a further 5,751 permanent local workers in the eco-system of services that supports the industry;
  - Economic development work relating to the horticulture potential in Wairoa suggests that a proportionately minor strategic government role in different areas could help support additional expenditure to the local Wairoa economy of around $82 million over a 10 year period and the employment of an additional 197 FTEs over the same period.
  - Encouraging a new business to locate in Hawke's Bay could lead to 100s of new jobs and resulting economic activity. Depending on the nature of the activity this could, in time, help to stimulate a range of value-add services (and well-paying jobs) needed to support this activity.
  - For relatively small investments, effective regional branding, marketing and promotion can play a key role in attracting visitors, talent, investors and businesses to the region. Tourists in Hawke's Bay spent over $45 million in August 2020 (the highest regional spend in the country), and while not all visitors will have been encouraged to visit by the work of Hawke's Bay Tourism Ltd (HBTL) this still suggests an effective RoI on the $1.5m in annual funding for HBTL. Visitors to Hawke's Bay also support local retail and hospitality and help to create vibrant city centres and regional amenities that locals enjoy and which play a critical role in wider people and talent attraction.
- There are also opportunities to better align and structure some activities and services e.g. business capability support being provided by Hastings District Council (HDC) should ideally be provided via

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agencies with core expertise in this area e.g. Business Hawke's Bay (BHB)/a regional Economic Development Agency (EDA), and/or Hawke's Bay Chamber of Commerce. This would promote regional coherence and access for business.

- While there appears to be a gap in the provision of support for exporting and offshore investment this is appropriately provided through NZTE and ExportNZ i.e. local government does not have the expertise and capability to provide significant support in this area beyond sister-city relationships and providing basic exporting information and referring businesses to other providers of support (e.g. NZTE).
- Some regions and Economic Development Agencies (EDAs) have greater access to funds to support feasibility/business case development. Hawke's Bay currently lacks a regional pool of funds that can be used to investigate economic development opportunities that are aligned with the region's strengths/opportunities/strategy. This means that opportunities are considered in an ad hoc way and support for any investigation will depend on the degree of funding available to individual Councils at the time and the strength of any advocacy.
- Destination management and marketing is led by Hawke's Bay Tourism Ltd (HBTL) and while there is some cross-over in activities (largely in the events space) there appears to be good coordination between Councils and HBTL.
- Business capability-related support is largely provided through the Regional Business Partner (RBP) Programme (although HDC does do a bit of this as well).
- Cluster and sector work with industry coalitions is largely led by BHB.
- There are some good examples of collaboration relating to investment attraction e.g. NZ Institute for Skills and Technology and Jetstar, but activity related to investment and talent attraction has been largely ad hoc (notwithstanding a desire to back existing strategies with funding for implementation).
- The Matariki Regional Development Strategy (RDS) governance structure and associated meetings are the main focal point for setting regional economic development priorities. There is recognition of Matariki's value for relationships and connecting under one umbrella i.e. a collective of people working together on shared and interdependent objectives and that the strategy and structure are relatively new and evolving. There is, however, concern among stakeholders that Matariki is not delivering on its promise and that governance could be streamlined.

1.2 Current investment in activities and services

The key findings are:

- Hawke's Bay Regional Council (HBRC) appears to have the largest specific economic development budget but the HBRC role is more akin to a collection and distribution agency. HBRC collects an economic development rate from Hawke's Bay ratepayers (given it is the only Council with a regional remit), and this is used to fund HBTL (on behalf of the region), and provide a share of the ratepayer funding for BHB. HBRC also provides the funding for the Regional Business Partner (RBP) programme via the contract it holds with Central Government (NZTE and Callaghan Innovation).

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- Napier City Council (NCC) is the largest overall funder of activities and services that are in-scope of this review but this includes funding for the Napier i-Site and Napier War Memorial Centre (given their roles in regard to visitor attraction/promotion and/or events). Excluding this funding Napier's investment in economic development activities and services sits around $714,000 per annum (and well below HDC's investment).
- HDC's investment in economic development activities and services (not including the i-Site and Toi Toi) is around $1.29m.
- Funding for HBTL makes up 15.7% of the funding.
- Funding for BHB makes up 3.3% of funding.
- Funding for specific Council ED teams (salaries + funding for discretionary activities/projects) makes up around 13% of funding.
- At an aggregate level (nominal) funding has remained about the same over the last five years. This means in real terms funding has fallen.
- There has been some change to funding at a more detailed level e.g. HBRC used to have an Economic Development Manager; HDC has been shifting funding from the ED budget to its Strategic Projects team.
- Just under half of (in-scope) funding is directed to the i-Sites, the Napier War Memorial Centre and Toi Toi. There is a clear path dependence with current economic development funding. Over time the region has built community and visitor infrastructure that is more effectively utilised with external visitor support e.g. even setting aside i-Sites, ToiToi and NCC, the region has Splash Planet, the National Aquarium, The Faraday Centre etc, and funding for destination marketing and management-related activities has followed this existing activity.
- In terms of FTE resources, HBTL has the largest FTE count at around 8.15; BHB has around 6.5; HDC has the largest FTE count of the Councils at around 6.1 FTEs (2.1 FTEs in the ED team, 1 Event Manager role, and 3 roles from the Strategic Projects team (note - the analysis has not included any FTEs from marketing and communications for any of the Councils); HBRC has 6 (but this is mostly the RBP team that sit in the Business Hub); NCC has around 4.35 (1 Economic Development Manager role, 1 Event Manager role, and 2 roles that do similar work to HDC's Strategic Projects team. Both CHBDC and WDC have around 1 FTE.

1.3 Assessment of rationale and fit of activities and services being delivered

The key findings are:

- In terms of economic output Hawke's Bay has an export-facing economy. In terms of business units it is more domestic service-based. This means regional businesses will have a wide-spectrum of business support needs e.g. ranging from management capability-related programmes through to assistance in engaging with offshore markets.
- The broad types of economic development activities/services being delivered by the 5 Councils, BHB and HBTL are consistent with identified opportunities and the needs facing the region.

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- Analysis of the work programmes and activities/services being provided by the Councils, BHB and HBTL suggests that these are based on clear rationales, with Councils for the most part focused on facilitation, promotion, and information provision.
- The work of BHB and HBTL is appropriately focused on collective action issues (e.g. industry-wide marketing, promotion, attraction); sectoral connection and coordination issues; and specific business capability and support programmes (where they can leverage their knowledge of business/industry needs to develop and provide targeted programmes of support i.e. there is a clearer rational for EDAs/RTOs to provide this activity than directly by Council).
- From an economic development activity perspective the opportunities presenting for food and fibre and the challenges presenting for tourism, hospitality and retail will require working closely with those sectors. Hawke's Bay existing activities and services (including the important RBP programme) provide a strong platform for this work.
- Business support and capability programmes will continue to be an important component of assistance given a likely need to build greater resilience into business models.
- The changing nature of work, consumption and the rise of the contact-free economy will mean that support for digital capability and digitisation will likely be a critical component of the support provided to our businesses/sectors.
- The rise of remote working also offers Hawke's Bay an opportunity to leverage its lifestyle strengths to attract talent from other parts of the country (and in time offshore).
- The biggest short-term challenge facing the Hawke's Bay economy is related to labour supply (an immediate issue for Hawke's Bay's important horticulture industry) and broader skill shortages. Local government, along with its delivery partners, can play an important role in helping to coordinate and facilitate the planning with industry and Central Government that will be required to resolve these issues.
- Central Government's role in regional economic development and its expectations of local government and regional delivery agents has shifted over time. Central Government wants regions to be "joined-up" and to be clear on regional priorities; it wants regional plans to fit with national sector/industry strategies where they exist and/or are being developed; it wants to utilise regional information that is closer to source to inform policy and programme development; and it says it wants to partner on longer-term objectives where there is a clear role for government to play. All this will require Hawke's Bay to have expertise at the regional level, it will require effective leadership, collaboration and coordination, and a funding and support system that can adapt to the changing needs of Hawke's bay businesses and sectors and leverage and maximise the support provided through Central Government.

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1.4 Effectiveness and efficiency

1.4.1 Councils

- Council economic development activities/services are being delivered efficiently (on the basis of FTE resources).
- The FTE resources Councils are using to supply economic development activities and services are relatively constrained (see table 4 on page 31), and this will be limiting the potential value of economic development investment for Hawke's Bay (see Section 1.1).
- HDC has the largest FTE resource at around 6.1 FTEs (2.1 FTEs in the ED team, 1 Event Manager role, and 3 roles from the Strategic Projects team (note - the analysis has not included any FTEs from marketing and communications for any of the Councils); HBRC has 6 (but this is mostly the RBP team that sit in the Business Hub); NCC has around 4.35 (1 Economic Development Manager role, 1 Event Manager role, and 2 roles that do similar work to HDC's Strategic Projects team. Both CHBDC and WDC have around 1 FTE (both Economic Development Manager roles).
- Council economic development work programmes are spread across the main domains of economic development activities/services where there is rationale for publicly-funded intervention (either through Councils or delivery agents).
- ED Managers/teams are playing a useful connection and funnelling role to the main providers of services and, within time constraints, are often focused on one or two larger projects at any one time e.g. the FoodHub. They are also the key connections to Matariki RDS at a work programme level and the Think HB group which appears to be playing a useful collaboration role in the investment and talent attraction space.
- Performance measures and any related KPIs or targets (where they exist) are, for the most part, being met. But performance measures/KPIs are organisation specific and have been set at varying levels of detail. Performance measures are often project based, and overall there appears to be a trend toward less specificity over time (at least in reporting any measures publicly through Annual Plans). This may have helped streamline Annual Plans and internal processes but it risks reducing transparency and accountability for the outcomes, objectives and work programmes that have been set by Councils through public consultation.
- There is also no explicit relationship to Matariki RDS or broader regional objectives in Council ED performance measures/KPIs except through general collaboration performance measures (where they exist).
- More broadly the region does not have a clear 'impact framework'[1] to articulate the 'intervention logic' between activities delivered and the desired outcomes for the region over the short, medium and longer-term. A framework like this could better inform distributed (individual

[1] A logic or impact model is a representation of the relationships between organisation/program resources, activities and intended outcomes. Typical logic models consist of inputs, activities, outputs, and outcomes.

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team/org) work programmes that contribute to regional outcomes and provide greater clarity on respective roles and responsibilities (e.g. leadership and/or close collaboration where needed).

- Ideally, Matariki RDS would be playing a clear role in providing the region, and all the parties that contribute to the region's economic development, with a shared and agreed vision of success, set of outcomes, and prioritised areas of focus (that require collective action) in order to guide individual roles and mobilise resources available. This hierarchy would ideally inform individual work programmes, Service Level Agreements and/or Contracts for Service.

1.4.2 Business Hawke's Bay (BHB)

- BHB is meeting the KPIs set out in the Contract for Service (CfS) with the 5 Hawke's Bay Councils and has delivered outputs efficiently.
- It has an ambitious work programme (current and intended), however, (relative to FTEs/funding available) that goes beyond the CfS areas of focus. Given limited FTEs this will be constraining the ability to delivery priorities as effectively as possible.
- The activities themselves are based on solid 'problem definitions' and are aligned with typical EDA activities (particularly the start-up and sector and industry development/collaboration related activities).
- A lot of the (mostly proposed) skills and talent work is strongly related to Hawke's Bay issues/opportunities (a microcosm of national issues with added emphasis given the region's socioeconomic characteristics and the labour intensive nature of horticulture), but this is not funded activity beyond the Service Level Agreement with EIT (which is funded by MSD) for the 'Education to Employment - Vocational Pathways' work.
- BHB has been relatively active in regard to inward investment attraction and sector, cluster and enterprise development-related work given the resources it has had available. Key achievements have included:
    - Partnering with the 'Think Hawke's Bay' group (which appears to have been useful in building a more effective collaborative mechanism for investment and talent attraction), on two business promotional and attraction initiatives (Datacom and the HQ for the new NZ Institute for Skills and Technology), and work on a Regional Talent Attraction Strategy and Action Plan.
    - Work on a Peak Investment event held in 2019 (with NZTE) which led to over $1m in investment into businesses that BHB helped to get 'pitch ready'.
    - Running of the "Co.starters" programme which continues to be popular, with 40+ graduates having completed the programme and around 90% successfully completing further validation, pivoting, new product development, and commercialisation.
    - Leading on two key sectoral projects relating to 'IT/Digital/High-value Manufacturing' and the 'Land to Brand Sector Support Programme', which appear to have been most useful in the way they have connected local businesses to each other (which are leading to collaborations) and have connected local businesses to business support and/or potential

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partners (e.g. (research institutes, food technologists and consultants, university internship programmes etc).

- Matariki Programme Management activity has been challenging for both BHB and stakeholders given the large degree of 'distributed ownership' of priority actions, a lack of funding for implementation of some areas of Matariki, and key personnel changes. The wide-spread concern that Matariki is not delivering on its promise (see survey results in Annex D), and differing views on how the programme should be governed and managed has also contributed a difficult operating environment.
- Business Hub usage and business connection metrics continue to show growth (even including the COVID-lockdown period). The Hub is clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use. The Hub also plays a critical role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. In an environment where there is a perception of fragmented services this is important. The Business Hub, however, runs at an overall loss and additional funding is required to support repairs and maintenance and CAPEX.

1.4.3 Hawke's Bay Tourism Ltd (HBTL)

- HBTL is meeting the KPIs set out in the funding agreement with HBRC and appears to be delivering outputs efficiently.
- HBTL's members appear to be satisfied with HBTL's contribution toward the growth of the industry and in representing the region at a national and international level. The area where members think there is an opportunity to do more is in "coordinating business opportunities for its members". This includes education, business events and workshops focussed on the specific issues of SME tourism businesses.
- Responses to questions to the survey undertaken as part of this review indicate that HBTL is generally held in high regard in terms of relevance, quality, and timeliness of activities/services.
- Central Government considers HBTL an effective Regional Tourism Organisation (RTO).
- There are operators in the Hawke's Bay Māori tourism sector that feel HBTL does not represent their interests in the most effective way (there is a (current) role vs expectation mismatch). The HBTL Board and management are aware of these issues are keen to work more closely with the broader Māori tourism sector to address these issues and needs.

1.4.4 Regional Business Partner (RBP) Programme

- The Hawke's Bay RBP programme is easily meeting its contractual KPIs.
- Central Government consider the programme and team to be high performing and have confidence in delivery. Hawke's Bay is seen as one of the more "hands-off" regions.
- The co-location of this programme/team in the Business Hub is important as the advice/services available through this programme are critical tools in the wider economic development support 'toolkit'. Central Government agencies see the synergies of this playing out in different ways

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across the country e.g. the insight derived from being at the coal face and working one-on-one with businesses can be used to design other offerings for business (that isn't available via RBP), and guide other work.

- NZTE/Callaghan note that having the right people and set of skills is critical. They think that HB RBP has had a good focus on this and the team is currently playing to its strengths and weaving in all aspects of support as needed e.g. business mentors etc. KPIs suggest that the team is able to support a greater number of businesses than average and wait times are lower than many other regions.
- While the programme is delivering effectively and efficiently there is a perception it is a bit of a silo even though it is co-located at the Hub. HB RBP acknowledges that they stay closely focussed on contract KPIs/deliverables on purpose (to, appropriately, reduce the risk of resources being diverted to non-core activities). This may be limiting the value of the insight generated from working closely with Hawke's Bay businesses in designing other offerings for business (that isn't available via RBP), and guide longer-term work and engagement with local and central government.

1.4.5 Great Things Grow Here (GTGH)

- There is value in Hawke's Bay having a collective brand and platform that it presents, in particular, to external talent and investors. This is especially important because there is a perception among business that the region, and the support it provides business, is fragmented. If other regions initially present themselves as easier to do business with then Hawke's Bay potentially misses opportunities for early engagement and follow through.
- Ideally Hawke's Bay would have one clear and identifiable 'umbrella' brand that different activities could connect to. GTGH could play this role but there is still some (largely HB business as this has not been tested more widely), confusion about what GTGH is, and what it isn't, and a general lack of understanding of what it is trying to achieve. This led the HB Chamber to recently create the "Be in the Bay" website so that their members had a specific platform to connect to other businesses in the region. There are views that 'Be in the Bay' has, however, muddied the 'brand water', and added to a perception of everyone doing their own thing.
- Whatever platform is chosen to promote the region it has to be backed with broad agreement, commitment and focus. Strong brands need to be developed and maintained. There seems to be general acknowledgment that there is a need for a Search Engine Optimisation (SEO) strategy and an effective marketing strategy and implementation plan if GTGH is going to play a regional platform role.
- Other regional platforms are generally "location.nz" so they are the first site that pops up on a search. These landing pages can then direct you to different things – tourism; business support etc. HBTL owns/runs www.hawkesbaynz.com. There are technical (SEO) reasons why you want to be careful with changing the focus of landing pages but consideration should be given to allowing connection to different services from www.hawkesbaynz.com.

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- In terms of performance measurement this is focussed on Google analytics including: visits to website and time on the site; social media followers across channels; impressions; google ads. There have been some positive trends but overall these metrics highlight the need for a broader marketing strategy and implementation plan if GTGH is going to meet its objectives.
- The GTGH brand is being used by Councils and BHB (especially through the 'Think HB' work) and a small number of stakeholder interviews in 2019 found GTGH was "a strong brand". There has not been wider, and robust, testing of this so it is hard to make call on the brand's influence and impact in attracting investor/talent attention, and then action (investment and/or people moving in HB).

1.5 Survey of key stakeholders

A key aspect of the second stage of the Review was a survey of key stakeholders in order to provide deeper and richer insights into the broad range of issues being considered e.g. rationale and focus; effectiveness and efficiency; opportunities for improving delivery, or new ways of delivering; and any implementation issues.

Key findings and feedback included:

- In terms of rationale and focus a high proportion of respondents thought the economic development activities/services provided by Councils, BHB and HBTL were *based on* or *somewhat based on* clear and well-evidenced problems and opportunities for the region (80%, 64% and 78% respectively).
- Respondents highlighted a number of emerging trends, issues or opportunities presenting for the region. These included:
    - COVID-19 (strengthening the need to work collectively on targeted recovery activity, be agile and innovative, and to do things differently);
    - Central Government funding and views driving regional economic development;
    - The need to better engage and support Māori business as well as growing opportunities in non-traditional sectors for Hawke's Bay, such as the digital sector;
    - Climate change and broader sustainability drivers (including water quality/availability);
    - Digital connectivity and business agility;
    - Labour related issues, including work readiness and attracting qualified staff across a range of industries;
    - The future of food and adding value along the supply chain;
    - People moving from cities to the regions; and
    - The need to focus on inequality verses growth.
- Overall responses to questions relating to quality, timeliness, and cost/processes of activities/services indicated that there were low levels of satisfaction or limited knowledge in

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regard to Matariki REDS; a mostly positive view in regard to Council and BHB activities/services, and a more positive view of HBTL activities/services.

- Respondents were mostly satisfied that current services were supporting the private sector.
- Respondents highlighted a number of issues in regard to possible gaps and/or duplication in/of service provision. These included:
    - GTGH not being supported adequately by the region;
    - A perception of fragmented economic development initiatives across different councils and bodies, and challenges engaging with a common regional approach or strategy;
    - A perception of a lack of collaboration between Councils and BHB;
    - A sense there is little understanding of what Māori development means to Māori;
    - A view that people and organisations aren't resourced to do everything they want to do, nor reach agreement for regional cooperation;
    - A view that there is duplication in business and start-up support services being provided by the HB Chamber and BHB, and confusion with the HB Chamber and BHB both vying to be the voice of business in the region. Some stakeholders also pointed to both agencies venturing into education as an indication of duplication of services;
    - A desire for greater clarity on where each entity plays and does not play;
    - The need for industry/sector groups to be better connected and coordinated to overall regional objectives;
    - A gap in "foresight" expertise (e.g. what will the region look like and need in 2050);
    - A view that Councils were starting to get into business support which was not their core capability; and gaps and duplication regarding investment and talent attraction i.e. no coordinated campaign that leverages the draft strategy;
    - Inadequate delegation to BHB to manage regional pitches; and GTGH and BHB both focussed on investment/talent attraction.
- Respondents thought that role clarity and funding were the biggest barriers to effectiveness. The next most significant group of barriers to effectiveness were information sharing, the way Matariki works, and information on the effectiveness of services.
- More respondents were dissatisfied than satisfied with current funding levels for economic development activities/services. A high proportion felt that funding should be increased.
- Respondents highlighted a number of important issues in regard to delivery arrangements. These included:
    - The need for a cohesive pan-regional approach;
    - The need for an integrated separate entity responsible for economic development and supported by all councils;

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- A reduction in duplication of services and common KPI's;
- Collaboration and cohesiveness, with the right people in the right roles that generated a level of influence and partnership respect required to deliver results;
- Role clarification and mandate; disciplined and mid to long-term commitment to funding BHB to enable regional development while leaving local government to supply and support infrastructure, services and well-being of the region at large;
- Clarity around Matariki as a strategy and action plan (not an agency) with a focus on working collaboratively for collective impact; and
- Streamlining Matariki governance and utilising existing governance forums for more meaningful collaboration and connection.

- Behaviours and the structure of teams and organisation were seen as the things that would most need to change for improvements to be successfully implemented. Appropriate funding was also seen as critical.

1.6 Case for Change

The key observation is that there is a strong case for change for non-tourism related activities. The type and degree of change will, however, depend on whether Councils direct their focus on fixing some of the funding and collaboration-related issues, or take the opportunity to help create an enduring platform that provides Hawke's Bay with the appropriate scale and mandate to better guide and direct economic development activity to priority areas/issues.

The key findings include:

- Most stakeholders and those involved in delivery and funding are looking for greater clarity over roles and functions ("what are the lanes", "who's swimming in which direction and where are the overlaps that require collaboration and coordination"), with this being communicated clearly to key stakeholders.
- Businesses are looking for greater clarity over the activities and services available to support business activity.
- There is concern that there are unhelpful and competitive behaviours in the system and that this is constraining more effective collaboration. This is feeding a perception in the business community that the economic development system is fragmented and not particularly transparent. Stakeholders seem to understand that economic and social development is impossible without collaboration. It is a team game with multiple players, drivers and perspectives. A culture of trust and sharing is therefore more likely to deliver effective outcomes. There is also acknowledgment that governance and organisational structures can either support or constrain collaboration and there is a view that there's Hawke's Bay has not yet got this right.
- There is concern about whether Hawke's Bay has the right capability (alongside structure/s) to support effective and efficient delivery of activities and services, leading to views that the region

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is not as responsiveness to community needs as it could be and punching below its weight externally.

- BHB financial sustainably is clearly an issue. There is acknowledgement that BHB has delivered with the resources it has had at its disposal and it has, broadly, met KPIs that have set through contracting arrangements. But changes will need to be made to put BHB on a financially sustainable footing.
- More generally a high proportion of stakeholders feel that funding for economic development activities and services should be increased.
- HBTL is supported by its main stakeholders and appears to be doing a successful job in leveraging ratepayer investment into real value for the Hawke's Bay economy. At this point there does not appear to be a strong case for change in regard to HBTL. The issues involving any institutional change are looked at in more detail in Section 10.
- Funding for tourism relative to other sectors has been a theme of the feedback, with many viewing this as unbalanced. But tourism directly supports local retail and hospitality (and helps to create vibrant city centres and regional amenities that locals enjoy and play a role in people and talent attraction). This means it is not as simple as saying one sector versus the others. Ideally, the region would be supporting a range of key sectors of importance/opportunity (taking into account the appropriate role of govt).

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2.0 RECOMMENDATIONS

This Review recommends that the Hawke's Bay Councils:

1. Consult with their Treaty Partners and the wider community on the **opportunity to create an enduring economic development delivery platform** that provides Hawke's Bay with the appropriate scale and mandate to better guide and direct economic development activity to priority areas and issues.

2. Consider consulting on the Review's preferred option to form **a new regional entity to lead (non-tourism) economic development activities**. The recommendation is that this regional entity take the form of a joint Council Controlled Organisation (CCO); a CCO is essentially any company with a majority council shareholding, or a trust or similar organisation with a majority of council-controlled votes or council-appointed trustees, unless designated otherwise. More than one council may be represented in a council-controlled organisation. While the terminology 'CCO' appears exclusionary it is actually quite a flexible organisational form and would provide a strong base for partnering with Hawke's Bay Maori and Hawke's Bay business. This new entity would focus on business development and support; innovation and industry development; skills building, attraction and retention initiatives; investment promotion and attraction; economic development strategy development; and strategy/action plan programme management. This option is most able to provide the Hawke's Bay economic development system with the appropriate scale and mandate to guide and direct activity to priority areas/issues; support a culture of sharing, connection and collaboration; and support Hawke's Bay to be greater than the sum of its parts (e.g. by presenting a strong and united voice and vision to external investors, talent and Central Government, and by helping to attracting the resources of others). This option also avoids creating unnecessary transition costs for areas of support that are currently delivering effectively for Hawke's Bay e.g. destination management and marketing. While other options would solve some of the issues that have presented through this review they would not deliver fully on the effectiveness and efficiency outcomes Councils (and stakeholders) are seeking and solve what is currently missing for Hawke's Bay – a well-supported and funded organisation that has the mandate and backing to be the economic development voice for Hawke's Bay.

3. Engage with the Business Hawke's Bay (BHB) Board and Management to **begin a process of transition from the BHB structure to a new CCO structure**. This would involve BHB de-registering as an incorporated society, (potentially) making the BHB name available for the new entity (to leverage the existing brand in the marketplace and to reduce transition costs), and transferring BHB assets to the new CCO. The transition process would also involve the provision of transitional funding for BHB once current contract funding is exhausted (including funding for Matariki Programme Management which ends in December 2020).

4. **Retain the Hawke's Bay Business Hub** as it is playing an important role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. Co-location of support services/agencies: provides an opportunity to present a united voice for business regardless of the underlying structures and mechanisms used to provide support services; offers a clear front door for local businesses and external investors and talent to be directed to the right

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area of support; and aids collaboration by reducing the costs of interaction and increasing the opportunity for important 'water-cooler' conversations. If the Business Hub structure did not exist in Hawke's Bay it would be a key recommendation of this Review to consider supporting something of this nature. The Hub is also clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use.

5. **Support the proposed 'Hub and Spoke model' through the new Regional Economic Development Agency (EDA) COO** to strengthen business support across the region i.e. currently businesses in Hastings, Central Hawke's Bay and Wairoa indicate it is harder to access services given the Hub's location in Ahuriri. This would implement a key Matariki action and an identified regional COVID recovery priority. The FTE resources required have been included in the estimated funding needs (see next recommendation).

6. Consult with their communities on **increasing the funding for non-tourism related economic development activities**. It is estimated that around $1.6m of additional funding per annum would be required to adequately resource a regional EDA CCO that had the scale and mandate to fulfil objectives. This estimate is based on current BHB activities and the likely areas of focus of a new EDA CCO. The exact areas of focus and resourcing would obviously be for a new independent Board to agree upon based on a clear understanding of Council priorities (which would be communicated through a Statement of Intent and/or Service Level Agreement).

7. Consider, as part of the additional $1.6m funding per annum for non-tourism related economic development activities, to endow in the new EDA CCO **a pool of funds to be used to investigate economic development opportunities** that are aligned with the region's strengths/opportunities/strategy. The region currently lacks a shared pool for funds of this nature which means that opportunities are considered in an ad hoc way and support for any investigation will depend on the degree of funding available to individual Councils at the time and the strength of any advocacy.

8. Consider the **opportunity to embed a partnership with Māori in the new EDA CCO model**. This would start with the composition of the new independent Board. The model would allow for discussions on the level of engagement with Māori business and, potentially, a joint resourcing approach with Hawke's Bay Māori/iwi/hāpu fora or organisations. It would also allow a fresh conversation on the appropriate governance model (and levels of governance) needed to support a regional approach (Matariki). Included in the additional resourcing for the EDA CCO is a dedicated FTE focused on Māori business development and support. This role could work with Māori businesses in Hawke's Bay to help support, tailor, and/or create business support programmes targeted at areas of need for Māori business. This role could be shared with HBTL.

9. Consider **embedding the RBP programme in the new EDA CCO**. This would require Central Government agreement via the formal RBP contract procurement process. Embedding the RBP programme in an organisation providing other economic development support services would allow the insight derived from this 'coal face' activity to be used to better design other offerings for business and guide other strategic economic development work. It is possible the formal RBP contract procurement timeline will not match the transition timeline if Councils agree to the

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Review recommendations. In this situation HBRC could consider retaining the contract (through the procurement process) with some contractual arrangements formed in time with the new EDA CCO. The position that is currently sub-contracted to the Hawke's Bay Chamber of Commerce should be retained in order to provide a strong link to the Chamber's work and expertise.

10. **Consider investing in the development of a clear 'impact framework' for Matariki** to better articulate the relationship between activities delivered and the desired outcomes for the region over the short, medium and longer-term. This would help improve current measurement and reporting frameworks which are not effective in tracking the relationship between activities, outputs and outcomes i.e. whether ratepayers' money is being used effectively. A framework like this could also provide greater clarity on the respective roles and responsibilities of organisation and teams that contribute to regional economic development efforts.

11. Consider, as part of the engagement with Māori and Central Government agencies, the opportunities to **streamline Matariki governance** (e.g. by utilising other existing governance forums for some of the conversations that support meaningful collaboration and connection), **and increasing the resources to support the Pou working groups**. Estimated FTE resources have been included in the additional resourcing for the EDA CCO. This would help resolve two of the key issues raised by a large number of key stakeholders (the cumbersome and duplicative governance structure, and lack of resources to support effective programme delivery). Matariki's Pou structure is not unlike the previous Government's Business Growth Agenda (BGA), and the BGA had a part (or full)-time programme support person to support each of the six key areas of the Agenda and the relevant lead agency.

12. **Support work to better understand the influence and impact the Great Things Grow Here (GTGH) brand is having in attracting investor/talent attention.** While a small number of stakeholder interviews in 2019 found GTGH was "a strong brand" there has not been wider, and robust, testing of this so it is hard to make call on the Brand's effectiveness. Ideally Hawke's Bay would have one clear and identifiable 'umbrella' brand that it could use externally with this brand being widely adopted by Hawke's Bay business (to support business to business relationships; talent and skills attraction; and business investment attraction). Business uptake of the GTGH brand, however, appears to be low and there is some confusion about what it is and what it isn't, and a general lack of understanding of what it's trying to achieve. Whatever platform is chosen to promote the region it has to be backed with broad agreement, commitment and focus. Strong brands need to be developed and maintained. There seems to be general acknowledgment that there is a need for a Search Engine Optimisation (SEO) strategy and an effective marketing strategy and implementation plan if GTGH is going to play a regional platform role.

13. Support work to **investigate the ability to connect to different business, talent and investor support services from www.hawkesbaynz.com**. Many other regional platforms are generally "location.nz" so they are the first site that pops up on a search. These landing pages can then direct you to different things – tourism; business support etc. HBTL owns and runs www.hawkesbaynz.com, and while it is acknowledged that there are technical SEO reasons for proceeding carefully with changes to successful landing pages (in this case in telling the Hawke's Bay tourism story) consideration should be given to allowing connection to other services so that

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external investors and talent are able to quickly find the information and support they might need via a typical 'front door'.

14. Consider a **separate review of the region's venue and community facilities** to explore opportunities to improve regional coherence of development and funding given the significant role they play in the visitor economy and the way this influences broader ratepayer funding for regional economic development.

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3.0 INTRODUCTION

Local authorities have a critical role to play in supporting the economic development and economic wellbeing of their area. They have a range of levers at their disposal which can support, or indeed inhibit, economic development that is consistent with broader wellbeing objectives. Local authorities are also uniquely placed, via politically accountable leadership, to bring stakeholders together from across a range of sectors and interests to collaborate on shared regional challenges and opportunities[2].

According to the New Zealand Productivity Commission (NZPC) New Zealand's local government activities are centred on regulating land use, choosing and funding a set of local amenities, and investing in essential infrastructure for transport and the three waters (drinking water, wastewater and stormwater), with the overall objective of enhancing community wellbeing[3]. But this quite strict reading (and contested by some through the NZPC Inquiry into local government funding and financing) of local government activities misses the richness of the local government role in economic development.

The key roles local authorities play include:

- **Leadership and coordination** - using their community leadership role and planning powers to set out a clear framework for local development. This helps to provide certainty for business and investment, overcome coordination failures, and manage externalities and competing interests;
- **Support for local people and businesses** through – regeneration; business support and employment programmes; working with, and providing a link to, nationally-led programmes; investor and people attraction programmes; and providing a range of high quality services that directly support residents' wellbeing outcomes and business investment confidence.
- Supporting growth and development through **ensuring a responsive supply of land** that supports business needs (both land-based and industrial) and the demand for housing;
- Directly and indirectly influencing investment decisions and broader wellbeing outcomes (e.g. environmental) **via the use of statutory powers, particularly through the resource management and planning system**, which are key determinants of businesses ability and confidence to invest;
- **Supporting, and investing in, local infrastructure** - transport and water investment, in particular, are key enablers of growth and economic wellbeing outcomes; and
- **Ownership of land, key infrastructure assets and other investments** to enable, support and leverage private sector development.

[2] UK Department of Business, Innovation and Skills. (2010). Local growth: realising every place's potential (White Paper). London: Department of Business, Innovation and Skills. See: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32076/cm7961-local-growth-white-paper.pdf

[3] New Zealand Productivity Commission (2019). Local government funding and financing (Inquiry Report). See: https://www.productivity.govt.nz/assets/Documents/a40d80048d/Final-report_Local-government-funding-and-financing.pdf

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Hawke's Bay Councils recognise that they play a range of important statutory and non-statutory roles that support economic development and economic wellbeing of the Hawke's Bay region. They also recognise that there is a broader system of delivery partners, agencies and agents (involving Māori, business, civil society, and Central Government) that provide regional economic development and economic wellbeing services for the region.

It was within this broader context and understanding that Hawke's Bay Councils sought a review of the important, but non-statutory, activities that are focussed on business, industry and sector development i.e. it was not the intention of the scope of this review to capture the full role local authorities play in supporting economic development and economic wellbeing.

Activities and services that were in scope of this review were:

- Business development activities, such as business information and referral services and business capability support
- Skills building, attraction and retention initiatives
- Innovation, commercialisation and R&D support
- Investment promotion and attraction
- Destination marketing and management and events
- Sector development initiatives and cluster facilitation
- Economic development and economic wellbeing strategy development, intelligence and monitoring
- Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy).

4.0 PURPOSE OF REVIEW

Hawke's Bay Councils were seeking an assessment of:

a) The role of local government in economic development and economic wellbeing in the region, based on an analysis of:

- Challenges and opportunities facing the Hawke's Bay economy;
- Rationales for local government activities in economic development and economic wellbeing;
- The landscape in which various actors and mechanisms play a role in the regional economic development system;
- Legislative and central government expectations.

b) Economic development and economic wellbeing activities, identifying strengths, weaknesses and any relevant gaps in the activities, based on:

- The Councils' objectives, priorities and performance targets;

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- Identifying any overlaps/duplication and/or gaps across Councils' and key organisation's activities;
- The role non-Council parties play in the regional economic development system;
- An assessment of the efficiency of current arrangements and the benefits of the activities versus costs;
- An assessment of the overall effectiveness of the current delivery models of the five Councils and key delivery organisations, including governance arrangements, funding arrangements and current economic development and economic wellbeing reporting and accountability mechanisms.

c) Options for future economic development and economic wellbeing delivery arrangements, based on clear criteria, and recommendations for any changes in functions, form and funding.

This review stems from a Local Government Act (2002) s17A requirement to review the cost effectiveness of Council arrangements for delivering services on a periodic basis. There is also a recognition that there may be opportunities to improve regional coherence of economic development and economic wellbeing investments.

5.0 SCOPE OF REVIEW

The Review was focused on the non-statutory and ratepayer-funded activities that cover:

1. The delivery of **direct economic development and economic wellbeing services and activities** in the Hawke's Bay region; and
2. **Regional economic development and economic wellbeing implementation support** as delivered by Business Hawke's Bay Incorporated (BHB), Hawke's Bay Tourism Limited (HBTL), Hawke's Bay Regional Council (HBRC), Wairoa District Council (WDC), Central Hawke's Bay District Council (CHBC), Hastings District Council (HDC), and Napier City Council (NCC).

Table 1 below provides detail on the services and activities that are in scope of the review.

Table 1: Type and description of economic development and economic wellbeing investments

Type of economic development and economic wellbeing services and activities	Description of in-scope activities, services and/or interventions
1. Direct economic development and economic wellbeing services and activities	• Business development activities, such as business information and referral services, business capability support • Skills building, attraction and retention initiatives • Innovation, commercialisation and R&D support • Investment promotion and attraction • Destination marketing and management and events • Sector development initiatives and cluster facilitation • Economic development and economic wellbeing strategy development, intelligence and monitoring

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2. Regional economic development and economic wellbeing implementation support	• Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy)

Councils recognise that there are a range of delivery partners and agencies that provide regional economic development and economic wellbeing services. It was not the intention of the scope to capture every service or agency in the detailed analysis that forms a core part of this review. This analysis is focused on the areas receiving ratepayer support/investment. The Review does, however, provide an overall 'map' of the different service areas and delivery agents. This helps provide a clearer view on what the overall system looks like, whether there is any duplication or gaps, and, given this, the opportunities to improve how the region provides and supports economic development and economic wellbeing services.

6.0 APPROACH AND METHODOLOGY

The proposed approach involved three main phases and associated analysis: (1) Documentation review and early stage analysis on current state; (2) Critical analysis (including assessing effectiveness and efficiency). This involved desktop analysis, a survey of key stakeholders, and a small number of interviews; and (3) Assessing the case for change, possible delivery options and implementation.

This approach reflects the requirements of a Local Government Act (2002) s17A review. SOLGM (2015) advice on s17A Reviews notes that reviews should include consideration of:

- The present arrangements (what is being delivered, the rationale for service provision, service performance and costs);
- Identification of delivery options, including delivery by a CCO either wholly owned by the Council or partly owned by the Council, delivery through a contracted private or community sector agency, funding and governance via a joint Council committee, and other practical options; and
- Analysis of options including feasibility, community views and preferences, effectiveness and costs.

6.1 Documentation review and early stage analysis

This stage involved a review of documentation and interviews with the economic development leads in each Council and the CEs of BHB and HBTL focused on identifying:

- Current economic development activities and services being delivered and funded by Hawke's Bay ratepayers;
- The ratepayer investment into those activities;
- Any gaps or duplication in the delivery of economic development activities/services and/or opportunities to think differently about service delivery;
- Relevant research and literature on the role of local government in economic development;
- Research on services and arrangements offered in other regions;

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- Strategy, policy and accountability documentation that guides the economic development and economic wellbeing objectives and services of the five Councils, BHB and HBTL;
- Research and documentation that reports on monitoring and the impact of economic development and economic wellbeing activities and services;
- Reports on the regional economy and industry performance (to help assess whether services have been focused in the right areas to address key constraints in the economy or to leverage major opportunities).

This work was used to inform the questions and lines of inquiry in the survey of key stakeholders and one-on-one interviews with a small number key stakeholders that formed a critical part of the second stage of the Review. The questions were designed to obtain further information on what was working well and potential gaps, overlaps, issues and any opportunities for new ways to deliver services.

6.2 Critical analysis

The second stage of the Review used a methodology and structure that is common to reviews of this nature. It focused on four major issues and related questions: (1) Rationale and focus; (2) Effectiveness and efficiency; (3) Opportunities for improving delivery, or new ways of delivering; and (4) Implementation. This involved desktop analysis, a survey of key stakeholders, and a small number of one-on-one interviews.

6.2.1 Rationale and focus

This involved consideration of:

- Economic and industry trends in Hawke's Bay;
- Key issues and opportunities identified by existing strategies and plans;
- Analysis of the role of local government in economic development;
- Councils' desired objectives and priorities for economic development;
- The types of activities/services that should be delivered; and
- Whether there were any gaps in services or areas for improvement

6.2.2 Effectiveness and efficiency

This involved consideration of:

- Whether existing services were being implemented appropriately, having the desired impact and providing value for money;
- Whether activities and services were delivered efficiently; and
- The outcomes and benefits from economic development activities and services.

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6.2.3 Opportunities for improving delivery

This involved consideration of the activities/services that should be delivered and supported in the future and how these activities/services could be delivered and supported.

6.2.4 Implementation

This involved identification of any constraints to making improvements and the broad impacts of making changes.

6.2.5 Assessing the case for change, possible delivery options and implementation

The third stage of the Review involved assessing whether there was a clear case for change and, based on this, consideration of:

- The appropriate delivery arrangements;
- Governance, delivery and reporting arrangements;
- The level and sources of funding; and
- Implementation-related issues.

7.0 ECONOMIC DEVELOPMENT SERVICES & INVESTMENT IN HAWKE'S BAY

7.1 Background

This section captures the economic development services and activities that are in-scope of the review and are currently being provided in Hawke's Bay. This provides a clearer understanding of current ratepayer investment and supported activity, and helps to determine whether there is any duplication, gaps and/or opportunities to improve how the region provides and supports economic development and economic wellbeing services.

The key providers of ratepayer-funded economic development activities and services in Hawke's Bay are: the 5 Councils; Business Hawke's Bay (BHB); and Hawke's Bay Tourism Ltd (HBTL).

The various iwi, hapū and post-settlement entities (PSGEs), and the Hawke's Bay Chamber of Commerce (Chamber) also play an important role on behalf of their members but are not, for the most part, financially supported by local government.

In terms of ratepayer investment the Chamber plays a role in the Regional Business Partner (RBP) programme through a sub-contract to provide an FTE. This helps to ensure that the RBP programme is integrated with a voice of business. The iwi, hapū and post-settlement entities do not receive ongoing local government funding support (ad hoc projects that have required feasibility and/or business case work have received co-contribution funding in the past), but Central Government (via MSD) has provided Te Kāhui Ōhanga o Takitimu (TKO), the informal collective representing the interests of Hawke's Bay iwi/hapu/PSGEs in the context of the Hawke's Bay Matariki Regional Development Strategy (Matariki), funding to support involvement in Matariki.

This Review focuses on the investment, and related activities, of the 5 Councils; BHB and HBTL. The RBP programme is included in the analysis as a key part of the business support system which is funded via the contract HBRC holds with Central Government (NZTE and Callaghan Innovation). This Review

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does not consider Chamber activities beyond the RBP programme as they are out of scope being member-funded services. While the Review does not consider in detail the economic development activities of the relevant iwi, hapu groups and post-settlement and entities (again as they are out of scope being member-funded services) the recommendations do pick up some of the issues that have presented through the review which are relevant to partnership with Māori.

Economic development services and activities that are in-scope of this review are grouped under the following headings (and Section 13, Annex B, provides a detailed explanation of the activities/services and why there might be an appropriate role for government to play in providing these activities/services):

- Destination marketing and management;
- Business development and support, such as business information and referral services and business capability support;
- Innovation and industry development support, such as cluster & sector work with industry coalitions;
- Skills building, attraction and retention initiatives;
- Investment promotion and attraction;
- Economic development and economic wellbeing strategy development, intelligence and monitoring;
- Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy).

7.2 Activities and services

Table 2 below provides a summary of the activities and services provided by 5 Councils; Business Hawke's Bay (BHB); and Hawke's Bay Tourism Ltd (HBTL). Hawke's Bay iwi/hapu/PSGEs and the Chamber have been included in the table because of the important economic development role they play for their members. Sections 5.3-6.0 provide more detail on BHB, HBTL, and the economic development activities/services provided by the 5 Councils.

The following points can be made in regard to the economic development activities and services currently being provided in Hawke's Bay:

Key findings are:

- There are no major gaps in the types of services/activities being delivered and current services/activities are based on addressing issues or leveraging opportunities that are broadly aligned with the role of local government.
- There are also opportunities to better align and structure some activities and services e.g. business capability support being provided by Hastings District Council (HDC) should ideally be provided via agencies with core expertise in this area e.g. Business Hawke's Bay (BHB)/a regional Economic Development Agency (EDA), and/or Hawke's Bay Chamber of Commerce. This would promote regional coherence and access for business.

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- While there appears to be a gap in the provision of support for exporting and offshore investment this is appropriately provided through NZTE and ExportNZ i.e. local government cannot provide significant support in this area beyond sister-city relationships and providing basic exporting information and referring businesses to other providers of support (e.g. NZTE).
- Some regions and Economic Development Agencies (EDAs) have greater access to funds to support feasibility/business case development. Hawke's Bay currently lacks a regional pool of funds that can be used to investigate economic development opportunities that are aligned with the region's strengths/opportunities/strategy. This means that opportunities are considered in an ad hoc way and support for any investigation will depend on the degree of funding available to individual Councils at the time and the strength of any advocacy.
- Destination management and marketing is led by HBTL and while there is some cross-over in activities (largely in the events space) there is good coordination between Councils and HBTL.
- Business capability-related support is largely provided through the Regional Business Partner (RBP) Programme (although Hastings District Council (HDC) does do a bit of this as well).
- Cluster and sector work with industry coalitions is largely led by BHB.
- There are some good examples of collaboration relating to investment attraction e.g. NZ Institute for Skills and Technology and Jetstar but activity related to investment and talent attraction has been largely ad hoc (notwithstanding a desire to back existing strategies with funding for implementation).
- The Matariki Regional Development Strategy (RDS) governance structure and associated meetings are the main focal point for setting regional economic development priorities. There is recognition of Matariki's value for relationships and connecting under one umbrella i.e. a collective of people working together on shared and interdependent objectives and that the strategy and structure are relatively new and evolving. There is, however, concern among stakeholders that Matariki is not delivering on its promise and that governance could be streamlined.

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Table 2: Economic development services by provider

Provider/organisation/ initiative		*Type of economic development / economic wellbeing service*													
		Destination marketing and management			Business development and support		Innovation and industry development support				Skills - related support	Investment attraction: Business (B) Talent (T) Capital (C)	Export and/or offshore investment support	Strategy development, economic intelligence, monitoring		Regional economic development and economic wellbeing implementation support [e.g. Matariki Hawke's Bay Regional Development Strategy and Action Plan]
		Visitor attraction, promotion and marketing	Events /activities promotion, marketing, support and facilitation	Running events	Business information and referral services	Business capability support	R&D funding /support	Feasibility studies and business cases for sector and investment projects	Cluster & Sector work with industry coalitions	Co-investment in major projects				Economic strategy development	Economic intelligence and monitoring	
Local Government	Hawke's Bay Regional Council (HBRC)		√			via RBP √	via RBP √	Ad hoc	Ad hoc	Ad hoc		Reactive			User only	√
	Wairoa District Council (WDC)	√	√	√	√ (light touch)			Engage only	Ad hoc	In-kind mainly	√	Reactive		√	User only	√
	Central Hawke's Bay District Council (CHBDC)	√	√	√	√ (light touch)			Engage only	Ad hoc	In-kind mainly	√	Reactive		√	User only	√
	Napier City Council (NCC)	√	√	√	√ (light touch)			Engage only	√	√		Reactive			√	√
	Hastings District Council (HDC)	√	√	√	√	√		Ad hoc	√	√	√	Reactive		√	√	√
BHB & HBTL	Business Hawke's Bay (BHB)		√		√	√		Engage only	√	In-kind mainly	√	√ (B,T,C)		√	√	√
	Hawke's Bay Tourism (HBTL)	√	√	√	√ (light touch)	√			√						√	√
HB Chamber	Hawke's Bay Chamber of Commerce				√	√										
Iwi / Hapū / Post-settlement entities	Ngāti Kahungunu Iwi Inc.							√		√	√	Reactive		√		√
	Te Taiwhenua o Te Whanganui a Orotu			√	√	√					√			√		√
	Te Taiwhenua o Heretaunga				√	√		√		√	√			√		√
	Te Taiwhenua o Tamatea Inc							√			√			√		√
	Tātau Tātau o Te Wairoa Trust				√			√		√		Reactive		√	√	√
	Hineuru Iwi Trust							√		√		Reactive		√		√
	Maungaharuru-Tangitū Trust							√		√		Reactive		√		√
	Ngāti Pāhauwera Development Trust				√	√		√		√	√	Reactive		√		√
	Heretaunga Tamatea Settlement Trust							√		√		Reactive		√		√
	HB Māori Tourism	√	√	√										√		√

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7.3 Investment in activities/services

Table 3 below captures the investment Hawke's Bay Councils are making into business support and industry development across the region. In total this funding comes to just over $10m.

The following points can be made in regard to this funding:

- HBRC appears to have the largest specific economic development budget but the HBRC role is more akin to a collection and distribution agency. HBRC collects an economic development rate from Hawke's Bay ratepayers (given it is the only Council with a regional remit), and this is used to fund HBTL (on behalf of the region), and provide a share of the ratepayer funding for BHB. HBRC also provides the funding for the Regional Business Partner (RBP) programme via the contract it holds with Central Government (NZTE and Callaghan Innovation).
- NCC is the largest overall funder of activities and services that are in-scope of this review but this includes funding for the Napier i-Site and Napier War Memorial Centre (given their roles in regard to visitor attraction/promotion and/or events). Excluding this funding Napier's investment in economic development activities and services sits around $714,000 per annum (and well below HDC's investment).
- HDC's investment in economic development activities and services (not including the i-Site and Toi Toi) is around $1.29m.
- Funding for HBTL makes up 15.7% of the funding. Funding for BHB makes up 3.3% of funding. Funding for specific Council ED teams (salaries + funding for discretionary activities/projects) makes up around 13% of funding.
- At an aggregate level (nominal) funding has remained about the same over the last five years. This means in real terms funding has fallen.
- There has been some change to funding at a more detailed level e.g. HBRC used to have an Economic Development Manager; HDC has been shifting funding from the ED budget to its Strategic Projects team.
- Just under half of (in-scope) funding is directed to the i-Sites, the Napier War Memorial Centre and Toi Toi. There is a clear path dependence with current economic development funding. Over time the region has built community and visitor infrastructure that is more effectively utilised with external visitor support e.g. even setting aside i-Sites, ToiToi and NCC, the region has Splash Planet, the National Aquarium, The Faraday Centre etc, and funding for destination marketing and management-related activities has followed this existing activity.
- In terms of FTE resources, HBTL has the largest FTE count at around 8.15; BHB has around 6.5; HDC has the largest FTE count of the Councils at around 6.1 FTEs (2.1 FTEs in the ED team, 1 Event Manager role, and 3 roles from the Strategic Projects team (note - the analysis has not included any FTEs from marketing and communications for any of the Councils); HBRC has 6 (but this is mostly the RBP team that sits in the Business Hub); NCC has around 4.35 (1 Economic

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Development Manager role, 1 Event Manager role, and 2 roles that do similar work to HDC's Strategic Projects team. Both CHBDC and WDC have around 1 FTE.

Table 3: Investment in business support and industry development

Funding/payment for service	CHBDC	HBRC	HDC	NCC	WDC	TOTAL	% of Total
Annual specific ED budget	$256,000	$2,477,000	$930,000	$352,033	$231,395	$4,246,428	
Funding available for discretionary Council ED team activities	$30,200	$71,000	$378,000	$75,433	$86,651	$641,284	6.37
Funding to BHB	$10,000	$100,000	$100,000	$110,000	$10,000	$330,000	3.28
Business Hub - right to occupy	$2,000	$18,000	$11,600	$11,600	$2,000	$45,200	0.45
Funding to HBTL	$80,000	$1,500,000	-	-	-	$1,580,000	15.70
Funding for RBP	-	$358,000	-	-	-	$358,000	3.56
Funding for GTGH	$3,800	$10,000	$17,777	$10,000	$2,744	$44,321	0.44
Funding for i-Site/s	-	-	$384,612	$1,202,697	$214,800	$1,802,109	17.91
Funding for Toi Toi/Napier War Memorial Centre	-	-	$838,293	$2,341,465	-	$3,179,758	31.60
Funding for events (that attract out of district/region visitors)	$19,450	-	$137,758	$184,500	$10,000	$351,708	3.49
Funding for (in-scope) strategic projects/business partnership work	-	-	$300,000	$150,000	-	$450,000	4.47
Funding for incentive grants	-	-	$50,000	-	-	$50,000	0.50
Funding for industry groups e.g. Future Farming, Learning HB	-	$300,000	$20,000	$15,000	-	$335,000	3.33
TOTAL ESTIMATED INVESTMENT IN IN-SCOPE ED ACTIVITY	**$302,650**	**$2,504,200**	**$2,515,240**	**$4,257,895**	**$483,395**	**$10,063,380**	**100**

Figure 1: Annual economic development funding by Council

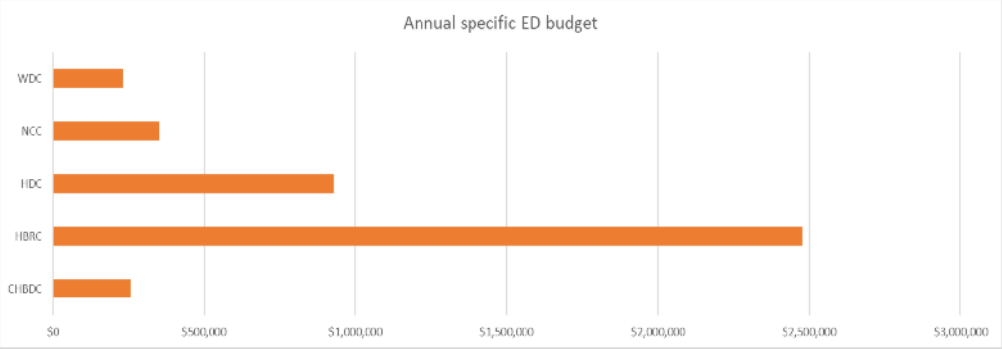
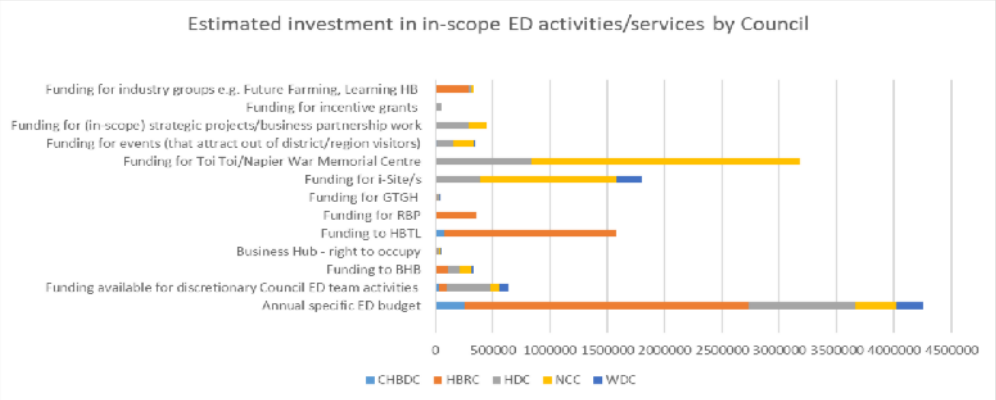


Figure 2: Estimated investment in economic development activities/services by Council



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Table 4: FTE resources by provider (estimates only)

Economic development activities/services	*FTE Resource*						
	BHB	**HBTL**	**CHBDC**	**HDC**	**HBRC**	**NCC**	**WDC**
1. Destination marketing and management	-	8.15[1]	0.2[2]	1.5		1.5	0.2
2. Business development and support	1.9[3]	-	0.1	0.2	4.9[4]	0.1	0.1
3. Innovation and industry development support	1.42	-	0.1	0.5		0.1	0.1
4. Skills -related support	0.55	-	0.1	-		-	0.1
5. Investment attraction	0.15[5]	-	0.1	3.3		2.2	0.2
6. Export and/or offshore investment support	-	-	-	0.2		0.05	-
7. Strategy development, economic intelligence, monitoring	0.1	-	0.2	0.2	1[6]	0.2	0.2
8. Regional economic development and economic wellbeing implementation support	1.2	-	0.2	0.2	0.1	0.2	0.1
TOTAL[8]	**6.5[7]**	**8.15**	**1**	**6.1**	**6**	**4.35**	**1**

NOTES:
1. This includes corporate support.
2. CHB Tourism Coordinator role counted in HBTL FTEs.
3. This includes FTEs involved in running the Business Hub.
4. The RBP team is usually 2.1 FTEs; additional funding for COVID activities has increased this to 4.9 FTEs.
5. This includes the FTE resource used to support GTGH.
6. COVID Recovery Manager.
7. This includes corporate support and the use of some contractor resource.
8. FTE numbers do not include staff working at i-Sites or any other venues that may been captured in the funding estimates.

7.4 Investment in other regions

Comparing investment in economic development activities and services across NZ regions is notoriously fraught given the myriad of ways our regions have chosen to structure themselves, fund particular activities and report on funding. This means any comparisons need to be taken with a good

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grain of salt. We nevertheless provide this comparison as without it legitimate questions would be asked about how Hawke's Bay compared with other NZ regions.

The data below is sourced from Statistics NZ and the Economic Development Association of New Zealand (EDANZ). EDANZ run a regular survey that asks its members to provide data on the investment that is being made into tourism and wider economic development activities and services. The latest data available (for 2019) is captured in the 2nd to last column of Table 5 below. We have used two figures for Hawke's Bay to capture the investment being made via BHB and HBTL (around $1.85m per year), and the additional investment being made in specific (in-scope) council economic development activity. Note, we have chosen not to include funding for venues, events and 'strategic projects' which is captured in the preceding section in order to avoid adding activities that may not have been captured in the EDANZ reported figures.

With care not to over interpret this data, the following points can be made:

- Taranaki and Northland are the two regions with the closest population size and GDP.
- Taranaki's investment in economic development activities and services (including tourism) via its dedicated Economic Development Agency (EDA) 'Venture Taranaki' is approximately a third higher than Hawke's Bay's (including the Council ED spend) on per head of population basis.
- Northland's investment in economic development activities and services (including tourism) via its Economic Development Agency 'Northland Inc' is slightly lower than Hawke's Bay's (including the Council ED spend) on per head of population basis.
- On a per head of population basis the urban-dominated regions of Wellington and Auckland spend much more than other regions but Southland also has a comparatively high investment in economic development activities and services (including tourism).

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Table 5: Investment in economic development activities and services across NZ

Region	Year ended March 2019						
	GDP[2]	Population[3]	GDP per capita[4]	Share of national GDP	Percentage change in GDP 2014–19	Funding for EDAs + RTOs	EDA/RTO spend per person
	$(million)	Number	$ per person	Percent			
Wellington	38,997	525,200	74,251	12.9	23.9	$47,000,000	$89.49
Auckland	114,148	1,631,300	69,974	37.6	39.0	$60,000,000	$36.78
Taranaki	8,902	121,900	73,029	2.9	-4.0	$4,000,000	$32.81
Gisborne	2,161	49,100	44,004	0.7	31.6	$870,000	$17.72
Northland	7,861	186,700	42,104	2.6	34.7	$3,300,000	$17.68
Hawke's Bay	**8,673**	**172,600**	**50,251**	**2.9**	**31.3**	**$1,850,000**	**$10.72**
Hawke's Bay (+ Council ED spend)*	**8,673**	**172,600**	**50,251**	**2.9**	**31.3**	**$3,700,000**	**$21.44**
Manawatū-Whanganui	11,598	248,000	46,764	3.8	25.4	$2,900,000	$11.69
Bay of Plenty	17,243	321,100	53,700	5.7	44.4	$700,000	$2.18
Waikato	25,835	477,300	54,128	8.5	27.5	-	
Total North Island	**235,418**	**3,733,200**	**63,061**	**77.6**	**32.0**		
Canterbury[6]	37,509	624,100	60,101	12.4	22.6	$10,900,000	$17.47
Tasman / Nelson[5]	5,458	107,100	50,960	1.8	30.8	$2,400,000	$22.41
Otago	13,583	234,300	57,974	4.5	36.1	$5,384,000	$22.98
Southland	6,359	100,800	63,084	2.1	16.0	$5,000,000	$49.60
West Coast	1,861	32,600	57,101	0.6	10.0	$8,800,000	$269.94
Marlborough	3,248	49,000	66,277	1.1	34.1		
Total South Island	**68,018**	**1,147,900**	**59,254**	**22.4**	**25.2**		
GDP	**303,436**	**4,881,100**	**62,165**	**100.0**	**30.4**		

* Does not include funding for venues, events or 'strategic partnership' work

The following sections 7.5-7.11 provide more detail on the economic development activities and services currently being provided by BHB, HBTL, and each of the 5 Councils.

7.5 Business Hawke's Bay Incorporated (BHB)

7.5.1 Background

Business Hawke's Bay Incorporated ("BHB") is a not-for-profit Economic Development Agency whose aim is to facilitate collaborative planning and activity to foster economic and business development and growth for the benefit of the wider business community in the Hawke's Bay region. BHB was registered as an incorporated society in July 2013. Prior to this, it was a business unit of Hawke's Bay Chamber of Commerce which was created in 2011 with the support of regional stakeholders.

BHB works with a range of partners and stakeholders to develop business and support economic growth at a regional level. It is physically located in the Hawke's Bay Business Hub in Ahuriri, Napier, which allows co-location with other organisations important to the regional economic development eco-system - Hawke's Bay Chamber of Commerce, Te Kāhui Ōhanga o Takitimu, Regional Business Partners, NZTE, Callaghan Innovation Export New Zealand, Business Central, Young Enterprise, and the Food Innovation Network.

BHB works to 'Attract, Build, Connect and Focus' the business community through:

- Attraction of business, investment and a skilled workforce
- Building sectors, businesses, capability and innovation

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- Connecting the business community, with Business Hawke's Bay, Hawke's Bay Business Hub services, and Matariki the Regional Development Strategy for economic and social growth.
- A focus on improving productivity, innovation and entrepreneurship.

BHB is funded through a mix of individual council contracts (Hawke's Bay Regional Council, Napier City Council, Hastings District Council, Central Hawke's Bay District and Wairoa District Council), business sponsorship, revenue from operating the Business Hub, and Central Government grants (e.g. an MBIE grant tagged to supporting the operation of the Business Hub). Excluding Business Hub and project-funding, core funding totals approximately $462,000 per annum, of which $320,000 represents council funding and $142,000 is sourced from local businesses.

Table 6: Key elements of Business Hawke's Bay (BHB)

	Description
Structure and Governance	• BHB is a NZ Registered Incorporated Society • Incorporated Societies must have a minimum of 15 individual members or 5 corporate bodies, or a mix of both • BHB has 57corporate members – Unison Networks, Port of Napier, PanPac Forest Products, Langley Twigg, Future Products, Furnware, NOW Broadband & Communications • Sportsground • Each corporate member has 3 votes and a place on the Board • The Board is accountable to the members and the CE reports to the Board. • Board members are appointed at BHB's AGM for a term of one year. They are able to be reappointed and this has been the typical practice since 2013 (most existing Board members have held Board positions since 2013). Board members are volunteers and not paid. • The current Board is made up of representatives of – Langley Twigg; Unison; PanPac; Future Products Group; Pipfruit NZ; EIT; Napier Port; Sportsground, NOW, Furnware. • Board meetings are held on a monthly basis.
Purpose/Vision/Mission	• BHB refers to itself as "the region's business-led economic development agency". • BHB's purpose is to retain, grow and attract vibrant businesses and people to the region, and to make Hawke's Bay the best regional location in which to work, invest, live and grow
Key objectives	• Provide business development and support services to start-ups and growing firms, including through the establishment and operation of the Hawke's Bay Business Hub • Stimulate and support key industry clusters and working groups • Market the region as a great place for business, in collaboration with other private and public partners. •
Staff and structure	• Currently 6 established positions (soon to be 7 with new "Business Connector" position), this doesn't count the Comms Lead contractor). Only 2 positions are full time. • FTEs approx. 4.5 established (rising to 5.25 in October); 6.35 FTEs counting Comms Lead (a contractor and Portfolio Manager position which is only funded until Dec 2020) • Roles are: CEO (1); Business Growth & Projects Manager (0.6); Business Development Manager (Land to Brand – 0.5); Portfolio Manager (0.8, currently vacant, funded by MBIE, finishes in December 2020); Marketing

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	& Operations (0.5); HB Business Hub Concierge (1); Communications Lead (contractor - 0.3); Executive Assistant (7.5); Business Connector (0.75 – new position).	
Operational Revenue	2019/20 Total Revenue: $1,012,519.98 Total Expenses: $1,113,199.60 Sources of funding included: • Funding from Councils: $321,666.55 • Business Hub Operations – OPEX: $41,543.41 • Co Starters Revenue: $15,395.91 • LTO Rent: $141,753.42 • MBIE Funding: $200,000 over 2 years for Matariki programme support (NB: this funding ends Dec 2020) • Other Revenue: $65,618.11 • Room Hire HB Business Hub: $43,380.18 • Sponsorship Income (from local businesses): 141,749.97	2020/21 Total Revenue: Approx. 20% lower that FY 19/20 Total Expenses: Approx. the same as FY 19/20 Sources of funding the same as FY 19/20.
Source: BHB reports and material provided by BHB		

7.5.2 Key points on activities

BHB's activities are focussed on the following in-scope areas:

- Business development and support, such as business information and referral services and business capability support
- Innovation and industry development support, such as cluster & sector work with industry coalitions
- Skills building, attraction and retention initiatives
- Investment promotion and attraction
- Economic development and economic wellbeing strategy development, intelligence and monitoring
- Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy).

BHB is not the main provider of support services for:

- Business capability development. This is undertaken by the Regional Business Partner (RBP) team that is formally part of HBRC (and funded through the contract between HBRC and NZTE/Callaghan Innovation) but is co-located in the Business Hub with BHB;

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- Innovation, commercialisation and R&D support. This is undertaken by the Regional Business Partner (RBP) team (again funded through the contract between HBRC and NZTE/Callaghan Innovation);
- Export and/or offshore investment support. This is undertaken by NZTE and ExportNZ (the former in part through the RBP programme).

BHB also does not provide destination marketing and management and events-related services or activities. These services and activities are provided, for the most part, by Hawke's Bay Tourism who are responsible for the tourism marketing and promotion of Hawke's Bay.

The 5 Hawke's Bay Councils have a "Contract for Service" with BHB to enable BHB "to deliver activities and services to achieve agreed results which will contribute to regional economic development outcomes".

The Contract for Service notes that Councils recognise that where appropriate the Councils will work in partnership with others as a contributor to meeting the needs of the community, in respect of local infrastructure, local public services, and the performance of regulatory functions.

The Contract for Service recognises that BHB is a business-led economic development agency which can provide services to enable the Councils' economic development focus and delivery of economic development outcomes. It also recognises that both the Hawke's Bay Councils and BHB are committed and active collaborators in the Matariki Hawke's Bay Regional Development Strategy and associated action plan for economic and social growth.

The contract term for the current Contract for Service is 36 months from 1 July 2018 to 30 June 2021. This provides funding of $320,000 per annum subject to BHB meeting reporting requirements and key performance indicators (KPIs). These are explored in more detail in Section 9.

Section 8 also provides more detail on BHB's current work programme, the resources being devoted to the activities, any KPIs and/or measurement that is being applied to the areas/activities and performance related to existing measurement.

7.6 Hawke's Bay Tourism Limited (HBTL)

7.6.1. Background

Hawke's Bay Tourism Limited (HBTL) was officially established in July 2011 as the official Regional Tourism Organisation (RTO) for Hawke's Bay.

Prior to this Venture Hawke's Bay (VTB), an arm of the Hawke's Bay Regional Council (HBRC), was responsible for all tourism functions. VTB alongside the Hawke's Bay Wine Country Tourism Association (HBWCTIA) which was a membership organisation made up of the majority of tourism businesses in Hawke's Bay. In late 2010 a decision was made to merge the VTB tourism team and the team at HBWCTIA to form Hawke's Bay Tourism Ltd. The Hawke's Bay Wine Country Tourism

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Association became the Hawke's Bay Tourism Industry Association (HBTIA) which remains the sole shareholder of Hawke's Bay Tourism Limited.

HBTL receives funding via two primary sources:

- Hawke's Bay Regional Council (HBRC) is the primary funder for Hawke's Bay Tourism, with the current funding agreement covering the period 1 July 2018 – 30 June 2021. The agreement provides for annual funding of $1.52 million per year across the three years.
- HBTL is a membership organisation via the Hawke's Bay Tourism Industry Association. This means the industry is a partner in the promotion of tourism. Members pay a yearly membership fee to Hawke's Bay Tourism, which entitles them to a wide range of membership benefits.

Table 7: Key elements of Hawke's Bay Tourism Ltd (HBTL)

	Description	

Structure and Governance	• Hawke's Bay Tourism Ltd (HBTL) is a registered company
	• The Hawke's Bay Tourism Industry Association (HBTIA) is the sole shareholder of HBTL
	• The HBTL Board consists of:
	  ○ The Chair of the HBTIA
	  ○ A second board member of the HBTIA
	  ○ A Hawke's Bay Regional Council-appointed representative
	  ○ A Māori representative
	  ○ Two other representatives appointed by the HBTIA Board	

Purpose/Vision/Mission	• Purpose: To promote and co-ordinate opportunities for economic growth and prosperity for the visitor industry in Hawke's Bay • Vision: Tourism in Hawke's Bay is a vibrant and valued contributor to the region's economy • Mission: Get visitors here now, doing more, and coming back	
Key objectives	• Hawke's Bay Tourism is responsible for the tourism marketing and promotion of Hawke's Bay • Success is measured by increasing visitor spend and visitor nights spent in Hawke's Bay • The funding agreement with Hawke's Bay Regional Council (HBRC) sets out a range of Key Performance Indicators (KPIs) relating to visitor spend, industry contributions, sustainability objectives, industry advocacy and capability, and the development of a regional destination management strategy. • KPIs are negotiated and agreed through an Service Level Agreement (SLA). Quarterly and annual reporting is required.	
Staff and structure	• 9 positions; 8.15 FTEs • Roles are: CEO; Consumer Marketing; Central Hawke's Bay Tourism Coordinator (0.8); Marketing Manager; Trade Sales and Marketing Manager; Events and Membership Coordinator; Finance and Administration (0.8); Public Relations and Media Manager (0.8); and Food and Wine Project (for 10 months only at 0.75)	
Operational Revenue	2019/20 Total Revenue: $2.2 million Sources of funding included: • $1.52 Million from the Hawke's Bay Regional Council (69% of funding)	2020/21 Total Revenue: $2.2 million (excluding circa $1.2m in additional one-off Central Govt funding) Sources of funding included: • $1.52 Million from the Hawke's Bay Regional Council (69% of funding)

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	• $94,000 from Members, excluding investment in investor guide (which is a break-even activity) and additional 'contra' (4.3% of funding) • $80k from the Central Hawke's Bay (CHB) District Council for specific CHB activities (3.6% of funding)	• $94,000 from Members, excluding investment in investor guide (which is a break-even activity) and additional 'contra' (4.3% of funding) • $80k from the Central Hawke's Bay (CHB) District Council for specific CHB activities (3.6% of funding) • Central Government: - One-off $700k to support COVID recovery regional promotional activities - TBC: One-off circa $500k to support a 2-4 year investment plan in regional events.

Source: HBTL reports

7.6.2. Key points on activities

HBTL is responsible for the tourism marketing and promotion of Hawke's Bay. Its activities are therefore focussed in the 'destination marketing and management' category of economic development and wellbeing services provided across the region. This includes owning and supporting 3 key regional events: Food and Wine Classic (FAWC); The Big Easy; and Spring Fling.

In addition to core destination marketing and management activities HBTL:

- Works on an ad hoc basis with tourism industry groups to pursue activities that are aligned with member and regional objectives e.g. work with the cruise industry on a regional cruise strategy;
- Offers an annual winter (low season) series of tourism business capability workshops. For example, workshops have been targeted at marketing, public relations, and distributional channels;
- Is an active contributor to Matariki REDS (particularly Pou 5 "Promoting Our Place");
- Acts as a conduit and feeder to the relevant economic development organisation or service by providing light touch referral services e.g. referrals to the Regional Business Partner Programme.

HBTL's core destination marketing and management activities are currently focussed on 5 key areas:

- Marketing – 34% of FTEs.
- PR and Comms – 9.4% of FTEs.
- Travel trade sales – 12.3% of FTEs.
- Events co-ordination – 12.3% of FTEs.
- Food and wine project – 9.2% of FTEs.

The Hawke's Bay Regional Council (HBRC) collects an economic development rate from Hawke's Bay ratepayers and this is used (in large part) to fund the region's (public) contribution to HBTL's role as the Regional Tourism Organisation for Hawke's Bay. A funding agreement between HBRC and HBTL underpins this with the provision of ratepayer funding subject to certain performance criteria as measured by KPIs, reporting and audit requirements (these are explored in more detail in Section 9.3).

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In 2014/15 HBRC committed to a three-year funding agreement which increased HBTL funding from $920,000 to $1.82m over three years. As part of the 2018-28 Long Term Plan (LTP) process, HBRC consulted on reducing HBT's funding back to $920,000pa. Post-consultation, HBRC decided to instead support HBTL at a rate of $1.52m per annum for three years with subsequent funding levels to be reviewed through the 2021-31 LTP process.

Section 9.3 also provides more detail on BHB's current work programme, the resources being devoted to the activities, any KPIs and/or measurement that is being applied to the areas/activities and performance related to existing measurement.

7.7 Hawke's Bay Regional Council (HBRC)

HBRC has an important role to play in the economic development of Hawke's Bay through its primary responsibility to support the sustainable management of natural resources to provide for the needs of current and future generations. HBRC sees this stewardship role providing a stable and long-term operating environment for industries and other natural resource users.

Over the last few years HBRC has focused more sharply on the environmental challenges of freshwater quality, freshwater security and climate change and they have taken a deliberate step to differentiate their economic development activity from the more traditional approaches of Territorial Authorities (TAs). The TA's are arguably incentivised to drive absolute growth which in turn grows the rating base. This results in initiatives that seek to attract businesses and people to a district. HBRC has taken the view that its priority is not to drive growth, rather it is to avoid loss by ensuring the entire region can rely on a sustainable natural resource platform upon which an entire community can thrive. Under this approach and perspective, HBRC sees its core business as playing a vital role in the economic development of the region by providing security, stability and certainty for the region's investors and decision makers.

In HBRC's current LTP 2018-2028 its economic development role is described as follows:

"HBRC as a whole plays a broad role in regional economic development by ensuring the natural resource platform upon which both the economy and community relies on is managed to meet the reasonably foreseeable needs of future generations. In addition, council contributes to the Matariki Regional Economic Development Strategy (REDS) and HBRC-led projects within the strategy. This activity includes regional funding via targeted economic development rate to support Business Hawke's Bay and HB Tourism."

HBRC has long-standing involvement with the region's economic development. More recently the key HBRC's key activities in economic development have included:

- The assimilation of the disestablished regional economic development agency Venture Hawke's Bay;
- The establishment of Hawke's Bay Tourism Ltd and the cross-council agreement that HBRC would rate exclusively for this purpose as opposed to HBT be funded by all councils;

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- The support of numerous economic or business case studies and scoping exercises (e.g. tourism opportunities for Wairoa arising from Rocket Lab activities);
- Support of the business case for the economic development aspects of the Ruataniwha Water Storage Scheme;
- Support for Business Hawke's Bay's role as the hub and coordinator for a regionally devolved ED delivery model;
- Support for the establishment of the Business Hub;
- Assumption of responsibility for the NZ Trade & Enterprise Regional Business Partner program, now based at the Business Hub;

Table 8 below provides more detail on the economic development activities/services that HBRC currently undertakes or supports via funding. In summary:

- HBRC collects an economic development rate from regional ratepayers to fund economic and tourism development across the region. These funds are applied to HBTL, BHB, HB Chamber of Commerce and other economic development opportunities.
- Following consultation as part of the 2018-28 Long Term Plan (LTP) process it was agreed to adjust the economic development rating allocation to become more weighted to the commercial sector. The residential/commercial rates ratio has changed over time from 70:30 to 50:50 to the current 30:70.
- The funding HBRC provides HBTL on behalf of the region is worth $1.52m/year.
- HBRC provides the funding for Regional Business Partner (RBP) programme via the contract it holds with NZTE and Callaghan Innovation. This funding is $358,000 per year.
- HBRC is a key funding partner (along with the other 4 TAs) of BHB. HBRC contributes $100,000 per annum to BHB.
- More recently HBRC has supported the establishment of a Regional Recovery Manager. This position is jointly funded with the TAs.
- HBRC contributes to the Matariki Regional Economic Development Strategy (REDS) and HBRC-led projects within the strategy. This includes being a member of the 'Think Hawke's Bay' group which is an informal network of the Council economic development leads, BHB, HBTL, Napier Port and Hawke's Bay Airport. The Think Hawke's Bay group helps to coordinate the delivery of aspects of the Matariki strategy, in particular investment and talent attraction.

  HBRC has supported (through co-funding) specific feasibility and business case work where these opportunities have potential for improving region-wide outcomes and/or are aligned with the Council's land management and diversification objectives.

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Table 8: HBTL economic development activities/services

Focus of economic development / economic wellbeing activity	*Description of activity and outputs generated*	*FTE Resource*
1. Destination marketing and management		
• Visitor attraction, promotion and marketing • Events /activities promotion, marketing, support and facilitation • Running events	• Undertaken through agreement HBTL but HBRC provides the regional funding for HBTL via a targeted economic development rate • HBRC contributes to the costs of a range of events (approx. 74,000/year) • HBRC marketing and comms team plays a role in promotion of events	Marketing and comms resources have not been included (across all Councils)
2. Business development and support		
• Business information and referral services • Business capability support	• HBRC holds the Regional Business Partner (RBP) contract) with NZTE and Callaghan Innovation. • The RBP team is physically located in the Ahuriri Business Hub. • HBRC is a key funding partner of BHB.	The RBP team (including the sub-contracted position to HB Chamber) is normally 2.1 FTEs but COVID has added another 2.8 until end Oct 2020. Key decisions still to be made on future resourcing via Central Govt.
3. Innovation and industry development support		
• R&D funding /support • Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions • Co-investment in major projects	• Ad hoc e.g. Wairoa Hort Project; Napier/Wairoa rail project • Provision of local context	None dedicated
4. Skills -related support	• N/A	
5. Investment attraction		
• Business attraction • Talent attraction • Capital attraction	• Reactive • Member of Think Hawke's Bay group • A funding partner of Great Things Grow Here (GTGH) platform	None dedicated
6. Export and/or offshore investment support	• Sister region in China	None dedicated
7. Strategy development, economic intelligence, monitoring		
• Economic strategy development • Economic intelligence and monitoring	• HBRC doesn't have a standalone economic strategy • COVID recovery work • A user of economic intelligence • Summaries are prepared and made available for senior leaders	1 FTE COVID Recovery Manager)
8. Regional economic development and economic wellbeing implementation support	• HBRC has representation on 5 of the Matariki pou	None dedicated

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7.8 Hastings District Council (HDC)

HDC articulates its role in 'economic and community development as "focused on creating the conditions for community wellbeing, the economic and social prosperity of our people and the communities within which they live".

