



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Strategy and Wellbeing Committee Meeting Agenda

Thursday, 2 July 2020

9:00am

Council Chamber, 28-32 Ruataniwha Street
Waipawa

Together we Thrive! E ora ngātahi ana!

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- **WORDS FROM THE CHAIR**
 - **KARAKIA**
 - **WAIATA**
-

- 1 APOLOGIES**
- 2 DECLARATIONS OF CONFLICTS OF INTEREST**
- 3 STANDING ORDERS**

RECOMMENDATION

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.

- 4 CONFIRMATION OF MINUTES**

RECOMMENDATION

That the minutes of the Strategy and Wellbeing Committee Meeting held on 7 May 2020 as circulated, be confirmed as true and correct.

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
STRATEGY AND WELLBEING COMMITTEE MEETING
HELD VIA AUDIOVISUAL LINK —ZOOM,
ON THURSDAY, 7 MAY 2020 AT 9:00 AM**

PRESENT: Deputy Mayor Kelly Annand (Chair)
Mayor Alex Walker
Kaiārahi Matua Roger Maaka
Cr Jerry Greer
Cr Kate Taylor
Cr Exham Wichman
Cr Tim Chote
Cr Tim Aitken
Cr Brent Muggeridge
Cr Gerard Minehan

IN ATTENDANCE: Monique Davidson (Chief Executive)
Doug Tate (Group Manager, Customer and Community Partnerships)
Joshua Lloyd (GM - Community Infrastructure and Development)
Gina McGrath (Strategy and Governance Manager)
Craig Ireson (Economic Development Lead)
Bridget Gibson (Governance Support Officer)

Meeting commenced 9.10am with Karakia from Kaiārahi Matua Roger Maaka.

1 APOLOGIES

Nil.

2 DECLARATIONS OF CONFLICTS OF INTEREST

Nil.

3 STANDING ORDERS

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Exham Wichman

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 Gerard Minehan

Seconded: Cr Jerry Greer

That the minutes of the Strategy and Wellbeing Committee Meeting held on 12 March 2020 as circulated, be confirmed as true and correct.

CARRIED

5 REPORT SECTION**5.1 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 Kate Taylor

Seconded: Cr Tim Chote

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

CARRIED

5.2 STRATEGY AND WELLBEING 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 Exham Wichman

Seconded: Cr Gerard Minehan

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

CARRIED

5.3 CENTRAL HAWKE'S BAY DISTRICT COUNCIL POLICY FRAMEWORK

PURPOSE

The matter for consideration by the Council is the Central Hawke's Bay District Council Policy Framework.

COMMITTEE RESOLUTION

Moved: Cr Jerry Greer

Seconded: Cr Tim Chote

That having considered all matters raised in the report:

- a) That the Central Hawke's Bay District Council Policy Framework with amendments be referred to Council for adoption on 3 June 2020.

CARRIED

Policies requested for addition to the Framework — Chief Executive Pay and Performance, LTP, District Plan, Risk Framework, Land Transport, Procurement Policy.

It was requested by Committee that the Delegations Manual be included in the table.

That the Policy Framework will undergo further development and amendment before being brought back to Council for adoption. With mandate from the Committee, the Chair and Mrs McGrath will collaborate on finalising the document preceding consideration of adoption by Council.

5.4 LONG TERM PLAN - DIRECTION SETTING AND COMMUNITY OUTCOMES

PURPOSE

On Thursday 23 April Council workshopped our strategic direction for the Long Term Plan. This report summarises that discussion, and the direction provided by Council.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan

Seconded: Cr Tim Aitken

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

CARRIED

Impacts of the Covid-19 pandemic and the drought will be considered and included in development of the Long Term Plan, including continued focus on enabling business success, increasing employment opportunities, and supporting innovation in business and community.

Elected members are largely comfortable with the current direction setting of the LTP. It was decided that as an outcome of LTP direction setting and community outcomes discussion that 'planning for tomorrow' be incorporated into the Council's DNA statement as outlined in Project Thrive, alongside 'working together, customer excellence and working smarter'.

5.5 COVID-19 AND DROUGHT ECONOMIC RECOVERY ACTION PLAN - UPDATE

PURPOSE

Officers have prepared an update report on the COVID-19 and Drought Economic Recovery Action Plan covering the period from its adoption on 9 April 2020.

COMMITTEE RESOLUTION

Moved: Cr Kate Taylor

Seconded: Mayor Alex Walker

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

CARRIED

Mr Ireson presented the report.

Officers will assess the effect that termination of the Covid-19 wage subsidy will have on CHB businesses.

An update on the Tukituki Leader's Forum and water security issues was requested and an update was provided by Mayor Walker. A further update will be presented to Committee at a later date. Mayor Walker provided a brief update on the provincial growth fund water security package being led by the Regional Council, stating that the Tukituki Leader's Forum is working through issues related to water security.

The economic view of what water security does for the primary sector in terms of the economy and recovery in the future, especially when it comes to recovery from Covid-19 pandemic, is the number one priority of the Forum. Mayor Walker assured Council that the Tuki Tuki leaders' forum is prioritising water security in CHB.

Chair Annand and Mrs Davidson concurred that water security is a big part of the economic recovery for the region, specifically CHB and high priority of the Council in the economic recovery action plan deliberations.

6 DATE OF NEXT MEETING

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan

Seconded: Cr Tim Chote

That the next meeting of the Central Hawke's Bay District Council be held on 2 July 2020.

CARRIED

7 TIME OF CLOSURE

The meeting was closed with karakia from Kaiārahi Matua Roger Maaka.

The Meeting closed at 10.33.

The minutes of this meeting were confirmed at the Strategy and Wellbeing Committee Meeting Committee Meeting held on 2 July 2020.

CHAIRPERSON

5 REPORT SECTION

5.1 STRATEGY AND WELLBEING COMMITTEE MONITORING REPORT

File Number: COU1-1411

Author: Monique Davidson, Chief Executive

Authoriser: Monique Davidson, Chief Executive

Attachments: Nil

PURPOSE

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

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.

BACKGROUND

Following the 2019 Triennial Local Body Elections, Council took the time to reset Council priorities, and agree on priorities for Committees.

The purpose of the Strategy and Wellbeing 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 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 the community through a focus on the social, economic, cultural and economic wellbeings.

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
- monitoring the success of the key strategic relationships that support the implementation of key wellbeing related initiatives
- general coordination of Council policy and decisions.

The Strategy and Wellbeing Committee has delegations to:

- develop and adopt strategies, plans and policies that advance the Council's vision and goals, and comply with the purpose of the Local Government Act.
- monitor 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.
- 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.

The Committee has delegations to establish a special committee, working group or community forum as needed.

DISCUSSION

The monitoring report which provides an update on the key priorities of the Committee is below:

Key Priority	Responsible Officer	Progress Update
<ul style="list-style-type: none"> • Lead and monitor the implementation of the Waste-Free CHB Strategy. 	Josh Lloyd	<p>Behind Target.</p> <p>The Waste Free CHB Strategic Priority is behind target. While much of this is a result of the COVID-19 context, some of it relates to the timing and progress of the Section 17a Review of Solid Waste Services. A further update on this work can be found further on in this agenda.</p>
<ul style="list-style-type: none"> • Lead the delivery of the Social Housing Strategic Framework. 	Doug Tate	<p>On Track.</p> <p>Despite delays with COVID-19 the project is on-track.</p> <p>A rebooked meeting with the Retirement Village Association of New Zealand has been rebooked for the week of 22 June.</p> <p>At the workshop of this Committee, an updated programme will also be presented outlining the next steps for project delivery.</p> <p>Officers continue to receive Kainga Ora on their housing initiatives, including the recent acquisition of a property in Waipukurau.</p>

Key Priority	Responsible Officer	Progress Update
<ul style="list-style-type: none"> Monitor the implementation of the Economic Development Strategy. 	Craig Ireson	<p>Implementation of the action plan is on track.</p> <p>The major focus of the action plan has been focussing on the economic recovery of the District as a result of COVID-19. The Economic Recovery Action Plan focusses on 18 key actions.</p> <p>The large focus of existing resource has been on progressing Ngā Ara Tipuna through project implementation stage once Provincial Growth Fund (PGF) funding was confirmed and implementing Route 52 and HPMV projects.</p> <p>Additional Economic Development activity from initial PGF funding is still being finalised: these include draft investment prospectuses and the development of a regional high-level skills attraction strategy.</p>
<ul style="list-style-type: none"> Monitor the implementation of the Environmental Strategy. 	Josh Lloyd	<p>On track.</p> <p>The Environmental and Sustainability Strategy adopted in 2019 contains a series of actions/initiatives over a five year period. A number of actions have been completed or are in progress. A key priority within the Strategy is the completion of the Solid Waste Section 17a review which is progressing well but will be extended to include community engagement in line with pre-engagement for the LTP.</p>
<ul style="list-style-type: none"> Review the current Community Wellbeing Strategy and then monitor the implementation of a revised Social Development Strategy. 	Doug Tate	<p>On track.</p> <p>The review of the Strategy is aimed for completion late this calendar year and will look to take advantage of learnings and connections made through COVID-19.</p>
<ul style="list-style-type: none"> Develop a Māori / Iwi Engagement Strategy. 	Monique Davidson	<p>On Track – Some delays due to COVID-19.</p> <p>The Strategy and Wellbeing Committee at its 12 March 2020 meeting adopted the Māori Contribution to Decision Making Policy. Following the adoption of this Policy, the Committee workshopped and agreed on an approach to the development of a Māori Engagement Strategy. While this work hasn't progressed as planned given the COVID-19 context, it would be fair to describe the Maori Engagement Strategy having come to life, in advance of the development of the strategy itself.</p> <p>Work is underway to commence the recruitment of a Maori Development resource to support Council in the development and Implementation of a Maori Engagement Strategy.</p>

Key Priority	Responsible Officer	Progress Update
<ul style="list-style-type: none"> Monitor development and implementation of Community Plans. 	Doug Tate	<p>On track – Some delays due to COVID-19.</p> <p>Both Takapau and Ongaonga Community Plans were to be finalised in March. Due to Officer availability these have not been progressed at this point.</p> <p>We are working to have both plans finalised in July.</p>

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 Strategy and Wellbeing Committee will receive an updated monitoring report at its next meeting on the 27th August 2020.

RECOMMENDATION

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

5.2 STRATEGY AND WELLBEING COMMITTEE RESOLUTION MONITORING REPORT**File Number:** COU1-1410**Author:** Bridget Gibson, Governance and Support Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Resolution Monitoring Report 2 July 2020 [↓](#)**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.

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 at the next Committee meeting on 27th August 2020.

RECOMMENDATION

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



CENTRAL HAWKE'S BAY

DISTRICT COUNCIL

Strategy and Wellbeing Committee - Resolution and Action Monitoring Report July 2020

Key				
Completed				
On Track				
Off Track				
Item	Council Resolution	Resolution Date	Responsible Officer	Progress Report
CHBDC Policy Framework	That the Central Hawke's Bay District Council Policy Framework with amendments be referred to Council for adoption 3 June 2020.	7/05/2020	Gina McGrath	Completed The Policy Framework was adopted at Council Meeting - 3rd June 2020.
Water Security	Elected Members requested regular updates on the Water Security Programme.	7/05/2020	Monique Davidson	Completed Chief Executive noted the request and advised the Committee that updates would be provided to Council. The first formal update was provided at Council meeting - 3 June 2020.

5.3 ADOPTION OF GROWTH ASSUMPTION SCENARIO

File Number:

Author: Gina McGrath, Strategy and Governance Manager

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. Central Hawke's Bay District Council Population and Economic Projections - 2021-2051 (final draft) [↓](#)

PURPOSE

The matter for consideration by the Council is the adoption of a growth scenario for use in the 2021-2031 Long Term Plan.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) The Strategy and Wellbeing Committee accept the recommendation to base the relevant components of the 2021-2031 Long Term Plan on the medium growth scenario outlined in the Central Hawke's Bay District Demographic and Economic Growth Projections 2021-2051 Report.

BACKGROUND

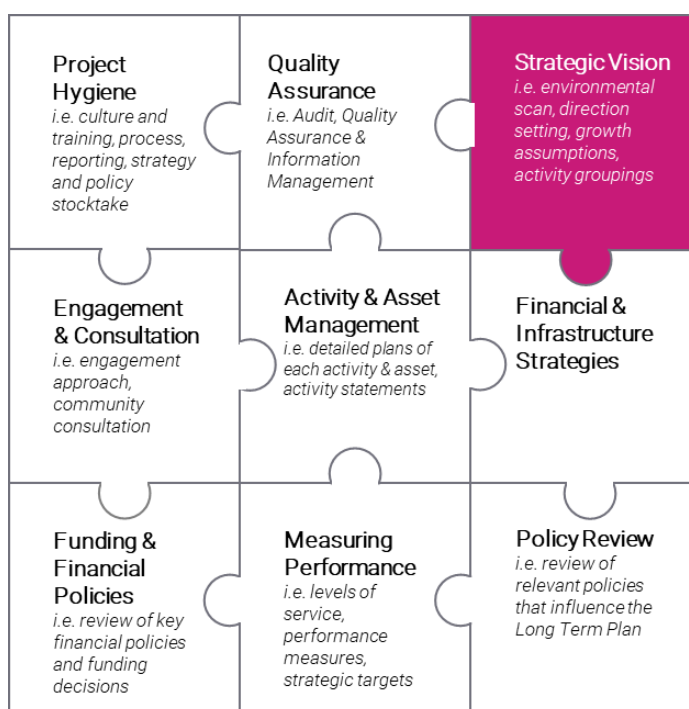
On 21 May 2020, Nigel Pinkerton from Squillions presented a draft of the Central Hawke's Bay District Demographic and Economic Growth Projections 2021-2051 Report to Council. This report ([linked here in the Councillor Portal](#)) contained within it three different growth scenarios (low, medium, and high) for discussion.

There were some questions raised in that presentation for potential inclusion in a finalised report (particularly around water security). Nigel Pinkerton has looked further into whether these can be included in this report, and they are discussed further in the body of this paper.

Furthermore, the report has now been updated with more detailed information in some areas (i.e. commuter data and commercial information).

In order for Asset and Activity Managers to complete their Activity and Asset Management Plans, we need the Committee to adopt a growth scenario. This will allow them to complete their own planning with certainty on what level of growth to base future services on.