To do this HDC sees its job as:

1. Making available land for industrial, commercial and residential growth
2. Working with partners to grow business and jobs
3. Supporting visitor attraction
4. Developing long term plans for our communities

HDC has articulated the following actions or work programmes that underpin the four focus areas outlined above:

- Planning for district development and ensuring availability of serviced land
- Planning urban centres and neighbourhoods (Place Based Plans)
- Planning together with mana whenua
- Working with young people and older people
- Community safety initiatives
- Provision of visitor facilities (i-site, Holiday Park)
- Economic and social development research and planning
- Empowering communities to do things for themselves
- Project based work focused on business investment and jobs, including:
    - business attraction
    - connecting schools with industry and unemployed people with jobs
    - increasing migrant business investment
    - improving the value of land based horticulture and agriculture products
    - advancing E-commerce initiatives.

Table 9 below provides more detail on the economic development activities/services that HDC currently undertakes or supports via funding. In summary:

- HDC plays a key role in developing, maintaining and enhancing local facilities and in supporting key events and visitor attraction in order to benefit local businesses (tourism, accommodation, retail, hospitality etc)
- While busines development and support is mainly undertaken through BHB, HDC does run its own 'Hastings District Productivity Programme'. HDC contract the 'Lean Hub' to provide a '5s programme'. This has recently been broadened to cover leadership training. This is similar in nature to the RBP programme where businesses provide co-funding to access the support.
- The Hawke's Bay Food Innovation Hub has been the focus of activity in the innovation and industry development space. The Hub is projected to be a centre of excellence in food processing skill

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training, a place of sustainable food and beverage innovation, production and packaging innovation and a centre of entrepreneurship in food business. In late 2019 the Government announced a $12 million grant toward the $18 million project via the Provincial Growth Fund (PGF) – subject to the additional $6 million coming from other regional investors. HDC has proposed that it will contribute $1m toward the regional investment required.

- HDC (and NCC) provide top-up funding for Learning Hawke's Bay which is a membership association of education providers in the Hawke's Bay region. Learning Hawke's Bay's mission is to grow the value of international education in Hawke's Bay.
- HDC is a member of the Think Hawke's Bay group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport). This is a key coordinating and collaboration mechanism for investment attraction activities.
- HDC can develop tailored material for businesses looking to locate in HB. This is typically a collaborative effort with BHB and other Councils (through Think HB).
- HDC leads on the Great Things Grow Here (GTGH) brand platform on behalf of region by providing the FTE resource and a contribution to funding. GTGH is a marketing platform that seeks to maximises opportunities to promote and showcase the benefits of doing business and living in Hawke's Bay.
- HDC has a team called 'Strategic Projects, Key Account Services and Capital Investment Partnerships' (SPKASCIP) that can work alongside key businesses and/or projects to smooth the investment process and engagement with Council. This business and investment 'hand-holding' and facilitating function is considered by HDC as a successful model and has grown from the successful support HDC provided to Kiwibank when they were looking to establish a regionally-based call centre.
- HDC also has a Financial Incentive Grant that can be used to support specific opportunities e.g. where the public benefit case is significant.

Table 9: HDC economic development activities/services

Focus of economic development / economic wellbeing activity	*Description of activity and outputs generated*	*FTE Resource*
1. Destination marketing and management		
• Visitor attraction, promotion and marketing • Events /activities promotion, marketing, support and facilitation • Running events	• Undertaken mainly through HBTL via agreement with HBRC • HDC owns the local i-Site that undertakes some of this activity (although 75% of enquiries are citizens advice-related) • HDC funds and sponsors key events. Approx. 30% of these events are larger events that attract out of region visitors e.g. Horse of the Year • ED team sponsors key events e.g. AMP wine awards, Export NZ, Lanten Festival	1 FTE (Event Manager) i-Site has 5 FTEs with varying roles 0.5 FTE (ED team)

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		Have not counted contribution of HDC marketing team
2. Business development and support		
• Business information and referral services • Business capability support	• Undertaken mainly via Business Hawke's Bay (BHB) and HB Chamber of Commerce • Play a funnelling role to main providers • HDC has a hot-desk at the Business Hub • HDC runs a Hastings District Productivity Programme. They contract the 'Lean Hub' to provide a '5s programme'. This has recently been broadened to cover leadership training. Similar in nature to the RBP programme. $5-$10k per business. Business co-funds.	0.1 FTE (ED team)
3. Innovation and industry development support		
• R&D funding /support • Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions • Co-investment in major projects	• R&D funding / support not provided • Mainly provision of local context and in-kind support • HDC does provide financial support for feasibility and business case work on a case by case basis at times • The HB FoodHub has been a major recent project and undertaking • HDC (and NCC) provide top-up funding for Learning Hawke's Bay	0.5 FTE (ED team)
4. Skills -related support	• See business capability support above	
5. Investment attraction	•	
• Business attraction • Talent attraction • Capital attraction	• HDC is a member of the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport). This is a key coordinating and collaboration mechanism for investment attraction activities. • HDC can develop tailored material for businesses looking to locate in HB e.g. Datacom and NZ Institute of Skills and Technology. This is typically a collaborative effort with BHB and other Councils (through Think HB). • HDC leads on Great Things Grow Here (GTGH) on behalf of region • HDC has a team called 'Strategic Projects, Key Account Services and Capital Investment Partnerships' (SPKASCIP) that can work alongside key businesses and/or projects to smooth the investment process and engagement with Council • HDC also has a Financial Incentive Grant that can be used to support specific opportunities e.g. where the public benefit case is significant.	0.2 FTE (ED team) 0.1 FTE (Project management support for GTGH)
6. Export and/or offshore investment support	• HDC Eco Dev team leads on international engagement/connection work e.g. China Tourism Project; and Sister City with Guilin in China	0.1 FTE (ED team)
7. Strategy development, economic intelligence, monitoring		

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• Economic strategy development • Economic intelligence and monitoring	• HDC does not have an independent standalone economic development strategy. Economic development objectives are captured in the LTP and Annual Plans. • HDC has played a key role in recent COVID recovery work • HDC is a user of economic intelligence. They share the Infometrics and Dot Loves Data regional licences and buy retail stats from Market View (retails stats are shared with business associations) • Summaries are prepared and made available for senior leaders, use in media releases, speeches etc	0.1 FTE (ED team)
8. Regional economic development and economic wellbeing implementation support	• HDC has representation on 5 of the Matariki pou	0.2 FTE (ED team)

7.9 Napier City Council (NCC)

Napier City Council (NCC) has framed its role in the business and industry development aspects of economic development mainly under "community and visitor experiences". NCC's 2020-21 Annual Plan notes the following key outcomes it is seeking for Napier:

- A vibrant innovative city for everyone.
- Excellence in infrastructure and public services for now and in the future.
- A sustainable city.
- A safe and healthy city that supports community well-being.

The focus of the Annual Plan's significant initiatives are mainly related to venue development or enhancement activities e.g. National Aquarium of NZ expansion project, upgrades at Kennedy Park, and further work on a range of recreation facilities. The Annual Plan notes that NCC intends to commence the development of a "Business and Tourism Strategy".

NCC's 2018-2028 Long Term Plan (LTP) notes that the Council "*supports and encourages a thriving Napier and Hawke's Bay economy and business culture which helps nurture and grow local start-ups, provides support to help existing businesses expand and prosper, kickstart new investment and attract new residents and businesses to the area.*"

To support this the LTP notes that the focus of attention will be on:

- Continuing to support Matariki REDS (which is focused on growing jobs across the region, increasing household income and raising up Hawke's Bay economic performance into the top quarter of New Zealand regions.)
- Developing a Napier Economic Development Strategy (NEDS) that integrates and aligns with Matariki REDS. The objective of the NEDS is to position Napier to achieve sustainable growth and prosperity by growing existing businesses, nurturing start-ups, growing a pipeline of entrepreneurs and attracting new firms, people and new investment.

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- Building on the innovative capacity of our businesses, build twenty-first century infrastructure, turn start-ups into scale-ups and seek to diversify the economy. [Note, there aren't clear actions attached to this focus area].
- Supporting emerging players, especially in the digital economy, by creating dynamic spaces in growing parts of the City such as Ahuriri to enhance the experience of those working in the innovation sector and by attracting new skilled talent to the city.

Table 10 below provides more detail on the economic development activities/services that NCC currently undertakes or supports via funding. In summary:

- HNCC plays a key role in developing, maintaining and enhancing local facilities and in supporting key events and visitor attraction in order to benefit local businesses (tourism, accommodation, retail, hospitality etc). This is a clear focus of (in-scope) economic development activities/services.
- NCC does not provide direct business development-related support (this is contracted out to BHB and HBTL (through the contract with HBRC)) but it does play a role in funnelling businesses to the main providers of services.
- NCC's innovation and industry development work is ad hoc and largely takes the form of information provision where this adds value. Like HDC, NCC provides top-up funding for Learning Hawke's Bay.
- HCC is a key member of the Think Hawke's Bay group and has been involved in collaborative efforts to encourage businesses looking to locate in Hawke's Bay.
- Unlike HDC, NCC does not have a specific team that works alongside key businesses and/or projects to smooth the investment process and engagement/s with Council. There are, however, 2 roles in NCC planning teams that provide this type of service.
- NCC is key contributor to Matariki REDS and is responsible for sister city relationships in Japan, Canada and China.

Table 10: NCC economic development activities/services

Focus of economic development / economic wellbeing activity	*Description of activity and outputs generated*	*FTE Resource*
1. Destination marketing and management		
• Visitor attraction, promotion and marketing • Events /activities promotion, marketing, support and facilitation • Running events	• Undertaken through HBTL via agreement with HBRC • NCC owns the local i-Site that undertakes some of this activity • NCC owns Napier Conference Centre which plays a key role in hosting conferences that attract people from out of region. Employees are NCC employees • NCC Manger of Business and Tourism, oversees running of museum, i-Site and Conference Centre • NCC has an Event Manager who is also involved in event attraction	1 FTE (Event Manager) 0.5 FTE – (Manager of Business and Tourism) Have not counted contribution of NCC marketing team

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	• NCC marketing team plays a role	
2. Business development and support		
• Business information and referral services • Business capability support	• These activities are not undertaken directly • Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce • NCC plays a funnelling role to main providers of services	0.1 FTE (NCC Economic Manager)
3. Innovation and industry development support		
• R&D funding /support • Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions • Co-investment in major projects	• R&D funding / support not provided • Mainly provision of local context • Ad hoc, usually in-kind support where needed e.g. tech sector • NCC (and HDC) provide top-up funding for Learning HB	0.1 FTE (NCC Economic Manager)
4. Skills -related support		
5. Investment attraction		
• Business attraction • Talent attraction • Capital attraction	• Mainly undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport). • Unlike Hastings District Council (HDC) NCC does not have a specific team that works alongside key businesses and/or projects to smooth the investment process and engagement/s with Council. There are, however, 2 roles in NCC planning teams that provide this type of service. These roles have been captured for completeness and comparability.	0.2 FTE (NCC Economic Manager) 2 FTEs (in planning teams)
6. Export and/or offshore investment support	• Sister City relationships with: o Tomokomai, Japan o Victoria, Canada o Linguanyan, China	0.05 FTE (NCC Economic Manager)
7. Strategy development, economic intelligence, monitoring		
• Economic strategy development • Economic intelligence and monitoring	• Napier City Council does not have an economic development strategy • But the City Vision Framework is relevant, as well as the more recent COVID recovery work • The NCC 2020-21 Annual Plan notes that a key 'business and tourism' initiative under the 'Community and Visitor Experiences' priority area will be to "commence development of a Business and Tourism Strategy". • NCC is a user of economic intelligence. Summaries are prepared and made available for senior leaders	0.2 FTE (NCC Economic Manager)
8. Regional economic development and economic wellbeing implementation support	• NCC has representation on 5 of the Matariki pou	0.2 FTE (NCC Economic Manager)

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7.10 Central Hawke's Bay District Council (CHBDC)

In 2019 Central Hawke's Bay District Council (CHBDC) developed its first Economic Development Strategy and Action Plan[4]. CHBDC's 2018-2028 LTP had identified this as a key action in order to:

- Provide clarity on the role the Council plays in economic development; and
- Identify the actions that will assist Council to deliver on the levels of service related to Economic and Social Development activity that were included in the LTP.

CHBC's Economic Development Strategy and Action Plan provides support for:

- The work programme for CHBC's newly created Economic Development Advisor role
- Integration with the Matariki Hawke's Bay REDS and Action Plan
- Promoting with certainty investment opportunities to attract new businesses to CHB
- Support to existing business to diversify
- Support to businesses to increase productivity and 'add value' through innovation
- Investigating opportunities for export and collaboration.

CHBDC has also recently created and adopted an economic recovery plan to help the district respond to COVID-19 and the severe drought over the 1019/20 summer. The plan features 16 action points that support the delivery of emergency welfare and provide a framework and fiscal stimulus package to ensure the response has a long-term view[5].

Table 11 below provides more detail on the economic development activities/services that CHBDC currently undertakes or supports via funding. In summary:

- Like the other TAs CHBDC plays a key role in developing, maintaining and enhancing local facilities and in supporting key events and visitor attraction in order to benefit local businesses (tourism, accommodation, retail, hospitality etc).
- CHBDC funds a Tourism Coordinator role (0.6 of an FTE) via a separate contract with HBTL. This is additional funding for HBTL over and above the funding it receives on behalf of the region from HBRC. The CHB Tourism coordinator role is focused on - advocating for CHB tourism opportunities as part of the wider region; providing leadership and advocacy for CHB tourism operators; and leading two important CHB events (Little Easy and the Spring Fling).
- CHBDC does not provide direct business development-related support (this is contracted out to BHB and HBTL but it does play a role in funnelling businesses to the main providers of services.
- CHBDC has, however, recently provided funding for 'Shop Local CHB' as part of its COVID response and recovery work. Shop Local CHB is an online platform that connects people to CHB businesses and services. CHBDC has also been leading some work on the development of a local digital business hub. This would provide a dedicated space for a range of small businesses (including

[4] https://www.chbdc.govt.nz/assets/Uploads/CHBDC-Economic-Action-Plan-Final-August-2019.pdf
[5] https://www.chbdc.govt.nz/assets/Uploads/002209-Economic-Recovery-Doc-aR.pdf

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start-ups and self-employed), so that they can more easily access shared facilities, training/mentoring programmes and network opportunities.

- CHBDC's innovation and industry development work is ad hoc and largely takes the form of information provision where this adds value.
- CHBDC is a key member of the Think Hawke's Bay group and has been involved in collaborative efforts to encourage businesses looking to locate in Hawke's Bay.
- CHBDC has been active in thinking about skills deployment. It has played a role in creating a framework for thinking about skills development in a local context e.g. a (regional) skills attraction strategy has been created but this is not yet activated (further funding is required). It has also been an active advocate and participant in the Mayor's Taskforce for Jobs scheme.
- CHBDC is an active key contributor to Matariki REDS.

Table 11: CHBDC economic development activities/services

Focus of economic development / economic wellbeing activity	*Description of activity and outputs generated*	*FTE Resource*
1. Destination marketing and management		

• Visitor attraction, promotion and marketing
• Events /activities promotion, marketing, support and facilitation
• Running events
	• These activities are not undertaken directly
	• Undertaken through HBTL via:
	  • Agreement with HBRC (covering baseline or basic expectations); and
	  • Additional contract for Tourism Coordinator role (3 days per week)
	  • Tourism coordinator role leads on some events e.g. Little Easy and Spring Fling
	• Have been more active on bidding for events in collaboration with HBTL e.g. NZ cycle nationals
	• Nga Ara Tipuna (a Maori cultural tourism project), is relevant. CHBDC Economic Manager spends approx. 1/5 of time on this
		0.6 FTE (Tourism Coordinator employed by HBTL)
		
		0.2 (CHBDC Economic Manager)

2. Business development and support		
• Business information and referral services • Business capability support	• These activities are not typically undertaken directly • Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce • CHBDC plays a funnelling role to main providers of services • CHBDC also funds 'Shop Local CHB' in an ad hoc manner to deliver some of these services. • Considering a digital business hub to strengthen this activity.	0.1 FTE (CHBDC Economic Manager)
3. Innovation and industry development support		
• Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions	• Mainly provision of local context • Ad hoc, usually in-kind support where needed	0.1 FTE (CHBDC Economic Manager)

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• Co-investment in major projects		

4. Skills -related support	• CHBDC has played a role in creating frameworks for thinking about skills development in a local context e.g. a (regional) skills attraction strategy has been created. Not yet activated. Funding is being sought.
	• Act as a channel for funding from e.g. Mayor's Taskforce for Jobs
	• Examples of activities (undertaken via contract for service):
	  • Mobile employment clinics
	  • Drivers licensing (including heavy vehicle endorsements)
	  • Pastoral support and work readiness
	  • PPE and health and safety training
	• Have redeployed 46 people over the last 5 weeks.
		0.1 FTE (CHBDC Economic Manager)

5. Investment attraction		
• Business attraction • Talent attraction • Capital attraction	• Undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport).	0.1 FTE (CHBDC Economic Manager)
6. Export and/or offshore investment support	• N/A	
7. Strategy development, economic intelligence, monitoring		
• Economic strategy development • Economic intelligence and monitoring	• CHBDC has developed a CHB Economic Development Action Plan and a COVID-19 and Drought Recovery Plan • CHBDC is a user, not creator, of economic intelligence • CHBDC uses Dot Loves Data dashboard and Infometrics regional licences	0.2 FTE (CHBDC Economic Manager)
8. Regional economic development and economic wellbeing implementation support	• CHBDC has representation on 5 of the Matariki pou	0.1 FTE (CHBDC Economic Manager)

7.11 Wairoa District Council (WDC)

Wairoa District Council (WDC)'s 2020/21 Annual Plan Strategic Direction is framed around three interconnected "Community Outcomes":

1. Economic wellbeing

- A strong, prosperous and thriving economy
- A safe and integrated infrastructure

2. Social and cultural wellbeing

- A community that values and promotes its culture and heritage
- Safe and accessible recreational facilities
- Supportive, caring and valued communities
- Strong district leadership and a sense of belonging

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3. Environmental wellbeing

- A safe and secure community
- A lifetime of good health, education and wellbeing
- An environment that is appreciated, protected and sustained for future generations

WDC's 2018-2028 LTP also acknowledges that economic development is a key priority alongside maintaining levels of core services and infrastructure to provide a foundation for strong and resilient communities.

Table 12 below provides more detail on the economic development activities/services that WDC currently undertakes or supports via funding. In summary:

- WDC plays a key role in developing, maintaining and enhancing local facilities and in supporting key events and visitor attraction in order to benefit local businesses (tourism, accommodation, retail, hospitality etc).
- WDC owns the local i-Site that plays a role in visitor attraction, promotion and marketing, but the primary responsibility for this work sits with HBTL (via the regional contract with HBRC).
- WDC does not provide direct business development-related support (this is contracted out to BHB and HBTL) but it does play a role in funnelling businesses to the main providers of services.
- WDC's innovation and industry development work is ad hoc and largely takes the form of information provision where this adds value. It has also on occasion involved limited co-funding for feasibility-related analysis. Recent work has included:
    - Work with local iwi and the HBRC on horticultural diversification across the Wairoa flats
    - Work with Rocket Lab to develop opportunities to leverage business attraction off their Te Mahia initiative
- WDC is a key member of the Think Hawke's Bay group and has been involved in collaborative efforts to encourage businesses looking to locate in Hawke's Bay.
- WDC is an active key contributor to Matariki REDS and has working closely with local iwi on a Wairoa District Recovery Strategy and Plan.

Table 12: WDC economic development activities/services

Focus of economic development / economic wellbeing activity	*Description of activity and outputs generated*	*FTE Resource*
1. Destination marketing and management		
• Visitor attraction, promotion and marketing • Events /activities promotion, marketing, support and facilitation • Running events	• Undertaken mainly through HBTL via agreement with HBRC • WDC owns the local i-Site that undertakes some of this activity. Focus is on information for tourists and visitors • WDC has a Community Development Officer that spends around 20% of time on community events.	2 FTEs at the i-Site 0.2 FTE (Community Development Officer)

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	These include larger ones that attract people from outside of district (approx. 30% of events)	
2. Business development and support		
• Business information and referral services • Business capability support	• These activities are not undertaken directly • Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce • WDC plays a funnelling role to main providers of services	0.1 FTE (WDC Economic Manager)
3. Innovation and industry development support		
• R&D funding /support • Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions • Co-investment in major projects	• R&D funding / support not provided • Mainly provision of local context • Ad hoc, usually in-kind support where needed	0.1 FTE (WDC Economic Manager)
4. Skills -related support	• Act as a channel for funding from e.g. Mayor's Taskforce for Jobs • Provide letters of support for key businesses when seeking RSE workers to fill skill gaps	0.1 FTE (WDC Economic Manager)
5. Investment attraction		
• Business attraction • Talent attraction • Capital attraction	• Mainly undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport). • Also ad hoc involved with laying out the welcome mat for potential investors e.g. work with Rocket Lab. • Note talent attraction from a WDC perspective also involves encouraging ex-pat whanau to return home to contribute to Wairoa's wellbeing	0.2 FTE (WDC Economic Manager)
6. Export and/or offshore investment support	• N/A	
7. Strategy development, economic intelligence, monitoring		
• Economic strategy development • Economic intelligence and monitoring	• WDC has an Economic Development Strategy from 2017 • The Wairoa Community Partnership Group and related goals and work programme are relevant as this captures the broader wellbeing approach Wairoa is taking to economic development • Recent work has involved working with iwi on a Wairoa recovery plan • WDC is a user of economic intelligence	0.2 FTE (WDC Economic Manager)
8. Regional economic development and economic wellbeing implementation support	• WDC has representation on 5 of the Matariki pou	0.1 FTE (WDC Economic Manager)

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8.0 ASSESSMENT OF RATIONALE AND FIT OF ACTIVITIES/SERVICES BEING DELIVERED

Two key lenses are important to consider when thinking about economic development activities/services:

1. **Current businesses**: Do we know our sectors and businesses well? Do we understand their issues, constraints, opportunities? Have we designed our activities/services around these (taking into account the appropriate role for government)?
2. **Future businesses/growth**: Do we have a view of what the Hawke's Bay economy could look like by building off regional strengths and adapting to and leveraging off social, cultural, environmental and economic trends? Is there a shared vision? What work are we doing with business and key stakeholders to develop the new platforms for growth?

This section uses these lenses and provides an assessment of the role of local government in economic development and economic wellbeing in the region, based on an analysis of:

- Challenges and opportunities facing the Hawke's Bay economy;
- Rationales for local government activities in economic development and economic wellbeing; and
- Central government expectations.

8.1 Key findings

- In terms of economic output Hawke's Bay has an export-facing economy. In terms of business units it is more domestic service-based. This means regional businesses will have a wide-spectrum of business support needs e.g. ranging from management capability-related programmes through to assistance in engaging with offshore markets.
- The broad types of economic development activities/services being delivered by the 5 Councils, BHB and HBTL are consistent with identified opportunities and the needs facing the region.
- Analysis of the work programmes and activities/services being provided by the Councils, BHB and HBTL suggests that these are based on clear rationales, with Councils for the most part focused on facilitation, promotion, and information provision.
- The work of BHB and HBTL is appropriately focused on collective action issues (e.g. industry-wide marketing, promotion, attraction); sectoral connection and coordination issues; and specific business capability and support programmes (where they can leverage their knowledge of business/industry needs to develop and provide targeted programmes of support i.e. there is a clearer rational for EDAs/RTOs to provide this activity than directly by Council).
- From an economic development activity perspective the opportunities presenting for food and fibre and the challenges presenting for tourism, hospitality and retail will require working closely with those sectors. Hawke's Bay existing activities and services (including the important RBP programme) provide a strong platform for this work.

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- Business support and capability programmes will continue to be an important component of assistance given a likely need to build greater resilience into business models.
- The changing nature of work, consumption and the rise of the contact-free economy will mean that support for digital capability and digitisation will likely be a critical component of the support provided to our businesses/sectors.
- The rise of remote working also offers Hawke's Bay an opportunity to leverage its lifestyle strengths to attract talent from other parts of the country (and in time offshore).
- The biggest short-term challenge facing the Hawke's Bay economy is related to labour supply (an immediate issue for Hawke's Bay's important horticulture industry) and broader skill shortages. Local government, along with its delivery partners, can play an important role in helping to coordinate and facilitate the planning with industry and Central Government that will be required to resolve these issues.
- Central Government's role in regional economic development and its expectations of local government and regional delivery agents has shifted over time. Central Government wants regions to be "joined-up" and to be clear on regional priorities; it wants regional plans to fit with national sector/industry strategies where they exist and/or are being developed; it wants to utilise regional information that is closer to source to inform policy and programme development; and it says it wants to partner on longer-term objectives where there is a clear role for government to play. All this will require Hawke's Bay to have expertise at the regional level, it will require effective leadership, collaboration and coordination, and a funding and support system that can adapt to the changing needs of Hawke's bay businesses and sectors and leverage and maximise the support provided through Central Government.

8.2 Challenges and opportunities facing the Hawke's Bay economy

Annex A in Section 13 provides more detail on the Hawke's Bay economy. Sections 8.2.1 and 8.2.2 below provide high-level points that are relevant to consideration of the rationale and fit of economic development activities and services for the region.

8.2.1 Current situation

In terms of economic output Hawke's Bay has an export-facing economy. In terms of business units it is more domestic service-based. This means regional businesses will have a wide-spectrum of business support needs e.g. ranging from management capability-related programmes through to assistance in engaging with offshore markets.

The Hawke's Bay economy is biased toward land-based sectors (and hence is more export-oriented than it is domestically-focused, reflecting the importance of land-based industries – meat, horticulture and forestry) relative to the national economy. But manufacturing makes up a larger share of the regional economy than it does nationally.

Growth (economic and employment) has been slower than the national average over the last 10 years, but has been growing faster more recently (pre-COVID).

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Like the rest of NZ, Hawke's Bay businesses are mostly small SMEs. 65% are sole-traders. Around 86% have 5 employees or less.

At an aggregate level Hawke's Bay businesses are less productive than the rest of the economy (but there will undoubtedly be wide variation like there is nationally[6]). Productivity and wages/salaries are linked i.e. higher productivity supports higher employee compensation. This is reflected in lower wage and salary levels in Hawke's Bay relative to the national average.

The Hawke's Bay economy is forecast to contract by -6.2% over the year to March 2021, compared with a -8.0% decline in national economic output. The Central Hawke's Bay District and Wairoa District economies are expected to contract the least, at -3.8% and -4.4%, over the year to March 2021. Hastings District is expected to contract by -6.1% and Napier City is expected to fare the worst, contracting by 7.2%. [Infometrics, 2020].

Hawke's Bay will benefit from its strong primary and food manufacturing sectors. Primary exports and, consequently, food production are expected to continue growing, albeit moderately as global demand for food is maintained. Drought impacts will however continue to constrain growth particularly for Central Hawke's Bay. [Infometrics, 2020].

Hawke's Bay is not highly exposed to international tourism or international education. However, the reduction in tourism spending and spending by international students will still be a blow to the local economy. [Infometrics, 2020].

8.2.2 Trends that will influence the economic outlook and opportunities for Hawke's Bay

Table 13 below captures a range of trends (adapted from recent Mckinsey work) that are likely to influence the economic outlook and opportunities presenting for Hawke's Bay. The trends have either been accelerated by the COVID-19 pandemic (i.e. they were existing trends) or they have been re-shaped by the pandemic in important ways.

The key take-outs from the table include:

- Ongoing uncertainly and the need to build greater resilience into business models and planning will weigh on confidence to invest, employ and ultimately grow. This is likely to have a long-tail effect on the regional, national and global economy. Business support and capability programmes will continue to be an important component of assistance given this backdrop.
- The changing nature of work, consumption and the rise of the contact-free economy will mean that support for digital capability and digitisation will likely be a critical component of the support provided to our businesses/sectors.
- The rise of remote working also offers Hawke's Bay an opportunity to leverage its lifestyle strengths to attract talent from other parts of the country (and in time offshore). Note – a critical connection to the wider role of local government in economic development is the relationship to the housing market and the efforts that will be needed to address the severe housing shortages now presenting in the region. A critical part of the 'attraction package' is the ability to sell greater

[6] This has not been investigated as part of this review.

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housing affordability relative to NZ's metropolitan areas. Hawke's Bay's 'lifestyle comparative advantage' will be eroded without measures to address housing availability issues.

- Hawke's Bay (and NZ more generally) will be able to leverage its food and fibre strengths to tap into changing consumer attitudes toward healthy living and key pre-COVID trends relating to consumer demand for quality, convenience, traceability, accountability and food safety. There is also an opportunity to showcase our ability to produce food (that consumers want) with low/positive environmental footprints (through best practice, use of technology and circular economy practices) and how we can use technology to provide traceable production information at, and before, the point of sale.
- NZ's tourism and hospitality sectors will unlikely emerge from this crisis looking the same. The retail sector is also facing major restructuring.
- From an economic development activity perspective both the food and fibre opportunities and the challenges for tourism, hospitality and retail will require working closely with key sectors to embrace the opportunities and change presenting.

The biggest short-term challenge facing the Hawke's Bay economy, however is related to labour supply and skill shortages. This is presenting as an immediate issue for Hawke's Bay's important horticulture industry who face not having access to RSE workers from a range of Pacific Islands because of COVID-related border and quarantine restrictions. There is a clear role for local and central government to partner with the horticulture industry on the options and pathways available which provide short-term certainty for the sector (and the valuable economic activity); create opportunities for NZers who have been displaced from the job market; and support the sector's transition to less labour intensive models.

More generally COVID-19 has created has structural issues for countries (like New Zealand) that have relied on labour force growth to generate GDP growth. NZ's GDP growth has been driven heavily by growth in hours worked with a much smaller contribution from labour productivity growth. This migration-fuelled growth in the labour force has created strong incentives for NZ firms to expand through hiring labour rather than investing in capital, technology, and R&D. [Skilling, 2020].

With weaker investment and labour productivity NZ could face a more demanding transition process to a capital and knowledge intensive growth model. This is likely to require substantial private and public sector investment in skills, R&D, and physical capital and should influence the nature of economic development activities and services at a national and regional level. This process also needs to be managed in an inclusive way so that increased investment in technology and knowledge augments rather than replaces labour. This will be complicated by the higher levels of unemployment but this is an opportunity to invest in skills upgrading, capital and technology investment, to move to a higher productivity, higher wage economy [Skilling, 2020].

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Table 13: Trends that will influence the economic outlook and opportunities for Hawke's Bay

Major trends (adapted from McKinsey 2020)	Potential impact on Hawke's Bay
Ongoing uncertainty. Resilience is the new black. • The ability to absorb a shock, and to come out of it better than the competition will be the key to survival and long-term prosperity.	• Ongoing uncertainly and the need to build greater resilience into business models and planning will weigh on confidence to invest, employ and ultimately grow. • This is likely to have a long-tail effect on the regional, national and global economy. • Business support and capability programmes will continue to be an important component of assistance.
Distance is back. Moving from globalization to regionalization. • More border restrictions; • A greater preference for local over global products and services; • The need for resilience across supply chains driving a move to bring sourcing closer to end markets; and • Perhaps renewed resistance to globalization. • Technology continues to shrink physical distance, but in other ways, it could be set for a return • The pandemic has exposed the world's risky dependence on vulnerable nodes in global supply chains. There could be a large restructuring as production and sourcing move closer to end users and companies localise or regionalise their supply chains.	• As a relatively export-focussed economy Hawke's Bay will be impacted by any change in global demand for the products we produce and any restructuring of global supply chains. • Our proximity to, and reasonably strong relationships with, Asian countries should benefit NZ. We are seen as a trusted and reliable trading partner. • The work MFAT, MPI, NZTE and Customs does to ensure we continue to have strong and relatively frictionless platforms to trade will be crucial as we navigate the opportunities and risks presenting. • Activities like sister-city work and the hosting of trade/diplomatic delegations (when travel restrictions ease) could be useful in supporting the relationships our key exporting companies have built and will need to continue to curate.
The future of work and consumption and the rise of the contact-free economy • The crisis has propelled new technology across all aspects of life, from e-commerce to remote-working and e-learning tools. • New working and shopping practices will probably become a permanent fixture of the next normal. • In three areas in particular—digital commerce, telemedicine, and automation—the COVID-19 pandemic could prove to be a decisive turning point.	• Digitisation was a strong existing pre-COVID trend. COVID has considerably accelerated this trend. • There are considerable opportunities and some short-term risks for the Hawke's Bay economy. • Digitisation can add new and greater value to products/businesses. These are "weightless" in the sense they can easily be exported across borders without traditional supply-chain related costs. Digitisation can also build important resilience. • But a growing move to an online-first world is having an impact on traditional retail businesses. Locally we will likely lose jobs at OfficeMax, The Warehouse, Bunnings and in bank branches as these organisations bring forward restructuring plans. • Support for digital capability and digitisation should be a critical component of the support provided to our businesses/sectors.
Changing industry structures, consumer behaviour, market positions, and sector attractiveness • Key questions remain around whether industries will rebound from the economic shock posed by the virus, or sustain lasting damage.	• NZ's tourism and hospitality sectors will unlikely emerge from this crisis looking the same. • The retail sector is facing major restructuring. • We will be able to leverage our regional food and fibre strengths to tap into changing consumer attitudes toward healthy living and key pre-COVID

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• There could be lasting changes to consumer attitudes toward physical distance, health, and privacy. For example, increased health awareness and a corresponding desire to live more healthily could bring lasting change to where, how, and what people eat. • Some consumers and governments may change their attitudes toward the sharing and use of personal data if it can be demonstrated that the use of such data during the crisis helped safeguard lives.	trends relating to consumer demand for quality, convenience, traceability, accountability and food safety. • There is also an opportunity to showcase our ability to produce food (consumers want) with low/positive environmental footprints (through best practice, use of technology and circular economy practices) and how we can use technology to provide traceable production information at, and before, the point of sale. • From and economic development activity perspective this will require working closely with our key sectors to embrace the opportunities and change presenting.

8.2 Rationale for local government activities in economic development and economic wellbeing

As discussed in the introduction of this review local authorities have a critical role to play in supporting the economic development and economic wellbeing of their area. They have a range of levers at their disposal which can support, or indeed inhibit, economic development that is consistent with broader wellbeing objectives.

In New Zealand, local government's activities are centred on regulating land use, choosing and funding a set of local amenities, and investing in essential infrastructure for transport and the three waters (drinking water, wastewater and stormwater), with the overall objective of enhancing community wellbeing (NZ Productivity Commission, 2019).

Regional councils are responsible for the physical environment and cross-boundary functions that require an integrated approach, which include regional land transport, flood protection, biosecurity, civil defence and some resource management. The functions of territorial authorities (city and district councils) are broader, encompassing physical infrastructure such as roads, water supply, wastewater and stormwater, recreation and cultural activities, land-use planning, building standards and some public health and safety functions (NZ Productivity Commission, 2019).

But local authorities also play an important role in the provision and funding (either directly or via delivery agents) of support for local people and businesses through – regeneration; business support and employment programmes; working with, and providing a link to, nationally-led programmes; investor and people attraction programmes; and providing a range of high quality services that directly support residents' wellbeing outcomes and business investment confidence. Local authorities also can also use their community leadership role and planning powers to set out a clear framework for local development. This helps to provide certainty for business and investment, overcome coordination failures, and manage externalities and competing interests.

Table 22 in Annex B provides an overview of the economic development activities and services that are in-scope of this review and the underlying rationale for local government intervention (through the provision of activities or services).

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Analysis of the work programmes and activities/services being provided by the Councils, BHB and HBTL suggests that these are based on clear rationales, with Councils for the most part focused on facilitation, promotion, information provision and addressing collective action issues. The work of BHB and HBTL is appropriately focused on collective action issues (e.g. industry-wide marketing, promotion, attraction); sectoral connection and coordination issues; and specific business capability and support programmes (where they can leverage their knowledge of business/industry needs to develop and provide targeted programmes of support i.e. there is a clearer rational for EDAs/RTOs to provide this activity than directly by Council).

8.3 Central government expectations

Central Government now plays an important role in regional economic development. This began under the previous National administration with its 'Regional Growth Programme' (which led to the development of "regionally-led, regionally-owned economic Action Plans", and has been taken forward a considerable notch with the dedicated $3bn Provincial Growth Fund (PGF) under the current Labour-led coalition.

The PGF (and its delivery agency the Provincial Development Unit (PDU), housed in the Ministry of Business, Innovation & Employment (MBIE)), has been supported by MPI and its main fund (the Sustainable Food & Fibres Futures Fund (SFFF)), and the work of Te Puni Kōkiri (TPK), and the Ministry of Social Development (MSD). New Zealand Trade and Enterprise (NZTE) and Callaghan Innovation play a key role in funding the RBP programme and, in the case of NZTE, providing additional support for firms operating in offshore markets. MBIE is the lead agency for tourism policy and responsible for the annual $25m Tourism Infrastructure Fund (TIF) and the International Visitor Conservation and Tourism Levy.

In thinking about the rationale and fit of economic development activities and services being delivered in Hawke's Bay it is important to consider the role and expectations of Central Government and its key delivery agencies.

The following points can be made:

- Central Government wants regions to be "joined-up" and be clear on regional priorities e.g. things to fix, get behind, invest in (taking into account the appropriate role for government). Regions who have had clear priorities and have backed these with analysis, focus and regional advocacy have received a greater proportion of PGF funding (e.g. Manawatu). It's not clear that Matariki has played the full role it could have had for Hawke's Bay in regard to PGF funding;
- Central Government would ideally like regional plans to fit with national sector/industry strategies where they exist and/or are being developed e.g. Industry Transformation Plans. This requires alignment work on behalf of EDAs/economic development delivery agents;
- Central Government talks about the integrated nature of 'systems' and the need to consider these but, notwithstanding the first two points, still largely works in silos and at a programme/project level. PGF has arguably made this worse at times. Effective regional collaboration is required to overcome Central Government 'silo-isation';

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- Despite sitting on a lot of data and insight central government has a surprisingly limited collective, detailed and nuanced view on what is happening in most regions, and where this exists it is not being shared effectively across agencies. The new regional skills leadership groups reflect the fact that it has been too hard to do skills forecasting work centrally. This, hopefully, signals a broader shift toward policy and programme development at a regional level i.e. a move away from national policies being implemented at a regional level without the variation needed to account for region-specific characteristics. This will require expertise at the regional level;
- Central government involvement in regional economic development has historically come through the support it has provided key export sectors (which are predominantly situated in the regions). This has involved creating market conditions through legislation and regulations, support for R&D, commercialisation and exporting (both trade access support via MFAT and trade and investment facilitation support via NZTE). For a region like Hawke's Bay this involvement and support would have been directed at large sectors like agriculture and horticulture, which would have (historically) limited the role of local government in this space. This has shifted over time as local government has become more active in areas such as the local innovation eco-system (e.g. food innovation in Hawke's Bay and the role the FoodHub could play), and the skills-related issues presenting for local businesses (labour supply and ability to recruit and attract skilled workers).
- Unlike other key export sectors Central Government's more active role in tourism (beyond the core border, immigration and airway-related settings) has been a more recent trend. This had the effect of local government historically playing a stronger role in this sector relative to Central Government. Tourism also directly supports local retail and hospitality and helps to create vibrant city centres and regional amenities that locals enjoy and which in turn encourage people and talent to move to the region. Regions have also built community and visitor infrastructure (e.g. in Hawke's Bay there is Toi Toi, Splash Planet, the National Aquarium, The Faraday Centre etc) that requires ongoing visitor support. This has all lead in a Hawke's Bay context to local authorities playing a much larger role in the tourism-related activities relative to other important sectors of the economy. Hawke's Bay (and the mechanisms it chooses to use/create) will need to adapt as Central Government roles and expectations around regional economic development change over time.

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9.0 ANALYSIS: EFFECTIVENESS & EFFICIENCY

This section summarises the desktop analysis of effectiveness and efficiency conducted as part of this review. The analysis (which is captured in the detailed tables in Annex 14):

- Examines the work programmes of BHB, HBTL, and each of the 5 Councils organised by the main economic development activity/service headings that are used for this review;
- Highlights the resources are being used to provide these activities/services;
- Matches relevant performance measures, targets and/or KPIs (where they exist) to the area of activity/service; and
- On the basis of this makes an assessment about impact, effectiveness and efficiency.

9.1 Councils - Key findings

- Council economic development activities/services are being delivered efficiently (on the basis of FTE resources).
- The FTE resources Councils are using to supply economic development activities and services are relatively constrained (see table 4 on page 31). HDC has the largest FTE resource at around 6.1 FTEs (2.1 FTEs in the ED team, 1 Event Manager role, and 3 roles from the Strategic Projects team (note - the analysis has not included any FTEs from marketing and communications for any of the Councils); HBRC has 6 (but this is mostly the RBP team that sit in the Business Hub); NCC has around 4.35 (1 Economic Development Manager role, 1 Event Manager role, and 2 roles that do similar work to HDC's Strategic Projects team. Both CHBDC and WDC have around 1 FTE (both Economic Development Manager roles).
- Council economic development work programmes are spread across the main domains of economic development activities/services where there is rationale for publicly-funded intervention (either through Councils or delivery agents).
- ED Managers/teams are playing a useful connection and funnelling role to the main providers of services and, within time constraints, are often focused on one or two larger projects at any one time e.g. the FoodHub. They are also the key connections to Matariki REDS at a work programme level and the Think HB group which appears to be playing a useful collaboration role in the investment and talent attraction space.
- Performance measures and any related KPIs or targets (where they exist) are, for the most part, being met. But performance measures/KPIs are organisation specific and have been set at varying levels of detail. Performance measures are often project based, and overall there appears to be a trend toward less specificity over time (at least in reporting any measures publicly through Annual Plans). This may have helped streamline Annual Plans and internal processes but it risks reducing transparency and accountability for the outcomes, objectives and work programmes that have been set by Councils through public consultation.
- There is also no explicit relationship to Matariki RDS or broader regional objectives in Council ED performance measures/KPIs except through general collaboration performance measures (where they exist).

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- More broadly the region does not have a clear 'impact framework'[7] to articulate the 'intervention logic' between activities delivered and the desired outcomes for the region over the short, medium and longer-term. A framework like this could better inform distributed (individual team/org) work programmes that contribute to regional outcomes and provide greater clarity on respective roles and responsibilities (e.g. leadership and/or close collaboration where needed).
- Ideally, Matariki RDS would be playing a clear role in providing the region, and all the parties that contribute to the region's economic development, with a shared and agreed vision of success, set of outcomes, and prioritised areas of focus (that require collective action) in order to guide individual roles and mobilise resources available. This hierarchy would ideally inform individual work programmes, Service Level Agreements and/or Contracts for Service.

9.2 Business Hawke's Bay (BHB)

9.2.1 Key findings

- BHB is meeting the KPIs set out in the Contract for Service (CfS) with the 5 Hawke's Bay Councils and has delivered outputs efficiently.
- It has an ambitious work programme (current and intended), however, (relative to FTEs/funding available) that goes beyond the CfS areas of focus. Given limited FTEs this will be constraining the ability to delivery priorities as effectively as possible.
- The activities themselves are based on solid 'problem definitions' and are aligned with typical EDA activities (particularly the start-up and sector and industry development/collaboration related activities).
- A lot of the (mostly proposed) skills and talent work is strongly related to Hawke's Bay issues/opportunities (a microcosm of national issues with added emphasis given the region's socioeconomic characteristics and the labour intensive nature of horticulture), but this is not funded activity beyond the Service Level Agreement with EIT (which is funded by MSD) for the 'Education to Employment - Vocational Pathways' work.
- BHB has been relatively active in regard to inward investment attraction and sector, cluster and enterprise development-related work given the resources it has had available. Key achievements have included:
    - Partnering with the 'Think Hawke's Bay' group (which appears to have been useful in building a more effective collaborative mechanism for investment and talent attraction), on two business promotional and attraction initiatives (Datacom and the HQ for the new NZ Institute for Skills and Technology), and work on a Regional Talent Attraction Strategy and Action Plan.

[7] A logic or impact model is a representation of the relationships between organisation/program resources, activities and intended outcomes. Typical logic models consist of inputs, activities, outputs, and outcomes.

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- Work on a Peak Investment event held in 2019 (with NZTE) which led to over $1m in investment into businesses that BHB helped to get 'pitch ready'.
- Running of the "Co.starters" programme which continues to be popular, with 40+ graduates having completed the programme and around 90% successfully completing further validation, pivoting, new product development, and commercialisation.
- Leading on two key sectoral projects relating to 'IT/Digital/High-value Manufacturing' and the 'Land to Brand Sector Support Programme', which appear to have been most useful in the way they have connected local businesses to each other (which are leading to collaborations) and have connected local businesses to business support and/or potential partners (e.g. (research institutes, food technologists and consultants, university internship programmes etc).

- Matariki Programme Management activity has been challenging for both BHB and stakeholders given the large degree of 'distributed ownership' of priority actions, a lack of funding for implementation of some areas of Matariki, and key personnel changes. The wide-spread concern that Matariki is not delivering on its promise (see survey results in Annex D), and differing views on how the programme should be governed and managed has also contributed a difficult operating environment.
- Business Hub usage and business connection metrics continue to show growth (even including the COVID-lockdown period). The Hub is clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use. The Hub also plays a critical role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. In an environment where there is a perception of fragmented services this is important. The Business Hub, however, runs at an overall loss and additional funding is required to support repairs and maintenance and CAPEX.

9.2.2 Contract for Service (CfS)

The 5 Hawke's Bay Councils have a "Contract for Service" with BHB to enable BHB "to deliver activities and services to achieve agreed results which will contribute to regional economic development outcomes".

The Contract for Service notes that Councils recognise that where appropriate the Councils will work in partnership with others as a contributor to meeting the needs of the community, in respect of local infrastructure, local public services, and the performance of regulatory functions. The Contract for Service recognises that BHB is a business-led economic development agency which can provide services to enable the Councils' economic development focus and delivery of economic development outcomes. It also recognises that both the Hawke's Bay Councils and BHB are committed and active collaborators in the Matariki Hawke's Bay Regional Development Strategy and associated action plan for economic and social growth.

The contract term for the current Contract for Service is 36 months from 1 July 2018 to 30 June 2021. This provides funding of $320,000 per annum subject to BHB meeting reporting requirements and key performance indicators (KPIs). The Contract for Service also requires quarterly reporting containing "a fact based and measurable summary of":

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1. BHB consolidated Profit & Loss in the last period;
2. Progress against Key Performance Indicators; and
3. Successes and any issues that have been identified within the period.

The Key Result Areas specified in the Contract for Service are:

1. Programme Management of Matariki HBRDS Programme and Action Plan for social and economic growth
2. Greater Business Diversity and Sector Development
3. Attraction of Investment, People& Skills, and Business
4. Partner in the `Great Things Grow Here' (GTGH) Economic Development Brand Platform
5. Project Reporting
6. Project Accounts

Table 14 below captures the "service specifications" (key result areas, initiatives, targets and annual KPIs) that are built into the Contract for Service.

Table 14: HB Councils/BHB Contract for Service: Schedule One – Service Specifications

KEY RESULT AREA	INITIATIVE	TARGET	ANNUAL KPIs
1. Programme Management of Matariki HBRDS Programme	• BHB will provide a team-based programme management service to Matariki HBRDS	• Matariki HBRDS Programme Management services are delivered	• Deliver effective Programme Management services through a dedicated Programme Manager and BUB team approach • Provide meeting and administration services to the Matariki Executive Steering Group and Governance Group • Lead an annual refresh of the Matariki HBRDS action plan • The CAMMS project management system is updated by agencies and performance reporting is circulated for monitoring and action • Matariki HBRDS Communications plan is delivered.
2. Greater Business Diversity and Sector Development	• BHB will promote greater business greater business diversity through activities related to sector development particularly in Agribusiness, Food & Beverage, and Technology • BNB will support start-up businesses across the region	• Establish accessible business growth services to Agribusiness, Technology, and Food & Beverage businesses in Hawke's Bay	• Deliver five regional business events and workshops that support sector development • Regional participation in three national business events • Provide at least one case study that demonstrates business development supported by BHB in each identified sector • Engage with start-up businesses across the region, providing evidence that BHB engagement has added value directly to five start-up business
3. Attraction of Investment, People&	• BHB will co-ordinate and actively participate in	• Leverage the regional strategy for business	• Co-ordinate the 'Think Hawke's Bay' group collective panning and meetings

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	Skills, and Business	'Think Hawke's Bay' strategy and activity; working collaboratively with the Councils of Hawke's Bay, Hawke's Bay Airport and Napier Port in attracting investment, capability, and new business.	promotion and attraction initiatives	• Partner in the 'Think Hawke's Bay' collective on three or more business promotional and attraction initiatives • Provide case study examples of where combined service delivery has enabled economic development in the region
4.	**Partner in the `Great Things Grow Here' (GTGH) Economic Development Brand Platform**	• BHB will actively promote and utilise the GTGH platform in business promotion and attraction initiatives	• Leverage GTGH brand platform for economic development	• Provide evidence of promotion and utilisation of the brand platform in business promotion and attraction initiatives
5.	**Project Reporting**	• Provide evidence based and factual reports at required times against regional targets and key performance indicators with specific examples related to each local authority where specified	• Reporting requirements are met	• Valid project reports are submitted in the required format and on time
6.	**Project Accounts**	• Maintain all records and accounts in accordance with generally accepted accounting practice, as required by law, or as otherwise required by Councils	• Accurate and audited accounts are maintained showing correct use of Councils' funds	• Quarterly consolidated profit & loss reports with an apportionment of Councils' contribution are supplied, along with audited annual accounts when finalised

9.2.3 BHB work programme, resources and performance measurement

Table 27 in Annex C outlines BHB's current (and partly intended i.e. if funding is confirmed) work programme, the resources being devoted to those activities, any KPIs and/or measurement that is being applied to the areas/activities and performance related to existing measurement.

The work programme is structured around the following areas and activities:

- Employment Skills & Capability;
- Inwards Investment Development;

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- Sector, Cluster & Enterprise Development;
- HB Business Hub;
- Partnerships & Engagements;
- BHB Corporate (finance, HR, operations etc).

The following points can be made in relation to BHB's work programme and performance:

- BHB is meeting the KPIs set out in the Contract for Service (CfS) with the 5 Hawke's Bay Councils and has delivered outputs efficiently.
- It has an ambitious work programme (current and intended), however, (relative to FTEs/funding available) that goes beyond the CfS areas of focus. Given limited FTEs this will be constraining the ability to delivery priorities as effectively as possible.
- The BHB work programme has evolved over time and in response to regional needs and opportunities. BHB conducted an interval review in 2019 which mapped BHB's then offerings to other typical EDA offerings and identified opportunities to expand services in areas where BHB thought it could add value for the region. Based on this the BHB Board decided to use some of its reserves to fund the creation of new programmes particularly those relating to sector and enterprise development (where EDAs play a key role across the country i.e. there is a clear rational for this activity).
- The work relating to employment, skills and capability has in part been accompanied by funding via a contract EIT holds with MSD (BHB has a Service Level Agreement with EIT to undertake the employer connection elements of the programme), but other skill-related activities (including those captured in the Matariki Action Plan) have not been associated with additional ongoing funding support.
- In terms of BHB's **Inwards Investment Development** work:
- BHB has coordinated the Think Hawke's Bay group collective panning and meetings. This group has been useful in building a more effective collaborative mechanism and meets approximately 6 times per year and appears to be working well.
- BHB has partnered in the 'Think Hawke's Bay' collective on two business promotional and attraction initiatives (Datacom and the HQ for the new NZ Institute for Skills and Technology).
- BHB has worked closely with Think HB has on a Regional Talent Attraction Strategy and Action Plan (that BHB funded in 2019). This has not yet been fully implemented as funding has not been available for a campaign to attract people (the recommended next step), and the context and focus of the Think HB work changed with COVID-19.
- BHB has worked closely with investor groups, NZTE Investment, and private equity. A Peak Investment event held in 2019 (with NZTE) led to over $1m in investment into businesses that BHB helped to get 'pitch ready'.
- In terms of BHB's **Sector, Cluster & Enterprise Development** work:

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- BHB leads Matariki Pou4 (Economic Growth). This involves facilitating Pou4 working group meetings, collaborating on activities, and assistance with prioritisation and COVID response/recovery activity. The Matariki Pou 4 Action Plan is not currently being tracked and monitored in a consistent way.
- This area of work also includes running the "Co.starters" programme and promoting regional innovation and start-ups through the NZ Entrepreneur Founder series (which follows 10 Hawke's Bay start-ups to showcase regional opportunity and collaboration). A longitudinal study following Co.starters graduates through their first year was to have been completed during COVID lockdown but this has been delayed due to competing COVID priorities.
- The Co.Starters programme continues to be popular, with 40+ graduates having completed the programme and around 90% successfully completing further validation, pivoting, new product development, and commercialisation. Of the businesses that have been through the Co.Starters programme only 2-3 are not trading (1 because of COVID and 1 decided they didn't have a strong business model (which is not necessarily a failure as this knowledge can be used for other projects or other jobs).
- The two key sectoral projects that BHB is leading relate to 'IT/Digital/High-value Manufacturing' and the 'Land to Brand Sector Support Programme'. Both areas are relevant to the Pou4 Matariki Action Plan and Key Result 2 of the Contract for Service (which supports work to encourage "greater business diversity and sector development").
- In terms of the IT/Digital/High-value Manufacturing' work, BHB has supported the establishment of an Industry Advisory Group which now has around 160 members and connections between technology and horticulture companies (3 mini clusters of firms focused on horticulture technology are now working on joint projects).
- In terms of the 'Land to Brand' work, BHB has connected more than 85 businesses and people to business support and/or potential partners (research institutes, food technologists and consultants, university internship programmes, COVID lockdown supply chain and labour support etc) over the past two years. Around 170 people attended the BHB organised Future Foods Workshop and over 470 local, national and international people have attended a range of BHB-facilitated capability development workshops across the region.
- In terms of BHB's **Matariki** Programme Management responsibilities:
- Matariki Programme support has primarily been funded via a PGF grant of $200k over 2 years. This funding finishes in December 2020. HB Councils have topped up this funding through the Contract for Service with BHB (a reason why the CfS is lighter on other deliverables).
- The Matariki Programme Management role has been challenging given the large degree of 'distributed ownership' of priority actions and a lack of funding for implementation of some areas of Matariki. The wide-spread concern that Matariki is not delivering on its promise (see survey results in Annex D), and differing views on how the programme should be governed and managed has also contributed a difficult operating environment.

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- The **Business Hub** was established in 2015 and provides a neutral space for regional collaborative initiatives. Aside from BHB, members include HB Chamber of Commerce, Business Central, Export NZ, Chartered Accountants ANZ, The Icehouse, NZTE, Regional Business Partners, NZ Food Innovation Network, and the HB Councils.
- Hub services are focussed on - provision of information to help businesses make decisions on which regional services they may need to help them grow; connections to business support services across Hawke's Bay; access to networks within The Hub and beyond; information on business events, training and professional development at The Hub and across the region.
- In terms of support and performance, Hub usage and business connection metrics continue to show growth (even including the COVID-lockdown period). The Hub is clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use.
- The Hub also plays a critical role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. In an environment where there is a perception of fragmented services (see survey results in Annex D) this is important. Co-location of support services/agencies – provides an opportunity to present a united voice for business regardless of the underlying structures and mechanisms used to provide support services; offers a clear front door for local businesses and external investors and talent to be directed to the right area of support; and aids collaboration by reducing the costs of interaction and increasing the opportunity for important 'water-cooler' conversations. If the Business Hub structure did not exist in Hawke's Bay it would be a key recommendation of this Review to consider supporting something of this nature.
- The Business Hub runs at an overall loss. There are 3 key elements – operating costs; 'activation' costs; and CAPEX. Operating costs are being met but 'activation' related expenses and future CAPEX are not being fully-funded. Membership of the Hub covers the day-to-day running costs (revenue from 'licences to occupy' cover the fixed costs of the building e.g. lease, rates etc, and a separate "OPEX charge" covers operating costs e.g. security, lighting, tea/coffee etc). Revenue from meeting room hire is an additional revenue stream and is used to part-fund 'activation' activities (e.g. connecting business and the community to the Hub in different ways; digital/comms work etc). Repairs and maintenance and CAPEX is not fully-funded. This is not sustainable and additional funding to support CAPEX requirements (especially as IT and soft-furnishings come to the end of their life) should be considered.
- As part of a medium-term CAPEX plan consideration should also be given to the future space requirements of Hub Members. It is likely that regional business support programmes will be larger in a COVID-recovery environment and this is likely to put pressure on existing space.

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9.3 Hawke's Bay Tourism Ltd (HBTL)

9.3.1 Key findings

- HBTL is meeting the KPIs set out in the funding agreement with HBRC and appears to be delivering outputs efficiently.
- HBTL's members appear to be satisfied with HBTL's contribution toward the growth of the industry and in representing the region at a national and international level. The area where members think there is an opportunity to do more is in "coordinating business opportunities for its members". This includes education, business events and workshops focussed on the specific issues of SME tourism businesses.
- Responses to questions to the survey undertaken as part of this review indicate that HBTL is generally held in high regard in terms of relevance, quality, and timeliness of activities/services.
- Central Government considers HBTL an effective Regional Tourism Organisation (RTO).
- There are operators in the Hawke's Bay Māori tourism sector that feel HBTL does not represent their interests in the most effective way (there is a (current) role vs expectation mismatch). The HBTL Board and management are aware of these issues are keen to work more closely with the broader Māori tourism sector to address these issues and needs.

9.3.2 HBTL work programme, resources and performance measurement

Table 28 in Annex C outlines HBTL's current work programme, the resources being devoted to those activities, any KPIs and/or measurement that is being applied to the areas/activities and performance related to existing measurement.

The work programme is structured around the following areas and activities (see Table 28 for more detail):

- Marketing – 34% of FTEs
- PR and Comms – 9.4% of FTEs
- Travel trade sales – 12.3% of FTEs
- Events co-ordination – 12.3% of FTEs
- Food and wine project – 9.2% of FTEs

The funding agreement with Hawke's Bay Regional Council (HBRC) sets out a range of Key Performance Indicators (KPIs). These are:

- Visitor spend, benchmarked against national performance. Data provided by MBIE's Monthly Regional Tourism Estimates.
- Increase industry contribution (to funding).
- Develop membership engagement on climate change (mitigation and adaptation) and environmental sustainability.
- Increase in members signing up to Tourism Industry Aotearoa's "Tourism Sustainability Commitment".

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- Industry advocacy. Support existing tourism operators to develop new products, and expand into new markets
- Tourism operators value Hawke's Bay Tourism's leadership and contribution to growth of industry.
- Lead the development of a regional visitor strategy for Hawke's Bay

The following points can be in regard to performance:

- Pre-COVID all of the KPIs set out in the funding agreement with HBRC were being met.
- The key visitor spend measure (provided by MBIE's Monthly Regional Tourism Estimates) was tracking well at over 3% growth (the target was 2% growth). The target of increasing the industry funding contribution to $250,000 was exceeded by nearly 5% (industry funding contribution reached $261,732 in the financial year ending May 2020), and a range of activities had either been successfully completed or were on track.
- HBTL conducts regular surveys of its members to gauge perceived value (through a "Net Promoter Score" (NPS)) in HBTL's work. HBTL's most recent NPS was 25.4 (any NPS above 0 is "good", anything above 20 is considered "favourable").
- A survey of HBTIA members in early 2020 suggested that members were most happy with HBTL's contribution toward growth of the industry and in representing the region at a national and international level. The area where members thought there was an opportunity to do more was in "coordinating business opportunities for its members". This included education, business events and workshops focussed on the specific issues of SME tourism businesses.
- Responses to questions to the survey undertaken as part of this review indicate that HBTL is generally held in high regard in terms of relevance, quality, and timeliness of activities/services.
- There are operators in the Māori tourism sector that feel HBTL does not represent their interests in the most effective way (there is a (current) role vs expectation mismatch). The HBTL Board and management are aware of these issues are keen to work more closely with the broader Māori tourism sector to address these issues and needs.
- HBTL has also recently conducted 3 COVID-19 related membership surveys. These were designed to gain understanding of the effects and changes occurring due to the COVID-19 situation. This information and insight was used to respond in the best possible way for members e.g. the need for an early to market visitor demand generation campaign (the successful "Baycation" campaign), and in informing weekly regional COVID response coordination meetings.
- HBTL appears to be delivering outputs efficiently. Approximately 31% of HBTL's (normal) funding of around $2.2.m is directed to staff costs; 11% is directed to operational support (including governance i.e. Directors' fees); and around 58% is available for investing in marketing and promotional activities.
- When additional one-off funding from Central Government is included the proportion of spend directed to marketing and promotional activities increases to around 64%. This indicates that the additional one-off funding has not affected the cost of operations to a great extent and allows for

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an increased market presence built on a strong platform of relationships and marketing and promotional channels.

- A good example of the strong promotional relationships and expertise HBTL has developed is how it recently leveraged $500 into a promotional campaign that would have cost around $246,000.
- HBTL pitched a reader giveaway for a Hawke's Baycation to Stuff's Travel Editor and subsequently worked with them to create a package that would have both national appeal and enough value to warrant inclusion in Sunday Star Times. They also worked with Hawke's Bay operators to build a giveaway that was valued at $1,910 (including 2 night's accommodation, $500 towards travel costs, drinks/meal vouchers for 2 wineries to the value of $450, a vintage car tour etc). All elements were supplied as contra by those members involved, except for the $500 towards travel costs, which was supplied by Hawke's Bay Tourism.
- Stuff used the giveaway to incentivise readers to take part in a travel survey they were conducting. The survey itself was promoted widely across Stuff's suite of national, metro and community newspapers, as well as online. Display advertisements in print and online featured Hawke's Bay imagery and logos, and were supported with media placements to the value of $113,502.
- The launch of the survey was supported with editorial content across Sunday Star Times, Escape Magazine and stuff.co.nz to the value of $132,632. This included – the cover of Sunday Star Times; the cover of Escape Magazine; an Escape Magazine Editorial on Hawke's Baycation x Survey promotion (also online); and an Escape Magazine DPS travel feature on Hawke's Bay (also online).
- The survey received more than 13K responses and Hawke's Bay Tourism received a database of more than 4,000 people who had selected to hear more from Hawke's Bay Tourism

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9.4 Regional Business Partner (RBP) Programme

9.4.1 Key findings

- The Hawke's Bay RBP programme is easily meeting its contractual KPIs.
- Central Government consider the programme and team to be high performing and have confidence in delivery. Hawke's Bay is seen as one of the more "hands-off" regions.
- The co-location of this programme/team in the Business Hub is important as the advice/services available through this programme are critical tools in the wider economic development support 'toolkit'. Central Government agencies see the synergies of this playing out in different ways across the country e.g. the insight derived from being at the coal face and working one-on-one with businesses can be used to design other offerings for business (that isn't available via RBP), and guide other work.
- NZTE/Callaghan note that having the right people and set of skills is critical. They think that HB RBP has had a good focus on this and the team is currently playing to its strengths and weaving in all aspects of support as needed e.g. business mentors etc. KPIs suggest that the team is able to support a greater number of businesses than average and wait times are lower than many other regions.
- While the programme is delivering effectively and efficiently there is a perception it is a bit of a silo even though it is co-located at the Hub. HB RBP acknowledges that they stay closely focussed on contract KPIs/deliverables on purpose (to, appropriately, reduce the risk of resources being diverted to non-core activities). This may be limiting the value of the insight generated from working closely with Hawke's Bay businesses in designing other offerings for business (that isn't available via RBP), and guide longer-term work and engagement with local and central government.

9.4.2 Background on the Regional Business Partner (RBP) Programme

The Regional Business Partners (RBP) programme was established in 2010 and is a key Government service to deliver a regional one-stop shop that supports New Zealand businesses to grow and innovate. It is a network of 14 regionally based entities – delivery agents or regional partners – contracted to New Zealand Trade and Enterprise (NZTE) and Callaghan Innovation to provide support to firms to undertake management capability improvement and research and development (R&D). The regional facilitation of Business Mentors NZ is included in this offering. The programme supports small and medium size enterprises (any business with fewer than 100 FTEs).

In Hawke's Bay the RBP contract has been held by HBRC since 2016. The five-year contract ends on 30 June 202. The value of the contract is $274,114 + GST per annum which funds the staff and overheads. The funded staff are two part-time Business Growth Advisors (0.8FTE and 0.6FTE) with a subcontract relationship to the Hawke's Bay Chamber of Commerce which funds one part-time Business Growth Advisor (0.6FTE) at a cost of $83,000 per annum.

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The contract has an additional Capability Voucher funding pool of $250,000 per annum which the Business Growth Advisors issue to businesses to develop their business skills to enable business growth. Vouchers are provided at a 50% co-funding rate with a maximum value per business of $5,000. Pre-COVID the average regional voucher value was around $1600 per business.

Additional funding has been made available to the RBP Programme as part of the Government's COVID response and recovery priorities. This has involved additional funding for:

- **Capability Vouchers**: Hawke's Bay regional COVID voucher funding pool was initially established at $493k in March 2020 and this has been repeatedly topped up due to demand from regional businesses. By mid-November 2020 it is expected that just over $2m of vouchers will have been issued to regional businesses.
- **A Tourism Transition Fund**: An additional $135,755 has been provided to HB RBP as part of the Tourism Transition Fund. This allows tourism businesses to access an additional $5k for a range of expert advice, including business hibernation. This means that tourism businesses can access $10k in business advice ($5k COVID funding voucher, $5k Tourism Transition).
- **Staffing**: HB RBP has also received an extra $105,600 to employ 3 additional FTEs (for 13 weeks).

The Ministry of Business Innovation and Employment (MBIE) is currently undertaking a national review of the RBP Programme. This review will now undoubtedly be shaped by the ongoing needs of regional business in the context of the recovery from COVID. Recommendations of this review are expected to be incorporated into the new RFP for the next 5 year contract which will be released in December 2020. The RFP is open to any type of organisation (including not-for-profit or economic development agencies and private sector entities), with respondents required to demonstrate local knowledge and expertise in business and innovation processes. Both BHB and the Chamber have indicated an interest in holding the contract in the past.

9.4.3 RBP work programme, resources and performance measurement

The overall objective of the programme is to work with Hawke's Bay businesses to improve management capability by linking into support mechanisms such as training or business mentoring and to increase business research and development activity and linking into the grants and services available through Callaghan Innovation.

Key resources and support include:

- **RBP Growth Advisors:** Growth advisors take a 'birds-eye' look at your whole business, then help you connect with the resources and experts so you can find the right support to recover, build capability and grow.
- **Management Capability Development Fund**: Offers businesses up to 50% co-funded support for management coaching and training services to build management capability within the business.
- **Access to R&D funding and support via Callaghan Innovation**
- **COVID-19 Business Advisory Funding**: Will provide support in areas such as HR, health and wellbeing, business continuity, cashflow and finance management, strategy and digital capability.

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- **Tourism Transitions Fund**: Supports tourism businesses with advice and support such as HR, health and wellbeing, business continuity and hibernation, cashflow and finance management, strategy and digital capability.

In addition RBP advisors can link businesses to other support available for businesses including:

- Business Mentoring Support via Business Mentors New Zealand; an independent national business mentoring service provider to the small business sector in New Zealand. The service matches experienced businesspeople, the Mentors, with small business owners.
- Curated information via Kiwi Business Boost; answer a few quick questions about your business, what you're focussed on and how you are feeling, and receive free advice, tools, tips, events and articles specifically tailored to your needs..
- Free webinars targeted at key issues facing businesses, including finance and cashflow management, business continuity planning, guides to setting up e-commerce and much more.
- COVID-19 information for businesses, including the latest news and updates on cash flow loans and support, and wage subsidy and leave support.
- Export-specific information from NZTE, including international market updates, Government packages and support, and useful tools and resources.

Table 15 below captures the KPIs for the RBP Programme that have been set by NZTE and Callaghan Innovation. HB RBP is very clearly meeting its KPIs and it is considered a high-performing programme from a Central Government perspective. In 2018/19 the Hawke's Bay RBP achieved 124% of KPIs and was a finalist in the national awards for performance.

In addition the following points can be made:

- Since 16 March 2020 HB RBP has engaged with 940 Hawke's Bay businesses through the COVID-19 Business Advisory Fund response mechanism. 732 Capability Vouchers worth $1,553,152.25 have been issued to HB businesses (with an average voucher value of $2121.79). Pre-COVID HB RBP worked with around 200 businesses per annum.

Area of advice provided	Number of Vouchers	Value Issued
Business Planning	218	$506,552.25
Cashflow Management	221	$449,403
Digital Enablement/Marketing	170	$364,479
Employment Relations/People Mgt	113	$215,283
Health & Wellbeing	10	$17,435
TOTAL	**732**	**$1,553,152.25**

- The top sectors HB RBP have been working with are - Other services; Accommodation & Food; Construction; Retail; Agriculture, Forestry & Fishing; and Manufacturing.

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- In terms of regional spread around 47% of voucher recipients have been Napier-based businesses; 46% Hastings-based, and the rest between Wairoa and CHB.
- The total COVID Business Advisory funding pool for HB is $2,056,128.00. The length of time between initial discussions with the businesses and issuing of vouchers is increasing, at times it can be 6 weeks, mostly due to business owners being busy and taking time to weigh up their options of the areas that they want to utilise their vouchers and which providers they want to use. With so many businesses registering for support some RBPs have had waitlists of up to 6 weeks. HB RBP has, at time of writing, been able to limit the waiting time to 3 weeks.
- HB RBP has so far issued $56,690 of the original $135,755 Tourism Transition Fund.
- HB RBP 'Net Promoter Score' (NPS) was a very favourable 83 in the last quarter (the highest it has achieved is 90).
- The number of businesses HB RBP engages with in relation to Callaghan Innovation initiatives and funding programmes well exceeds the average 50 companies per 1.0 FTE (HB RBP sits at around 145 on 0.8FTE).

Table 15: RBP – Priority areas, resources, measurement and performance

KPI Name	KPI	Actual Result (YTD – to June 2020)	Commentary
RBP Activity (unique engaged businesses)	200	623	• 312% achieved.
RBP Discovery Sessions	160	• 134 (BAU) • 940 – COVID-19 engagements	• 488% achieved (including COVID engagements).
Mentor Matches	79	51	• 65% achieved.
RBP Net Promoter Score	50+	81	• Achieved.
Callaghan Innovation levels of engagement	High ≥10% Medium ≥35% No service ≤30%	High 13% Medium 41% No service 8%	• Targets set for % total managed customers are being achieved across all levels • Portfolio for Hawke's Bay Innovation Specialist of Managed Companies is 145 on 0.8FTE (normal portfolio provision per 1.0 FTE is 40-60 companies)
Referrals	None	• To Callaghan Innovation - 18 • To NZTE – 5 • To BMNZ – 7 • To other - 34	"Other" referrals: • 21 referrals for opportunities to Business HB/ HUB Connect • 4 referrals of Wairoa clients (non RBP) to BHB as part of 'spoke and wheel' initiative • 3 referrals for NZFIN • 6 referrals to Business Connections (Non service providers).

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9.5 Great Things Grow Here

9.5.1 Key findings

- There is value in Hawke's Bay having a collective brand and platform that it presents, in particular, to external talent and investors. This is especially important because there is a perception among business that the region, and the support it provides business, is fragmented. If other regions initially present themselves as easier to do business with then Hawke's Bay potentially misses opportunities for early engagement and follow through.
- Ideally Hawke's Bay would have one clear and identifiable 'umbrella' brand that different activities could connect to. GTGH could play this role but there is still some (largely HB business as this has not been tested more widely), confusion about what GTGH is, and what it isn't, and a general lack of understanding of what it's trying to achieve. This led the HB Chamber to recently create the "Be in the Bay" website so that their members had a specific platform to connect to other businesses in the region. There are views that 'Be in the Bay' has, however, muddied the 'brand water', and added to a perception of everyone doing their own thing.
- Whatever platform is chosen to promote the region it has to be backed with broad agreement, commitment and focus. Strong brands need to be developed and maintained. There seems to be general acknowledgment that there is a need for a Search Engine Optimisation (SEO) strategy and an effective marketing strategy and implementation plan if GTGH is going to play a regional platform role.
- Other regional platforms are generally "location.nz" so they are the first site that pops up on a search. These landing pages can then direct you to different things – tourism; business support etc. HBTL owns/runs www.hawkesbaynz.com. There are technical (SEO) reasons why you want to be careful with changing the focus of landing pages but consideration should be given to allowing connection to different services from www.hawkesbaynz.com.
- In terms of performance measurement this is focussed on Google analytics including: visits to website and time on the site; social media followers across channels; impressions; google ads. There have been some positive trends but overall these metrics highlight the need for a broader marketing strategy and implementation plan if GTGH is going to meet its objectives.
- The GTGH brand is being used by Councils and BHB (especially through the 'Think HB' work) and a small number of stakeholder interviews in 2019 found GTGH was "a strong brand". There has not been wider, and robust, testing of this so it is hard to make call on the brand's influence and impact in attracting investor/talent attention, and then action (investment and/or people moving in HB).

9.5.2 Background on Great Things Grow Here (GTGH)

Great Things Grow Here (GTGH) is a brand and marketing logo and platform that seeks to highlight and pitch the benefits of living, working, and doing business in Hawke's Bay. It was created in 2016 when an opportunity was identified to support a collective regional brand and voice, especially to talent and investors looking at opportunities in regional New Zealand.

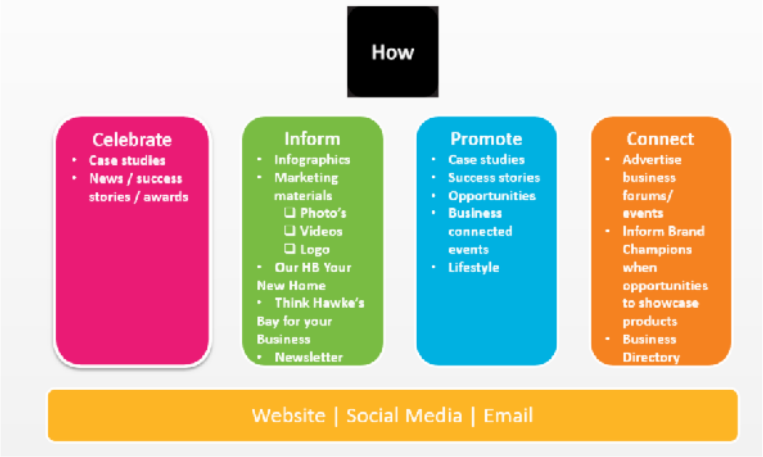
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GTGH has two key audiences:

1. External investment and talent: The objective of GTGH is to inform this group of the opportunities in Hawke's Bay; and
2. Local business: The objective of GTGH is to build pride and facilitate connections among this group of stakeholders.

Following a review of GTGH in July 2019 the funding partners agreed a simplified vision *"A brand platform that maximises opportunities to promote and showcase the benefits of doing business and living in Hawke's Bay"*. The funding partners agreed that GTGH would achieve this vision by focussing on 4 key areas – Celebrating; Informing; Promoting; and Connecting. Figure 3 below provides a pictorial representation of the work programme and actions that sit under the 4 areas of focus.

Figure 3: How GTGH will achieve its vision



GTGH is supported through funding and use by the 5 Councils and BHB. A breakdown of GTGH contributions (and overall funding that goes into the platform) is provided in Table 16 below. Napier's contribution is not based on population hence the additional funding from CHBDC, HDC and WDC. The resource currently used to manage GTGH (0.1 of an FTE) is provided by the HDC economic development team and is not included in the table.

Table 16: GTGH Funding Split

	Funding Allocation 2020/2021
BHB	$2,750.00
CHBDC	$2,855.19
HDC	$16,752.74
HBRC	$10,000
NCC	$10,000
WDC	$1,719.99
CHBDC – extra	$1,023.98

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HDC – extra	$1,023.98
WDC - extra	$1,023.98
TOTAL	**$47,149.88**

9.5.3 Performance Measures, monitoring & evaluation

Key measures used to evaluate GTGH have mainly been Google analytics including:

- Visits to website and time on the site
- Social media followers across channels
- Impressions
- Google ads.

A number of important points in regard to these analytics have been made in reports to the funding partners:

- When GTGH was set up there was no search engine optimisation strategy (SEO) as it was an online magazine. There is still no SEO strategy just key words for googles ads which means if people are searching for information about Hawke's Bay GTGH doesn't always appear.
- Other regional platforms generally are "location.nz" so they are the first site that pops up on a search.
- A small number of stakeholder interviews in 2019 found GTGH was "a strong brand" but it is not clearly identifiable as Hawke's Bay; a strategy would assist in improving this.
- After the funding partners agreed a new vision for GTGH in 2019 the focus of the website and social media became less of general celebration of Hawke's Bay and more focused on celebrating and showcasing doing business and living in the Hawke's Bay. The smaller number of 'lifestyle posts' (especially on Instagram and Facebook) has had an impact on engagement.

In terms of recent performance reporting has highlighted the following:

Website performance

- Visits to the website have decreased however average pages looked at on each visit; has increased possibly suggesting greater relevance to visitors;
- Brand Champion sign up has decreased.

Traffic to Website

- Currently Google ads account for the majority of the traffic to the website; this demonstrates a lack of other marketing strategies;
- GTGH currently only appears for very specific searches.

Google Ads

- The top 10 Key Search Words are: Jobs Hawke's Bay; seasonal work nz; Hawke's Bay business; seasonal jobs Hawke's Bay; New Zealand seasonal jobs; living in Hawke's Bay; employment Hawke's Bay; moving to Hawke's Bay; business Hawke's Bay.

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- The location of people viewing the ads – Auckland, Wellington, Christchurch, Hamilton, Lower Hutt, New Plymouth, Tauranga, Rotorua
- Reducing the spend on Google ads has reduced impressions. An overall Marketing Strategy and Implementation pPlan would provide clear tactics to meet objectives.

Social Media

- Overall the number of followers has increased but the impressions and clicks have decreased this is especially apparent in March and April 2020 when there was a lack of GTGH news/ success stories to post due to COVID-19.
- Ceasing posting community and lifestyle stories has also contributed to this however given visitors are viewing more than one page and there is a reduced 'bounce rate' this would suggest what is being posted is more relevant.

10.0 SURVEY OF KEY STAKEHOLDERS

A key aspect of the second stage of the Review was a survey of key stakeholders in order to provide deeper and richer insights into the broad range of issues being considered e.g. rationale and focus; effectiveness and efficiency; opportunities for improving delivery, or new ways of delivering; and any implementation issues.

This survey was run between 2-15 September 2020 and was sent to around 300 stakeholders identified by the 5 Councils, BHB and HBTL. Fifty-nine (59) completed the survey in full and there was a good spread of respondents across stakeholder groups – Council (management and staff, and elected members), Iwi/hapū, business, Central Government, NGOs. Annexes D and E (separate PDF attachments) provide a full summary of the survey results and the (high-quality) verbatim comments provided by respondents. This section of the report provides a high-level view of the insights. These insights have been used (along with findings from the desktop analysis and insights from one-on-one interviews) to guide the case for change in Section 11.

10.1 High-level survey results

- In terms of rationale and focus a high proportion of respondents thought the economic development activities/services provided by Councils, BHB and HBTL were *based on* or *somewhat based on* clear and well-evidenced problems and opportunities for the region (80%, 64% and 78% respectively).
- Respondents highlighted a number of emerging trends, issues or opportunities presenting for the region. These included:
    - COVID-19 (strengthening the need to work collectively on targeted recovery activity, be agile and innovative, and to do things differently);
    - Central Government funding and views driving regional economic development;
    - The need to better engage and support Māori business as well as growing opportunities in non-traditional sectors for Hawke's Bay, such as the digital sector;

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- Climate change and broader sustainability drivers (including water quality/availability);
- Digital connectivity and business agility;
- Labour related issues, including work readiness and attracting qualified staff across a range of industries;
- The future of food and adding value along the supply chain;
- People moving from cities to the regions; and the need to focus on inequality verses growth.

- Overall responses to questions relating to quality, timeliness, and cost/processes of activities/services indicated that there were low levels of satisfaction or limited knowledge in regard to Matariki RDS; a mostly positive view in regard to Council and BHB activities/services, and a more positive view of HBTL activities/services.
- Respondents were mostly satisfied that current services were supporting the private sector.
- Respondents highlighted a number of issues in regard to possible gaps and/or duplication in/of service provision. These included:
  - GTGH not being supported adequately by the region;
  - A perception of fragmented economic development initiatives across different councils and bodies, and challenges engaging with a common regional approach or strategy;
  - A perception of a lack of collaboration between Councils and BHB;
  - A sense there is little understanding of what Māori development means to Māori;
  - A view that people and organisations aren't resourced to do everything they want to do, nor reach agreement for regional cooperation;
  - A view that there is duplication in business and start-up support services (Chamber and BHB); a desire for greater clarity on where each entity plays and does not play;
  - The need for industry/sector groups to be better connected and coordinated to overall regional objectives;
  - A gap in "foresight" expertise (e.g. what will the region look like and need in 2050);
  - Overlaps in small business workshops with the Chamber and BHB vying to be the voice of business in the region and both venturing into education;
  - A view that Councils were starting to get into business support which was not their core capability; and gaps and duplication regarding investment and talent attraction i.e. no coordinated campaign that leverages the draft strategy;
  - Inadequate delegation to BHB to manage regional pitches; and GTGH and BHB both focussed on investment/talent attraction.

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- Respondents thought that role clarity and funding were the biggest barriers to effectiveness. The next most significant group of barriers to effectiveness were information sharing, the way Matariki works, and information on the effectiveness of services.
- More respondents were dissatisfied than satisfied with current funding levels for economic development activities/services. A high proportion felt that funding should be increased.
- Respondents highlighted a number of important issues in to delivery arrangements. These included:
    - The need for a cohesive pan-regional approach;
    - The need for an integrated separate entity responsible for economic development and supported by all councils;
    - A reduction in duplication of services and common KPI's;
    - Collaboration and cohesiveness, with the right people in the right roles that generated a level of influence and partnership respect required to deliver results;
    - Role clarification and mandate; disciplined and mid to long-term commitment to funding BHB to enable regional development while leaving local government to supply and support infrastructure, services and well-being of the region at large;
    - Clarity around Matariki as a strategy and action plan (not an agency) with a focus on working collaboratively for collective impact; and
    - Streamlining Matariki governance and utilising existing governance forums for more meaningful collaboration and connection.
- Behaviours and the structure of teams and organisation were seen as the things that would most need to change for improvements to be successfully implemented. Appropriate funding was also seen as critical.

11.0 CASE FOR CHANGE

This section brings together the issues and opportunities that have been raised and identified through the different stages of the Review. These issues range from the adequacy of funding levels, the culture and capability needed to effectively support Hawke's Bay's economic development efforts, through to institutional and structural concerns with the way Hawke's Bay has organised its economic development activities and services.

The key observation is that there is a strong case for change for non-tourism related activities. The type and degree of change will, however, depend on whether Councils direct their focus on fixing some of the funding and collaboration-related issues, or take the opportunity to help create an enduring platform that provides Hawke's Bay with the appropriate scale and mandate to better guide and direct economic development activity to priority areas/issues. This is explored in more detail in Section 12.

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Table 17 below provides a summary of the main issues, challenges and opportunities that have been identified through the different stages of the Review.

The following observations can be made:

- Most stakeholders and those involved in delivery and funding are looking for greater clarity over roles and functions ("what are the lanes", "who's swimming in which direction and where are the overlaps that require collaboration and coordination"), with this being communicated clearly to key stakeholders.
- Businesses are looking for greater clarity over the activities and services available to support business activity.
- There is concern that there are unhelpful and competitive behaviours in the system and that this is constraining more effective collaboration. This is feeding a perception in the business community that the economic development system is fragmented and not particularly transparent. Stakeholders seem to understand that economic and social development is impossible without collaboration. It is a team game with multiple players, drivers and perspectives. A culture of trust and sharing is therefore more likely to deliver effective outcomes. There is also acknowledgment that governance and organisational structures can either support or constrain collaboration and there is a view that there's Hawke's Bay has not yet got this right.
- There is concern about whether Hawke's Bay has the right capability (alongside structure/s) to support effective and efficient delivery of activities and services, leading to views that the region is not as responsiveness to community needs as it could be and punching below its weight externally.
- BHB financial sustainably is clearly an issue. There is acknowledgement that BHB has delivered with the resources it has had at its disposal and it has, broadly, met KPIs that have set through contracting arrangements. But changes will need to be made to put BHB on a financially sustainable footing.
- More generally a high proportion of stakeholders feel that funding for economic development activities and services should be increased.
- HBTL is supported by its main stakeholders and appears to be doing a successful job in leveraging ratepayer investment into real value for the Hawke's Bay economy. At this point there does not appear to be a strong case for change in regard to HBTL. The issues involving any institutional change are looked at in more detail in Section 10.
- Funding for tourism relative to other sectors has been a theme of the feedback, with many viewing this as unbalanced. But tourism directly supports local retail and hospitality (and helps to create vibrant city centres and regional amenities that locals enjoy and play a role in people and talent attraction). This means it is not as simple as saying one sector versus the others. Ideally, we would be supporting a range of key sectors of importance/opportunity (taking into account the appropriate role of govt).

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Table 17: Issues and opportunities identified through the Review

Issue	Comment
Financial sustainability of Business Hawke's Bay	• This is a clear and presenting issue. • Status quo is not an option.
Role clarity across organisations and teams	• Some suggest there is a lack of role clarity between agencies/teams. • There is a view that role clarity has become more blurred through Matariki.
Clarity on support available to business	• Businesses are looking for greater clarity over the activities and services available to support business activity.
Information sharing	• There is a view that information being generated from different activities/services largely stays in its silo and that greater use could be made of this information if it was shared across teams and organisations. • Despite some things like the Think HB group working well, there appears to be a lot of trying to look over the fence to see what is going on in other areas. This suggests a lack of effective coordinating/collaborating mechanisms.
Capability to support effective and efficient delivery of activities and services	• There is concern about whether Hawke's Bay has the right capability (alongside structure/s) to support effective and efficient delivery of activities and services, leading to views that the region is not as responsiveness to community needs as it could be and punching below its weight externally. • Stakeholders have queried whether the right capability is in place to effectively support Māori business in Hawke's Bay (see 'Partnership and engagement with Maori' section below) • Other stakeholders have identified a gap in "foresight" expertise (e.g. what will the region look like and need in 2050).
Monitoring and evaluation	• There appears to be a lack of a well-defined impact framework (which ties inputs to outputs and then outcomes) for regional development priorities. • It is also not clear how the activities of the respective orgs/teams work together in pursuit of shared regional objectives. • Monitoring is largely project-based and has been 'simplified' over time. It appears to be mainly compliance-focused.
Partnership and engagement with Māori business	• There is a perception among Māori that key local support agencies have little understanding of what Māori development means to Māori. • There is a view that Crown/Māori partnership arrangements in regard to economic development require a re-think. • Stakeholders identified the need to better engage and support Māori business as a key opportunity.
Matariki	• There is recognition of its value of Matariki for its relationships and the way it connects people/agencies under one umbrella i.e. a collective of people working together on shared and interdependent objectives. • There is a view that Matariki has become a brand rather than a real strategy. • Other views – while Matariki represents a genuine attempt at creating a broader regional well-being framework, it currently has a social-bias and has lost some balance; implementation has not been funded adequately; it is seen as govt-centric and less relevant to business; and it is seen as process and governance heavy. • Stakeholders are looking for greater clarity around the role of Matariki as a strategy and action plan with a focus on working collaboratively for collective impact, and some streamlining of Matariki governance.
Differing views on role of govt	• There are differing views on the appropriate role for local government in supporting economic development which generates different approaches across the system. This is closely tied to the role clarity and information sharing issues raised above.

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Investment attraction and retention has a competitive element	• Investment, business and talent attraction and retention undertaken across the region has the potential for a competitive element which may not be of benefit to the region as a whole. • This is driven by the rating base of each area and the (direct) investment benefits flowing to the specific area. Less recognition is given to the impact on regional labour and other markets (e.g. housing). • There are, however, some clear examples of where collaborative effort has worked well.
Central Government role and expectations	• Central Government's role in regional economic development and its expectations of local government and regional delivery agents has shifted over time. • Central Government wants regions to be "joined-up" and to be clear on regional priorities; it wants regional plans to fit with national sector/industry strategies where they exist and/or are being developed; it wants to utilise regional information that is closer to source to inform policy and programme development; and it says it wants to partner on longer-term objectives where there is a clear role for government to play. • All this will require Hawke's Bay to have expertise at the regional level, it will require effective leadership, collaboration and coordination, and a funding and support system that can adapt to the changing needs of Hawke's bay businesses and sectors and leverage and maximise the support provided through Central Government.
Great Things Grow Here (GTGH)	• There is a view that GTGH does not represent a lot of Hawke's Bay business • Another view is that GTGH could be a useful 'umbrella brand' that could usefully convey a HB story – both within the region (how we see ourselves and the behaviours and things we want to support), and external to the region (how we are seen by people and organisations outside of the region) • Other views - needs to be clearer about what it is and what it isn't; it's trying to be something on its own; HB has a cluttered landscape of brands (or perceived brands) that are trying to convey HB attributes - HB Tourism, Be in the Bay, Matariki.

12 FUTURE DELIVERY OF ECONOMIC DEVELOPMENT ACTIVITIES/SERVICES IN HAWKE'S BAY

This section provides an assessment of a range of potential options for future delivery. The options have been designed to address the range of issues, challenges and opportunities that have been identified through the review and which are captured in Section 11 above.

In order to assess the options a set of objectives and criteria have been established. These are based on what success (in terms of delivery rather than outcomes i.e. what kind of delivery could achieve better outcomes), could look like for Hawke's Bay.

12.1 Objectives and criteria

The elements of the case for change above can be distilled into a set of high-level objectives to better enable Hawke's Bay to meet its wellbeing outcomes.

1. Hawke's Bay has a cohesive regional approach (with less - real or perceived - fragmentation and patch protection).
2. Hawke's Bay's approach is embedded in a partnership with Maori and is responsive to community needs e.g. Maori; HB districts.
3. There is commitment to appropriate ongoing resourcing to support the approach Hawke's Bay takes.

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4. There are clear boundaries around who does what and consistent application and appreciation of roles and responsibilities.
5. There is more effective collaboration so that Hawke's Bay-Inc is greater than the sum of its parts.
6. There is greater clarity around the support that is available to businesses, investors and talent and greater clarity around how to access the support available.
7. There is greater transparency and accountability around activities being undertaken, delivery and evaluation.

In terms of implementation we also need to take into account:

- *Practicality* - will the model be able to be implemented and will the changes be relatively easy to make with minimal disruption to existing services? For example, you would not want critical activities to stall because of a change process;
- *Likely costs of change* – the costs need to be considered relative to likely efficiencies that would be possible and the level of investment in services; and
- *Capacity to deliver services* – will the model ensure that activities are delivered or administered by an entity with the capacity to deliver the required range of services?

Bringing the implementation issues together with the high-level objectives (most of which are elements of effectiveness) we can use the following criteria to assess the different options available:

- **Practicality** – will the model be able to be implemented and will the changes be relatively easy to make with minimal disruption to existing services? For example, you would not want critical activities to stall because of a change process.
- **Effectiveness** – will the model be likely to be effective in delivering the required services and required areas of improvement and in achieving economic development objectives?
- **Representation of, and responsiveness to, economic development needs and communities of interest**. For example, is the model likely to be responsive to the needs of different industries, to Māori/iwi/hapū, to different districts?
- **Likely costs of change** – the costs need to be considered relative to likely efficiencies that would be possible and the level of investment in services.
- **Capacity to deliver services** – will the model ensure that activities are delivered or administered by an entity with the capacity to deliver the required range of services?
- **Accountability to key funders and alignment with funders' priorities** – to what extent is the model likely to ensure accountability to Councils and other funders?
- **Ability to attract/retain the right expertise to deliver the services (at governance and staff levels).** For example, experts might be attracted to a model that has a greater scope of services.
- **Ability to leverage resources of others (e.g., central government funding, private sector funding).** For example, as noted, central government agencies like NZTE and Callaghan are more likely to want to fund a regional partner that has full regional reach rather than a range of agencies.

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12.2 Options for delivery

Section 17A of the LGA requires consideration of the following options when considering delivery improvements (note a 17A review is not limited to these options):

(a) Responsibility for governance, funding, and delivery is exercised by the local authority

(b) Responsibility for governance and funding is exercised by the local authority, and responsibility for delivery is exercised by –

(i) a council-controlled organisation of the local authority; or
(ii) a council-controlled organisation in which the local authority is one of several shareholders; or
(iii) another local authority; or
(iv) another person or agency:

(c) Responsibility for governance and funding is delegated to a joint committee or other shared governance arrangement, and responsibility for delivery is exercised by an entity or a person listed in paragraph (b)(i) to (iv).

Given the Hawke's Bay context and the Review analysis the Reviewer believes there are 7 main options for consideration. Table 18 below provides more detail on these options but they are:

1. ***The Status Quo.***
2. ***Enhanced Status Quo v1***: Improved funding for BHB.
3. ***Enhanced Status Quo v2***: Improved funding for BHB + BHB takes on RBP contract (with HB Council support and Central Govt agreement via formal procurement process).
4. ***Transferring business support services to a Council or across Councils.***
5. ***Leveraging other providers***: A variation of Option 4. Responsibility for (non-tourism) business and industry development and support activities/services would sit with a Council or Councils but these activities/services would be contracted to other providers in the region (e.g., industry groups, iwi organisations) to deliver.
6. ***Extended regional model of delivery for non-tourism economic development activities (EDA CCO)***: BHB would become Council Controlled Organisation (CCO). No change to HBTL.
7. ***Combined Regional Economic and Tourism Agency***: BHB and HBTL would be folded into a new combined Regional EDA/RTO for Hawke's Bay.

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Table 18: Description of main options

Options	*Ownership Model*	*Detail/commentary*	*Where these models/structures are used elsewhere*
1. Status Quo	*Business Hawke's Bay (BHB)* • Incorporated Society • Not for Profit	*Business Hawke's Bay* • Independent • Not Council Controlled • No Council representation on Board • Funded primarily by 5 Councils with funding tied to a CfS with quarterly and annual reporting	The following orgs/structures are broadly relevant: • Bay of Plenty: Priority One is an Inc. Society (doesn't cover tourism) • Waikato: Te Waka is a trust (doesn't cover tourism) • Eastern Bay of Plenty: Toi EDA is a trust (covers tourism and wider ED) • West Coast: Development West Coast is a trust (covers tourism and wider ED) • Marlborough: Destination Marlborough is a trust (covers tourism and wider ED)
	Hawke's Bay Tourism Ltd (HBTL) • Registered company • Hawke's Bay Tourism Industry Association (HBTIA) is the sole shareholder of HBTL	*Hawke's Bay Tourism Ltd (HBTL)* • Funded via HBRC and membership fees • HBRC is the primary funder. KPIs are negotiated and agreed through an SLA. Quarterly and annual reporting is required. • HBRC represented on Board.	
2. Enhanced Status Quo v1	• No change to ownership models	• Improved funding for BHB • No change to HBTL funding • Improved monitoring and reporting based on clear impact and intervention framework • Council (and iwi) representation on BHB Board • No change to RPB programme i.e. HBRC continues to hold contract and sub-contract a position to the HB Chamber	
3. Enhanced Status Quo v2	• No change to ownership models	• Improved funding for BHB • No change to HBTL funding • Improved monitoring and reporting based on clear impact and intervention frameworks • Council (and iwi) representation on BHB Board • BHB takes on RBP contract (with HB Council support and Central Govt agreement via formal procurement process) and sub-contracts a position to the HB Chamber	
4. Transferring business support services to a	• No change to ownership models	• A Council (e.g. HBRC as the only Council with a regional remit) or individual Councils would pick up responsibility for delivering (non-tourism) business and industry development and support activities	• Destination Clutha: Unit of Clutha District Council • Enterprise Dunedin: Unit of Dunedin City Council

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	Council or across Councils		• No change to RPB programme i.e. HBRC continues to hold contract and sub-contract a position to the HB Chamber • BHB funding scaled back to support Business Hub operations and activation only • HBTL funding either remains the same or scaled back	• Waitaki Development: Unit of Waitaki District Council • Central Otago Development: Unit of Central Otago Council • Invercargill Development Economic Development Unit (EDU): Unit of Invercargill City Council • Queenstown Economic Development Unit (EDU): Unit of Queenstown City Council • Marlborough Economic Development Unit (EDU): Unit of Marlborough District Council
5.	**Leveraging other providers**	• No change to ownership models	• This is a variation of Option 4. • Responsibility for (non-tourism) business and industry development and support activities/services would sit with a Council or Councils but these activities/services would be contracted to other providers in the region (e.g., industry groups, iwi organisations) to deliver.	• Note, contracting out activities/services to those best able to deliver takes place across regions and organisational models
6.	**Extended regional model of delivery for non-tourism economic development activities (EDA CCO)**	• BHB deregisters as an incorporated society and becomes a Council Controlled Organisation (CCO) • No change to HBTL ownership model	• Would require agreement from existing BHB Board • Improved funding for new BHB CCO (note there would be benefit in retaining the name BHB as it is established in the marketplace (and broader economic development community) and use could be made of existing branding etc • A new independent Board would be established • Improved monitoring and reporting based on a clear impact and intervention framework • BHB takes on RBP contract (with HB Council support and Central Govt agreement via formal procurement process)	Note, all of the CCOs below are responsible for tourism and broader economic development): • Auckland: ATEED is a CCO • Manawatu: CEDA is a CCO • Wellington: WellingtonNZ is a CCO • Christchurch: Christchurch is a CCO • Canterbury: Enterprise North Canterbury is a CCO • Northland: Northland Inc is a CCO • Southland: Great South is a CCO • Nelson: Nelson Regional Development Agency is a CCO
7.	**Combined Regional Economic and Tourism Agency**	• BHB and HBTL would be folded into a new Regional EDA for Hawke's Bay • Organisation form could be – Trust; Incorporated	• Would require agreement from both independent entities • Could be established as a CCO or Trust. CCO's more common for combined EDA/RTAs. • A new independent Board would be established • Improved funding for economic development activities	• Auckland: ATEED • Manawatu: CEDA • Wellington: WellingtonNZ • Christchurch: ChristchurchNZ • Northland: Northland Inc.

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	Society, Unit of Council or CCO	• Improved monitoring and reporting based on a clear impact and intervention framework • The new entity would takes on RBP contract (with HB Council support and Central Govt agreement via formal procurement process) and sub-contracts a position to the HB Chamber	• Southland: Great South • Nelson: Nelson Regional Development Agency • Taranaki: Venture Taranaki (a trust). • Tairawhiti: Trust Tairawhiti (a trust). • Whanganui: Whanganui & Partners (a CCO) • Rotorua Economic Development Ltd/Destination Rotorua (a CCO) • Eastern Bay of Plenty: Toi EDA (a trust). • West Coast: Development West Coast (a trust). • Marlborough: Destination Marlborough (a trust).

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An assessment of the seven options against the criteria outlined above is provided in Table 19 below. Options have been rated on a 1-10 scale (with 10 being more attractive).

Table 19: Assessment of delivery options

Criteria	*Weighting*	*OPTION 1: Status Quo*	*OPTION 2:* Enhanced Status Quo v1	*OPTION 3: Enhanced Status Quo v2*	*OPTION 4: Transferring business support services to a Council or across Councils*	*OPTION 5: Leveraging other providers*	*OPTION 6: Extended regional model of delivery for non-tourism economic development activities*	*OPTION 7: Combined Regional Economic and Tourism Agency*
1. Practicality	10%	10	9	8	5	4	7	6
2. Effectiveness	30%	4	6	7	3	7	9	8
3. Representation of and responsiveness	25%	4	4	4	7	7	7	5
4. Costs of change	5%	10	9	8	7	5	7	6
5. Capability and Capacity to deliver services	15%	4	5	5	3	5	8	8
6. Accountability	10%	5	5	5	4	3	9	6
7. Ability to leverage resources of others	5%	5	5	6	4	4	9	9
Unweighted TOTAL	**100%**	**42**	**43**	**43**	**33**	**35**	**56**	**48**
Weighted TOTAL	**100%**	**5.05**	**5.65**	**5.85 (3)**	**4.55**	**5.75**	**8.05 (1)**	**6.8 (2)**

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Table 20: Comments on assessment of delivery options

Summary advantages / disadvantages	Major advantages	Major disadvantages
OPTION 1: Status Quo	• No costs involved • No disruption to existing services	• Will not improve the existing situation and deal with the issues that have been identified • Would be a lost opportunity to create an effective and enduring platform for Hawke's Bay
***OPTION 2:* Enhanced Status Quo v1**	• No disruption to existing services • Limited costs of implementation - some minor costs to Councils from increased participation in governance and priority setting • Could be increased responsiveness to different communities if BHB extends its hub and spoke model (with additional funding) • Some increased transparency and accountability	• Wouldn't necessarily result in the cohesive regional approach key stakeholders are wanting • Would require additional funding from Councils • Even with some governance changes wouldn't necessarily satisfy partnership objectives • Objectives related to clarity of roles, collaboration, and clarity of support available would depend on focussed action and ongoing behavioural changes • Wouldn't necessarily change the ability to attract/retain the right expertise or the ability to leverage resources of others
OPTION 3: Enhanced Status Quo v2	• Same as Option 2 except now limited (not no) disruption to existing services • Embedding the RBP programme in an organisation providing other eco dev support services would allow the insight derived from this 'coal face' activity to be used to design other offerings for business, guide other strategic work etc. • This option would retain the existing link with HB Chamber of Commerce (through the sub-contract of one position) to ensure strong links could continue to be made between organisations and respective services.	• Same as Option 2 • In additional Central Govt (NZTE, Callaghan would have to agree to transfer of RBP programme to BHB. This would require regional support and BHB meeting all relevant criteria).
OPTION 4: Transferring business support services to a Council or across Councils	• More accountability to Councils for economic development services	• Could see large disruption to business support services • Wouldn't necessarily result in the cohesive regional approach key stakeholders are wanting • Wouldn't necessarily change the ability to attract/retain the right expertise or the ability to leverage resources of others • Councils would need to take on extra services and either find or hire additional internal resourcing

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		• Some services may end up being split across Councils, reducing efficiency • May end up being less responsive to businesses for some services • Most (in-scope) economic development activities are not core to the effective functioning of Councils, nor do they require frequent decision making. Advice on services also often requires commercial expertise. • Many businesses may be less willing to engage directly with a Council than an arms-length entity (e.g. businesses may not be prepared to share confidential information with a Council if they are also involved in negotiating terms for consents or services) • Wouldn't necessarily satisfy partnership objectives • Objectives related to clarity of roles, collaboration, and clarity of support available would depend on focussed action and ongoing behavioural changes
OPTION 5: Leveraging other providers	• Likely to be able to extend reach through contracting • May be closer to communities/businesses/industries depending on providers • Likely to be able to leverage resources of the private and non-government sector • Contracting out helps to ensure high level of expertise is used	• Could see large disruption to business support services • Wouldn't necessarily result in the cohesive regional approach key stakeholders are wanting • Wouldn't necessarily change the ability to attract/retain the right expertise or the ability to leverage resources of others • It's not clear that this model would be any more efficient (for example, it would require procuring and managing multiple contracts) or effective than the status quo and provide less oversight and control for Councils (and hence limited potential to achieve greater alignment with regional priorities). • There isn't also a single external agency in Hawke's Bay that has a broad enough scope of interests or expertise to be contracted to deliver all services e.g. HB Chamber's role is business advocacy, networking and training, it does not extend to broader industry development activities.
OPTION 6: Extended regional model of delivery for non-tourism economic development activities (EDA CCO) ***[PREFERRED OPTION]***	• This model would help to create a cohesive regional approach if it had the mandate, funding, and over time mana to more effectively represent the region • Would be an opportunity to consider the iwi/hapū partnership model through the appointment on an independent Board • Ensures joint Council discussion and influence over priorities (e.g. through yearly Statement of Intent and Service Level Agreement (SLA) / Contract for Service (CfS) setting discussions) • Given clear ownership interests it would help ensure HB Councils played a strong, supporting role that helped guide/shift	• Would require agreement from existing BHB Board • Would require additional funding from Councils • There would be costs involved in changing the delivery model for non-tourism related activity/services e.g. potential for disruption to activities/services

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	individualistic behaviours that are present (and will always be present as long as HB has 5 Councils) • Would be an opportunity to clarity roles and responsibilities and enhance collaboration • Would be an opportunity to clarify the support available to businesses, investors and talent and how to access the support • Would increase the ability to attract/retain the right expertise (given stronger mandate) • Would increase the ability to leverage resources of others (given stronger mandate, more effective funding and capability of staff) • Would be an opportunity to provide greater transparency and accountability around activities being undertaken, delivery and evaluation. • 'Ownership' of destination marketing and management would be retained by tourism industry (members of HBTIA). A lack of ownership and ability to direct tourism-related activities has led to disquiet and subsequent structural changes (where these activities had been combined with broader ED activities) in other parts of the country.	
OPTION 7: Combined Regional Economic and Tourism Agency	• Same as Option 6 • This option strengthens the regional remit and mandate of the organisation. This could further enhance the ability to attract/retain the right expertise and leverage the resources of others. • There would likely be some overhead-related savings through shared back office support	• Same as Option 6 • The main difference would be the additional costs (including disruption to services) involved in folding in HBTL's tourism activities and services. These costs are real while the benefits of combining activities under one structure are possible (and mainly relate to a reduction in overheads and a strengthening of mandate). It's also possible to avoid these costs and still achieve the objectives relating to regional cohesion, partnership, collaboration, clarity of roles/functions and clarity of support without going to a fully combined model.

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12.3 The recommended option

Overall the assessment of the options against the criteria suggest that the best option is an extended regional model of delivery for (non-tourism) economic development activities (Option 6 – EDA CCO).

This would involve seeking agreement from the current BHB Board to deregister as an Incorporated Society with a new joint Council Controlled Organisation (CCO) entity (potentially) formed under the same name (to leverage existing knowledge of BHB among businesses and the wider economic development community). A new independent Board would be appointed by the Hawke's Bay Councils. No change would be sought to the HBTL ownership model.

A CCO is essentially any company with a majority council shareholding, or a trust or similar organisation with a majority of council-controlled votes or council-appointed trustees, unless designated otherwise. More than one council may be represented in a council-controlled organisation. While the terminology 'CCO' appears exclusionary it is actually quite a flexible organisational form and would provide a strong base for partnering with Hawke's Bay Maori and Hawke's Bay business.

Preference for this model over other options is based on the degree to which this option:

1. Is most able to create an enduring platform that provides Hawke's Bay with the appropriate scale and mandate to better guide and direct activity to priority areas/issues; support a culture of sharing, connection and collaboration; and support Hawke's Bay to be greater than the sum of its parts (e.g. by presenting a strong and united voice and vision to external investors, talent and Central Government; and by helping to attracting the resources of others); and
2. Avoids creating unnecessary transition costs for areas of support that are currently delivering for Hawke's Bay e.g. destination management and marketing.

While other options would solve some of the issues that have presented through this review they would not deliver fully on the effectiveness and efficiency outcomes Councils (and stakeholders) are seeking and solve what is currently missing for Hawke's Bay – a well-supported and funded organisation that has the mandate and backing to be the economic development voice for Hawke's Bay.

However, for this model to address all of the required areas of improvement/opportunity that have been identified the following recommendations/resources changes would need to be implemented and/or considered as part of implementation:

- **Council funding for non-tourism related economic development activities will need to increase**. It is likely that around $1.6m of additional funding would be needed for the EDA CCO model to be successful. Table 21 below provides an indicative estimate of the resources required based on current BHB activities and likely areas of focus. The exact areas of focus and resourcing would obviously be for the independent Board to agree upon based on a clear understanding of Council priorities (which would be communicated through a Statement of Intent and/or Service Level Agreement).

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- **There is an opportunity to embed a partnership with Māori in the new model**. This would start with the composition of the new independent Board. The model would allow for discussions on the level of engagement with Māori business and, potentially, a joint resourcing approach with Hawke's Bay Māori/iwi/hapū fora or organisations. It would also allow a fresh conversation on the appropriate governance model (and levels of governance) needed to support a regional approach (Matariki). Included in the additional resourcing for the EDA CCO is a dedicated FTE focused on Māori business development and support. This role could work with Māori businesses in Hawke's Bay to help support, tailor, and/or create business support programmes targeted at areas of need for Māori business. This role could be shared with HBTL.
- **Retain the Hawke's Bay Business Hub** as it is playing an important role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. Co-location of support services/agencies: provides an opportunity to present a united voice for business regardless of the underlying structures and mechanisms used to provide support services; offers a clear front door for local businesses and external investors and talent to be directed to the right area of support; and aids collaboration by reducing the costs of interaction and increasing the opportunity for important 'water-cooler' conversations. If the Business Hub structure did not exist in Hawke's Bay it would be a key recommendation of this Review to consider supporting something of this nature. The Hub is also clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use.
- **Support the proposed 'Hub and Spoke model' through the new Regional Economic Development Agency (EDA) COO** to strengthen business support across the region i.e. currently businesses in Hastings, Central Hawke's Bay and Wairoa indicate it is harder to access services given the Hub's location in Ahuriri. This would implement a key Matariki action and an identified regional COVID recovery priority. The FTE resources required have been included in the estimated funding needs (see next recommendation).
- **Create a regional pool of funds to be used to investigate economic development opportunities** that are aligned with the region's strengths/opportunities/strategy. The region currently lacks a shared pool for funds of this nature which means that opportunities are considered in an ad hoc way and support for any investigation will depend on the degree of funding available to individual Councils at the time and the strength of any advocacy. To support this $300,000 per annum (which would support 2-3 robust investigations) has been included in the $1.6m funding estimate.
- Consider **embedding the RBP programme in the new EDA CCO**. This would require Central Government agreement via the formal RBP contract procurement process. Embedding the RBP programme in an organisation providing other economic development support services would allow the insight derived from this 'coal face' activity to be used to better design other offerings for business and guide other strategic economic development work. It is possible the formal RBP contract procurement timeline will not match the transition timeline if Councils agree to the Review recommendations. In this situation HBRC could consider retaining the contract (through the procurement process) with some contractual arrangements formed in time with the new EDA CCO. The position that is currently sub-contracted to the Hawke's Bay Chamber of Commerce should be retained in order to provide a strong link to the Chamber's work and expertise.

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- **Consider investing in the development of a clear 'impact framework' for Matariki** to better articulate the relationship between activities delivered and the desired outcomes for the region over the short, medium and longer-term. This would help improve current measurement and reporting frameworks which are not effective in tracking the relationship between activities, outputs and outcomes i.e. whether ratepayers' money is being used effectively. A framework like this could also provide greater clarity on the respective roles and responsibilities of organisation and teams that contribute to regional economic development efforts.
- Consider, as part of the engagement with Māori and Central Government agencies, the opportunities to **streamline Matariki governance** (e.g. by utilising other existing governance forums for some of the conversations that support meaningful collaboration and connection), **and increasing the resources to support the Pou working groups**. Estimated FTE resources have been included in the additional resourcing for the EDA CCO. This would help resolve two of the key issues raised by a large number of key stakeholders (the cumbersome and duplicative governance structure, and lack of resources to support effective programme delivery). Matariki's Pou structure is not unlike the previous Government's Business Growth Agenda (BGA), and the BGA had a part (or full)-time programme support person to support each of the six key areas of the Agenda and the relevant lead agency.

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Table 21: Indicative estimate of resources required for the EDA CCO model to be successful

Core roles and areas of focus		Current FTEs	Proposed FTEs/change	Additional funding required
Connecting to business	**Business Hub operations and activation**	• 1 FTE - Hub Concierge position • 0.75 - Ops and activation • 0.15 - CE	• 2 FTEs – Hub Concierge & an overall Hub Operations and Activator role • Role focused on ops/activation would increase from 0.75 to 1 FTE. This would free CE role for strategy, representation and management activities. • TOTAL NEW = 0.15 FTE	• 0.15 FTE x approx. $85k salary for operations/activator role = $12,750 • The Hub currently runs at a loss. Operating costs are covered by not CAPEX. Additional funding would be required to put this on a sustainable footing. This is estimated at $20,000/annum.
	Hub and Spoke model (to better service Hastings, CHB and Wairoa)	• N/A – note not counting the additional funding HDC has just signed off on	• 0.75 FTE per Hub (x3) = 2.25 FTEs • TOTAL NEW = 2.25 FTEs	• 2.25 FTEs x approx. $62k/role = $139,500
Business and industry development	**Business development and support**	• 0.75 FTE - Business Connector position	• 4.9 FTEs • This includes the RBP team (and sub-contracted HB Chamber position) which is normally 2.1 FTEs but COVID has added another 2.8 until end Oct 2020. Key decisions still to be made on future resourcing via Central Govt.	• No additional funding required. Existing Business Connector position resource could be redeployed.
	Māori business development and support	• N/A	• 1 FTE • This role would work with Māori businesses in Hawke's Bay to help support, tailor, and/or create business support programmes targeted at areas of need for Māori business. • This role could be shared with Hawke's Bay Tourism.	• 1 FTE x approx. $130k salary = $130,000

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	Innovation and industry development support, such as cluster & sector work with industry coalitions	• 1.1 FTEs - • Business Development Manager - Land to Brand (0.5) • Business Growth Manager (0.6)	• 2 FTEs • TOTAL NEW = 0.9 FTE	• 0.9 FTE x approx. $130k salary = $117,000
	Skills building, attraction and retention initiatives	• 0.2 FTE - CE • 0.35 FTE - Business Connector – (new position)	• 1 FTE (not including CE) • TOTAL NEW = 0.65 FTEs	• 0.65 FTE x approx. $130k salary = $84,500
	Investment promotion and attraction	• 0.2 FTE - CE and Business Growth Manager	• 2 FTEs • TOTAL NEW = 1.8 FTEs	• 2 FTEs x approx. $130k salary = $260,000 • It would be worth thinking about endowing the new entity with a pool of funding it could use to investigate opportunities (that are aligned to a strategic view of regional opportunities) as they arise e.g. Eastern Film Alliance • Note – a full Business Case can cost anywhere $100,000 - $150,000 depending on complexity • Recommend, $300,000/year which would allow a robust investigation of two (possibly more) opportunities per year.
	HB brand strategy and activation	• 0.05 FTE - Marketing Support for GTGH	• 1 FTE (not including CE) • TOTAL NEW = 0.95 FTE	• 0.95 FTE x approx. $85k salary = $80,750
HB ED / Wellbeing Strategy	**Strategy development (including futures thinking) and policy/programme guidance**	• 0.4 – CE • 0.35 – Business Connector role	• 1 FTE (not including CE) • TOTAL NEW = 0.65 FTEs	• 0.65 FTE x approx. $130k salary = $84,500

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	Matariki Hawke's Bay REDS Programme Management support e.g. coordination, communications, monitoring and reporting	• 0.8 FTE - Programme Management • 0.2 FTE - Management Support - CEO • 0.1 FTE - Communications Lead (contractor) • 0.2 FTE - Secretariat Support • TOTAL = 1.3 FTE	• 1 FTE – Matariki REDS Programme Manager • 2.5 FTEs – Matariki Project Coordination support for Pou Leads • TOTAL NEW = 3.5 FTEs • (Note – existing funding for Programme Management runs out in Dec 2020 so is not counted as resource that can be carried over. Secretarial and Comms support would shift to proposed Project Coordination resource)	• 1 FTE x approx. $120k salary = $120,000 • 2.5 FTEs x approx. $65k salary = $162,500 • Note – some cost-share arrangement should be investigated (with Central Govt agencies in particular) for the Project Coordination support roles
Corporate	**Corporate**	• 0.25 FTE - Admin Support • 0.6 FTE - CE	• 1 FTE (not including CE) • TOTAL NEW = 0.4 FTE	• 0.4 FTE x approx. $65k salary = $26,000
	Communications and marketing	• 0.25FTE - Communications Lead (contractor) • 0.3 FTE - Marketing Support	• 1 FTE • TOTAL NEW = 0.45 FTE	• 0.45 FTE x approx. $100k salary = $45,000
	TOTAL FTEs	• Currently 6 established positions (soon to be 7 with new "Business Connector" position), this doesn't count the Comms Lead contractor). • Only 2 positions are full time. • FTEs approx. 4.5 established (rising to 5.25 in October); 6.35 FTEs if you count Comms Lead (a contractor and Portfolio Manager position which is only funded until Dec 2020)	• TOTAL = 36.5 FTEs + CE = 37.5 FTEs • TOTAL NEW = 10.05 FTEs	• TOTAL ADDITIONAL FUNDING FOR NEW FTEs = $1,262,500

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	TOTAL FUNDING	BHB P+L for 19-20 FY: • Funding from Councils: $321,666.55 • Business Hub Operations – OPEX: $41,543.41 • Co Starters Revenue: $15,395.91 • Interest Income:$1,412.43 • LTO Rent: $141,753.42 • MBIE Funding: $240,000.00 (NB: this funding ends Dec 2020) • Other Revenue: $65,618.11 • Room Hire HB Business Hub: $43,380.18 • Sponsorship Income (from local businesses): 141,749.97 Total Income: $1,012,519.98 Expenses: $1,113,199.60 Net loss: $56,622.92		• **TOTAL ADDITIONAL FUNDING / YEAR = $1,582,500** • Made up of: - Staff = $1,262,500 - Hub (CAPEX) = $20,000 - Regional Opportunities Fund = $300,000

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13 ANNEX A: HAWKE'S BAY ECONOMY AND INDUSTRY TRENDS

This overview provides a summary of the Hawke's Bay economy and how it differs to the national average.

13.1 Overview of key economic indicators

Table 22 table below captures key economic indicators for Hawke's Bay and the comparison with the national average.

The following high-level points can be made:

- Hawke's Bay economy is biased toward land-based sectors relative to the national economy, although manufacturing makes up a larger share of the regional economy than nationally.
- The economy is more export-oriented than it is nationally, reflecting the importance of land-based industries – meat, horticulture and forestry.
- Growth (economic and employment) has been slower than the national average over the last 10 years, but has been growing faster more recently (pre-COVID).
- Like the rest of NZ our businesses are mostly SMEs (around 86% have 5 employees or less).
- At an aggregate level, businesses are less productive than the rest of the economy.
- In terms of economic output, Hawke's Bay is an export-facing economy. In terms of business units, it is more domestic service-based.

Table 22: Comparison of Hawke's Bay and New Zealand key economic indicators

Measure	Hawke's Bay	New Zealand
GDP, 2019	$7,695 million (2.6% of national total)	$297,894 million
Economic growth - Annual change, 2018-2019 - Annual average change, 2000-2019	 - 3.6% - 1.7%	 - 3.0% - 2.5%
Population - Total population - Population growth, 2019 - Population growth, 2009-2019	 - 173,100 (3.5% of national total) - 1.3% - 1.2%	 - 4,917,000 - 1.6% - 1.2%
Mean household income	$98,017	$111,472
Mean annual earnings	$54,880	$62,774
Top 3 industries, 2019 (1 digit ANZSIC)	1. Manufacturing - 13.2% 2. Agriculture, Forestry and Fishing - 12.0% 3. Rental, Hiring and Real Estate Services - 7.3%	1. Manufacturing – 9.7% 2. Professional, Scientific and Technical Services – 8.3% 3. Rental, Hiring and Real Estate Services - 7.0%
Biggest contributors to economic growth, 2009-2019	1. Agriculture, Forestry and Fishing	

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	2. Retail Trade 3. Construction	
Fastest growing (detailed) sectors between 2018 and 2019	1. Sheep, Beef Cattle & Grain Farming 2. Horticulture & fruit growing 3. Wholesale trade	
Comparative advantage	1. Horticulture & Fruit Growing (6.5) 2. Pulp & Paper Product Manufacturing (4.2) 3. Forestry & Logging (3.6)	
Employment - Total employment 2019 - Employment growth in last year - Employment growth, 2000-2019	- 83,076 (3.3% of national total) - 1.9% - Average 0.6% pa	- 2,543,195 - 1.9% - Average 1.5% pa
Employment by broad sector	1. Agriculture, Forestry and Fishing - 13.60% 2. Manufacturing - 12.40% 3. Health Care and Social Assistance - 11.20%	1. Health Care and Social Assistance - 9.80% 2. Construction - 9.60% 3. Manufacturing - 9.50%
Productivity - GDP per filled job, 2019 - Productivity growth, 2019 - Productivity growth, 2000-2019	 - $92,625 - 1.7% - 1.1%	 - $117,134 - 1.7% - 1.1%
Business Units - No of business units, 2019 - Growth in business units, 2000-2019 - Size of business units	 - 19,131 - 2.8% - 65% sole traders; - 21% (1-5 employees); - 5% (6-9 employees)	 - 582,459 - 12.4% - 69% sole traders; - 20% (1-5 employees); - 5% (6-9 employees)

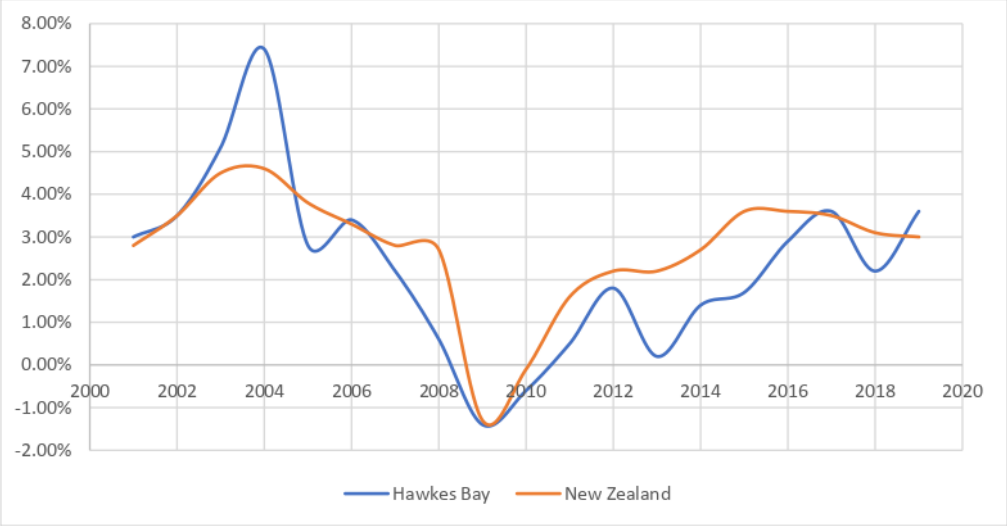
13.1.1 Gross Domestic Product (GDP)

- In 2019 Hawke's Bay's GDP was $7,695 million, representing 2.6 percent of the national total of $297,894 million.
- Economic growth has risen sharply in recent years, with an annual increase of 3.6 percent between 2018 – 2019 (compared to a national average of 3 percent).
- This is up from an annual average change of 1.7 percent between 2000 – 2009 (compared to a national average of 2.5 percent).

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Figure 4: Annual GDP Growth



An industry breakdown of contribution to GDP is outlined in Figure 5 and Table 23 below.

The key points are:

- Manufacturing and Agriculture, forestry and fisheries contribute a significantly higher share to the Hawke's Bay economy than they do nationally:
    - Manufacturing (13.2% compared with 9.7%).
    - Agriculture, forestry and fisheries (12% compared with 5.2%).
- Areas where Hawke's Bay sectors contribute a lower than average share to GDP when compared nationally include:
    - Professional, Scientific and Technical Services (5.2% compared with 8.3%).
    - Financial and Insurance Services (2.7% compared with 6%).
    - Information Media and Telecommunications (1% compared with 3.5%).

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Figure 5: GDP share of total by industry[8]

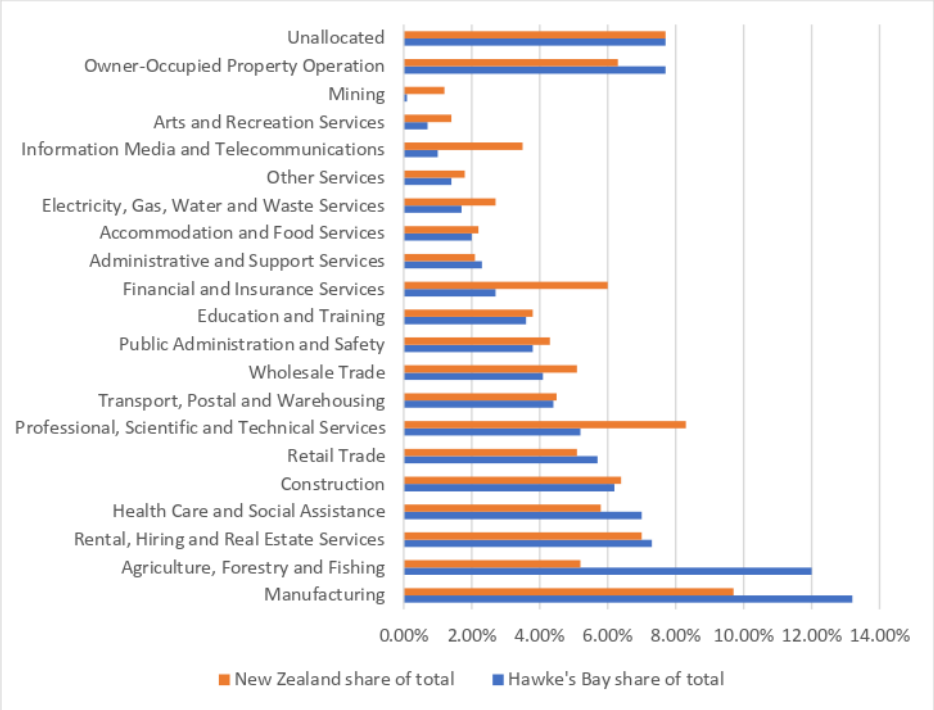


Table 23: Industry GDP and share of total

	Hawke's Bay		New Zealand	
Industry	**Level**	**% of total**	**Level**	**% of total**
Manufacturing	1,015.30	13.20%	29,015.50	9.70%
Agriculture, Forestry and Fishing	923.9	12.00%	15,631.00	5.20%
Rental, Hiring and Real Estate Services	565.3	7.30%	20,886.60	7.00%
Health Care and Social Assistance	538.8	7.00%	17,309.00	5.80%
Construction	480.4	6.20%	18,960.70	6.40%
Retail Trade	436.1	5.70%	15,069.70	5.10%
Professional, Scientific and Technical Services	400.8	5.20%	24,871.80	8.30%
Tourism	370.2	4.80%	16,150.00	5.40%

[8] Unallocated items include taxes levied on the purchaser rather than the producing industry (such as GST, import duties, and taxes on capital transactions), and items that cannot easily be allocated to a specific industry (such as the seasonal adjustment balancing item). A seasonal adjustment balancing item is necessary to ensure that the sum of all seasonally adjusted industries can be reconciled with total GDP. Source: Infometrics Hawke's Bay Region Overview.

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Transport, Postal and Warehousing	341.1	4.40%	13,277.30	4.50%
Wholesale Trade	311.9	4.10%	15,221.00	5.10%
Public Administration and Safety	295.4	3.80%	12,940.00	4.30%
Education and Training	279	3.60%	11,380.00	3.80%
Financial and Insurance Services	209.6	2.70%	17,772.60	6.00%
Administrative and Support Services	176.2	2.30%	6,180.40	2.10%
Accommodation and Food Services	154.3	2.00%	6,455.70	2.20%
Electricity, Gas, Water and Waste Services	133.9	1.70%	8,158.70	2.70%
Other Services	106	1.40%	5,336.70	1.80%
Information Media and Telecommunications	79.8	1.00%	10,381.30	3.50%
Arts and Recreation Services	55.8	0.70%	4,049.60	1.40%
Mining	11	0.10%	3,571.70	1.20%
Owner-Occupied Property Operation	591.4	7.70%	18,628.20	6.30%
Unallocated	588.9	7.70%	22,797.00	7.70%
Total	**7,694.90**		**297,894.30**	

The broad industries which made the largest contribution to economic growth between 2018 – 2019 were:

- Agriculture, Forestry and Fishing – growth of 7.9 percent, which contributed 0.91 percentage points to Hawke's Bay's overall 3.6 percent growth rate.
- Rental, hiring and real estate services - growth of 4.6 percent, which contributed 0.34 percentage points to overall growth.
- Wholesale trade - growth of 8.3 percent, which contributed 0.32 percentage points to overall growth.

Conversely:

- Arts and Recreation Services - declined by 2.9 percent and reduced overall growth by -0.02 percentage points.
- Information Media and Telecommunications - declined by 2.8 percent and reduced overall growth by -0.03 percentage points.
- Education and Training – declined by 0.8 percent and reduced overall growth by -0.03 percentage points.

On a more detailed level, Table 2 ranks the detailed industries by their contribution to economic growth over the past year.

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The detailed industries which made the largest contribution to economic growth between 2018 – 2019 were:

- Sheep, Beef Cattle & Grain Farming – growth of 15.0 percent which contributed 0.42 percentage points to Hawke's Bay's overall 3.6 percent growth rate.
- Horticulture & fruit growing – growth of 13.2 percent which contributed 0.39 percentage points.
- Wholesale trade – growth of 8.3 percent which contributed 0.32 percentage points.

Conversely:

- Fruit, Cereal & Other Food Product Manu - declined by 4.9 percent and reduced overall growth by 0.10 percentage points.
- Basic Chemical & Chemical Product Manufacturing – declined by 19.8 percent and reduced overall growth by 0.08 percentage points.

Table 24: Detailed industry contribution to economic growth

	GDP		% point contribution to growth	Annual Growth
Industry	**2018**	**2019**		
Sheep, Beef Cattle & Grain Farming	208	239	0.42%	15%
Horticulture & Fruit Growing	220	248	0.39%	13.2%
Wholesale Trade	288	312	0.32%	8.3%
Professional, Scientific & Tech Services	379	401	0.30%	5.8%
Central Gov Admin, Defence & Safety	219	238	0.26%	8.9%
Construction Services	242	259	0.23%	7%
Property Operators & Real Estate Services	466	482	0.21%	3.3%
Other Store & Non Store Retailing	213	226	0.18%	6.3%
Machinery & Other Equipment Manu	102	114	0.16%	11.5%
Finance	150	160	0.14%	7%
Rental & Hiring Services	74	84	0.13%	13.3%
Beverage & Tobacco Product Manu	169	177	0.11%	4.8%
Electricity & Gas Supply	100	108	0.10%	7.3%
Meat & Meat Product Manufacturing	171	176	0.07%	3%
Water, Sewerage & Waste Services	21	26	0.07%	23.4%
Forestry & Logging	173	178	0.06%	2.7%
Supermarket & Specialised Food Retailing	136	140	0.05%	2.8%
Road Transport	130	134	0.05%	2.8%

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Building Construction	88	91	0.05%	4%
Pulp & Paper Product Manufacturing	93	97	0.05%	3.7%
Motor Vehicle, Parts & Fuel Retailing	67	70	0.04%	4.3%
Dairy Cattle Farming	42	44	0.03%	6.2%
Local Government Administration	55	57	0.03%	4.7%
Furniture & Other Manufacturing	36	39	0.03%	6.7%
Fabricated Metal Product Manufacturing	74	76	0.03%	2.9%
Poultry, Deer & Other Livestock Farming	14	16	0.03%	13.3%
Other Services	104	106	0.02%	1.8%
Postal, Courier & Warehousing Services	182	184	0.02%	0.9%
Auxiliary Finance & Insurance Services	39	41	0.02%	4.2%
Textile, Leather, Clothing, Footwear Manu	46	48	0.02%	3.3%
Transport Equipment Manufacturing	17	19	0.02%	8.7%
Non-Metallic Mineral Product Manu	16	17	0.02%	8.7%
Administrative & Support Services	175	176	0.02%	0.7%
Mining	10	11	0.01%	7.2%
Printing	11	12	0.01%	5.1%
Information Media Services	20	20	0.01%	2.3%
Seafood Processing	3	3	0.00%	10.6%
Petroleum & Coal Product Manufacturing	0	0	0.00%	-
Wood Product Manufacturing	41	41	0.00%	0.00%
Insurance & Superannuation Funds	8	8	0.00%	-0.2%
Primary Metal & Metal Product Manu	5	5	0.00%	-1.1%
Health Care & Social Assistance	539	539	0.00%	0.00%
Accommodation & Food Services	155	154	0.00%	-0.2%
Heavy & Civil Engineering Construction	131	130	-0.01%	-0.3%
Dairy Product Manufacturing	6	5	-0.01%	-10.4%
Fishing & Aquaculture	19	18	-0.01%	-3.4%
Agric Support Services & Hunting	180	179	-0.01%	-0.5%
Arts & Recreation Services	57	56	-0.02%	-2.9%
Education & Training	281	279	-0.03%	-0.8%
Telecomms, Internet & Library Services	62	60	-0.04%	-4.4%
Rail, Water, Air & Other Transport	27	24	-0.05%	-14.1%
Polymer Product & Rubber Product Manu	27	22	-0.06%	-17.4%
Basic Chemical & Chemical Product Manu	31	25	-0.08%	-19.8%
Fruit, Cereal & Other Food Product Manu	146	139	-0.10%	-4.9%
Owner-Occupied Property Operation	583.6	591.4	0.10%	1.3%
Unallocated	571.6	588.9	0.23%	3%
Total	**7,426**	**7,695**	**3.60%**	**3.60%**

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13.1.2 Employment, productivity and business units

The following high-level points can be made:

- Total employment (filled jobs) in Hawke's Bay in 2019 was 83,076 – representing 3.3 percent of the national total.
- The employment growth rate has risen over recent years - 1.9 percent between 2018-2019 (the same as the national average), compared with an average of 0.6 percent between 2009 – 2019 (national average of 1.5 percent).
- 48.7 percent of people are employed full time. The unemployment rate was around 3.6 percent pre-COVID.
- Hawke's Bay key employing sectors are:
    - Agriculture, Forestry and Fishing - 14 percent;
    - Manufacturing – 13 percent; and
    - Health Care and Social Assistance - 11 percent.
- While these generally align with the top employing sectors nationally (Health Care and Social Assistance; Construction; and Manufacturing, which all have rates of 10 percent), it does emphasise the higher than average dependency that Hawke's Bay has on the primary industries for employment.
- Hawke's Bay measured productivity level of $92,625 (GDP per filled job) is lower than the national average of $117,134. Productivity growth picked up between 2018-2019 relative to the national average (1.7 percent vs 1.1 percent) but has been consistent with the national average of 1.1 percent since 2000.
- In 2019 there were 19,131 business units which closely tracked the national average in size: 65 percent sole traders (compared with 69 percent nationally); 21 percent had 1-5 employees (20 percent nationally); and 5 percent had 6-9 employees (5 percent nationally).
- The growth in business units of 2.8 percent from 2000 – 2019 was significantly lower than the national rate of 14.4 percent.

13.1.3 Tourism

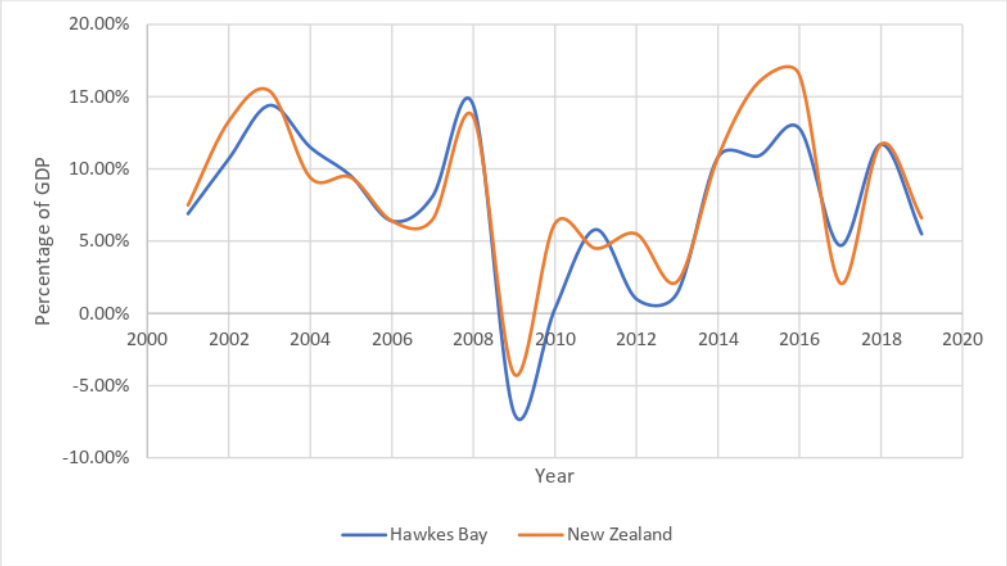
- In 2019 tourism in Hawke's Bay contributed 4.8 percent of the region's economic output (up from 2 percent in 2000), totalling around $370 million per year. Tourism is slightly less important to the regional economy than it is nationally (where it contributes around 5.4 percent of GDP). It has nevertheless grown in importance over time.
- The Hawke's Bay tourism sector grew by 5.5% between 2018-2019, slightly below the national average of 6.6 percent. Over the last 10 years the tourism sector in Hawke's Bay has grown by

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around 86% (average yearly growth of around 6.4 percent), compared to a growth rate of around 118% nationally (average yearly growth of around 8.1 percent). International visitors account for approximately a quarter of regional tourism.

- Tourism in Hawke's Bay contributes 6.8 percent of employment (around 5,261 people), less than the national average of 9.0 percent, and down from 7.2 percent in 2009.

Figure 6: Average tourism GDP growth 2001-2019



13.1.4 Population

- Hawke's Bay's population is around 173,100, or 3.5 percent of the national total.
- Population growth has remained relatively steady over the last decade – increasing 1.3 percent in 2019 and 1.2 percent on average over the ten years. This compares broadly with national population growth of 1.6 percent and 1.2 percent respectively over the same periods.
- Ethnically, Hawke's Bay has a higher proportion of Māori than nationally, less Pacific and considerably less Asian people.

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Table 25: Key statistics for Hawke's Bay population (2018 census)

Measure	Hawke's Bay	New Zealand
Number of people 2019	173,100	5,037,600
Growth in 2019	1.3%	1.6%
Growth previous 10 years	1.2%	1.2%
Median age	40.6 years	37.4 years
Males	81,054	2,502,100
Females	85,314	2,535,600
Ethnicity:		
European	75.0%	70.2%
Maori	27.0%	16.5%
Pacific	5.6%	8.1%
Asian	5.0%	15.1%
Middle Eastern/Latin American/African	0.6%	1.5%
Other	1.1%	1.2%
Number of Māori	44,931	775,836
Māori median age	25.4 years	25.4 years

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14 ANNEX B: ECONOMIC DVELOPMENT ACTIVITIES AND THE APPROPRIATE ROLE FOR GOVERNMENT

Table 26: Explanation of types of economic development /economic wellbeing activities and services

Type of economic development / economic wellbeing service	*Explanation of activity (adapted from Martin Jenkins, 2017)*
1. Destination marketing and management	
• Visitor attraction, promotion, and marketing • Events /activities promotion, marketing, support and facilitation • Running events	• This covers activities such as regional promotion and destination marketing. • These activities are often provided because there is a 'public good' element involved with tourism promotion and coordination. For example, individual tourism operators cannot capture all of the benefits of marketing and the diverse nature of the industry makes it difficult to organise a cooperative marketing effort across all relevant businesses. • Similar arguments can also warrant local government involvement in events and conference attraction and investment in events infrastructure (e.g. businesses surrounding an events centre obtain benefits from visitors to events but it could be very difficult to get them all to co-invest in the event). • When "events" is captured as an activity it is referring to larger scale events that typically attract people from outside the district or region. It does not capture business to business and local networking type events. • Local government also has a role as it is often the provider and manager of infrastructure and services used by visitors (such as public spaces, parks, public transport), and hence is already involved in creating an environment that is attractive to visitors.
2. Business development and support	
• Business information and referral services • Business capability support	• This covers activities that provide basic business information and advice (e.g. about relevant local government regulation), referral services, and facilitating access to networks and to other support (e.g. funding and business capability support). • This is to overcome information problems (e.g. about where to find advice, about the quality of available advice or about the benefits that advice will bring), much of which has a particularly local or regional flavour. • Business capability support are the various programmes that have been designed around building business capability in different areas e.g. cashflow management, digital skills, strategy etc.
3. Innovation and industry development support	

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• R&D funding /support • Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions • Co-investment in major projects	• Local government agencies can have a role in coordinating activities of business and research organisations, and providing information on research and commercialisation expertise available in the region. • This can be to overcome a lack of awareness of relevant R&D support that exists in the region (i.e. to overcome coordination and information failures) and to leverage the broader benefits associated with innovation activity. • A Council or its key delivery agents may be seen as an impartial broker to help coordinate activity/investment across an industry. Local government can therefore play a role in coordinating and facilitating sector/industry and cluster work (groups of businesses or organisations who have identified an opportunity to collaborate). This can involve assistance with coordinating and aligning local and central govt support, policy and regulatory advice and support, infrastructure planning or feasibility analysis. • Local government may also be involved in related activities, such as regulating the use of, or owning, land or an asset that is sought by a particular industry. If the public benefit case is significant, this role can also involve seed funding or co-investment in major projects.
4. Skills -related support	• This covers the promotion of the benefits of upskilling and education and training opportunities, support for job matching programmes and promoting job and education opportunities in the region • It doesn't typically cover the training itself, unless for a limited time (to prove to the private sector that the training works). • Businesses may under-invest in these activities due to a lack of certainty about the benefits that may result (information problems) and due to concerns about trained staff leaving their business (knowledge spillovers).
5. Investment attraction	
• Business attraction • Talent attraction • Capital attraction	• This covers encouraging and promoting inward investment to the region and bridging information gaps and networks between inward investors and key organisations in the local economy. • Potential investors may have limited knowledge about the local economy and investment opportunities that a Council or its agency may be well placed to fill (i.e. to overcome information problems). • It can also cover assisting existing investors to expand or retain their investment in the region by facilitating regulatory approvals, access skilled staff or R&D expertise. • This can also be warranted due to the broader benefits that investment can bring (e.g. new and better jobs).
6. Export and/or offshore investment support	• This covers support for the provision of information on offshore markets, facilitating trade/diplomatic visits and facilitating connections between local business and offshore networks. • This can be warranted because local government can have a natural advantage in its knowledge of the regional or local economy and ability to match this to offshore opportunities. • Local government may also have links, networks and relationships with offshore local governments that would be beneficial to firms, over and above firms' own networks (e.g., through city to city relationships).

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7. Strategy development, economic intelligence, monitoring	
• Economic strategy development • Economic intelligence and monitoring	• Local government has a role in providing leadership for the economic development direction of the locality (and region – see below). This provides clarity and certainty for business location and investment decisions. • It also has role in ensuring that robust local economic development data and information is available to inform strategy development and planning and enable decision-making. This includes measuring and evaluating the achievement of strategies, plans and investment to identify where improvements or changes or direction need to be made. This is to overcome information problems and reflects the fact that local government often has better access to relevant information and is an impartial source of that information.
8. Regional economic development and economic wellbeing implementation support [e.g. Matariki Hawke's Bay Regional Development Strategy and Action Plan]	• Local government has a role in providing leadership for the economic development direction of the region. • This provides clarity and certainty for business location and investment decision and the focus and priority of public sector investment and activities. • In the Hawke's Bay context this work largely relates to the Matariki Hawke's Bay Regional Development Strategy and Action Plan.

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15 ANNEX C: EFFECTIVENESS & EFFICIENCY ANALYSIS TABLES

15.1 Business Hawke's Bay (BHB)

BHB's work programme can be broken down into 6 main areas:

1. Employment Skills & Capability
2. Inwards Investment Development
3. Sector, Cluster & Enterprise Development
4. HB Business Hub in Ahuriri
5. Matariki REDS Programme Management
6. BHB Corporate Support.

Table 27: BHB work programme, KPIs, and performance

Priority	*Activity*	*Description of activity and outputs generated*	*Resource (FTE)*	*Measure*	*Performance*
Employment Skills & Capability	Matariki Pou2: BHB Role in Employment, Skills & Capability	• The activities under Matariki Pou2 are focussed on growing people to be work-ready and connecting them with employee-ready organisations who are embedding pastoral care, personal growth, and learning and development in the way they work • BHB CE co-leads Pou 2 with the MSD Regional Commissioner Key activities under Pou2 (BHB work is focussed on 2.3, 2.5 and 2.6): • 2.1 Link local people on benefits to 1,000 new jobs over three years • 2.2 Grow employment opportunities for the benefit of local people, whānau and businesses • *2.3 Strengthen a sustainable pipeline of talent from education to employment* • 2.4 Support Workforce Development • *2.5 Support Employer/Industry Development with a focus on demand* • *2.6 Enabling people of all life stages and ability to participate in meaningful and productive work* • This work will be aligned to inform the range of activity across the entire Employment, Skills & Capability programme of work.	Current Resource: .2 FTE (CEO) e.g. 10 hours out of a 50 week .35 FTE (Business Connector – new position) e.g. 15 hours out of a 30 hour week Additional Resource needed ($ - not funded yet): Consultant + .5FTE minimum	Matariki Action Pan (MAP) Pou2 'Key Results' (interim measures): • Unemployment rate is less than 5% • Employment is comparable to the NZ average rate of [x define] • Labour is improved to a rate consistent with the NZ average of [x define]9 • Exceed 85% of school leavers achieving NCEA level 2 (close to NZ rate) • Reduce NEETs rate from 18% to 12% (equivalent to NZ average rate) • Have at least 30% of employment in highly skilled occupations and less than 38% in low-skilled • Increase knowledge- intensive industries in the region to be the same as the NZ overall percentage [of x define] Note: • The Matariki Action Pan (MAP) notes that "over early 2020 areas of work and objectives and key results will be further refined as project scopes are developed". • Targets are in the process of being reset • The new Hawke's Bay Interim Regional Skills Leadership Group (iRSLG) has a budget to commission regionally specific datasets, analytics and insights. • The iRSLG can also utilise Central Government resource to develop meaningful measures, dashboards, in-depth data sets, and insights to inform decision making and support activity.	• MSD is the lead measuring agency and has a 'performance dashboard'. Reviewer was unable to obtain this as it is confidential. • NEET rate was improving pre-COVID. • But interim measures are in many cases going backwards given COVID-10. • Attribution is obviously difficult in this space (as it is with economic development more generally).

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	Interim Regional Skills Leadership Group (iRSLG) for workforce planning and development (Identified as a COVID recovery priority action)	• Note this is a new activity. The first regional iRSLG meeting is yet to take place • This is about improving regional coordination and workforce planning to create better and more attractive jobs across the region and address critical issues relevant to training, employment and the development of workers. • BHB CE has been proposed as co-chair with MSD Regional Commissioner (in confidence and subject to Cabinet approval). • This role would work with iRSLG members to set the strategic direction and champion regional priorities. • Key areas of focus would be: ○ To identify current and future workforce and skills needs for the region ○ To Identify sub-regional challenges and priorities experienced by employers in accessing skilled workers ○ To deliver an annual Regional Workforce Plan (RWFP) to understand the demand and supply of workers in a region ○ To provide advice to government, employers and facilitate action with regional actors on how to meet these needs			• New activity • Budget will be available for data, monitoring and evaluation
	Education to Employment - Vocational Pathways (Identified as a COVID recovery priority to support the infrastructure pipeline and jobs for youth)	• This activity is new and focussed on: • Supporting the growth of vocational education pathways for students to 'earn while they learn' • Partnering with EIT (under a SLA and MSD contracts) to focus on developing employer connections • Developing 'Hawke's Bay Vocational Pathways' (My Next Move) online resource to engage with and inform students, interns, teachers/advisors, employers etc. • Building a series of Vocational Pathways videos, showcasing Hawke's Bay businesses, employer brands and youth in the workplace, to be used in local schools and by employers • Supporting and contributing to the development of vocational pathway events for students and employers (e.g. in school careers expo, big day out sector specific type activities) • Partnering to uncover the barriers to employment in vocational pathways and to support solutions. • Engaging and building relationships and partnerships with employers and businesses. • Connecting employers and providers (e.g. MSD work brokerage team, Taiwhenua, EIT vocational brokers, He Poutama Rangatahi and Mana in Mahi funded organisations), to increase job opportunities.		KPIs for areas that BHB directly engages with (note, these don't have specific targets): • Business reached • Students reached (via Hawke's Bay My Next Move Career Portal - in development by BHB) • Events participated in Areas that BHB supports: • Events that are provider led • Schools reached • ITPS & ITOs reached • Surveys are required to be completed.	• New activity. • EIT holds this contract with MSD and BHB has a Service Level Agreement with EIT to undertake the employer aspects of the programme. • Contract/work was due to start in Feb 2020. This was delayed until March and then we had the lockdown. • First reporting period will now be Oct 2020. -

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	Workforce Diversity And the Future of Work ($ - not yet funded)	• This activity is new and is being developed. It does not yet have funding. It is focused the following activities: • To take the findings of EIT's Future of Work Growth Study and share with businesses/employers in a meaningful way. This will be available in late October 2020 and programme of work will be fully scoped at that point. • To develop a regional programme to support workforce diversity, enabling people of all life-stages and ability to participate in meaningful and productive work. The initial focus will be on the aging workforce and people with disabilities. • To enable and support employers/sectors with workforce development programmes focussed on engagement, productivity, retention, social responsibility, progression, higher value jobs, future of work consideration etc.		• Measurement TBC	• New activity. • Not yet funded.
Inwards Investment Development	Matariki Pou 5: BHB Role in Promoting Our Place for Investment, Business, Talent, Visitors	BHB leads Matariki Pou5 This has involved: ○ The establishment of an Investment Working Group ○ The establishment of a Talent Working Group; and ○ Facilitation of the Think Hawke's Bay collaborative working group Key projects sitting under Pou 5 are: 5.1. Key Develop and implement a skills and migration attraction strategy and action plan that includes: - delivery of a promotional campaign; - settlement retention programme; and - considers international and domestic migration 5.2.a Develop and implement an Investment Attraction Strategy and action plan that includes: - an investment readiness programme - a regional investment and property profile; and - investor education programme based on the strategy 5.2.b Develop, agree on and initiate two regionally significant projects that meet the objectives of Matariki for economic, inclusive and sustainable growth, to be in train or completed by 2025 5.3.a Develop and implement a Business Attraction Strategy 5.3.a.i An initial project includes to launch an Auckland Landing Pad to connect and facilitate two-way business opportunities between Auckland and Hawke's Bay 5.5. Leverage regional marketing and promotional activities across Pillar 5	Current BHB resource 0.1 FTE (CEO) e.g. 5 hours out of a 50 week Required resource ($ - not funded) 1 FTE (senior partner, permanent) 1 FTE (project support – recovery, fixed-term)	Activity relevant to Key Result Area 3 of Contract for Service. Annual KPIs: • Co-ordinate the 'Think Hawke's Bay' group collective panning and meetings • Partner in the 'Think Hawke's Bay' collective on three or more business promotional and attraction initiatives • Provide case study examples of where combined service delivery has enabled economic development in the region Matariki Action Pan (MAP) Pou5 'Key Results': • 10 High growth businesses attracted to Hawke's Bay by 2025 • Population grows from [x] to [y] by 2025 • Increase regional GDP growth by 1% to New Zealand average of 3% • Mean annual earnings for the Hawke's Bay Region exceeds the New Zealand average and Māori vs non-Māori gap is reduced • Businesses and industries are increasingly aware of their CO2 emissions	Annual KPIs from Contract for Service • BHB has coordinated the Think Hawke's Bay' group collective panning and meetings. This group meets approximately 6 times per year and is working well. So this is met. • BHB has partnered in the 'Think Hawke's Bay' collective on two business promotional and attraction initiatives (Datacom and NZIST HQ). This is partially met. • The Think HB group has been useful in building a more effective collaborative mechanism; has been key in developing a Talent Attraction Strategy and Action Plan; and has focussed on building a roadmap and implementing an existing investment strategy. This is met. Matariki Action Pan (MAP) Pou5 'Key Results': • As discussed elsewhere MAP Key Results are not being tracked on a consistent basis. • But projects under 5.1 and 5.2 are underway through the Think HB group. • Significant busines will have been attracted to the region by Dec 2020 e.g. Datacom. • In regard to 5.2.b. The key example of a regionally significant project is so far FoodEast. • Overall the KPIs/projects in this area have been partially met or are on track given the 2025 timeframe.
	Investment Programme	• There are 3 elements to this work: ○ Business readiness for investment ○ Investor educating investors on how to invest ○ Bringing businesses and investors together e.g. for pitch sessions		• A work programme with goals/objectives has been formed but no specific performance measures have been set	• BHB has worked with investor groups, NZTE Investment, and private equity • A Peak Investment event held in 2019 (with NZTE) led to over $1m in investment • BHB worked with a handful (do we have a number?) of businesses to help them get 'pitch read' for this event

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	Regional Talent Programme ($) (Identified as a regional COVID recovery priority given high levels of inward regional migration and increased demand for technical expertise to support significant infrastructure and new business growth projects.)	This work is new and not yet funded. It is focused on ensuring talent is retained/returned/attracted to the region in order to meet the region's skill and social needs. Key activities could include: • A supportive resettlement and retention programme for those new to the region, considering moving or returning to the region, and those already • A programme of work to deliver the regional Hawke's Bay Higher-level Talent Strategy (completed in Dec-19 by the Think Hawke's Bay Group) • The provision of information, resources and services that support a 'one stop shop' for all things settlement, integration, retention and development • Formalise/expand the connecting role that BHB plays in the job market through the redevelopment and marketing of the BHB Skills & Freelance Boards. This would support not only the resettlement and repatriation programme, but also those who have lost their jobs over past few months. • Support talent with building/refining their online and written CVs, applications, interview preparedness and connections. • Partner with employers to assist them in developing their employment brand with the opportunity to promote through the portal	• New. • Not yet funded. Discussions are taking place with MSD. • It is proposed that the new Business Connector role (0.75 FTE) starting in October could spend half their time on this work programme.	Impact measurement to be established if the programme is funded/ supported to move forward. Activity would, in part, be relevant to Key Result Area 3 of Contract for Service. Key outcomes being sought are: ○ To achieve positive settlement outcomes to assist with the integration and/or retention of those who choose to live and work in Hawke's Bay ○ To support the long-term retention of those who are relocating to the region, mitigating a short-term boom-bust talent cycle. ○ To promote both the employee/employer proposition to build recognition of Hawke's Bay as a regional leader in talent management with next steps of the programme focussed on talent development, career progression and pathways. ○ To open up wider access to the informal 'network' job market in Hawke's Bay, (the estimated 80% of jobs in the region that filled without being advertised). ○ To provide a professional service that bridges the gap for those who are unable to access services through government providers such as MSD.	New activity; not yet being measured • A regional talent strategy was completed in 2019. This was funded by BHB and provided a good picture of regional skills gaps. At the time there was no funding for a campaign to attract people (the recommended next step). • BHB has been working informally and using their network to connecting people with jobs. Around 15 people have found work either part or full time since the COVID lockdown.
Sector, Cluster & Enterprise Development	Lead Matariki Pou 4 – Economic Growth	BHB leads Matariki Pou4 This involves: ○ Facilitating Pou4 working group meetings, collaboration on activities, assistance with prioritisation, and COVID response/recovery activity	Current Resource: .1 FTE (CEO) e.g. 5 hours out of a 50 week Capacity and funding for resourcing programmes is a constraint.	Establishment of programmes of work to support 4.1 and 4.3, and support for 4.2. Matariki Action Pan (MAP) Pou4 'Key Results': • Regional Business Profile and change measured year on year – number of business units, FTEs etc. • Regional business growth at a higher percentage than national growth • Have at least 30% of employment in highly skilled occupations and less than 38% in low-skilled • Increase knowledge-intensive industries in the region to be the same as the New Zealand overall percentage • Hawke's Bay has a GDP per capita at or above the NZ average of [x define] • Tourism GDP share continues to exceed 5% of regional GDP15	• Note the MAP captures "draft indicators" (see Key Results in column to left) but data to support these indicators has not been collected in a consistent and ongoing basis • The MAP Pou4 programme was initially intended to have 5-10 key projects but the list expanded as regional representatives sought profile for regional projects. • A full intervention logic was intended to be created prior to COVID but focus turned to response and recovery work • The focus of MAP has been on activities (see MAP projects 4.1 and 4.3, with support for 4.2) • This work is not currently being tracked and monitored in a consistent way
	Start-ups and Scaleups Ecosystem Development	This activity is relevant to the Pou4 Matariki Action Plan and Key Result 2 of the Contract for Service (Greater Business Diversity and Sector Development). This work involves: • Running the "Co.starters" programme • Promoting regional innovation and startups through the NZ Entrepreneur Founder series. This follows 10 Hawke's Bay startups to showcase regional opportunity and collaboration • Evaluation of other national/international start-up ecosystem support programmes to identify value to Hawke's Bay e.g. programmes such as Innovate, Idea Summit, StartUp Weekend, PopUp Business School.	Current Resource: 0.29 FTE (Business Growth Manager) e.g. 7 hours out of a 24 hour week	Activity relevant to Key Result Area 2 of Contract for Service. Annual KPI: • Engage with start-up businesses across the region, providing evidence that BHB engagement has added value directly to five start-up business	• A longitudinal study following Co.starters graduates through their first year was to have been completed during COVID lockdown. This has been delayed due to competing COVID priorities. • There is continued demand for the Co.Starters programme, with 40+ graduates having completed the programme and around 90% successfully completing further validation, pivoting, new product development, and commercialisation. • Of the businesses that have been through the Co.Starters programme only 2-3 are not trading (1

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					because of COVID and 1 decided they didn't have a strong business model (which is not necessarily a failure as this knowledge can be used for other projects or other jobs).
	Hub & Spoke ($ - not yet fully funded) (Identified regional COVID recovery priority given high levels of business stress and the need for access to support services)	This is a new approach and is currently being delivered. It is captured in the MAP Pou4 Action Plan (4.1a - Deliver an aligned 'one-front door' hub and spoke model of service delivery for all businesses and key sectors that want to grow). This would involve or be seeking to achieve: • Strengthening the enterprise support ecosystem across the region. • Implementation of a Business Hub in Hastings to support business recovery and so that businesses have access to support services in Hastings.' • Alignment with the CHBDC and WDC Innovation Hub projects funded through the Provincial Growth Fund • Developing a consistent, positively identified and recognised brand for business support services under the Hawke's Bay Business Hub umbrella brand ie Hawke's Bay Business Hub in Ahuriri, Hastings, Waipukurau, Wairoa. • Investigating in time further opportunities for pop-ups in Flaxmere, Havelock North etc and another permanent Hub within FoodEast. • Support for the enterprise support ecosystem for Māori and Pacifica businesses, micro and SME businesses and startups through appropriate region-wide access to services.	Current BHB resource re Hastings Hub - 20 hours pw for 4 weeks to scope and develop project for HDC funding application. Establishment and ongoing resourcing is funding/ partnership dependant. ($) .75 FTE per Hub. Part-time connector roles have been identified as necessary for each Hub with sub-regional differentiation 1 FTE overall Activator role engaged across all Hubs.	Key impact measures would need to be developed aligned with partner plans/ funder requirements/ user experience etc. But key data/insight would come from: • Regional Business Partner data re regional delivery and engagement, both COVID specific and BAU growth in enquiries and capability funding issued across the region • Regional shifts in trends of engagement HB Business Hub captured through visitor sign-in system.	• New activity • Not yet operating
	IT/ Digital / High-value Manufacturing / Hi- tech	This activity is relevant to the Pou4 Matariki Action Plan and Key Result 2 of the Contract for Service (Greater Business Diversity and Sector Development). The work has 4 key dimensions: 1. Innovation and entrepreneurship –building an ecosystem of support for high value business growth 2. Talent and skills – building a pipeline of talent and skills for Hawke's Bay businesses 3. Technology – work with business to develop and embed technology e.g. Hi-Tech HB Group; ecosystem mapping; and cluster Development (Hort Robotics and Automation) 4. Investment – work with investors to connect opportunities with funding	Current Resource: 0.29 FTE (Business Growth Manager) e.g. 7 hours out of a 24 hour week	Activity relevant to Key Result Area 2 of Contract for Service. Annual KPIs: • Deliver five regional business events and workshops that support sector development • Regional participation in three national business events • Provide at least one case study that demonstrates business development supported by BHB in each identified sector • Engage with start-up businesses across the region, providing evidence that BHB engagement has added value directly to five start-up business Specific internal KPIs have been set around: • Establishing an Industry Advisory Group • Achieve 100 members; and • Connect businesses (no target)	• The Industry Advisory Group now has approx. 160 members • Important connections have taken place between tech and horticulture company (relating to robotics and sensors) • 3 mini clusters focussed on horticulture technology are now working on joint projects
	Land to Brand Sector Support Programme	This activity is relevant to the Pou4 Matariki Action Plan and Key Result 2 of the Contract for Service (Greater Business Diversity and Sector Development). The work involves: • Building an ecosystem of support, capability development, collaboration and connections for primary sector food and beverage, food processing and manufacturing businesses from micro to large scale • Accessing or commissioning research reports to inform regional opportunities e.g. Frost and Sullivan "Identification and Assessment of Potential Value-added Food and Beverage Products from Hawke's Bay's Primary Produce Sector"	0.5 FTE (Business Development Manager - Land to Brand) e.g. 10 hours out of a 20 hour week NB: This role has recently become vacant	Activity relevant to Key Result Area 2 of Contract for Service. Annual KPIs: • Deliver five regional business events and workshops that support sector development • Regional participation in three national business events • Provide at least one case study that demonstrates business development supported by BHB in each identified sector • Engage with start-up businesses across the region, providing evidence that BHB engagement has added value directly to five start-up business. Specific internal KPIs have been set around: • 30 connections (where there is active engagement i.e. more than just an email introduction) per year	All KPIs have been achieved. • 85+ businesses and people have been connected to business support and/or potential partners (research institutes, food technologists and consultants, university internship programmes, COVID lockdown supply chain and labour support etc) over the past two years • 470+ local, national and international attendees at a range of capability development workshops across the region • 170+ attendees at the Future Foods workshop • Note – utilisation of new CRM software will enable the capture of directly measurable

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		• A focus on the 'future of food', informing industry of changing international markets, consumer trends, plant-based and alternative protein developments etc. • Sharing with industry insights to support new product development and collaborative opportunities. • Leveraging national research into sheep and goat dairy land diversification and market opportunities with a local working group (which includes potential investors). • Upskilling and building regional capability, productivity, innovation and entrepreneurship in the sector through developing and hosting professional events, keynote speakers, training and development workshops, conferences, networking events, customer relationship management, digital communications		• Portfolio of capability building workshops – 5 of these per year with a minimum of 15 attendees • To have 1 showcase event per year – e.g. the land diversification event and year before that the Future Foods workshop.	qualitative results of interactions with BHB programmes and connections.
	Regional Food, Fibre and Agri-tech Strategy	This is a new activity and scope and validation are underway. This involves, and key considerations, include: • BHB are leading a working group to develop a collaborative food, fibre and agritech strategy • The strategy will guide the development of the regional food, fibre and agritech ecosystem development and identify areas for regional collaboration. • **Food Sovereignty -** Rights of regional producers to control food systems to produce culturally appropriate and healthy food for our people through sustainable methods • **Food Tourism -** Develop and celebrate the regional Food and Wine Country brand and story • **Food Innovation Ecosystem -** Capability development and fostering of innovation and entrepreneurship through: Training, Investment, Events	0.2 FTE (Business Development Manager - Land to Brand) e.g. 4 hours out of a 20 hour week NB: This role has recently become vacant	To be developed. The strategy is intended to: • Foster innovation and entrepreneurship, • Support commercialisation and the development of start-ups, • Assist growth in productivity, profitability and the diversification of local businesses, • Attract investment and talent to Hawke's Bay	• New activity
	FoodEast (Food Innovation Hub)	This work has involved: • Direct engagement with, and contribution to, the FoodEast Project as a founding member of the steering committee and working group • Work has involved - ideation, feasibility and business case development • Current active member of the Establishment Board	Current Resource: .04 FTE (CEO) 2 hours/50pw	• Complete Feasibility and Business Case • Seek and negotiate Govt/PGF funding • Support establishment phase	• KPIs have been met

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HB Business Hub in Ahuriri	Hub Member Community Hub External Engagement Hub Activation - Training, Professional Development & Events Hub Operations	• The Business Hub was established in 2015 and provides a neutral space for regional collaborative initiatives. • Aside from BHB, members include HB Chamber of Commerce, Business Central, Export NZ, Chartered Accountants ANZ, The Icehouse, NZTE, Regional Business Partners, NZ Food Innovation Network, and the HB Councils. • Hub services are focussed on: • Provision of information to help businesses make decisions on which regional services they may need to help them grow • Connections to business support services across Hawke's Bay • Access to networks within The Hub and beyond • Information on business events, training and professional development at The Hub and across the region.	Current Resource: 1 FTE (Concierge) .75FTE (Ops & Activation) .15 FTE (CEO) e.g. 8 hours out of a 50 hour week	Broad internal KPIs (without specific targets) relating to: • Visitor/user numbers • Monthly customer satisfaction and event surveys • Focus groups • Digital engagement measures	• Hub membership and regional connections continue to show growth • Hub usage and enterprise connections continue to show growth • Note: access to the depth of impact is hindered by RBP and Business Mentors not sitting within BHB. Opportunities to leverage learnings and improve/ develop programmes are missed. • Hub room hire revenue increased by around 19% between Jun18-19. Between Jun19-20 Hub room hire revenue increased by around 15% (i.e. even taking into account lockdown period)
Matariki Programme Management	Programme Management	This work involves: • Portfolio, Programme and Project Management • Matariki Governance Group Secretariat and Reporting • Executive Steering Group Secretariat and Reporting • Pou Working Group support • Monitoring and Reporting at regular intervals • Data and analysis • Communication services • Financial and operational services	Current Resource to <u>Dec20 only:</u> .8 FTE Programme Management .2 FTE Management Support (CEO) 10 hours/50pw .1 FTE Communications Lead (contractor) .2 FTE Secretariat Support	• Activity relevant to Key Result Area 1 (Programme Management of Matariki HBRDS Programme) of Contract for Service. Annual KPIs: • Deliver effective Programme Management services through a dedicated Programme Manager and BUB team approach • Provide meeting and administration services to the Matariki Executive Steering Group and Governance Group • Lead an annual refresh of the Matariki HBRDS action plan • The CAMMS project management system is updated by agencies and performance reporting is circulated for monitoring and action • Matariki HBRDS Communications plan is delivered.	• KPIs set out in the Contract for Service have been met. • An 'intervention logic' framework for Matariki was intended to be finalised in March 2020, following sign off of the refreshed Matariki Action Plan in Dec19 by the Governance Group. This was not completed as the decision was made to focus on COVID-19 response and recovery efforts. • Agreement was reached not to use the CAMMS project mngt system.
BHB Corporate Support	Corporate Support	This work involves: • Marketing & Communications Management • People & Capability Management • Contract & Funding Management • Stakeholder & Partnerships Engagement • Revenue Generation & Sales • Financial Management • Operational Management • Governance Support & Board Reporting • Team Leadership and Management Support	Current Resource: .25 FTE (Admin Support) .6 FTE (CEO) 30 hours/50pw	• No internal KPIs available	• Cannot make an assessment
	Partnerships & Engagement	This work involves: • Establishing a Business Leaders Advisory Forum (by Q2 2020) • Funding HQ Sponsorship & Partner Engagement (programme to be initiated) • Support for partnerships in all other programmes of work above.	Current Resource not yet allocated	Internal KPIs: • Establish a Business Leaders Advisory Forum (by Q2 2020) • Funding HQ Sponsorship & Partner Engagement (programme to be initiated)	• KPIs not yet met
	Communications and Marketing	This work involves: • Digital – Websites (Business Hub, Matariki, BHB, GTGH) • Social Media (Business Hub, BHB)	Current Resource: .25FTE Communications Lead (contractor)	Internal KPIs: • Build position of BHB as the regional voice of economic development (by business/for business) • Share data, information, insights and local commentary	• A "roadmap" was built around the internal KPIs. • Targets weren't specific but key activities were delivered and continue to be implemented.