This approval is within the delegation of the Strategy and Wellbeing Committee.



DISCUSSION

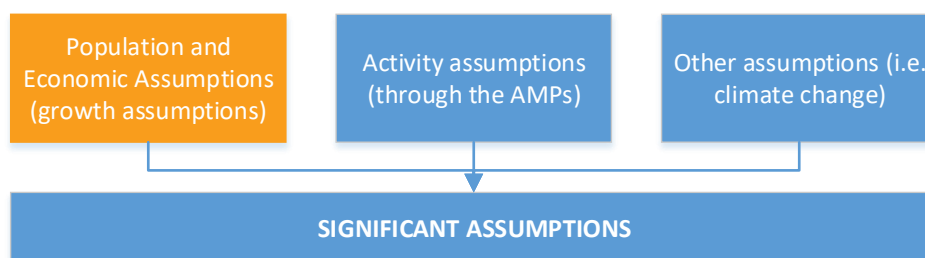
Forecasting assumptions are one of the building blocks of the Long Term Plan. All of our forecasting assumptions are important pieces of information in their own right. It is the piece of the Long Term Plan puzzle that most actively demonstrates that your long-term planning is long-term, but as growth requires an initial base it also demonstrates that your plan is grounded in the present.

There are three major inputs to it:

1. Growth assumptions – population and economic
2. Activity assumptions – major assumptions for individual activity areas, i.e. how legislation may impact a particular area in the future. These are included in Asset and Activity Management Plans.
3. Other assumptions – typically factors that impact other locations as well, i.e. climate change.

The Central Hawke's Bay District Demographic and Economic Growth Projections 2021-2051 addresses the first area. However, assumptions in the other areas may be based off this (for example, stormwater modelling). This is why it is important that this report, and the recommended scenario, are approved by Elected Members.

The other areas will be added into a larger report called "Significant Forecasting Assumptions and Risks", which is included in the Long Term Plan itself. Council will workshop this report once Activity and Asset Management Plans are completed and workshopped.



Graphic – How Growth Assumptions fit into Significant Assumptions

Water Security

At the meeting on 21 May it was asked whether Water Security options were factored into the growth scenarios in the report. Nigel Pinkerton looked further into whether this could occur.

It was noted by Nigel Pinkerton that the growth projections model different states of the world and how Central Hawke's Bay might develop under different levels of migration. Water security proposals are not factored into the baseline scenarios unless they are already greenlighted or have a high probability of going ahead.

However, the scenario approach used in the Growth Assumptions report is designed to allow for "what ifs" of this nature, where the effects on migration are able to be estimated. He noted that a lot of the work has been done on economic impacts and cost/benefits for some of the potential water security options. For example, if the Ruataniwha Dam was to come back on the agenda, this existing body of work would serve as a basis for considering the additional boost to economic activity and migration – and where it sits within the growth scenarios presented.

Furthermore, within the Significant Assumptions work, we can factor in some assumptions surrounding water security. For example, in the 2018-2028 LTP, the following was included:

Forecasting Assumption	Risk	Likelihood of occurrence	Financial effect	Effect of uncertainty
Ruataniwha Water Storage Dam – This project will not proceed in its current form, and has not been included in the LTP.		Low	Low	If the RWSS did go ahead, the Council would be required to complete the consent processes and this may require extra resourcing which can be charged for as part of the consent process.
Plan Change 6 – This will proceed and will affect current water consent holders, including the Council. There may be more periods where water takes are restricted due to low flow.	Urban water users may face greater water restrictions. For rural users, the less reliable supply of water may affect their businesses.	Moderate Moderate	Moderate Moderate	The impact is not considered likely in the first three years of this LTP. An amendment to the LTP would be required for any change within this period. This may affect the affordability of rates for rural businesses.

For the reasons outlined above, water security has not been further factored into the report.

RISK ASSESSMENT AND MITIGATION

There are no significant risks with this adoption of the recommended option or this report.

However, it is important that these projections are not mistaken for predictions. They are a model of likely change based on historical trends and by making clear, transparent assumptions.

FOUR WELLBEINGS

This work does not directly tie into the Four Wellbeings but supports Council in appropriately planning for growth to enable.

DELEGATIONS OR AUTHORITY

Given the implications of the scenarios, and how foundational it is to what is included in the Long Term Plan, it is important that Elected Members approve a growth scenario to base our planning off.

The delegation for approval is within the Strategy and Wellbeing Committee delegations, and does not need to go to Council.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed not significant.

OPTIONS ANALYSIS

- Approve the medium growth scenario for use in the Long Term Plan (recommended).
- Approve either the low or high growth scenario for use in the Long Term Plan.
- Do not approve any growth scenario.

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
	Adopt the medium growth scenario	Adopt the low or high growth scenario	Do not adopt a growth scenario
Financial and Operational Implications	Activity and Asset Leads have already been working on their AMPs. As part of this, they have been basing their planning off the medium scenario. Therefore, there will be no negative implications to the adoption of this option.	If one of the other scenarios are adopted, then this will require Activity and Asset Leads to review the work they have completed so far, in order to amend in line with the chosen scenario. This will likely mean we have to revise due dates and workshop dates to accommodate those changes.	If no scenario is adopted, this will mean that AMPs are drafted on a scenario that is possibly not adopted through the significant assumptions work. This could then mean major rework of the AMPs, and will significantly impact the overall timeline for the delivery of the LTP.
Long Term Plan and Annual Plan Implications	Growth assumptions have to be adopted as part of the LTP process.	Growth assumptions have to be adopted as part of the LTP process.	Growth assumptions have to be adopted as part of the LTP process. If not adopted now, they will be adopted as part of the significant assumptions report
Promotion or Achievement of Community Outcomes	No implication.	No implication.	No implication.
Statutory Requirements	The wider Significant Assumptions piece has to be adopted by Council as part of the LTP. Having adopted a scenario, this will make this process more straightforward.	The wider Significant Assumptions piece has to be adopted by Council as part of the LTP. Having adopted a scenario, this will make this process more straightforward.	The wider Significant Assumptions piece has to be adopted by Council as part of the LTP. If no scenario is adopted now, it will mean that this process will possibly require multiple workshops. It will also mean that AMPs may have to be

rewritten if the growth assumptions that are adopted as part of the significant assumptions are different to what they have based their work on. This will push out deadlines for the LTP.			
Consistency with Policies and Plans	This is option is consistent with policies and plans.	This is option is consistent with policies and plans.	This is option is consistent with policies and plans.

Recommended Option

This report recommends option 1 – adopt the medium growth scenario for addressing the matter.

NEXT STEPS

If the recommended option is adopted, then Activity and Asset Leads will continue to work on their AMPs with no change to the underlying assumptions.

RECOMMENDATION

- a) **The Strategy and Wellbeing Committee accept the recommendation to base the relevant components of the 2021-2031 Long Term Plan on the medium growth scenario outlined in the Central Hawke's Bay District Demographic and Economic Growth Projections 2021-2051 Report.**



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Background

Author: Nigel Pinkerton

Contributor(s): Benje Patterson

Prepared for: Central Hawke's Bay District Council, April 2020

DISCLAIMER

While every effort is made by Squillions to ensure that the information, opinions, and projections delivered in this report are accurate and reliable, Squillions shall not be liable for any adverse consequences of the client's decisions made based on this report. Squillions shall not be held to have given any warranty as to whether this report will assist in the performance of the client's functions. This report is produced at the request of, and for the purposes of the client only.

Executive summary

Population projections should not be mistaken for predictions. As Covid-19 has highlighted, no one has a crystal ball, but we can model how the population of Central Hawke's Bay District is likely to change based on historical trends and by making clear, transparent assumptions. The scenario approach we have taken allows for modelling how the future may look based on different underlying assumptions – when there is a degree of uncertainty about those assumptions.

Factors such as fertility rates and life expectancy tend to change slowly and are therefore relatively predictable. By looking at the current makeup of a population we can anticipate how births, deaths, and the age distribution of the population is likely to change in the future with a fair degree of confidence.

The biggest unknown for a district like Central Hawke's Bay is migration. People moving into and out of a district move a population off its "natural" course – which in the absence of migration would be driven entirely by births and deaths.

Migrants tend to be younger – in their working years – and have a higher proportion of families with children. Because of this fact, a net loss from migration can hollow out parts of a district's age profile and lead to a higher proportion of older residents. Conversely, a net migration gain can balance out the effects of an aging population, slowing the current aging trend brought about by historically low birth rates and longer life expectancies.

We have modelled three scenarios (low, medium, and high) based primarily on varying migration levels. Births and deaths are also varied across our scenarios but within a narrow bound, primarily because younger migrants have more children. But migration itself remains the key "lever" for our projections.

We have considered historical migration levels, which saw a net loss from migration between 1996 and 2013 turn into a healthy gain of around 200 people per year between 2013 and 2019. We explore the drivers of this turnaround and what it suggests for a post Covid-19 world.

All our scenarios anticipate lower migration in the near-term because of Covid-19. While Central Hawke's Bay District is well placed to ride out the crisis due to an agriculture-heavy economy, public health restrictions and behavioural factors will see fewer people moving into the district in the next couple of years. Central Hawke's Bay has a large commuter population, including to the nearby Napier-Hastings. Job opportunities for commuters will be fewer and farther between as the national economy deals with the economic fallout of Covid-19.

Our medium scenario is a middle-ground view of how things will unfold for Central Hawke's Bay District. In comparison, our High and Low scenarios are geared towards modelling "what ifs" that will result in higher and lower levels of migration to the district.

For the medium scenario, we have built in a recovery in migration from mid-2022, but migration remains below recent levels initially, then edges higher in the outer years. The result is a population that ages but less rapidly, having more families with children moving to the district and keeping up average household size. Under this scenario we project an increase of 2,300 people by 2031 – with further growth in the outer years.

In our low scenario migration returns to similar levels to pre-2013, with only a small net gain or a net loss from year to year. Under this scenario the population grows only slowly and peaks around the year 2030, by which time the aging population sees deaths begin to outnumber births. In the absence of significant migration, the population falls to below 2019 levels during the 2040's. However, the older population would lead to smaller households, so the total number of households in the district falls at a slower rate than the population after 2031.

Our high scenario asks "what if" migration recovered to levels above recent history post Covid-19, and we discuss reasons why higher migration might occur. We factor in less of a depression in migration surrounding Covid-19, with an average of 230 people per year entering the district (net of those moving out) through to 2031. These levels of migration are still broadly consistent with recent experience post-2013 and would be based on an expectation that the factors that have been driving the district's appeal to migrants will still be there when the dust settles after Covid-19.

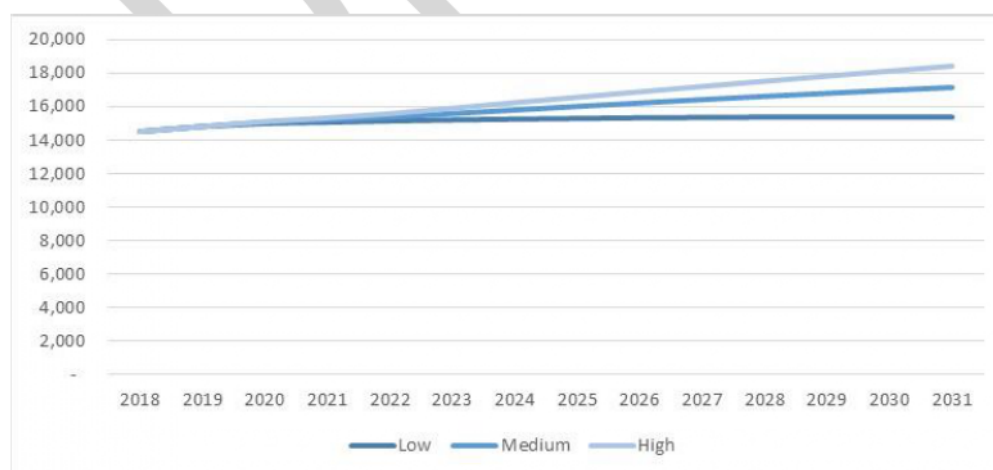
The result is much stronger population growth under our high scenario which feeds back through more births and a population that ages less rapidly.

When looking below the district level, Ōtāne continues to pick up proportionally more of the district's population growth, relative to its size. Under our medium and high scenarios, migrants are going to want to live in places that are accessible to Napier-Hastings (for out-of-district commuters) and the semi-rural feel of Ōtāne may appeal. However, unconstrained growth in a town like Ōtāne may change the character and not be popular with existing residents. The council has a key role here in either allowing or restricting development.

This point also applies to the coastal Pōrangahau, and likewise Takapau to the south-west on state highway two. Both these towns have seen noteworthy increases in population relative to their size over the last few years.

The larger towns of Waipukurau and Waipawa will continue to grow under our medium and high scenarios. Waipawa has been constrained in recent years by availability of land suitable for development and services. There is potential for Waipawa to pick up a higher proportion of growth than we are projecting if these constraints are addressed.

Figure 1: Projected Central Hawke's Bay District population by scenario to 2031



Background drivers and assumptions

Central Hawke's Bay, as with all districts in New Zealand, is intimately linked to the wider economic and social context that New Zealand operates in. In an increasingly connected and mobile world (recent Covid-19 events notwithstanding), New Zealand's regions are attractive to people that want the "best of both worlds", balancing lifestyle considerations with employment or business opportunities.

There are two main towns in Central Hawke's Bay – Waipukurau and Waipawa – with several smaller townships scattered throughout the district. Of these smaller towns, Ōtāne has proved a popular area for development, being located conveniently on state highway 2 north of Waipawa. The rest of the District is predominantly agricultural, and there is an overlap between agriculture (e.g. farm stays/Airbnb) and tourism.

Proximity to Napier-Hastings provides a wider range of employment opportunities for commuters and semi-remote workers, as well as flight connections through Hawke's Bay Airport.

Megatrends: high-level drivers of demographic change

Megatrends are transformative trends that operate at the national or international scale. These trends impact on the way people live, work, and operate within society. Consideration of these factors is therefore critical when dealing with medium and long-term planning timeframes.

The following key trends have been identified as having an influence on the current and future demographic makeup of Central Hawke's Bay District.