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		• Build position of BHB as the voice regional economic development (of business/for business) • Share information, data and meaningful insights • Support key activities, events • Build business community engagement	.3 FTE Marketing Support	• Support key activities and events • Tell Hawke's Bay economic development and business stories • Build engagement • Develop sustainable sponsorship model and management	
	Great Things Grow Here (GTGH)	This work involves: • Being a member of the GTGH advisory board and financial contributor • Contracted to curate and post online GTGH web stories • Use of GTGH marque • Review of GTGH purpose, activity and outputs recommended	Current Resource: .05 FTE Marketing Support	Activity relevant to Key Result Area 4 (Partner in the `Great Things Grow Here' (GTGH) Economic Development Brand Platform) of Contract for Service. Annual KPI: • Provide evidence of promotion and utilisation of the brand platform in business promotion and attraction initiatives	• KPI has been met. • GTGH is used in all BHB branding and comms e.g. e-panui, videos etc. • GTGH branding was used in the two Think HB group produced promotional booklets – Think HB: For Your Business and Think HB: For Your New Home.

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15.2 Hawke's Bay Tourism Ltd (HBTL)

Table 28: HBTL – Priority areas, resources, measurement and performance

Priority area	*Description of activity and outputs generated*	*Resource (FTE)*	*KPIs*	*Measure*	*Performance*
Marketing	These roles involve: • Management of marketing budget • HBTL owns and runs www.hawkesbaynz.com website • This requires ongoing maintenance and development • Ongoing development costs of around $20-30k/year, hosting costs of around $50k/year and search engine marketing costs of around $7k/year • These roles lead in the promotion of the region on an ongoing basis • This consists of: • Organising ads for magazines and radio. • Writing briefs for creative agencies for initiatives and campaigns • Liaising with buying agencies (who buy the marketing space) • Managing social media • Research and monitoring and data – i.e. understanding what the visitor spend looks like, competitor analysis, position in market etc • Marketing plans and initiatives for events such as FAWC • Work with membership (over 200) on their digital content for hbnz.com website • The development of an annual (income generating) visitor • Managing a media library – use of image library etc.	• 2.8 FTEs ○ Marketing Manager ○ Marketing coordinator ○ CHB coordinator (0.8)	1. Visitor spend, benchmarked against national performance. Data provided by MBIE's Monthly Regional Tourism Estimates. 2. Increase industry contribution 3. - Develop membership engagement on climate change (mitigation and adaptation) and environmental sustainability - Increase in members signing up to Tourism Industry Aotearoa's "Tourism Sustainability Commitment" 4. Industry advocacy. Support existing tourism operators to develop new products, and expand into new markets 5. Tourism operators value Hawke's Bay Tourism's leadership and contribution to growth of industry 6. Lead the development of a regional visitor strategy for Hawke's Bay	1. MRTE 2% growth 2. Increase to $250k (a 22% increase on the previous year's measure) 3. No less than 50 members signed up to TIA Sustainability Commitment 4. - Develop Maori tourism strategy -Deliver annual series of workshops to build industry capability - Support Hawke's Bay Regional Council with tourism expertise and support 5. Industry survey conducted, to set benchmark for future years 6. Completion 30 June 2020.	1. Was tracking well at over 3% pre-Covid. 2. Total $261,732. 4.7% over target. 3. - c. 35 members signed up. - A TIA Tourism Sustainability Commitment workshop was conducted in June. 4. - Discussion group brought together to discuss. - Workshops delivered in July - Ongoing support of HBRC. 5. Survey conducted. 6. - Destination Management framework draft (MBIE) reviewed and responded to. - Reverse brief received for Destination spatial plan working group.
PR & Comms	This role: • Aims to attract as much free publicly as possible • Creates stories and opportunities that promote HB and give the region a competitive advantage e.g. hosting journalists • Creates significant profile for the region to an audience that is out of region – domestic and international • Writes press releases and responds to the media on a regular basis • Leads communication with Members and the community	• 0.8 FTE			
Travel trade sales	This role: • Works with distributors, wholesale travel companies, inbound tour operators etc to ensure there is appropriate Hawke's Bay content in trade promotional material • Helps members be "export read' so that product can be taken to market and be showcased in offshore markets • Provides impartial advice on venues, hotels, attractions and activities in HBTL role as Hawke's Bay's "convention bureau". • Works with cruise lines and cruise sector representatives	• 1 FTE			
Events Co-ordination	• HBTL owns 3 main events - FAWC, Big Easy and Spring Fling • This role manages and coordinates these events and plays a role in bidding for hosting rights for regional events	• 1 FTE			
Administration	• HBTL has a $2.2m budget and around 9 staff (not all FTEs) • This administration function leads on, or assists CE with, finance, HR, meeting and dairy management and overall office systems and procedures.	• 0.8 FTE			
Food &Wine Project **(10 months, from 21 Sep 2019)**	This new role is focused on the following: • Conduct an audit and produce a spatial plan of what is grown and produced, raised and caught, when, by whom, and for which markets • Produce a map of culinary experiences leading to potential trail development • Work with primary producers to define the regional food story • Understand the opportunities for iwi and hapu and positions related to food	• 0.75 FTE	• Full audit and spatial plan of what is grown and produced, raised and caught, when, by whom, and for which markets • Map of culinary experiences leading to trail development • Development of a food and wine regional story • Consultations and collected views with whānau about having access to sufficient, safe and nutritious food that is produced locally		N/A – work beginning late Sept 2020

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	• Lead Hawke's Bay "nutrition label"/calculation project – the aim is to assist producers and retailers tell their story, for consumers to make an informed decision related to spend, and to demonstrate the investment into the local economy. • Food trail development: Work with local restaurants and chefs to develop menus and recipes that can be achieved by visiting the various producer farm gates and cellar doors.		• Work on the development of nutrition calculation/ model that demonstrates the investment into the local economy • Driving itinerary recipes developed • Map development for printed and app version • Database developed	

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15.3 Central Hawke's Bay District Council (CHBDC)

Table 29: CHBDC – Priority areas, resources, measurement and performance

Focus of economic development / economic wellbeing activity	*Description of activity and outputs generated*	*FTE Resource*	*Measuring impact: Relevant performance measures / targets - Is this being measured? - If so, how?*	*Are performance measures and/or targets being met?*
1. Destination marketing and management				

• Visitor attraction, promotion and marketing
• Events /activities promotion, marketing, support and facilitation
• Running events
	• These activities are not undertaken directly
	• Undertaken through HBTL via:
	  • Agreement with HBRC (covering baseline or basic expectations); and
	  • Additional contract for Tourism Coordinator role (3 days per week)
	• Tourism coordinator role leads on some events e.g. Little Easy and Spring Fling
	• Have been more active on bidding for events in collaboration with HBTL e.g. NZ cycle nationals
	• Nga Ara Tipuna (a Maori cultural tourism project), is relevant. CHBDC Economic Manager spends approx. 1/5 of time on this
		0.6 FTE (Tourism Coordinator employed by HBTL)
		
		0.2 (CHBDC Economic Manager)
			1. The annual visitor spend increases by $1m annually. [Proposed update – Visitor spending has increased 50% by 2029 (2019 base)].
			2. The number of participants in events financially supported by Council. [Target – 9970].
				1. For 2019/20 – No (for COVID reasons)
				2. For 2019/20 - Yes

2. Business development and support				
• Business information and referral services • Business capability support	• These activities are not typically undertaken directly • Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce • CHBDC plays a funnelling role to main providers of services • CHBDC also funds 'Shop Local CHB' in an ad hoc manner to deliver some of these services. • Considering a digital business hub to strengthen this activity.	0.1 FTE (CHBDC Economic Manager)	• Support the creation of net new jobs within the District. • The percentage of the community satisfied with the Economic and Social Development activity of Council. [Target– 80%, and proposed update 95%. This is assessed via an independent community views survey].	Yes
3. Innovation and industry development support				
• Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions • Co-investment in major projects	• Mainly provision of local context • Ad hoc, usually in-kind support where needed	0.1 FTE (CHBDC Economic Manager)	• Council actively participates in regional collaborative initiatives around economic and social development. • Support the creation of net new jobs within the District. • The percentage of the community satisfied with the Economic and Social Development activity of Council.	Yes

4. Skills -related support	• CHBDC has played a role in creating frameworks for thinking about skills development in a local context e.g. a (regional) skills attraction strategy has been created. Not yet activated. Funding is being sought.
	• Act as a channel for funding from e.g. Mayor's Taskforce for Jobs
	• Examples of activities (undertaken via contract for service):
	  • Mobile employment clinics
	  • Drivers licensing (including heavy vehicle endorsements)
	  • Pastoral support and work readiness
	  • PPE and health and safety training
	• Have redeployed 46 people over the last 5 weeks.
		0.1 FTE (CHBDC Economic Manager)	• Support the creation of net new jobs within the District.
			• The percentage of the community satisfied with the Economic and Social Development activity of Council.
				Yes

5. Investment attraction				
• Business attraction • Talent attraction • Capital attraction	• Undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport).	0.1 FTE (CHBDC Economic Manager)	• Council actively participates in regional collaborative initiatives around economic and social development. • Support the creation of net new jobs within the District.	Yes

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			• The percentage of the community satisfied with the Economic and Social Development activity of Council.	
6. Export and/or offshore investment support	• **N/A**			
7. Strategy development, economic intelligence, monitoring				
• Economic strategy development • Economic intelligence and monitoring	• CHBDC has developed a CHB Economic Development Action Plan and a COVID-19 and Drought Recovery Plan • CHBDC is a user, not creator, of economic intelligence • CHBDC uses Dot Loves Data dashboard and Infometrics regional licences	0.2 FTE (CHBDC Economic Manager)	• Council implements the Economic Development Action Plan	Yes
8. Regional economic development and economic wellbeing implementation support	• CHBDC has representation on 5 of the Matariki pou	0.1 FTE (CHBDC Economic Manager)	• Council actively participates in regional collaborative initiatives around economic and social development	Yes

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15.4 Hastings District Council (HDC)

Table 30: HDC – Priority areas, resources, measurement and performance

Focus of economic development / economic wellbeing activity	*Description of activity and outputs generated*	*FTE Resource*	*Measuring impact: Relevant performance measures / targets - Is this being measured? - If so, how?*	*Are performance measures and/or targets being met?*
1. Destination marketing and management				
• Visitor attraction, promotion and marketing • Events /activities promotion, marketing, support and facilitation • Running events	• Undertaken mainly through HBTL via agreement with HBRC • HDC owns the local i-Site that undertakes some of this activity (although 75% of enquiries are citizens advice-related) • HDC funds and sponsors key events. Approx. 30% of these events are larger events that attract out of region visitors e.g. Horse of the Year • ED team sponsors key events e.g. AMP wine awards, Export NZ, Lanten Festival	FTE – Event Manager i-Site has 5 FTEs with varying roles 0.5 FTE – ED team Have not counted contribution of HDC marketing team	HDC Objective: Appealing visitor destination Performance measures: 1. Number of visitors to i-Site visitor centres per annum. Target - 73,000 for 2018/19 2. Total visitors to Splash Planet. Target – 100,000 (45% from outside Hastings) 3. Total financial support to events. Target - $125,000	1. No 2. Yes 3. Yes
2. Business development and support				
• Business information and referral services • Business capability support	• Undertaken mainly via Business Hawke's Bay (BHB) and HB Chamber of Commerce • Play a funnelling role to main providers • HDC has a hot-desk at the Business Hub • HDC runs a Hastings District Productivity Programme. They contract the 'Lean Hub' to provide a '5s programme'. This has recently been broadened to cover leadership training. Similar in nature to the RBP programme. $5-$10k per business. Business co-funds.	0.1 FTE (HDC Economic Manager)	HDC Objective: Supporting and attracting business Performance Measure 1. Total financial support to Business Hawke's Bay. Target – funding of $100,000. Key action KA27: Advance business attraction and job creation initiatives. But this key action is not supported by a specific measure or target.	1. Yes Key achievements relevant to Key action KA27: • Business Attraction brochure and case study for a potential centralised call centre for Government Department to relocate up to 250 jobs to the region. • Collaborated with regional LAs, PTSGs, Government Agencies and business groups on two presentations to an international business investigating the establishment of a call centre and business processing centre that would upskill 250 employees over two years in information technology careers. • The 'Our Hawke's Bay' brochure was provided to local businesses seeking to attract skilled labour to Hawke's Bay. • Supported enquiries from pet food and agriculture by-product processing businesses investigating relocating to Hawke's Bay (that could lead to a combined 250 jobs).
3. Innovation and industry development support				
• R&D funding /support • Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions • Co-investment in major projects	• R&D funding / support not provided • Mainly provision of local context and in-kind support • HDC does provide financial support for feasibility and business case work on a case by case basis at times • The HB FoodHub has been a major recent project and undertaking • HDC (and NCC) provide top-up funding for Learning HB	0.5 FTE (HDC Economic Manager)	HDC Objective: Supporting and attracting business Key action KA27: Advance business attraction and job creation initiatives. But this key action is not supported by a specific measure or target.	Focus of HDC effort in this area has been the HB FoodHub. • A Feasibility and Business Case was commissioned and completed. • Funding was sought and approved via the PGF. • Now the establishment phase is being supported.
4. Skills -related support	• See business capability support above			
5. Investment attraction				

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• Business attraction • Talent attraction • Capital attraction	• HDC is a member of the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport). This is a key coordinating and collaboration mechanism for investment attraction activities. • HDC can develop tailored material for businesses looking to locate in HB e.g. Datacom and NZ Institute of Skills and Technology. This is typically a collaborative effort with BHB and other Councils (through Think HB). • HDC leads on Great Things Grow Here (GTGH) on behalf of region • HDC has a team called 'Strategic Projects, Key Account Services and Capital Investment Partnerships' (SPKASCIP) that can work alongside key businesses and/or projects to smooth the investment process and engagement with Council • HDC also has a Financial Incentive Grant that can be used to support specific opportunities e.g. where the public benefit case is significant.	0.2 FTE (HDC Economic Manager) 0.1 FTE (Project management support for GTGH)	HDC Objective: Supporting and attracting business Key action KA27: Advance business attraction and job creation initiatives. But this key action is not supported by a specific measure or target.	• HDC has been active participant in the Think HB group. This has involved collaborative effort around two business promotional and attraction initiatives (Datacom and NZIST HQ). • The Think HB group has been useful in building a more effective collaborative mechanism; has been key in developing a Talent Attraction Strategy and Action Plan; and has focussed on building a roadmap and implementing an existing investment strategy. • HDC has provided the FTE resource (and its share of co-funding) to support the GTGH platform. See separate assessment of GTGH. • HDC considers the work the SPKASCIP does a success but specific performance measures and targets are not available so an assessment on effectiveness has not been made.
6. Export and/or offshore investment support	• HDC Eco Dev team leads on international engagement/connection work e.g. China Tourism Project; and Sister City with Guilin in China	0.1 FTE (HDC Economic Manager)	No specific performance measures or KPIs available.	• Unclear. Cannot make an assessment
7. Strategy development, economic intelligence, monitoring				
• Economic strategy development • Economic intelligence and monitoring	• HDC does not have an independent standalone economic development strategy. Economic development objectives are captured in the LTP and Annual Plans. • HDC has played a key role in recent COVID recovery work • HDC is a user of economic intelligence. They share the Infometrics and Dot Loves Data regional licences and buy retail stats from Market View (retails stats are shared with business associations) • Summaries are prepared and made available for senior leaders, use in media releases, speeches etc	0.1 FTE (HDC Economic Manager)	No specific performance measures or KPIs available.	• Unclear. Cannot make an assessment
8. Regional economic development and economic wellbeing implementation support	• HDC has representation on 5 of the Matariki pou	0.2 FTE (HDC Economic Manager)	No specific performance measures or KPIs available.	• HDC is an important contributor to Matariki.

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15.5 Hawke's Bay Regional Council (HBRC)

Table 31: HBRC – Priority areas, resources, measurement and performance

Not sure if this is needed ….

Focus of economic development / economic wellbeing activity	*Description of activity and outputs generated*	*FTE Resource*	*Measuring impact: Relevant performance measures / targets - Is this being measured? - If so, how?*	*Are performance measures and/or targets being met?*
1. Destination marketing and management				
• Visitor attraction, promotion and marketing • Events /activities promotion, marketing, support and facilitation • Running events	• Undertaken through agreement HBTL • HBRC contributes to the costs of a range of events. Approx. $74,000 / year • HBRC marketing and comms team plays a role in promotion of events			4. No 5. Yes 6. Yes
2. Business development and support				
• Business information and referral services • Business capability support	• Not directly • Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce • Play a funnelling role to main providers			2. Yes 3.
3. Innovation and industry development support				
• R&D funding /support • Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions • Co-investment in major projects	• Provision of local context • Ad hoc e.g. Wairoa Hort Project; Napier/Wairoa rail project			1.
4. Skills -related support	• N/A			
5. Investment attraction				
• Business attraction • Talent attraction • Capital attraction	• Reactive • Great Things Grow Here (GTGH)		•	2.
6. Export and/or offshore investment support	• Sister region in China • Otherwise N/A		3.	4.
7. Strategy development, economic intelligence, monitoring				
• Economic strategy development • Economic intelligence and monitoring	• No formal HBRC economic strategy • COVID recovery work • A user of economic intelligence • Summaries are prepared and made available for senior leaders		5.	6.
8. Regional economic development and economic wellbeing implementation support	• HBRC has representation on 5 of the Matariki pou		7.	8.

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15.6 Napier City Council (NCC)

Table 32: NCC – Priority areas, resources, measurement and performance

Focus of economic development / economic wellbeing activity	*Description of activity and outputs generated*	*FTE Resource*	*Measuring impact: Relevant performance measures / targets - Is this being measured? - If so, how?*	*Are performance measures and/or targets being met?*
1. Destination marketing and management				
• Visitor attraction, promotion and marketing • Events /activities promotion, marketing, support and facilitation • Running events	• Undertaken through HBTL via agreement with HBRC • NCC owns the local i-Site that undertakes some of this activity • NCC owns Napier Conference Centre which plays a key role in hosting conferences that attract people from out of region. Employees are NCC employees • NCC Manger of Business and Tourism, oversees running of museum, i-Site and Conference Centre • NCC has an Event Manager who is also involved in event attraction • NCC marketing team plays a role	1 FTE – (Event Manager) 0.5 FTE – (Manager of Business and Tourism) Have not counted contribution of NCC marketing team	• This activity falls under 'Community and Visitor Experiences' priority area. • Initiatives are project based e.g. develop an activity management plan for the Faraday Centre; commence development of a "Business and Tourism Strategy". • There do not appear to be relevant performance measures and/or targets being used.	• Unclear
2. Business development and support				
• Business information and referral services • Business capability support	• These activities are not undertaken directly • Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce • NCC plays a funnelling role to main providers of services	0.1 FTE (NCC Economic Manager)	Relevant NCC ED Objective/s: 2.1.1 Advocacy • Communicate constructively on issues of strategic importance with key organisations such as Napier Port, EIT, BHB and Hawke's Bay Airport. • **KPI**: SLT and CMT acknowledge that they understand each stakeholder's perspective. Meet quarterly with key stakeholders. 2.1.3 Enabling Industry • Be a contributor to "enabling" activity that allows selected industries to locate into Napier City. • **KPI**: Positive feedback received from agreed list of stakeholders. Review and contribute to economic impact briefs and economic impact studies. Provide 3 examples.	• 2.1.1 – Yes • 2.1.3 – Yes
3. Innovation and industry development support				
• R&D funding /support • Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions • Co-investment in major projects	• R&D funding / support not provided • Mainly provision of local context • Ad hoc, usually in-kind support where needed e.g. tech sector • NCC (and HDC) provide top-up funding for Learning HB	0.1 FTE (NCC Economic Manager)	Relevant NCC ED Objective/s: 2.1.1 Advocacy • Communicate constructively on issues of strategic importance with key organisations such as Napier Port, EIT, BHB and Hawke's Bay Airport. • **KPI**: SLT and CMT acknowledge that they understand each stakeholder's perspective. Meet quarterly with key stakeholders. 2.1.3 Enabling Industry	• 2.1.1 – Yes • 2.1.3 – Yes

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			• Be a contributor to "enabling" activity that allows selected industries to locate into Napier City. • **KPI**: Positive feedback received from agreed list of stakeholders. Review and contribute to economic impact briefs and economic impact studies. Provide 3 examples.	
4. Skills -related support	N/A			
5. Investment attraction				
• Business attraction • Talent attraction • Capital attraction	• Mainly undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport). • Unlike Hastings District Council (HDC) NCC does not have a specific team that works alongside key businesses and/or projects to smooth the investment process and engagement/s with Council. There are, however, 2 roles in NCC planning teams that provide this type of service. These roles have been captured for completeness and comparability.	0.2 FTE (NCC Economic Manager) 2 FTEs (in planning teams)	Relevant NCC ED Objective/s: 2.1.2 Promotion/Attraction • Successful marketing, promotion and partnerships that draw investors to Hawke's Bay. • **KPI**: Demonstrate contribution to BHB's Capital Attraction KPI and attend one relevant Expo or Trade Show. 2.1.3 Enabling Industry • Be a contributor to "enabling" activity that allows selected industries to locate into Napier City. • **KPI**: Positive feedback received from agreed list of stakeholders. Review and contribute to economic impact briefs and economic impact studies. Provide 3 examples.	• 2.1.2 – Yes • 2.1.3 – Yes
6. Export and/or offshore investment support	Sister City relationships with: ○ Tomokomai, Japan ○ Victoria, Canada ○ Linguanyan, China	0.05 FTE (NCC Economic Manager)	Relevant NCC ED Objective/s: 2.1.4 Grant/Sponsorship Management • e.g. Provide funding and governance support for economic impact initiatives e.g. BHB, Sister City, Food Hub, NCBI, University of Waikato, Matariki REDS, GTGH, Learning HB. • **KPI**: Demonstrate positive benefit/cost to Napier from each grant/sponsorship arrangement. Provide and record an assessment after event has occurred	• 2.1.4 – Partial (impact hasn't been recorded)
7. Strategy development, economic intelligence, monitoring				
• Economic strategy development • Economic intelligence and monitoring	• Napier City Council does not have an economic development strategy • But the City Vision Framework is relevant, as well as the more recent COVID recovery work • The NCC 2020-21 Annual Plan notes that a key 'business and tourism' initiative under the 'Community and Visitor Experiences' priority area will be to "commence development of a Business and Tourism Strategy". • NCC is a user of economic intelligence. Summaries are prepared and made available for senior leaders	0.2 FTE (NCC Economic Manager)	Relevant NCC ED Objective/s: 2.1.0 Research • Identify and communicate technology trends relevant to Napier City and communicate potential economic impacts to internal stakeholders. • **KPI**: One internal workshop per year and adopt at least one initiative. 2.1.5 Leadership • Develop a strategy for the Economic Development role and develop new roles and job descriptions for the benefit of Economic Development in Napier.	• 2.1.0 – Yes • 2.1.5 – Partially (under review)

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			• **KPI:** One completed job description.	
8. Regional economic development and economic wellbeing implementation support	• NCC has representation on 5 of the Matariki pou	0.2 FTE (NCC Economic Manager)	Relevant NCC ED Objective/s: 2.1.1 Advocacy • Communicate constructively on issues of strategic importance with key organisations such as Napier Port, EIT, BHB and Hawke's Bay Airport. • **KPI**: SLT and CMT acknowledge that they understand each stakeholder's perspective. Meet quarterly with key stakeholders. 2.1.2 Promotion/Attraction • Successful marketing, promotion and partnerships that draw investors to Hawke's Bay. • **KPI**: Demonstrate contribution to BHB's Capital Attraction KPI and attend one relevant Expo or Trade Show. 2.1.3 Enabling Industry • Be a contributor to "enabling" activity that allows selected industries to locate into Napier City. • **KPI**: Positive feedback received from agreed list of stakeholders. Review and contribute to economic impact briefs and economic impact studies. Provide 3 examples. 2.1.4 Grant/Sponsorship Management • e.g. Provide funding and governance support for economic impact initiatives e.g. BHB, Sister City, Food Hub, NCBI, University of Waikato, Matariki REDS, GTGH, Learning HB. • **KPI**: Demonstrate positive benefit/cost to Napier from each grant/sponsorship arrangement. Provide and record an assessment after event has occurred	• 2.1.1 – Yes • 2.1.2 – Yes • 2.1.3 – Yes • 2.1.4 – Yes

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15.4 Wairoa District Council (WDC)

Table 33: WDC – Priority areas, resources, measurement and performance

Focus of economic development / economic wellbeing activity	*Description of activity and outputs generated*	*FTE Resource*	*Measuring impact:* *Relevant performance measures / targets* *- Is this being measured?* *- If so, how?*	*Are performance measures and/or targets being met?*
1. Destination marketing and management				
• Visitor attraction, promotion and marketing • Events /activities promotion, marketing, support and facilitation • Running events	• Undertaken mainly through HBTL via agreement with HBRC • WDC owns the local i-Site that undertakes some of this activity. Focus is on information for tourists and visitors • WDC has a Community Development Officer that spends around 20% of time on community events. These include larger ones that attract people from outside of district (approx. 30% of events)	2 FTEs at the i-Site 0.2 FTE (Community Development Officer)	From: WDC Economic Development Plan 2017 1. Wairoa increases its share of the national tourism GDP by 2018 2. Support existing businesses and community organisations	1. No 2. Yes
2. Business development and support				
• Business information and referral services • Business capability support	• These activities are not undertaken directly • Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce • WDC plays a funnelling role to main providers of services	0.1 FTE (WDC Economic Manager)	From: WDC Economic Development Plan 2017 1. Increase the Wairoa district's Maori Economy by 2018 2. Support existing businesses and community organisations 3. Increase our share of the national GDP by 2019	1. No 2. Yes 3. No
3. Innovation and industry development support				
• R&D funding /support • Feasibility studies and business cases for sector and investment projects • Cluster & sector work with industry coalitions • Co-investment in major projects	• R&D funding / support not provided • Mainly provision of local context • Ad hoc, usually in-kind support where needed	0.1 FTE (WDC Economic Manager)	From: WDC Economic Development Plan 2017 1. Increase the Wairoa district's Maori Economy by 2018 2. Support existing businesses and community organisations 3. Regional collaboration to achieve better outcomes for our district 4. Increase our share of the national GDP by 2019	1. No 2. Yes 3. Yes 4. No
4. Skills -related support	• Act as a channel for funding from e.g. Mayor's Taskforce for Jobs • Provide letters of support for key businesses when seeking RSE workers to fill skill gaps	0.1 FTE (WDC Economic Manager)	From: Wairoa Community Partnership Group 1. All Whānau across the Wairoa District are thriving From: WDC Economic Development Plan 2017 2. Population decline is halted or reversed by 2018 3. Increase the Wairoa district's Maori Economy by 2018 4. Support existing businesses and community organisations 5. Regional collaboration to achieve better outcomes for our district 6. Decrease in the percentage of our working population that are unemployed 2019 7. Increase our share of the national GDP by 2019	1. No 2. Yes 3. No 4. Yes 5. Yes 6. No 7. No
5. Investment attraction				
• Business attraction • Talent attraction • Capital attraction	• Mainly undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport). • Also ad hoc involved with laying out the welcome mat for potential investors e.g. work with Rocket Lab. • Note talent attraction from a WDC perspective also involves encouraging ex-pat whanau to return home to contribute to Wairoa's wellbeing	0.2 FTE (WDC Economic Manager)	From: Wairoa Community Partnership Group 1. All Whānau across the Wairoa District are thriving From: WDC Economic Development Plan 2017 2. Population decline is halted or reversed by 2018 3. Increase the Wairoa district's Maori Economy by 2018 4. Support existing businesses and community organisations 5. Regional collaboration to achieve better outcomes for our district 6. Decrease in the percentage of our working population that are unemployed 2019 7. Increase our share of the national GDP by 2019	1. No 2. Yes 3. No 4. Yes 5. Yes 6. No 7. No

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6. Export and/or offshore investment support	N/A			
7. Strategy development, economic intelligence, monitoring				
• Economic strategy development • Economic intelligence and monitoring	• WDC has an Economic Development Strategy from 2017 • The Wairoa Community Partnership Group and related goals and work programme are relevant as this captures the broader wellbeing approach Wairoa is taking to economic development • Recent work has involved working with iwi on a Wairoa recovery plan • WDC is a user of economic intelligence	0.2 FTE (WDC Economic Manager)	From: WDC Annual Plan 1. Actions in the Economic Development Plan and Action Plan in progress and completed (% of actions completed) 2. The cost related to this activity did not exceed the approved budget	1. Yes 2. Yes
8. Regional economic development and economic wellbeing implementation support	• WDC has representation on 5 of the Matariki pou	0.1 FTE (WDC Economic Manager)	From: WDC Economic Development Plan 2017 1. Regional collaboration to achieve better outcomes for our district	1. Yes

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7.4 ADOPTION OF GOVERNANCE STATEMENT AND ASSOCIATED DOCUMENTATION

File Number: **COU1-1400**

Author: **Monique Davidson, Chief Executive**

Authoriser: **Monique Davidson, Chief Executive**

Attachments:

1. **Central Hawke's Bay District Council Updated Governance Statement** ⇩
2. **Central Hawke's Bay District Council Updated Terms of Reference** ⇩
3. **Central Hawke's Bay District Council Council and Committee Representation Schedule** ⇩

PURPOSE

The purpose of this report is for Council to consider the adoption of the Governance Statement 2019-2021, Committee Terms of Reference and Council and Community Representation schedule, following the election of Councillor Pip Burne.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

a) That the amended Central Hawke's Bay District Council Governance Statement 2019-2022 be adopted.

b) That the amended Council and Committee Terms of Reference be adopted.

c) That the amended Council and Community Representation schedule be adopted.

EXECUTIVE SUMMARY

Under Section 40 of the Local Government Act, Council are required to adopt a Governance Statement within six months of a triennial election. Following a comprehensive review of the Governance Statement 2016-2019, a recommended statement is presented for consideration, alongside an update of the Council and Committee Terms of Reference and Council and Community Representation schedule.

BACKGROUND

A Local Governance Statement is a collection of information about the processes through which Council engages with its community, how the local authority makes decisions, and how citizens can influence those processes.

Council is required to produce such a statement under Section 40 of the Local Government Act 2002 within six months following each triennial election.

DISCUSSION

A comprehensive review of the Local Governance Statement has taken place. Attached is a copy of the Statement for Council consideration and adoption.

RISK ASSESSMENT AND MITIGATION

The Governance Statement can be reviewed at any stage by Council. The draft Governance Statement presented to Council for adoption is low risk as the information in it largely reflects decisions made by Council since being sworn in on 31 October 2019.

FOUR WELLBEINGS

The Local Governance Statement supports the purpose of local government by promoting democracy at a local level. The statement does this by providing the public with information on the ways to influence democratic processes that Council uses to engage with the district's residents. It also outlines how Council makes decisions and shows how residents can influence those processes.

DELEGATIONS OR AUTHORITY

Council Officers do not have delegations to approve the Governance Statement. Section 40 of the Local Government Act 2002, requires Council to adopt the Governance Statement within six months of the triennial election.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as not significant therefore engagement on this matter is not required.

OPTIONS ANALYSIS

Officers' recommendation is that the attached document is considered for adoption. Elected Members may wish to request changes to the statement, however consideration would need to be given to existing policy decisions that are reflected throughout the statement.

NEXT STEPS

Once the Governance Statement has been confirmed and adopted by Council it will be formally published. The next Governance Statement will be reviewed following the triennial election in 2022.

RECOMMENDATION

That having considered all matters raised in the report:

a) That the amended Central Hawke's Bay District Council Governance Statement 2019-2022 be adopted.

b) That the amended Council and Committee Terms of Reference be adopted.

c) That the amended Council and Community Representation schedule be adopted.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Governance
Statement
Adopted 13 February 2020
Together we Thrive! E ora ngātahi ana!

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What is a Local Governance Statement?

A Local Governance Statement is a collection of information about the processes through which Central Hawke's Bay District Council engages with the residents of the Central Hawke's Bay District, how Council makes decisions, and how residents and ratepayers can influence those processes.

The Local Governance Statement supports the purpose of local government by promoting local democracy. The statement provides the public with information on the ways to influence local democratic processes.

The Local Governance Statement is a requirement of the Local Government Act 2002 and includes the following broad categories of information:

- functions, responsibilities, and activities of the council
- electoral arrangements
- governance structures and processes
- the way elected members make decisions and relate to each other
- the management structure and key policies of the council.

The purpose of local government is —

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and
(b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are

a) efficient
b) effective
c) appropriate to present and anticipated future circumstances.

The governance statement will be updated from time to time to ensure that its content is accurate and up to date. For the most recent copy please contact Council on (06) 8578 060 or visit our website https://www.chbdc.govt.nz/.

Functions, Responsibilities and Activities

The Local Government Act 2002 sets out the purpose of local government as:

1) The purpose of local government is—
   a) to enable democratic local decision-making and action by, and on behalf of, communities; and
   b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—
   a) efficient; and
   b) effective; and
   c) appropriate to present and anticipated circumstances.

The Local Government Act 2002 introduced changes to the way councils plan ahead, and as part of this, placed a responsibility on councils to work with their communities to identify the community's expectations and priorities – known as community outcomes.

Council has an obligation to ensure that its work programmes and services contribute to community outcomes and promote the "four well-beings" - social, economic, environmental, and cultural – of its district in the present and for the future.

Central Hawke's Bay District Council's community outcomes are set out in our Long-Term Plan (LTP). It also outlines the Council's priorities for the next 10 years and provides information on budgets, rating levels, major projects and general Council services. A LTP highlights the Council's plans for the next 10 years, including the means of funding the Council's ongoing programmes and capital works projects. Central Hawke's Bay District Council is currently delivering on the Long-Term Plan 2018–2028.

Council has overall responsibility and accountability for the proper direction and control of the district's activities. This responsibility includes areas of stewardship such as:

- Core infrastructure and services (i.e. roadways, footpaths, water, sewerage and stormwater)
- Community services and facilities (i.e. libraries, recreational facilities and community facilities)
- Regulatory functions and services (i.e. building and resource consents, health, animal control, parking and general bylaws)
- Environment (i.e. parks, reserves and built environment)
- Local economy (promoting a resilient and diverse economy)
- Local democracy (i.e. access to Council information and public engagement opportunities)
- Financial management of the Council (ensuring Council expenditure is affordable and sustainable).

Legislation

In conducting its activities, Central Hawke's Bay District Council exercises powers and fulfils responsibilities conferred on it by New Zealand and Local Legislation. The following outlines applicable statutory requirements:[1]

Section 46(1) Local Government Act 2002 - Councillors can be held liable for losses resulting from negligence or unlawful action by the elected Council.

Schedule 7 clause 1 of The Local Government Act 2002 - Any elected member (the Mayor or a Councillor) will be disqualified if they cease to be an elector or become disqualified for registration as an elector under the Electoral Act 1993, or are convicted of an offence punishable by a term of imprisonment of two years or more.

Local Authority (Members' Interests) Act 1968 - This regulates the circumstances under which a member has a pecuniary interest in a matter before the Council. Nobody may be elected to a Council, or once elected, remain a member, if the value of contracts between the Council and that member exceed $25,000 in any financial year. Nor may a member participate in the discussion or voting on a matter in which the member has a direct or indirect pecuniary interest, except an interest in common with the public. If members are convicted of a breach of this requirement they will be automatically be disqualified from office. They may also be fined up to $100. A disqualified member may, however, stand for election at a by-election.

The Local Government Official Information and Meetings Act 1987 ("LGOIMA") - The obligations of LGOIMA are binding on members. They apply to the disclosure of information by a member in respect of any information held by that member (in his or her capacity as member) to a member of the public. The underlying principle is that unless there is good reason to withhold it, information should be made available. Section 7 of the Act gives a number of grounds for withholding disclosure. The LGOIMA also sets out the procedural requirements for meetings of local authorities, the publication of agenda, procedures for discussion with the public excluded and access by the public to the minutes of meetings.

Statutes Pertaining to Local Government - In fulfilling its purpose, the Central Hawke's Bay District Council exercises powers and fulfils responsibilities conferred on it by various Statutes. These are:

- Local Government Acts of 1974 and 2002
- Local Electoral Act 2001
- Local Government (Rating) Act 2002
- Local Government Official Information and Meetings Act 1987
- Resource Management Act 1991

In addition, there are numerous other general Acts of Parliament that confer powers on the council and regulate its functions.

[1] Please note this list is not exhaustive, but outlines those statutes which are most commonly used.

Bylaws

Where an issue is not already covered under existing legislation, Council may create a new bylaw provided that the proposed bylaw is the most appropriate form of bylaw; and does not give rise to any implications under the New Zealand Bill of Rights 1990. If a draft bylaw is approved, it will go out for public consultation. Central Hawke's Bay District Council must follow a special consultative procedure (with exceptions) on any proposed changes to an existing bylaw or in the creation of a new bylaw.

TITLE	DESCRIPTION	CREATED
Part 01 Introductory Bylaw 2018	The purpose of this bylaw is to identify and clearly interpret those terms and expressions that are used throughout all the Bylaws. It also outlines serving of orders and notices, powers of delegation and entry, suspension and revocation of licences, removal of works executed contrary to the Bylaws, fees and charges, offences and breaches and penalties for breach of Bylaws.	14 December 2017
Part 02 Public Places Bylaw 2018	This Bylaw controls a diverse range of activities to ensure that acceptable standards of convenience, safety, visual amenity and civic values are maintained for the wellbeing and enjoyment of citizens, visitors and businesses within the district. I	14 December 2017
Part 03 Hostels Bylaw 2018	This Bylaw enables Council to monitor the operation of hostels and similar accommodations so that the health and safety of tenants or the community at large are not threatened. It also addresses issues which are not covered in the Building Act.	14 December 2017
Part 04 Trading in Public Places Bylaw 2018	The purpose of this bylaw is to regulate the conduct of persons selling goods on streets, roads, footpaths and other public places. It also serves to regulate the conduct of persons using vehicles to sell goods and services to the general public.	14 December 2017
Part 05 Livestock Movement & Animals in Public Places Bylaw 2018	With the purpose of this bylaw is to control the movement and grazing of livestock.	14 December 2017
Part 06 Solid Waste Bylaw 2018	The purpose of this bylaw is to regulate Waste Management including the collection, transportation and disposal of waste. The aim is to support waste minimisation and reduction.	14 December 2017
Part 07 Water Supply Bylaw 2018	The purpose of this bylaw is to regulate the District's water supply.	14 December 2017
Part 08 Control of Advertising Signs Bylaw 2018	The purpose of this Part of the bylaw is to ensure that advertising signs are erected, maintained, and displayed in such a manner that they do not present a hazard or a danger to public safety.	14 December 2017
Part 12 Dog Control Bylaw 2018	The main purpose of this Bylaw is to manage the regulation and control of dogs in public places. It also serves to limit the number of dogs on a property and to assert the standards required for keeping dogs, including a dog's health.	14 December 2017
Part 13 The Keeping of Animals Poultry and Bees Bylaw 2018	The purpose of this bylaw is to outline requirements for the keeping of animals, poultry and bees. The requirements are deemed necessary for the protection of neighbours and property owners.	14 December 2017
Part 14 Cemeteries Bylaw 2018	The purpose of this bylaw is to enable Council to control and set standards for the operation of cemeteries and crematoria within the boundaries covered by Council's responsibility or ownership.	14 December 2017
Part 21 Stormwater Bylaw 2018	This purpose of this bylaw is for the management of stormwater and provision of stormwater networks.	14 December 2017
Part 22 Wastewater Bylaw 2018	This purpose of this bylaw is for the management of wastewater and provision of wastewater networks	14 December 2017
Part 23 Trade Waste Bylaw 2018 (and Appendices)	This bylaw regulates the discharge of Trade Waste to a Sewerage System operated by Central Hawke's Bay District Council (CHBDC).	14 December 2017
Part 25 Traffic Bylaw 2018	The purpose of this bylaw is to set out the requirements for parking and control of vehicular or other traffic on any road within Council jurisdiction.	14 December 2017
Part 26 Speed Limits Bylaw 2018	The purpose of this bylaw is to set speed limits throughout the District.	14 December 2017
Part 29 Liquor Control in Public Places Bylaw 2018	The purpose of this bylaw is to cover such matters as specification of public places, days and times where the Liquor Control Bylaw applies and to outline the powers of the Police and detail exemptions to the Bylaw.	14 December 2017

Requests for Official Information

There are two pieces of legislation that prescribe how and what information is disclosed and protected for Local Government. They are:

- Local Government Official Information and Meetings Act 1987 (LGOIMA)
- Privacy Act 1993

Local Government Official Information and Meetings Act 1987 (LGOIMA)

The LGOIMA allows people to request official information held by a local authority. It contains rules on how official information is governed, and how that information can be requested.

Most information held by a local authority is classified as official information. This can be held in any form including tape, electronic, maps, plans, etc. It does not include information contained in library or museum material used for reference or exhibition purposes. Personal information includes information about a "natural' person (living identifiable person).

Local authorities must ensure they pay heed to the purposes in the Act when administering it. These include –

- To provide for the availability to the public of official information held by local authorities
- To promote the open and public transaction of business at meetings of local authorities, in
- Order to enable more effective participation by the public in the actions and decisions of local authorities; and
- To promote the accountability of local authority members and officials, and there by enhance respect for the law and to promote good local government in New Zealand
- To provide for proper access by each person to official information relating to that person
- To protect official information and the deliberations of local authorities to allow for public interest and the preservation of personal privacy.

The underlying principle of the Act is the 'principle of availability'. That is, information should be made available unless there is good reason to withhold it.

Given the size of our organisation, a policy dealing with information requests needs to be simple and easy to use. Information to guide staff on when and how to apply either piece of legislation is required so Council can make appropriate and consistent decisions.

The Act also promotes the open and public transaction of business at meetings of local authorities.

Generally, members of the public are entitled to attend any meeting of Council or a committee of Council. There are times however when, for specific reasons, public may need to be excluded for the whole or part of a meeting. Any exclusion must be justified under the Act.

When a request is made, the Council must supply the information within 20 working days unless there is a reason for withholding it. The Council may charge for official information under guidelines set down by the Ministry of Justice. This will apply particularly where

considerable staff time is required to research information. If this is the case, the Council will communicate with the requestor prior to undertaking the work.

Some information can be withheld. The LGOIMA says that information may be withheld if release of the information would:

- prejudice maintenance of the law;
- endanger the safety of any person;
- compromise the privacy of any person;
- reveal confidential or commercially sensitive information;
- cause offence to tikanga Māori or would disclose the location of waahi tapu;
- prejudice public health or safety;
- compromise legal professional privilege;
- disadvantage the local authority while carrying out negotiations or commercial activities;
- allow information to be used for improper gain or advantage.

Privacy Act 1993

The Privacy Act 1993 amended the LGOIMA by removing the right of access to personal information about the person making the request, and requiring consultation with the Privacy Commissioner by the Ombudsman when considering a decision to withhold information on privacy grounds.

The Privacy Act deals with requests for personal information about a 'natural' person (living identifiable person). The objective of the Privacy Act is to provide protection for individual privacy. The Act's focus is on how information about a person is collected, used, disclosed, stored and accessed. There are 12 'principles' that should be adhered to.

Privacy Officer

At least one person in the organisation is assigned the duties of a 'Privacy Officer'. That person's responsibilities include encouraging compliance with the Act and assisting the Privacy Commissioner to investigate any complaints made.

Key points for implementing the Act:

- Only an individual who is in New Zealand or who is a citizen or permanent resident of New Zealand can make an information privacy request.
- Requests need not be in writing, can be verbal in person or over the phone
- To take all reasonable steps to grant the request within 20 working days after the request has been received
- Council may impose a charge in some circumstances. The individual making the request will be informed of the cost, should there be one, prior to officers proceeding with the request
- Council needs to communicate the reasons for refusing to provide information. It must also provide information on the right to seek a review from the privacy commissioner
- Legislation outlines the complaints process and powers of the Privacy Commissioner.

Central Hawke's Bay District Council processes requests for information in accordance with the Local Government Official Information and Meetings Act 1987 and the Privacy Act 1993. These aim to balance issues of transparency and public interest with limits on the disclosure of personal information. Releases of information are sent via email, where an email address has been supplied.

Information can be requested by:

- Phoning our Customer Experience Representatives on (06) 8578 060;
- Asking in person at one of our locations – Council Offices in Waipawa, or the Waipukurau or Waipawa Libraries; or
- Emailing governance@chbdc.govt.nz with your request in the body of the email;

Please be as specific as you can be in making your request; it helps us to find the information quickly for you. Make sure you include your contact phone number and either a postal or email address so we can provide you with a response. Further information about LGOIMA requests can be found at www.chbdc.govt.nz.

The electoral system and the opportunity to change it

The Central Hawke's Bay District Council currently operates its elections under the First Past the Post (FPP) electoral system.

The other option permitted under the Local Electoral Act 2001 is the Single Transferable Vote system (STV).

Currently, voters rank candidates in order of preference. The number of votes required for a candidate to be elected (called the quota) depends on the number of positions to be filled and the number of valid votes.

Council can resolve to change the electoral system it uses at the next two elections or conduct a binding poll on the question, or electors can demand a binding poll under the Local Electoral Act 2001.

At least 5% of electors can initiate a poll by signing a petition demanding that a poll be held. Once changed, an electoral system must be used for at least the next two triennial general elections, i.e. the electoral system cannot change for one election and then change back for the next election.

Representation Arrangements

Wards

Central Hawke's Bay District Council is divided into two wards as shown on the map below. In total there are nine elected members representing the district. Representatives are elected by electors of the ward. The Mayor is elected at large over the whole district.

CHB District Wards	Registered Electors (2019)
Ruataniwha Ward – 4 Members	5173
Aramoana/Ruahine Ward – 4 Members	4787
Total	**9960**



Māori Wards

The Local Electoral Act 2001 also gives the Council the ability to establish separate wards for Māori electors. The Council may resolve to create separate Māori wards or conduct a poll on the matter, or the community may demand a poll. A petition of five percent (or more) of electors can require the Council to conduct a poll.

No action has been initiated to establish a Māori ward to date.

Review of Representation Arrangements

Local authorities are required to review representation arrangements at least once in every period of six years. Central Hawke's Bay District Council last reviewed its arrangements in 2018 and retained the FPP system at a meeting on 4 October 2018. This decision was publicly notified.

This review must include the following:

- The number of elected members (within the legal requirement to have a minimum of 6 and a maximum of 30 members, including the Mayor)
- Whether the elected members (other than the Mayor) shall be elected by the entire district, or whether the district will be divided into wards for electoral purposes, or whether there will be a mix of 'at large' and 'ward' representation
- If election by wards is preferred, then the boundaries and names of those wards and the number of members that will represent each ward
- Whether or not to have separate wards for electors on the Maori roll
- Whether to have community boards and if so, how many, their boundaries and membership and whether to subdivide a community for electoral purposes.

Council must follow the procedure set out in the Local Electoral Act 2001 when conducting the review, and should also follow guidelines published by the Local Government Commission. The Act gives the public the right to make a written submission to Council and the right to be heard at a hearing.

The public also have the right to appeal any decisions on representation arrangements with the Local Government Commission which will make a binding decision on the appeal. Further details on the matters that Council must consider in reviewing its members and basis of election can be found in the Local Electoral Act 2001.

The Re-organisation Process

The Local Government Act 2002 sets out procedures, which must be followed during proposals to:

- make changes to the boundaries of the District
- create one or more new territorial local authorities (city or district councils)
- create a unitary authority
- transfer a particular function or functions to another council.

The process begins when an application is lodged with the Local Government Commission. This can be done by any person, body or group, including a local authority or the Minister of Local Government.

Further information on these requirements is in the Local Government Act 2002, Schedule 3. The Local Government Commission has also prepared guidelines on procedures for local government reorganisation, which are available on its website www.lgc.govt.nz .

Members Roles and Conduct

A key to the efficient running of any council is that there is a clear division between the role of Elected Members and that of management.

Division of Responsibility between the Council and Management

The Local Government Act 2002 sets out a series of governance policies that support the principles of local government.

The Council is required to publish a Local Governance Statement. This clarifies the governance and management responsibilities together with the governance role and expected conduct of elected members. The Statement describes the effective, open and transparent processes used by Council. This ensures separation of regulatory and non-regulatory responsibilities and explains the good employer requirements.

Council's Local Governance Statement ensures the community has information on the processes the Council follows when making decisions and taking action and how the community can influence these processes.

While Council has delegated many of its functions, it maintains overall responsibility for effective systems of internal control. Internal control includes the policies, systems and procedures established to provide measurable assurance that specific objectives will be achieved.

Role of the Council

The Council has overall responsibility and accountability for the proper direction and control of the Council's activities in pursuit of community outcomes. This responsibility includes:

- Formulating the District's strategic direction in conjunction with the community – Long-Term Plan (LTP)
- Determining the services and activities to be undertaken
- Managing principal risks
- Administering various regulations and up-holding the law
- Monitoring the delivery of the LTP and Annual Plan
- Ensuring the integrity of management control systems
- Safeguarding the public interest
- Ensuring effective succession of elected members
- Reporting to ratepayers.

The Mayor and Councillors of the Central Hawke's Bay District Council have the following roles:

- setting the policy direction of Council
- monitoring the performance of the Council
- representing the interests of the District (on election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgment in the best interests of the District)
- employing the Chief Executive Officer (under the Local Government Act 2002, the local authority employs the Chief Executive Officer who in turn employs all other staff on its behalf).

Mayor

The Mayor is elected by the District 'as a whole', and as one of the elected members, shares the same responsibilities as other members of Council. In addition, the Mayor has the following roles:

- Presiding member at Council meetings. The Mayor is responsible for ensuring the orderly conduct of business during meetings (as determined in Council's Standing Orders)
- Advocate on behalf of the community. This role may involve promoting the community and representing its interests. Such advocacy will be most effective where it is carried out with the knowledge and support of the Council
- Ceremonial head of Council
- Provides leadership and feedback to other elected members on teamwork and chairing committees.

Deputy Mayor

The Deputy Mayor is appointed by the Mayor at the first meeting of the Council following each triennial election. The Deputy Mayor exercises the same roles as other elected members. In addition, if the Mayor is absent or incapacitated, or if the office of Mayor is vacant, then the Deputy Mayor must perform all of the responsibilities and duties and may exercise the powers of the Mayor (as summarised above). The Deputy Mayor may be removed from office by resolution of Council.

Council

The purpose of the Central Hawke's Bay District Council is to enable democratic local decision making to promote the social, economic, environmental and cultural wellbeing of the Central Hawke's Bay District in the present and for the future.

Council is made up of the Mayor and 8 Councillors (elected members). They are responsible for determining local policy and legislation, and defining the overall vision for the Central Hawke's Bay District. Council makes decisions on behalf of the ratepayers and residents.

In meeting its purpose, the Central Hawke's Bay District Council has a variety of roles:

- Facilitating solutions to local needs
- Advocacy on behalf of the local community with central government, other local authorities and other agencies
- Management of local infrastructure including network infrastructure (e.g. roading, water supply, waste disposal, libraries, parks and recreational facilities).
- Environmental management planning for the current and future needs of the local district.

Council Committees

Strategy and Wellbeing Committee

The purpose of the Strategy Committee is to determine specific outcomes that need to be met to deliver on the vision and direction of council related to wellbeing, and set in place the strategies, policies and work programmes to achieve set goals and targets.

To develop, approve, review and recommend to Council (where applicable) statutory and non-statutory policy, plans, bylaws and strategies to:

- Focus on the social, economic, cultural and environmental wellbeing of Central Hawke's Bay through the development of vision and strategy while identifying and promoting community aspirations.
- Integrate an all of wellbeing approach to strategy, plan and policy development.
- Have effective statutory plans and bylaws to protect community through a focus on the social, economic, cultural and economic wellbeings.

Finance and Infrastructure Committee

The purpose of the Finance and Infrastructure Committee is to oversee financial and nonfinancial performance, including the delivery of the Council's Capital Programme.

To develop, approve, review and recommend to Council (where applicable) statutory and non-statutory policy, plans, bylaws, strategies and projects:

- To monitor Council activities and services performance against budget, Annual Plans, the Long Term Plan, Annual Reports and corporate and financial policies.
- The Finance and Infrastructure Committee also receives enforcement and compliance performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions.
- To provide governance oversight of Council's operational programmes, services, activities and projects related infrastructural assets.
- To enable the progress of the Council's operational activities, projects and services.

Risk and Assurance

The purpose of the Risk and Assurance Committee is to contribute to improving the governance, performance and accountability of the Central Hawke's Bay District Council by:

- Ensuring that the Council has appropriate financial, health and safety, risk management and internal control systems in place.
- Seeking reasonable assurance as to the integrity and reliability of the Council's financial and non-financial reporting.
- Providing a communications link between management, the Council and the external and internal auditors and ensuring their independence and adequacy.
- Promoting a culture of openness and continuous improvement.

Regulatory Hearings Panel

- To conduct hearings and/or determine under delegated authority applications for consent and all other matters required to be heard and determined by way of a Hearing under the Resource Management Act 1991.
- To conduct hearings and/or determine under delegated authority applications relating to the Dog Control Act 1996 and any other matters required for determination by Council under legislation as determined by Council.

Chief Executive Performance and Employment Committee

Oversees the performance of the Chief Executive in line with the performance agreement and his/ her ongoing relationship with the Council, and report regularly to the Council on his or her performance.

Other Council Special Committees (Excluding Working Groups)

- District Licensing Committee
- Civic Awards Panel Committee
- CVOS Committee
- District Plan Committee

Further information on Central Hawke's Bay District Council's committee structures including Committee Terms of Reference can be found on our website https://www.chbdc.govt.nz/our-council/council-committees/about-our-committees/

Code of Conduct

Schedule 7 clause 15 of the Local Government Act 2002 requires every Council to adopt a Code of Conduct for the Elected Members of the Council. Central Hawke's Bay District Council adopted its Code on 14 November 2019. This code also applies to all persons appointed to Committees or Subcommittees of Council. A copy of the Code of Conduct can be made available upon request to Central Hawkes Bay District Council on (06) 8578060 or found on our website at www.chbdc.govt.nz.

Central Hawke's Bay District Council's Code of Conduct provides guidance on the standards of behaviour expected from Elected Members in their dealings with each other, the Chief Executive, staff, the media and general public.

The objectives of the Code of Conduct are to enhance:

- the effectiveness of the Council as a good local government for the District
- the credibility of the Council
- mutual trust, respect and tolerance among members as a group and between members and those people they deal with in the course of their duties.

The Code of Conduct is based on the following general principles of good governance:

- Public interest - members must serve the interests of the District as a whole, their primary duty is to the interests of the entire District, not just the ward that elected them.
- Honesty and integrity - members must not place themselves in situations where their honesty and integrity may be questioned.
- Objectivity - members must make decisions on merit, including decisions making appointments, awarding contracts, or recommending individuals for rewards or benefits.
- Accountability - members must be accountable to the public for their actions and the manner in which they carry out their responsibilities.
- Openness - members must be open about their actions and those of the Council.
- Personal judgment - members can and will take account of the views of others, but must reach their own conclusions on the issues before them.
- Respect for others - members must promote equality by treating people with respect.
- Duty to uphold the law - members must uphold the law, and on all occasions act in accordance with the trust the public places in them.
- Stewardship - members must ensure that the Council uses its resources prudently and for lawful purposes, and that the Council maintains sufficient resources to meet its statutory obligations to both present and future generations.

Public Access to Council and Elected Members

Contact details for Central Hawke's Bay District Council are as follows:

Central Hawke's Bay District Council
28-32 Ruataniwha Street
P O Box 127
Waipawa
Ph: 06 8578060
Fax: 06 857 7179

Council website: www.chbdc.govt.nz
Council email address: info@chbdc.govt.nz
Facebook: https://www.facebook.com/CHBDistrictCouncil/

Contacting the Council

Council can be contacted in a number of ways. Requests for Council service can be lodged by visiting, phoning or writing (including emails to customerservice@chbdc.govt.nz) to the relevant Council department; the Chief Executive; by messaging us on social media; or through Council's website www.chbdc.govt.nz.

Elected members can be contacted via the Council or directly. Contact details are as follows.



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Mayor

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Kelly Annand
Deputy Mayor

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Brent Muggeridge
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Opportunities for Participation in Council Activities

Council offers numerous opportunities for community input into decision-making processes and strategy development. Council will inform Central Hawke's Bay residents (through the likes of newsletters, website and other key media publications) when key plans and policies are being developed/reviewed that require community input or feedback.

Management Structure

Council is supported by a professional corporate organisation, led by the Chief Executive.

The Local Government Act requires the Council to employ a Chief Executive whose responsibilities are to employ other staff on behalf of the Council, implement Council decisions and provide advice to the Council. Senior Officers provide Council with policy advice and are responsible for implementing Council's policies to achieve the results Council seeks to accomplish during the triennium.

Under the Local Government Act 2002 and amendments the Chief Executive is the only person who may lawfully give instructions to a staff member. Any complaint about individual staff members should therefore be directed to the Chief Executive, rather than the Mayor or Councillors.

The Chief Executive and staff are responsible for managing day-to-day operations and implementing Council's decisions and policies. The organisation is structured under four groups:

- Customer and Community Partnerships
- Finance and Procurement
- Community Infrastructure and Development
- People and Business Enablement

Further information on Council's Leadership Team can be found on the Central Hawke's Bay District Council Website at https://www.chbdc.govt.nz/our-council/about/management-structure/.

Monique Davidson is Council's Chief Executive. Her contact details are:



Monique Davidson

Chief Executive

+64 6 857 8060

monique.davidson@chbdc.govt.nz

Governance Structure and Processes

In pursuing their purpose many local authorities may from time to time create an arm's length organisation to undertake a particular function, or take a voting interest in, or be invited to appoint a representative to some external organisation. Under the Act these are referred to as 'Council Organisation' (COs) and 'Council Controlled Organisation' (CCO's).

Council Organisations

These are organisations in which one or more local authorities controls any proportion of the voting rights to appoint directors.

Council controlled organisations

These can be best described as any organisation in which one or more local authorities control 50% or more of the voting rights or have the right to appoint 50% or more of the directors.

This Council has one CCO:

Hawke's Bay Local Authority Shared Services (HBLASS)

Hawke's Bay Local Authority Shared Services is a joint company set up by the five Hawke's Bay Councils to look at opportunities to create savings by doing things as a group. Its primary function is to work with the other Hawke's Bay Councils to try to find efficient ways to do things through shared services.

Appointments to Statutory Bodies, Community Groups/Associations and other organisations

At the beginning of each term, Council appoints representation to statutory bodies, community associations and other organisations for the elected term. These appointments enable Council to support special interests groups and community orientated bodies within the community.

Council and Community Representation Schedule		
Organisation	**Appointment**	**Description of Committee**
Joint Standing Committee Civil Defence Emergency Management	Her Worship the Mayor Alex Walker	The Civil Defence Emergency Management Group Joint Committee is required under section 12 (1) of the Civil Defence Emergency Management Act, with membership made up of Mayors and Regional Council Chair and their deputies as alternates.
Regional Transport Committee	Her Worship the Mayor Walker Alternate: Councillor Kate Taylor Alternate: Councillor Brent Muggeridge	The RTC is a subcommittee of the Hawke's Bay Regional Council (HBRC). It has two HBRC Councillors. One councillor is the chairman, and the other is their elected representative on the RTC and the Mayor from each of the four (4) Hawke's Bay local authorities. Each of the Land Transport Managers in the local authorities are a representative on the TAG (Transportation Advisory Group) who support and provide information and

		recommendations to and attend the RTC meetings. The key responsibility of the RTC is to coordinate, discuss and prioritise the land transport projects and direction at a regional level before they are submitted to HBRC for approval and submission to the NZ Transport Agency (NZTA) for inclusion in the National Land Transport Program (NLTP) at a national level.
Hawke's Bay Drinking Water Governance Joint Committee	Her Worship the Mayor Councillor Brent Muggeridge	The committee was established as a result of the Government inquiry into the Havelock North drinking water contamination, to provide governance oversight to the Joint Working Group (staff) regarding the implementation of recommendations from the Inquiry Panel and then the evolution of the JWG into a more permanent official working group. The committee currently comprises two Elected Members from each of the five participating councils and the HB District Health Board, alongside one representative of Ngāti Kahungunu Iwi Incorporated. The Terms of Reference (attached) provide for the group to meet at least 6 monthly and the first meeting for this triennium will be scheduled early in 2020.
CHB Consumer Power Trust	One Mayoral appointed trustee— Catie Avery —and one Council appointed trustee — George Williams	The Central Hawke's Bay Consumer Power Trust holds 100% of the shares in Centralines. In terms of the Trust Deed, a Mayoral appointment and a Trustee appointed by Central Hawke's Bay District Council shall be the appointed (as opposed to elected) Trustees of the CHB Consumer Power Trust. Appointed Trustees remain in office until the expiry of their three-year term - usually the 31st March of the relevant year. New appointments will take effect from 1st April. One of the appointed Trustees has a residential qualification requiring that they essentially reside more than 15 kms from the centre of Waipawa or Waipukurau.
CHB District Community Trust	Council appointed trustees – Pip Burne and Libby Tosswill.	The Trust is the owner and operator of the indoor heated pool at Russell Park, Waipukurau. Council provides funding to the Trust under a Service Contract to enable the

		Trust to provide community access to modern recreational swimming and fitness facilities. The Trust Deed provides that there shall be no more than 10 Trustees, nor less than 6. The Trustees shall include two (2) Trustees appointed by the Central Hawke's Bay District Council. Elections are held three (3) yearly. Trustees appointed by the Central Hawke's Bay District Council may have their appointment revoked by giving written notice to the Trust Secretary. Council reviews these appointments after each triennial election.
CHB Health Liaison Group	Councillor Kelly Annand	A community taskforce that works to improve health outcomes and services in Central Hawke's Bay.
CHB Settlers Museum	Councillor Jerry Greer	This society has been established to ensure that the residents of Central Hawke's Bay and visitors have access to a Museum providing the history of the early settlement of the District. Council is represented on the society's committee and has one Council representative out of a total of ten committee members. Council provides ongoing financial support to the society on an annual basis, and its performance is monitored by the Council directly.
Eric Tate Scholarship Trust	Her Worship the Mayor Walker	The Eric Tate Scholarship Trust was established in 1984 to provide scholarships to students who normally reside in the area served by the former Waipawa District High School and the townships of Onga Onga, Tikokino and Otane. Scholarships are initially for one year to assist students in pursuing a full-time course at university. This may, however, be extended. The Scholarship Award Panel is the Mayor, Council Chief Executive and the Principal of the CHB College.
Forest Gate Domain	Councillor Tim Aitken	In 1980 Councils were asked to accept responsibility for their local Domain Boards. In the case of Forest Gate – the existing Domain Board decided to accept Council's control by way of vesting the Domain in the

		Waipawa District Council in trust for recreation purposes. Although the land has been vested in Council, effectively the "Domain Board Committee" has the day to day running of it. The Domain is split into a Golf Course run by the Onga Onga Golf Club, a small farm run by a Farming Committee, and a Cricket Club, run by the cricket club. The Domain Board reports to Council once a year. An agreement between the Domain Board Committee and the Farming Committee is in place with a copy of this agreement kept by Council; it is not signed by Council. Any profits from the farm are split between the Farming Committee, Golf Club, and Cricket Club with rent being paid to the Domain Board. Council has never contemplated taking over the running of the Domain, part of the discussions and agreement at the time was that the running of the Domain would be left to the "Domain Committee". Council does appoint a Councillor to be on the Domain Board to give them Council's support.
Hawke's Bay Crematorium Committee	Councillor Gerard Minehan	The Hawke's Bay Crematorium Committee was established by an Order in Council in June 1989 as part of the Local Government (Hawke's Bay Region) Reorganisation Order 1989. Hastings District Council are tasked with establishing and maintaining a committee which consists of: • Two members from Napier City Council • Two members from Hastings District Council • One member from Central Hawke's Bay District Council.
Civic Awards Panel	Her Worship the Mayor, Councillor Jerry Greet, Councillor Gerard Minehan, Councillor Pip Burne	Central Hawke's Bay District Council introduced its Civic Honours Award system in 1991 to enable voluntary service within the District to be duly recognised. The Civic Honours Award was established at the initiative of the Central Hawke's Bay Country Women's Institute and the 1990 Commission to mark the NZ 1990 year.

	The two citizen representatives will be Group President of the CHB Women's Institute (or a replacement nominated by the CHB Women's Institute), and an additional citizen appointed by Council currently Vicky Winlove.	Since its inception, a Civic Honours Award has been presented on an annual basis. In 2019 the Civic Honours Award Panel sought to broaden the way it was acknowledging and celebrating service within the District. The award (pending adoption of a policy by Council) now provides for multiple acknowledgements of Community Services through a Certificate of Recognition, with the most prestigious honours awarded as the Civic Honours Award. A Selection Panel will form a Committee and consist of the Mayor, two Councillors and two citizens, and shall be confirmed by Council following the triennial election for a three-year term and have the power to act in making the awards.
Hawke's Bay Medical Research Foundation	Council appointed representative– Di Petersen	The Hawke's Bay Medical Research Foundation was formed in 1961 to foster and support medical research and health education in and outside Hawke's Bay. The objectives of the Foundation are to promote, initiate and support research in all health related fields including medical and health education, knowledge and understanding. Funds are administered by skilled professionals from medical, legal, and business professions to foster medical research, education and the provision of equipment for the benefit of the people of Hawke's Bay. The governing body comprises of a president and nine Council members. Council members included nominees from Napier City Council, Hastings District Council, Central Hawke's Bay District Council, Wairoa District Council, four members appointed by the Foundation, and a Public Hospitals of Hawke's Bay staff representative.
Hawke's Bay Sports Council	Councillor Exham Wichman	The Hawke's Bay Sports Council was formed (in June 2010) out of the Sport Hawke's Bay territorial authorities Stakeholders Group. It was decided that it was important to have Elected Members participation on a Hawke's Bay wide sporting strategy and the formation

		of a Sports Council was the best vehicle to achieve its aims.
HB Cycling Governance Group	Councillor Exham Wichman	The Cycling Governance Group was established to oversee the preparation and implementation of the Regional Cycle Plan 2015. The group oversees cycling initiatives in the region to ensure a coordinated approach and was instrumental in achieving a significant portion of the Urban Cycleways Fund in 2015 for the commencement to the iWay programme in Napier and completion in Hastings. It has since achieved significant funding for the Hawke's Bay Trails through NZ Cycle Trails Inc.
Howard Estate Advisory Board (Smedley Station)	Joint Council nominated representative – Richard Hilson.	The original block of land was owned by the Howard Family. At the time of death the will specified that a Trust be formed to establish a farm cadet training centre that would use the original block of land and prevent it from reverting back to scrub to farm the land and train farm cadets. The trust formation structure and representation was specified in the original will and has been administered by the Public Trust since its inception. The Public Trust was appointed to run the Smedley Station and Cadet Training Farm by an Act of Parliament. The Trust comprises of six board members of which this Council collectively along with Tararua District Council, Wairoa District Council, Dannevirke Chamber of Commerce, Waipawa Chamber of Commerce and CHB Promotions all have the ability to nominate one representative to the advisory board. The six representatives represent A&P Society, School Trustee Association, Federated Farmers, Smedley Cadet Training Farm Old Boy's Association, and Napier/Hastings Chamber of Commerce. No financial support is provided by this Council. The performance of the organisation is monitored by the Public Trust.
Local Government NZ Zone 3	Her Worship the Mayor Walker	Zones have been set up by Local Government New Zealand to amongst other things, provide an opportunity for two way communication between Zone Member

		Authorities and Local Government NZ, and to provide information sharing opportunities. Central Hawke's Bay District Council belongs to Zone 3 which comprises a group of Councils across the Central North Island. The Zone Chair and National Council and Community Board Zone representative are appointed after each triennial election and hold office until the next triennial election. The Chair Secretary is normally an officer from the chair's council.
Local Government NZ – Rural and Provincial Sector	Her Worship the Mayor Walker	Each Council is a member of one of four sector groups – metropolitan, regional, provincial or rural. Each sector has one representative on the LGNZ National Council. The purpose of the sector groups, as set out in the Local Government New Zealand constitution, is to act as an electoral college for the appointment of National Council representatives. Each sector group has developed their own set of priority issues which are addressed, with assistance from Local Government NZ, with the objective of simultaneously pursuing the particular interests of each sector and the general interests of local government. The Rural Sector Group meets twice annually, usually, but not always, in Wellington.
Mayoral Taskforce for Jobs	Her Worship the Mayor Walker	Central Hawke's Bay District Council is a member of the Mayor's Taskforce for Jobs. The goal of the Taskforce is to try to ensure that all young people under 25 years are engaged in appropriate education, training, work or other activities that contribute to their long term economic independence and wellbeing. Council is represented on the Taskforce by the Mayor.
Porangahau Environmental	Councillor Kate Taylor	The Porangahau Environmental Management Team is a team set up to look at the treatment and disposal of wastewater

Management Team		for the Porangahau and Te Paerahi townships. The PEMT has not been active for some years, however wastewater for Porangahau and Te Paerahi are now an area of focus.
Rural Advisory Group	Councillor Tim Aitken	The Rural Advisory Group provides guidance and support to the Civil Defence Emergency Management Group on key issues that the rural community may face in the event of an emergency.
Creative Communities	Councillor Jerry Greer	The Creative Communities Scheme (CCS) provides funding to communities so New Zealanders can be involved in local arts activities. Creative New Zealand works with Central Hawke's Bay District council to deliver the scheme.
CVOS Committee	Chair – Councillor Gerard Minehan Councillor Tim Aitken Councillor Exham Wichman	The Community Voluntary Organisation Support Fund seeks to support Community based not-for-profit organisations that support our community to THRIVE. The Assessment Committee consists of three Councillors and three members of the public, assisted by the Community Development Co-ordinator, who co-ordinates the annual CVOS applications. The three public members of the Assessment Committee are appointed by resolution of Elected Council, following the triennial election and these appointments will be reported to Council for confirmation. There are two categories of funding available, with each category of funding having different purposes and funding eligibility criteria.
Te Aute Drainage Scheme	Councillor Brent Muggeridge	Council collects rates from Drainage Scheme members to fund the operations of the Scheme. The level of rates required is set each year at an Annual General Meeting. Payments are made by Council against authorised expenditure – which will be tabled for ratification by scheme members at the following Annual General Meeting. Council appoints a Councillor who attends the Annual General Meeting.