Urban-rural flight

Traditionally people have grouped together in cities to chase job and business opportunities not available in more rural areas. But there are increasingly factors that can draw some people out of the cities into the regions. These factors include:

- The ability to work from home part or full time for some employees
- Technological progress making physical distance less of an issue in some industries
- A change in preferences where rural living is viewed favourably by some people

This trend is likely to grow as technological factors and social acceptance allow more workers across a growing number of industries (not just core IT workers) to live away from their employer and/or clients.

Over the last few years, surveys have found a global trend towards more acceptance of remote working by big employers. There has also been a growing proportion of the workforce reporting that they are able to work from home at least some of the time (Owl Labs, 2019). In New Zealand about a third of employees report having worked from home, and about half have flexible work arrangements (Statistics New Zealand, 2018), which makes us look somewhat behind places like America – suggesting there is further room for change.

Employers that hold out are likely to miss out on the best talent, as 80% of US workers reported they would change jobs if it meant they were able to work from home (IWG, 2019). The Covid-19

situation is also forcing many workers to work from home, some for the first time, which is likely to lead to a lasting increased acceptance of the practice (Brook, 2020).

Only a very small proportion of urban workers need to move to the regions to have a significant impact on regional economies. This trend will not just lead to more people living in the regions, but a change in the makeup of the regional population. Those moving from New Zealand's major cities to the regions tend to be well educated with above-average incomes. They are younger on average and demand a different range of services to existing residents.

Technological change and automation in the labour market

Much has been written recently about automation and the effects on the labour market. This trend is particularly relevant in the agricultural sector for Central Hawke's Bay District.

There are divergent views among economists as to the extent of the change that is coming. But we have already observed a steady trend towards larger farming operations. Jobs that were done by gangs of people just decades ago (such as haymaking) have increasingly become a single person operating large machinery (and able to process large amount of hay or silage in a single day).

The technology that is being developed for autonomous vehicles has further implications for agriculture and will continue to drive down demand for unskilled and even skilled labour in the future - as has already been occurring.

More relevant for Central Hawke's Bay District is pip and stone fruit, which still requires a lot of labour at certain times of the year. However there does not seem to be any obvious barriers to further innovation in this sector, which could make parts of the industry less labour-intensive.

Perhaps the most striking symptom of the changing face of rural New Zealand is the large number of rural schools that have closed in recent years around the country.

Meanwhile there is pressure on councils to open land for lifestyle developments, which tend to be closer to town and demand a different range of services than the rural workers of previous generations. Small rural holdings that would be unviable on their own often draw an income from tourists through "cellar-door" sales coupled with other services such as dining and accommodation. Anecdotal evidence suggests some of these operations are marginally profitable but survive thanks to dedicated owners who value the lifestyle as much as the income – sometimes with one partner working off the property.

These small holdings also tend to be located closer to main townships or tourist trails, often clustering together for mutual advantage.

More Government involvement

Governments in the developed world, including New Zealand, have been progressively increasing their reach into private industry. This trend is currently most evident in the agricultural sector, where concerns about climate change have been driving a myriad of regulatory responses. These trends put further pressure on smaller farming operations, some of which may become unviable in the long term.

The current Covid-19 crisis has put upward pressure on the size of government and historical experience suggests this lift will outlast the crisis (The Economist, 2020).

Demographic trends

It is well documented that New Zealand's population is aging, and we are not alone in this trend. MBIE estimates by 2036 that 1 in 4.5 new Zealanders will be aged 65 plus - a 77% increase from 2016. This is not a trend that is expected to reverse after the "baby boomers" retire. Rather it is driven by a relentless improvement in longevity, and lower birth rates. Therefore, the increase in the median population age and proportion of over 65's is a structural shift.

New Zealand's workforce is becoming increasingly multicultural, a trend that is expected to continue. While this is most pronounced in the cities, regional areas also seeing the effects. International immigrants tend to be entrepreneurial and bring new services to their local communities such as ethnic restaurants and specialty retail offerings. Covid-19 may slow this trend in the near-term, but increasing multiculturalism is still expected to persist over the longer-term.

Ethnic identity and culture in Central Hawke's Bay District

Central Hawke's Bay District has a higher proportion of people who identify as European, compared to New Zealand. At the time of the 2018 Census, 83% of the population identified as European, compared to 70% for New Zealand and 75% for Hawke's Bay region. Urban areas tend to be more ethnically diverse than the regions, and so this difference is not surprising. For example, only 54% of Auckland residents identified as European in 2018.

Table 1 shows identification with broad ethnic groups from the 2018 census for Central Hawke's Bay District, with Hawke's Bay region and New Zealand for comparison. Note that people can identify with more than one ethnic group, so percentages don't add to one hundred.

Table 1: Share of population by ethnic group (2018 census, usually resident population)

Ethnic group	Central Hawke's Bay District	Hawke's Bay Region	New Zealand
Asian	2.5%	5.0%	15.1%
European	83.1%	75.0%	70.2%
Māori	23.7%	27.0%	16.5%
Middle Eastern/Latin American/African	0.3%	0.6%	1.5%
Other ethnicity	1.1%	1.1%	1.2%
Pacific Peoples	2.9%	5.6%	8.1%

A significantly higher proportion of Central Hawke's Bay District's residents identify as Māori (24%) compared to New Zealand (17%). For Hawkes Bay region, the percentage identifying as Māori is even higher – at 27%.

Hawke's Bay is the traditional heartland of the Ngāti Kahungunu Iwi – currently headquartered in Hastings and the third largest Iwi by population. The region has a long and rich Māori heritage, and Ngāti Kahungunu is active in areas such as social services, environmental and natural resource management, education, and commercial activities.

Table 2 shows how these figures have changed since the censuses in 2006 and 2013. The European ethnic group has not changed by as much as these numbers suggest. The lower figure for European in 2006 was due to a campaign to get people to put "New Zealander" down on their census form – which accounts for the larger "other" category in 2006. The percentage of residents identifying as Māori has lifted marginally between each census.

Table 2: Share of population by ethnic group in Central Hawke's Bay District (census years)

Ethnic group	2006	2013	2018
Asian	0.8%	1.4%	2.5%
European	74.5%	84.1%	83.1%
Māori	21.3%	22.2%	23.7%
Middle Eastern/Latin American/African	0.2%	0.3%	0.3%
Other ethnicity	12.7%	2.0%	1.1%
Pacific Peoples	2.0%	2.3%	2.9%

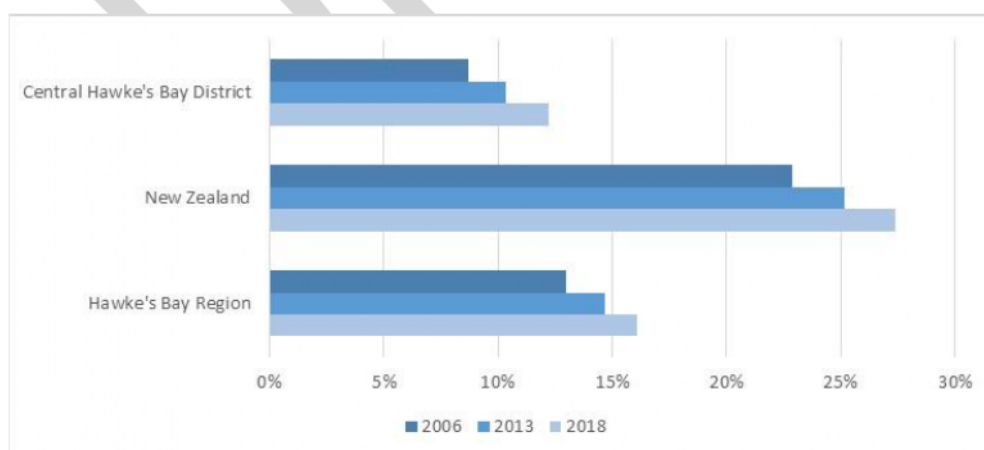
The percentage of people identifying as Asian in Central Hawke's Bay District has steadily increased since 2006 off a small base. New Zealand's proximity to Asia and strong economic growth in the Chinese economy in recent years have seen increasing numbers of people coming from Asia to work and study. In 2018, more than a quarter (28%) of Auckland's population identified as Asian – a big jump from 19% in 2006. Immigrants often end up influencing friends and family to visit or move to New Zealand – and some sponsor family members under special visa categories.

Most Asian immigrants have settled in the main centres as demonstrated by the Auckland numbers, close to friends and family of their own culture. But a small proportion have moved out to the regions. This trend is likely to continue and see the share of Central Hawke's Bay District's population identifying as Asian edge upwards in the future.

The Pacific Peoples ethnic group has been slowly growing and was still slightly larger than the Asian group in 2018. New Zealand has a special relationship with the Pacific islands, including visa quotas for Kiribati, Tuvalu, Tonga, and Fiji. Given this relationship and the existing Pacifica population in the district, we are likely to see further growth in Pacific Peoples in Central Hawke's Bay in the future. However, growth is likely to remain more muted than the Asian ethnic group.

Figure 2 shows how the percentage of Central Hawke's Bay District's population born overseas has risen since 2006 but remains well below New Zealand and slightly below Hawke's Bay Region.

Figure 2: Percentage born overseas (census years)



Current situation

How Has the Outlook for Central Hawke's Bay District Changed?

Population growth in Central Hawke's Bay District over the last two years has exceeded expectations. The following table compares recent population estimates with Statistics New Zealand population projections published in 2017.

Table 3: A strong showing: actual vs projected population growth in Central Hawke's Bay District

Area	Estimated*			2017 projections (Stats NZ)			
	2013	2018	2019	2018		2023	
				Medium	High	Medium	High
Central Hawke's Bay district	13,250	14,550	14,850	13,850	14,150	13,900	14,500
Otane¹	540	669	710	580	590	580	600
Waipawa	2,060	2,150	2,180	2,090	2,140	2,090	2,190
Waipukurau²	4,050	4,520	4,580	4,130	4,220	4,140	4,340

**estimate as at June, provisional from 2018; 1: SA1 aggregation; 2: New SA2 Areas include west of the airport*

By 2018, Central Hawke's Bay District and all three centres shown had already surpassed the high growth scenario for 2023. The key reason for this divergence was a sudden increase in migration that was not factored into these projections.

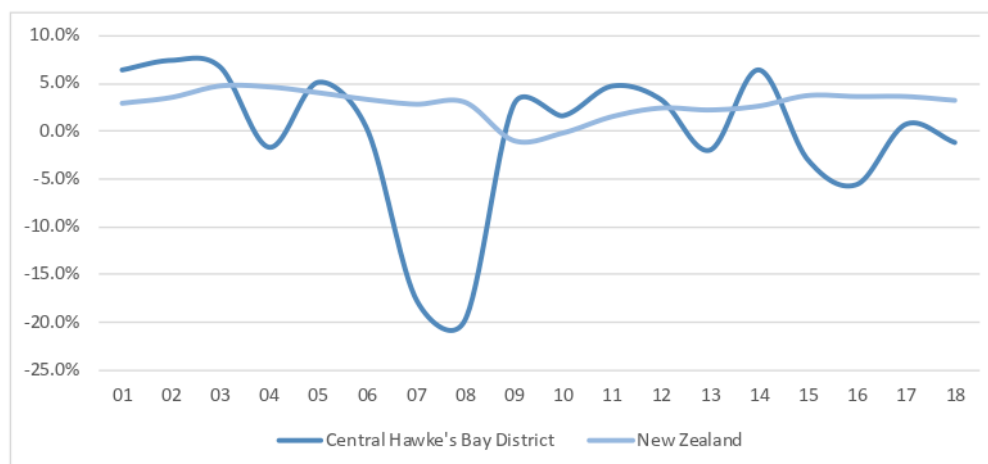
Migration will naturally then form a big part of the picture for our projections. We will discuss the factors that will influence migration, and model three diverse levels of migration and the effects of those on the population of Central Hawke's Bay District.

The economy of Central Hawke's Bay District

The Ministry of Business, Innovation, and Employment (MBIE) produces estimates of real (inflation-adjusted) GDP, which are useful for comparing the relative performance of regional economics. GDP is a measure of value-added, and a proxy for economic activity within a region.

Figure 3 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.

Figure 3: MBIE real GDP estimates – annual growth rate



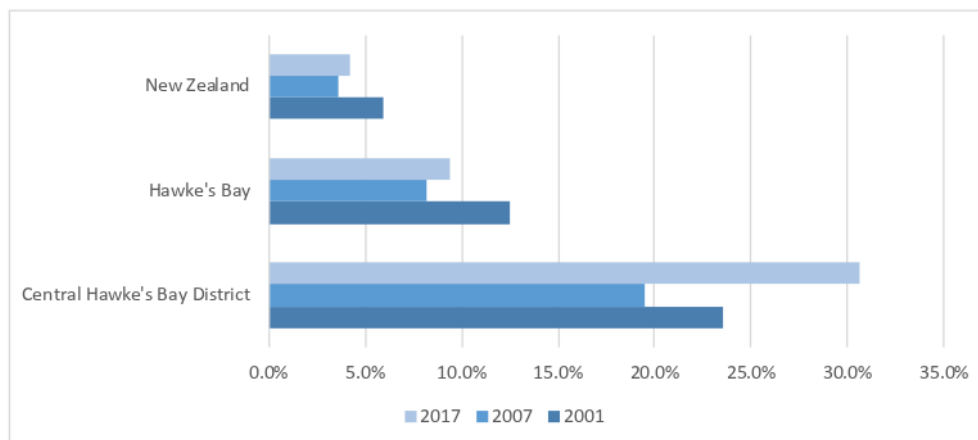
The importance of agriculture to the Central Hawke's Bay economy – over 30% of GDP in 2017 compared to 4.2% for New Zealand – makes it particularly vulnerable to adverse growing conditions and conditions in export markets. But conversely, agriculture will make Central Hawke's Bay District more resilient to the Covid-19 crisis as the world and the country still need to eat.

The Hawke's Bay regional economy is less reliant on agriculture, with agriculture making up only 9% of the region's GDP in 2017. Hawke's Bay region has a larger service sector with "Professional, Scientific and Technical Services" making up 4.7% of GDP in 2017 against 2.5% for Central Hawke's Bay District. This is but one example of nearby industry diversity suggests suggesting that residents within Central Hawke's Bay District who are commuting to places like Napier and Hastings have a wider range of employment opportunities.

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. There can be a delay in people moving to the district and bringing income and spending power, and a lift in core economic indicators. While MBIE GDP estimates currently only go up to 2018, we have seen positive signs in employment indicators in the latest years – as discussed in the employment section following.

The propensity of commuters to spend money they earn outside Central Hawke's Bay within the District depends to a large degree on what retail offerings and other services are available close to their place of residence. Once an area has a critical mass of commuters it can lead to more local employment and business opportunities, such as retail, entertainment, and dine-out options. These commuters also need to send their children to school and visit the doctor occasionally. We examine commuting more closely in the following section.

Figure 4: Agriculture as a percentage of total (nominal) GDP



What industries do people work in?

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.

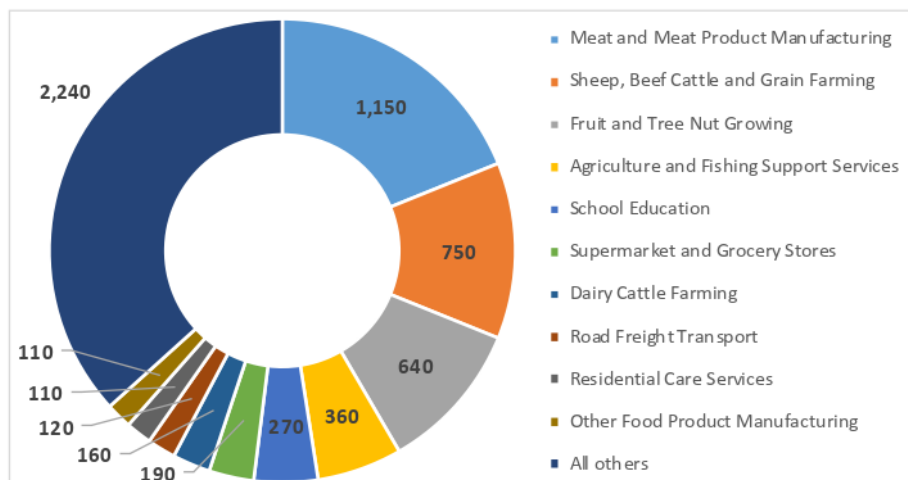
Table 4: ANZSIC 1-digit industries by employee count in 2019

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	

Source: Statistics New Zealand Business Demography

But despite agricultural industries feature highly when we look at where people worked in 2019, there has not been a significant increase in employment in agriculture over the last ten years. We will consider this point next.

Figure 5: Employee count by ANZSIC 1-digit industry in Central Hawke's Bay District, 2019



Job creation in Central Hawke's Bay District and surrounding areas

A key consideration for planning is which industries are creating jobs and which are static or declining in terms of employee count. The following table shows job creation by top-level ANZSIC industry in Central Hawke's Bay District as well as nearby Napier-Hastings and Hawke's Bay Region as a whole.

Business demography statistics show a total of 800 jobs were added in Central Hawke's Bay by all industries (in net terms) in the three years to 2019. In contrast Napier-Hastings added 5,900 employees, suggesting opportunities for commuters have increased in recent years as well as employment opportunities within Central Hawke's Bay District.

Agriculture, while still vitally important to the economy (see Figure 4) was not the largest creator of jobs over the last three years. This is not a unique or surprising situation for Central Hawke's Bay. Agriculture across New Zealand's regions has experienced good growth in output over the last few decades. However, it has become less labour-intensive and so employment levels have not grown in line with output. Automation has also constrained employment levels in food processing. At the same time, logistical, wholesale and retail trade has increasingly become concentrated in larger population centres, at the expense of these sectors in small provincial towns.

Figure 6: Employee count change by ANZSIC 1-digit industry, 2016-2019 (Business Demography)

IndustryName	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	5,900	6,400

The 800 jobs added over the last three years only tell part of the story for Central Hawke's Bay District. Prior to 2016, employment in the district was significantly weaker, with a contraction of 900 jobs between in the three years to 2016 – even as Napier-Hastings added 3,000 jobs. The significant uptick in migration we saw in Central Hawke's Bay District after 2013 is likely due to a combination of the healthy Napier-Hasting job market (we discuss commuting in more detail soon) and the recent turnaround in employment within the district itself.

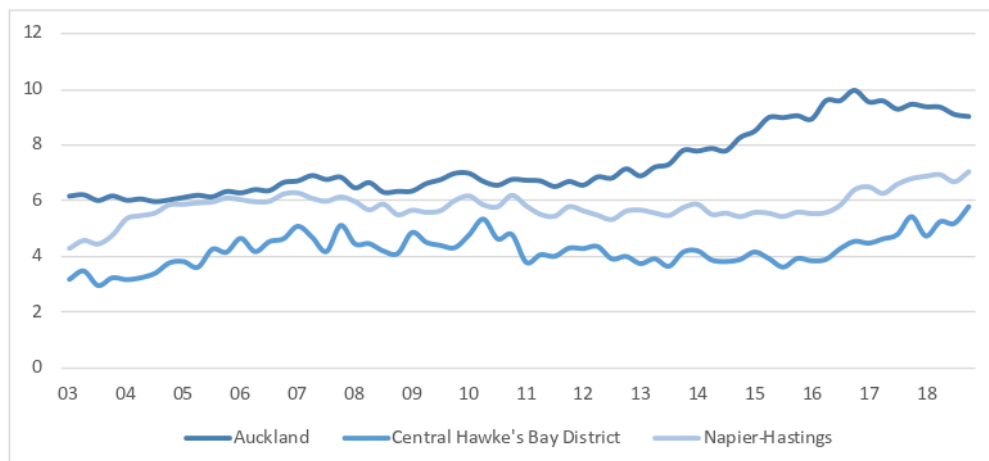
Another way a strong Napier-Hastings economy can benefit Central Hawke's Bay District is when nearby households with disposable income spend some of it on goods and services produced in Central Hawke's Bay District. Most key areas in wider Hawke's Bay are within an hour's drive of each other, making day trips from Napier-Hasting into Central Hawke's Bay District quite accessible. There is significant opportunity for Central Hawke's Bay district to tap into this market by providing things to do and see.

Housing affordability

Housing in the regions tends to be more affordable than the main centres, even when differences in income are considered. Using median household income data from the 2018 Census and the Household Economic Survey, along with CoreLogic sales data provided by the Ministry of Housing and Urban Development (HUD), we can clearly see differences in affordability.

The following graph shows the cost of a house relative to income for Central Hawke's Bay District alongside Napier-Hastings, along with Auckland as a comparator. A higher multiple means housing in the region is less affordable.

Figure 7: Housing (un)affordability: Median house sales price/Median household income, 2003-2018



Source: Housing and Urban Development (HUD), Statistics NZ

In the December quarter 2018, a median house sold in Central Hawke's Bay District was sold for 5.8 times the median household income in the district. This data shows that houses being bought and sold in Central Hawke's Bay District have been significantly more affordable than Auckland – where a median house went for 9.0 times the median household income. Houses were also more affordable than Napier-Hastings, where the multiple was 7.0 times.

Table 5: Key housing market indicators

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

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.

Even if Central Hawke's Bay District does not attract homeowners directly from Auckland or other cities, there can still be a "halo effect" from people moving out of Napier-Hastings (where migrants into the area may first settle).

Social housing pressures

The Ministry of Social Development reported in December 2019 that there were 42 applicants on the housing register. There were 1030 applicants in the rest of Hawke's Bay Region. The Housing Register represents applicants who have been through the assessment process and deemed eligible,

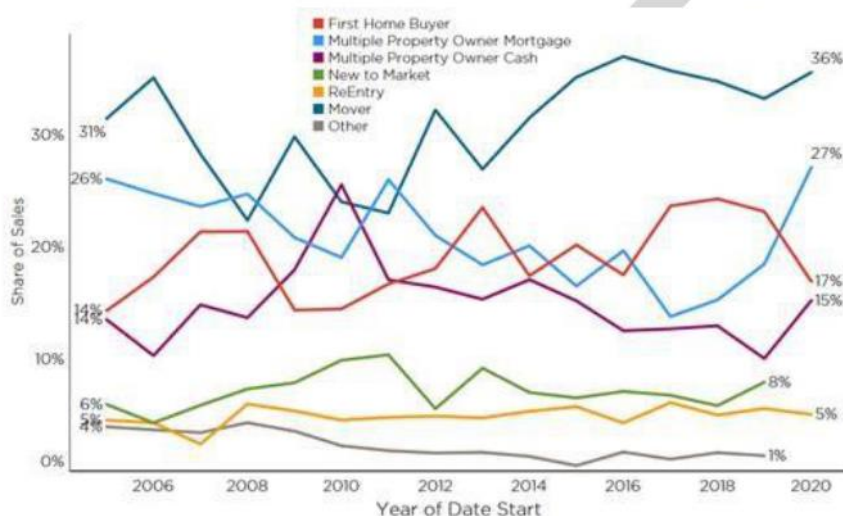
and who are waiting to be matched to a property. MSD reported in 2018 that there were only 34 social housing tenancies in the District.

Prior to 2017, the number of applicants waiting for a house in Central Hawke's Bay District had not broken single digits since the series started in 2014. This big lift off a small base suggests that recent house price growth has put pressure on social housing in Central Hawke's Bay District.

Tenure of Households

Figure 8 shows the percentage of house buyers by classification. While the proportion of first home buyers has fallen slightly since 2018 as prices have continued to climb, there is a lot of noise in the series. It appears that home ownership remains within reach of many in the district.

Figure 8: House buyer classification in Central Hawke's Bay District (CoreLogic)



The proportion of people who do not own their dwelling (including in a family trust) has fallen slightly between the 2006 and 2018 censuses in Central Hawke's Bay District. In the near-term the effects of Covid-19 are expected to see real house prices slip across the country which will improve the affordability of home ownership. Nevertheless, this trend may be balanced by income uncertainty which will limit the extent to which first home buyers can take advantage of lower prices. The net effect is that dwelling ownership is assumed to remain constant over our planning horizon.

Central Hawke's Bay District has a higher proportion of homeowners in 2018 than New Zealand as a whole. In New Zealand, 35% of people in 2018 did not own their usual residence, while in Hawke's

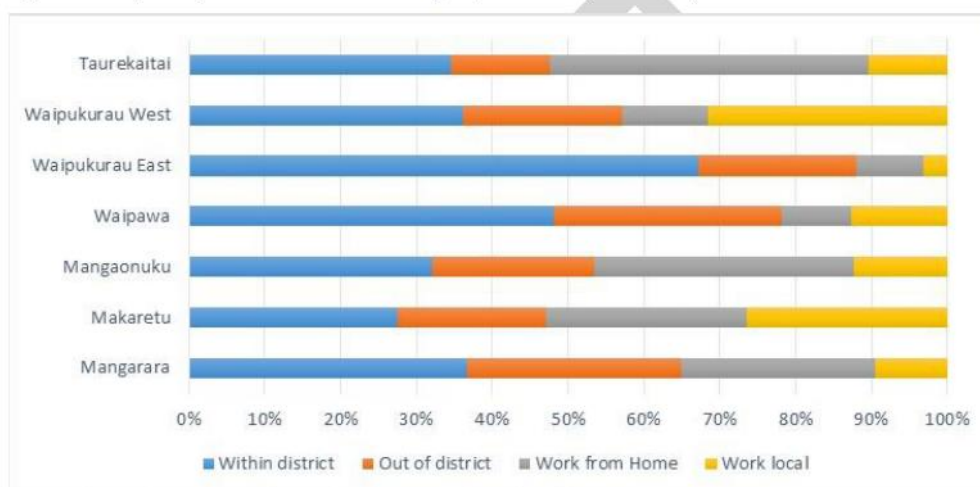
Bay Region this figure was 33.5%. Higher levels of home ownership support the idea that housing is a factor for people deciding to move to the region.

Table 6: Tenure of households in Central Hawke's Bay District

	2006	2013	2018
Dwelling owned or partly owned	51%	50%	55%
Dwelling not owned and not held in a family trust	31%	30%	28%
Dwelling held in family trust	18%	21%	18%

Commuting patterns in Central Hawke's Bay District

Figure 9: Propensity to commute: Percentage of workers by SA2 area, 2018



Understanding commuting behaviour is a key part of forecasting population growth and where new growth may be concentrated. Table 7 takes data from the 2018 census, using the new Statistical Area 2 definitions (see appendix Geographic boundaries on page 39).

We can see that, as one might expect, areas more isolated from main urban centers have a significantly higher proportion of remote/home-based workers. On census day, 42% of workers in the rural Taurekaitai area (to the South-East) worked at home on census day, followed by 34% in Mangaonuku – also a rural area. This compares with 9.2% in Waipawa and 8.8% in Waipukurau East. While agricultural operations with live-in owners and staff clearly influence these figures, lifestyle properties also tend to be popular with professionals who have the option to work remotely.

Twenty two percent (more than 1 in 5) of commuters in Central Hawke's Bay commute out of the district, with commuters in Waipawa most likely to do so (30%), followed by Mangarara (which includes Ōtāne) at 28%. Proximity to Napier-Hastings and lack of local options for employment is associated with higher rates of out-of-district commuting.

Of the out-of-district commuters from Central Hawke's Bay District, Napier-Hastings is the most popular destination. There has been a significant increase in out-of-district commuting since the 2013 census, from 17% to 22% of commuters. There has also been a small rise in the percentage of

home-based workers (from 20% to 22%). This change occurred against a backdrop of higher levels of migration during this period.

Table 7: Commuter flows from Central Hawke's Bay District

SA2 Area	Commute out		Work from Home	Work local	Total	Commute in
	Within district	Out of district				
Mangarara	483	372	336	126	1,317	573
Makaretu	375	267	363	360	1,365	1407
Mangaonuku	180	120	192	69	561	330
Waipawa	501	312	96	132	1,041	492
Waipukurau East	573	177	75	27	852	180
Waipukurau West	441	255	138	384	1,218	1440
Taurekaitai	357	135	432	108	1,032	633
Central Hawke's Bay*	-	1,635	1,629	4,119	7,383	6063

Demographic projections

Squillions have prepared population and household growth projections for Central Hawke's Bay District covering the Long-Term Plan 2021-2031 period, as well as 5-yearly out to 2051. The projections consider the historical growth and current trajectory, factoring in the wider economic and social trends discussed in previous sections. The projections are demand-focused, modelling where growth is likely to occur in the absence of constraints on, for example, the supply of land or services.