Waipawa Building Society Trust	Her Worship the Mayor Walker and Councillor Pip Burne	The Waipawa Building Society Scholarship Trust was established in 1990 by the Waipawa County Permanent Building and Investment Society. As custodian trustee, the council is responsible for allocation of funds from the trust. The council is represented by the Mayor, one other Elected Member and the Chief Executive along with representatives from the Waipukurau Rotary Club.
Landfill Committee	Councillor Pip Burne and Councillor Kelly Annand.	The Landfill Liaison Committee is a requirement of Council's Resource Consent and comprises – 1. One person representing the owners of neighbouring properties 2. One person representing the Hawke's Bay Regional Council (HBRC) (a staff member) 3. One person representing the Central Hawke's Bay District Council (CHBDC) (a staff member) 4. One person nominated by the local tangata whenua 5. So long as the landfill is leased by the CHBDC, one owner of the land, provided however that if the CHBDC shall acquire the fee simple, this entitlement of the owner to be a member of the Committee shall cease The purpose of the committee is – • To liaise with the Central Hawke's Bay District and the community in respect of the construction, operation and final restoration of the landfill and to facilitate consultation relating to the finalisation and review of the Landfill Management Plan. • To disseminate information and to hear concerns of residents and to suggest ways of alleviating those concerns to the District and Hawke's Bay Regional Council.
Heritage Hawke's Bay	Charles Nairn	This Hawke's Bay regional group supports the outcomes of the Heritage Places Act 1993, and other regional heritage related projects and initiatives.

Meeting Processes

The legal requirements for council meetings are set down in the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987 (LGOIMA).

All Council and committee meetings must be open to the public unless there is reason to consider some items with the public excluded. Although meetings are open to the public, members of the public do not have Public Participation time allocated unless they make prior arrangements with the Council.

More information about how to request time to speak to an item on the agenda at a Council or committee meeting can be found on the CHBDC website (https://www.chbdc.govt.nz/our-council/meetings/) or by calling Council.

The LGOIMA contains a list of the circumstances where councils may consider items with the public excluded. These circumstances generally relate to protection of personal privacy, professionally privileged or commercially sensitive information and, the maintenance of public health, safety and order.

Council is required to adopt a set of Standing Orders for the conduct of its meetings and those of its committees.

The Central Hawke's Bay District Council adopted their Standing Orders for Meetings on 14 November 2019. These can be found on Council's website. During meetings of the Council or committees, all council members must follow Standing Orders unless Standing Orders are suspended by a vote of three-quarters of the members present and voting. The Mayor or committee chair is responsible for maintaining order at meetings.

The Council agenda is a public document, although parts may be withheld if it contains an item that is to be considered with the public excluded.

Minutes of meetings must be kept and made publicly available, subject to the provisions of the LGOIMA.

For an ordinary meeting of the Council, at least 14 days' notice of the time and place of the meeting must be given. Extraordinary meetings can generally be called on three working days' notice.

Monthly meeting schedules are required to be publicly notified together with the dates, times and venues of meetings to be held. Copies of order papers can be viewed either from the Central Hawke's Bay District Council Service Centres, Libraries or Council's website: https://www.chbdc.govt.nz/our-council/meetings/.

Engagement and consulting with Māori

As a Council, we recognise the special and unique position of Tangata Whenua within this District and the important role Maori have to play in Council's decision-making processes.

To enable Māori to work with us, we are committed to fostering the development of Māori capacity to contribute to our decision-making.

Council values the relationship with Te Taiwhenua o Tamatea and recognises the need to improve its cultural capacity and capability to more effectively engage with Iwi, Hapu and Marae from across the Central Hawke's Bay rohe.

Central Hawke's Bay District Council is committed to enhancing the partnership it has with iwi, hapu and marae in Central Hawke's Bay. Council review its Maori Contribtion to Decision Making Policy in 2020, followed by the development of Tūhono Mai – Tūhono Atu, Maori Engagement Strategy. The Strategy provides a framework for priorities that contribute towards our aspirations for cultural development and meaningful Maori engagement.

Key approved planning and policy documents

The following are key Council planning and policy documents. To view or find out more about these plans, reports, policies or strategies, please contact Council.

The Long-Term Plan (LTP)

A Long-Term Plan (LTP) that sets out Council's priorities for the next 10 years must be prepared. It must provide information on budgets, rating levels, major projects and general Council services. It must also outline the Central Hawke's Bay District's community outcomes – the aspirations of the community for the next 10 years or so – and Council's role in meeting them. The current LTP was adopted in 2018 for the financial year beginning 1 July 2018. The Plan is reviewed and updated every three years, with the next review due in 2021 for the 2021-31 period.

Annual Plan

In intervening years where an LTP is not prepared, an annual plan must be prepared. Each annual plan will describe the work programme to deliver that year's 'slice' of the LTP.

Annual Report

After the end of the financial year Council publishes an annual report which contains audited accounts for the previous financial year. The purpose of the annual report is to:

- Compare the actual activities and actual performance of the local authority in the year with the intended activities and performance as set out in the LTP or annual plan
- Promote the local authority's accountability to the community for decisions made throughout the year by the local authority.

The Annual Report must be adopted by the end of October each year and contain an audited financial statement, set of accounts, and annual financial report which assesses Council's

financial performance against its budget. Audit NZ are responsible for auditing Council's financials.

District Plan

The District Plan is Council's key document for managing the district's natural and physical resources in terms of Council's functions and duties under the Resource Management Act 1991. The District Plan identifies the district's significant resource management issues and sets out objectives, policies and rules to address these issues.

Central Hawke's Bay District Council is currently reviewing the District Plan. A draft District Plan was released for public consultation in June 2019 and the District Plan Committee is now reviewing the submissions received on the draft for consideration and adoption by Council.

A formal Proposed Plan will then be notified for further public consultation.

For further information, contact Helen O'Shaughnessy (District Plan Manager) by

Ph. 027 283 7778 or email: districtplan@chbdc.govt.nz .

Triennial Agreement

The Local Government Act 2002 ('the Act') encourages collaboration between local authorities and other agencies and organisations, and particularly encourages councils to collaborate with one another. Not later than 1 March after each triennial general election, all local authorities within each region must enter into a triennial agreement.

An agreement under consistent with Section 9 of the Act must include:

- protocols for communication and co-ordination among the local authorities; and
- a statement of the process by which the local authorities will comply with section 16 in respect of proposals for new regional council activities; and
- processes and protocols through which all local authorities can participate in identifying, delivering, and funding facilities and services of significance to more than one district.

Council adopted the Triennial Agreement on 12 December 2019.

Consultation

The Local Government Act 2002 and amendments set out certain consultation principles and a procedure that local authorities must follow when making certain decisions. This procedure 'the special consultative procedure' is regarded as a minimum process for the LTP.

The special consultative procedure consists of the following steps:

Section 83 of the Local Government Act 2002 – Special Consultative Procedure

(1) Where the Local Government Act 2002 or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must –

a) Prepare and adopt –

(i) A statement of proposal; and

(ii) If the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA); and

b) Ensure that the following is publicly available:

(i) The statement of proposal; and

(ii) A description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and

(iii) A statement of the period within which views on the proposal way be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and

c) Make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and

d) Provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to who an appropriate delegation has been made in accordance with Schedule 7; and

e) Ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d) –

(i) Is given a reasonable opportunity to do so; and

(ii) Is informed about how and when he or she may take up that opportunity.

(2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.

(3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

Equal Employment Opportunities Policy

Central Hawke's Bay District Council is committed to developing Equal Employment Opportunities (EEO) for all current and future employees. Diversity is valued and embraced.

Fair and equitable employment practices are essential for an efficient and effective workforce.

Staff will be recruited, appointed, developed and promoted on the basis of their paid and unpaid work experience, ability, skills and future potential.

Council policies and practices are designed to prevent discrimination based on:

- Gender
- Race
- Family preferences
- Marital status

Adopted 23 February 2020

- Religious, cultural or political belief
- Disability
- Age
- Sexual orientation

Staff are provided information and education on Council's employment policies and procedures. This aims to support the prevention of discrimination and to promote a workplace that values diversity and promotes equal employment opportunities.

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Together we thrive!

COUNCIL

The purpose of the Central Hawke's Bay District Council is to enable democratic local decision making to promote the social, economic, environmental and cultural well being of the Central Hawke's Bay District in the present and for the future.

Council is made up of the Mayor and 8 Councillors (elected members). They are responsible for determining local policy and legislation, and defining the overall vision for the Central Hawke's Bay District. Council makes decisions on behalf of the ratepayers and residents.

In meeting its purpose, the Central Hawke's Bay District Council has a variety of roles:

- Facilitating solutions to local needs
- Advocacy on behalf of the local community with central government, other local authorities and other agencies
- Management of local infrastructure including network infrastructure (e.g. roading, water supply, waste disposal, libraries, parks and recreational facilities).

Environmental management planning for the current and future needs of the local district.

COMMITTEES OF THE WHOLE

Strategy and Wellbeing Committee	Finance and Infrastructure Committee
The purpose of the Strategy Committee is to determine specific outcomes that need to be met to deliver on the vision and direction of council related to wellbeing, and set in place the strategies, policies and work programmes to achieve set goals and targets. To develop, approve, review and recommend to Council (where applicable) statutory and nonstatutory policy, plans, bylaws and strategies to: • Focus on the social, economic, cultural and environmental wellbeing of Central Hawke's Bay through the development of vision and strategy while identifying and promoting community aspirations. • Integrate an all of wellbeing approach to strategy, plan and policy development. • Have effective statutory plans and bylaws to protect community through a focus on the social, economic, cultural and economic wellbeings.	The purpose of the Finance and Infrastructure Committee is to oversee financial and nonfinancial performance, including the delivery of the Council's Capital Programme. To develop, approve, review and recommend to Council (where applicable) statutory and non-statutory policy, plans, bylaws, strategies and projects: • To monitor Council activities and services performance against budget, Annual Plans, the Long Term Plan, Annual Reports and corporate and financial policies. • The Finance and Infrastructure Committee also receives enforcement and compliance performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions. • To provide governance oversight of Council's operational programmes, services, activities and projects related infrastructural assets. • To enable the progress of the Council's operational activities, projects and services.

STANDING COMMITTEE'S

Risk and Assurance	Regulatory Hearings Panel	Chief Executive Performance and Employment Committee
The purpose of the Risk and Assurance Committee is to contribute to improving the governance, performance and accountability of the Central Hawke's Bay District Council by: • Ensuring that the Council has appropriate financial, health and safety, risk management and internal control systems in place. • Seeking reasonable assurance as to the integrity and reliability of the Council's financial and non-financial reporting. • Providing a communications link between management, the Council and the external and internal auditors and ensuring their independence and adequacy. • Promoting a culture of openness and continuous improvement.	• To conduct hearings and/or determine under delegated authority applications for consent and all other matters required to be heard and determined by way of a Hearing under the Resource Management Act 1991. • To conduct hearings and/or determine under delegated authority applications relating to the Dog Control Act 1996 and any other matters required for determination by Council under legislation as determined by Council.	Oversees the performance of the Chief Executive in line with the performance agreement and his/her ongoing relationship with the Council, and report regularly to the Council on his or her performance.

OTHER COUNCIL SPECIAL COMMITTEES (EXCLUDING WORKING GROUPS)

District Licensing Committee	Civic Awards Panel Committee	CVOS Committee	District Plan Committee

CENTRAL HAWKE'S BAY DISTRICT COUNCIL	
Membership	Her Worship the Mayor Alex Walker (Chair) Deputy Mayor Kelly Annand (Deputy Chair) Councillor Brent Muggeridge, Councillor Pip Burne, Councillor Tim Aitken, Councillor Gerard Minehan, Councillor Kate Taylor, Councillor Exham Wichman, Councillor Jerry Greer.
Meeting frequency	The council shall meet every 8 weeks or as required.
Quorum	As set by Standing Orders.
Purpose	The purpose of the Central Hawke's Bay District Council is to enable democratic local decision-making to promote the social, economic, environmental and cultural well-being of the Central Hawke's Bay District in the present and for the future. Council is made up of the Mayor and 8 Councillors (elected members). They are responsible for determining local policy and legislation, and defining the overall vision for the Central Hawke's Bay District. Council makes decisions on behalf of the ratepayers and residents. In meeting its purpose, the Central Hawke's Bay District Council has a variety of roles: • Facilitating solutions to local needs • Advocacy on behalf of the local community with central government, other local authorities and other agencies • Management of local infrastructure including network infrastructure (e.g. reading, water supply, waste disposal, libraries, parks and recreational facilities) • Environmental management planning for the current and future needs of the local district.
Responsibilities	The Council's terms of reference include the following powers which cannot be delegated to committees, officers or any other subordinate decision making body. The power to: 1. make a rate 2. make a bylaw 3. borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan 4. adopt a Long Term Plan or Annual Plan and Annual Report 5. appoint a Chief Executive 6. adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the Governance Statement 7. adopt a remuneration and employment policy 8. approve or amend Council's Standing Orders 9. approve or amend the Code of Conduct for elected members 10. appoint and discharge members of committees 11. establish a joint committee with another local authority or other public body

	In addition, Council can: 1. approve a proposed plan under the Resource Management Act 1991 2. approve Council policy and strategy 3. remove chairpersons of committees, subcommittees 4. approve Council's recommendation to the Remuneration Authority for the remuneration of elected members 5. approve the Triennial Agreement 6. approve the Local Governance Statement 7. make decisions on representation reviews 8. appoint or remove trustees, directors or office holders to Council CCOs or COs 9. approve the recommendation of a hearings commissioner on a proposed plan, plan change or variation (including private plan change) and 10. approve a proposed plan or a change to a district plan under clause 17 of the First Schedule Council will specifically retain oversight of the District Plan, Long Term Plan and Annual Plan process and decisions.
Delegations	Council cannot delegate any of the responsibilities outlined above.
Professional Development and Learning	Council will participate in the Elected Member Governance Training "Tipu" run by LGNZ. Council will engage in further professional development as required.

STRATEGY AND WELLBEING COMMITTEE	
Membership	Deputy Mayor Kelly Annand (Chair) Her Worship the Mayor Alex Walker, Councillor Brent Muggeridge, Councillor Pip Burne, Councillor Tim Aitken, Councillor Gerard Minehan, Councillor Kate Taylor, Councillor Exham Wichman, Councillor Jerry Greer. *NB – In the absence of the Chair, the Mayor will Chair the meeting.
Meeting frequency	The committee shall meet every 8 weeks or as required.
Quorum	As set by Standing Orders
Purpose	The purpose of the Strategy Committee is to determine specific outcomes that need to be met to deliver on the vision and direction of council, and set in place the wellbeing strategies, policies and work programmes to achieve set goals and targets. To develop, approve, review and recommend to Council (where applicable) statutory and nonstatutory policy, plans, bylaws and strategies to: • Focus on the social, economic, cultural and environmental wellbeing of Central Hawke's Bay through the development of vision and strategy while identifying and promoting community aspirations. • Integrate an all of wellbeing approach to strategy, plan and policy development. • Have effective statutory plans and bylaws to protect community through a focus on the social, economic, cultural and economic wellbeings.

Responsibilities	The Strategy and Wellbeing Committee is responsible for: • developing and adopting strategies, plans and policies that advance the Council's vision and goals, and comply with the purpose of the Local Government Act • monitoring the implementation and effectiveness of strategies, plans and policies • monitor the success of the key strategic relationships that support the implementation of key wellbeing related initiatives • general coordination of Council policy and decisions.
Delegations	The Strategy and Wellbeing Committee has delegations to: • developing and adopting strategies, plans and policies that advance the Council's vision and goals, and comply with the purpose of the Local Government Act • monitoring the implementation and effectiveness of strategies, plans and policies • Make full decisions on the distribution of the Pride and Vibrancy Fund, Environmental and Sustainability Fund and any other contestable community fund. • To receive decisions of the Creative New Zealand Committee and CVOS Committee. • Make recommendations to council regarding the distribution of Ruataniwha and Aramoana/Ruahine Ward Reserves. This committee has delegations to establish a special committee, working group or community forum as required.

FINANCE AND INFRASTRUCTURE COMMITTEE	
Membership	Councillor Brent Muggeridge (Chair) Her Worship the Mayor Alex Walker, Deputy Mayor Kelly Annand, Councillor Brent Muggeridge, Councillor Pip Burne, Councillor Tim Aitken, Councillor Gerard Minehan, Councillor Kate Taylor, Councillor Exham Wichman, Councillor Jerry Greer *NB – In the absence of the Chair, the Mayor will Chair the meeting.
Meeting frequency	The committee shall meet every 8 weeks or as required.
Quorum	As set by Standing Orders
Purpose	• To assist Council to oversee financial and nonfinancial performance, including the delivery of the Council's Capital Programme. To monitor Council activities and services performance against budget, Annual Plans, the Long Term Plan, Annual Reports and corporate and financial policies. • The Finance and Infrastructure Committee also receives enforcement and compliance Performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions. • To provide governance oversight of Council's operational programmes, services, activities and projects related to infrastructural assets. • To enable the progress of the Council's operational activities, projects and services.

Responsibilities	The Finance and Infrastructure Committee is responsible for: • Developing and adopting plans, projects and policies that advance the Council's vision and goals in relation to its key Financial Strategy and Infrastructure Strategy while complying with purpose of the Local Government. • Monitoring the financial and non-financial performance of the organisation with a particular emphasis on the delivery of the capital works programme. implementation and effectiveness of strategies, plans and policies • Specifically monitor and provide oversight of significant projects, including reviewing business cases and agreed on next steps on significant projects. • The Finance and Infrastructure Committee is responsible for assisting Council in its general overview of procurement and tender activity.
Delegations	The Finance and Infrastructure Committee has delegations to: • Developing and adopting plans, projects and policies that advance the Council's vision and goals in relation to its key Financial Strategy and Infrastructure Strategy while complying with purpose of the Local Government. • Monitoring the financial and non-financial performance of the organisation with a particular emphasis on the delivery of the capital works programme. implementation and effectiveness of strategies, plans and policies • Specifically monitor and provide oversight of significant projects, including reviewing business cases and agreed on next steps on significant projects. • The Finance and Infrastructure Committee is responsible for assisting Council in its general overview of procurement and tender activity. The committee will accept and consider tenders which exceed the Chief's Executive's delegated authority to approve, for projects approved by Council through an Annual Plan or Long Term Plan. The Committee will make a recommendation to Council on the outcome of a tender process for resolution when above delegations. • The Finance and Infrastructure Committee has delegation to approve or award contracts beyond the Chief Executive's delegated authority within the parameters of approved AP/LTP Budgets up to $4 million. This committee has delegations to establish a special committee, working group or community forum as needed.

RISK AND ASSURANCE COMMITTEE	
Membership	Chair (Independent Chair yet to be appointed) Councillor Tim Aitken (Deputy Chair) Her Worship the Mayor, Councillor Brent Muggeridge, Councillor Jerry Greer, Gerard Minehan.
Meeting frequency	The Committee shall meet every 8 weeks or as required.
Quorum	As set by Standing Orders
Purpose	The purpose of the Risk and Assurance Committee is to contribute to improving the governance, performance and accountability of the Central Hawke's Bay District Council by: • Ensuring that the Council has appropriate financial, health and safety, risk management and internal control systems in place. • Seeking reasonable assurance as to the integrity and reliability of the Council's financial and non-financial reporting. • Providing a communications link between management, the Council and the external and internal auditors and ensuring their independence and adequacy. • Promoting a culture of openness and continuous improvement.
Responsibilities	The Council delegates to the Risk and Assurance Committee the following responsibilities: • To monitor the Council's treasury activities to ensure that it remains within policy limits. Where there are good reasons to exceed policy, that this be recommended to Council. • To review the Council's insurance policies on an annual basis. • To review, in depth, the Council's annual report and if satisfied, recommend the adoption of the annual report to Council. • To work in conjunction with Management in order to be satisfied with the existence and quality of cost-effective health and safety management systems and the proper application of health and safety management policy and processes. • To work in conjunction with the Chief Executive in order to be satisfied with the existence and quality of cost-effective risk management systems and the proper application of risk management policy and processes, including that they align with commitments to the public and Council strategies and plans. • To provide a communications link between management, the Council and the external and internal auditors. • To engage with Council's external auditors and approve the terms and arrangements for the external audit programme. • To engage with Council's internal auditors and approve the terms and arrangements for the internal audit programme. • To monitor the organisation's response to the external and internal audit reports and the extent to which recommendations are implemented. • To engage with the external and internal auditors on any one off assignments. • To work in conjunction with management to ensure compliance with applicable laws, regulations standards and best practice guidelines.

Delegations	Subject to any expenditure having been approved in the Long Term Plan or Annual Plan the Risk and Assurance Committee shall have delegated authority to approve:
	• Risk management and internal audit programmes.
	• Terms of the appointment and engagement of the audit with the external auditor.
	• Additional services provided by the external auditor.
	• The proposal and scope of the internal audit.
	
	In addition the Council delegates to the Risk and Assurance Committee the following powers and duties:
	• The Risk and Assurance Committee can conduct and monitor special investigations in accordance with Council policy, including engaging expert assistance, legal advisors or external auditors, and, where appropriate, recommend action(s) to Council.
	
	• The Risk and Assurance Committee can recommend to Council:
	  • Adoption or non-adoption of completed financial and non-financial performance statements.
	  • Governance policies associated with Council's financial, accounting, risk management, compliance and ethics programmes, and internal control functions, including the: Liability Management Policy, Treasury Policy, Sensitive Expenditure Policy, Fraud Policy, and Risk Management Policy.
	  • Accounting treatments, changes in generally accepted accounting practice (GAAP).
	  • New accounting and reporting requirements.
	
	The Risk and Assurance Committee may not delegate any of its responsibilities, duties or powers.

Professional and Development Learning	All members will participate in a Risk and Assurance Governance Training in the first year of membership.

CHIEF EXECUTIVE EMPLOYMENT AND PERFORMANCE COMMITTEE	
Membership	Her Worship the Mayor Alex Walker (Chair) Deputy Mayor Kelly Annand, Councillor Tim Aitken, Councillor Brent Muggeridge
Meeting frequency	As required and agreed with the Chair, but at least three times a year
Purpose	Oversees the performance of the Chief Executive in line with the performance agreement and his/ her ongoing relationship with the Council, and report regularly to the Council on his or her performance.
Responsibilities	To monitor performance of the Chief Executive. To ensure that the Council is fulfilling its duties as a good employer under schedule 7 of the Local Government Act, 2002.

Delegations	The Council delegates to the Chief Executive Employment and Performance Committee the following powers, duties and responsibilities: • To oversee the employment of the Chief Executive in accordance with the Local Government Act, 2002. • To recommend to Council the methodology and specific performance measures to carry out the review of the performance of the Chief Executive. • The delegated authority to employ independent expertise to assist with any review or advice up to a maximum of $10,000 before seeking approval from Council. • To recommend to Council on matters relating to the Chief Executive's employment and remuneration. • The committee have delegations to make variations to the Chief Executive Employment agreement so long as it is pursuant to the Local Government Act. • The committee will delegate the approval of leave, professional development and expenses, within approved budgets, to the Mayor.
Professional Development and Learning	All members will participate in Chief Executive Employment and Performance Training in the first year of membership.

REGULATORY HEARINGS PANEL	
Membership	Councillor Tim Aitken (Chair) Councillor Pip Burne Councillor Kate Taylor Deputy Mayor Kelly Annand Mix of Councillor Commissioners and Independent Commissioners. Panel appointed under delegated authority by the Chief Executive.
Meeting Frequency	As and when required
Purpose	• To conduct hearings and/or determine under delegated authority applications for consent and all other matters required to be heard and determined by way of a Hearing under the Resource Management Act 1991. • To conduct hearings and/or determine under delegated authority applications relating to the Dog Control Act 1996 and any other matters required for determination by Council under legislation as determined by Council.
Delegations:	All delegations to this Panel are to be exercised within the framework of the Council's adopted regulatory policies, plans, strategies, policy guidelines and by-laws. The Council delegates to the Regulatory Hearings Panel the following powers, duties and responsibilities: • Implementation of the Resource Management Act, the Operative District Plan and other regulatory Acts and Regulations in terms of judicial and regulatory responsibilities. • All powers, duties and discretions under the Resource Management Act 1991 to allow the above matters to be undertaken other than: □ The consideration or hearing of any application where the

	Council is the applicant □ The making of a recommendation on a requirement for a Designation or a Heritage Order where the Council is the Requiring Authority □ Exercising the power of delegation. • All Council's powers, duties and discretions in respect to the Dog Control Act 1996 in terms of judicial and regulatory responsibilities and the monitoring of the implementation of Council's regulatory service delivery functions under that Act. • In terms of judicial and regulatory service delivery responsibilities, and monitoring and implementation of these listed regulatory functions all: □ Powers, duties and discretions vested in the Council by the Crown Minerals Act 1991. □ Powers, functions and discretions under Building (Pools) Amendment Act 2016. □ Powers, duties and discretions pursuant to Section 78 232 of the Building Act 2004 with the exception of the power to set fees and charges. • Determining any Appeals to a Determination made by the Chief Executive under the Council's Consolidated Part 3 (Public Safety) Clause 4 – Liquor. • Pursuant to Section 34 of the Resource Management Act 1991 and clause 32 of Schedule 7 of the Local Government Act 2002 the Council directs that: □ Commissioners appointed to Joint Hearings shall be the Chair of the Regulatory Hearings Panel together with not less than one or more than two others. One of who shall, if possible, be a member representing the Ward in which the site subject to the application is located. □ Commissioners appointed to deal with all other matters shall be the Chair of the Regulatory Hearings Panel together with not less than one other, who shall, if possible, be a member representing the Ward in which the site subject to the application is located. • Commissioners, except the Chairperson of the Hearings and Judicial Committee, shall attend to applications as far as practicable on a rotational basis.
Professional Development and Learning	All members will participate in the Making Good Decisions RMA Training in the first two years of membership and cannot be selected for participation in a hearing without holding a completed qualification.

Council and Community Representation Schedule		
Organisation	**Appointment**	**Description of Committee**
Joint Standing Committee Civil Defence Emergency Management	Her Worship the Mayor Alex Walker	The Civil Defence Emergency Management Group Joint Committee is required under section 12 (1) of the Civil Defence Emergency Management Act, with membership made up of Mayors and Regional Council Chair and their deputies as alternates.
Regional Transportation Committee	Her Worship the Mayor Walker Alternate: Councillor Kate Taylor Alternate: Councillor Brent Muggeridge	The RTC is a subcommittee of the Hawke's Bay Regional Council (HBRC). It has two HBRC Councillors, one is the chairman and the other who is their elected representative on the RTC and the Mayor from each of the four (4) Hawke's Bay local authorities. Each of the Land Transport Managers in the local authorities are a representative on the TAG (Transportation Advisory Group) who support and provide information and recommendations to and attend the RTC meetings. The key responsibility of the RTC is to coordinate, discuss and prioritise the land transport projects and direction at a regional level before they are submitted to HBRC for approval and submission to the NZ Transport Agency (NZTA) for inclusion in the National Land Transport Program (NLTP) at a national level.
Hawke's Bay Drinking Water Governance Joint Committee	Her Worship the Mayor Councillor Brent Muggeridge	The committee was established as a result of the Government inquiry into the Havelock North drinking water contamination, to provide governance oversight to the Joint Working Group (staff) regarding the implementation of recommendations from the Inquiry Panel and then the evolution of the JWG into a more permanent officials working group. The committee currently comprises two Elected Members from each of the five participating councils and the HB District Health Board alongside one representative of Ngai Kahungunu Iwi Incorporated. The Terms of Reference (attached) provide for the group to meet at least 6 monthly and the first meeting for this triennium will be scheduled early in 2020.

CHB Consumer Power Trust	One Mayoral appointed trustee Catie Avery and one Council appointed trustee – George Williams	The Central Hawke's Bay Consumer Power Trust holds 100% of the shares in Centralines. In terms of the Trust Deed, a Mayoral appointment and a Trustee appointed by Central Hawke's Bay District Council, shall be the appointed (as opposed to elected) Trustees of the CHB Consumers Power Trust. Appointed Trustees remain in office until the expiry of their three-year term - usually the 31st March of the relevant year. New appointments will take effect from 1st April. One of the appointed Trustees has a residential qualification requiring that they essentially reside more than 15 kms from the centre of Waipawa or Waipukurau.
CHB District Community Trust	Council appointed trustees – Pip Burne and Libby Toswill	The Trust is the owner and operator of the indoor heated pool at Russell Park Waipukurau. Council provides funding to the Trust under a Service Contract to enable the Trust to provide community access to modern recreational swimming and fitness facilities. The Trust Deed provides that there shall be no more than 10 Trustees, nor less than 6. The Trustees shall include two (2) Trustees appointed by the Central Hawke's Bay District Council. Elections are held three (3) yearly. Trustees appointed by the Central Hawke's Bay District Council may have their appointment revoked by giving written notice to the Trust Secretary. Council reviews these appointments after each triennial election.
CHB Health Liaison Group	Councillor Kelly Annand	A community taskforce that works to improve health outcomes and services in Central Hawke's Bay.
CHB Settlers Museum	Councillor Jerry Greer	This society has been established to ensure that the residents of Central Hawke's Bay and visitors have access to a Museum providing the history of the early settlement of the District. Council is represented on the society's committee and has one Council representative out of a total of ten committee members. Council provides ongoing financial support to the society on an annual basis and its performance is monitored by the Council directly.

Eric Tate Scholarship Trust	Her Worship the Mayor Walker	The Eric Tate Scholarship Trust was established in 1984 to provide scholarships to students who normally reside in the area served by the former Waipawa District High School and the townships of Onga Onga, Tikokino and Otane. Scholarships are initially for one year to assist students pursuing a full time course at university. This may however be extended. The Scholarship Award Panel is the Mayor, Council Chief Executive and the Principal of the CHB College.
Forest Gate Domain	Councillor Tim Aitken	In 1980 Council's were asked to accept responsibility for their local Domain Boards. In the case of Forest Gate – the existing Domain Board decided to accept Council's control by way of vesting the Domain in the Waipawa District Council in trust for recreation purposes. Although the land has been vested in Council, effectively the "Domain Board Committee" has the day to day running of it. The Domain is split into a Golf Course, run by the Onga Onga Golf Club, a small farm, run by a Farming Committee, and a Cricket Club, run by the cricket club. The Domain Board reports to Council once a year. An agreement between the Domain Board Committee and the Farming Committee is in place with a copy of this agreement kept by Council; it is not signed by Council. Any profits from the farm are split between the Farming Committee, Golf Club, and Cricket Club with rent being paid to the Domain Board. Council has never contemplated taking over the running of the Domain, part of the discussions and agreement at the time was that the running of the Domain would be left to the "Domain Committee". Council does appoint a Councillor to be on the Domain Board to give them Council's support.
Hawke's Bay Crematorium Committee	Councillor Gerard Minehan	The Hawke's Bay Crematorium Committee was established by an Order in Council in June 1989 as part of the Local Government (Hawke's Bay Region) Reorganisation Order 1989.

		Hastings District Council are tasked with establishing and maintaining a committee which consists of – • Two members from Napier City Council • Two members from Hastings District Council • One member from Central Hawke's Bay District Council
Civic Awards Panel	Her Worship the Mayor, Councillor Jerry Greet, Councillor Gerard Minehan, Councillor Pip Burne The two citizen representatives will be Group President of the CHB Women's Institute (or a replacement nominated by the CHB Women's Institute), and an additional citizen appointed by Council currently Vicky Winlove.	Central Hawke's Bay District Council introduced its Civic Honours Award system in 1991 to enable voluntary service within the District to be duly recognised. The Civic Honours Award was established at the initiative of the Central Hawke's Bay Country Women's Institute and the 1990 Commission to mark the NZ 1990 year. Since its inception a Civic Honours Award has been presented on an annual basis. In 2019 the Civic Honours Award Panel sought to broaden the way it was acknowledging and celebrating service within the District. The award (pending adoption of a policy by Council) now provides for multiple acknowledgements of Community Services through a Certificate of Recognition, with the most prestigious honours awarded as the Civic Honours Award. A Selection Panel will form a Committee and consist of the Mayor, two Councillors and two citizens shall be confirmed by Council following the triennial election for a three-year term and have the power to act in making the awards.
Hawke's Bay Medical Research Foundation	Council appointed representative– Di Petersen	The Hawke's Bay Medical Research Foundation was formed in 1961 to foster and support medical research and health education in and outside Hawke's Bay. The objectives of the Foundation are to promote, initiate and support research in all health related fields including medical and health education, knowledge and understanding. Funds are administered by skilled professionals from medical, legal, and business professions to foster medical research, education and the

		provision of equipment for the benefit of the people of Hawke's Bay. The governing body comprises of a president and nine Council members. Council members included nominees from Napier City Council, Hastings District Council, Central Hawke's Bay District Council, Wairoa District Council, four members appointed by the Foundation, and a Public Hospital's of Hawke's Bay staff representative.
Hawke's Bay Sports Council	Councillor Exham Wichman	The Hawke's Bay Sports Council was formed (in June 2010) out of the Sport Hawke's Bay territorial authorities Stakeholders Group. It was decided that it was important to have Elected Members participation on a Hawke's Bay wide sporting strategy and the formation of a Sports Council was the best vehicle to achieve its aims.
HB Cycling Governance Group	Councillor Exham Wichman	The Recycling Governance Group was established to oversee the preparation and implementation of the Regional Cycle Plan 2015. The group oversees cycling initiatives in the region to ensure a coordinated approach and was instrumental in achieving a significant portion of the Urban Cycle ways Fund in 2015 for the commencement to the iway programme in Napier and completion in Hastings. It has since achieved significant funding for the Hawke's Bay Trails through NZ Cycle Trails Inc.
Howard Estate Advisory Board (Smedley Station)	Joint Council nominated representative – Richard Hilson.	The original block of land was owned by the Howard Family. At the time of death the will specified that a Trust be formed to establish a farm cadet training centre which would use the original block of land and prevent it from reverting back to scrub, to farm the land and train farm cadets. The trust formation structure and representation was specified in the original will and has been administered by the Public Trust since its inception. The Public Trust was appointed to run the Smedley Station and Cadet Training Farm by an Act of Parliament. The Trust comprises of six board members of which this Council collectively along with Tararua District Council, Waiora District Council, Dannevirke Chamber of Commerce,

		Waipawa Chamber of Commerce and CHB Promotions all have the ability to nominate one representative on this advisory board. The six representative represent A&P Society, School Trustee Association, Federated Farmers, Smedley Cadet Training Farm Old Boy's Association, and Napier/Hastings Chamber of Commerce. No financial support is provided by this Council. The performance of the organisation is monitored by the Public Trust.
Local Government NZ Zone 3	Her Worship the Mayor Walker	Zones have been set up by Local Government New Zealand to amongst other things, provide an opportunity for two way communication between Zone Member Authorities and Local Government NZ, and to provide information sharing opportunities. Central Hawke's Bay District Council belongs to Zone 3 which comprises a group of Councils across the Central North Island. The Zone Chair and National Council and Community Board Zone representative are appointed after each triennial election and hold office until the next triennial election. The Chair Secretary is normally an officer from the chair's council.
Local Government NZ – Rural and Provincial Sector	Her Worship the Mayor Walker	Each Council is a member of one of four sector groups – metropolitan, regional, provincial or rural. Each sector has one representative on the LGNZ National Council. The purpose of the sector groups, as set out in the Local Government New Zealand constitution, is to act as an electoral college for the appointment of National Council representatives. Each sector group has developed their own set of priority issues which are addressed, with assistance from Local Government NZ, with the objective of simultaneously pursuing the particular interests of each sector and the general interests of local government. The Rural Sector Group meets twice annually, usually, but not always, in Wellington.
Mayoral Taskforce for Jobs	Her Worship the Mayor Walker	Central Hawke's Bay District Council is a member of the Mayor's Taskforce for Jobs. The goal of the Taskforce is to try to ensure that all young people under 25 years are engaged in

		appropriate education, training, work or other activities that contribute to their long term economic independence and wellbeing. Council is represented on the Taskforce by the Mayor.
Porangahau Environmental Management Team	Councillor Kate Taylor	The Porangahau Environmental Management Team is a team set up to look at the treatment and disposal of wastewater for the Porangahau and Te Paerahi townships. The PEMT has not been active for some years, however wastewater for Porangahau and Te Paerahi are now an area of focus.
Rural Advisory Group	Councillor Tim Aitken	The Rural Advisory Group provides guidance and support to the Civil Defence Emergency Management Group on key issues that the rural community may face in the event of an emergency.
Creative Communities	Councillor Jerry Greer	The Creative Communities Scheme (CCS) provides funding to communities so New Zealanders can be involved in local arts activities. Creative New Zealand works with Central Hawke's Bay District council to deliver the scheme.
CVOS Committee	Chair – Councillor Gerard Minehan Councillor Tim Aitken Councillor Exham Wichman	The Community Voluntary Organisation Support Fund seeks to support Community based not-for-profit organisations that support our community to THRIVE. The Assessment Committee consists of three Councillors and three members of the public, assisted by the Community Development Co-ordinator, who co-ordinates the annual CVOS applications. The three public members of the Assessment Committee are appointed by resolution of Elected Council, following the triennial election and these appointments will be reported to Council for confirmation. There are two categories of funding available, with each category of funding having different purposes and funding eligibility criteria.
Te Aute Drainage Scheme	Councillor Brent Muggeridge	Council collects rates from Drainage Scheme members to fund the operations of the Scheme. The level of rates required is set each year at an Annual General Meeting. Payments are made by Council against authorised expenditure – which will be tabled for ratification by scheme

		members at the following Annual General Meeting. Council appoints a Councillor who attends the Annual General Meeting.
Waipawa Building Society Trust	Her Worship the Mayor Walker and Councillor Pip Burne	The Waipawa Building Society Scholarship Trust was established in 1990 by the Waipawa County Permanent Building and Investment Society. As custodian trustee, the council is responsible for allocation of funds from the trust. The council is represented by the Mayor, one other Elected Member and the Chief Executive along with representatives from the Waipawa Lions Club and the Waipukurau Rotary Club.
Landfill Committee	Councillor Pip Burne and Councillor Kelly Annand.	The Landfill Liaison Committee is a requirement of Council's Resource Consent and comprises – 1. One person representing the owners of neighbouring properties 2. One person representing the Hawke's Bay Regional Council (HBRC) (a staff member) 3. One person representing the Central Hawke's Bay District Council (CHBDC) (a staff member) 4. One person nominated by the local tangata whenua 5. So long as the landfill is leased by the CHBDC, one owner of the land, provided however that if the CHBDC shall acquire the fee simple, this entitlement of the owner to be a member of the Committee shall cease The purpose of the committee is – • To liaise with the Central Hawke's Bay District and the community in respect of the construction, operation and final restoration of the landfill and to facilitate consultation relating to the finalisation and review of the Landfill Management Plan. • To disseminate information and to hear concerns of residents and to suggest ways of alleviating those concerns to the District and Hawke's Bay Regional Council.

Heritage Hawke's Bay	Charles Nairn	This Hawke's Bay regional group supports the outcomes of the Heritage Places Act 1993, and other regional heritage related projects and initiatives.

7.5 REGIONAL LAND TRANSPORT PLAN - UPDATE

File Number:

Author: **Josh Lloyd, Group Manager - Community Infrastructure and Development**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Final Draft Regional Land Transport Plan ⇩**

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

That Council gives delegations to Councillor Kate Taylor, Mayor Alex Walker and the Chief Executive to prepare a submission on behalf of Central Hawke's Bay District Council.

PURPOSE

The purpose of this report is to provide council with an update on progress being made on the 2021 Hawke's Bay Regional Land Transport Plan. The Regional Land Transport Plan is soon to be consulted upon with the wider Hawke's Bay community and this report serves in part to inform Council on how it may contribute further to that process.

SIGNIFICANCE AND ENGAGEMENT

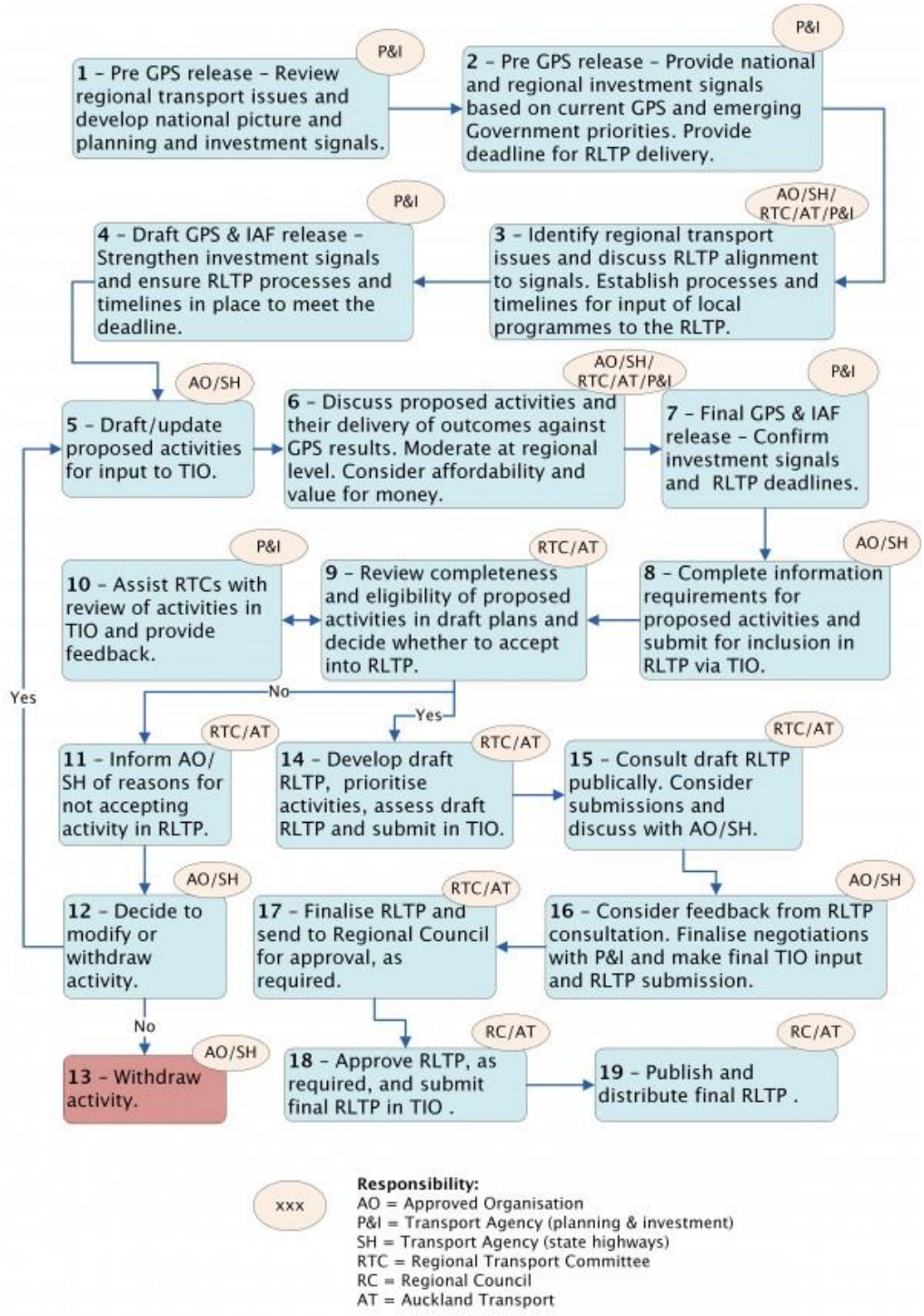
This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

Regional land transport plans (RLTPs) are six year plans that document the regions' land transport objectives, policies, and measures as well as providing a statement of transport priorities for the region. The plans incorporate programmes of regional land transport activities, including those activities proposed for inclusion in the National Land Transport Programme. They are reviewed after three years.

Under the Land Transport Management Act, Waka Kotahi sets the form in which RLTPs are to be submitted for consideration for the National Land Transport Plan (NLTP). This, in turn, prescribes the form in which approved organisations and Waka Kotahi (state highways) need to submit their proposals for inclusion in an RLTP. Waka Kotahi sets these requirements and provides the tool to submit transport programmes through Transport Investment Online.

The development of RLTPs follows the general process set out below. This process was developed under the Waka Kotahi pre-July 2017 structure and will be updated in due course.



Hawke's Bay develops and coordinates its Regional Land Transport Plan through the Hawkes Bay Regional Transport Committee. The Regional Transport Committee consists of elected representatives from the 5 Hawke's Bay Councils as well as Waka Kotahi who are informed by a Technical Advisory Group (TAG). The TAG provide detail and workings that through an iterative review process become the RLTP that is adopted by the Regional Transport Committee.

Drafting the 2021 RLTP began in 2020 and the completed draft that is now ready for consultation with the public has been through several iterations. In December 2020 the Regional Transport Committee adopted the version of the RLTP attached to this report as ready for public consultation.

A communications and consultation plan has now been prepared by the TAG and will be utilised to carry out the consultative process.

DISCUSSION

The 2021 Hawke's Bay RLTP reflects a continuation of priorities for the transport networks of Hawkes Bay but reflects a step change in acknowledging the contributions and needs of rural Districts, in particular Central Hawke's Bay.

Providing direction to the 2021 RLTP are a vison statement and set of objectives.

The vision in this RLTP is that:

Hawke's Bay's transport network fosters a vibrant, accessible and sustainable Hawke's Bay

The objectives adopted to reach this vision address the following key areas of concern:

- a safe transport system for users
- a transport network that is resilient, reliable and efficient
- providing transport choices to meet social, environmental, economic and cultural needs
- planning and development that minimises travel demand

The RLTP goes into some detail about the strategic context of the Region as well as each of its component parts, districts and local environments. With a transport lens, the RLTP considers growth and development risks and opportunities.

Central Hawke's Bay District Council has been purposeful in this RLTP to ensure that the needs of Central Hawke's Bay are given effective sounding within the RLTP.

Central Hawke's Bay has been able in this RLTP to clearly articulate its strategic vision and provide credible and useful context in terms of current physical, social and economic landscape as well as growth. This comes on the back of completed and in-progress work by Council including project THRIVE, the Integrated Spatial Plan, District Plan review, Infrastructure Strategy, AMPs and the adopted Land Transport Strategic Framework among others.

Beyond setting Central Hawke's Bay in a strategic context, specific and actionable programmes of work are listed for the District in the agreed RLTP work programme. The RLTP work programme is dominated characteristically by large multi-year projects/programmes, typically involving upgrades or modifications to the state highway or key arterial networks in the Region. Central Hawke's Bay routine work programmes do not feature by name in many cases other than the necessary provision of budgeted line items. Central Hawke's Bay has been purposeful however in ensuring that strategic priorities beyond and within our land transport work programmes are included within the RLTP. These include an increase in public transport and alternate travel opportunities for smaller centres in the Region, the completion of the cycle-path between Waipukurau and Waipawa, upgrades to State Highway 2 and highway 50, and upgrades with a focus on pedestrian safety on State Highway 2 through Waipawa.

The drafted plan has been endorsed by the Regional Transport Committee and is now ready to be publicly consulted upon. A consultation and engagement plan has been developed and is appended to this report. A summary of key actions and dates from the consultation plan is below:

WHAT	OWNER	Audience	Date
January 2021			
Develop three videos			
Draft RLTP finalised	MAB	All	25
Draft RLTP put on all council's websites along with content	HBRC Staff	All	28
Consultation begins	-	All	29
February 2021			
Media Release, social media content (throughout month, using videos), and	HBRC Staff	All	1

public notice			
Advertising begins – radio, metservice, public notice	HBRC Staff	Public	1
Targeted letters to stakeholders	HBRC Staff	Industry	1
Talking point – Cr Williams	HBRC Staff	All	7
Media release reminder	HBRC Staff	All	15/22
March 2021			
RLTP Hearing	MAB/ Policy team?	Public	?
TBC			
Media Release – RTC/HBRC confirms draft plans	HBRC Staff	All	?
Upload final plans to HBRC website	HBRC Staff	All	?

IMPLICATIONS ASSESSMENT

Officers are confident that the drafted RLTP has been completed through a rigorous and transparent process and provides a fair reflection of the transport priorities for the Region and specifically for Central Hawke's Bay.

Officers are confident that through the proposed consultation process, Central Hawke's Bay residents, and Council, will have a further valuable opportunity to directly contribute to the RLTP. Officers suggest that a continued focus on communication and engagement will be required and that the proposed communications plan is 'light' and could do with further investment in time and energy.

NEXT STEPS

The communications plan will take effect from 1st February with public consultation beginning 1st February also.

Officers will provide updates to Council on the consultation process and Council will have the opportunity to submit.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted

Hawke's Bay Regional Land Transport Plan

2021 – Draft for Consultation

Prepared by Hawke's Bay Regional Council for the Regional Transport Committee

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

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Hawke's Bay Regional Land Transport Plan

2021 – Draft for Consultation

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Acting Transport Manager

Approved By:

Katrina Brunton
Group Manager Policy and Regulation

DRAFT

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Executive summary

The Hawke's Bay Regional Land Transport Plan 2021–2031 (RLTP) sets out a picture of the Hawke's Bay community and the current state of the transport network, the context for developing the Plan, the key issues it addresses and the priorities for future investment. It takes an integrated and strategic approach to address the current and anticipated transport issues facing the region by setting out:

- The context in which the transport system operates.
- The vision and strategic objectives for the transport system.
- The priorities for investment – key areas where further investment is required in order to achieve the vision and objectives.
- A prioritised regional programme of transport activities.

The RLTP has been developed by the Hawke's Bay Regional Transport Committee (RTC), which is a joint committee of the region's councils as well as Waka Kotahi NZ Transport Agency (Waka Kotahi).

The vision in this RLTP is that:

Hawke's Bay's transport network fosters a vibrant, accessible and sustainable Hawke's Bay

The objectives adopted to reach this vision aim to:

- Achieve a safe transport system for users.
- Achieve a transport network that is resilient, reliable and efficient.
- Provide transport choices to meet social, environmental, e and cultural needs.
- Minimise travel demand through planning and development.

The work programme included in this RLTP is an agreed regional programme that contributes to shared regional prosperity and well-being.

In developing the draft RLTP, the RTC has taken into account the strategic direction provided by the Government through the Ministry of Transport's Outcomes Framework and the Government Policy Statement on Land Transport 2021 as well as guidance provided by regional and local plans, strategies and policies.

The content of this draft RLTP has been impacted by the COVID-19 pandemic. However, while the pandemic creates uncertainties, it has not changed the RTC's focus on developing a transport network that enables the region to become vibrant, accessible and sustainable.

1 Introduction

This Regional Land Transport Plan (RLTP) is the primary document guiding integrated land transport planning and investment in the Hawke's Bay region.

This Plan has been developed by the Regional Transport Committee (RTC) comprising the Hastings, Wairoa and Central Hawke's Bay district councils, Napier City Council the Hawke's Bay Regional Council and Waka Kotahi (the NZ Transport Agency). Its adoption and implementation is the collective responsibility of these organisations.

The RLTP:

- Sets the strategic transport direction to guide transport activities in Long Term Plans (LTPs).
- Identifies the agreed view of regional transport priorities to inform the National Land Transport Programme (NLTP).
- Sets the long-term vision and strategic direction for the region's land transport system.
- Identifies the agreed regional transport priorities for investment in the short to medium term.
- Presents the activities of Approved Organisations in an integrated three-to-six-year programme, which is consistent with the Government Policy Statement on land transport (GPS), as a bid for funding from the National Land Transport Fund (NLTF).
- Addresses issues that cross regional boundaries.
- Provides the basis for communication of the region's transport direction and priorities with stakeholders and the general public.

The relationship of the RLTP with other key stakeholders and the wider transport and land use planning and funding context is set out in the diagram below.

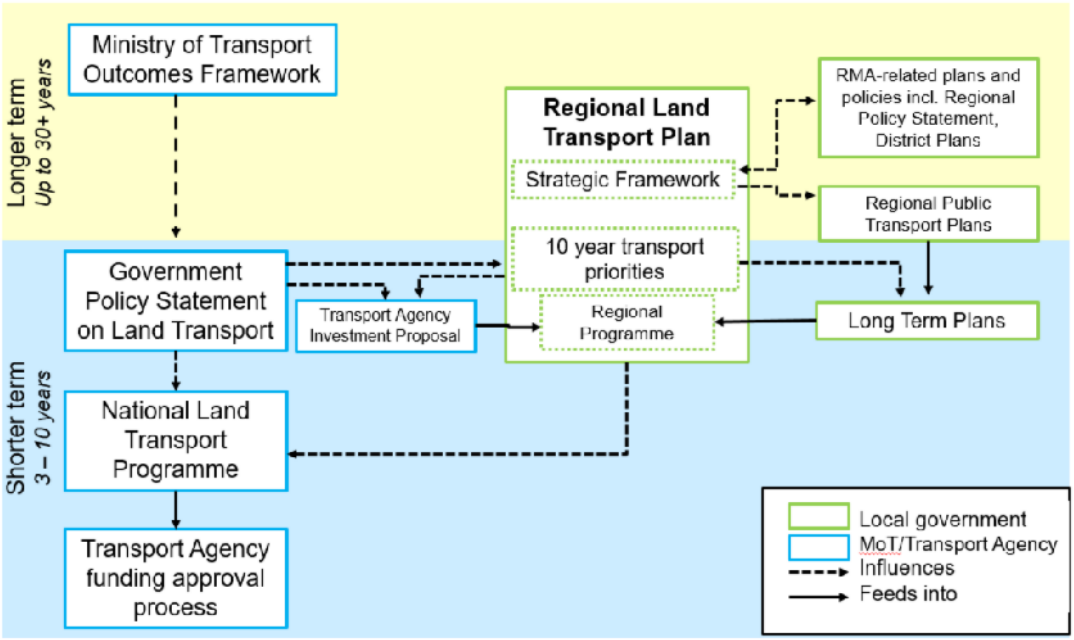


Figure 1: Stakeholders

2 Strategic Context

This section provides an overview of the region, together with key trends and issues impacting the region's transport system. These matters have informed the objectives and investment priorities for the region's transport system, which are outlined in subsequent chapters.

2.1 Our region

Hawke's Bay covers 1.42 million hectares, lies on the east coast of the North Island and includes Wairoa, Hastings and Central Hawke's Bay district councils and Napier City Council. The region adjoins Bay of Plenty, Waikato and Manawatū-Whanganui regions and Gisborne District. The Heretaunga Plains, at the centre of the region are characterised by highly productive horticultural land and the two major urban centres of Napier and Hastings are located only 20 kilometres apart, with a number of other small satellite settlements close by. The productive Ruataniwha Plains can be found to the south, Otane, Waipawa and Waipukurau are within an hour's commuting distance of Hastings and Napier and have seen significant growth in recent years. Wairoa is a more isolated settlement to the north. All three district councils having a large percentage of arable and pastoral farming.

2.2 Landscape and Climate

In the north of the region, much of the land is unstable, highly erodible and deeply incised by rivers and streams. In the centre and in the south, more extensive plains have been formed. In the west all these lands are bound by high axial ranges and by lower limestone hills in the east south of Napier. This landscape restricts movement north and south and to other regions to two main corridors.

Hawke's Bay's weather is sunny and warm overall, with hot dry summers. However, storm systems from the north and east affect the region seasonally and can cause significant rainfall events to occur. Wairoa District, with the highest rainfall in the region, is particularly susceptible to erosion as a result.

The region is increasingly likely to suffer drought as a result of climate change and biosecurity hazards could become more prevalent as a result. Extreme, rare rainfall events are projected to become more severe in the future, exacerbating the region's vulnerability to road failure and disruptions. Short duration rainfall events have the largest relative increases compared with longer duration rainfall events. Hawke's Bay is also vulnerable to natural hazards such as earthquakes and coastal erosion. These hazards combine to increase the cost of infrastructure maintenance and repair and disruption to the economy.

2.3 Our people

2.3.1 Population and residential growth

Hawke's Bay is home to approximately 174,000 people, with 80% of those living in Napier or Hastings. The population is expected to increase by 18% to 195,900 by 2043 according to the December 2019 Stats NZ high growth prediction scenario. The impacts of long-term population projections are likely to be impacted by the COVID-19 pandemic, and assumptions used for forecasting will need to be reviewed and monitored.

The 2018 Census usually resident population data for each of our districts was:

	2006	2013	2018	% increase since 2013
Central Hawke's Bay District	12,957	12,717	14,142	11.2
Hastings District	70,842	73,245	81,537	11.3
Napier City	55,359	57,240	62,241	8.7
Wairoa District	8,484	7,890	8,367	6.0
Hawke's Bay Region	**147,783**	**151,179**	**166,638**	**10.2**

Table 1: Population Growth

By far the largest proportion of population growth has been due to net migration to the region, rather than natural population increase. The population is ageing quickly, with 18.5% of our population aged 65 or over, compared with just 15.6% nationally. In 2018, those over 65 years old made up just 18% of the residential population; by 2043 28% of Hawke's Bay's population is expected to be 65 or over, a 55% increase.. The ageing population will change housing needs (smaller, more centrally located housing), increase the number of retirement villages constructed[1] and may change travel patterns, with less peak commuter travel. However, counter-balancing this is a trend ofo working past 65, and increased travel for recreational activities by retirees.

There is considerable variation across the region in a range of social indicators. Hawke's Bay's median income is $77,700, compared with $89,100 nationally and $62,200 in Wairoa District.

Most of Wairoa, Flaxmere and Maraenui rate at Decile 10 on the Social Deprivation Index, while Havelock North, Bluff Hill, Taradale and Greenmeadows are Decile 1.

The Heretaunga Plains Urban Development Strategy (HPUDS) 2017 aims to protect valuable horticultural land, allow distinct identities for the two cities and ensure that community facilities and infrastructure are integrated and affordable. The strategy plans to accommodate population growth by achieving urban development that is 60% intensification, 35% greenfield, 5% rural by 2045, with balanced supply between Napier and Hastings.[2] A further review of the Strategy will commence in 2021 in order to incorporate 2018 Census data and the consequent subnational projections of population and households.

Napier City Council is reviewing its District Plan and proposes future greenfields growth areas for the western hills behind Taradale. This is in addition to the Mission Residential Precinct which will provide around 550 homes. The move to the hills is in response to concerns about the flat growth areas within Napier's boundaries, which are subject to natural hazards such as flooding and tsunami risk. However, these proposals are at an early stage of consultation and yet to be incorporated in HPUDS, which currently includes areas identified in 1993 for growth in behind Te Awa and Riverbend Road. Napier City Council also plans for intensification in the CBD.

In the Hastings District, the focus is on residential development as close to existing urban areas as possible, but which avoids the loss of high quality soils. Hastings is also planning further urban intensification within the CBD and selected residential neighbourhoods.

Due to the close proximity of two urban centres with major industry, education, health and transport facilities distributed between them, commuting between the two cities is significant. Census data shows major flows at peak times, in particular from the Taradale and Greenmeadows area of Napier to the central and western areas of Hastings. Educational travel between the cities is also a major contributor to peak time commuting, with the Eastern Institute of Technology drawing students to southern Taradale and special character schools dispersed across the Heretaunga Plains.

As house prices have increased rapidly in Napier and Hastings, more people are now living in Central Hawke's Bay but commuting to employment or education in Napier or Hastings, which also increases

[1] There are four new retirement villages under construction in Hawke's Bay during 2020.
[2] https://www.hpuds.co.nz/assets/Docoment-Library/Strategies/2017-Heretaunga-Plains-Urban-Development-Strategy-incl-Maps-AUG17.pdf

travel demand. This is reflected in the significant increase in population in the district between 2013 and 2018.

Central Hawke's Bay is preparing a second-generation District Plan review for notification in May 2021. Preparing for projected growth and development has been a major focus of the review. However, based on the high-level residential development capacity analysis undertaken for the review it was found that the main urban towns of Otane, Waipawa and Waipukurau theoretically have capacity within the existing Residential /Rural Township Zone boundaries to accommodate projected household growth over the next 30 years.

2.4 Our Economy and Employment

Hawke's Bay's rural land is used for pastoral farming and forestry, horticulture and viticulture. There is almost 20,000 hectares of land on the Heretaunga Plains dedicated to horticulture, including almost 5,000 to apple production and 3,600 to viticulture. The value of this land to the Hawke's Bay economy is very significant and the Heretaunga Plains Urban Development Strategy 2017 aims to protect it from necessary encroachment by residential or other development.

Agriculture, forestry and fishing was the largest contributor to an overall increase in Hawke's Bay's GDP between 2009 and 2019, with an increase of $190 million.

The pipfruit sector has seen significant growth in plantings in Hawke's Bay; it is estimated that over 1 million new trees have been planted in the region in the last two years. Hawke's Bay has 55% of the apple growing area in New Zealand. While production is increasing significantly, this is largely due to intensification, rather than to major increases in land area under production. [3] The increase in production has flow-on effects for the transport network. A record apple crop drove an 8.6% increase in containerised apple exports through Napier Port in 2019.

Agriculture, forestry and fishing make the largest contribution to employment (13.8%), followed by manufacturing (12.4%) then health and social services (11.2%).

There are 134,841 hectares of plantation forests in the region – up from 128,100 hectares in 2012. Timber products are a major export and Napier Port saw a 17% increase in log volumes handled in 2018-19, representing a doubling of log volumes over the last three years.[4] Increases in forestry plantings as a result of the Climate Change Response (Zero Carbon) Amendment Act could have a particular effect in the Wairoa District, which has already seen 8,486 hectares of sheep and beef land converted to forestry. This may impact on employment [5] and forecasts also indicate that one-way logging truck movements on SH2 from Wairoa will increase from 171 per day in 2017 to 278 by 2023.

The main processing centres for rural produce are concentrated in and around Tomoana/Whakatu, Omahu Road and Irongate areas in Hastings, and the Awatoto and Onekawa areas in Napier.

Tourism has been a growing industry within our region due to the attraction of the climate, unique Art Deco architecture, New Zealand Cycle Trails and wine and food reputation. The regional tourism spend for the year to the end of October 2020 was $640m, a decrease of 5%. However, the October 2020 spend was an 18% increase on the previous October. The yearly spend includes $508m from domestic tourism and $132m international[6]. The COVID-19 pandemic is estimated to be less detrimental to Hawke's Bay's tourist numbers than some other regions, due to the significant proportion of tourism spend from within New Zealand. With overseas travel not possible in the short term, Hawke's Bay could benefit from more domestic travel, although this is likely to be tempered by the economic after-effects of the pandemic.

The development of Rocket Lab's launch site adds to tourism on the Mahia Peninsula, while Lake Waikaremoana's Great Walk also attracts both domestic and international visitors to the Wairoa District.

[3] https://www.westpac.co.nz/assets/Business/Economic-Updates/2019/Monthly-Files-2019/NZ-Over-the-Fence-7-June-2019.pdf
[4] https://www.napierport.co.nz/wp-content/uploads/2019/11/Annual-Report-2019.pdf
[5] https://beeflambnz.com/research-afforestation-impacts-wairoa
[6] https://www.mbie.govt.nz/immigration-and-tourism/tourism-research-and-data/tourism-data-releases/monthly-regional-tourism-estimates/

Central Hawke's Bay District is developing opportunities for tourism based around the area's rich cultural heritage. The district is also promoting its NZ Cycle Trails Heartland Ride and other cycling events.

While Hawke's Bay has traditionally had a higher unemployment rate than NZ overall, this had declined to the national average of 4.3% by 2019, the lowest since 2007. However, Hawke's Bay's NEET[7] rate of 16.1% is higher than the national average of 12%.

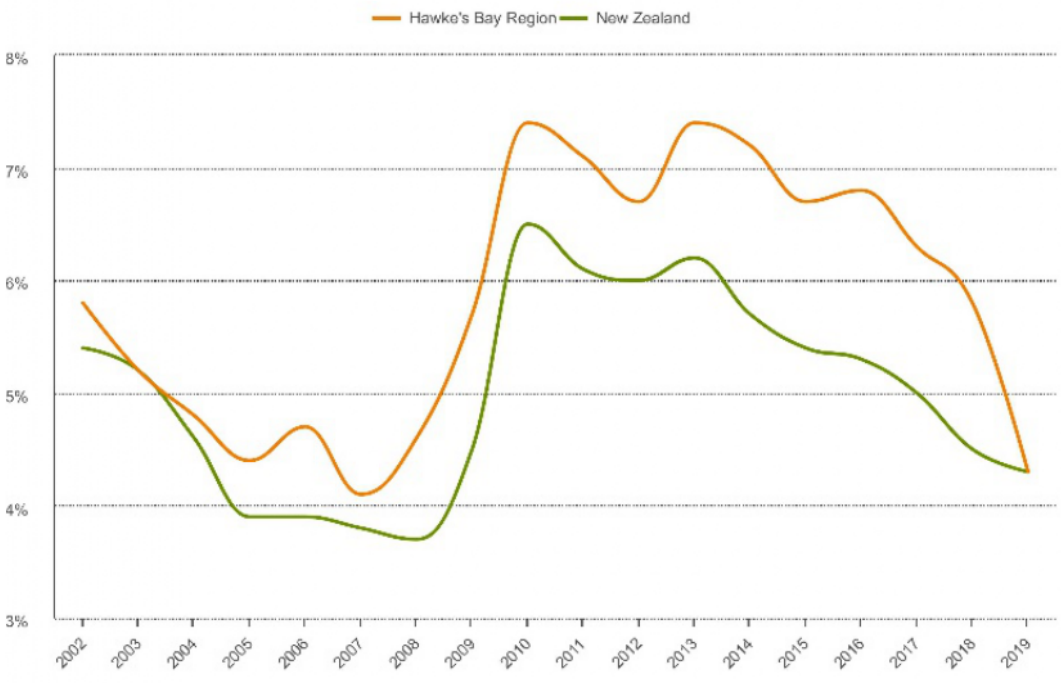


Figure 2: Unemployment Rate 2000 - 2019

In 2019, there were 83,076 filled jobs in Hawke's Bay, an increase of almost 8,000 jobs in the last five years.

The growth in mean income in Hawke's Bay was 4.2%, compared with 3.8% national growth.[8] However, the benefit of this growth was unevenly spread across the region, with Wairoa District continuing to have a higher unemployment rate and lower mean income than Napier and Hastings.

The 2020 COVID-19 pandemic is forecast to contract the Hawke's Bay economy by 6.2% and raise unemployment to 8.4%, although Hawke's Bay is likely to be less affected than other parts of New Zealand. However, Māori as well as low-income households will be particularly vulnerable to job losses. Retail, food services and accommodation will be worst hit, with likely little disruption to primary production and food manufacturing.

Such a varied economic and social profile means the transport disadvantaged may become more isolated and vulnerable with access to socials services increasingly difficult.

[7] The NEET rate measures the proportion of people aged 15–24 years who are not employed or engaged in education or training.
[8] https://ecoprofile.infometrics.co.nz/Hawke%2527s%2bBay%2bRegion/StandardOfLiving

3 Our Transport System

3.1 Road Safety

Hawke's Bay has a relatively poor road safety record. With the increase in vehicles on our roads and the increased kilometres travelled around the region, road deaths and serious injuries have also increased over the last five years, which is consistent with a concerning national trend. (Figure 1 below shows the number of DSI crashes per year since 2010.)

For example, Hastings District experienced an increase in deaths and serious injuries of around 4% each year between 2015 and 2019, after a previously declining trend. Wairoa District residents are at the highest personal risk in the country for many crash types.

However, there have been significant safety improvements to the region's strategic routes over the last five years, with more planned. These include major intersection upgrades, retrofitting of guardrails, centre wire rope barriers, shoulder-widening and a range of other measures, mainly on state highways across the region.

The Road to Zero road safety strategy's first action plan[9] sets out a range of key actions for 2020-22 across the five focus areas - infrastructure improvement and speed management, vehicle safety, work-related road safety, road user choices and system management.

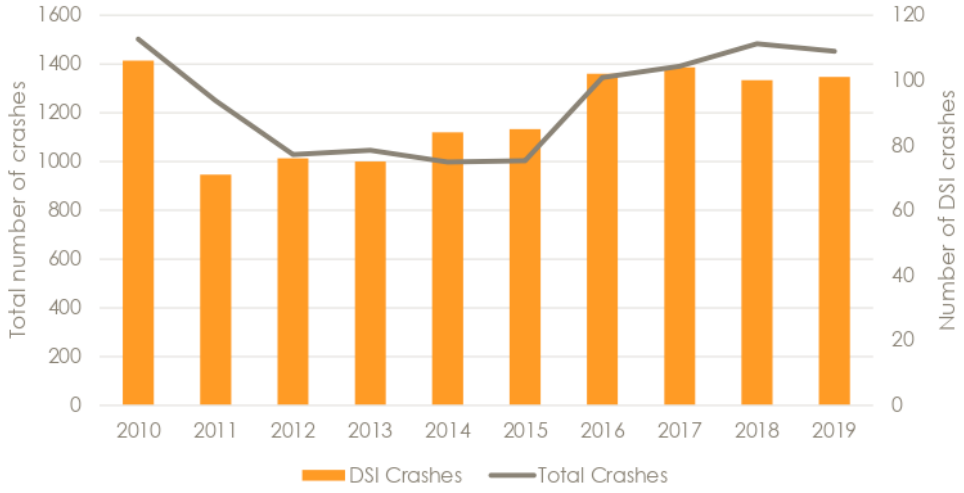


Figure 3: Crashes by year for the Hawke's Bay region

3.2 Greenhouse Gas Emissions and Climate Change

The transport system is responsible for about one-fifth of New Zealand's climate changing greenhouse emissions. Between 2016 and 2017 gross overall emissions increased by 2%, mainly from an increase in emissions in road transport and fossil-fueled electricity generation. In Hawke's Bay, a growing vehicle fleet and an increase in the number of vehicle kilometres travelled is contributing to this growth in emissions.

The light vehicle fleet registered in Hawke's Bay was 132,929 in 2018, which is 42.5% higher than in 2001. However, this increase cannot all be attributed to population growth, as vehicle ownership per capita across Hawke's Bay grew by 8% between 2015 and 2018 and is now 29% higher than it was in 2001.

[9] https://www.transport.govt.nz//assets/Uploads/Report/Road-to-Zero-strategy_final.pdf

Hawke's Bay residents are therefore now more likely to own a vehicle and use it to get around, and this is reflected in growth in vehicle kilometres travelled in the region. This now sits at 1.65 billion kilometress (2018), an increase of 16.2% since 2014.

Private vehicles make up about 90% of the mode split for travel to work, and about 60% for travel to education, indicating a community that is very car dependent.

While the energy efficiency of the overall vehicle fleet is improving, uptake of electric vehicles in Hawke's Bay is growing from a low base, with an increase in electric vehicles registered from 201 to 309 during 2019.

The major effects of climate change in Hawke's Bay that may impact on the transport network are sea level rise and the increasing severity of weather events, including storm surges along the coast and extreme flood events exacerbating resilience deficiencies in the current network.

Climate change may also have a significant effect on primary production, necessitating changes in land use or location of production, along with consequent change in freight demand.

3.3 Health Outcomes

Hawke's Bay has the lowest physical activity rate in New Zealand. The region also has one of the highest overweight/obesity rates in the country, with over 70% of adults and over 35% of children aged 2-14 years considered overweight/obese. One of the key factors that contributes to a sedentary lifestyle that leads to poor health outcomes is car dependency. Walking and cycling for transport is one of the most practical and effective ways of incorporating physical activity into daily life.

3.4 Network Resilience

Maintaining a resilient network in the face of more frequent extreme weather events will be an ongoing challenge for the region. Lack of resilience in the network can isolate rural communities and areas of primary production, negatively affecting the region's social and economic outcomes.

Roading assets are ageing in the Hastings District, and the council has commenced a seven-year programme of prioritised bridge strengthening to accommodate high productivity motor vehicles. This targeted investment is also intended to protect lifeline routes and add resilience by providing alternative routes when needed.

The resilience of the strategic network between Napier and Hastings (including SH2, SH50 and SH51) can be an issue if peak time disruptions occur, with sometimes lengthy diversions onto alternative routes and significant congestion.

3.5 Roading Network/Vehicle Travel

The State Highway network connects both communities and freight to the rest of the North Island and within the region to work, education, goods and services.

The region is serviced by State Highways 2, 5, 50 and 51, as shown on the map below.

SH2 north connects the region to Wairoa, Te Urewera, Gisborne and Opotiki. SH5 connects us to the central North Island. SH2 south links the more urban areas of Napier and Hastings to Central Hawkes Bay and onto Wellington as well as the Central North Island Freight Hub in Palmerston North. Internally, we have an expressway from Bayview to Pakipaki, which is the region's transport spine and connects our communities.



Figure 4: State Highway Network.

In total there is around 4,700 kilometres of road in the Hawke's Bay region, with 55% of kilometres travelled on local roads and 45% on state highways.

There have been a number of significant road improvements undertaken in Hawke's Bay over the last five years. These include:

- SH2-Watchman Rd-HB Airport intersection – safety improvement.
- Pakowhai-Links Rd intersection – safety and efficiency.
- Whakatu Arterial Link (Te Ara Kahikitea) – safety and efficiency.
- SH2 –Napier Road intersection Mangateretere- safety.
- SH2 intersection Pakipaki – safety.
- SH2 Bay View to Hawke's Bay Airport Passing Lanes.
- HB Expressway Safety Treatments.
- SH2 Pakipaki to Waipukurau Safety Improvements.
- SH2 Wairoa to Bay View Safety Improvements.

Currently, much of our network has the capacity to accommodate medium growth but recent population growth predictions and increasing logging and apple volumes may affect levels of service on the strategic network and some sections of local networks.

Increases in heavy vehicle transport near Napier Port could increase conflict with other land uses in the area, although there is sufficient network capacity for growth.

The latest traffic counts on some key commuter and freight routes are summarized below. Major roadworks on the HB Expressway over the last three years have caused significant variations in travel patterns. 2020 would have been the first year to show normalized volumes, however reduced traffic volumes during the COVID-19 lockdown may affect some results.

Section	2019 Annual Average Daily Traffic	Average yearly increase over last five years (2015-2019)
State Highway 2 (HB Expressway), Pandora	11,957	5%
State Highway 2 (HB Expressway) Meeanee Overbridge,	26,463	3%
State Highway 2 (HB Expressway) south of Pakowhai Links Intersection	18,679	4%
State Highway 2 (HB Expressway) Omahu Road	12,654	0%
State Highway 50, Port of Napier between port entrance & Battery Rd	6,576	5%
State Highway 51 Waitangi Washout Bridge	15,850	6%
State Highway 51 north of Mangateretere	10,190	0%
Pakowhai Rd between Brookfields Rd and Pakowhai-Links Roundabout	10,659	9%
Brookfields Rd , near intersection with Pakowhai Rd	4,813	28%
Pakowhai Rd between Te Ara Kahikitea and Evenden Rd	12,920	3%

Table 2: Annual Traffic Counts.

3.6 Public Transport

Long distance bus services operate through the region to the Manawatu and Wairarapa, Taupō and Gisborne.

Local bus passenger services operate in and between Napier, Hastings and their dormitory towns; Flaxmere, Taradale, Havelock North and Bay View, with approximately 650,000 passengers carried annually, for a distance of approximately 6.9 million kilometres. The mode share of journeys to work is small, with only 0.5% of the working population travelling by bus according to the 2018 Census. However, 14.5% of children travel to school by either school or public bus.[10]

The use of public buses has declined from 799,000 boardings in 2013-14 to 645,000 in 2018-19.

The increase in car ownership and vehicle kilometres travelled, together with higher employment and low fuel cost appear to be linked directly to lower bus use, and this is borne out by the sharpest decline in patronage on some of the bus services in lower income areas.

An ageing population and consequent development of more retirement villages will require public transport services that are directly targeted to the needs of this sector.

[10] https://www.stats.govt.nz/tools/2018-census-place-summaries/hawkes-bay-region#travel-to-education

A taxi based Total Mobility scheme is provided for those people unable to use public transport services and carries approximately 100,000 passengers annually. As the population ages, the number of Total Mobility users is likely to increase.

There is no Public Transport offered in Wairoa or Central Hawke's Bay. As more people commute from Central Hawke's Bay to Hastings and Napier for work, using private vehicles, the increase in traffic produces a negative impact on safety on the State Highways and contributes negatively to climate change.

3.7 Walking and Cycling

Since 2002, Hawke's Bay has created over 200 kilometres of off-road cycle trails and well over 100 kilometres of on-road cycle facilities.

The Hawke's Bay Trails on the Heretaunga Plains are part of the NZ Cycle Trails Great Rides network and are largely Grade 1 and 2, flat limestone or concrete pathways. Use of the trails has grown significantly over the years and while many sections are used for commuting, the greatest use comes from local recreational riders and tourists.

A riverside trail beside the Tuki Tuki in Central Hawke's Bay has gained Heartland Ride status through NZ Cycle Trails, and further improvements to the cycle network are planned.