The 2018 census gives us an anchor point for our projections, and Statistics New Zealand has published population estimates for Central Hawke's Bay District in 2019. Building consent information and recent trends have been used to estimate household numbers in 2019.

For the year to June 2020, building consent data and recent trends suggest growth was tracking ahead of 2019. However, Covid-19 has increased the level of uncertainty in the near-term, as discussed in the background section.

Interpreting scenarios

Changes in assumptions can lead to big differences in projected outcomes, especially in the outer years of the forecast horizon. There are three key "levers" for the population forecasts:

- **Births:** Birth rates have been trending downwards as the population ages and people choose to have fewer children. While birth rates tend to change slowly and are therefore relatively predictable over the short-term, slight changes can compound over the longer-term. There has been a trend towards smaller families in New Zealand as in much of the western world – with Statistics New Zealand reporting a record low of 1.81 births per woman in 2017 compared to a peak of 4.31 in 1961.
- **Deaths:** The aging population will see the number of deaths (relative to the population) trend upwards. However, people are living longer which softens the increase. For the last hundred years the rise in life expectancy has been remarkably consistent and predictable.

Projecting current trends forward implies that people in Central Hawke's Bay District will live an average of 5 years longer by 2051 than at present.

- Migration: The effects of migration can dwarf a natural increase or decrease in the population. Migration levels are therefore the biggest difference between our three scenarios. Over the long-term, even relatively small shifts in migration can cause vastly different growth paths as they compound over time and feedback in more births.

Anticipating migration

When we discuss migration in the context of Central Hawke's Bay District, we are referring to both international migrants, and people moving into the district from other parts of New Zealand.

Following the Global Financial Crisis, the population of Central Hawke's Bay District remained static until 2013, thanks to negative net migration. Between 2013 and 2019 an estimated 200 people per year moved to the district. We attribute this turnaround in migration to several factors:

- Signs of a lift in employment and economic growth in the Central Hawke's Bay District economy (see page 10)
- Technological change and its effects on remote working and commuting patterns (see page 7).
- A preference shift in the general population – a “back to basics” ideal making life in the regions more attractive to some people.
- A sustained lift in real house prices in the cities making regional housing markets more attractive – particularly to cashed-up buyers from Auckland or other main centres.

Varying levels of migration across our three scenarios does not just affect the total number of people living in the district. We also need to consider how various levels of migration change the makeup of the population.

More births and fewer deaths will, all else equal, lead to a younger population. But changes in migration also have an effect due to migrants tending to be in their working years, often with children. For this reason, the proportion of over 65's (for example) varies quite considerably across our scenarios, with the high scenario assuming both more births and more (relatively younger) migrants.

In support of this assertion (migrants being younger on average), the following table, taken from the 2018 Census, shows how over 65s in Central Hawke's Bay District were much less likely to have moved residence in the five years to 2018. More than half (64%) of over 65s in Central Hawke's Bay District resided at the same residence 5 years earlier. This percentage was significantly lower for other age groups, at only 24% for those aged 15-20 years.

Table 8: Age group by usual residence 5 years ago in Central Hawke's Bay District, 2018 census

Age group	Same residence	Elsewhere in New Zealand	Overseas	Not born /homeless
All ages	42.8%	46.7%	2.7%	7.8%
Under 15 years	25.1%	36.6%	2.8%	35.4%
15-29 years	23.6%	72.3%	4.1%	0.0%
30-64 years	47.3%	49.4%	3.2%	0.1%
65 years and over	64.4%	34.9%	0.5%	0.1%

We can see in Table 8 that international migrants during this period were most likely to be aged between 15 and 29 years, with only half a percent aged over 65. The propensity to move to a new house (both within and into the district) drops rapidly as we move up the age groups.

We also know from the 2018 census that 42% of Central Hawke's Bay District residents in 2018 resided outside the district five years earlier. This 42% includes those moving into the district for the first time and those returning.

Although most migration into Central Hawke's Bay District is from other parts of New Zealand, international migration levels still drive this migration indirectly. For example, international migrants help prop up housing markets in the main centres and thus drive "halo effects" in the regional housing markets.

Forecasting households

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 over the following years (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 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.

Projection vs prediction

A projection is not a prediction of the future, but a model of how things will unfold using different sets of assumptions. Central Hawke's Bay District Council may react to scenarios by undertaking investment and policies that encourage or discourage migration, moving between scenarios. The district may also move from a high growth to low growth track (or vice versa) due to sudden, unexpected changes in migration patterns. It is therefore a mistake to say a scenario is "right" or "wrong" as things unfold, rather each scenario should serve as a baseline for planning when considering other "what if" questions that may change the outcomes.

By the outer years of the planning horizon the district is expected to rely on migrants to maintain and grow its population. Falling birth rates and an aging population are expected to see the natural increase in Central Hawke's Bay District's population turn negative sometime between 2030 (low scenario) and 2040 (high scenario). Our three migration scenarios therefore present three very different views of the future, as in the low growth scenario weak to negative migration results in an overall decline in the population.

What about Covid-19?

The present situation surrounding Covid-19 has created a high degree of uncertainty for planners. We have factored in lower migration over the next couple of years in all scenarios.

From 2022 onwards, people continue to move into Central Hawke's Bay District as we have seen since 2013 and have modelled this at different rates for our scenarios with consideration to historical levels.

Housing market downturns tend to affect regional markets more in relative terms. While the unfavourable economic climate is expected to suppress construction activity in the near term,

history suggests that the differential in affordability between Central Hawke's Bay District and the main centres will survive the crisis.

Central Hawke's Bay District is well-placed to weather the downturn due to its reliance on agriculture, but the effects of a weaker job market (particularly in Napier-Hastings) will be felt.

Due to this heightened uncertainty, we recommend checking in at least annually with these projections to see how things are evolving. Should the effects of Covid-19 be more pronounced than expected, the district may track closer to the low scenario, at least initially.

Medium scenario: business as usual

This is our central scenario, characterized by steady migration levels and an ageing population. We used historical trends and assumptions about the future to produce a set of projections assuming no major policy interventions (at central or local government level).

Key assumptions (medium scenario)

- The population steadily ages, although this is tempered somewhat by incoming migrants (national and international) which have a higher proportion of families and working-age people.
- Birth rates fall as the population ages, but this is also limited by new migrant families which are younger on average than the resident population of Central Hawke's Bay District.
- The number of people dying each year relative to the population rises slowly out to 2051, but this rise is limited by longer life spans and a steady flow of younger migrants.
- Net migration (which has averaged about +200 people per year since 2013) drops in the short-term but averages approximately 140 people per year between 2020 and 2031.

We have allowed for a drop-off in migration in the near term due to uncertainty around the Covid-19 crisis, which will encourage people to stay put. This drop mostly shows up in the year to June 2021. It is difficult to predict the net effect, as fewer people moving to New Zealand will be offset by returning New Zealanders. It is also possible that the regions will be perceived "safer" than the cities when this is over. Those that have family in regional New Zealand may choose to move there.

Highlights (medium scenario)

- Central Hawke's Bay District adds 2,300 people by 2031, and a total of 4,600 people by 2051.
- The average growth rate in the population between 2019 and 2031 is 1.2%pa, which is lower than the average between the 2013 and 2018 censuses (2.1%pa).
- The proportion of the population aged over 65 rises from 20% in 2019 to 27% in 2031 and continues to rise to 32% by 2051.
- The number of households is projected to grow to 6,340 by 2031, an increase of 920 from the 2018 census, and reach 7,480 by 2051.
- The average household size rises slightly to 2.8 in 2026 then eases back to 2.7 again and remains there until 2031.

Population projections

We have discussed the fact that migration can lead to a younger age profile for the population than would have otherwise eventuated. However, demographic pressures (see Demographic trends, page 8) still see an aging population under our medium scenario – just at a slower rate than what would occur in a low or negative migration scenario.

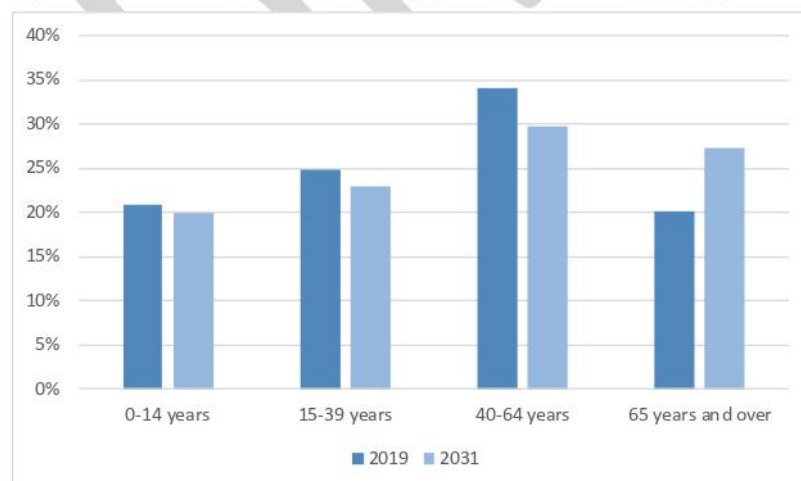
The following table shows the projected population for Central Hawke's Bay District, total and broad age group, under the medium scenario.

Table 9: Central Hawke's Bay District projected population (medium scenario)

Year	Total	0-14 years	15-39 years	40-64 years	65 years and over
2018	14,550	3,000	3,550	5,050	2,900
2019	14,850	3,100	3,700	5,050	3,000
2020	15,110	3,160	3,710	5,110	3,140
2021	15,240	3,190	3,690	5,100	3,260
2022	15,400	3,210	3,700	5,100	3,390
2023	15,610	3,250	3,720	5,100	3,540
2024	15,820	3,280	3,760	5,090	3,690
2025	16,030	3,310	3,790	5,080	3,850
2026	16,230	3,330	3,830	5,060	4,010
2027	16,430	3,350	3,870	5,050	4,170
2028	16,620	3,370	3,900	5,040	4,310
2029	16,800	3,380	3,920	5,050	4,450
2030	16,980	3,390	3,940	5,070	4,570
2031	17,140	3,400	3,940	5,110	4,680
2036	17,820	3,400	3,930	5,290	5,200
2041	18,330	3,390	4,020	5,310	5,610
2046	18,780	3,440	4,160	5,330	5,850
2051	19,430	3,510	4,260	5,450	6,210

Despite the economic shock and restrictions on movement from Covid-19, the Central Hawke's Bay District population is still likely to sit above 15,000 in June 2020 – because most of this growth would have already occurred before restrictions on movement hit.

Figure 10: Actual and projected share of population by broad age group (medium scenario)



Household projections

Table 10 shows projected household numbers in Central Hawke's Bay District under the medium scenario. We have incorporated an easing in the average household size from 2026 due to the aging population. However, this trend is slowed by the effects of a younger age profile for migrants.

The 2018 Census revealed an average household size of 2.6 people, which shows household size has stayed higher than was previously projected (consistent with higher migration levels between 2013 and 2018). Our estimate of household numbers in 2019 (from building consents and recent trends) suggest the household size lifted further in 2019.

The statistics New Zealand projections published prior to the 2018 census had assumed a household size of 2.4 in 2018 (their medium scenario) – significantly lower than what eventuated.

Table 10: Central Hawke's Bay District projected households (medium scenario)

Year	Total households	Average household size
2018*	5,418	2.6
2019E	5,570	2.7
2020	5,700	2.7
2021	5,730	2.7
2022	5,770	2.7
2023	5,830	2.7
2024	5,880	2.7
2025	5,890	2.7
2026	5,900	2.8
2027	6,020	2.7
2028	6,130	2.7
2029	6,220	2.7
2030	6,290	2.7
2031	6,340	2.7
2036	6,640	2.7
2041	6,950	2.6
2046	7,150	2.6
2051	7,480	2.6

*Uses census household count and UR population

Housing market implications

Assuming the proportion of home ownership remains constant (as discussed in Tenure of Households, Page 16), the breakdown for tenure of usual residence under our medium scenario would be as follows:

Table 11: Probable breakdown by tenure: Central Hawke's Bay District (medium scenario)

Tenure	2018	2031	2051
Owned (inc. trust)	3,903	4,560	5,390
Not owned	1,515	1,780	2,090

High scenario: Let us move to Central Hawke's Bay

While we cannot ignore the effect Covid-19 is likely to have on migration to Central Hawke's Bay District in the next 1-2 years, migration could recover quicker than anticipated.

The key difference between our high and central scenarios is higher levels of migration driven by people moving out of the main centres. We know from the 2018 census that most people moving into Central Hawke's Bay District over the 5 years to 2018 moved from other areas of New Zealand. Only 2.7% of the population had resided overseas in 2003, from a total of 42% who had resided outside of the district.

We have also allowed for slightly higher birth rates and lower death rates, compounded by the fact that more migration will lead to a slightly younger population (and thus more births and fewer deaths even at similar fertility rates).

Key assumptions (high scenario)

- The population still ages, as with our medium scenario, however this trend is further limited by higher levels of migration.
- Birth rates fall as the population ages, with deaths overtaking births by the late 2030s. But the injection of younger migrants into the mix keep birth rates higher throughout our time horizon, compared to our medium and low scenarios.
- Net migration drops in the short-term in response to the uncertain economic situation, but averages around 240 people per year between 2022 and 2031 – slightly above recent historical levels.

Stronger levels of migration under our high scenario also feeds back into slightly higher birth rates and lower death rates (relative to the population size).

Highlights (high scenario)

- Central Hawke's Bay District adds 3,600 people by 2031, and a total of 8,800 people by 2051.
- The average growth rate in the population between 2019 and 2031 is 1.8%pa, which (even as a high scenario) is lower than the average between the 2013 and 2018 censuses (2.1%pa).
- The proportion of the population aged over 65 rises from 20% in 2019 to 26% in 2031. By 2051 over 65s make up 29% of the Central Hawke's Bay District population.
- The number of households is projected increase by 1,320 to reach 6,740 by 2031.
- From a base of 2.6 in 2018 (and an estimated 2.7 in 2019) the average household size rises slightly to 2.8 in the mid-2020s before easing back to 2.7 again.

Population projections

The following table shows in detail how the population changes under our high scenario.

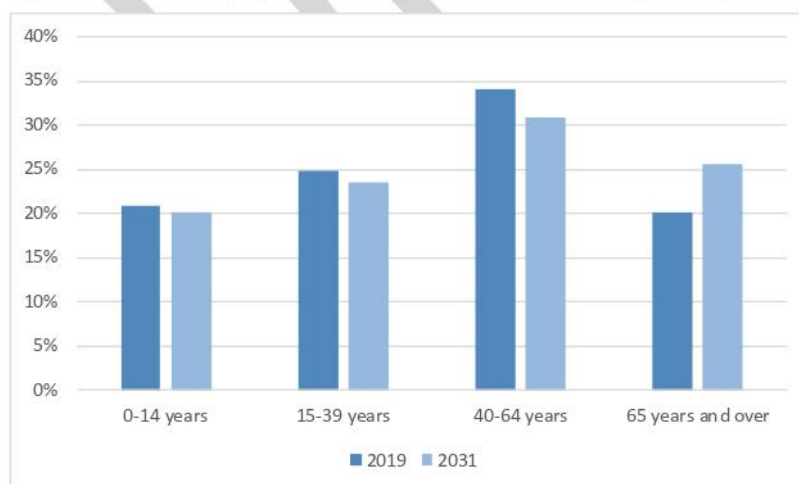
Table 12: Central Hawke's Bay District projected population (high scenario)

Year	Total	0-14 years	15-39 years	40-64 years	65 years and over
2018	14,550	3,000	3,550	5,050	2,900
2019	14,850	3,100	3,700	5,050	3,000
2020	15,150	3,170	3,730	5,130	3,120
2021	15,360	3,210	3,750	5,160	3,240
2022	15,610	3,260	3,780	5,200	3,360
2023	15,930	3,320	3,840	5,260	3,510
2024	16,260	3,380	3,910	5,310	3,670
2025	16,580	3,430	3,980	5,350	3,830
2026	16,900	3,480	4,040	5,390	3,990
2027	17,220	3,530	4,110	5,430	4,140
2028	17,530	3,580	4,180	5,480	4,300
2029	17,830	3,620	4,230	5,530	4,440
2030	18,130	3,660	4,280	5,600	4,580
2031	18,420	3,710	4,330	5,680	4,700
2036	19,780	3,860	4,500	6,090	5,330
2041	20,980	4,000	4,760	6,340	5,880
2046	22,130	4,200	5,060	6,590	6,290
2051	23,630	4,440	5,350	6,980	6,860

Given the population of Central Hawke's Bay District was static to falling between 1996 and 2013, the numbers in Table 12 may seem exceptionally optimistic. However, migration of around 200 people per year since 2013 has shown what is possible.

We have held migration lower over the next two years as with our medium scenario due to the state of the economy coming out of the Covid-19 crisis. Migration is then projected to increase to pre-crisis levels and then edge higher in the outer years of our time horizon.

Figure 11: Actual and projected share of population by broad age group (high scenario)



Even when factoring in higher migration, the age distribution of the Central Hawke's Bay District population looks notably different by 2031 as presented in Figure 11. However, the jump in the proportion of over 65s is of a much smaller magnitude under the high-migration model compared to the most recent Statistics New Zealand projections.

Household projections

Table 13 shows how household numbers are projected to change under the high scenario. The household size would follow a similar track to our medium scenario – with a slight lift in the near term due to the factors discussed under Forecasting households (Page 20). This increase in household size will see the total number of households in Central Hawke's Bay District grow at a slower rate than the population.

There is downward pressure on the household size beyond 2025 due to the aging population. However, this is partly offset by the younger age profile of migrants.

Table 13: Central Hawke's Bay District projected households (high scenario)

Year	Total households	Average household size
2018*	5,418	2.6
2019E	5,570	2.7
2020	5,720	2.7
2021	5,740	2.7
2022	5,820	2.7
2023	5,900	2.7
2024	5,940	2.7
2025	6,030	2.8
2026	6,150	2.8
2027	6,280	2.7
2028	6,420	2.7
2029	6,540	2.7
2030	6,650	2.7
2031	6,740	2.7
2036	7,240	2.7
2041	7,760	2.7
2046	8,280	2.7
2051	8,940	2.6

*Uses census household count and UR population

Housing market implications

Assuming the proportion of home ownership remains constant (as discussed in Tenure of Households, Page 16), the breakdown for tenure of usual residence under our high scenario would be as follows:

Table 14: Probable breakdown by tenure: Central Hawke's Bay District (high scenario)

Tenure	2018	2031	2051
Owned (inc. trust)	3,903	4,850	6,440
Not owned	1,515	1,890	2,500

Low scenario: Weak to negative net migration

Our low scenario models what would happen to Central Hawke's Bay District in the absence of significant levels of migration.

At time of writing, the most recent Statistics New Zealand projections assume a net loss of migration over the next 20 years. We have not made a net migration loss our central scenario due to the factors disused in the background section of this report. History suggests that some of the factors that have driven stronger migration post-2013 will persist even after the Covid-19 crisis. However, it is useful to model what would occur should fewer people move to Central Hawke's Bay District, and/or more people move away.

Weak migration could eventuate for a variety of reasons, such as a weakening Napier-Hastings job market, restricted international migration levels, or a weaker housing market in the cities. Low levels of migration can still see significant churn in a population as people move away and people take their place. The population will therefore not age in the same way as if it were complete cut off.

Between 1996 and 2013, the population of Central Hawke's Bay District fell slightly from 13,350 to 13,250. The natural increase in the population during this time was positive, but more people left the district than moved in. If we saw similar levels of migration in the coming years, the population of Central Hawke's Bay District is projected to peak by the late 2030s and subsequently begin to fall as the population ages and births outnumber deaths.

The low scenario, in the absence of significant migration, is therefore a very different future for Central Hawke's Bay District when compared to our medium or high scenarios.

Key assumptions (low scenario):

- The population ages rapidly in the absence of offsetting effects of younger migrants.
- The natural increase in the population turns negative around 2030, as the number of births falls below deaths.
- The number of people moving into Central Hawke's Bay District is largely cancelled out by people leaving the district. Net migration is weak to slightly negative across our time horizon.
- A greater proportion of retirees and fewer migrant families sees the average household size remain lower than our other scenarios, persisting around 2.7 before slipping slightly post-2031.

Despite this being a downside scenario, it is not hard to imagine a return to pre-2013 migration levels in the current environment and thus useful to model the implications for the Central Hawke's Bay District population. A long, slow economic recovery after Covid-19 could turn off the tap of migrants from the cities.

Highlights (low scenario):

- The population of Central Hawke's Bay District grows only very slowly over the next ten years, adding just 600 people by 2031.
- Beyond 2031 the rate of natural increase turns negative, and in the absence of significant migration gains the population falls to 13,430 by 2051 – a loss of 1,400 people from 2019.

- The average growth rate in the population between 2019 and 2031 is just 0.3%pa, which is comparable to the growth rate prior to 2013 but significantly down on post-2013 growth rates (2.1%pa average).
- The proportion of the population aged over 65 jumps from 20% to 29% by 2031 and 34% by 2051.
- The number of households is still projected to increase slightly over our forecast horizon. A smaller household size (due to more retirees and empty-nesters) helps push the total number of households up to 5,760 by 2031, before slipping back to 5,340 by 2051.

Population projections

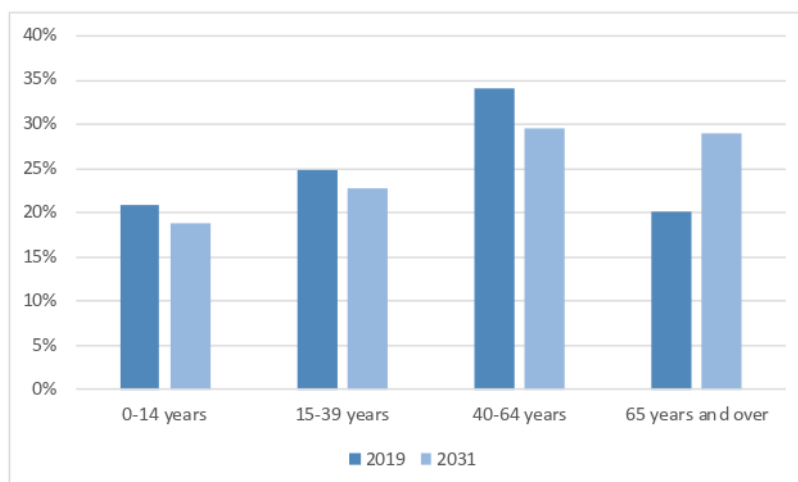
Table 15 shows the full age breakdown and total population under our low scenario. With migration at low levels throughout the time horizon the population grows through to about 2029 only gradually. Beyond that Central Hawke's Bay District is largely at the mercy of demographic pressures, and the population slips in subsequent years.

Table 15: Central Hawke's Bay District projected population (low scenario)

Year	Total	0-14 years	15-39 years	40-64 years	65 years and over
2018	14,550	3,000	3,550	5,050	2,900
2019	14,850	3,100	3,700	5,050	3,000
2020	15,030	3,130	3,690	5,060	3,140
2021	15,100	3,130	3,670	5,030	3,270
2022	15,180	3,130	3,660	4,990	3,400
2023	15,240	3,110	3,650	4,940	3,540
2024	15,280	3,090	3,650	4,870	3,670
2025	15,320	3,060	3,650	4,810	3,810
2026	15,360	3,030	3,650	4,750	3,940
2027	15,380	2,990	3,640	4,690	4,060
2028	15,400	2,960	3,630	4,630	4,180
2029	15,410	2,930	3,600	4,590	4,280
2030	15,410	2,910	3,560	4,570	4,370
2031	15,400	2,890	3,510	4,550	4,450
2036	15,200	2,720	3,240	4,520	4,720
2041	14,800	2,490	3,100	4,380	4,830
2046	14,280	2,360	2,980	4,150	4,790
2051	13,430	2,180	2,770	3,860	4,620

Figure 12 shows how the age profile of Central Hawke's Bay District is expected to change by 2031 without the offsetting effects of a net migration gain.

Figure 12: Actual and projected share of population by broad age group (low scenario)



Household projections

A population that is older on average could prop up the total number of households in the district even as population growth slows and begins to turn negative. This is quite intuitive, as one would expect an older population to lead to a higher number of “empty nesters” and single-person households.

Our low scenario also factors in slightly lower birth rates, predominantly due to the age profile of the population under this scenario but at the margin people could choose to have less children – accelerating the current trend and keeping household sizes lower all else equal.

In the absence of positive migration inflows, the total number of households is still expected to fall slightly from the mid 2030's. But the number of households falls at a slower rate than the population.

Table 16: Central Hawke's Bay District projected households (low scenario)

Year	Total households	Average household size
2018*	5,418	2.6
2019E	5,570	2.7
2020	5,670	2.7
2021	5,680	2.7
2022	5,710	2.7
2023	5,730	2.7
2024	5,740	2.7
2025	5,760	2.7
2026	5,770	2.7
2027	5,780	2.7
2028	5,770	2.7
2029	5,760	2.7
2030	5,750	2.7
2031	5,760	2.7
2036	5,780	2.6
2041	5,730	2.6
2046	5,590	2.6
2051	5,340	2.5

*Uses census household count and UR population

Housing market implications

Assuming the proportion of home ownership remains constant (as discussed in Tenure of Households, Page 16), the breakdown for tenure of usual residence under our high scenario would be as follows:

Table 17: Probable breakdown by tenure: Central Hawke's Bay District (low scenario)

Tenure	2018	2031	2051
Owned (inc. trust)	3,903	4,150	3,840
Not owned	1,515	1,610	1,500

How will growth be distributed within Central Hawke's Bay District?

These projections have been produced at a district-wide level, but we have also modelled how population growth might be distributed within key areas of interest in the district under each scenario. This section drills down to five towns, Waipukurau, Waipawa, Ōtāne, Pōrangahau, and Takapau. An estimated 56% of Central Hawke's Bay District's residents lived in these three towns in 2019. This percentage has edged slightly higher, from 55.3% in 2013, as growth in the district has favoured these towns.

These projections are based on unconstrained demand – assuming land is available for development where people want to live.

We assume that Commuters continue to locate in areas that are accessible to Napier-Hastings, leading to more growth occurring in Ōtāne (for example) in the high and medium scenario.

In the medium and high scenario urban areas would benefit from jobs growth and businesses locating together for mutual advantage. Some people want to live close to where they work. At the same time, migration into the district is likely to create steady demand for lifestyle properties outside the town boundaries.

In the low scenario, an older age profile reduces demand for rural properties, so the townships are projected to fair slightly better than the rural areas in terms of the number of households.

The effect of commuting

Based on historic trends, the more migration Central Hawke's Bay District experiences over the new few years, the greater proportion of commuting out of the district we would see. This includes remote workers or part time commuters, whose jobs might be based in Napier-Hastings or even further afield.

Because the propensity to commute out of district increases under our higher-migration scenario, we have factored this in in terms of where people may choose to locate.

Where might people choose to locate in Central Hawke's Bay District?

Table 18 shows how the population growth is distributed between our areas of focus if allowed to progress unrestricted.

As we have previously noted, these sub-district projections assume an accommodating environment for development. In the medium and high scenarios, towns are likely to need to make provisions for both new greenfield developments, and infill housing to accommodate population growth.

Our central and high growth scenarios project the share of the district's population living in these three towns increase slightly. However, a significant amount of growth also occurs outside the town boundaries.

Most districts in New Zealand have seen high demand for rural-residential and lifestyle developments in recent years. The economic downturn from Covid-19 is likely to suppress demand for lifestyle properties over the next couple of years or more. Longer term, the most desirable areas are likely to be those most accessible to where people work, including around Ōtāne and the main route north (see Commuting patterns in Central Hawke's Bay District, page 17). Pōrangahau, though remote, has the added attraction of being coastal.