Central Hawke's Bay has developed a trail's cycling masterplan building on the success of the Tuki Tuki Trails. This creates an overarching strategic plan for key cycling routes in Central Hawke's Bay. The key projects in the plan have been included in Councils Long Term Plan 2021 -2031. The completion of a partly built multi-purpose off-road cycle link between Waipukurau and Waipawa alongside the State Highway is a priority.

In Wairoa, a 7.7 kilometre riverside path has been constructed from the town's lighthouse to Whakamahia Beach. Wairoa District Council is currently developing a cycle plan.

3.8 The iWay Cycle Network

The iWay network is focused on urban travel for commuting and getting around our cities. The iWay network is complemented and overlapped by the Hawke's Bay Trail network that is focused on providing a world class tourism offering, providing scenic off-road experiences to explore the region. Combined these networks provide an extensive regional network for active transport. With the increase in e-bikes it is expected commuting, on both networks, will be an attractive option for many. Despite the significant investment, mode share of journeys to work for active transport modes remains low across the region, with no appreciable improvement noted in Census data to 2018. Active transport mode share in the Hastings District sits at 5.5%, with 10% of people using active modes to travel to work across the region as a whole.

The iWay programme in Hastings commenced in 2010 with funding from NZTA to establish a model community. The programme focused on developing key arterial routes to urban areas, complementary on-road cycle lanes on key collector routes, shared pathway projects and a complementary education and promotion programme. In 2015, iWay expanded to Napier with 36.5kilometress of off-road pathways and cycle lanes now almost completed.

3.9 Freight Demand and Napier Port

The Port of Napier is the fourth largest port in New Zealand by overseas export volumes. It accounts for 10% of New Zealand's export tonnages and is therefore a nationally significant asset. In dollar terms, Napier Port supports more than $3.4 billion of Hawke's Bay's Gross Regional Product.

There have been significant increases in the freight flow through the Port, with overall tonnages growing from 3.4 million tonnes in 2010 to 5.5 million tonnes in 2019. Napier Port predicts that growth in key

freight types through the Port will increase truck movements by 187% (being 171,000 truck movements) along the critical Ahuriri access corridor, between 2018 and 2027.

It is estimated that 70% of freight travelling though Hawke's Bay is generated within region (7.5M tonnes). The main inter-regional freight connection is to the Manawatu –Whanganui region, with 1.6 million tonnes carried on this route.

3.10 Rail

The Palmerston North to Gisborne rail line runs the length of the region, although the section from Napier to Gisborne was closed in 2012 due to a washout of the line. The line between Napier and Wairoa has since been reinstated and a commercial agreement has been reached between Napier Port and KiwiRail for the transport of logs from Wairoa by rail to the port. KiwiRail currently operates a dedicated log service to Whanganui every weekday and this train is utilised to provide four services each weekend. It is estimated that this service will decrease the daily one-way logging truck movements by 50 per day when forest harvesting is in full swing.

Road transport carries 95% of the region's freight, while rail accounts for almost all the remaining 5%. The rail line south from Napier is commercially viable and handles all the region's rail freight. The line runs directly through both Hastings and Napier, resulting in numerous urban crossings.

However, the rail system has potential to contribute to reducing greenhouse gas emissions and improving resilience and safety on the interregional routes. The volume of cargo reaching Napier Port on rail is also growing. There is now an average of 40 trains per week arriving at Napier Port, delivering logs, pulp and a variety of containerised cargoes.[11]

Passenger services between Napier and Palmerston North ceased in 2001 due to low demand and increasing costs. Passenger services between Napier and Gisborne were cancelled after damage to the line caused by Cyclone Bola in 1988.

3.11 Air Transport

Hawke's Bay Airport hosts regular scheduled domestic flights. Until recently, both Air New Zealand and Jetstar operated passenger services in and out of the airport. However, Jetstar ceased services in late 2019.

In 2018-19, 750,000 passengers passed through the airport, compared with 450,000 in 2014. The airport is aiming for 1 million passenger movements by 2025; however, the COVID-19 pandemic will slow growth to some extent.

3.12 Technology and Transport

Travel options and ways of transporting goods are changing rapidly with technological advances. Shared mobility will increasingly move away from traditional methods of provision such as buses, and car ownership in high density areas may reduce as car-sharing and on-demand shared shuttle or car services take their place. As their use increases in Hawke's Bay, infrastructure provision will increasingly need to cater for these alongside more traditional forms of transport.

The potential of micro-mobility has broadened with e-scooters and e-bikes, enabling their use over longer distances due to motor assistance. Many of these advances are in their infancy in Hawke's Bay but will be increasingly adopted as they become more commonplace in major urban centres. This will provide both opportunities and challenges to diversify the modal choice available to users in preference to motor vehicles.

[11] https://www.napierport.co.nz/wp-content/uploads/2019/03/Napier-Port-Annual-Report-2018-Web.pdf

4 Policy context

A number of statutes and policy and planning documents provide the legislative and policy context for land transport planning and investment at the national, regional and local level. These have informed the development of this Regional Land Transport Plan (RLTP).

4.1 Core statutes

The **Land Transport Management Act (LTMA) 2003** is the principal statute guiding land transport planning and funding in New Zealand. The purpose of the Act is to contribute to the aim of achieving an affordable, integrated, safe, responsive and sustainable land transport system. The LTMA sets out the core requirements of regional land transport plans and regional public transport plans for every region.

The Resource Management Act (RMA) 1991 which aims to promote the sustainable management of natural and physical resources and provides the statutory framework for land use planning and the development of regional policy statements, regional plans and district plans. Land use planning can have a significant influence on travel choice and transport network demand. Likewise, transport network investment can shape land use patterns within a region. The Hawke's Bay Regional Transport Committee must take the Hawke's Bay Regional Policy Statement into account when development the Hawke's Bay RLTP.

The Local Government Act (LGA) 2002 which guides local government planning and the way councils carry out their functions. It includes provisions guiding the development of council long-term plans and infrastructure strategies, where the local funding share for transport network investment is identified alongside other local investment priorities. The LGA also sets out consultation principles that are relevant for development of regional land transport plans.

The Climate Change Response Act 2002, which was amended by the Climate Change Response (Zero Carbon) Amendment Bill in 2019. The Act now provides a framework for New Zealand to develop and implement climate change policies that contribute to global efforts under the Paris Agreement to limit the global average temperature increase to 1.5 degrees Celsius above pre-industrial levels. Key provisions include setting a target to reduce net carbon emissions to zero by 2050. The transport sector will have a key role in contributing to achieving this target and the direction set at a national level has informed the development of this RLTP.

4.2 Other National Policy Context

Transport Outcomes Framework

In 2018 the Ministry worked with other government agencies to develop an outcomes framework for the transport system.



Figure 5: Transport Outcomes Framework

This framework takes a strategic, long-term, and integrated approach to transport and makes clear what government is aiming to achieve through the transport system in the long term. It is an enduring document meant to last beyond government of the day change. The five outcomes are:

- Inclusive access: enabling all people to participate in society through access to social and economic opportunities, such as work, education, and healthcare.
- Healthy and safe people: protecting people from transport-related injuries and harmful pollution and making active travel an attractive option.
- Environmental sustainability: transitioning to net zero carbon emissions, and maintaining or improving biodiversity, water quality, and air quality.
- Resilience and security: minimising and managing the risks from natural and human-made hazards, anticipating and adapting to emerging threats, and recovering effectively from disruptive events.
- Economic prosperity: encouraging economic activity via local, regional, and international connections, with efficient movements of people and products.

All of these outcomes are inter-related. To make a positive contribution across the five outcomes, the transport system also needs to be integrated with land use planning, urban development, and regional development strategies. The Hawke's Bay RLTP has included these outcomes as the foundation of its strategic framework, to align with this enduring long-term direction.

Government Policy Statement on Land Transport 2021

The LTMA requires the Minister of Transport to issue the Government Policy Statement on Land Transport (GPS) every three years. The GPS sets out the government's priorities for expenditure from the National Land Transport Fund over a 10-year period, and how funding should be allocated. Regional land transport plans must be consistent with the GPS, and NZTA must give effect to it with regards to land transport planning and funding.

The 2021 GPS strategic priorities are safety, better travel options, improving freight connections, climate change. Safety and better travel options have been identified as the key strategic priorities. The Hawke's Bay RLTP has taken account of the 2021 GPS direction and priorities, particularly in relation to the identification

of its short – medium term transport investment priorities and regional programme. The RLTP contains the following direction that is consistent with the GPS:

- Investments that support improved rates of cycling and patronage of public transport to meet transport choice objectives as well as reduce dependency on private vehicles, provide safe transport options and reduce emissions.
- Measures to improve road safety and reduce deaths and serious injuries.
- Improvements to freight routes that improve network efficiency as well as resilience and reliability.

Road to Zero – NZ Road Safety Strategy 2020 – 2030

Road to Zero articulates the Government's vision of 'a New Zealand where no one is killed or seriously injured in road crashes', guiding principles for design of the road network and road safety decisions, as well as targets and outcomes for 2030. It sets out the five areas of focus for the next decade:

- Infrastructure improvements and speed management
- Vehicle safety
- Work-related road safety
- Road user choices
- System management.

This RLTP includes a headline target that is aligned with the NZ Road to Zero Safety Strategy target of a 40 percent reduction in deaths and serious injuries by 2030 by adopting this target at a regional level. (The policy framework and transport priorities in this RLTP respond to the critical and urgent nature of the change outlined in Road to Zero and have considered strategic responses across the five focus areas.'

National Policy Statement on Urban Development 2020

This national policy statement (NPS UD) aims to guide local government decisions about enabling growth, in the right locations. This includes investing in transport networks to drive more efficient and liveable urban forms and ensuring active travel that provides health benefits is a more attractive and accessible choice. The NPS UD will enable more compact, multi-unit dwellings to be built close to public transport, services and amenities, as well as Greenfield development opportunities.

This policy direction will provide important context for land use and transport integration policies within RLTPs, particularly for regions with major urban areas and growth pressures. The NPS UD will strengthen the existing requirement for regions to have future development strategies to guide long term planning. These are now required for New Zealand's major urban centres, including Napier Hastings, and are encouraged in other urban environments. This is important context as the rate and pattern of development will have a significant impact on the transport challenges for the region.

New Zealand Energy Efficiency and Conservation Strategy (NZEECS) 2017-2022

Sets the overarching direction for government and specific actions for the promotion of energy efficiency and renewable sources of energy. The current NZEECS includes 'Efficient and low-emissions transport' as one of three priority areas, with an associated target for electric vehicles make up two per cent of the vehicle fleet by the end of 2021. The contribution of public transport (fleet and use) and efficient freight movement are recognised in the strategy and this has been taken into account in developing the policies and priorities in the Hawke's Bay RLTP as required by LTMA.

Arataki

Arataki is the Waka Kotahi's 10-year view of what is needed to deliver on the government's current priorities and long-term objectives for the land transport system. Arataki outlines the context for change, the step changes in existing responses that it believes are needed, and the levers the Transport Agency will use, in partnership with others, to shape change. It includes national, pan-regional and regional summaries. Arataki Version Two has just been released, providing an update in relation to COVID impacts.

Key insights are identified for the Hawke's Bay region in Arataki and these have informed the development of this RLTP. The step changes that are areas of 'high' focus for the Waka Kotahi in relation to the Hawke's Bay region when considered in the wider national context are to:

- improve urban form (well-designed, compact, mixed-use and higher density urban development);
- transform urban mobility;
- tackle climate change and
- significantly reduce harms.

Waka Kotahi's focus of effort in Hawke's Bay is to help create a safer, more resilient land transport system, one that supports economic recovery and regional growth, maintains critical connections; encourages increased use of public transport, walking and cycling in Napier and Hastings; and provides appropriate levels of service across all transport networks.

Toitū Te Taiao – Wala Kotahi Sustainability Action Plan

Toitū Te Taiao, Waka Kotahi's new sustainability action plan, supports Arataki by setting out the actions Waka Kotahi will take to tackle climate change and create a sustainable land transport system to realise our vision is for a low carbon, safe and healthy land transport system.

4.3 Other National Plans

Other national plans which provide important context for this RLTP include:

Waka Kotahi's Keeping Cities Moving: National Model Shift Plan - this sets out national objectives and programmes to increase the share of travel by public transport, walking and cycling by shaping urban form, making shared and active modes more attractive, and influencing travel demand and transport choice.

The **Ministry of Transport's draft New Zealand Rail Plan** – this outlines the Government's long-term vision and priorities for New Zealand's national rail network, both freight and passenger networks. The Land Transport (Rail) Legislation Bill will amend the Land Transport Management Act to bring about the proposed policy framework for rail.

One Network Road Classification (ONRC) - the land transport system is currently classified using a single system regardless of who the Road Controlling Authority is. The One Network Road Classification (ONRC) classifies the road transport network based on vehicle-based traffic volumes, strategic corridors and place of significance such as ports, airports and hospitals. ONRC reflects current travel demand and how communities are interconnected.

The Regional partnership is evolving the ONRC classifications to an updated system to be known as the One Network Framework (ONF). It will introduce the importance of adjacent land use and place functions in defining how the network should look and feel at any location. ONF provides an opportunity for more integrated delivery of regional outcomes.

During the 2021/24 period Hawke's Bay Road Controlling Authorities will advance their current ONRC network classifications and transition them into the new One Network Framework in time for the 2024/27 RLTP planning processes.

The One Network Framework will be used to define the strategic transport system and enable a strategic reporting framework in the 2024 review of this RLTP.

The New Zealand Upgrade Programme [12]

The regional component of this programme includes two projects in Hawke's Bay:

- SH2 College Road to Silverstream Cost: $13m
  The vertical and horizontal curve realignment and the addition of a passing lane along a 1.7 kilometre section of SH2 north of Waipukurau in Central Hawke's Bay. It will improve the efficiency and safety of this key freight route between Hawke's Bay, the Manawatū and Tairāwhiti and will improve the connection to Napier Port. This project will support regional economic growth by reducing travel times, improving access and efficiencies for moving people and goods along this key route.
- SH2 Tahaenui Bridge Cost: $1.2m
  The upgrade of Tahaenui Bridge on SH2 between Wairoa and Gisborne to allow two-lane travel. The funding will enable the bridge to be widened to two-way travel and will improve the roading network access and efficiency for those travelling between Gisborne and Hawke's Bay. This bridge is currently the only one-lane restriction on the important link between Gisborne and Napier Port.

4.4 Regional Plans

Regional Policy Statement

The Regional Policy Statement describes the regionally significant natural and physical resource issues. It provides an overall management framework of objectives and policies that applies across the region including the operational maintenance and development of transport infrastructure and the integration of land use with transport infrastructure while:

- limiting network congestion
- reducing dependency on private motor vehicles
- reducing emission of contaminants to air and energy use and
- promoting the use of active transport modes.

The Hawke's Bay Regional Public Transport Plan (RPTP 2019-2029).

The RPTP sets out the objectives and policies that will guide the public transport network and development for the region for the next ten years and is due for a review in 2021. It states that the vision for public transport is:

"*To deliver a public transport service which is safe, increasingly used, integrated with other modes and contributes to the economic, social and environmental wellbeing of the people of Hawke's Bay*".

Matariki: Hawke's Bay Regional Economic Development Strategy and Plan 2019

The vision of the Matariki Regional Economic Development Strategy and Plan is that: "Every household and every whānau is actively engaged in, contributing to and benefiting from, a thriving Hawke's Bay economy."

The strategy states that this will be achieved by making Hawke's Bay NZ's most innovative region, the leading exporter of premium primary produce, and a hub for business growth. It includes promotion of several transport projects including improvements to SH2 and protection of access to the Port. It seeks a future focused approach to infrastructure investment so that it is resilient and robust as well as delivery of increased environmental sustainability through reduced pollution and greenhouse gas emissions.

[12] https://www.nzta.govt.nz/planning-and-investment/nz-upgrade/regional-package

Regional Cycle Plan 2015

The Hawke's Bay Regional Cycle Plan is a 10-year plan that sets out the region's priorities for cycling and is undergoing a review in 2020/21. The vision of the plan is "to normalise cycling in Hawke's Bay to such an extent that the region is nationally and internationally recognised as providing the most bike-friendly experience in New Zealand."

The Regional Cycle Plan establishes a coordinated approach for the development and delivery of cycle network infrastructure and promotion across the region to ensure resources are pooled and actions prioritised to achieve the greatest gains for cycling in Hawke's Bay. The document sets out an infrastructure plan, as well as a marketing and promotions plan and actions aimed at influencing travel behaviour.

4.5 Other regional plans and strategies

Heretaunga Plains Urban Development Strategy 2017

The Heretaunga Plains Urban Development Strategy (HPUDS) is a collaboration between the Hastings District Council, Napier City Council and Hawke's Bay Regional Council to plan for urban growth on the Plains between 2015 and 2045. It is due for a review commencing in 2021. There are opportunities and benefits from broadening the scope of HPUDS to include Central Hawke's Bay in the short term and Wairoa in the longer term. It enables a more integrated approach to urban development and consequential transport infrastructure across a wider, interdependent and connected area.

The HPUDS vision is:

"In 2045, the Heretaunga Plains is a place where there are thriving communities, quality living environments with high levels of amenity, and where mana whenua values and aspirations are recognised and provided for, and where:

- There is a growing and resilient economy which promotes opportunities to live, work, play and invest.
- The productive value of its soil and water resources are recognised and provided for, and sustainable use is promoted.
- The urban centres of Napier and Hastings have distinct identities and provide complementary living, working and learning opportunities.
- Community and physical infrastructure is integrated, sustainable and affordable."

An integrated and accessible transport network will help to achieve this vision and provide connections from new developments to key destinations. The HPUDS lists the following key approaches for transport:

- Making best use of the existing transport network.
- Protecting key intra and inter regional routes (road and rail).
- Supporting economic development in the region by integrating transport with industry and business requirements. These need to be anticipated in a timely manner and planned for in an integrated way.
- Ensuring that development does not compromise key transport hubs or routes and that opportunities for future expansion are not foreclosed (for example at the Port of Napier).
- Implementing the Airport Fans and Airport Noise boundaries.
- Encouraging public transport, walking and cycling in urban areas.
- Promoting live, work and play to reduce travel demand.

- Ensuring that suburban areas should have well planned and connected transport networks, including provision for walking and cycling.
- Integrating different modes of transport.
- Recognising the positive relationship between increased residential densities and greater use of public transport, walking and cycling.
- Looking towards innovative funding solutions for transport needs that consider all methods available.
- Achieving consistency with the NZ Urban Design Protocol.
- Continuing to develop the transport network as identified in the Regional Land Transport Programme.

Draft Regional Industrial Land Strategy 2019

The draft Regional Industrial Land Strategy (RILS) is a joint initiative of the Napier City and Hastings District Councils, which evaluates the future industrial land requirements across the Heretaunga Plains for the next ten years. RILS aligns with the Heretaunga Plains Urban Development Strategy (HPUDS), that seeks to achieve a compact design settlement pattern, supporting encourages strategic integration of land use and infrastructure and limits encroachment onto the versatile land of the Heretaunga Plains.

RILS provides recommendations on key actions for each Council to facilitate sustainable industrial development across Napier and Hastings. It also provides the two Councils with the opportunity to review industrial zonings and the regulatory provisions of their District Plans applying to existing Industrial zones
The following is based on draft LTPs 2021. It will be updated as these plans are completed.

4.6 Local Council Plans

Council Long Term Plans 2021-31

The key issues and areas of focus and investment in transport projects for each of the four TAs are:

Wairoa District Council

Key issues:

- Resilience – Road network vulnerable to closure from high rainfall and storm events and a lack of alternative routes result in disconnected communities and economic disruption.
- Changing Demand – Land use change increases heavy vehicle traffic on rural roads resulting in safety, pavement consumption and environmental issues.
- Accessibility – poor condition, aging bridge stock and unknown structural capacity resulting in limited access for heavy vehicles.
- Mahia Connectivity – coastal erosion and increased demand from tourism and rocket lab traffic results in increased levels of service requirements and safety issues.

Focus and investment:

- Improve resilience to climate change impacts by stabilising key routes.
- Roads that support safer travel through network safety planning and targeted improvements.
- Improve access to productive land by improving the condition of our rural roads and optimising bridge capacity.
- Affordable level of service through value for money solutions and smart procurement.

Napier City Council

- Investment in cycle infrastructure and facilities
- Intersection upgrades

- CBD development
- Implementation of the Ahuriri Estuary Masterplan
- Puketitiri Rd upgrade
- Implementation of Local Area Traffic Management (LATM) schemes.

Hastings District Council
To respond to the following challenges Hastings will increase investment in maintaining and renewing existing infrastructure, safety and walking/ cycling improvements, as well as upgrades to key corridors.

- Ageing assets that will need renewal.
- Growth in traffic loadings is putting pressure on the capability of the network.
- Increased industry productivity and changes in land use are resulting in unreliable travel time and safety on the network.
- Lack of resilience in the roading network can isolate communities and industry.
- Perceptions that walking and cycling is unsafe and inconvenient leads to high car dependency.
- Road safety risks across the network results in death and serious injury.

Central Hawkes Bay District Council
Investment in investigation into the district's ageing bridge infrastructure, minor safety improvements and ongoing road network maintenance.

These key issues and areas of focus and investment in transport projects are reflected in this RLTP which also provides a regional context and ensures integrated planning and transport network management across the region.

Napier Transport Strategy

Napier City Council has developed a draft Transport Strategy that sets out the Council's vision for transport, outlining what the City values most, with the aim of delivering the types or towns, centres and public spaces that the community wants. The Strategy establishes Council's priorities for investment and demonstrates to external funding agencies that the Council has a strategic, integrated and future-focused programme of transport investment.

The vision of NCC's Transport Strategy is "*Napier has a safe, inclusive and low carbon transport system designed for the future*".

Hastings Transport Strategy

The overall vision for transport in Hastings is to connect people and places. This is by providing a range of transport options which move people and goods safely and efficiently, for an affordable whole of life cost. To achieve this Hastings has developed a number of business cases to address the issues identified, including walking and cycling, safety, bridges, the transport network and asset management and corridor management plans.

Central Hawke's Bay Land Transport Strategic Framework

Central Hawke's Bay's Land Transport Strategic Framework sets a vision and approach to delivering transport outcomes in Central Hawke's Bay. The Framework prescribes a vision to:

> "*deliver safe, reliable and lasting road assets that connect our people and our place and allow our district to prosper.*"

The Framework further lays out four key pillars for success being:

1. Safety above all else
2. Connected and resilient infrastructure and communities
3. Protecting our natural and built environments

4. Economic resilience and financial sustainability

4.7 The Future Regional Transport Network

This section explains work undertaken as part of a Regional Programme Business Case to better understand the changes we need to collectively make to the transport system in the future and describes the future vision for integrated land use and transport planning as articulated in the strategic framework section further below.

4.8 Development of a Regional Programme Business Case

Hawke's Bay region commissioned a region-wide programme business case. This has informed the development of the RLTP and helped identify investment priorities and interventions for the Hawke's Bay region transport network.

While the impacts of COVID-19 mean significant future uncertainties in relation to Hawke's Bay growth and population, the region had been identified by the government as a growth region in 2017. Since then, it has benefited from increased investment in infrastructure. As a result, many of the projects identified in the 2018 Regional Land Transport Plan have been either delivered, committed to or are in progress.

While significant improvements have been made to the region's transport network in recent years, there has also been substantial demographic, economic, population and land use change in the region, resulting in impacts on the transport network. The programme business case incorporated a Heretaunga Plains Transport Model update to reflect changes in land use, road network conditions and traffic volumes against 2018 data. Future model forecasting based on data from the latest Heretaunga Plains Urban Development Strategy (HPUDS) identifies the key issues and drivers for change and identifies the focus for land transport investment over the next 10 years. The business case also included the development of a Network Operating Framework (NOF) which identifies areas of competing demands with the aim of optimising limited road space. This is done by allocating priority road use across the network by mode, place and time-of-day. The outputs of the NOF are used to guide decisions on modal priority along corridors and at intersections and assist in developing solutions.

The programme business case highlighted the following key issues that should be addressed with some urgency and priority:

- There are some **major road safety issues** in the region, with a record of poor road safety behaviour in Wairoa and increasing deaths and serious injuries on SH5 and other roads. Deaths and injuries arise from:
    - network deficiencies
    - poor user behaviour
    - old vehicle fleet
    - increase in vehicle kilometers travelled and increases in numbers of cars and motorcycles.
- **Freight access** is the lifeblood of the region and maintaining resilient, reliable and efficient access is critical for the Hawke's Bay economy. Supply chain reliability is reduced because of:
    - lack of resilience within the network, and a vulnerable and ageing infrastructure, including for high productivity motor vehicles.
    - competing user demands.
    - limited access and capacity to Napier Port.
    - impacts on transport infrastructure from coastal inundation, erosion and slips.
- The region is **particularly car dependent**, and this results in particularly poor health outcomes in Hawke's Bay; it also prevents goals to reduce GHG emissions from being met.
- People and communities have **limited travel choices**:

- Existing transport networks and land use development has resulted in communities with poor transport choices and inequitable access to transport including in Central Hawke's Bay and Wairoa.
- The provision of public transport services is limited, even in the larger urban areas. More recently there has been declining patronage, which has in part been attributed to lower petrol process and increasing vehicle ownership.
- While there has been substantial investment in cycle infrastructure in the region, especially for recreation cycling over the last decade, this has not translated into a significant mode shift.

5 Strategic framework

The Land Transport Management Act 2003 seeks an effective, efficient, and safe land transport system.

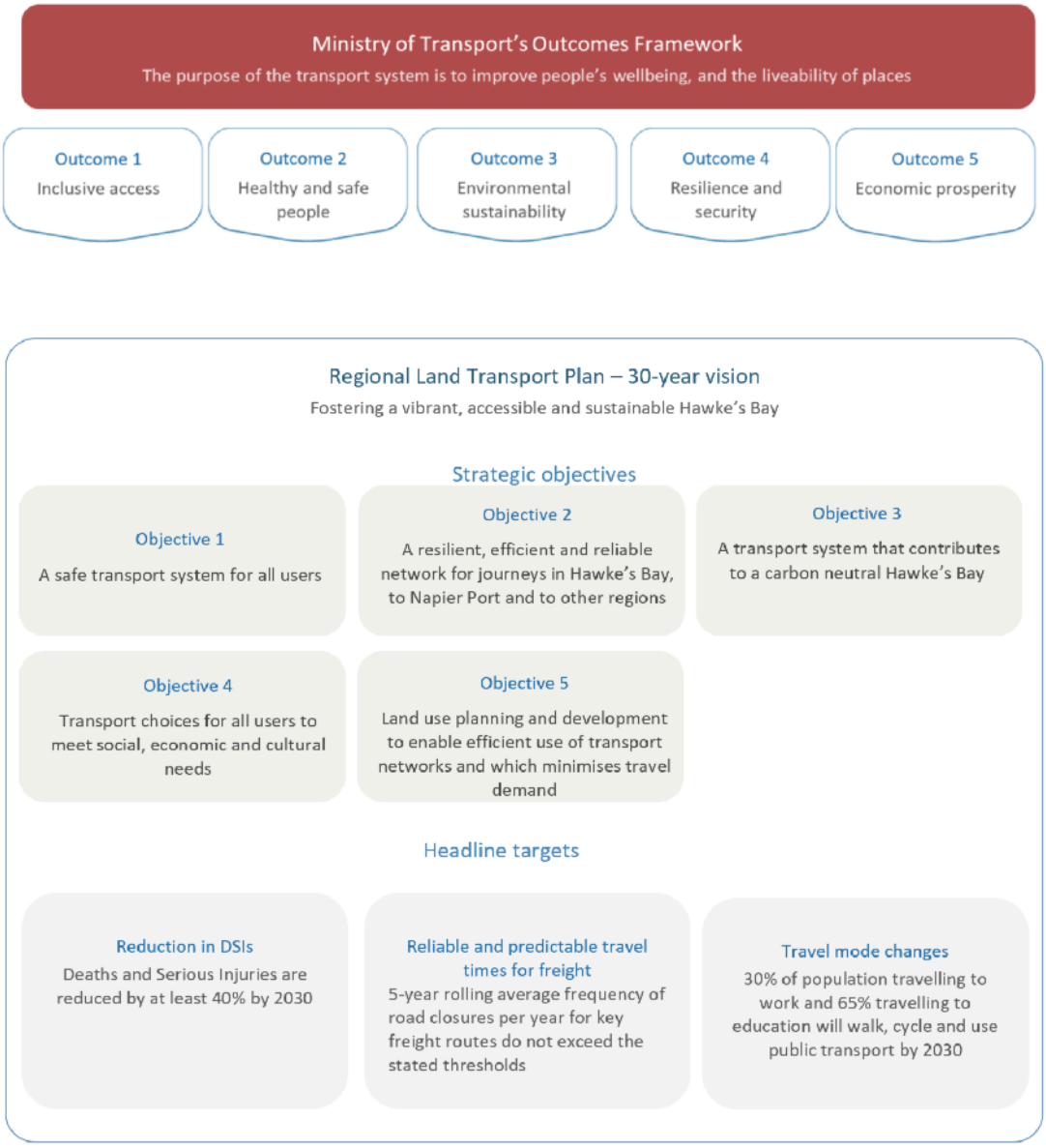
5.1 The regional vision

The vision for the regional transport system is to foster a vibrant, accessible and sustainable Hawkes Bay. This means tackling the challenges through achieving the objectives outlined below. We aim to:

- Tackle safety and achieve the Road to Zero vision.
- Reduce emissions and improve health outcomes by increasing the number of trips people make by foot, bike or public transport.
- Improve freight connections by improving the reliability and resilience of journeys to Napier Port and inter-regionally.

The strategic framework below sets out our objectives and targets to deliver on this vision, and the following section on policies explains how deliver on this vision, with the programme section of the RLTP setting out the activities and associated investment that will be implemented to deliver on our ten-year priorities for the regional transport system.




Ministry of Transport's Outcomes Framework
The purpose of the transport system is to improve people's wellbeing, and the liveability of places
Outcome 1
Inclusive access
Outcome 2
Healthy and safe people
Outcome 3
Environmental sustainability
Outcome 4
Resilience and security
Outcome 5
Economic prosperity
Regional Land Transport Plan – 30-year vision
Fostering a vibrant, accessible and sustainable Hawke's Bay
Strategic objectives
Objective 1
A safe transport system for all users
Objective 2
A resilient, efficient and reliable network for journeys in Hawke's Bay, to Napier Port and to other regions
Objective 3
A transport system that contributes to a carbon neutral Hawke's Bay
Objective 4
Transport choices for all users to meet social, economic and cultural needs
Objective 5
Land use planning and development to enable efficient use of transport networks and which minimises travel demand
Headline targets
Reduction in DSIs
Deaths and Serious Injuries are reduced by at least 40% by 2030
Reliable and predictable travel times for freight
5-year rolling average frequency of road closures per year for key freight routes do not exceed the stated thresholds
Travel mode changes
30% of population travelling to work and 65% travelling to education will walk, cycle and use public transport by 2030

6 Policies



Achieving the strategic objectives identified in this Regional Plan Transport Plan will require more than just investment in transport activities. The policies below will also be taken into account by the Regional Transport Committee and the member organisations when making decisions that impact on transport networks to help achieve the objectives.

The following section outlines the objective and policies that will guide RLTP partners, in delivering the 30-year vision for our transport system. In effect, the objectives describe **what** we want to achieve, and the policies set out **how** we will achieve it.

Objective 1: A safe transport system for all users

Policies
P1: Develop a consistent approach to speed management across the region.
P2: Develop, implement and report on annual road safety action plans jointly with councils, NZTA, NZ Police and any other road safety funding partners.
P3: Ensure that safety deficiencies on the network are prioritised and remedied according to risk.
P4: Target road safety behaviour change programmes to high-risk users and major crash causes.
P5: Improve safety and perceptions of safety for public transport, walking and cycling.

Objective 2: A resilient, reliable network for journeys within Hawke's Bay, to Napier Port and to other regions

Policies
P1: Maintain and improve network resilience and reliability by upgrading ageing infrastructure and providing High Productivity Motor Vehicle capability on strategic routes.
P2: Protect the function of key freight routes, including rai, to Napier Port by minimising and managing conflicts between travel modes.
P3: Support the maintenance of transport network lifelines for Hawke's Bay so that strategic transport links will be maintained in event of an emergency.
P4: Invest in multi-modal transport, including infrastructure.

Objective 3: A transport system that contributes to a carbon neutral Hawke's Bay

Policies
P1: Transition to public transport options that are realistic, attractive and energy efficient alternatives to the private car for key journeys especially for travel to work and school for all of Hawke's Bay.
P2: Develop and expand safe inter-connected walking and cycling networks in urban areas that prioritise direct connections to key destinations.
P3: Work collaboratively with partners, NZTA and transport network users to implement demand management programmes to respond to regional and national transport problems.
P4: Promote and support the uptake of low emission vehicles.
P5: Promote and support technologies and management solutions that reduce the need to travel.
P6: Promote and support the use of rail for freight where possible.
P7: Support investigations into coastal shipping to and from Napier Port.
P8: Invest in multi-modal transport, including infrastructure.

Objective 4: Realistic transport choices for all users to meet social, economic and cultural needs

Policies
P1: Improve the attractiveness and frequency of public transport and ensure it meets people's social, economic and cultural needs for all of Hawke's Bay.
P2: Develop and expand safe inter-connected walking and cycling networks in urban areas that prioritise direct connections to key destinations.
P3: Operate and improve roading networks to the level of service required for their agreed function(s), including to provide equitable access for marae and rural communities.
P4: Promote and support the opportunities provided by new technologies micro-mobility options, electric vehicles and new information technology.
P5: Operate transport routes in accordance with their agreed function and levels of service.

Objective 5: Land use planning and development to enable efficient transport networks and minimise travel demand

Policies
P1: Ensure that the location and design of new brownfield and greenfield development enhances multi-modal access connectivity and support good urban form within new developments and between new and existing sites to: minimise the number of private motor vehicle trips required minimise the distance of remaining private motor vehicle trips increase the uptake of walking, cycling and public transport.
P2: Ensure that land use controls protect key freight corridors and that impacts of heavy vehicle movements through urban areas are mitigated or avoided.
P3: Develop and implement urban design protocols and relevant place and movement frameworks (such as the HDC Urban Design Framework and CBD strategy, One Network Framework) to enhance place value of key urban areas and activity centres and identify performance gaps to prioritise future investments.
P4: Promote the development of a regional spatial plan, incorporating the regional freight study findings.

7 Ten year transport priorities

This section sets out the most urgent and significant problems that require management action over the next 10 years to make progress towards the vision.

Road Safety

There are some major road safety issues in the region arising from network deficiencies and poor driver decision making.

A resilient, reliable and efficient transport network.

The supply chain reliability is reduced because of a lack of resilience within the network, and a vulnerable and aging infrastructure, including for high productivity motor vehicles and competing user demands.

Sustainable transport choice

People and communities have limited travel choices. The region is particularly car dependent and this is resulting in particularly poor health outcomes in Hawke's Bay as well as preventing goals to reduce GHG emissions from being met. Improvements can be made to existing transport networks and land use planning to improve modal shift.

The main benefits of addressing these problems are:

- Safer transport network
- The transport network is fit-for-purpose for different user needs
- Improved network reliability and adaptability to deal with unknown stresses, severe events and climate change
- More transport choices
- Better access to sustainable transport mode options and reduced vehicle use.

7.1 Transport Priority 1: Road Safety

Primary Problem

Network deficiencies, an older vehicle fleet and poor road user behavior contributes to crashes resulting in increased road deaths and serious injuries

Primary Benefits

- **Reduced deaths and serious injuries**
- **Enhanced community wellbeing and reduced suffering**
- **Reduced social, medical, legal, property and other costs**
- **Reduced risky behaviour by drivers**

The case for investment

Despite an overall improvement in road safety in the region since the early 1990s, some of this gain has reversed since 2014 and the trend to increasing serious injuries and deaths on our roads continues upwards. The social and economic consequences of this for the region are significant.

While many of the region's high-risk crash sites have been addressed, there is further improvement needed in some areas, with some sections of network unforgiving of error and speed limits inappropriate for the road conditions. Poor driver behaviour and choice continues to be a major factor in many crashes. An ageing vehicle fleet lacks many of the safety features necessary to protect occupants when mistakes are made.

Fit with strategic context

Consistent with the national outcomes for healthy and safe communities, inclusiveness and economic prosperity.

Consistent with national policy priorities for safer communities

Enables regional objectives to be met for a safe transport system for all users and improved transport choices to meet social, environmental and cultural needs.

Summary of Evidence

- Nearly half of the region's rural state highway network is rated as two-star highways, meaning they have substantial deficiencies.
- The vehicle fleet in the Hawke's Bay region is older than the NZ average and is ageing. Older vehicles lack the safety features of more modern vehicles, and in the event of a crash are more likely to result in a death or serious injury.
- Wairoa is significantly over-represented in the Communities at Risk Register as it is a high strategic priority for nine of the 15 road safety factors. For six of these factors, Wairoa is ranked first in New Zealand.
- Poor driver behaviour is over-represented in death and serious injury crashes in the region when compared to the national average.
- Over the last five years there has been a 45% increase in crashes, and a 19% increase in Deaths and Serious Injuries.
- Over the last 12 months there has been 12 crashes on SH5, resulting in 6 fatalities and 13 serious injuries.

Key Investment Partners

Local Councils
HBDHB
New Zealand Police

Measure	Long -Term Results	Data sources
Deaths and serious injuries	40% reduction in deaths and serious injuries by 2031 (Current rate of DSIs is 10.9 per 100,000 people)	Centralised NTLP database
Risky behaviours	Decreasing trends in risky behaviours	Centralised NZTA database

Priority investment areas (signals for the regional programme of activities)

1. Infrastructure improvements for road, cycling and pedestrian transport
2. Improved safety of roadside barriers
3. Targeted safety interventions for at intersections and corridors and low kiwiRap rated roads
4. Development of a regional speed management plan
5. Preparation and implementation of annual Road Safety Action Plans that include education and other programmes on speed, driver licensing, young drivers, restraints targeted to high-risk activities and communities
6. Implement Safer routes to school programme
7. Targeted safety improvements for vulnerable users

Other priority implementation areas

Programme of activity associated with reducing older vehicle fleet
Road safety enforcement

7.2 Transport Priority 2: Freight Supply Chain

Primary Problem

Regional freight movement is constrained by vulnerable and ageing infrastructure, competing user demands and Port access limitations, negatively impacting on supply chain reliability and economic productivity.

Primary Benefits

- **Improved network resilience (less network disruption)**
- **Improved supply chain and travel time reliability (less day-to-day variation)**
- **Increased productivity and reduced economic losses**

The case for investment

The Hawke's Bay economy relies heavily on roads to connect products to market. However, the region's roading infrastructure is ageing and vulnerable to disruption by extreme weather events and sea level rise. There are competing user demands on many sections, particularly in the vicinity of Napier Port. This will increase with predicted growth in activity at the Port but the capacity of access routes is limited.

Fit with strategic context

Consistent with priority national outcomes for economic prosperity and resilience and security Delivers on national priorities for improved freight connections and climate change mitigation.
Enables regional objectives to be met for efficient, reliable and resilient transport networks.
Enables local plans and strategies that seek to provide for productive value of its natural resources.

Summary of Evidence

- The region's infrastructure is vulnerable to coastal erosion, with the percentage of local roads and state highways exposed expected to at least double by 2065 and increase 10-fold by 2120.
- SH2 is the only HPMV route in the region. In the event of a road closure on this corridor, HPMV trucks have no alternative route.
- Heavier vehicles on the network are placing increasing demands on infrastructure. Many bridges are weight restricted, limiting access on key freight routes for 50MAX trucks.

- There is only one key freight route to the Port and increasing freight demands are creating severance in Ahuriri.
- There are limitations with rail freight access to the Port including numerous level crossings, a low clearance bridge and single track limiting the efficiency of rail access. Storage capacity at the Port is also limited, which will be further constrained with forecast growth in exports.
- A review of data relating to the reliability of the supply chain found that there were no significant issues in terms of route availability or efficiency along key freight corridors. There has been an increase in the number of container trucks missing their booking times, but this may be unrelated to traffic delays.

Key Investment Partners	Measure	Long -Term Results	Data source
Local Councils **Waka Kotahi** **Napier Port** **KiwiRail**	Duration and frequency of road closures on key freight routes	Maintain or improve current levels of service (as determined by relevant TLA)	Centralised NZTA data base

Priority investment areas (signals for the regional programme of activities)

1. **Regional (state highway and local road) bridge strengthening for HPMV**
2. **Target sections of road corridor at risk of flooding and inundation and sea level rise,**
3. **Targeted safety interventions for at intersections and corridors**
4. **Capacity improvements at pinch points**
5. **Port access improvements for freight**
6. **Improved network communication (for real time travel)**
7.. **Development of multimodal networks which includes**

Other priority implementation areas

Progressively implement the Network Operating Framework to ensure that routes operate in accordance with their agreed function

7.3 Transport Priority 3: Transport Choice

Primary Problem	Primary Benefits
Existing transport networks and land use development have resulted in communities with limited transport choice leading to undesirable health, environmental and socio-economic outcomes.	• **Improved transport choice** • **Enhanced community wellbeing and connectivity** • **Reduced deaths and serious injuries**
The case for investment • The prevalence of large freight vehicles on the roading network significantly reduces perceived safety for other mode users. • Typical residential subdivisions are filled with low density housing and winding cul-de-sacs which do	**Fit with strategic context** Consistent with national outcomes for inclusive access, healthy and safe communities, environmental sustainability and economic prosperity. Delivers on national policy priorities for better transport choices, improving freight connections and climate change.

not provide good connectivity for walking and cycling or public transport. • Public transport provides good coverage but long journey times and low frequency do not compete effectively with the convenience of the private car. • The over-dependence on car travel contributes to low rates of physical activity.	Contributes to meeting regional objectives for healthier and safer communities, improved transport choices, contributions to a carbon neutral Hawke's Bay and supports land use planning and development that minimises travel demand.

Summary of Evidence

- The region experiences relatively minor congestion, making it easy to travel around by car
- While nearly 70% of households in Napier and Hastings live within 400m of a bus route, only 20% have good access to a frequent route
- Residents in Central Hawkes Bay and Wairoa have no access to public transport
- Cycling infrastructure in the region largely targets recreational journeys, with very few high-quality commuter routes
- More recent subdivision developments feature low density housing and do not promote good connectivity for walking, cycling and public transport.
- Private vehicles make up 90% of the mode split for travel to work, and 45%-60% for travel to education, indicating a community that is very car dependent.
- Car dependency in the region has contributed to a sedentary lifestyle that is reflected in poor health outcomes. Hawke's Bay has the lowest reported physical activity rate in New Zealand and one of the highest rates of adults and children that are overweight or obese.
- Just over 6% of households (3,396) do not have access to a vehicle. A large portion of these households are in rural areas that have no access to public transport, making it challenging to participate in the community.
- The Wairoa District is considered one of the most deprived areas in New Zealand, with a lower-than-average median income, significantly higher than average unemployment, lower-than-average vehicle ownership and no access to public transport.

Key Investment Partners	Measure	Long -Term Results	Data source
Local Councils **Waka Kotahi** **Hawke's Bay District Health Board**	Use of private vehicles to work and education. Use of Public transport Use of cycleways and walkways.	Increase in use of active and public transport modes.	Centralised data Bus patronage Cycleway counters

Priority investment areas (signals for the regional programme of activities)

1 Travel behaviour change initiatives to promote and encourage transport change to active modes
2. Walking and cycling infrastructure improvements to deliver safe and connected networks
3. Pedestrian accessibility improvements
4. Develop multi-modal and end of trip facilities
5. Improve public transport attractiveness, frequency and infrastructure
6. Increase availability of PT in outlying areas and rural townships

Other priority implementation areas

Land use planning integrated with transport planning to minimise the demand for travel including:

- **Update and expande HPUDS**
- **Update transport model to align with changes to HPUDS**
- **Review or develop urban design frameworks and strategies**
- **Protection (including bylaws) for new transport modes and on-demand mobility**

7.4 Transport Priority 4: Sustainable Travel Choices

Primary Problem

Road transport is one of the only sectors recording an increase in greenhouse gas emissions. Investing in walking, cycling and public transport networks to provide feasible transport choices, increasing the share of freight on rail, and ensuring land use development is integrated with sustainable transport modes will be essential to achieve greenhouse gas emission targets

Primary Benefits

Reduction in greenhouse gas emissions
Improvement in air quality
Sustainable transport mode share

The case for investment

- The design of existing transport networks has favoured the use of road freight transport, due to historical lack of government support for rail.
- The prevalence of large freight vehicles on the roading network significantly reduces perceived safety for other mode users.
- Typical residential subdivisions are filled with low density housing and winding cul-de-sacs which do not provide good connectivity for walking and cycling or public transport.
- Public transport provides good coverage but long journey times and low frequency do not compete effectively with the convenience of the private car.
- The over-dependence on car travel contributes to low rates of physical activity and significant vehicle emissions.

Fit with strategic context

Consistent with national outcomes for healthy and safe communities, environmental sustainability, resilience and security and economic prosperity.
Delivers on national policy priorities for better transport choices, improving freight connections and climate change.
Contributes to meeting regional objectives for improved transport choices, contributions to a carbon neutral Hawke's Bay and supports land use planning and development that minimises travel demand.

Summary of Evidence

- Road transport is one of the only sectors recording an increase in greenhouse gas emissions. In Hawke's Bay between 2013 and 2018 the number of households in the region with no access to a motor vehicle decreased by 24.5%. The light vehicle fleet registered in Hawke's Bay in 2018 was an increase of 42.5% over that in 2001. This increase cannot all be attributed to population growth, as vehicle ownership per capita across Hawke's Bay grew by 8% between 2015 and 2018, and is now 29% higher than it was in 2001,
- Private vehicles make up 90% of the mode split for travel to work, and 45%-60% for travel to education, indicating a community that is very car dependent.

Key Investment Partners	Measure	Long -Term Results	Data source

Local Councils **Waka Kotahi** **KiwiRail and Napier Port**	Access to cycleway and bus routes	High percentage of urban households near bus routes and cycleways. High use of public and active transport modes	Spatial data from local councils and bus route information

Priority investment areas (signals for the regional programme of activities)

1.Transition to decarbonise the public transport and council vehicle fleets.
2 Constructing new and improving existing transport infrastructure that enhances access and multi-modal connectivity.

Other priority implementation areas

Land use planning integrated with transport planning to minimise the demand for travel.
Support and encourage increased use of low emission vehicles.
Promote and support use of rail and coastal shipping for freight.

8 Fit with strategic context

The table below outlines how each investment priority aligns with the outcomes in the Ministry of Transport Outcomes Framework, the priorities identified in the Government Policy Statement on Land Transport, and the strategic objectives of this Regional Land Transport Plan. Collectively, the priorities align with all the outcomes, priorities and objectives in these documents.

		MOT Outcomes					GPS priorities				RLTP Objectives				
		Inclusiveness	Healthy and safe people	Environmental sustainability	Resilience and s security	Economic prosperity	Safety	Better transport choices	Improving freight connections	Climate change	A safe transport system for all users	Improved transport choices for all users to meet social, environmental, economic and cultural needs	A transport system that contributes to a carbon neutral Hawkes Bay	Land use planning and development, which minimises travel demand	A resilient, reliable and efficient network for journeys within Hawkes Bay to Napier Port and other regions.
Investment priority	Road Safety	✓	✓			✓	✓				✓	✓			
	Freight Supply Chain				✓	✓			✓	✓				✓	✓
	Transport Choice	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	
	Sustainable Transport		✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓

9 Regional programme of activities

9.1 Full List of Committed Activities for 2021 – 31

Activity	Phase	Description	Duration	Cost	Status update
Council					
Wairoa District Council	Implementation	PGF Wairoa High Productivity Motor Vehicle Upgrades	21-22	635,000	PGF Approved
Central Hawkes Bay	Pre implementation	PGF Porangahau & Wimbledon Roads upgrade route 52	21-24	8,000,000	PGF Approved
Waka Kotahi					
Waka Kotahi	Implementation	RIO SH02 College Rd-Silverstream IMPR	21/22	4,233,333	Approved
Waka Kotahi	Pre-implementation* - PGF	SH2 Inter-Reg connections: Passing Opportunities	21/22	860,000	Approved
Waka Kotahi	Implementation	SH2 Inter-Reg connections: Passing Opportunities	22/23	13160000	Approved
Waka Kotahi	Property	SH2 Inter-Reg connections: Passing Opportunities	21/22	50,000	Approved
Waka Kotahi	Implementation -	SH2 Raupunga Bluff Enhanced Resilience	21/22	246,625	Approved
Waka Kotahi	Implementation -	Weigh Right Napier Port	21/22	467,100	Approved
	Property	Weigh Right Napier Port	21/22	4,582,405	Approved

See ss 16(6)(c) and (d) LTMA)

9.2 Prioritised Programme of Significant Activities

This section sets out the list of transport activities in priority order (as required by s16(3)(d) of the LTMA. The funding source for all activities is a combination of NLTF/local share.

Approved Organisation	Activity	Activity Description	Activity Class	Timing	Total Cost	RLTP Objectives	
Waka Kotahi - NZ Transport Agency	SH5 Napier to Taupō Corridor Improvements	Programme Business Case addressing safety, efficiency and resilience and subsequent Detailed Business Case phase, delivered alongside shorter-term Low Cost/Low Risk safety improvements.	Investment Management, SH Improvements	2021/22 - 2022/23	1,400,000	A safe transport system for all users	Resilient and reliable network
Hastings District Council	Maraekakaho Road / York Road Roundabout	Existing T-intersection is performing poorly in both safety and efficiency. Identified as a high risk intersection in HDC Safety Strategy 2017, recommendation for intersection transformation and endorsed in Road to Zero programme	Road to Zero	2021/22	$2,500,000	A safe transport system for all users	Transport choice
Waka Kotahi - NZ Transport Agency	Napier Port Access – SH2 Hawkes Bay Expressway	Developing and implementation of a business case/network plan to optimise the HB Expressway and provide multimodal access across and along with a focus between Pakowhai to Meanee and enabling a more resilient and reliable network for journeys to the Port.	State Highway Improvements	2022/23 - 2025/26	$24,000,000	Resilient and reliable network	Transport choice
Hastings District Council	Hastings Bridges strengthening	Bridge strengthening programme proposed to improve Hastings District's transport accessibility needs for HPMV, 50Max and VDAM(2016) class 1 limits on local roads	Local roads improvements	2021/22 - 2023/24	$5,025,800	Resilient and reliable network	Transport choice
Waka Kotahi - NZ Transport Agency	State Highway Multi-modal Access – SH2 Hawkes Bay Expressway	Developing and implement a business case to provide multimodal access along and across the Expressway.	Walking and Cycling	2023/24	$2,500,000	Transport choice	Resilient and reliable network
Waka Kotahi - NZ Transport Agency	SH51 Waipatu to Whakatu	Implementing safety improvements on SH51 between Waipatu and Whakatu Transformational project meeting residential and school development transport needs in Waitapu as well as primary production growth need (Road to Zero)	State highway improvements, Walking and Cycling. Road to Zero	2021/22 - 2023/24	$12,760,000	A safe transport system for all users	Transport choice
Waka Kotahi - NZ Transport Agency /Napier City Council	State Highway Multi modal Access – Ahuriri Access	Develop and potential implementation of a Business Case to address community severance, safety and multimodal access whilst optimising freight efficiency.	State Highway improvements (TBC)	2021/22 - 2024/25	$13,500,000	A safe transport system for all users	Transport choice
Waka Kotahi - NZ Transport Agency	SH51 Ellison St to Farndon Rd	Implementing safety improvements on SH51 between Ellison St and Farndon Road (Road to Zero)	Road to Zero	2021/22 - 2023/24	$19,700,000	A safe transport system for all users	Transport choice
Waka Kotahi - NZ Transport Agency	SH2 Waipawa to Waipukurau shared path.	Implementation of the shared path linking Waipawa to Waipukurau including a clip on or similar to address the severance across the Tuki Tuki river.	Walking and Cycling	2021/22	$2,921,203	Transport choice	A safe transport system for all users

Wairoa District Council	Mahia connectivity	Nuhaka-Opoutama Road - Blowhole Realignment /retreat + coastal protection. Address safety deficiencies on the corridor and address resilience. This corridor forms a critical route to Mahia Peninsula and sections of the corridor are currently threatened by coastal erosion. This project is for the blowhole dropout retreat and could be considered part of the next project but is separated in this summary of improvements	Local road improvements	2023/24	$2,200,000	Resilient and reliable network	A safe transport system for all users
Wairoa District Council	Mahia connectivity	Nuhaka-Opoutama Road - Blowhole Realignment /retreat + coastal protection. Address safety deficiencies on the corridor and address resilience. This corridor forms a critical route to Mahia Peninsula and sections of the corridor are currently threatened by coastal erosion. This project is for the 610m coastal protection and could be considered part of the previous project but is separated in this summary of improvements	Local road improvements	2024/25	$6,200,000	Resilient and reliable network	A safe transport system for all users
Wairoa District Council	SH38 Wairoa to Murupara	Develop and implement the business case to address the safety, resilience and levels of service issues on the corridor in the context of the communities and Te Urewera.	State Highway improvements		$10,000,000	A safe transport system for all users	Resilient and reliable network

9.3 Ten Year Forecast by Activity Class

		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Road to Zero											
Central Hawke's Bay District Council	See under local road improvements										
Hastings District Council		4,840,000	2,670,000	4,670,000	4,100,000	4,223,000	4,349,690	4,480,181	4,614,586	4,753,024	4,895,614
Napier City Council		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Wairoa District Council		745,000	685,000	665,000	410,000	1,410,000	410,000	360,000	360,000	360,000	360,000
Hawke's Bay Regional Council		542,332	553,178	564,242	575,527	587,037	598,778	610,754	622,969	635,428	648,137
Waka Kotahi - NZ Transport Agency		15,708,092	13,624,667	13,624,667	18,380,000	18,380,000	18,380,000	5,613,333	5,613,333	5,613,333	-
Public Transport Services											
Hawke's Bay Regional Council		5,063,940	5,096,665	5,826,904	6,163,583	5,980,854	6,100,471	6,222,480	6,346,931	6,473,869	6,603,346

Public Transport Infrastructure										
Central Hawke's Bay District Council										
Hastings District Council		70,200	72,300	74,450	76,683	78,984	81,353	83,795	86,300	88,900	91,600
Napier City Council		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Wairoa District Council										
Hawke's Bay Regional Council		23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Walking and Cycling Improvements										
Central Hawke's Bay District Council	See under local road improvements									
Hastings District Council		4,508,080	4,981,830	2,942,000	3,200,000	3,296,000	3,394,880	3,496,726	3,601,328	3,709,700	3,820,970
Napier City Council		1,260,000	545,000	805,000	675,000	1,075,000	625,000	550,000	400,000	250,000	50,000
Wairoa District Council		130,000	75,000	85,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Waka Kotahi - NZ Transport Agency		5,177,167	1,156,667	1,156,667	1,156,667	1,156,667	1,156,667	1,156,667	1,156,667		
Local Road Improvements										
Central Hawke's Bay District Council		1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Hastings District Council		7,985,987	7,956,332	5,592,409	7,000,000	7,210,000	7,426,300	7,649,089	7,878,561	8,114,918	8,358,366
Napier City Council		1,405,008	3,910,000	3,555,000	2,810,000	2,475,000	3,440,000	2,025,000	2,340,000	1,575,000	2,225,000
Wairoa District Council		1,270,000	1,300,000	1,260,000	1,710,000	1,260,000	1,770,000	1,520,000	920,000	1,520,000	650,000
Department of Conservation				100,000	34,000	34,680	35,374	36,081	36,803	37,539	38,290
State Highway Improvements										
Waka Kotahi - NZ Transport Agency		6,994,674	3,600,673	3,653,920	2,769,899	2,825,297	2,881,802	2,939,439	2,998,227	3,058,192	3,119,356
State Highway Maintenance										
Waka Kotahi - NZ Transport Agency		32,960,317	33,372,722	33,792,137	35,381,025	35,892,879	36,414,971	36,947,505	37,490,689	38,044,737	38,609,865
Local Road Maintenance										

Central Hawke's Bay District Council		11,273,317	10,973,111	10,912,029	11,044,954	10,932,479	10,748,429	10,850,679	10,850,679	10,748,429	10,850,679
Hastings District Council		28,981,318	29,725,809	30,485,233	31,490,100	32,437,715	33,417,570	34,420,000	35,452,700	36,516,280	37,611,800
Napier City Council		7,958,967	8,119,219	8,306,856	8,276,318	8,344,104	7,262,873	7,086,656	7,367,198	7,367,198	7,367,198
Wairoa District Council		11,427,049	11,248,857	11,420,432	11,194,637	11,523,507	11,497,207	12,291,402	11,959,084	12,142,678	11,735,952
Department of Conservation		82,269	82,269	82,269	110,789	112,627	117,708	111,922	120,118	111,153	113,006
Investment Management											
Central Hawke's Bay District Council											
Hastings District Council		625,800	405,135	308,142	263,500	354,600	295,000	263,500	354,600	295,000	263,500
Napier City Council											
Wairoa District Council		100,000	157,560	20,400	30,900	48,760	218,000	145,600	52,900	212,400	36,300
Hawke's Bay Regional Council		226,501	231,031	235,652	240,365	245,172	250,075	255,077	260,178	265,382	270,690
Department of Conservation											
Waka Kotahi - NZ Transport Agency		153,900									
Revenue for subsidised activities											
Central Hawke's Bay District Council	Approved Organisation Revenue	4,929,426	4,929,475	4,904,431	4,958,931	4,912,816	4,837,355	4,879,278	4,879,278	4,837,355	4,879,278
	NLTF Revenue	7,393,991	7,093,636	7,057,598	7,136,023	7,069,663	6,961,074	7,021,401	7,021,401	6,961,074	7,021,401
	Other Revenue										
	Total revenue	**12,323,417**	**12,023,111**	**11,962,029**	**12,094,954**	**11,982,479**	**11,798,429**	**11,900,679**	**11,900,679**	**11,798,429**	**11,900,679**
Hastings District Council	Approved Organisation Revenue	21,625,237	21,531,360	20,719,993	21,681,233	22,372,141	23,013,453	23,684,846	24,434,540	25,134,564	25,869,652
	NLTF Revenue	25,386,147	24,280,045	23,365,099	24,449,050	25,228,158	25,951,341	26,708,444	27,553,843	28,343,232	29,172,160
	Other Revenue										
	Total revenue	47,011,384	45,811,405	44,085,092	46,130,284	47,600,299	48,964,794	50,393,290	51,988,384	53,477,796	55,041,812
Napier City Council	Approved Organisation Revenue										
	NLTF Revenue	5,443,727	6,438,351	6,485,597	6,023,772	6,091,493	5,802,715	4,952,945	5,180,171	4,713,521	4,943,021
	Other Revenue	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200

	Total revenue	**5,930,927**	**6,925,551**	**6,972,797**	**6,510,972**	**6,578,693**	**6,289,915**	**5,440,145**	**5,667,371**	**5,200,721**	**5,430,221**
Department of Conservation	Approved Organisation Revenue										
	NLTF Revenue	41,957	41,957	92,957	73,842	75,126	78,071	75,482	80,029	75,833	77,161
	Other Revenue										
	Total revenue	**41,957**	**41,957**	**92,957**	**73,842**	**75,126**	**78,071**	**75,482**	**80,029**	**75,833**	**77,161**
Unsubsidised Activities											
Central Hawke's Bay District Council	***Expenditure***										
	Unsubsidised Operational Expenditure	127,000	127,000	127,000	127,000	127,000	127,000	127,000	127,000	127,000	127,000
	Unsubsidised Capital Expenditure										
	Total Unsubsidised expenditure	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**
	Revenue for Unsubsidised Activities										
	Local Authority Revenue	127,000	127,000	127,000	127,000	127,000	127,000	127,000	127,000	127,000	127,000
	Other Revenue										
	Total revenue	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**	**127,000**
Wairoa District Council	***Expenditure***										
	Unsubsidised Operational Expenditure	261,009	269,484	236,200	303,466	300,123	263,439	297,166	238,528	238,728	294,528
	Unsubsidised renewals	16,632	16,650	16,078	15,000	15,000	15,000	15,000	15,000	15,000	15,000
	Unsubsidised Capital Expenditure		1000,000							100,000	
	Total Unsubsidised expenditure										
	Revenue for Unsubsidised Activities										
	Local Authority Revenue	277,641	1,286,134	252,278	318,466	315,123	278,439	312,166	253,528	353,728	309,528
	Other Revenue										
	Total revenue	**277,641**	**1,286,134**	**252,278**	**318,466**	**315,123**	**278,439**	**312,166**	**253,528**	**353,728**	**309,528**

Hastings District Council	***Expenditure***										
	Unsubsidised Operational Expenditure	4,290,070	4,318,095	4,373,765	4,415,747	4,447,983	4,473,730	4,450,973	4,502,968	4,660,615	4,747,661
	Unsubsidised Capital Expenditure	12,159,697	13,302,707	5,071,664	1,210,750	3,196,464	1,674,950	4,523,450	3,928,050	1,573,050	1,183,050
	Total Unsubsidised expenditure	**16,449,767**	**17,620,802**	**9,445,429**	**5,626,497**	**7,644,447**	**6,148,680**	**8,974,423**	**8,431,018**	**6,233,665**	**5,930,711**
	Revenue for Unsubsidised Activities										
	Local Authority Revenue	5,844,584	5,857,169	5,936,439	6,049,721	6,043,258	6,068,204	6,045,648	6,062,243	6,219,889	6,307,435
	Other Revenue	1,131,086	1,131,086	1,131,086	1,131,086	1,131,086	1,131,086	1,131,086	1,131,086	1,131,086	1,131,086
	Total revenue	**6,975,670**	**6,988,255**	**7,067,525**	**7,180,807**	**7,174,343**	**7,199,290**	**7,176,733**	**7,193,328**	**7,350,975**	**7,438,521**
Napier City Council	***Expenditure***										
	Unsubsidised Operational Expenditure	3,099,064	3,099,064	3,099,064	3,099,064	3,099,064	3,099,064	3,099,064	3,099,064	3,099,064	3,099,064
	Unsubsidised Capital Expenditure	1,839,996	2,250,000	830,000	1,200,000	500,000	1,150,000	950,000	1,905,000	1,780,000	1,805,000
	Total Unsubsidised expenditure	**4,939,060**	**5,349,064**	**3,929,064**	**4,299,064**	**3,599,064**	**4,249,064**	**4,049,064**	**5,004,064**	**4,879,064**	**4,904,064**
	Revenue for Unsubsidised Activities										
	Local Authority Revenue										
	Other Revenue	1,695,714	1,695,714	1,695,714	1,695,714	1,695,714	1,695,714	1,695,714	1,695,714	1,695,714	1,695,714
	Total revenue	**1,695,714**	**1,695,714**	**1,695,714**	**1,695,714**	**1,695,714**	**1,695,714**	**1,695,714**	**1,695,714**	**1,695,714**	**1,695,714**
Department of Conservation	***Expenditure***										
	Unsubsidised Operational Expenditure	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333
	Unsubsidised Capital Expenditure										
	Total Unsubsidised expenditure	**8,333**	**8,333**	**8,333**	**8,333**	**8,333**	**8,333**	**8,333**	**8,333**	**8,333**	**8,333**
	Revenue for Unsubsidised Activities										

Local Authority Revenue	
Other Revenue	
Total revenue	

9.4 Activities of Inter-Regional Significance

ACTIVITY	REASON FOR INTER-REGIONAL SIGNIFICANCE
Te Ahu a Turanga: Manawatū Tararua Highway	Construction of Te Ahu a Turanga: Manawatū-Tararua highway project will resolve long-standing resilience challenges associated with the Manawatū Gorge and provide a safe, resilient and efficient route between Woodville and Ashhurst. The new highway is due for completion by the end of 2024.
HB Expressway Safety Treatments (Committed Activity)	The HB Expressway forms part of the key strategic link between Napier Port and the Horizons Region. The Palmerston North - Manawatu sub area is increasingly functioning as a freight hub, and tonnages of freight between the Manawatu and the Hawke's Bay region are increasing. It is important that the HB Expressway functions safely and efficiently
SH5 Napier to Taupo Programme Business Case	This is an important tourism and freight route for both the Hawke's Bay and Waikato regions. The Programme Business Case will determine the long-term strategy for managing this regional route.

9.5 Regionally significant expenditure from other funding sources

Activity	AO	Description	Start year	End year	Total cost	Funding source
Waikare Gorge	WK	Pre-implementation	2021	2022	$1,500,000	Crown
Waikare Gorge	WK	Implementation		2024	$46,000,000	NLTF
SH2 Passing opportunities	WK	Implementation	2021	2023	$18,000,000	Crown

9.6 Activities to be varied suspended or abandoned

There are no known activities to be varied, suspended or abandoned.

10 Assessment of the relationship of police activities to the Regional Land Transport Plan

There are programmes that fall outside of the scope of the RLTP yet play a key role in the regional road safety effort; the most significant of which is the road-policing programme.

Police enforcement is central to the delivery of a regional safe system response to road safety. Police collaborate with stakeholders across the region in accordance with the road safety policy directives of Safer Journeys, the National Road Policing Plan and District Road Safety Action Plans. The funding for road policing comes directly from national sources, though regional policing activity is planned and implemented alongside the road safety programmes contained within the RLTP. Police use an evidence-based approach to influence road user behaviour through risk-targeted, general and specific deterrence enforcement strategies.

Police are involved in regional road safety strategy and planning; road safety promotion and the delivery of roadside education and work collaboratively with Road Safe Hawke's Bay to address the top priority road safety issues in Hawke's Bay – these have been identified as young drivers, drink drivers, speed, loss of control on rural roads and motorcycle crashes. These issues have been identified in the Waka Kotahi data reports and NZ Police statistic reports.

Enforcement operations are coordinated with other regional road safety initiatives such as education to ensure that all activities are appropriately timed and achieve maximum impact.

Road Safe Hawke's Bay is run under the umbrella of Hawke's Bay Regional Council and reports to the Regional Transport Committee.

11 Monitoring indicator framework



This section describes how monitoring will be undertaken to assess implementation of the Regional Land Transport Plan.

Outcome: Inclusive access

Measure	Indicator	Specifications	Data Sources
1: Access to cycleways	• Distance to cycleway	• 25% of urban households are within 400m of a cycleway facility	• Cycleway maps for urban areas
2: Access to public transport	• Distance to regular bus route	• 40% of urban households within 400m of a regular bus route	• Public transport route information by spatial areas

Outcome: Healthy and safe people

Measure	Indicator	Specifications	Data Sources
1: Deaths and serious injuries	• Percentage reduction in deaths and serious injuries by 2020	• 40% reduction in deaths and serious injuries by 2030 from 2020	• Waka Kotahi crash statistics
2: Risky driver behaviour	• Trends in risk behaviour as the cause of crashes	• A decreasing trend in the number of crashes caused by risky driver behaviour	• Waka Kotahi crash statistics

Outcome: Environmental sustainability

Measure	Indicator	Specifications	Data Sources
1: people using public or active transport for work and education	• Percentage of people using transport methods other than private car for work and education	• 30% of people travel to work by active or public transport (private vehicle use reduces by 20% (to 70%) • 65% of people travel to school by active or public transport by 2030 (Private car reduces by 23% (to 35%)	• Statistics NZ • Bus patronage • cycleway meters

Outcome: Resilience and security

Measure	Indicator	Specifications	Data Sources
1: Road closures	• Duration and frequency of road closures on the following key freight routes; SH2, SH50, SH51, SH5, SH38 (Wairoa to Onepoto), Porongahau / Wimbledon Road, Taihape Road, Puketiritiri Road, Pakowhai Road, Anderson Road, Whakatu Road, Omahu Road, Te Ara Kahikatea, Karamu, Road, Havelock Road	• No change to the duration and frequency of road closures over a 5 year period do not exceed acceptable frequency or duration.	• Traffic Road Event Information System (TREIS) data

Appendix A Significance Policy

1. PURPOSE OF THE POLICY

Section 106(2) of the Land Transport Management Act 2003 (the Act) requires the Regional Transport Committee (RTC) to adopt a policy that determines significance in respect of:

- the activities that are included in the regional land transport plan under section 16 of the Act; and
- variations made to regional land transport plans under section 18D of the Act.

2. APPLICATION OF THE POLICY

The policy will be used in the following ways:

- To determine which activities are significant for the purposes of prioritisation in the plan. (Section 16(3)(d) of the Act requires the RTC to determine the order of priority of significant activities that it includes in the plan).
- To determine inter-regional significance. (Section 16(2)(d) requires the RTC to identify any activities that have interregional significance).
- To identify regionally significant expenditure from other sources. (Section 16(2)(c) requires the plan to include all regionally significant expenditure on land transport activities to be funded from other sources.
- To determine whether a variation to the plan is significant and therefore must be consulted on.

(Section 18D requires that significant variations to the plan undergo a public consultation process)

3. DETERMINATION OF A SIGNIFICANT ACTIVITY FOR PRIORITISATION

For the purpose of section 16(3)(d) of the Act, a significant activity is any activity put forward by an approved organisation (including the Waka Kotahi) that includes:

All new improvement activities in the region where funding from the National Land Transport Fund is required within the first three years of the Regional Land Transport Plan other than:

- Maintenance, operations and renewal programmes
- Public transport programmes (existing services)
- Low cost/low risk programmes
- Road safety promotion programmes
- Investment management activities, including transport planning and modelling
- Business cases that are not part of a package

4. DETERMINATION OF INTER-REGIONAL SIGNIFICANCE

For an activity to have inter-regional significance under section 16(2)(d) it is any significant activity (see above):

- that has implications for connectivity with other regions; and /or
- for which cooperation with other regions is required; or
- any nationally significant activity identified in the Government Policy Statement on Land Transport

5. DETERMINATION OF REGIONALLY SIGNIFICANT EXPENDITURE FROM OTHER SOURCES

For the purposes of Section 16(2)(c), regionally significant expenditure from sources other than the national land transport fund is any expenditure on individual transport activities, whether the activities are included in the Regional Land Transport Plan or not from:

- Approved organisations (where there is no National Land Transport Fund share)
- Crown appropriations
- Other funds administered by the Crown

6. DETERMINATION OF SIGNIFICANCE OF A VARIATION

The Regional Land Transport Plan can be varied at any time, once operative. In accordance with section 18D of the Act, consultation will be required on a variation if the variation is significant. Certain activities do not require a variation to the Regional Land Transport Plan (Section 18D of the Act) and these are activities proposed by an approved organisation relating to:

- local road maintenance
- local road renewals
- local road minor capital works; and
- existing public transport services

The RTC has adopted the following definition to determine when a variation to the Regional Land Transport Plan is significant and must therefore undergo consultation:

All variations to the Regional Land Transport Plan other than the following are considered to be significant for the purposes of consultation:

- Activities that are in the urgent interest of public safety; or
- New preventative maintenance and emergency reinstatement activities; or
- The new activity has been previously consulted on and meets funding approval provisions in accordance with sections 18 and 20 of the Act; or
- A scope change that does not significantly alter the original objectives of the project – to be determined by the RTC; or
- Variations to timing, cash flow or total cost for improvement projects
- Replacement of activities within an approved programme (eg maintenance programme) or group with activities of the same type and general priority; or
- A change to the duration and/or order of priority of the activity that does not substantially change the balance of the programme.

7.6 QUARTERLY NON-FINANCIAL PERFORMANCE REPORT JULY - DECEMBER 2020

File Number: **COU1-1400**

Author: **Brent Chamberlain, Chief Financial Officer**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Oct 2020 - Dec 2020 Non Financial Results ⇩**

PURPOSE

The purpose of this report is to present to Council the Quarterly non-financial performance report for the period 1 July – 31 December 2020.

RECOMMENDATION

That having considered all matters raised in the report:

That the Quarterly Non-Financial Performance Report 1 October—31 December 2020 be received.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

These reports seek to provide Council a quarterly update on non-financial performance measures, as set out in the Long Term Plan 2018-2028.

Non-financial performance measure (often referred to as Statements of Service performance (SSPs)), compare performance on levels of service against benchmarks set by Council when adopting the Long Term Plan (LTP) or Annual Plan (AP).

Some of these SSPs are set by regulations from Central Government and are, therefore, measures that are used throughout New Zealand.

The 2018-2028 Long Term Plan sets out a range of performance measures which Council are required to report on quarterly. Over the course of the annual cycle, these performance measures then form the basis of the Annual Report.

This particular report, highlights the pressures of growth in Building and Resouce Consents and the impact that is having on service level with regards to timeframes for consentings. While the target is not going to be achieved, every effort is getting taken, into ensure this issue is mitigated.

DISCUSSION

The report is **attached.**

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;

- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

The second quarter non-financial performance measures will be reported to Council 3 June 2021.

RECOMMENDATION

That having considered all matters raised in the report:

That the Quarterly Non-Financial Performance Report 1 October—31 December 2020 be received.

Central Hawke's Bay District Council			Non-Financial Quarterly Report: 1 October 2020 – 30 December 2020	
Leadership and Governance Performance measures intended to be reported in the Annual Report. The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.				
What Customers Want/Customers Value	**Customer levels of Service**	**Performance Measure**	**Target 2020/2021**	**Achieved level of service**
Council that listens to its community, responds efficiently and effectively, communicates well and has a can-do customer services attitude.	Responsive	The percentage of people who consider that Council has responded well or very well to community needs and issues.	75%	**On track to achieve** This will be assessed in Q4 as part of our Independent Community Views Survey.
	Compliant	The percentage of formal consultation which follows legislative and policy requirements.	100%	**On track to achieve** Council is meeting legislative and policy requirements with regards to consultation.
	Responsive	Every time consultation occurs more than 4 engagement methods are used.	>4	**On track to achieve** This will be measured throughout the year.
	Compliant	The percentage of Council and Committee agendas made available to the public four working days before the meeting.	100%	**On track to achieve** There were 4 meetings in the reporting period, where updated information was provided to Council within the four-day period.
	Informative	The percentage of people who consider that Council has communicated well on Council business.	80%	**On track to achieve** This will be assessed in Q4 2021 as part of our Independent Community Views Survey.

	Inclusive	Council meets formally with Taiwhenua o Tamatea at least 4 times a year.	4	**Achieved** Through Council's partnership with manawhenua and Te Taiwhenua o Tamatea in the development of The Maori Engagement Strategy, Nga Ara Tipuna, and key projects including Vegetation, Rakei Ora – Bringing Wellbeing to Marae, He Ringa ora Whanau and He Kura Kainga are further projects where Council is partnering with Taiwhehua in the delivery of services.
	Compliant	Documents audited receive an unmodified audit opinion.	100%	**Achieved** The 2019/2020 Annual Report received an unmodified audit opinion.

Economic and Social Development				
What Customers Want/Customers Value	**Customer levels of Service**	**Performance Measure**	**Target 2020/2021**	**Achieved level of service**
To have a strong Council voice that advocates and leads change in economic and social issues and opportunities for the District.	Participates	Council actively participates in regional collaborative initiatives around economic and social development.	Yes	**On track to achieve** Council remains an active participant in regional social development initiatives including Hawke's Bay Funders Forum, Hawke's Bay Housing Coalition, and Hawke's Bay Safe Communities Forum. Council is an active participant and leader in regional economic development initiatives including Matariki HBRDS, and THINK HB.

	Leads	Council develops and implements a Community Wellbeing and Economic Development Strategy.	Yes	**On track to achieve** The Community Wellbeing Strategy is being actively implemented. The Economic Development Action Plan (EDAP) has been adopted by Council and implementation remains underway. An economic recovery plan has been developed to respond to the challenges of COVID-19 and drought, and this sits alongside the EDAP in the short-medium term, or as long as necessary.
	Inclusive	The percentage of the Youth Action Plan that is implemented and achieved.	80%	**On track to achieve** 65% implemented and achieved to date.
	Inclusive	The percentage of the Safer CHB Action Plan that is implemented and achieved.	80%	**On track to achieve** 70% implemented and achieved year to date.
	Inclusive	The percentage of the Older Persons Action Plan that is implemented and achieved.	80%	**On track to achieve** 70% implemented and achieved year to date.
	Inclusive	The percentage of the Disability Action Plan that is implemented and achieved	80%	**On track to achieve** 70% implemented and achieved year to date.
	Effectiveness	The annual visitor spend increases by $1m annually.	+$1m	**On Track to Achieve -** We cannot produce data at this time but hope to by mid-February.
	Accessibility	The number of participants in events financially supported by Council.	3000	**Achieved** The Ongaonga Victorian Fair alone saw over 3,000 people in attend this Council financially supported event early in Q2. The Central Hawkes Bay Christmas Carnival held in December attracted an estimated 2000- 2500 people into the Waipukurau town centre.

	Effectiveness	Support the creation of net new jobs within the District.	50	**Achieved** Through rapid delpoyment deployment programmes including Vegetation, Rakei Ora and Tuki Tuki Trails, over 45 people have been put into employment, creating new fixed term jobs. The Jobs in Central Hawke's Bay project which is funded through the Mayors Taskforce for Jobs and MSD has seen 360 referrals come through the mobile employment hub and has placed 125 people into employment. Of these 125, 49 can be counted towards the MTFJ contract as they are Youth or people who have been displaced due to COVID. The Jobs in Central Hawke's Bay team maintain a close and effective working relationship with MSD. The Waipukurau branch achieved the highest number of job placements in the East Coast region in December which shows that the partnership with Jobs in Central Hawkes Bay is a valuable one. The Team also continues to work closely with the Project Management Office to assist contractors who secure tenders within the district to find local employees.
	Quality	The percentage of the community satisfied with the Economic and Social Development activity of Council.	95%	**On track to achieve** Will be measured in Q4 2020 as part of the Districtwide Residents Survey.

District Planning

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What Customers Want/What Customers Value	Customer Levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
The District Plan is kept up to date and relevant to the needs of our community – helping us to maintain a well-designed and sustainable district	Effectiveness	Review of the District Plan is completed within timeframes.	Rolling Review of Operational District Plan	**Will not be achieved** While the timelines of achieving an operational plan in 2020 are now redundant the new levels of service proposed for the review are inconsistent with those recommended to Council for the new LTP. Until Council formally adopts the new Levels of Service proposed for the review this inconsistency will remain. It should be noted however that the review is tracking in accordance with the revised work programme and is on target to meet the notification date of May 2021. More particulaty the draft phase of the review has been completed and the formal phase of the review will commence on 1 January 2021. Planning and legal reviews of the document will be undertaken in January and it is anticipacted that the Section 32 Reports will be completed by the end of January 2021. Iwi consultation continues with a District Plan Hui held in November to explain pre-notification engagement with iwi authorities. It is hoped to build on this and engage with individual marae in 2021 ahead of notification of the Plan to comply with the requirements of Schedule 1 of the RMA. The assessment of Significant Natural Areas was also completed with revised and corrected maps sent to the rural stakeholder group. Individual reports to property owners with SNAs on their land will be sent out in January 2021.