Table 18: Population growth scenarios for key urban areas

Area	2019	Scenario	2031	2051	Change 2019-2031	Change 2019-2051
Waipawa	2,180	Low	2,220	2,090	40	(90)
		Medium	2,360	2,520	180	340
		High	2,460	2,810	280	630
Waipukurau	4,580	Low	4,760	4,190	180	(390)
		Medium	5,340	6,030	760	1,450
		High	5,780	7,430	1,200	2,850
Ōtāne ¹	710	Low	770	700	60	(10)
		Medium	950	1,170	240	460
		High	1,130	1,730	420	1,020
Pōrangahau ¹	210	Low	230	180	20	(30)
		Medium	300	420	90	210
		High	370	720	160	510
Takapau ¹	620	Low	650	530	30	(90)
		Medium	750	890	130	270
		High	830	1,120	210	500
Central Hawke's Bay	14,850	Low	15,400	13,430	550	(1,420)
		Medium	17,140	19,430	2,290	4,580
		High	18,420	23,630	3,570	8,780

1: 2019 population for small areas estimated from 2018 census and partial indicators

Table 19 shows projected households (in occupied private dwellings) under each scenario. While we expect the average household size to lift in the near term (see previous section), the aging population will put downward pressure on the household size in the outer years. Urban areas are likely to see a small additional gain in households in the outer years (all else equal) with retirees locating themselves closer to services.

Under our low scenario the number of households in Central Hawke's Bay District is propped up by lower household size with more retirees and empty nesters.

Table 19: Household projections for households in occupied private dwellings

Area	Census 2018	Scenario	2031	2051	Change 2019-2031	Change 2019-2051	Average hh size		
							2018	2031	2051
Waipawa	843	Low	870	880	27	37		2.5	2.4
		Medium	920	1,020	77	177	2.5	2.6	2.5
		High	950	1,120	107	277		2.6	2.5
Waipukurau	1,755	Low	1,860	1,740	105	(15)		2.6	2.4
		Medium	2,060	2,420	305	665	2.5	2.6	2.5
		High	2,210	2,940	455	1,185		2.6	2.5
Ōtāne	246	Low	280	270	34	24		2.8	2.6
		Medium	340	430	94	184	2.7	2.8	2.7
		High	400	630	154	384		2.8	2.8
Pōrangahau	78	Low	90	70	12	(8)		2.6	2.4
		Medium	110	170	32	92	2.5	2.6	2.5
		High	140	280	62	202		2.7	2.6
Takapau	216	Low	230	200	14	(16)		2.8	2.7
		Medium	260	320	44	104	2.8	2.9	2.8
		High	290	400	74	184		2.9	2.8
Central Hawke's Bay	5,418	Low	5,760	5,340	342	(78)		2.7	2.5
		Medium	6,340	7,480	922	2,062	2.6	2.7	2.6
		High	6,740	8,940	1,322	3,522		2.7	2.6

Ōtāne

Ōtāne picked up 10% of the growth in Central Hawke's Bay District between 2013 and 2019 – despite making up less than 5% of the district's population in 2019. We see a higher propensity to commute out of the district in Ōtāne (see Figure 9) with Ōtāne located conveniently on the main route north.

There is a feeling within the district that Ōtāne is becoming more of a commuter town and the numbers appear to back this view up. This trend is reported to be causing some level of tension among the residents.

If it could expand to meet demand, we believe that Ōtāne could see significant further growth over the next 20 years and beyond. Our medium scenario sees Ōtāne picking up a healthy share of the overall increase in the Central Hawke's Bay District population (in line with recent trends), with the population expanding by 34% by 2031.

Under our high scenario, Ōtāne could expand by 59% by 2031 and more than double by 2051 as more migration to the district leads to more commuters looking for a convenient place to locate.

The levels of growth possible under our medium and high scenario would undoubtedly change the feel of the township, even changing the characteristics that make Ōtāne attractive to some residents. The pros and cons of allowing this level of development Ōtāne will need to be considered carefully.

Waipawa

Waipawa has picked up a proportionally lower share of growth over the last few years, with 7.5% of growth in Central Hawke's Bay District between 2013 and 2019 occurring here. Waipawa made up 15% of the district's population in 2019.

Waipawa's geographical features have presented challenges for development, with land to the east being low-lying and subject to natural hazards, which might explain the constrained population growth.

In our central scenario we have Waipawa picking up 180 people by 2031, a total gain of 8%.

We have modelled our projections on historical trends, but there is scope for Waipawa to pick up a larger share of future growth if investment is made in services like stormwater management. Infill housing is another way Waipawa could boost its share of future population growth.

Waipukurau

Waipukurau has a smaller percentage of out-of-district commuters, being located further south than Ōtāne and Waipawa. But being the largest town in Central Hawke's Bay District – with 31% of the district's population in 2019 – there are more opportunities for people living and working in or near the town.

Waipukurau picked up the largest share of growth between 2013 and 2019 (36%), growing by 12% in total over this period. This trend is projected to continue as growth creates its own opportunities, with more retail and businesses that serve the district's (largely agricultural) industries choosing to locate together for convenience.

Our medium scenario has Waipukurau growing by 17% by 2031, adding 760 people.

As with our other townships, planning decisions will have a big impact on future development. Concern around fertile soils may constrain greenfield developments, but there appears to be significant scope for infill housing in Waipukurau which could help soak up some of the demand the district is expected to experience.

Takapau

Takapau hasn't seen quite the growth that Ōtāne has over the last few years, and has a troubled history since the 1980's. However, over the last few years things have picked up. Between 2013 and 2019, Takapau added an estimated 95 residents.

The town does not have the same appeal to commuters as Ōtāne, however it is still within an hour of Hastings by car on a good day and less than an hour and a half to Palmerston North.

Takapau may not be as attractive to commuters but it does offer lower-cost housing – an option for first home buyers who already live in the district and may feel they are being priced out of the market. Housing affordability in Central Hawke's Bay District has deteriorated somewhat over the last few years (see Housing affordability, page 14). Although house prices in the district remain attractive for the geographically mobile (compared to Auckland or Napier-Hastings), some residents of Central Hawke's Bay District may find prices have risen beyond their budget in the main urban areas.

This trend will be interrupted by the wide-spread effects on house prices from Covid-19. But in the longer-term, some residents will consider Takapau when looking to get on the property ladder.

Takapau fares poorly under our low scenario, losing a similar amount of people to the much larger Waipawa by 2051. This outlook is based on its location and the fact it is likely to under-perform in a weaker property market. Takapau has two major employers - the Silver Fern Farms meat-processing plant and Kintail Honey. A closure or downsizing of either of these operations would be a big blow to the town.

Pōrangahau

Pōrangahau's proximity to the coast makes it an attractive option for both residents and migrants to Central Hawke's Bay District. It is an hour and a quarter by car to Hastings, and less than 40 minutes to Waipukurau.

As discussed in the section on megatrends (see Urban-rural flight, page 6), technological change and increasing acceptance of "working from home" is likely to see the option available to more employees in the future. An employee that has the option to work at home even just one or two days a week is going to see a long commute as less of a barrier.

Pōrangahau added an estimated 60 residents between 2013 and 2019, a sizable increase relative to its population. We see potential for Pōrangahau to continue to grow, and our medium scenario has a further 90 residents added by 2031 – with a potential doubling of the township's population to 420 people by 2051.

As with Ōtāne, this level of growth may not be considered appropriate by the community. While Pōrangahau is likely to be a popular option for those looking outside the main towns, the level of development permitted in practice is a matter for careful consideration.

Rural areas

Based on historical trends, Table 20 shows the change in population that is likely to occur under each growth scenario.

The definition of each area, with a map, is outlined in the appendix, Geographic boundaries on page 39. They are based on Statistics New Zealand's revised Statistical Area 2 standard (SA2) and divide Central Hawke's Bay District (imperfectly) into North West, North East, South West, and South East – centred on Waipukurau. Table 20 uses this designation as well as the official SA2 area names. Note that the urban areas covered above are excluded where they fall inside a SA2 area.

Areas closer to the coast and northern areas have seen larger increases in population over the last few years. Between 2013 and 2019, Mangarara and Taurekaitai to the east both added an estimated 200 people, while Makaretu to the south west only added 45.

Table 20: Population projections for rural Central Hawke's Bay District

Area	2019	Senerio	2031	2051	Change 2019-2031	Change 2019-2051
Rural North West (Mangaonuku)	1,020	Low	1,080	890	60	(130)
		Medium	1,240	1,520	220	500
		High	1,300	1,780	280	760
Rural North East (Mangarara)	1,810	Low	1,880	1,590	70	(220)
		Medium	2,110	2,340	300	530
		High	2,270	2,880	460	1,070
Rural South West (Makaretu)	1,920	Low	1,950	1,680	30	(240)
		Medium	1,990	2,170	70	250
		High	2,030	2,300	110	380
Rural South East (Taurekaitai)	1,790	Low	1,850	1,570	60	(220)
		Medium	2,090	2,360	300	570
		High	2,240	2,860	450	1,070

Commercial and Industrial Floorspace Growth

A report commissioned by Central Hawke's Bay District Council in 2017 (Bevin, 2017), examined the factors that drove demand for commercial and industrial floorspace in the district. Bevin also provided an outlook for how floorspace was likely to grow over the following years, with a focus on building consents. This chapter has been included as a review of that report, examining how things have evolved in the intervening three years, and the factors that may influence the outlook for commercial and industrial floorspace going forward.

Historical trends in non-residential consents

Statistics New Zealand publishes non-residential consents by territorial authority, including the total floorspace consented. Non-residential consents are divided into multiple subgroups, we examine two categories:

Commercial consents – covering the following series:

- Hostels, boarding houses, and prisons
- Hotels, motels, and other short-term accommodation
- Hospitals, nursing homes, and other health buildings
- Education buildings
- Social, cultural, and religious buildings
- Shops, restaurants, and bars
- Office, administration, and public transport buildings

Industrial consents, which cover:

- Storage buildings
- Factories and industrial buildings

Statistics New Zealand also publishes a series on farm buildings, which along with the series listed above comprise the total non-residential building series.

Table 21 shows the consented floorspace (m²) by building type for the last 20 years. Even when looking at the data on an annual basis (the sum of the 12 months to March in this case), there is considerable variation in the series. Non-residential building projects tend to be large and irregular, so this variation is to be expected.

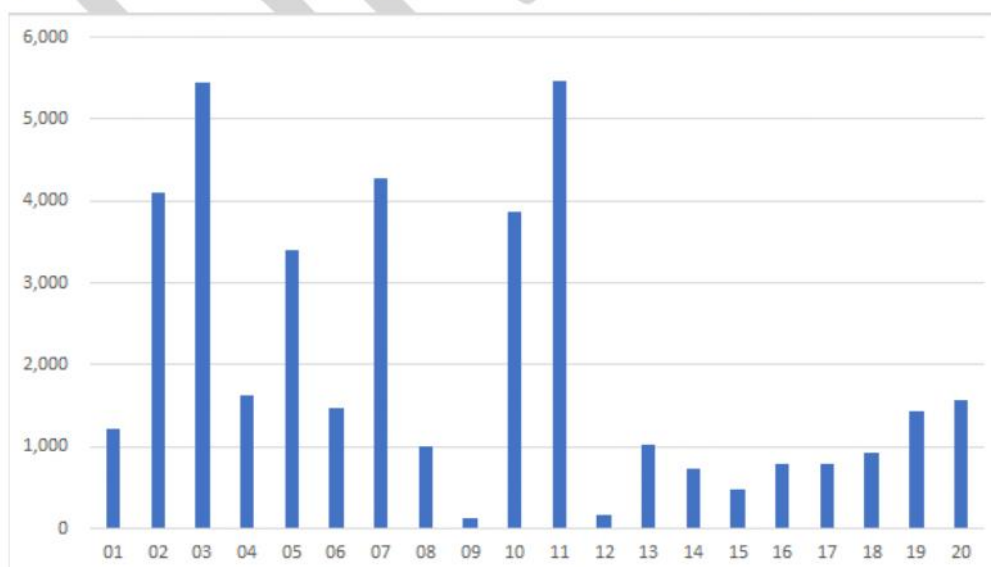
Since 2011 the total value of commercial and industrial floorspace consented has remained well below pre-2011 averages. This fall is consistent with other indicators of economic activity in Central Hawke's Bay District post Global Financial Crisis (see The economy of Central Hawke's Bay District, page 10).

Table 21: Consented floorspace by building type in Central Hawke's Bay District (year to March)

Year	Total		Commercial + Industrial	Commercial	Industrial	Farm Buildings
	SQM	% change				
2001	9,667		1,215	508	707	8,452
2002	11,053	14%	4,107	2,258	1,849	6,946
2003	11,987	8%	5,446	3,812	1,634	6,541
2004	9,644	-20%	1,626	1,237	389	8,018
2005	15,930	65%	3,404	1,926	1,478	12,526
2006	13,546	-15%	1,472	1,262	210	12,074
2007	13,257	-2%	4,274	1,221	3,053	8,983
2008	8,022	-39%	1,001	638	363	7,021
2009	9,871	23%	119	119	0	9,752
2010	9,033	-8%	3,878	2,854	1,024	5,155
2011	9,001	0%	5,471	3,215	2,256	3,530
2012	6,395	-29%	168	136	32	6,227
2013	4,690	-27%	1,034	476	558	3,656
2014	4,271	-9%	731	73	658	3,540
2015	6,577	54%	484	180	304	6,093
2016	6,855	4%	787	0	787	6,068
2017	5,029	-27%	793	196	597	4,236
2018	5,129	2%	935	152	783	4,194
2019	6,277	22%	1,431	420	1,011	4,846
2020	4,380	-30%	1,564	1,066	498	2,816

Over the last two years there has been an increase in the total commercial and industrial floorspace consented. The uptick in migration since 2013 (see page 19) and, more recently, lift in job creation (page 13) appear to have shored-up demand for floorspace.

Figure 13: Consented commercial and industrial floorspace, year to March 2001-2020



Outlook for commercial and industrial floorspace

In the absence of Covid-19, we would have expected the amount of commercial and industrial floorspace consented to continue to edge upwards in line with recent positive economic indicators. This outlook would have been broadly consistent with the Bevin (2017) forecast.

See “What about Covid-19?” on page 20 for further background on the effects of the crisis on the outlook for Central Hawke’s Bay District.

The average commercial and industrial floorspace consented over the last three years was just over 1,300 square meters annually. Bevin (2017) forecasted “additional commercial/industrial floorspace demand in the Central Hawkes Bay district in the range 10,000m²-30,000m² over the 2018-2028 period, with a midpoint level of 20,000m²”. Given the disruption from Covid-19, this forecast now looks optimistic.

In the near term, the significant hit to economic activity from the crisis is likely to leave some buildings vacant. It will take time for demand for new commercial and industrial buildings to pick up even as economic activity recovers.