				The District Plan Committee received a copy of the Plan at their meeting on 15 December with full integration of the planning standards. Subject to amendments from the legal and planning reviews and any advice received from consultation with iwi authorities the Plan is anticipated to be ready for upload onto an eplan platform early April 2021.

Land Use and Subdivision Consents

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer Levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
The land use and subdivision consent process is compliant, efficient and user friendly.	Timeliness	The percentage of resource consents (non-notified) processed within 20 working days (the statutory timeframe).	100%	**Will not be achieved** **TOTAL RESOURCE CONSENTS** **Average processing days = 20.7 days** 46% of consents issued within 20 days **Land Use Consents** Average processing days = 20.3 days 29% of consents issued within 20 days **Subdivision Consents** Average processing days = 23 days 39.5% of consents issued within 20 days **Permitted Boundary Consents** Average processing days = 5.6 days 100% of consents issued within 20 days The increase in consent application numbers seen earlier this year has continued wtih 30% more resource consents processed compared to the same period 2019/20. While the percentage of consents processed within 20 days apprears low at 46%, the average processing time of 20.7 days is only marginally over the statutory timeframe. A small number of very complex consents are pushing the average processing time up.

				A heavy reliance on external consultants, signifincantly increased public enquiry and two staff vacancies are key contibutors to the increased timeframes. Plans and processes are in place to bring this back into line with recruitment currently in the final stages for an additional internal resource and changes to the outsourcing/contracting model for services implemented prior to Christmas. While mandatory timelines are in some cases exceeded by a small number of days, every effort is made to communicate with applicants and affected parties and the number of complaints or dissatisfied customers is very low.
	Customer Service	The percentage of customers satisfied with the land use and subdivision consent services provided	90%	**On track to achieve** Will be measured in Q4 2020 as part of the Districtwide Residents Survey.

Building Control

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer Levels of Service	Performance Measure	Target 2020/21	Achieved level of service
The building consent process is compliant, efficient and user friendly	Timeliness	The percentage of building consents processed within 20 working days (the statutory timeframe).	100%	**Will not be achieved** **95.6% consents processed within 20 working days** • 90 consents processed, 4 outside of the 20-day period (processed by external consultants) • $21,281,292 value of consents this quarter • 68 consents processed in the same period 2019 • $11,454,340 value for same period 2019 Due to the current volume, complexity of consent applications (reflected in the increased $ value) and staff vacancies most consents are processed externally. In late October we were advised by National Processing that timeframes were likely to extend beyond the service level agreement based on the increased volumes they are also experiencing from other BCA's. Consents are processed in-house wherever possible however with current growth projections we anticipate continued difficulties in meeting the 100% objective.
	Safety	The maintenance of building consent authority accreditation status.	Achieved	**Achieved** Council regained accreditation in November 2020. The next IANZ assessment is in 2022. Very positive feedback was provided by the independent assessors who commented on CHB being the only Council ever

				assessed to receive no Technical non-conformances with the only non-conformances noted as procedural.
	Customer Service	The percentage of customers satisfied with the building consent services provided.	90%	**On track to be achieved.** Will be measured in Q4 2020 as part of the Districtwide Residents Survey.

Public Health

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer Levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
The public health process is compliant, efficient and user friendly.	Health and Safety	The percentage of food and other premises inspected at least once a year.	100%	**Will not be Achieved** Under legislation and regulations, we are not required to inspect every premise every 12 months. This is a higher level of service than required in legislation and not provided for within current resourcing and budgets. The premises inspected this quarter include: • 23 food and other premises inspected this quarter that we are required to inspect. • 40 of 109 of food and other premises have been inspected year to date. ★ We register National programmes food premises but do not inspect or verify these, these are required to be verified by a third party verifier. We have 6 premises currently registered on National Programmes (these are not included in the 109 total food and other premises inspected).
	Health and Safety	Where premises do not meet minimum standards, a corrective plan is put in place to help them within 10 working days	100%	**On track to be achieved** There have been no corrective plans required this quarter.
	Responsiveness	Complaints received are responded to within 3 working days.	100%	**On track to be achieved** 100% of complaints have been responded to within the timeframe.

	Customer Service	The percentage of customers satisfied with the public health services delivered.	95%	**On track to be achieved** Will be measured in Q4 2020 as part of the District wide Residents Survey.

Animal Control

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/21	Achieved level of service
Excellent customer service is provided to our customers and the animal control activity minimises nuisance and makes our community a safer place to live.	Compliance	The percentage of known dogs registered.	>95%	**On track to be achieved** 90% - We continue to be proactive in this area, following up with those that haven't registered and encouraging registration of unknown unregistered dogs. 520 known dogs are currently unregistered with a total of 4894 registered.
	Safety	Percentage of serious dog incidences responded to within 2 hours	100%	**On track to be achieved** 100% - 13 Rushing/attacks and stock worrying calls were received this quarter.
	Safety	Response to all stock complaints and requests within 24 hours	100%	**On track to be achieved** 100% - 21 Stock wandering calls were received this quarter and responded to within the timeframe.
	Customer Service	The percentage of users satisfied with the Animal Control service provided	90%	**On track to be achieved** Will be measured in Q4 2020 as part of the District wide Residents Survey.

Compliance and Monitoring

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer Value	Customer levels of Service	Performance Measure	Target 2020/2021	Achieved level of service
The compliance and monitoring process is compliant, efficient and user friendly	Safety	Owners, or their agents, advised that their BWOF has lapsed within one month of expiry.	100%	**Achieved** New tracking tool in place. Monthly letters are issued and followed us as required.
	Efficiency	All PIMs, LIMs, and CCCs issued within the statutory timeframe.	100%	**Will not be achieved** 28 LIMs issued - 93% within statutory timeframe • The boom in the local housing market has signifincatly increased the volume of applications and stretched processing resources. 98 CCCs issued - 97% within statutory timeframe • Further to the IANZ audit in November and a MBIE update, changes were made to the CCC processing requirements. The non-achieved result in this area is a direct result. • 0 PIMS issued - not commonly requested
	Timeliness	Respond to complaints about non-compliance with bylaws within 3 days.	100%	**On track to be achieved** 100% for this quarter
	Compliance	The percentage of resource consents monitored within two years of being issued.	100%	**Achieved** New reporting tool in development to increase relevance.

	Customer Service	The percentage of users satisfied with the Compliance and Monitoring service provided.	90%	**On Track to be achieved** Will be measured in Q4 2020 as part of the Districtwide Residents Survey.

Land Transport

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
The provisions of a safe and secure local roading network that meets the needs of our community	Safety	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Reduce total number to 0	**Not achieved** Fatalities this quarter =Nil Fatalities YTD 2020/21 = Nil Fatalities 2019/20 = 1 Serious Injuries this quarter = 1 Serious Injuries YTD 2020/21 = 1 Serious Injuries 2019/20 = 5 Council continues to work with the Police and RoadSafe Hawkes Bay to understand crash statistics and crash data and are confident that road surfaces or general condition have not been a contributing factor in the listed accidents above.
	Quality	The average quality of ride on a sealed local road network, measured by smooth travel exposure	Between 85 & 90%	**Achieved** 88.8% measured and recorded RAMM
	Quality	At least 20% of the footpaths in excellent condition and no more than 10% of the footpaths in poor condition measured annually	Excellent >50% Poor <10%	**On Track to be Achieved** The footpath rating has yet to be completed for this fiscal year.
	Quality	The percentage of the sealed local road network that is resurfaced	Between 6 and 8%	**On Track to be Achieved** The reseal season does not start until January 2021 so no measurement. The plan is to complete 6%

	Responsiveness	The percentage of customer service requests relating to road and footpaths to which the territorial authority responds within 3 working days	100%	**Not achieved** 90% of requests have been responded to within 3 days.
	Customer Service	The percentage of users satisfied with the roading service provided	90%	**On Track to be Achieved** Will be measured in Q4 2020 as part of the District wide Residents Survey.

Solid Waste

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Council supports and provides incentives for waste reduction, reuse and recycling in line with its Waste Management & Minimisation Plan	Effectiveness	The tonnes of recyclables through the centre each year	>1500 tonnes	**On track to be achieved** Total for Q1: 205 T. Total for Q2: 421 T. **YTD: 626 T.** The effects of COVID lockdown saw dramatic reductions in the amount of recycling diverted from landfill during the first quarter as many National processing facilities closed and took some months to re-open. This meant a volume of recycling needing to go to landfill during this time. Overall collected volumes at the kerbside and through our centres continue to increase with contamination remaining a key factor in the total volumes diverted from landfill.
	Effectiveness	The amount of green waste processed each year	>2,250m3	**Achieved** Q 1 - 1233 cubic metres Q 2: Oct 420m³ Nov 480m³ Dec 510m³

				Q2 Total 1410 m³ Total YTD - 2643m³ YTD
	Awareness	The number of schools participating in waste minimisation programmes	75%	**Achieved** 94.4% of schools participating in waste minimisation programmes Q2 - 5 Schools Participated ➢ Terrace school ➢ St. Joseph school ➢ Elsthorpe school ➢ Flemington school ➢ Waipawa primary school
	Awareness	Hold waste minimisation promotional events in the District	4	**Achieved** Q1 - 1 events this quarter – free greenwaste day Q2 – 3 events held • e-waste • Free Christmas tree disposal • work with Hunter Park Kindy – on their Environmental Funding project Total YTD - 4
	Customer Service	The percentage of users satisfied with the solid waste service provided	90%	**On track to be achieved** Will be measured in Q4 2020 as part of the Districtwide Residents Survey.

Water Supply

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer Value	Customer levels of service	Performance measure	Target 2020/2021	Achieved level of service

A continuous supply of water is provided at the right quantity, quality and pressure so that residents and industry can do what they need to do (for example, this should be deleted as we are not here to treat water for irrigation requirement or at least be changed to domestic irrigation, showering and recreation)	Safety	The extent to which the local authority's drinking water complies with part 4 of the drinking water standards (bacteria compliance criteria)	All potable supplies 100%	**Achieved** Otane 100% Waipawa 100% Waipukurau 100% Takapau 100% Kairakau 100% Porangahau 100%
	Safety	The extent to which the local authority's drinking water supply complies with Part 5 of the drinking water standards (protozoal compliance criteria).	All potable supplies 100% Target 2020	**On Track to be Achieved** • Otane Pending DWAU feedback on monthly reports result. • Waipawa Pending DWAU feedback on monthly reports result. • Waipukurau: Pending DWAU feedback on monthly reports result. • Takapau: 100% secure bore • Porangahau: Pending DWAU feedback on monthly reports result. There was a data issue during the quarter where we have missing data due to a SCADA server software issue where we have for longer than a 3-minute period. This has caused a technical noncompliance. We continue to work with the Drinking Water Assessment Unit to validate this technical error and are hopeful of a final compliance mark at year end.

	Quality	Percentage of real water loss from the local authority's networked reticulation system.	≤ 30%	**On Track to be Achieved** Work is underway to install meters and conduct night-flow analysis to accurately measure water losses. Currently this cannot be accurately measured.
	Responsiveness	Attendance for urgent callouts; from the time that the local authority received notification to the time that service personnel reach the site.	≤ 2 hours	**Achieved** The median response time for this quarter is 17 minutes.
		Resolution of urgent call outs; from the time that the local authority receives notification to the time the service personnel confirm resolution of the fault or interruption.	≤ 12 hours	**Achieved** The median resolution time for the quarter is 1 hours 58 minutes.
		Attendance for non-urgent call outs: from the time that the Local Authority receives notification to the time the service personnel reaches the site.	≤ 6 hours	**Achieved** The median response time for this quarter is 15 minutes.
		Resolution of non-urgent call outs: from the time that the Local Authority receives notification to the time the service personnel confirm resolution of the fault or interruption.	≤ 72 hours	**Achieved** The median resolution time for the quarter is 1 hours 40 minutes. There were 108 RFS's processed during the quarter.

	Customer Service	Number of complaints relating to drinking water received (per annum per 1000 connections to the local authority's networked reticulation system) Drinking water clarity, Drinking water taste, Drinking water odour, Drinking water pressure or flow, Continuity of supply, The local authority's response to any of these issues.	≤ 5	**Achieved** .22 complaints per 1000 connections this quarter. There was a total of 1 complaint for the quarter. These complaints have been resolved. There are currently 4158 water connections to the networked reticulation system.
	Demand Management	The average consumption of drinking water per day per water connection	≤1.80m3	**Achieved** 1.74m^3 average consumption of drinking water per day per connection for the quarter. There are currently 4158 water connections to the networked reticulation system. 7264m^3 produced per day. Water conservation and management strategy being reassessed.
	Customer Satisfaction	The percentage of users satisfied with the water supply service provided	90%	**On track to be achieved** Will be measured in Q4 2020 as part of the Districtwide Residents Survey.

Wastewater

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer levels of service	Performance measure	Target 2020/2021	Achieved level of service
The sewerage system is convenient, safe and reliable	Quality	Target number of dry weather sewerage overflows (per 1000 connections to the total sewerage system).	≤10	**Achieved** 0.254 dry weather sewerage overflows (per 1000 connections to the total sewerage system) this quarter. 1 reported dry weather overflow for the quarter. There are currently 3935 sewerage connections to the total sewerage systems.
	Quality	Target number of total sewerage overflows (per 1000 connections to the total sewerage system).	≤30	**Achieved** 1.01ewerage overflows (per 1000 connections to the total sewerage system) this quarter. 4 reported overflows for the quarter. There are currently 3935 sewerage connections to the total sewerage systems.
	Compliant	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:		**Achieved** Number of abatement notices received for the quarter: 0 Number of abatement notices received year to date: 0
		abatement notices	0	
		infringement orders	0	**Achieved** Number of infringement notices received for the quarter:0 Number of infringement notices received year to date: 0

		enforcement orders and	0	**Achieved** Number of enforcement orders received for the quarter: 0 Number of enforcement orders received year to date: 0
		convictions, received by the territorial authority	0	**Achieved** Number of convictions received for the quarter: 0 Number of convictions received year to date: 0
	Responsive	Median response time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that the service personnel reach the site).	≤1hr	**Achieved** 35 minutes
		Median resolution time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that service personnel confirm resolution of the blockage or other fault).	≤ 4 hrs	**Achieved** 2 hours 6 minutes
	Customer Service	Number of complaints received per annum per 1000 sewerage connections about any of the following: Sewage odour, Sewerage system faults, Sewerage system blockages or Council's response to issues with its sewerage systems.	≤ 10	**Achieved** 4.3 complaints received per 1000 sewerage connections this year. There was a total of 15 complaints for the year. There are currently 3463 sewerage connections to the total sewerage systems.

	Customer Service	The percentage of users satisfied with the wastewater service provided.	90%	**Achieved** 91%

Stormwater

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer Value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
A safe and operational stormwater drainage network for design events	Quality	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)	0	**Achieved** 0 habitable floors affected in flooding events this quarter (per 1000 properties connected). There are currently 3022 storm water connections to the networked reticulation system.
	Compliant	Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of abatement notices.	0	**Achieved** Number of abatement notices received for the quarter: 0
		infringement orders	0	**Achieved** Number of infringement notices received for the quarter: 0
		enforcement orders; and	0	**Achieved** Number of enforcement orders received for the quarter: 0
		successful prosecutions, received by the territorial authority in relation to those resource consents.	0	**Achieved** Number of prosecutions received for the quarter: 0

	Responsive	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤2hr	**Achieved** The median response time for the quarter is 0 minutes. There were no flooding events for quarter
	Customer Service	The number of complaints received about the performance of the stormwater system (expressed per 1000 properties connected to the stormwater system).	≤ 5	**Achieved** 1.985 complaints received per 1000 stormwater connections this quarter. There were 6 complaints for the quarter There are currently3022 storm water connections to the networked reticulation system.
	Customer Service	The percentage of users satisfied with the stormwater service provided.	90%	**Achieved** 92%

Parks, Reserves and Pools

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
A range of parks and reserves that are affordable, well maintained and safe that provide for the sporting, cultural and well-being of the community.	Safe	Safety checks on playground equipment are carried out monthly	Achieved	**Not achieved** Total: 97.6% Q2: 95% (20/21) of playgrounds checks have been completed. One playground was not assessed within the month window. Q1: 100%.
	Accessible	The percentage of people that have used or visited a park or reserve in the last 12 months	65%	**On track to be achieved** Will be measured in Q4 2021 as part of the Districtwide Residents Survey. In last year's (May 2020) Resident Opinion Survey 78% of residents have used/visited parks and reserves in the District.
	Quality	The percentage of people that are satisfied with the park or reserve used or visited in the last 12 months	90%	**On track to be achieved** Will be measured in Q4 2021 as part of the Districtwide Residents Survey. In last year's (May 2020) Resident Opinion Survey 95% reported being satisfied with the parks & reserves.
Access to good quality swimming pool facilities for fun, recreation and exercise	Accessible	The number of A W Parsons pool users	78,000	**Not on track for achievement** The data is not available to Council for reporting for AW Parsons pools until year end. Numbers may be down due slightly due to early COVID level restrictions.

	Accessible	The number of Waipawa pool users	3,120	**On track to be achieved** • Q2: Total: 2458 (Schools 1,829 & public 629) • The beginning of December was cold, and the water temperature and outside temperatures meant the pool didn't open for a total of 6 days in December. The hot sunny days have seen good attendance levels, whilst the cooler days the numbers dropped to between 1 and 10 per day. • Q1: Closed
	Safe	Both pools comply with the lifeguard pool safety standard Requirements.	Achieved	**On track to be achieved for Waipawa Pool** • Q2: Achieved for Waipawa Pool • Q1: Closed. The data is not available to Council for reporting for AW Parsons pools
	Quality	The percentage of people that are satisfied with the swimming pools used or visited in the last 12 months	65%	**On track to be achieved** Will be measured in Q4 2021 as part of the Districtwide Residents Survey. In last year's (May 2020) Resident Opinion Survey 94% reported being satisfied with Waipawa swimming pool.

Public Toilets

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Facilities are clean, safe, in good working order and	Health and Safety/ Quality	The percentage of the	90%	**On track to be achieved**

meet the needs of our community & visitors		public satisfied with the cleanliness and provision of public toilets.		Will be measured in Q4 2021 as part of the Districtwide Residents Survey. In last year's (May 2020) Resident Opinion Survey 91% reported being satisfied with the cleanliness and provision of public toilets. There has been changes in level of service during COVID (closures and increased LOS for 3 key public toilets on main routes). The LOS is now back to pre-Covid levels.

Retirement Housing

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer Value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Safe, well maintained and comfortable community housing for the ageing population in the District living on fixed income	Responsiveness	The percentage of retirement housing units that are occupied.	95%	**Achieved** 1st quarter: 100% 2nd quarter 100 %
	Quality	Tenants' overall satisfaction with Council's Retirement Housing service.	80%	**On track to be achieved** Will be measured in Q4 2021 as part of the annual Tenant Survey. 100% reported satisfaction in annual tenant survey distributed to all tenants of our retirement housing in May 2019 & June 2020.

Libraries

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer levels of service	Performance measure	Target 2020/2021	Achieved level of service
Our libraries are inclusive places and all people are encouraged to make use of the library's services	Accessibility	The percentage of the Central Hawke's Bay population that use the library services.	65%	**Yet to be achieved** This will be measured in Q4.
	Accessibility	The number of people visiting our libraries measure by: • Physical visits • Online visits	Physical visits – 119,519 Online visits – 4,358	**Yet to be achieved** Q2 Physical visits 17666. Q2 Online visits: 5978 Online visits year to date 9878
	Quality	The percentage of library users satisfied with the service provided.	90%	**Yet to be achieved** This will be measured in Q4.

Theatres, Halls and Museums

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer Value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Safe, affordable and appropriate facilities that provide for the cultural and social well-being of the communities	Safety	All Community Owned Halls have a current BWOF	100%	**On track to be achieved** All halls had a BWOF for the 1st quarter. All halls had a BWOF for the 2nd quarter
	Accessibility	The number of users of the Memorial Hall	5,200	**Not on track for achievement** Total: 1505 1st quarter estimated participants: 549 from 64 bookings 2nd quarter estimated participants: 956 from 61 bookings Since the announcement of potential earthquake proneness and limiting occupancy Sports Hawke's Bay have dropped off our list e.g. mini ball, kiwi seniors, indoor hockey as well as any Council run activity. A cooking class has started up, Age Concern & the Rug Man still in the mix and a couple of new users. The Vintage Fair had good numbers and Amo reports users are following the guidelines.

	`	The number of users of the Civic Theatre.	17,150	**Not on track for achievement** TOTAL:5,374 1st quarter 4,028 2nd quarter 1,346 Movies started coming back during 2nd quarter with only regular numbers starting to be achieved just since Boxing Day. *This Town* premiere and release gave us the significant numbers in 1st quarter.
	Accessibility	The number of bookings of the CHB Municipal Theatre	187	**Not on track for achievement** TOTAL: 69 1st quarter 29 July – August were down with majority of the bookings up in September. 2nd quarter 40 Only 37% of yearly total at midway point
	High Quality	The percentage of hirers that are satisfied with the Memorial Hall.	85%	**Yet to be achieved** Will be measured via user survey later in year.
	High Quality	The percentage of hirers that are satisfied with the Civic Theatre.	85%	**Not on target for achievement** Due to the data being unable to be supplied, achievement of the measure cannot be made.
	High Quality	The percentage of hirers that are satisfied with the CHB Municipal Theatre	85%	**On track to be achieved** Reported on following User Survey during 4th quarter

Cemeteries

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer levels of service	Performance measure	Target 2020/2021	Achieved level of service
Cemetery grounds provide a special place of remembrance for loved ones amongst attractive and well maintained grounds	Availability	The number of plots available for burial or cremation in the District	500	**On track to be achieved** 637 plots are available for burial or cremation in the district. During the 2nd quarter, there have been 6 burials (1 into reserved plots) 11 ashes burial (3 into reserved plots) 0 burial plots reserved, and ashes plots reserved.
	Quality	The percentage of the community satisfied with cemetery facilities	90%	**On track to be achieved** Will be measured in Q4 2021 as part of the Districtwide Residents Survey. In last year's (May 2020) Resident Opinion Survey 97% reported being satisfied with our cemeteries.
	Accessibility	All burial records available to be viewed on the internet	100%	**Achieved** 100% burial records are available to be viewed on the internet during Q2

Properties and Buildings

Performance measures intended to be reported in the Annual Report.

The following performance targets have been set by Council to meaningfully assess the achievement of levels of service.

What customers want/Customer value	Customer levels of service	Performance Measure	Target 2020/2021	Achieved level of service
Ensure safe buildings for public use	Safety	Monthly Building Warrant of Fitness (BWOF) checks are carried out	Achieved	**Achieved** 100% of monthly BWOF's have been carried out in Q1. 100% of monthly BWOF's have been carried out in Q2

LGOIMA Requests			
Subject	**Business (if applicable)**	**Date Received**	**Date Completed**
Canine Control	HR Capability	23rd November 2020	2nd December 2020
Animal Control		6th October 2020	3rd November 2020
Mayoral Expenses	NZ Tax Payers Union	7th December 2020	22nd December 2020
Council Owned Art	NZ Tax Payers Union	September 2020	6th October 2020
Te Mata Mushrooms Resource Consent – Meeting Documentation		20th October 2020	6th November 2020
Meeting Information – Elected Member Conflict of Interest		1st October 2020	22nd October 2020
Elected Member Code of Conduct	NZME	12TH October	22ND October 2020
Trade Waste and Stormwater Bylaw Breaches	Radio NZ	21st October 2020	19th November 2020
Kairakau Water Treatment		9th November 2020	1st December 2020
Cash flow to External Organisations	Otago Business School	23rd November 2020	21st December 2020

Quarterly Activity Reporting

Wastewater Treatment Quality Results for 1 October 2020 to 31 December 2020

Showing number of exceedances in YTD sampling.

5 exceedances are allowed in 12 months.

	pH	$cBoD_5$	SS	DRP		Ammonia	E.Coli	
Waipawa	0	2	2	7		7	7	X
Waipukurau	1	0	1	7		7	1	X
Otane	0	1	0	✓				
Porangahau	0	0	0	✓				
Te Paerahi	0	0	0	✓				
Takapau	0	0	0	✓				

Wastewater Treatment Quality Results for the rolling 12 months

Showing number of exceedances in 12 months of sampling.

5 exceedances are allowed in 12 months.

	pH	$cBoD_5$	SS		DRP	Ammonia	E. Coli	
Waipawa	0	9	18		26	26	25	X
Waipukurau	1	0	1		26	26	5	X
Otane	0	2	4	✓				
Porangahau	0	0	1	✓				
Te Paerahi	0	0	1	✓				
Takapau	0	0	7	X				

Wastewater Flow Volumes for the rolling 12 months

	FLOW			
	Limit	**Exceedances Allowed**	**Result**	
Waipawa	1,500 m^3 per day	36 days	13 Exceedances	✓
Waipukurau	4,000 m^3 per day	36 days	10 Exceedances	✓
Otane	225 m^3 per day	36 days	5 Exceedance	✓
Porangahau	415 m^3 per day	18 days	7Exceedance	✓
Te Paerahi	190 m^3 per day	18 days	0 Exceedance	✓
Takapau	216 m^3 per day	No limit	Not Applicable	✓

7.7 HALF YEAR FINANCIAL REPORTING TO DECEMBER 2020

File Number: **COU1-1410**

Author: **Brent Chamberlain, Acting Chief Financial Officer**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. December 2020 Financial Commentary ⇩**

PURPOSE

The purpose of this report is to provide the Committee with a summary of Council's financial performance and highlight the key financials for the first half of 2020/21 financial year.

RECOMMENDATION

That, having considered all matters raised in the report, the report on Council's second quarter financial performance for the 2020/21 financial year be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as being of some significance.

DISCUSSION

The aim of this report is to provide Council with a summary of the financial performance of Council and highlights the key trends for the first half for the year ended 30 June 2021.

The report contains a Financial Overview for Whole of Council and the Groups of Activities.

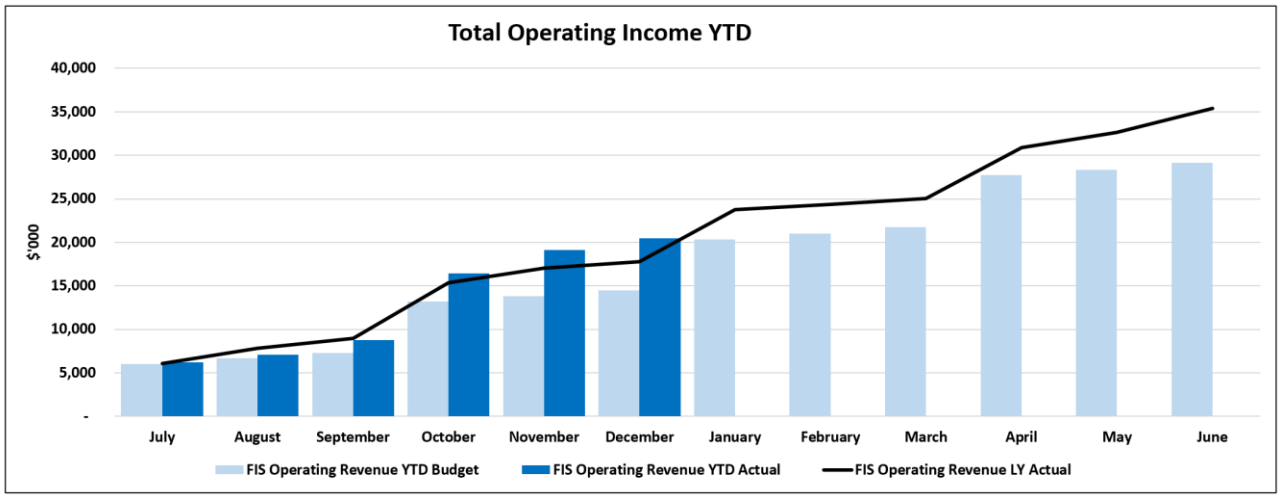
Budget Commentary

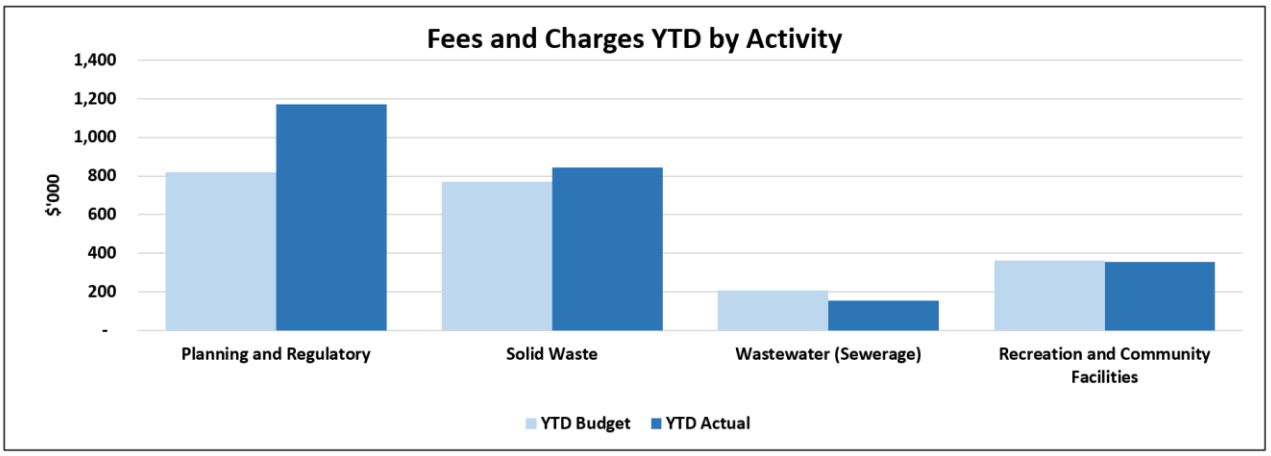
At a high level, operating revenue is $5.0m ahead of budget at December 2020 ($20.5m achieved versus $14.5m budget).

This difference is largely caused by unbudgeted external funding - 3 Waters Reform $1.175m operational, Economic Development Work Creation $3.5m, He Ringa Whanau Ora $0.1m.

The balance is driven by additional fees and charges and is volume related. For example, Council continues to experience a high demand for Resource Consents and Building Consents and this revenue is $353k up on budget.

In addition, Council has received a one off back payment from NZTA of $280k due to the change in the FAR rate (Funding Assistance Rate).





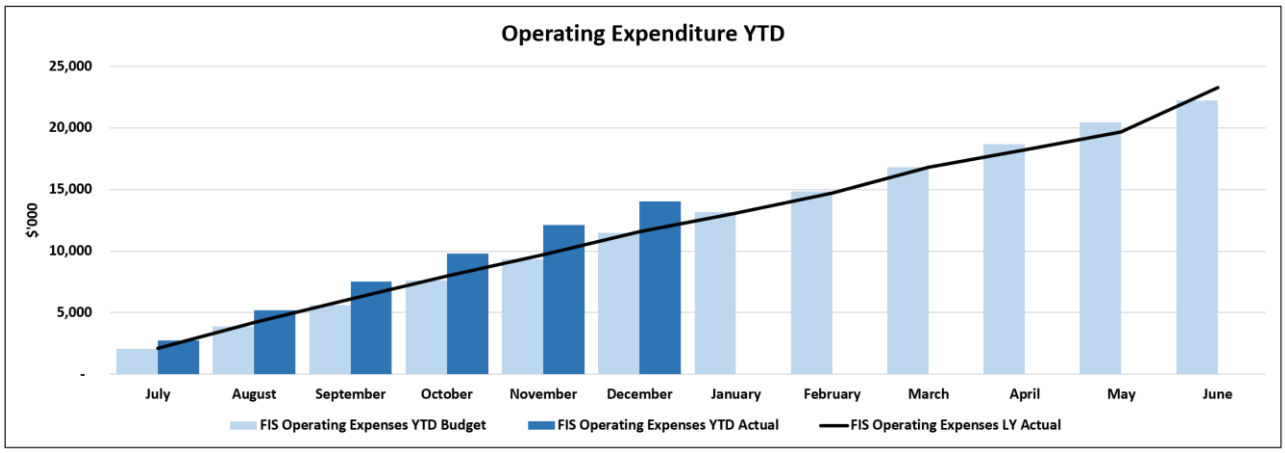
Just like revenue, operating costs are also up on budget by $2.5m (actually spent $14.0m versus a budget of $11.5m).

The unbudgeted revenue, also comes with unbudgeted costs - $1.7m of Work Creation payments. Note that this project should be rate neutral which suggests at 31 December Council is holding $1.8m of unspent work creation revenue.

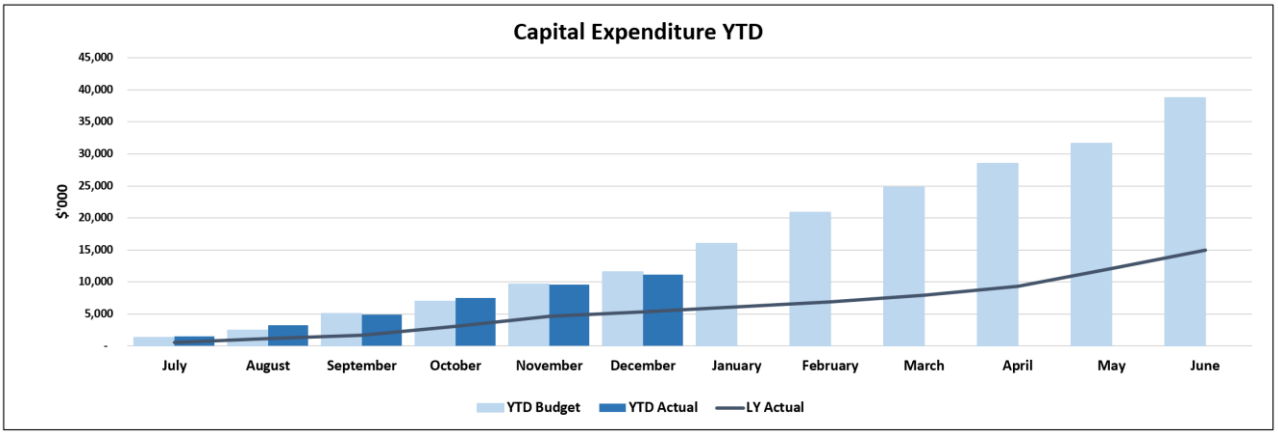
In terms of business as usual, Council is also experiencing cost overruns which is a mixture of demand/volume driven, and operational overspends.

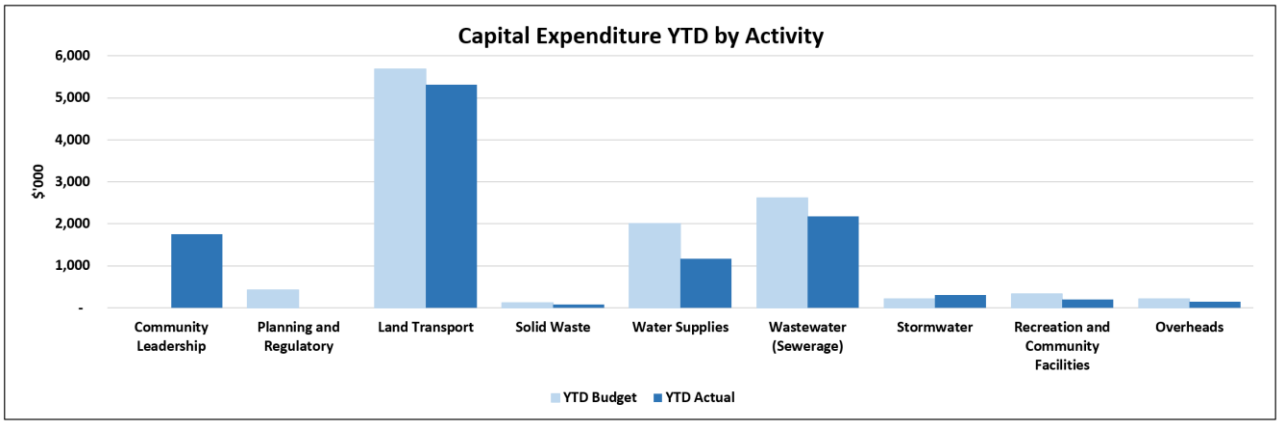
For consents, matching to the additional revenue, Council has spent an additional $309k on outsourcing consent processing. Solid Waste is $174k overspent due to a series of events including the disposal of accumulated tyres and concrete, transport of green waste to Napier, S17a review costs, and the purchase of carbon credits. Our 3 waters maintenance contracts are also over due to additional reactive maintenance - Water Supplies $335k (includes $98k to be recharged to 3rd parties for new connections), Wastewater $141k, and is offset by stormwater savings of $41k.

The district plan is also showing $209k overspent operationally, although the budget of this activity sits in the capital budget so is currently shown as mismatched.



At a high level Council looks like it is on budget for capital spend, although this view disguises the unders and overs. For example the Nga Tipuna project is sitting in Community Leadership with no budget, while the District Plan budget is showing but not the spend (see previous operating expenditure commentary section).



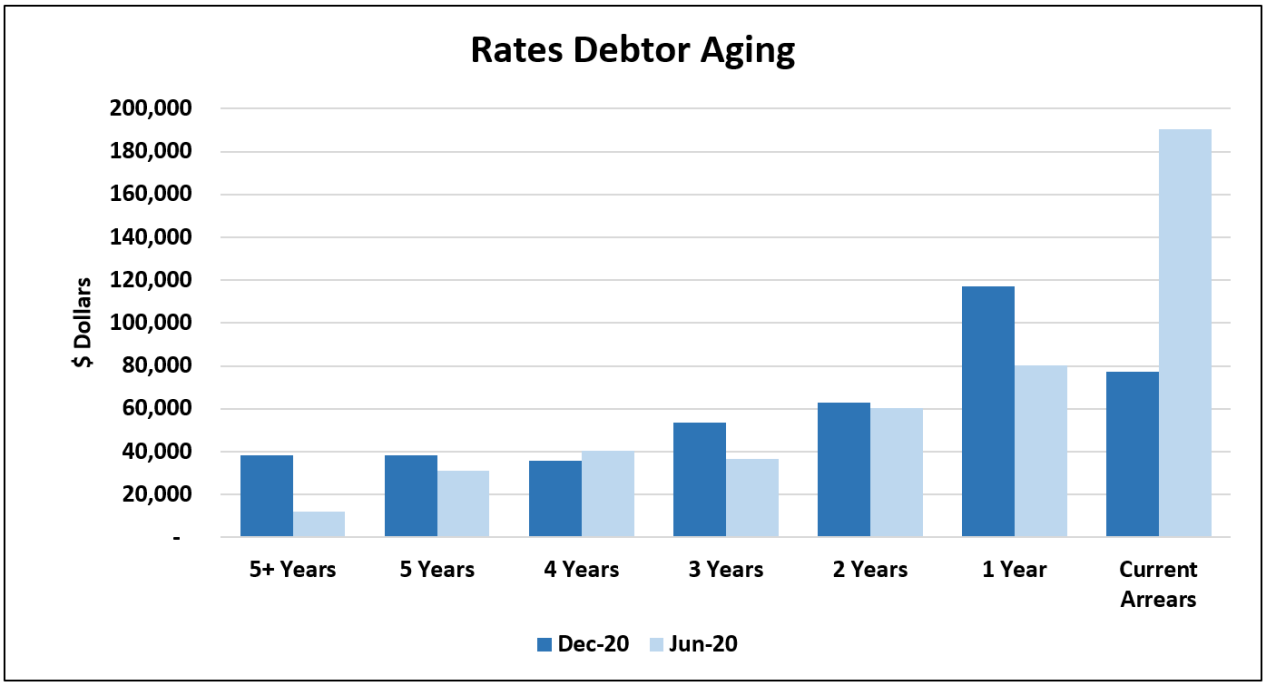


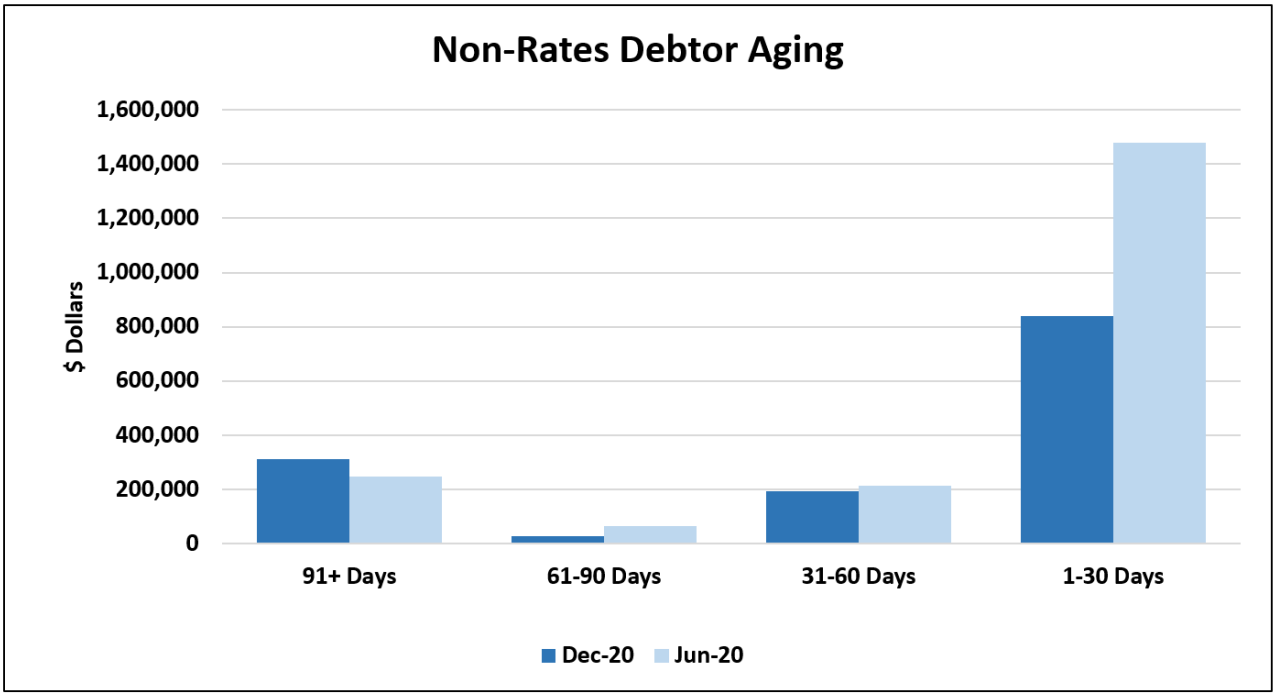
Cash Position

At the end of December Council was holding $13.9m in its call account and a further $6.0m in term deposits meaning it has plenty of funding available to fund its capital program for the months ahead.

Part of the reason Council was holding so much cash in December was due to the quarterly rates that were received at the end of November, and the first tranche of the 3 Waters Reform ($5.5m) was also received late November.

Debtors





Council Officers continue to work with our debtors to ensure collection. The earlier fears about what impact Covid-19 and the drought might have on debt arrears haven't become apparent at the time of writing. In fact, the Covid-19 rates relief policy has only been used by 2 rate payers across the district since the policy was adopted.

Treasury Policy

The table below shows that Council is compliant with both its existing treasury policy, and its proposed treasury policy contained in the draft Long Term Plan.

Treasury Compliance with Policy

Liquidity (Liquid Assets + Debt / Debt)

	Existing Limit	Proposed Limit	Actual
✓	>110%	>115%	177%

Finance Costs / Total Revenue

	Existing Limit	Proposed Limit	Actual
✓	<10%	<20%	0.7%

Finance Costs / Total Rates Revenue

	Existing Limit	Proposed Limit	Actual
✓	<20%	<25%	2.1%

Debt per Head of Population

	Existing Limit	Proposed Limit	Actual
✓	<$2,000	Removed	$ 1,405

Debt to Operating Revenue

	Existing Limit	Proposed Limit	Actual
✓	New	<150%	32.4%

Comprehensive Income and Expenditure Statement

The budget commentary above is all based on the FIS (Funding Impact Statement) view of Councils finances (as required by the Local Government Act 2002).

When you display the same data using IFRS (International Financial Reporting Standards – standard accounting reporting format) then Councils revenue is inflated by capital grants (such as NZTA, PGF, and MBIE funding). For this financial period this includes the NZTA funding assistance and the 3 Waters Reform monies.

Offsetting this is the disclosure of depreciation ($5.9m) as a cost.

By including this external funding, Council is showing an $11m Comprehensive Income Surplus as at 31 December 2020.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;

- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

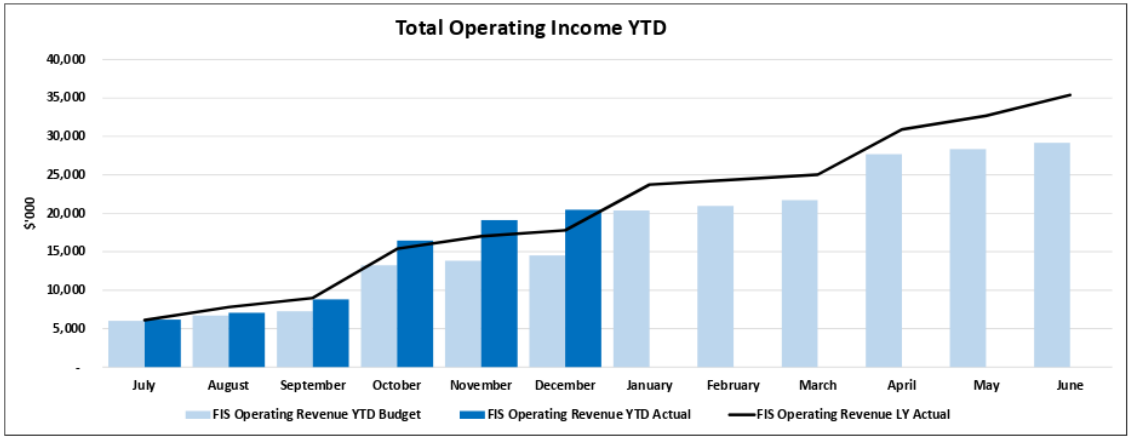
Officers will continue to monitor and manage the finances of Council.

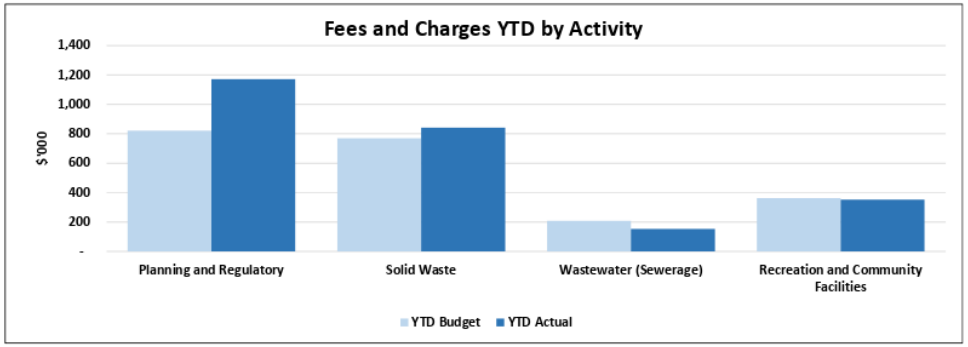
RECOMMENDATION

That, having considered all matters raised in the report, the report on Council's second quarter financial performance for the 2020/21 financial year be noted.

Central Hawkes Bay District Council
For the Period July 2020 - December 2020

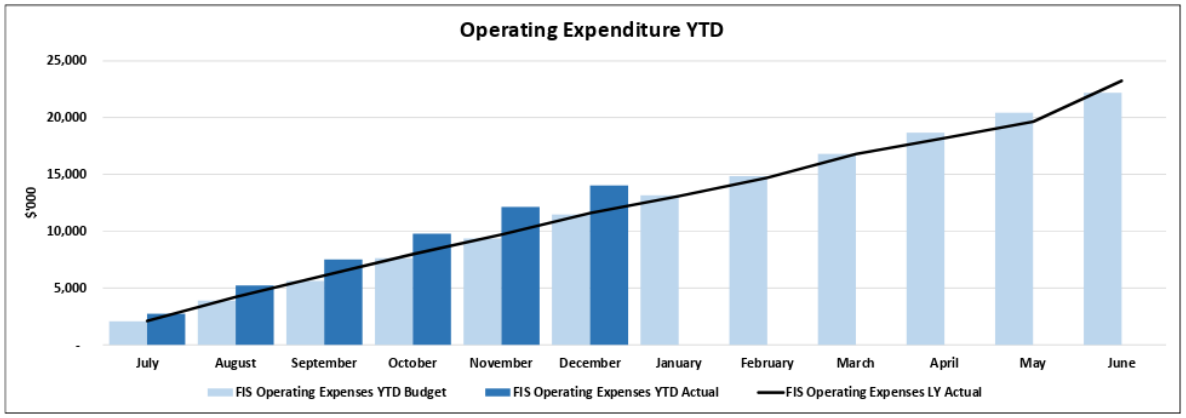
OPERATING INCOME





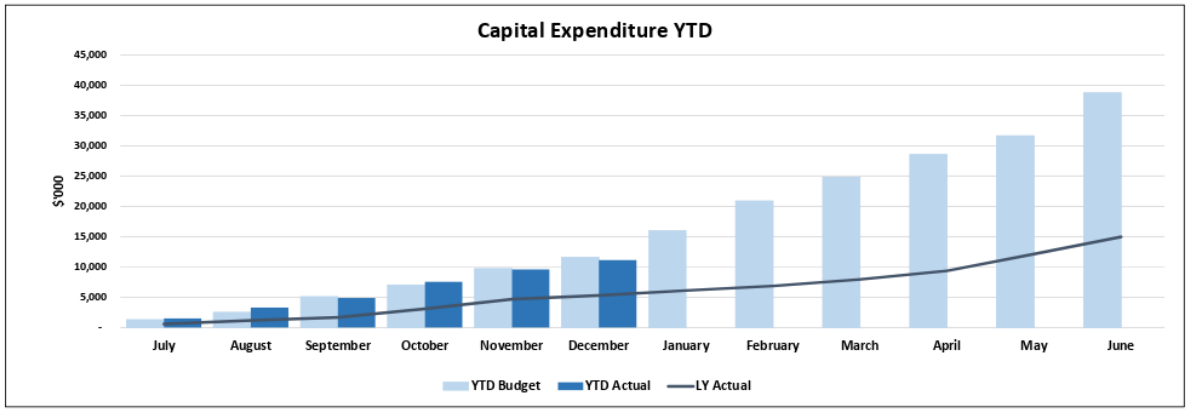
Central Hawkes Bay District Council
For the Period July 2020 - December 2020

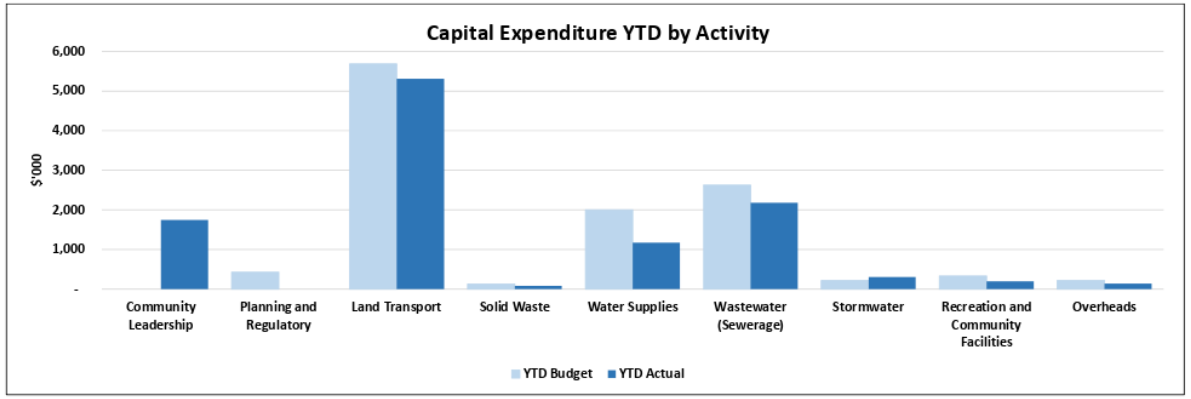
OPERATING EXPENDITURE



Central Hawkes Bay District Council
For the Period July 2020 - December 2020

Capital Expenditure





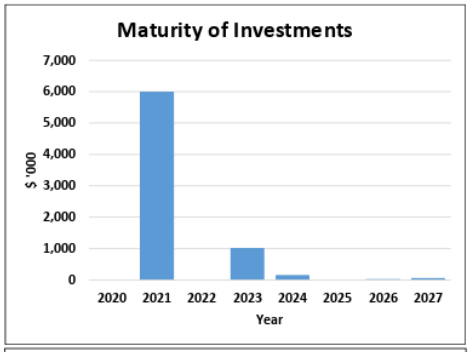
Central Hawkes Bay District Council
For the Period July 2020 - December 2020

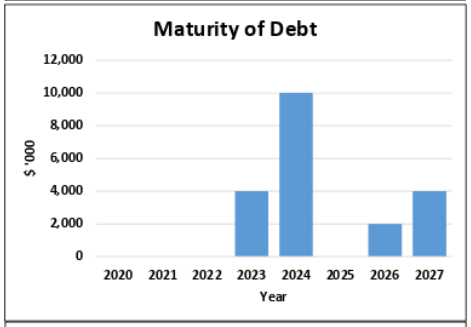
Cash and Investment Position

	Maturity Date	Int Rate (Face)	Int Rate (Actual)	Amount 30/06/2020	Amount Now	Movement
ANZ Cheque and Call Accounts				2,527,145	13,917,742	11,390,597
Term Deposits with maturity < 90 days						
BNZ Term Deposit (AA-)	12/09/2019	5.61%	5.61%	4,000,000	-	(4,000,000)
ANZ Term Deposit (AA-)	18/09/2020	2.45%	2.45%	2,000,000	-	(2,000,000)
BNZ Term Deposit (AA-)	19/10/2020	2.55%	2.55%	2,000,000	-	(2,000,000)
BNZ Term Deposit (AA-)	19/11/2020	2.60%	2.60%	1,000,000		(1,000,000)
BNZ Term Deposit (AA-)	19/12/2020	2.13%	2.13%	2,000,000	-	(2,000,000)
				11,000,000	-	(11,000,000)
Bonds, Capital Notes, & Term Dposits with maturity > 90 days						
LGFA Capital Notes	25/08/2025	3.54%	3.54%	32,000	32,000	0
LGFA Capital Notes	15/04/2024	1.79%	1.79%	160,000	160,000	0
LGFA Capital Notes	15/04/2023	1.56%	1.56%	64,000	64,000	0
LGFA Capital Notes	15/04/2027	1.63%	1.63%	64,000	64,000	0
ANZ Bond (AA-)	1/09/2023	3.71%	3.71%	355,000	355,000	0
ASB Bond (AA-)	7/09/2023	3.33%	3.33%	600,000	600,000	0
Westpac Term Deposit (AA-)	31/05/2021	1.52%	1.52%	-	4,500,000	4,500,000
BNZ Term Deposit (AA-)	31/05/2021	1.41%	1.41%	-	1,500,000	1,500,000
				1,275,000	7,275,000	6,000,000
Total Cash and Investments Held				14,802,145	21,192,742	6,390,597

Debt Position

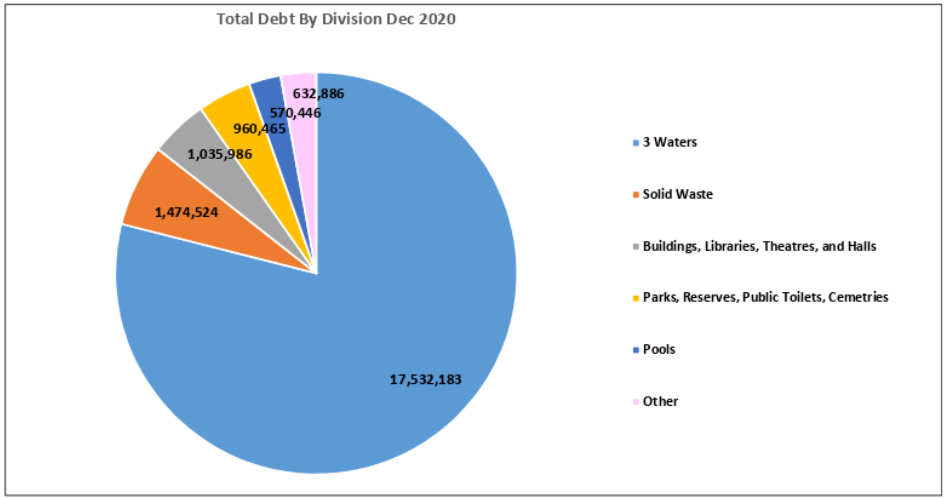
	Draw Date	Maturity Date	Interest Rate	Amount 30/06/2020	Amount Now	Movement
LGFA - Fixed Rate	28/08/2017	25/08/2025	3.85%	2,000,000	2,000,000	-
LGFA - Fixed Rate	22/07/2019	15/04/2024	2.19%	10,000,000	10,000,000	-
LGFA - Fixed Rate	16/12/2019	15/04/2023	1.96%	4,000,000	4,000,000	-
LGFA - Fixed Rate	16/03/2020	15/04/2027	2.03%	4,000,000	4,000,000	-
ANZ Seasonal Facility ($1,500,000)				-	-	-
Total Debt			2.28%	20,000,000	20,000,000	-





Actual	0%	0%	0%	20%	50%	0%	10%	20%
Policy	35%	35%	35%	35%	35%	35%	35%	35%
Met	Y	Y	Y	Y	N	Y	Y	Y

Central Hawkes Bay District Council
For the Period July 2020 - December 2020



Treasury Compliance with Policy

Liquidity (Liquid Assets + Debt / Debt)

	Existing Limit	Proposed Limit	Actual
✓	>110%	>115%	177%

Finance Costs / Total Revenue

	Existing Limit	Proposed Limit	Actual
✓	<10%	<20%	0.7%

Finance Costs / Total Rates Revenue

	Existing Limit	Proposed Limit	Actual
✓	<20%	<25%	2.1%

Debt per Head of Population

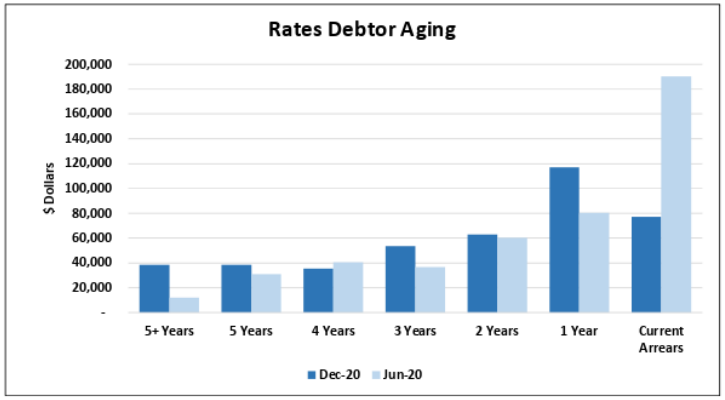
	Existing Limit	Proposed Limit	Actual
✓	<$2,000	Removed	$ 1,405

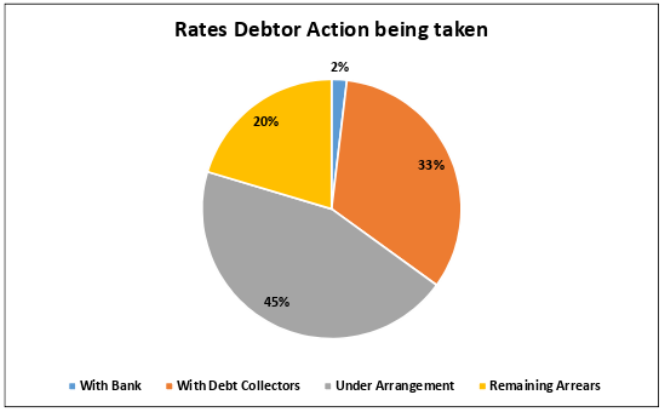
Debt to Operating Revenue

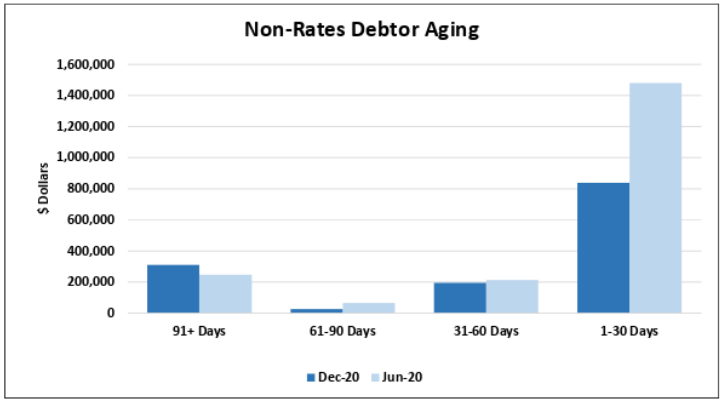
	Existing Limit	Proposed Limit	Actual
✓	New	<150%	32.4%

Central Hawkes Bay District Council
For the Period July 2020 - December 2020
Sources of Capital

Rates Outstanding







Central Hawkes Bay District Council
For the Period July 2020 - December 2020
Month

Comprehensive Income and Expenditure Report

	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
Operating Income					
General rates, uniform annual general charges and rates penalties	6,960,940	6,962,360	(1,420)		
Targeted rates	3,681,898	3,666,594	15,304		The bulk of metered water revenue comes later in the year - Residents get the first 300 cubic metres included in their fixed targeted rate, and only pay additional charges once this level has been exceeded. After a dry summer, we have seen a increase in billing in recent months, particularly in Waipukurau and are now ahead of budget.
Subsidies and Grants (Operating and Capital)	17,177,900	6,025,920	11,151,980		Unbudgeted external funding $11.0m - 3 Waters Reform $5.5m, Economic Development Work Creation $3.5m, He Ringa Whanau Ora $0.1m, Nga Tipuna $1.9m.
Fees, charges	2,578,407	2,195,218	383,189		Resource Consents and Building Consents are up $353k on budget collectively, transfer stations up $36k, landfill up $48k, retirement housing $11k up, dog registrations $15k up, land transport fees $15k up, offset by rubbish bag sales down $14k, and Municipal Theatre down $4k (impact of Covid), Compliance and Monitoring down $23k, Trade Waste down $55k.
Interest and dividends from investments	114,969	45,960	69,009		Interest on additional Term Deposits we are holding
Development Contributions	68,201	53,274	14,927		Good level of Development across Waipawa and Waipukurau
Other Income	372,465	131,772	240,693		Includes $280k of NZTA FAR adjustment back pay. Down in Petrol Tax $2k, EC Read Income at the Library $7k, and asset sales $17k
TOTAL	**30,954,780**	**19,081,098**	**11,873,682**		
Applications of Operating					
Payments to staff	2,805,288	2,965,339	160,051		Savings in Building Control $54k, Governance Staff 36k, People and Capability staff (delayed return from maternity) $41k, and vacancies and maternity leave across a number of back office staff, offset by Museum Wages +$24k (matched by reduction in grant)
Payments to suppliers	10,998,716	8,308,517	(2,690,199)		$1.7m of unbudgeted Work Creation payments, $309k of outsourcing consents, $209k of district plan review costs, $174k of solid waste (disposal of tyres and concrete, transport of greenwaste, S17a review, purchase of carbon credits), $53k PGF Land Transport Investigations, Water Supplies $335k (includes $98k to be recharged), Wastewater $141k, offset by storm water savings $41k
Depreciation and Amortisation	5,940,870	6,507,216	566,346		Savings as against budget mainly relates to roading and is a result of the negative revaluation of roading assets at year end.
Finance costs	227,379	229,956	2,577		
TOTAL	**19,972,252**	**18,011,028**	**(1,961,224)**		
Operating Surplus/(Deficit)	**10,982,528**	**1,070,070**	**9,912,458**		

Central Hawkes Bay District Council
For the Period July 2020 - December 2020

Funding Impact Statement Report

Sources of Operating	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
General rates, uniform annual general charges and rates penalties	6,960,940	6,962,360	(1,420)	⊗	
Targeted rates	3,681,898	3,666,594	15,304	!	The bulk of metered water revenue comes later in the year - Residents get the first 300 cubic metres included in their fixed targeted rate, and only pay additional charges once this level has been exceeded. After a dry summer, we have seen a increase in billing in recent months, particularly in Waipukurau and are now ahead of budget.
Subsidies and Grants for Operating Purposes	6,743,994	1,522,857	5,221,137	✓	Unbudgeted external funding - 3 Waters Reform $1.175m operational, Economic Development Work Creation $3.5m, He Ringa Whanau Ora $0.1m
Fees, charges	2,578,512	2,194,468	384,044	✓	Resource Consents and Building Consents are up $353k on budget collectively, transfer stations up $36k, landfill up $48k, retirement housing $11k up, dog registrations $15k up, land transport fees $15k up, offset by rubbish bag sales down $14k, and Municipal Theatre down $4k (impact of Covid), Compliance and Monitoring down $23k, Trade Waste down $55k.
Interest and dividends from investments	114,969	45,960	69,009	✓	Interest on additional Term Deposits we are holding
Local authorities fuel tax, fines, infringement fees and other receipts	372,361	115,260	257,101	✓	Includes $280k of NZTA FAR adjustment back pay. Down in Petrol Tax $2k, EC Read Income at the Library $7k, and asset sales $17k
TOTAL	20,452,674	14,507,499	5,945,175	✓	
Applications of Operating					
Payments to staff	2,805,288	2,965,339	160,051	✓	Savings in Building Control $54k, Governance Staff 36k, People and Capability staff (delayed return from maternity) $41k, and vacancies and maternity leave across a number of back office staff, offset by Museum Wages +$24k (matched by reduction in grant)
Payments to suppliers	10,997,991	8,393,689	(2,604,302)	⊗	$1.7m of unbudgeted Work Creation payments, $309k of outsourcing consents, $209k of district plan review costs, $174k of solid waste (disposal of tyres and concrete, transport of greenwaste, S17a review, purchase of carbon credits), $53k PGF Land Transport Investigations, Water Supplies $335k (includes $98k to be recharged), Wastewater $141k, offset by storm water savings $41k
Finance costs	227,379	208,860	(18,519)	⊗	Started the year with higher debt than budgeted, but funds invested so additional costs matched by additional interest income. Nb - difference between FIS budget and Comprehensive budget is due to Landfill Aftercare which is non cash.
Other operating funding applications	725	(85,172)	(85,897)	✓	
TOTAL	14,031,383	11,482,716	(2,548,667)	⊗	
Net Operating Cash Flows	6,421,291	3,024,783	3,396,508		

Central Hawkes Bay District Council
For the Period July 2020 - December 2020

Funding Impact Statement Report Continued

Sources of Capital	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
Subsidies and grants for capital expenditure	10,433,905	4,503,063	5,930,842	✓	Unbudgeted external funding $6.2m - 3 Waters Reform $4.25m, Nga Tipuna $1.9m.
Gross proceeds from sale of assets	0	17,282	(17,282)	✗	Haven't replaced any vehicles in 2020
Development and financial contributions	68,201	53,274	14,927	✓	Good level of Development across Waipawa and Waipukurau
Increase (decrease) in debt	0	3,950,278	(3,950,278)	✗	Still holding Term Deposits and 3 waters reform money, no new debt required till 2021
TOTAL	10,502,106	8,523,877	1,978,229		
Applications of Capital					
to meet additional demand	0	0	0		
to improve the level of service	5,480,044	5,481,620	1,576	!	Includes $1.7m of Nga Ara Tipuna offset by District Planning $425k (costs are all currently sitting in operating costs), Wastewater $557k, Drinking Water $674k, and Storm water Projects $96k
to replace existing assets	5,652,809	6,139,835	487,026	✓	Ordinary Land Transport (excluding PGF) $401k under budget, Vehicle Replacements $55k underspent, Aerial Imagery $26k underspent, Community Facilities $131k underspent. 3 Waters is $148k overspent.
Increase (decrease) in reserves	(154,770)	17,409	172,179	✓	Budget includes the Carry Forwards from year end which haven't been "brought back" yet - Mainly Land Transport
Increase (decrease) of investments	(5,000,000)	(93,432)	4,906,568	✗	Reflects the consumption of the term deposits, rather than borrowing new debt
TOTAL	5,978,084	11,545,432	5,567,348		
Net Capital Cash Flows	4,524,023	(3,021,555)	7,545,578		
Grand Total	10,945,314	3,228	10,942,086		

Central Hawkes Bay District Council
For the Period July 2020 - December 2020

Funding Impact Statement Report by Activity

	Community Leadership		Planning and Regulatory		Land Transport		Solid Waste		3 Waters		Recreation and Community Facilities	
	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var
Sources of Operating												
General rates, uniform annual general charges and rates penalties	702,462	(730)	409,781	(1,873)	3,428,115	1,273	613,335	15,209	0	0	1,818,829	(3,319)
Targeted rates	0	0	0	0	0	0	186,720	330	3,495,178	14,974	0	0
Subsidies and Grants for Operating Purposes	3,711,485	3,690,240	0	0	1,732,121	301,839	64,530	37,030	1,175,000	1,175,000	60,858	17,028
Fees, charges	21,004	6,610	1,171,276	350,512	32,648	14,894	842,843	72,933	157,866	(51,516)	352,745	(9,519)
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	4,476	(4,026)	350,296	269,686	0	0	0	0	17,693	(7,705)
TOTAL	**4,434,951**	**3,696,120**	**1,585,532**	**344,612**	**5,543,181**	**587,693**	**1,707,428**	**125,502**	**4,828,044**	**1,138,458**	**2,250,125**	**(3,515)**
Applications of Operating												
Payments to staff and suppliers	2,309,483	(1,729,924)	1,237,370	(445,482)	2,482,017	(52,892)	1,362,557	(181,537)	2,094,484	(321,586)	1,703,399	100,713
Finance costs	0	0	2,907	14,385	0	0	18,729	3,309	181,543	186,245	36,450	12,378
Other operating funding applications	167,437	841	285,467	1,437	817,976	4,094	244,296	1,224	774,785	3,156	455,651	2,276
TOTAL	**2,476,920**	**(1,729,083)**	**1,525,744**	**(429,660)**	**3,299,993**	**(48,798)**	**1,625,581**	**(177,003)**	**3,050,812**	**(132,185)**	**2,195,501**	**115,366**
Net Operating Cash Flows	**1,958,031**	**5,425,203**	**59,788**	**774,272**	**2,243,187**	**636,491**	**81,846**	**302,505**	**1,777,232**	**1,270,643**	**54,625**	**(118,881)**
Sources of Capital												
Subsidies and grants for capital expenditure	1,916,836	1,916,836	0	0	4,147,069	(355,994)	0	0	4,370,000	4,370,000	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	103	(1,391)	0	0	67,923	18,123	175	(1,805)
Increase (decrease) in debt	0	0	(12,127)	(422,615)	0	0	(63,120)	(86,220)	(407,821)	(4,106,969)	(88,716)	(188,496)
TOTAL	**1,916,836**	**1,916,836**	**(12,127)**	**(422,615)**	**4,147,172**	**(357,385)**	**(63,120)**	**(86,220)**	**4,030,302**	**281,154**	**(88,541)**	**(190,301)**
Applications of Capital												
to meet additional demand	0	0	0	0	0	0	0	0	0	0	0	0
to improve the level of service	1,747,950	(1,747,950)	0	425,944	753,022	(42,828)	38,493	48,603	2,852,721	1,327,875	76,417	1,373
to replace existing assets	0	0	0	0	4,556,839	423,157	41,798	(4,917)	804,123	(148,491)	121,516	131,358
Increase (decrease) in reserves	0	(9,006)	0	129,380	0	518,660	0	29,231	(58,000)	(258,121)	(12,272)	(273,859)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**1,747,950**	**(1,756,956)**	**0**	**555,324**	**5,309,861**	**898,989**	**80,291**	**72,917**	**3,598,844**	**921,263**	**185,662**	**(141,129)**
Net Capital Cash Flows	**168,886**	**3,673,792**	**(12,127)**	**(977,939)**	**(1,162,689)**	**(1,256,374)**	**(143,411)**	**(159,137)**	**431,458**	**(640,109)**	**(274,203)**	**(49,173)**
Grand Total	**2,126,916**	**2,126,916**	**47,662**	**47,662**	**1,080,499**	**1,080,499**	**(61,565)**	**(64,805)**	**2,208,690**	**2,208,690**	**(219,579)**	**(219,579)**

Activity Comments
Community Leadership: PGF Job Creation is distorting this cost centre (+$3.5m income, and +$1.7m in costs). In addition Nga Ara Tipuna +$1.9m in grants and $1.7m in capex
Planning and Regulatory: `Resource Consents and Building Consents are up $353k on budget collectively, over in costs due to $309k of outsourcing consents. District plan review costs are $209k over in opex costs, but under $425k in capex - there is a mismatch to be fixed here.
Land Transport: $2.6m of Route 52 Funding, and $2.4m in capex. Yet to spend last years carry forwards (reserve movement of $1.1m)
Solid Waste: Revenue - transfer stations up $38k, landfill up $48k, offset by rubbish bag sales down $14k. The overspend +$174k of relates to disposal of tyres and concrete, transport of greenwaste, S17a review, purchase of carbon credits.
3 Waters: $5.5m of 3 waters reform money received ($1.175m operating and 4.325m capital). Water meters revenue now $15k ahead of budget after a dry summer, but trade waste revenue is behind budget $55k. Over in maintenance contract payments - Water Supplies $235k (includes $98k to be recharged), Wastewater $141k, offset by storm water savings $41k. Capital Program - Drinking Water $831k behind, Wastewater $441k behind, and storm water $94k ahead.
Recreational and Community Facilities: Wages +28k (mainly Museum Staff covered by grant). Operational Costs impacted by insurance $65k over budget. Capital under budget $132k spread across a number of renewal lines

7.8 RESOLUTION MONITORING REPORT

File Number: **COU1-1400**

Author: **Monique Davidson, Chief Executive**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Council Resolution Monitoring Report Open ⇩**

PURPOSE

The purpose of this report is to present to Council the Resolution Monitoring Report. This report seeks to ensure Council has visibility over work that is progressing, following resolutions from Council.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

DISCUSSION

The monitoring report is **attached.**

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

An updated Resolution Monitoring Report will be presented to the next Council meeting 7 April 2021.

RECOMMENDATION

That, having considered all matters raised in the report, the report be received.

Council Resolution Monitoring Report 2021

Presented 11 February 2021 - Council Meeting

Key	
Completed	
On Track	
Off Track	

Item	Council Resolution	Resolution Date	Responsible Officer	Progress Report
Town Centre Plans	That Council proceeds with Option two of the Draft Long Term Plan being to develop town centre plans for Waipukurau and Waipawa and Community Plans for Tikokino, Ongaonga, Takapau, Porangahau and Otane.	3/05/2018	Christine Renata	On Track - This work is underway. The first community workshop in Takapau was held on 24 February with the second community engagment session held on 31st October. Ongaonga's community workshop was held on 20 July with the second community engagment session occuring on 8th August. Both plans are complete and are scheduled to be presented to council on 11 March 2021.

Emergency Works	a) That Council approve the use of up to $400,000 from the Adverse Events Fund to support Councils contribution to the costs of repairing December storm damage. b) That Council delegate authority to the Chief Executive to expedite the procurement of services to support repair works. c) That Council strongly urges NZTA and the Ministry of Transport to extend timeframes in which emergency work is to be completed.	28/02/2019	Josh Lloyd	Complete - Major works have been completed with no further expenditure planned. Some site clean-up is required on Tourere road but will not incur further cost.
	a) That Council adopt the Non-rateable Income Funding Strategic Framework.b) That progress towards achieving the outcomes of the Non-rateable Income Funding Strategic Framework be reported to the Finance and Planning Committee as part of the regular work programme updates.	10/04/2019	Monique Davidson	On Track - Work continues on the implementation of this strategy. The Finance and Infrastructure Committee and Council as a whole, have worked through a number of key policy input as part of the Long Term Plan 2021 - 2031. Following the adoption of the Draft Long Term Plan, attention will turn to further review policy and programmes. The attraction of non-rateable income continues to be a huge success, and significant attention is not going into ensuring the implementation of those projects, that have external funding attached to it.

	a) That Council approve targeting external funding through the creation of business cases to support investment in sealing to control dust by reallocating $50,000 from existing carry forward budgets b) That Council reprioritise $200,000 of the existing Land Transport budget/work programme to contribute to sealing of roads to control dust if required.	23/05/2019	Josh Lloyd	On Track - Council has dedicated $50k from carryover funds into developing business cases for dust control in 2019. Stantec have been engaged to support the work. Council officers, with support from Stantec engineers, completed an assessment of known areas where dust is an issue and tested these against NZTA criteria for funding. A case was prepared and presented to attract 'shovel-ready' funding for sealing of roads with no success. Officers have sought further advice from NZTA on what would be required to obtain funding for a limited number of roads for sealing.
Non-Rateable Income Strategy	That Council approve additional capital expenditure of $297,000 in the 2019/20 for the development of a pound facility in Central Hawke's Bay.	23/05/2019	Lisa Harrison	Off Track - Officers preferred options for development is no longer available. Officers are now working through alternative options, however are facing challenges in relation to available and suitable property in relation to budget.

Water Security Framework - Allocation of Funding	a) That $250k from the rural reserve fund is tagged for supporting water security initiatives in Central Hawke's Bay. b) That council supports a collaborative approach at both a local and regional level for development of water security initiatives.c) That council requests staff bring back a framework which includes further information on the potential role of Central Hawke's Bay district council together with water Holdings CHB, HBRC and the Tukituki taskforce, for understanding issues of water security and creating a local package of solutions.	23/05/2019	Monique Davidson	On Track - Council adopted an additional resolution on the 13th February giving the Chief Executive delegated authority to spend up to $50,000 on helping advance the work of the Tukituki Leaders Forum. A report updating Council on this work is included was included the agenda for 3 June 2020. In August 2020, Council approved $58,000 of financial support to Water Holding's Hawke's Bay to fund the science charges related to the IP they hold. Council continues to support and advocate on this matter. Hawke's Bay Regional Council have agreed to continue to provide regular upgrades to Council on the Water Security Programme.
Land Transport Section 17(a)	That Council adopt the completed and attached Land Transport Section 17(a) Report and support Officers to programme and complete work to meet the recommendations.	29/08/2019	Josh Lloyd	On Track - the Land Transport Strategic Framework was a key document in informing the recently update Asset Mgmt. Plan and work programme to be included in the LTP and RLTP. Officers are planning in the first quarter of 2021 to develop a means of reporting and tracking progress against the Strategic Framework actions
Elected Members' Remuneration and Expenses Policy	That the council review the Elected Members' Remuneration and Expenses Policy including the childcare provision and its content before the next triennium.	14/11/2019	Monique Davidson	On Track - This work is programmed as per timeframes requested.

Water Security Framework - Allocation of Funding	b) That Council give the Chief Executive delegations to utilise and make financial decisions of no more than $50,000.00 from the $250,000 tagged for the delivery of Water Security Initiatives.c) That Council in granting these delegations note that the $50,000.00 will in principle be used to advance engagement and work within the Tukituki Leaders Forum, and specifically to ensure Central Hawke's Bay District Council has the required resources to contribute in a meaningful way.	13/02/2020	Monique Davidson	On TrackTogether in partnership with the Regional Council a Project Manager has been engaged to support and accelerate the work of the Tukituki Leaders Forum. The Tukituki Leaders Forum have also agreed to increase the number of meetings it has to ensure ample time is given to Water Security as well as other catchment matters. Following the resignation of two members of the forum, consideration is currently given to the forums future purpose and function.
Motion (resolved) - Reserve Fund Replenishment	That Council requests the Chief Executive investigate options and lead a process as part of the Long Term Plan, for Council to consider an approach to the replenishment of key reserve funds and further, that this work considers external funding options.	13/02/2020	Monique Davidson	On Track - No progressive work has progressed on this item, given the affordability constrains presented in the Long Term Plan 2021-2031 timeframe. While provision has been included in the budgets for the replenishment of the Adverse Events Fund, at this stage no further replenishment of the Ward funds has been considered. This work will be further reviewed during the development and review of Councils current Investment Policy, where options for Community Endowment and partnerships with existing foundations will be considered.
Adoption of Draft Statement of Proposal / Revenue and Financing Policy - Rates Review Consultation	That Council adopts the Statement of Proposal and Draft Revenue and Financing Policy for community consultation, and that Council endorses the proposed consultation approach.	30/07/2020	Brent Chamberlain	On Track - included in LTP supporting information pack

Partnership funding for Food East (Hawke's Bay Food Innovation Hub)	That having considered all matters raised in the report: a) Council approves funding of $20,000 for the Food East (Hawke's Bay Food Innovation Hub).	30/07/2020	Doug Tate	Complete - A funding agreement is now in place and the first component of the $20,000 in the current financial year has been released.
Adoption Of Debt And Treasury Management Policy	That having considered all matters raised in the report and following the recommendation of the Risk and Assurance Committee: a) That subsequent to the minute amendments being made, Council adopt the proposed "Treasury Management Policy (Including Investment and Liability Policies)" to be included as part of the Draft Long Term Plan 2021 – 2031 which will be consulted on in early 2021.	24/09/2020	Brent Chamberlain	On Track - included in LTP supporting information pack

Section 17a Review Solid Waste	1) Council receive the Solid Waste Section 17a Report, prepared in accordance with the requirements of Section 17a of the Local Government Act 2002. 2) That Council adopt the combination of options in principle for inclusion in the 2021 Long Term Plan; • That Council provide a 3rd crate for recycling collection and extend services to Otane, Takapau, Ongaonga and Tikokino; and that Council includes a wheelie bin in the consultation options with community. • That Council provide a 120L wheeled bin for kerbside refuse from Year 3 of the Long Term Plan 2021-2031; and that Council includes status quo in the consultation options with community. • That the Recycling Drop off Centres in Otane, Takapau, Ongaonga and Tikokino close from Year 1 of the Long Term Plan 2021-2031; • That Council plan for a centralised Central Hawke's Bay Recovery and Refuse Centre in between Waipukurau and Waipawa in Year 10 on the Long Term Plan, and on opening the Centre, the Waipawa and Waipukurau Transfer Stations are closed; • 5a, to provide a regular rural recycling collection service at designated rural and coastal sites in partnership with existing local community organisations or groups; • That Council direct Officers to regularly report back to Council or Committee on the	18/11/2020	Josh Lloyd	On Track - Options to improve service delivery from the 17a review have been included as a priority for consultation within the Long Term Plan engagement process.

	progress of the various food waste collection trials occurring in New Zealand with a plan to 'follow fast' those that have successfully implemented systems; • That Officers report back to Council on green and food waste collection options for Annual Plan 2022/2023.			

LGFA Authority	1. Receive the information. 2. Notes the contents of the report 3. Confirms Council's intention to join LGFA as a guarantor (noting it has already acceded as a borrower in 2016). 4. Delegates authority to the Chief Executive to execute the following documents for the purposes of recommendation 3. above: a. Chief Executive Certificate b. Officer's Certificate c. Security Stock Certificate 13 d. Security Stock Certificate 14 e. Stock Issuance Certificate x 2 5. Authorises the Mayor, and the Chair of the Finance & Infrastructure Committee, to execute the following deeds for the purposes of recommendation 3. above: a. Accession Deed to Equity Commitment Deed; and b. Accession Deed to Guarantee and Indemnity. 6. Delegates authority to the Chief Executive to execute such other documents and take such other steps on behalf of Council is necessary or desirable to execute or take to give effect to recommendation 3. above.	18/11/2020	Brent Chamberlain	On Track - Paper work all completed and submitted to lawyers, due to issue with a historical claim against Council registered on the Personal Property Securities Register (PPSR) needing to be removed the LGFA accession will now occur on the 10th February 2021.

District Plan	That having considered all matters raised in the report: a) That Council adopts Option 4 – and confirms the establishment of a new mixed panel of External Independent Commissioners and Elected Members as its preferred option to hear and consider formal submissions on the Proposed Central Hawkes Bay District Plan. b) That Officers begin the next steps of preparing the Terms of Reference for the new panel and seek Commissioner appointees to the panel, noting the opportunity for appointment of these commissioners to the Regulatory Hearings Committee also.	18/11/2020	Helen O'Shaughnessy	On Track. Officers have prepared a draft Expession of Interest proposal for approval ahead of release of the EOI to the public. Officers have also prepared a draft Termsof Reference for the District PLan Hearings Panel which will be presented to Council for approval as the appointment of accredited commissioners
Community Petition	1. That the Council receives the petition. 2. That the Mayor responds to community member Dean Rangi as the instigator and submitter of the petition. 3. That Council strongly advocate on behalf of community and urge NZTA to improve safety through the Waipawa township. 4. That Council advocates via the Regional Land Transport Plan for inclusion of this road safety project.	18/11/2020	Josh Lloyd	On Track. The petition was received and communicated through to Waka Kotahi. Subsequent meeting was held with Waka Kotahi and painting of street crossings through Waipawa has been completed as a temporary measure. Safety on state highways through urban centres has been included as a priority in the 2021 Regional Land Transport Plan.

Approval to commence stage 2 of Waipawa to Otane Wastewater Pipe	That having considered all matters raised in the report: a) That Council approves Stage Two of the Otane to Waipawa pipeline proceeds b) That Council awards Stage Two of the Otane to Waipawa construction to Fulton Hogan to a cap of $2,000,000 – funded solely from the Tranche One – 3 Waters Reform Funding. c) That the minute relating to this item be released as publicly available information on 18th November 2020.	18/11/2020	Darren de Klerk	On Track. Contract Awarded to Fulton Hogan, construction to commence late Feb, early March 2021 through to July 2021.

8 MAYOR AND COUNCILLOR REPORTS

MAYOR'S REPORT FOR OCTOBER-NOVEMBER 2020

File Number: COU1-1400

Author: Alex Walker, Mayor

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. Mayors Report December 2020 - January 2021 ⇩

EXECUTIVE SUMMARY

The purpose of this report is to present Her Worship the Mayor's report.

RECOMMENDATION

That the Mayor's report for December 2020 – January 2021 be received.

The Office of the Mayor - Central Hawke's Bay

01

MAYOR'S REPORT

Meeting 11 February 2021
2019-22 Triennium
Report for 7 November 2020 - 1 February 2021





Mayor Alex Walker









MAYORAL MOMENTS

Welcome back to 2021! It has been fabulous to have a summer holiday and I have certainly enjoyed having some time with my family, in my garden and at the beach. I know that Councillors and staff have also benefitted from this, and I want to acknowledge the hard work that everyone put in at the end of 2020 to meet those big LTP and 3-Waters reform milestones that allowed everyone to end the year on a high.

I have been reflecting on the scale of work that Council has been undertaking in our community, and I think that it is important to make sure that we understand, value, and communicate.

And I say this because as we move into 2021 there are many things happening for Local Government which will affect our Central Hawke's Bay community based on four things -

1. The growing inability of the current legislative system to provide clear roles and responsibilities in local decision making which impact the well-being of our community - how can we have so few levers to pull to make inroads for our whanau in a housing crisis?
2. The growing tension across New Zealand where years and years of inaccurate or missing advice on asset management - combined with years and years of local political leadership which has prioritised low rate strikes over intergenerational investment.
3. The years and years that successive governments have been denying that Local Government has a funding - and most importantly - an affordability issue.
4. And now, a government focussed on a "transformational" legislative agenda which is taking a piece-meal approach when it comes to Local Government - Three-Waters Reform, Resource Management Reform, Health & Disability Review, Vocational Education Reform - all of which see SIGNIFICANT reduction in all of community decision-making, control and ability to impact the wellbeing outcomes which are so crucial for us in creating a vibrant and thriving community - as well as a country.

Now I am not saying that significant change is not required - there are many parts of the system that I would describe as broken - but all of this change is happening piece-by-piece and without a view of "How are we creating a Local Government that will serve the needs of our communities and country of 2050?"

And when I think about the work that CHBDC is leading across infrastructure, employment, customer-centricity in regulatory and compliance delivery, libraries and literacy, social agency cohesion and accountability, partnership with tangata whenua, community and more, it makes me even more committed to ensuring local democracy and leadership does not "lose" in 2021.

THRIVE IN FIVE





Our emphasis on the **Waste Free CHB** action plan has come under a bit of pressure over the summer period where some residents have struggled with the increasing scrutiny of their recycling at the kerbside. We have to remember that for the first two years of the current LTP we acknowledged that we needed to focus on Three Waters and that our rubbish and recycling systems would need to wait a bit longer for review and improvement. This was a good choice as we are now firmly in-hand on the water infrastructure, but the action on rubbish and recycling has been slow in comparison, and we have some work to do to get things back on track. Luckily, we have the perfect opportunity for transformation with our new draft LTP which will give our community some clear choices around environmental impact and convenience of the services we provide.

The **Social Housing** space continues to frustrate me, our community and council. As mentioned previously in my reports, the booming property market has heaps of "up-side" but it is also putting extreme pressure on our rental market. We have more families on the WINZ Housing register than every before and rents are sky-rocketing. And Kainga Ora seem to have vacated the table.....

FINANCIAL WELLBEING



One week before Christmas, Westpac Bank announced the closure of it's branch in Waipukurau - effective 5 days later. This, on top of the pending closure of BNZ, the shortened hours of ANZ and the removal of cheque options for banking is creating all sorts of issues for the financial wellbeing of Central Hawke's Bay.

In my view, these Australian-owned banks are being allowed to bully rural New Zealand communities and both the Government and the Reserve Bank are complicit in this. They are allowing these banks to back out of their moral obligation to protect and serve the customers and lead unmandated financial policy for the country.

I do believe that the way of the future is very likely to be digital, and even cash-less all together. **But our communities are NOT ready for this yet.** And the banks have totally underestimated the social impacts this may have.

These are the concerns I am working through with both BNZ and Westpac, and also pursuing with other Rural & Provincial Mayors of New Zealand:

1. The safe, financial independence of our elderly
2. Secure, 24-hour access to full-service ATMs for our small businesses
3. Cash/float access for our community groups and small businesses
4. Support for signatories across schools and community organisations

Mayor's Report: 11 February 2021

DIARY: COUNCIL & COMMUNITY

- 10/11 Nov - District Plan Committee
- 11 Nov - Armistice Day Service - Waipawa
- 11 Nov - Meeting with SPICAE 3-waters consultants
- 11 Nov - Armistice Day Service - Woburn Home
- 12 Nov - Committee Chairs Meeting
- 12 Nov - Risk & Assurance Committee
- 12 Nov - MTFJ Business Start-up Finale
- 13 Nov - Meeting with Todd - Napier Port
- 14 Nov - CHB A&P Show
- 18 Nov - Council Meeting
- 19 Nov - Opening Night Gala of Cinderella with Sir Roger Hall and Wairarapa MP Kieran McAnulty
- 24 Nov - District Plan Hui - Te Taiwhenua o Tamatea
- 25 Nov - Mayor in the Chair - Waipawa Library
- 25 Nov - BNZ Meeting re: branch closure - Johann Otto, Dave Bartram & Phil Teague
- 25 Nov - Business/Industry Growth Update meeting - Waipukurau
- 26 Nov - Council Workshop
- 1 Dec - Retirement Housing Morning Tea - Waipawa
- 1 Dec - New MSD Branch Manager Andy Clark
- 1 Dec - Ruahine Cadets 2020 Prizegiving and Parade
- 2 Dec - Council Workshop
- 4 Dec - CHB College Junior Prizegiving
- 4 Dec - Centralines Board farewell to Jon Nichols
- 6 Dec - Kairakau Community Water Meeting
- 7 Dec - Powhiri for new Pou Whatuia - Pam Kupa
- 7 Dec - Waipawa Building Society Scholarship Interviews
- 8 Dec - Meeting with Nick Battersby re Black Rd
- 8 Dec - Meeting with Mars Cooper re stormwater
- 9 Dec - CHBDC Together we Thrive Breakfast
- 9 Dec - New HBDHB CEO Keriana Brooking - Te Taiwhenua o Tamatea
- 10 Dec - Morning Tea with Pakeke Centre
- 11 Dec - Trade Waste Meeting with Ovation
- 11 Dec - Centralines Summer Series - Nelly Jull Park
- 12 Dec - Opening of World War 2 Exhibit - CHB Museum
- 14 Dec - Tukituki MP Anna Lorck - Waipawa
- 14 Dec - Waipukurau Rotary Christmas Function
- 15 Dec - Visit from Room 5 Waipawa School
- 15 Dec - District Plan workshop
- 16 Dec - Meeting at Ludlow Farms
- 17 Dec - Riley Walters new Shed - Tikokino
- 17 Dec - Valerie and Jo - Tikokino
- 17 Dec - Smedley Prizegiving
- 17 Dec - Trade Waste stakeholder meeting
- 18 Dec - CHB Community Christmas - Waipukurau
- 11 Jan - Mihi Whakatau for Rakei ora - Te Taiwhenua o Tamatea
- 12 Jan - Centralines Sod Turning for new building
- 26 Jan - Women's Institute 100 years - Ongaonga
- 26Jan - Water Holdings HB
- 28 Jan - Council Workshop
- 31 Jan - Centralines Summer Series
- 1 Feb - Interview for Baybuzz with Amy Shanks

DIARY: REGIONAL & NATIONAL

- National 3 Waters Steering Group - 12 Nov (Zoom), 30 Nov (Wellington)
- 16 Nov Auditor-General's LG Advisory Group (Zoom)
- 20 Nov Rural & Provincial Meeting - Wellington
- 21 Nov MTFJ AGM - Wellington
- 21/22 Nov LGNZ Young Elected Members Network Hui - Hutt City
- HB Mayoral Forum - 23 Nov, 21 Dec, 25 Jan
- HB CDEMG Joint Committee - 23 Nov
- 27 Nov Powhiri for new District Commander Eastern - Superintendent Jeanette Park - Matahiwi Marae
- 27 Nov Matariki MGG and ESG Chairs workshop
- 27 Nov Minister Stuart Nash with Matariki Co-Chair Leon Symes - Napier
- 3 Dec LGNZ National Council - Wellington
- 5 Dec Tararua Chart Parade - Dannevirke
- 9 Dec Guest Speaker at Woodford House Prizegiving
- 11 Dec Regional Transport Committee - Napier
- 16 Dec Lunch with Tararua Mayor Tracey and new CE Bryan Nicholson
- 27 Jan Regional Leadership Group (CDEMG) - Zoom





STRATEGY AND WELLBEING COMMITTEE CHAIR REPORT

File Number: **COU1-1400**

Author: **Bridget Gibson, Governance and Support Officer**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Strategy and Wellbeing Committee Chair Report ⇩**

PURPOSE

The purpose of this report is to present the Strategy and Wellbeing Committee Chair Report.

RECOMMENDATION

That the Strategy and Wellbeing Committee Chair Report for December 2020 – January 2021 be received.

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

31 January 2021

Strategy & Wellbeing

CHAIR REPORT



Happy New Year and welcome to 2021. We look forward to this Long-term Plan year, where we get to meet face to face with our community on the issues and ideas facing our beautiful part of the world over the next 10 years.

In March consultation begins and conversations begin about our very courageous and strategic approach to under investment in infrastructure and to get peoples thoughts on rubbish and recycling services for the future.

Housing will continue to be a hot issue with many people within our community being pushed out of the housing or rental market due to increased population growth. It has been incredibly frustrating the slow approach to solutions we have experienced through our Govt. partners who need to be there to provide housing for our most vulnerable. This will be a ramped-up priority for this community as we work towards strategically looking at Community Wellbeing.

Strategy and Wellbeing or Deputy Mayor Focused Activities:

12 November, Business Start Up final presentation
14 November, Safer CHB Precinct at the A&P Show
18 November, Council Meeting
19 November, M&D Cinderella
20 November, Pan Pac & HB Business Awards
25 November, Industry Update at Copperpot
26 November, Long Term Plan Workshop
30 November, Premiere Viewing of the ROK Swamp Mystery
1 December, Meet MSD Service Manager Andy Clark
2 December, Council Workshop
8 December, Wastewater PGG
9 December, Council Christmas breakfast
9 December, Meet new DHB CEO Keriana Brooking
10 December, Blessing to start Tuki Trail extension
17 December, Chairs overview
17 December, Trade Waste Industry Briefing session
18 December. Main Street Christmas Celebrations
14 January, Powhiri for Rakei Ora Marae Restoration project
18 January, Mihi Whakatau – He Ringa Whanau Ora Kaimahi
120 January, Housing and LBP's discussion
25 January, Councillors BBQ to start new year
27 January, Councillor 2021 planning
28 January, Workshop

Together we Thrive! E ora ngātahi ana!

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Strategy & Wellbeing

CHAIR REPORT

Strategy and Wellbeing Priority Updates:

Below is the list of Strategy and Wellbeing priorities, the lead councillors, and achievements over the past 8 weeks.

Priority	Lead Councillors	Achievements
Lead and monitor the implementation of Waste Free CHB Strategy Wellbeing: Environment	Cr Minehan Prof Maaka Cr Taylor	▪ Free Christmas tree dumping ▪ Second-hand Sunday 
Lead the delivery of the Social Housing Strategic Framework Wellbeing: Economic and Social	Cr Wichman Prof Maaka Cr Minehan Cr Annand	▪ Successful Christmas morning tea with Retirement Housing tenants and valuable feedback on cost
Monitor the implementation of the Economic Development Strategy Wellbeing: Economic	Cr Aitken Cr Greer 	▪ Pre LTP industry and developers updates ▪ 60 days of summer campaign began ▪ Marae Restoration Project begun ▪ Tuki trails project begun ▪ MTFJ jobs – Jobs CHB continues to grow and deliver ▪ Waipukurau Main Street Christmas Party
Monitor the implementation of the Environmental Strategy Wellbeing: Environment	Cr Aitken Prof Maaka Cr Greer Cr Annand	▪ Consultation on ambitious plans to get wastewater out of our rivers and waterways. ▪ Water restrictions for February ▪ Water saving messaging 
Review the current Community Wellbeing Strategy and monitor the implementation of a revised Social Development Strategy Wellbeing: Social	Cr Annand Cr Taylor 	▪ Creative Communities fund open. ▪ Safer CHB precinct at the A&P show ▪ Waipukurau main St Christmas Party ▪ Welcomed new DHB CEO and MSD Service Manager to CHB ▪ Summer beach ambassador ▪ Snap, Send Solve app launched
Develop a Māori/Iwi Engagement Strategy Wellbeing: Cultural	Cr Wichman Prof Maaka Cr Annand	▪ Nga Ara Tipuna project continues to meet milestones ▪ Marae Restoration project begun ▪ Working closely with TToT on whanau support roles
Monitor development and implementation of Community Plans Wellbeing: Social	Cr Taylor Cr Minehan	▪ Waipukurau main street Christmas Party ▪ WWII Exhibition at the CHB Museum ▪ Summer beach ambassador ▪ Waipawa pool open and busy 

Together we Thrive! E ora ngātahi ana!

RUATANIWHA WARD REPORT

File Number: **COU1-1400**

Author: **Bridget Gibson, Governance and Support Officer**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Ruataniwha Ward Report ⇩**

PURPOSE

The purpose of this report is to present the Ruataniwha Ward Report.

RECOMMENDATION

That the Ruataniwha Ward Report for December 2020 – January 2021 be received.

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

31 January 2021

Ruataniwha Ward REPORT

Welcome to 2021 from your Ruataniwha Ward Councillors

What an amazing end to 2020 with a well-earned Christmas and New Year break for all.

We are excited to start 2021 refreshed, knowing that with it being a Long-Term Plan year, it is going to be a full on one.

Long Term planning is an exciting time for Councils as we get to come out and meet with the community to talk through plans and hear ideas for the next ten years.

Central Hawke's Bay is experiencing huge growth and extreme challenges. We have an ambitious long-term plan looking to start to solve years of underinvestment in core infrastructure, ever changing compliance and dreams to reduce waste to our landfill.

Hopefully about the time of the release of this report the community will know of the plans for the Waipukurau Library. This service is an important part of our community and council service, and we are excited about the new development.

We look forward to coming out to meet with you face to face in March. 😊



Together we Thrive! E ora ngātahi ana!













Meetings Attended:

12 Nov, Business Start Up final presentation
14 Nov, Safer CHB Precinct at the A&P Show
18 Nov, Council Meeting
19 Nov, M&D Cinderella
20 Nov, Pan Pac & HB Business Awards
25 Nov, Industry Update at Copperpot
26 Nov, Long Term Plan Workshop
28 Nov, Epic Ministries Tama Bucknell Farewell
30 Nov, Premiere Viewing of the ROK Swamp Mystery
1 Dec, Retirement Housing Christmas morning tea
1 Dec, Meet MSD Service Manager Andy Clark
2 Dec, Council Workshop
9 Dec, Council Christmas breakfast
9 Dec, Powhiri Pam Kupa
10 Dec, Blessing to start Tuki Trail extension
16 Judging Staff Christmas office Decoration
17 Dec, Trade Waste Industry Briefing session
18 December. Main Street Christmas Celebrations
14 Jan, Powhiri for Rakei Ora Marae Restoration project
15 Jan, Summer Reading finale
24 Jan, New to CHB BBQ
25 Jan, Councillors BBQ to start new year
27 Jan, Councillor 2021 planning
28 Jan, Workshop



CENTRAL HAWKE'S BAY DISTRICT COUNCIL

31 January 2021

Ruatanimha Ward REPORT

After 25 years of working in Hastings I am loving living, working, and breathing Central Hawke's Bay. Most days I find I am questioned about what is happening with this, or that. I am actively advocating the "Snap Send Solve" App!

Prior to Christmas I attended the inaugural CHB Christmas Celebration in Waipukurau. As a first for CHB I think we can only build on it success. I love anything that brings the community together. I was thrilled to be able to attend the Powhiri for the Marae Restoration Project in early January. I am looking forward to seeing the results of the six Marae involved. I was also lucky to be able to attend the "New to CHB "BBQ in late January. As we know CHB is growing at a phenomenal rate and I think further council led engagement with this group would be beneficial.

Cr Pip Burne

It was nice to have 4 day's in a row off over the Christmas and New Year period, spending quality time with the family and expend family.
It was still a busy time attending to pre- and post-community functions which included:

Attending a Powhiri for Pam Kupa and the Council Employee's Christmas Breakfast and "Together we thrive awards".
Judging the Staff Christmas Office Decoration Competition was fun and, in the afternoon,, it was great to head out to the public meeting held at the Porangahau Hall, regarding an information session on the PGF Porangahau / Wimbledon Road project.

Another highlight was helping with the CHB Community Christmas Celebration, held in Waipukurau Main Street.
I also love attending the "Library Summer Reading Finals", held at the Waipawa Centennial Memorial Swimming Pool. It was a great night and well attended with about 120 children present.



Cr Gerard Minehan

Key activities and achievements over the last 8 weeks

- Spending quality time with whanau and friends
- Working on plans for new look Waipukurau Library
- Gathering people's feedback for recycling for in the towns
- Long term plan consultation document

Key priorities and activities for the next 8 weeks

- Starting Long term plan consultation
- Recycling and rubbish collection feedback
- The big Wastewater solution
- Starting solution for Waipukurau Library

Together we Thrive! E ora ngātahi ana!

9 CHIEF EXECUTIVE REPORT

9.1 ORGANISATION PERFORMANCE AND ACTIVITY REPORT DECEMBER 2020 - JANUARY 2021

File Number: **COU1-1400**

Author: **Monique Davidson, Chief Executive**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Chief Executive December 2020 - January 2021 Organisation Performance Report ⇩**

PURPOSE

The purpose of this report is to present to Council the organisation report for December 2020 – January 2021.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as being of some importance.

DISCUSSION

This reports seeks to update Council on a number of key projects and priorities for Central Hawke's Bay District Council.

FINANCIAL AND RESOURCING IMPLICATIONS

This report does not present any financial or resourcing implications.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

The next six weekly organisation report will be presented to Council on 7th April 2021.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Together we thrive!
Chief Executive's Report
Central Hawke's Bay District Council
Together we Thrive! E ora ngātahi ana!

KIA ORA FROM THE CHIEF EXECUTIVE

E ORA NGĀTAHI ANA – TOGETHER WE THRIVE.

This report provides an update of the organisation's activity over the December 2020 – January 2021 period and provides a snapshot of some of the organisation's achievements and activity over the period.

We ended 2020 celebrating our collective achievements for the year. Council staff were joined by Elected members to celebrate the year's achievements with a Christmas Breakfast and the annual Together We Thrive Awards.

These awards aim to celebrate excellence and while the whole organisation is to be acknowledged for their hard work and commitment. I have included the winners of each category within this report to allow their success to be publically acknowledged.

The Te Toru Manakura Award for Outstanding Newcomer.	Robyn Burns and Kristen Anderson
The Dame Te Tohu Mahitahi award for fostering partnerships and working together.	Wayne Termaat
The Te Tohu Auaha award for thinking smarter.	Central Hawke's Bay Integrated Spatial Plan 2020 – 2050 Resource and Building Consents Online Ministry of Social Development Partnerships - Mayor's Taskforce for Jobs - Central Vegetation Co and RSV
Te Tohu Tuhara Award for Operational Excellence	Shane Kingston and Courtney Henderson
The Te Tohu Manukura award for exceptional leadership (a person held in high esteem, leader in Council, leader)	Adrienne Martin
Te Kaunihera o Tamatea Award for Customer Excellence. Te Tohu Tupore (to care for, look after, treat kindly)	Cleavelin Cook
The David Stiles Award for going above and beyond the call of duty. Te Hohu Hiringa (perseverance, energy, determination, inspiration, vitality, drive, heart and soul).	Brandon Bailie
The Award for inspiring the Spirit of Central Hawke's Bay District Council. Te Tohu Whakaawe (to enthuse, inspire, infuse, sway).	Lisa Harrison.
Te Māhaki Award for the Quiet Achiever	Kieran McNabb

Congratulations to all award winners!

Central Hawke's Bay celebrated Christmas in style with the inaugural Christmas Market and Street party. A hugely successful evening, that has received positive feedback.

Council extended its closedown period over the Christmas / New Year break. This meant that most staff were able to have a longer break than usual. We have received extremely positive feedback from staff on how much they appreciated the longer break. This did not, however, distract from our staff and contractors who were on call and continued to keep things ticking – increased number of dog attacks, water leaks and library users, in particular, are worthy of mention.

Teams have returned straight into action. Work continues on the Tukituki Trails, and is on schedule.

Work has commenced on Marae restoration projects and has already shown outstanding results particularly with the enhanced skill levels being achieved by the workers on this project– all funded through the Provincial Growth Fund as part of the Government's 'Shovel Ready' response to COVID-19.

Final preparation of the Draft Long Term Plan 2021 – 2031 has been the organisations key focus, and we are extremely proud to be in a position recommending today the Draft Long Term Plan 2021 – 2031 for Council to consider for consultation. The Draft Long Term Plan 2021 -2 031 is both complex and challenging because of the very brave approach Council are taking to facing the facts in order to future proof a thriving Central Hawke's Bay. Staff are now focused on supporting Elected Members as we take the time to meaningful engagement with community and hear their views on the proposed Long Term Plan 2021 – 2031.

2021 looks to be an exciting one. We continue to be proud to serve Central Hawke's Bay District Council.

Monique Davidson

Chief Executive

Activity Updates

SOCIAL AND ECONOMIC DEVELOPMENT

Central Hawke's Bay Cross-Agency Triage Project

The Central Hawke's Bay Cross-Agency Triage project ended on 4th December 2020 and subsequently the contracted support to assist in the Community Development portfolio has now ceased. Discussions are being held as to how the Central Hawke's Bay Cross-Agency Triage model can continue to be delivered in the community.

Community Wellbeing Strategy

Work has begun on the review of the Community Wellbeing Strategy, establishing a new Social Wellbeing Strategy, building on the work and networks established during COVID-19.

Safer Central Hawke's Bay

The Coalition group met in December 2020 and the focus of the meeting was on future planning and injury prevention data and trends. Results from the annual stakeholder survey were shared and discussed and these will inform the annual planning and strategic priorities of the group for 2021.

Safer CHB members travelled to Dannevirke in early December to deliver a presentation on the development and achievements of Safer CHB to key stakeholders of the Tararua district. Tararua is actively exploring the potential of becoming an accredited Safe Community and the visit enabled them to hear about Safer CHB's journey and achievements and provided an opportunity to have any questions answered. The presentation was well received and we have pledged our continuing support for them as they progress their local discussions.

The Safer Warmer Homes group ran another successful Safety Precinct at the 2020 CHB A & P show. A collective of injury- and harm-prevention providers offered information and interactive activities for the public. The goal this year was to get people engaged and talking, and we were able to add some new attractions and activities to the precinct.

The Family Harm prevention workstreams (Violence Free CHB) participated in the CHB Show Safety Precinct, providing visitors with numerous resources and information including the highly recognisable White Ribbon messaging whose theme for 2020 was "Challenge the outdated". Retailer packs containing posters, resources and other information were delivered to each retailer in Waipukurau and Waipawa to display during White Ribbon Week. This simple low-cost activity achieved good community engagement from both retailers (and other public-facing entities, such as the libraries) and the public.

The Community Resilience and Wellbeing group supported the Shot Bro event which was held in Waipawa and the Youth focus group are in the process of developing a tool to assist individuals, whanau and service organisations to easily identify and access appropriate mental health support services in Central Hawkes Bay.

Positive Ageing

The Positive Ageing Forum have not formally met during this reporting period however working groups have met to progress two key areas of concern affecting the districts older population.

Following on from the successful meeting with local bank representatives to address the lack of access to banking facilities due to decreased operating hours, as well as the phasing out of cheques, we then received the news that the Waipukurau branch of the Westpac bank would close on Christmas Eve. Two initiatives to try and mitigate some of the effects of this have been developed. Four workshops by Westpac Bank staff to assist their customers were held during January and were well patronised. We also worked closely with the CHB Libraries to support and promote the DORA Digital Learning bus 2-week visit to Central Hawke's Bay. This service will provide the opportunity for residents to participate

in one of the 16 Digital Banking workshops on offer in Takapau, Otane, Porangahau, Waipawa and Waipukurau.

A working group has also been established to address concerns around the provision of care support services in the district and to work with agencies and service providers to resolve a number of concerns. The lack of respite provision (including dementia respite) has also been raised as an issue that is adversely affecting many older residents and their families and discussions with the Hawkes Bay District Health Board have begun to identify potential solutions.

Disability Reference Group

The Disability Reference Group have not met during this reporting period however the Beach Wheelchair survey was open over the Christmas and New Year holiday period. This survey has been developed by the group to hear the communities' thoughts on matter of accessibility as well as a proposal to fundraise and purchase a beach wheelchair for residents and visitors to use at our local beaches. The survey has recently closed and results are being collated.
Disability Awareness workshops are planned for early 2021. These workshops will initially be at introductory level and be open to all interested organisations, businesses and community members.

COMMUNITY FUNDING

Creative Communities Fund

The next round of Creative Communities Funding opens in February 2021.

Community Voluntary Organisation Support Fund (CVOS)

The next round of CVOS funding will open in July 2021.

Community Pride and Vibrancy Fund

No further Community Pride and Vibrancy Fund Applications have been received.

Sport New Zealand Rural Travel Fund

The Sport New Zealand Rural Travel Fund opened on 16 November 2020 and closed on 11 December 2020. 12 applications were received for this fund and these are to be considered on 21 January 2021.

ECONOMIC DEVELOPMENT

Economic Recovery

Our focus has turned to consolidation of the funding gains we have secured from the Crown Infrastructure Partners Fund and the Provincial Growth Fund 'shovel ready projects'. These projects will fill the pipeline of capital projects for recovery, and help our community weather the twin blows of drought and Covid-19 led recessions.

In the past two months, we have initiated the $750k Tuki Tuki Trails project and the $400k regional digital hub project, as well as continuing our PGF funded vegetation management programme, with several workers from this programme going on to full time, sustainable employment. As this project begins to wrap up we have started celebrating the work crews who have given so much to the district over the past few months. Check out some success stories here: https://www.chbdc.govt.nz/our-district/economic-development/jobs-in-central-hawkes-bay/jobs-in-central-hawkes-bay-stories/

Jobs in Central Hawke's Bay - Turanga Mahi ki Tamatea

Jobs in Central Hawke's Bay – Turanga Mahi Ki Tamatea is the project funded by Mayors Taskforce for Jobs and the Ministry of Social Development (MSD) to assist people within Central Hawke's Bay gain employment.

The Jobs in Central Hawke's Bay team has continued to work with people in our community who are job seekers to obtain long term sustainable employment. The mobile employment hub continues to be in Waipukurau and Waipawa once a week and employment hubs occur in Takapau and Porangahau on a regular basis. These restarted after the Christmas period on 12th January 2021.

The team have worked with over 391 people to date and assisted 134 people into employment. Of these 134 people, 53 of them have been either Youth or people who were displaced due to COVID. The team have therefore achieved the 50 outcomes required for the Mayors Taskforce for Jobs contract.

A Skills Training and Employment Action Plan has been developed with the priority goals being identified as coordination of resources within the District, coordination of training programmes, work placements and mapping of expected employment needs. The team continue to work closely with MSD to ensure we partner as much as possible to achieve the best outcomes for the community.

The team will continue to work with local employers to provide assistance where required and are partnering with Shelley from Shop Local who already has a rapport with a lot of local employers to provide this support.



New Mobile Employment Hub – Jobs in Central Hawke's Bay have purchased a Van to create a new mobile employment hub as the lease arrangement with the blue caravan ended. The external graphics have been completed and the internal mobile office will be completed in February, giving us a fit for purpose mobile hub that will continue to be a draw point in the community.

Life Coaching with Youth – Anna Tennent from Complete Coaching HB continues to work with Youth within the community who need some assistance with motivation to achieve their goals.. She is currently working with five Youth, this includes regular one on one sessions for eight sessions and then six months of monthly pastoral care support. As Youth are identified they are referred to Anna for this support and the Jobs in Central Hawke's Bay team work alongside to support their employment goals.

Growing Great Entrepreneurs in Central Hawkes Bay – This five week course completed on 12 November 2020 with four of the participants 'Pitching' their business idea to their family, friends, and the Mayor and Deputy Mayor who were in attendance. The feedback for the course from each participant was that they each got something out of it and learnt ways to continue building their business. As this partnership with the Chamber of Commerce was successful discussions are occurring to run a further course and the Jobs in Central Hawke's Bay team already have people interested in completing the next course. The below photo is of the participants after completing the course along with Jeriel from the Chamber of Commerce.



Skills, Training and Employment Network- This network continues to meet to share information and provide insight into the support they can provide people in our community. The network now meets every 6 weeks and the location of the meetings change each time.

Seasonal Labour Action Plan- The Jobs in Central Hawke's Bay team are linked in with the 'Pick the Bay' campaign and are looking to run a seasonal employers expo within Central Hawke's Bay in the near future.

Collaboration with the Project Management Office – We are working closely with the Project Management Office and those contractors who are tendering for local projects contact the Jobs in Central Hawke's Bay and we assist with finding them employees to meet their social proceuemnt outcomes. This is currently working well with Fulton Hogan, Higgins and Concrete Structures actively working with the team.

The Jobs in Central Hawke's Bay team successfully worked with the Ministry of Social Development (MSD) and Veolia to find place three local people roles into within Veolia. Two joined the Water and Wastewater Reticulation team and the other joined the Water and Wastewater Treatment team as a maintenance operator. Veolia were able to utilise the products offered by MSD to provide these new employers with the support to further complete an apprenticeship should they wish to gain a qualification whilst working.

He Ringa Whānau Ora

In late 2020, Central Hawkes Bay applied to the Ministry of Business, Innovation and Employment Social Capital fund for funding which has been allocated to address issues to strengthen the social capital of small communities.

The funding application was successful and work has been underway to establish and develop the He Ringa Whānau Ora project in partnership with Te Taiwhenua o Tamatea. Two kaimahi have been employed and began their roles on 11 January 2021. These kaimahi will work primarily from the Te Taiwhenua O Tamatea offices in Waipukurau. The He Ringa Whānau Ora roles will provide community-based support to address drug issues and intergenerational cycles of whanau harm in the most hard to reach whanau in Tamatea. The project is funded for a 2 year period.

Specifically, the roles will:

- Support whanau to connect with support agencies through the Cross-Agency Triage forum or directly with agencies
- Act as community-based support workers to guide the most vulnerable in the community towards a path of rehabilitation
- Provide support and build on the capability and capacity of whanau to overcome methamphetamine and drug issues, provide career planning and improve their wellbeing.
- Guide whanau through a matauranga Māori lens to wellbeing; and
- Work with local connections to create sustainable employment outcomes, training and support which will enhance whanau wellbeing

The expected outcomes of the project are:

- Work with 50 whānau over two years
- Support 20 people into employment or training

Ngā ara Tipuna ki Tamatea

This project continues to be a priority focus for the economic development team and is on track for project completion in April 2021.

The last two months have seen a further acceleration in the work programme with the following actions completed or underway:

- Filming complete
- Landscaping and tree work underway on Pukekaihau/Hunter Park
- Marketing planning underway
- Business planning completed
- User workshops for content underway
- Fabrication for phase one and two underway
- Governance structure (trust establishment) complete
- Fundraising 98% complete, with community fundraising the final component.

CENTRAL HAWKE'S BAY TOURISM

Tourism Infrastructure Needs Assessment

This report has now been adopted and is available to view on the CHBDC website. The Central Hawke's Bay Tourism Destination Plan and Need Assessment were funded by MBIE's Tourism Infrastructure Fund (TIF).

It is designed to be flexible by providing direction to enhancing the visitor economy and guide both the public and private sector decision making.

The plan outlines Central Hawke's Bay's current visitor economy and examines the destination strengths of the District. It identifies several 'hero experiences' which Council could focus on to grow the visitor economy, as well as target markets which would be interested in these experiences. It then creates itineraries for these markets and experiences. Lastly, it creates an action plan to develop supporting 'hard and soft' infrastructure to support the development of these experiences.

The plan creates a clearly articulated work programme which will support future funding applications to the TIF and other funds and provides guidance to the Central Hawke's Bay Tourism Coordinator's work programme.

You can read the Central Hawke's Bay Tourism Destination Plan and Need Assessment here:
https://www.chbdc.govt.nz/assets/Uploads/002509-TourismPlan-aR-web.pdf

Central Hawke's Bay Visitor Guide
This project is well under way and will be printed and ready for distribution on February 22nd 2021. There were delays with this project in selling advertising to local businesses. The booklet will consist of five "Journey's" based on the findings from the Tousirm Infrastructure Needs Assessment as well as promoting 26 Central Hawke's Bay businesses.

Image Library development
Council continues to work to develop the Central Hawke's Bay image library to ensure there is a wide range of images to promote Central Hawke's Bay across a number of platforms. The photoshoot planned for Sunday 24th January 2021 was postponed due to wind and clouds at the beach. A new date has not been set but will likely take place later this month.

Gateway Signage
The southern gateway sign to Central Hawke's Bay had been damaged over the Christmas/New Year period. Both signs have now been replaced and align with the Hawke's Bay Tourism promotional campaign the "Hawke's Baycation"

Art Deco
The Art Deco Railcar will be visiting Waipukurau on Saturday 20 February and Otane Market on Sunday 21 February. This event will include market stalls, railcar rides and live music. The Central Hawke's Bay Vintage Car Club will be there on the Saturday for car rides and volunteers will be running heritage walks through Waipukurau Township.

Central Hawkes Bay Community Christmas Celebration
This event was held on Friday 18th December 2020, with Ruataniwha and Northumberland Streets being closed from 4.30 to 8pm. The street was decorated, the retailers involved with window dressing competition, there was a costume competition for best individual and group. Food trucks with street dining set out, entertainment and activities for the kids. Most importantly Santa arrived the fabulous grotto where you could get a professional photo. It was estimated that there were around 1000 people attended this event, with the feed being very positive for both the public and retailers.

DRINKING WATER

Drinking-Water Compliance

In December we were audited by the DHB on the implementation of our water safety plan for both the Waipawa and Waipukurau supplies. This audit resulted in a single general non-conformance which related to a need for further evidence of internal escalation and reporting protocols for managing water incidents. The team are working through providing this further evidence to DHB for a February 26 review and are confident that the non-conformance can be mitigated.

Operational update

Water restrictions will come into force at midnight the 29th January. This is the first year, we have introduced restrictions based on environmental factors and not because our infrastructure has not been able to meet demand.

With the drier weather, we have also noticed a spike in the number of water leaks being reported. Currently, the team is achieving an average of 1.47 leak repairs per day, this average includes the major mains breaks which tie up the waters reticulation team for the entire day.

Waipukurau Second Supply

Council is embarking on a project to improve the water supply to the Waipukurau township. CHBDC investigated several options and has chosen a preferred option which provides the greatest reliability and resilience to both Waipawa and Waipukurau. The option involves extending the existing Waipawa bore field and water treatment plant to provide sufficient water to meet the full demand of Waipukurau and Waipawa. This would provide a full second supply to Waipukurau so that the existing Waipukurau supply (at State Highway 2 west of the town) can be taken offline for repairs or maintenance and the Waipawa source can supply both towns. This project is currently in the planning phase with technical due diligence, landowner and affected parties' discussions being progressed.
Learn more and follow updates via: https://www.chbdc.govt.nz/our-council/news/article/695/council-moves-to-next-stage-of-securing-greater-resilience-of-water-supply-for-waipukurau

SH2 Borefield Upgrade

The project has been delayed slightly as we iron out some commissioning and turbidity (air) risks at the site, involving installing a run to waste system to discharge any turbid water before sending raw water safely (with compliant turbidity levels) up to the treatment plant and then to the reservoir on Pukeora Hill for treatment. The design for the run to waste system is being finalised and will then be built. Expected to commence this work in March 2021.

Kairakau Water Upgrade

A community meeting was helpful in Kairakau on December 6, 2020. After reviewing the community engagement received late 2020, Council is working with our project engineers and property team to assess additional options and potential edits to current proposed options. Council's project team is expecting to present an updated paper to elected members in February 2021.

Waipukurau Firefighting and Shortfalls

Stage 3 of the work is now complete, officers have recently undertaken testing of the first 3 stages to validate and measure the improvements before progressing the design and programme of future stages of work. Council is currently investigating some firefighting opportunities as part of the Farm Road water scheme to alleviate the need to draw water from town in the event of a fire

Waipawa/ Otane Firefighting and Shortfalls

The programme is currently being finalised before stage 1 and 2 are combined and commenced from July 2021.

WASTEWATER

Wastewater pond performance

In December, HBRC requested a further update on the performance issues and improvement plans/progress for the Waipawa treatment plant. Council have developed and maintained a positive professional working relationship with HBRCs compliance officers based on transparency and continued communication. The performance of the Waipawa treatment plant has been flagged as an ongoing issue for many years and a significant improvement programme is in progress to address the issues as best possible prior to the major plant upgrades as part of the Waipukurau, Otane and Waipawa works. HBRC understand the improvements being made and the wider plan for long term upgrades but are requesting formal assurance of the efforts being undertaken now.

BECA has been engaged to assist with this report as they are intimately aware of our process and the direction we are taking forward. This is being led in conjunction with the wider upgrade and we are confident the works outlined in #thebigwastewaterstory short and long term will address concerns in current operational performance.

Waipawa, Waipukurau, Otane Wastewater Treatment/ Consenting Project

In October 2020, Council adopted a new wastewater strategy outlining the approach to be taken across the district. This is consistent and supports the progress being made across our six plants and three overarching projects. https://www.chbdc.govt.nz/our-council/news/article/696/central-hawkes-bay-district-council-endorse-wastewater-strategy. Ongoing engagement is planned and extensively covered as part of the Long Term Plan 2021.

Otane to Waipawa Wastewater Pipeline (Stage 2)

Our contractor Fulton Hogan has completed Stage One of the install. Stage Two which will be delivered with part of Councils 3 Waters Tranche #1 reform funding and will include 4.5km of pipe heading towards Waipawa, Construction is scheduled to start on the 1st of March 2021 and take approx 6 months to complete.

Porangahau and Te Paerahi Wastewater Treatment/ Consenting Project Projects

The team is focussed on the upcoming consent due date of 28th Feb 2021, and has been working closely with local stakeholders and a bus trip with locals is planned for mid-Feb 2021 to further support the land-based discharge system.

Takapau Wastewater Treatment/ Consenting Project Projects

Following further engagement, Council has an agreement with a landowner to investigate a land discharge scheme for the dry weather discharge from Takapau.

Takapau WWTP needs a consent lodged by late April 2021. In the interim, some work is being done to install a new inlet screen and inlet flow meter along with replacing the outlet flow meter. This work is well underway and 95% complete. In addition, Council has installed three groundwater monitoring bores as part of the upgrade to inform design and current compliance.

STORMWATER

Operational update

There are plans underway for stormwater drain maintenance in Waipawa and Waipukurau during the dry weather. This is planned to be complete by the end of March and will include the clearing and general maintenance of critical stormwater open drains.

Helicoil Pipe Replacements (Tutanekai and back of Tavistock Rd)

Work was undertaken in October to reline 2 sections of failed Helicoil pipeline – approx 250m in length – this work is now complete and the pipe now has another 50-year life expectancy!

LAND TRANSPORT

Contract Works 20 / 21

Maintenance Contract 1057 – work on the road network continues with Downer completing regular tasks like grading, minor metalling, drain cleaning, sweeping and other routine scheduled work. Downer has also responded to various requests for reactive maintenance to ensure the safety of the road users.

Re-seal contract 1058 – the pre-reseal repairs are 80% complete with the actual sealing to begin in January and continue to completion in March.

AWPT Contract 1059 – Higgins has completed the Area Wide Pavement Treatment (AWPT) on Ugly Hill but will return to fix one of the drains that were damaged during a recent rain. Other sites are being investigated and designed for later in the year should funding allow. Each site must have a positive Benefit-Cost Ratio to qualify as an AWPT

Structural Contract 1060 – Higgins is preparing for the final completion of bridge strengthening on Tipene's Bridge, Eparaima Bridge and Te Roto Bridge with the work scheduled for January and February of 2021. The work will allow 100% Class 1 loading for the property owners to enable them to continue to farm productively. All property owners have been and will continue to be involved in the process to ensure we meet their needs for planting and harvesting.

The retaining walls are 95% complete and will be finished by the end of January

Planning for the remainder of the work for the year has started and will be finalised in early January with Stantec and Higgins resources being assigned to various structural tasks to maintain the bridge inventory in good shape.

The Line Marking contractor prior to Christmas familiarised themselves with the network and did some pre-Christmas markings to highlight the speed bumps at our beach communities for safety. They are working with Council to program work in our urban centres over the next couple of months to renew the lines

Regional Land Transport Plan

Council staff and Elected Representatives have recently contributed to the Hawke's Bay Regional Land Transport Plan (RLTP) that is in its final stages of update for the 2021-31 period. The RLTP is an important document for Hawke's Bay outlining the regions transport services, needs and programme investment to bridge gaps and meet new and existing demand. Importantly, including key projects/programmes in the RLTP is an integral step in getting funding programmes endorsed by NZTA. CHBDCs representation in the RLTP in previous years has been artificially light. Significant effort has been made to ensure now that CHBDC is accurately represented in the RLTP which will now be part of formal regional communication and consultation exercise beginning in February 2021.

NZTA

3 Year Programme

The Council is awaiting feedback on their 3-year funding request to NZTA

Technical Audit

Some actions from the Technical audit are in place and others will be in place before the end of the current fiscal. Feedback from NZTA regarding the actions has been positive

Asset Management

The Activity / Asset Management Plan is completed and will form part of the long term plan (LTP). If reflects the Land Transport Strategic Framework and has been submitted to NZTA as part of the funding request for the 21 – 24 period. We are awaiting feedback from NZTA.



SOLID WASTE

Levels of Service

Maintaining regular levels of service through the Christmas and New Year period with heightened demand is typically problematic for Council and its Contractor. This year a large amount of planning went into the lead up to the busy period with increased messaging to public as well as operational measures to ensure contracting staff and resource availability. The result was pleasing with levels of service maintained through the busy period without any significant intervention required.

Section 17A

The Solid Waste Section 17A process reached a significant milestone in November 2020 with Council adopting the formal review outcomes and determining options to take to the community as part of the wider LTP consultation process. Based on numerous rounds of feedback and review, a combination of service delivery provisions has been developed that balances environmental, economic and community outcomes. While these are still to be formally consulted on with the LTP, Officers are now working with our contracting partner to build further confidence in service delivery offerings with respect to cost and deliverability.

Waste Minimisation Events

	Event	Actioned by	Dates
1.	Zero waste education o Terrace o Elsthorpe o St Joseph o Flemington Schools	Waste Education	November 2020
2.	Beach clean-up	Flemington School • School supplied with 40 rubbish bags and 40 drink bottles • A total of 23 bags were picked.	20 November 2020
3.	Clean-up – Waipawa urban	Waipawa Primary school. • School supplied with 80 rubbish bags plus 25 drink bottles • A total of 31 bags were picked	15 December 2020
4.	e-waste	Container full e-waste sent to Achievement Trust, Tokoroa	19 December 2020
5.	Free Christmas tree disposal	All transfer stations • Porangahau • Takapau • Waipawa • Waipukurau	9 & 10 January 2021

Waste Free CHB

Waste Free Wendy has remained busy communicating key waste-free messages through the summer period. The target of much communication through the busy summer period has been on operational challenges and a focus on our kerbside services. The Waste Free CHB campaign will ramp up early in 2021 to maintain focus on effective waste reduction tips and tricks and to ensure continued proper use of our services.

Recycling

Kerbside collections have been the big focus during these months with changes coming to both the residential and commercial recycling collections. Council and the contractor have been challenged by

the community to ensure services are being delivered consistently and communicated well. Efforts are being made to improve communication with residents at the kerbside.

Commercial recycling collection

Changes to commercial recycling provisions were made in November 2020 and have been operational now without major disruption. Council continues to provide rated Council crates for routine volumes of recycling and commercial quantities can be picked up through private agreements or delivered to our Transfer stations.

Waipukurau Kerbside Collection split

Changes to the kerbside collection days/schedules in Waipukurau were implemented in November 2020 and following some initial teething issues have so far seen a reduction in the number of late or missed collections and an overall improved level of service.

Leachate to Landfill

Pleasingly we have received a new consent (short term – 3 years), which allows the discharge of groundwater to the onsite farm pond. A meeting was held onsite with our contractor in January 2021, and recommencement is planned for mid-Feb 2021, works are expected to take 2-3 months to complete and have the system operational.

CONSENTS



Building Consents:
Building consent volumes continue to grow and were 24% ahead of the same period in 2019.
Total processed building consents YTD: 203 (1/07/20 - 31/12/20)

Q2 results below: (1/10/20 – 31/12/20)

- 90 building consents processed
- New dwellings / relocates: 49
- Total value: $21,281,292
- Includes two large commercial consents valued at $1.8M and $7M
- Council regained accreditation in November 2020. The next IANZ assessment is in 2022

MBIE Schedule 1 Guidance related to building exemptions which commenced 31 August 2020 has resulted in a noticeable increase in enquires regarding tiny houses and container conversions as alternative accommodation options. Unfortunately, the level of public understanding is generally poor with little or no consideration given to both building consent or resource consent requirements in many cases. We expect the current enquiry level to continue and will manage each on a case-by-case basis.

Resource Consents:

Consent volumes are well ahead of the same period last year on the back of general population growth and likely in part due to proposed changes in the new District Plan which continues to drive a large volume of public query. Applications for subdivision in the rural zones remains strong.

Total resource consent applications YTD: 141 (1/07/20 - 31/12/20)

Q2 results below: (1/10/20 – 31/12/20)

- 69 resource consent applications
- 149 new lots to be created

Resourcing:

There remains a heavy reliance on external consultants for processing of both building and resource consents with one Building Consents Officer and two Planner vacancies. The Cadet Building Consent

Officer role was filled late December. As a result, National Processing is currently processing 90% of new builds while staff are focusing on inspections which are unable to be outsourced. WSP is processing approximately 95% of new Resource Consent applications.

Compliance:

Compliance has been a focus this quarter with good inroads made in the Building Warrant of Fitness area. Updated IEP reports for priority earthquake-prone buildings were due 21 November and building owners have until May 2028 to complete an upgrade. There are now less than 7 pool safe certificates outstanding. Several property investigations have been undertaken in response to customer complaints.

Council regained accreditation in November 2020. The next IANZ assessment is in 2022.

EMERGENCY MANAGEMENT

Our focus within the organisation has shifted from recovery to being prepared for a dry Summer and COVID resurgence planning.

Our bi-monthly Economic and Social Recovery Status reports have ended after having a great pastoral spring growth season for our farmers and the County remaining stable at alert level 1.

PLACES AND OPEN SPACES

Responsible Camping Ambassador Programme

Our Responsible Camping Summer Ambassador programme provides regular visits to our coastal beaches with daily visits to those most frequented; Pourerere and Te Paerahi. Council has received positive feedback about the programme, and ambassadors have also received compliments for the Council services including thank you's for the new toilets at Te Paerahi that were installed after last summer's camping season. There is good communication to keep Council abreast of various sites, regulatory issues such as abandoned vehicles, overstayers, etc. Our Ambassador programme runs through 8 February.

Waipawa Pool – Little Summer Thus Far

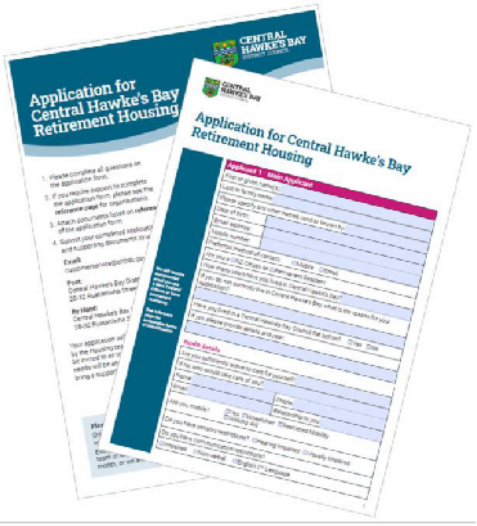
Due to chilly water temperatures combined with cool air temperatures the Waipawa Pool did not open until 5 December. Cool nights also kept the swimming pools from reaching 19 degrees (safe swimming temperatures) on several occasions. If swimmers can warm-up in the sun after a cold splash the pool is open, but for a few instances in December and early January, the pool was closed or had no attendance. Current January temperatures and sunlight should see numbers increasing!

Despite cool nights, the daylight sun can still be harsh and cantilever umbrellas have been installed for the lifeguards to seek refuge while still maintaining supervision over the swimmers.

Events at the pool have been slow to return, but recent celebration of the Libraries summer reading programme brought a lot of new visitors to the pool who provided a number of positive comments about the upgraded pool facilities.

Retirement Housing

After a fairly settled period, there have been three recent exits from our retirement units; these tenants all moving into residential care. Updated application forms help ensure good placement decisions to promote and enable strong positive retirement housing communities.



Playground Tidy-ups

Due to a national shortage of cushion fall due to Covid-19 and a lack of shipping containers arriving in New Zealand (and therefore lack of pallets from which cushion fall is made from), the safety improvements planned for November will now begin in February. These will see a range of safety improvements across most of our playgrounds.

Whangaehu Toilet

Since the last organisational report Councilors have resolved to locate the toilet block within the road reserve as pictured below. The next step is to secure a contract to mow and service the toilet. A single pan, dry vault Permaloo has been ordered with installation expected to begin in April. Officer is currently working through some objections to the planned toilet.

Central Hawke's Bay Libraries

December and January have been very busy months with preparation and then the launch of the Summer Reading Programme 'Celebrate Reading.' Sadly, this our 24th programme is the final programme the ECCT is funding for the 24 libraries that participate, from Gisborne south to the Horowhenua and South Wairarapa. To make the check-ins available in Waipukurau, library staff were at the Te Taiwhenua õ Tamatea twice a week and we had 2 storytellers visit there - this was an enormous success.

We held a very successful finale at the Waipawa Centennial Memorial Pool where everyone had a wonderful time, the chance to swim in the pool was enjoyed by children and caregivers. All the children received a final incentive as well as a book, certificate and dog tag, well-done children of Central Hawke's Bay. Thank you, Councillor Minehan, for being such an enjoyable participant!

Our iRead intermediate children had a great outing to Flip Out in Hastings.



The EBSCO databases are available now free to us from the funding through the Libraries Partnership, National Library until June 2022. This makes available 2 reference and research databases to our community.

Today was the first day of training for DORA for our Library Staff and staff from Napier Libraries. This is a timely opportunity with so many of our bank's closing, Dora is a mobile digital learning centre delivering classes on understanding online banking, recognizing scams and protecting yourself online. Dora will be out and about in our communities until February 5.



We have been fortunate to have successfully recruited 2 new positions, fixed-term June 2022 from funding from the New Zealand Public Libraries Partnership Programmes. The positions are Digital Inclusion Programme Co-ordinator and He Kura Kainga.

Our Books at Home service continues to grow as does the audiobook issues. EBooks are continuing to be a popular alternative. We have increased the opening hours in Waipawa Library from 9 am-5 pm daily, Monday to Friday. December and January have both been particularly high use, not just book issues but printing, photocopying and scanning services. We have had many enquiries for Skinny Jump modems but are finding some areas do not receive coverage, the solution for this will be fibre. We continue to provide digital assistance one on one. There is an increase in books being collected from the Pop-Up Centre.

Safety And Wellbeing

Health and Safety Overview

After a relationship-building and acclimatisation period, the health and safety advisor is well embedded within front line staff and middle managers. Progress for some projects and initiatives has been slower than desired, although this is offset through strong staff engagement which will directly contribute to the longevity, sustainability and acceptance of interventions and improvements.

'RiskManager' has now superseded the prior platforms 'PeopleSafe' and 'Safe365', Further adaption and customisation of RiskManager is planned to ensure it will serve our organisation as a robust platform for managing all risk for the organisation.

The HS&W team are planning a poster series on each critical risk to run as a continuous campaign in 2021. The aim is to feedback information from the bow-tie workshops while focusing the organisation and its leaders on the critical risks our people face. This will be supported by communications through internal channels and by tangible attention on each risk by the HS&W team on the ground.

The lone worker device trial was successful and received high staff engagement. Since the close of the trial, multiple staff have enquired on the ETA of the devices. The delivery of the devices has occurred, while admin and user training is scheduled for the first week of February. Similarly, the vehicle GPS trial was successful, and phase 1is being rolled out in Feb 2021.

Contractor Management Framework

A Contractor Management Framework is in Draft and currently under review prior to going out to the teams for feedback/input. Once finalised the plan will be rolled out across the business. The purpose of the framework is to standardise our health and safety requirements across all contractors engaged by Council. This includes how we carry out due diligence on our contractors through things like regular site inspections, audits and how we deem them competent over and above the baseline pre-qualification.

Safety System

We have a new safety system called 'Risk Manager' into the business – this replaces PeopleSafe and Safe 365 and will look to be our one source of truth! The H&S team will continue to optimise the use of the system and normalise its use. Including working to integrate risk management and other functions,

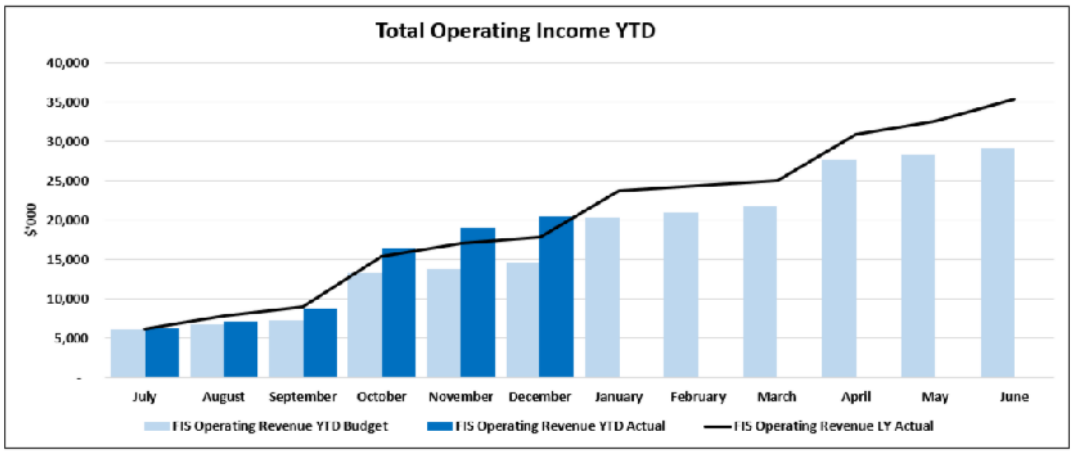


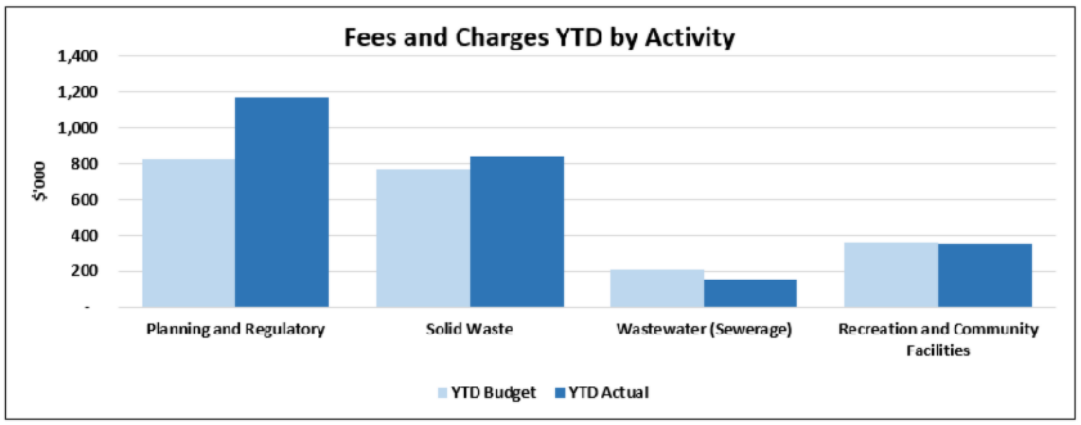
Financial Performance

FINANCIAL PERFORMANCE ENDING 31 DECEMBER 2020

The graphs and tables below show the financial results for Council covering the financial results for the 6 months ended 31 December 2020.

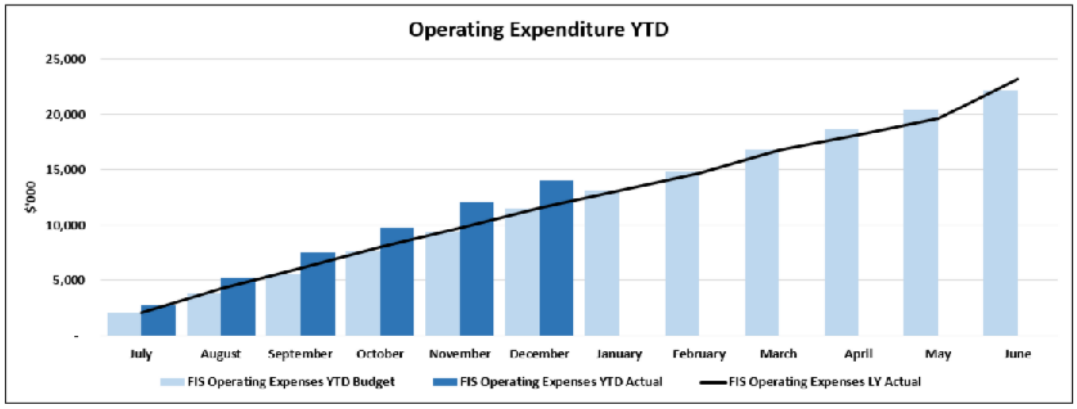
Revenue is tracking above budget, but the unbudgeted 3 Waters Reform monies ($1.175m operating grant and $4.25m capital grant) and the Job Creation schemes ($3.5m) (which also comes with unbudgeted costs) distort this. The underlying data shows that planning and regulatory is still processing more consents than expected (and this is against a fees budget that was set pre-COVID-19). Landfill is also going strong, but their budgets for 2020/21 had quite a lift from the previous year.



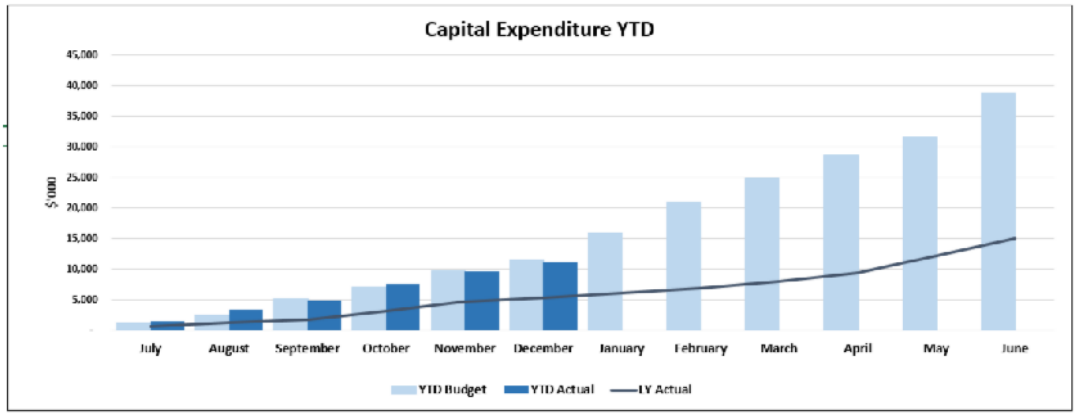


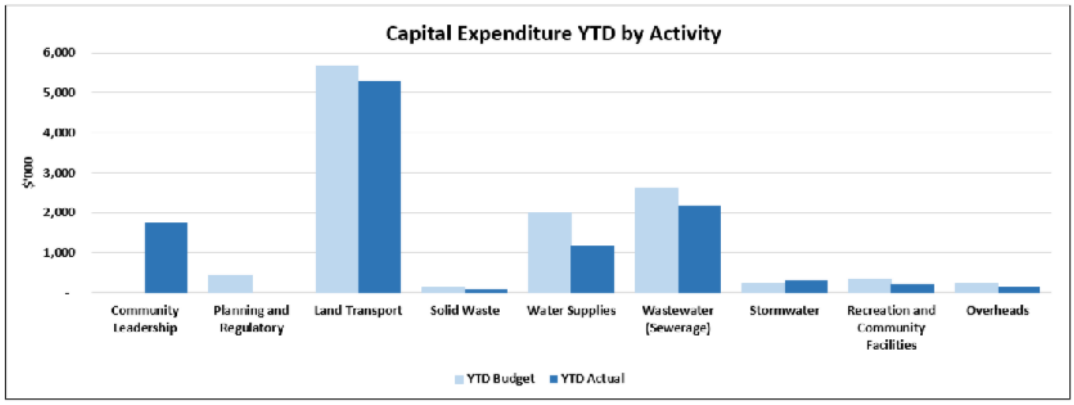
The operating expenses budget shows a similar trend to the operating revenue budget which is being distorted by the Job Creation schemes ($1.7m). Council is showing a savings in wages driven by vacancies. Payments to suppliers are $2.7m over budget. $1.7m of this is due the job creation scheme, $309k is outsourcing of consents, $209k is the district plan review (budget sits under capital rather than operating), $174k is in solid waste (disposing of concrete, tyres, green waste,

purchase of carbon credits, and the costs of the S17a review), $453k in Three Waters (mostly operational, but includes $98k of connection recharges yet to occur).



The capital programs for the year are well underway. Nga Ara Tipuna project is showing up in the graph below under community leadership, and the District Plan budget showing under Planning & Regulatory. Land Transport includes both the budget and spend for the normal activities plus the Route 52 PGF funded project









The end of 2020 and start of the new year has seen several #TheBigWaterStory & #TheBigWastewaterStory projects moving swiftly through the planning and investigation stages with physical works due to commence early in 2021. Our larger projects have also been boosted by additional resources in the Project Management Office. These sizeable projects require significant input prior to construction and officers as well as our external consultants, are driving these forwards, along with a $11.09m 3 Waters Reform grant from Central Government.

Within **#TheBigWaterStory** programme of work, the Waipukurau Second Supply preferred route has been identified and a preliminary design is underway, land access has been arranged and a contractor appointed for the drilling of test bores at the Waipawa bore field location.

The Kairakau Water Supply Upgrade has seen some attention in recent months with the project team hosting a community meeting in early December 2020 to provide answers to questions raised during initial community engagement. The team is currently working through and advancing updated options to present to Elected Members in February 2021.

Renewal of approximately 500 metres of water main on Nelson Street and Reservoir Road in Waipukurau is scheduled to start late in February, this being funded from Tranche 1 of the 3 Water reform funding.

#TheBigWastewaterStory programme has advanced over the last few months, with Stage Two of the Otane to Waipawa Wastewater Pipeline due to commence in March, linking the end of stage 1 works at Racecourse Road/White Road to the Waipawa Treatment Plant.

Conceptual designs for the new systems are underway for our wastewater systems, along with investigations at Council's new dispersal site at Walker Road. Council have also been working with interested parties to develop land treatment options for our wastewater. Soil and groundwater investigation work is underway, along with the conceptual design for land treatment.

Over the next few months Council will commence de-sludging of the WWTP ponds, finalise concepts and prepare resource consent applications for land dispersal, commence infiltration and inflow (I&I) studies to understand and reduce flows and start the upgrade of the tertiary treatment in Waipawa to improve treatment in the short term.

The following projects are currently underway:

- Waipukurau Second Water Supply
- Kairakau Water Supply Upgrade
- Johnson Street pump station improvements
- Waipukurau water renewals (Reservoir Road/Nelson Street)
- Waipawa Firefighting
- Otane to Waipawa Wastewater Pipeline (Stage 2)
- Caravan Dump Stations
- Takapau Wastewater Upgrade
- Porangahau and Te Paerahi Wastewater Upgrade
- Waipukurau, Otane, Waipawa Wastewater Upgrades
- Leachate to Landfill Irrigation
- Other 3 Waters Reform Funded projects

The following projects have been completed:

- Wetlands Removal – Waipukurau, Waipawa, Otane
- Waipawa Trunk Sewer Main – Stage 2 (Pumps and Power)
- Otane to Waipawa Wastewater Pipeline (Stages 1)
- Waipukurau Firefighting and Improvements (stage 3)
- Otane Wastewater I&I study
- Porangahau Water Treatment Upgrade
- Waipukurau SH2 Borefield Upgrade
- Waipawa Firefighting and Improvements
- Te Paerahi Water Storage

WAIPAWA AND DISTRICTS CENTENNIAL MEMORIAL POOL UPGRADE

PHASE 2	DESIGN	
TIMELINE	NOV 2019 START DATE	END DATE
PROGRESS	100%	
BUDGET	$1,205m TOTAL PROJECT	
RISKS		



Scope

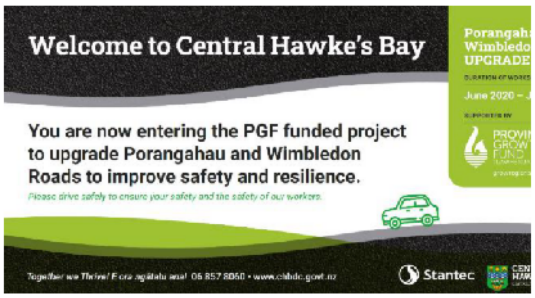
The development of a master plan is the remaining milestone from Phase 1 to complete. This master plan will inform phase 2 focussing on accessibility, entry, change rooms, and family friendly activities in pool surrounds inviting users to stay longer. There is proposed funding in Year 4 of the 2021-31 LTP for this, recognising the expectation regarding community fundraising also.

Progress Update

- The final report to Eastern and Central Trust in relation to the funding they provided has been accepted.
- Umbrellas have been mounted for sun protection for the lifeguards.
- Signage recognising the large financial contributions of Hickson Family (sponsor of the main pool), the Charlie Bridgeman Estate (sponsor of the learners' pool), and Stephenson Transport (generous support of the pool complex) has been erected at the pool.
- The 'drops' sign of donators to the pool has been re-created because the original drop sign had deteriorated and will be installed soon.

PGF ROADING PROGRAMME – PORANGAHAU TO WIMBLEDON

PHASE	DESIGN/ BUILD	
TIMELINE	JAN 2020 START DATE	JUNE 2022 END DATE
PROGRESS	20%	
BUDGET	$20.1m	
RISKS		



Scope

To upgrade Porangahau and Wimbledon Roads to improve safety and resilience along the route from Waipukurau to the Tararua border on Wimbledon Road.

The Contractor

Stantec and Council have been delivering the design, procurement and contractor supervision of this significant programme of work.

Funded through the PGF by MBIE – the programme will ramp up from here, and we can expect to see significant construction through to 2022.

Communications

An interactive map has been created and can be visited here:
https://stantec.maps.arcgis.com/apps/webappviewer/index.html?id=d315f41333354ea48bd220432ad0b30d

Webpages for the programme and individual projects can be found here: https://www.chbdc.govt.nz/our-district/projects/porangahau-wimbledon-road-upgrade/

An e-newsletter is set up and is being sent out monthly. Sign up is available via the Council website, along with the ability to view past editions.

Dec 2020 Employment Statistics:

Total Working	Full-time	Part-Time	Contractor	Consultant
79	22	57	22	57

Progress Update

Retaining Walls:
To kick off the start of the programme of upgrades along Porangahau and Wimbledon Roads four retaining walls were identified as Quick Wins – 3 / 4 sites are now 99% complete.

Contract 1075: 2 Retaining Walls, Porangahau Rd - Downer
RP27488: Completed
RW177: Completed structural work, awaiting guard rail.

Contract 1076: 2 Retaining Walls - Russell Roads
RW283 (Wimbledon Road): 70% complete, reduction from traffic lights to a priority giveway this week, 24 of the 39 piles are installed with a further 15 to go this month.
RW184 (Porangahau Road): Completed structural work, awaiting guard rail.

C-1077: AWPT on Porangahau Road - Russell Roads
600m of road across two locations is on track to be replaced. The project has made great progress so far, with approximately 95% completed.

C-1096: Bridge and Culvert Strengthening
A Traffic Management Plan for Wallingford Bridge has been created to restrict the bridge to a single 3.7m wide central lane with a 10km/h speed restriction in order to keep the road open and safe for use before strengthening begins Feb 15.

Tenders for Wallingford Bringe Strengthening are currently under review.

Upcoming Work: C-1098 Ret Walls and C-1097 Flaxmill
Another package of retaining wall and slope strengthening has recently been released to the market, along with the upgrade of Flaxmill Bridge. Both these packages of work expected to start in early 2021.

DISTRICT PLAN REVIEW

PHASE	Consultation
TIMELINE	AUG 2017 START DATE Notification May 2021
PROGRESS	70%
BUDGET	$1,800, 749
RISKS	



Scope

The review has now reached the 'tools down' phase of the review, meaning that the draft phase of the Plan Review is now complete and that amendments to the Plan to include deliberations on submissions on the draft have been completed. As at the end of December 2020 the formal statutory phase of the Plan Review has begun.

Progress Update

The recent focus of the District Plan Review has been the full integration of the National Planning Standards (planning standards) into the draft Proposed Plan ahead of notification of the Plan in late May 2021. Integration of the standards requires reformatting and in some situations creating new chapters of the Plan to comply with the planning standards. A big focus has been on ensuring that the planning maps and schedules are correct and in accordance with the planning standards.

Officers have also been working on the completion of the significant natural areas assessment including the release of the individual ground-truthing reports to landowners whose significant natural areas had been site assessed.

Progress is continuing with both the legal and planning reviews of the draft Proposed Plan. The planning review has focused on the linkages between the planning standards and planning maps and also ensuring that the document accurately reflects the intent of the planning standards.

The attention of officers has also been on preparing expressions of interest notice for the appointment of accredited commissioners to the District Plan Hearings Panel. It is hoped to progress this matter in early 2021.

Progress is continuing in relation to Council undertaking consultation with iwi ahead of the formal Schedule 1 RMA process. Council's newly appointed Pou Whatuia role is providing support and practical assistance in contacting iwi authorities and explaining the Councils responsibilities under the RMA. The assistance and guidance of Dr Maaka with this body of work is acknowledged and recognised.

Discussions are progressing around the upload of the Proposed Plan as an eplan for the date of notification and necessary timing to achieve the upload to meet the notification date of May 2021.

The completion of the Section 32a Reports is now well underway and anticipated to be completed before the end of January 2021. The Section 32a Reports will be presented to the District Plan Committee in April 2021 with the completed and finalised Proposed Plan for adoption and recommendation to Council for notification.

POUND PROJECT

PHASE	DESIGN	
TIMELINE	JUN 2018 START DATE	JULY 2020 END DATE
PROGRESS	5%	
BUDGET	$422k TOTAL PROJECT	
RISKS		



Scope

To build a purpose built Pound Facility for Central Hawke's Bay that meets:

- Ministry for Primary Industry (MPI) standards and;
- the needs of the community.

Progress Update

We are currently working with an external stakeholder around a potential land swap opportunity for the provision of a Pound Facility.

Work is underway with an initial design/build concept for the proposed land swap option, that will meet the MPI standards alongside ensuring we build to meet our needs of the Community now and into the future.

The Customer Experience and Relationships Manager is continuing to manage the relationship with the SPCA.

10 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
10.1 - District Plan Committee Minutes	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.2 - Resolution Monitoring Report - Public Excluded	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.3 - District Plan Key Project Status Report - January 2021	s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(g) - the withholding of the	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would

	information is necessary to maintain legal professional privilege	exist under section 6 or section 7

11 DATE OF NEXT MEETING

RECOMMENDATION

THAT the next meeting of the Central Hawke's Bay District Council be held on 8 April 2021.

12 TIME OF CLOSURE