While industries that service the agricultural sector will be insulated against the effects of Covid-19, ongoing drought conditions will flow through into these related industries.

Shops, restaurants, and bars (a component of commercial building) are directly impacted by the first-round effects of Covid-19 (the lockdown) and the reduced demand that is expected to follow.

Considering the factors discussed, and the level of building seen over the last three years, we suggest the lower end of Bevin’s forecast is now the most realistic. This would mean an average of less than 1,000 square meters consented annually for commercial and industrial consents, lower over the next 2-3 years and picking up towards 2028.

Farm consents are likely to hold up better over the next 2-3 years than commercial and industrial consents, as was the case following the Global Financial Crisis.

A rebound in building activity in Central Hawke’s Bay District is likely, as we exit lockdown, due to pent-up demand and the effects of central government stimulus. But, on average, the level of floorspace consented is likely to remain low by historical standards over the next few years.

Appendices

Data sources

All historical data is sourced from Statistics New Zealand unless otherwise stated.

Historical population estimates are for June years, causing a slight misalignment with census population counts, as censuses are typically conducted in March.

Data was also sourced from the Ministry of Business, Innovation and Employment (MBIE), Housing and Urban Development (HUD), CoreLogic, and Central Hawke's Bay District council in the preparation of this report.

Geographic boundaries

Historical information on population, employment, dwellings etc., are produced to the Statistics New Zealand geographical boundaries. See

http://archive.stats.govt.nz/browse_for_stats/Maps_and_geography.aspx.

Central Hawke's Bay District is a territorial authority (TA) in the definition. Prior to 2018 most key statistics below the TA level were produced for area units, which roughly aligned to "suburbs" or small urban areas.

Urban areas

When urban areas are referenced, we are referring to the "built-up" area within the town boundary. Historical information is for SA2 (where available) which tends to align well with current rural-urban boundaries. Forecasts for urban areas may include high-density growth that occurs outside the current town boundary, but exclude nearby self-servicing rural and rural-residential. Boundaries tend to be adjusted over time to align with growth in urban areas.

Previous boundary adjustments mean small discrepancies for historical statistics may exist from numbers previously published by Statistics NZ. All numbers in this report are for the current (2019) boundaries, including pre-2019 figures.

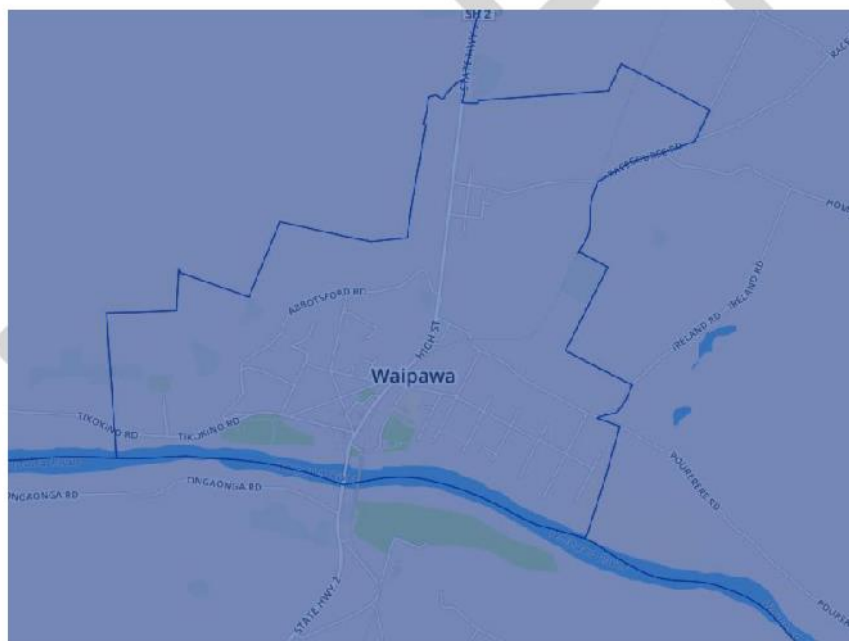
Ōtāne

Ōtāne township is made up of four SA1 areas: 7016719, 7016720, 7016721, and 7016722.



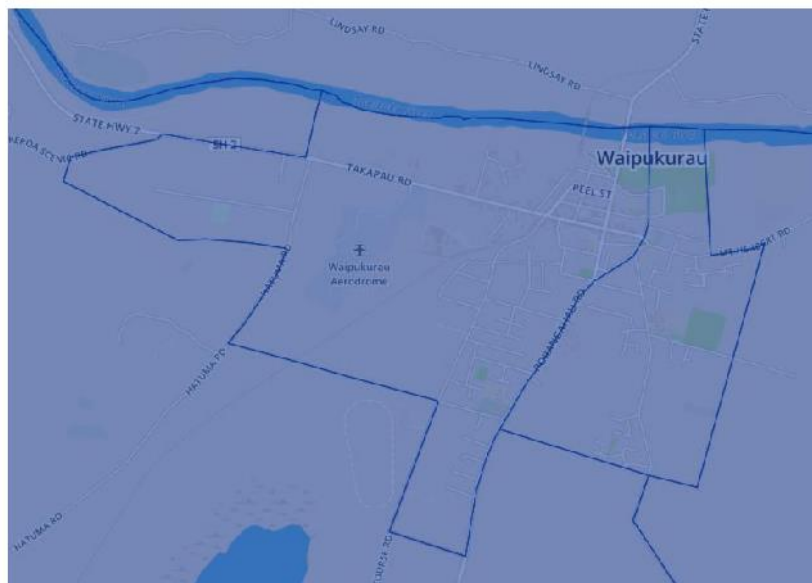
Waipawa

The following map shows the boundary of Waipawa for statistical purposes, made up of a single SA2 area (SA2 215700 – Waipawa).



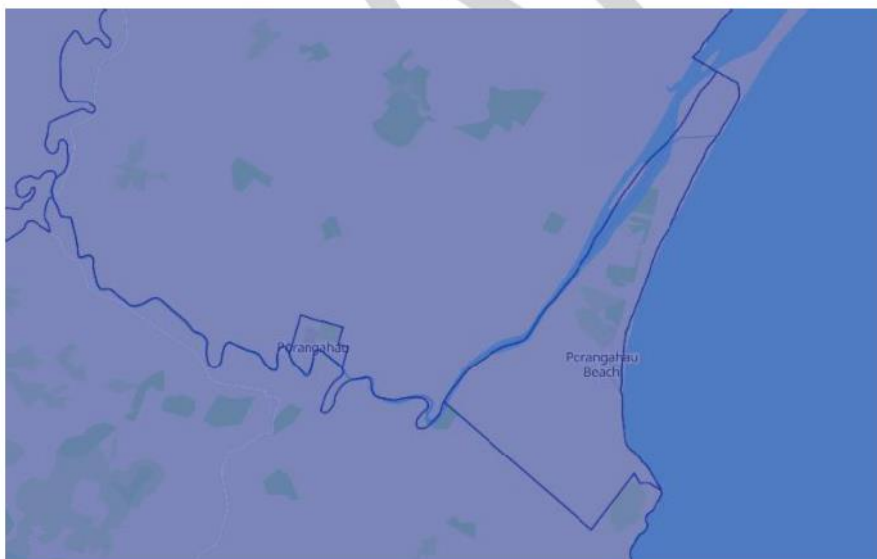
Waipukurau

Waipukurau is made up of two SA2 areas – 215800 Waipukurau West and 216000 Waipukurau East.



Pōrangahau

Pōrangahau includes Pōrangahau Beach and the small nearby township. The two SA1 areas shown (7016777 and 7016780) excluded a small area of nearby rural/lifestyle properties areas that were included in the Pōrangahau area unit with the pre-2018 boundaries.



Takapau

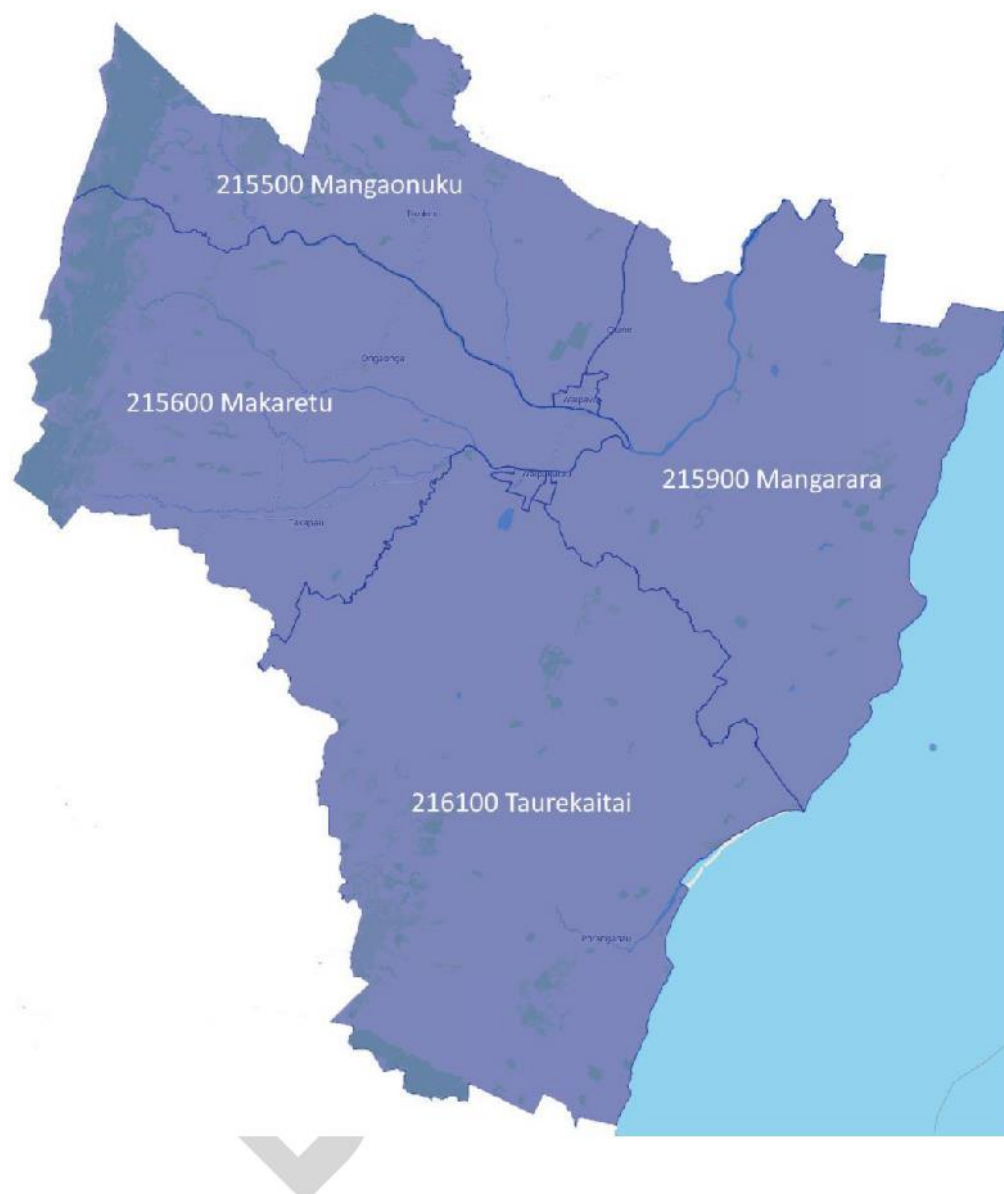
Takapau township includes the following SA1 areas: 7016705, 7016706, 7016708, and 7016709.



Rural areas

The following map shows the SA2 areas that break up Central Hawke's Bay District, with the rural SA2 areas labelled. The three rural areas we use are:

- North-western rural areas: 215500 Mangaonuku
- South-western rural areas: 215600 Makaretu, less Takapau township
- Coastal/eastern rural areas: 215900 Mangarara and 216100 Taurekaitai, less Ōtāne and Pōrangahau townships



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5.4 WASTE FREE CHB UPDATE

File Number: COU1-1411

Author: Josh Lloyd, Group Manager - Community Infrastructure and Development

Authoriser: Monique Davidson, Chief Executive

Attachments: Nil

PURPOSE

The purpose of this report is to provide the Strategy and Wellbeing Committee (Committee) with an update on progress and priorities of the Waste Free CHB strategic goal as well as to provide context and further updates with reference to the Environmental and Sustainability Strategy, the Waste Management and Minimisation Plan and a specific Waste Free CHB communications campaign.

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.

BACKGROUND

Council adopted an Environmental and Sustainability Strategy (the Strategy) and a Waste Management and Minimisation Plan (WMMP) in 2019. These documents are the core components of Councils activity management for waste and the environment with one taking a long term strategic view (the Strategy) and the other providing a tactical view on operational and management priorities (WMMP). Both the Strategy and the WMMP contain objectives and aspirations and a series of tasks and actions to bridge the gap from where we are to where we want to be.

The formation of Council's Committee structure late in 2019, and the listed priorities/areas of mandate for these committees provide a clear pathway for the 'reporting up' progress against the Strategy, the WMMP that are bundled together to deliver on the Strategy and Wellbeing Committee's stated priority area of a collective **'Waste Free CHB'**.

Themes about protecting our natural environment and minimising waste came through strongly in Project THRIVE and the development of plans, strategies and priorities by Council and Committee reflect this.

DISCUSSION

This report provides an update on the Strategy, the WMMP and the targeted Waste Free CHB communications campaign (the Campaign) in an attempt to show progress overall against the Committee's Waste Free CHB strategic priority.

WMMP and Environmental and Sustainability Strategy Progress

The Strategy and WMMP were both developed with input and engagement from the community and some specifically targeted sectors and organisations. Officers have confidence that the Strategy and the WMMP both accurately reflect the intent and aspirations of the community and are further confident that the work programmes contained within each document reflect a meaningful and achievable plan to deliver change.

The Strategy and WMMP each have priorities that together seek to achieve the Committee's objectives under the Waste Free CHB strategic priority. The table below provides an overview of these priorities in the form of actions and includes comments about progress or problems/risk where they exist. It is intended that this table be used as an operational tool by Officers going forward to manage progress at a task level at that at future Committee's a summary report showing progress against Waste Free CHB objectives is provided on a single and visual page. Primary metrics listed in the WMMP focus on waste diversion from landfill and participation rates for recycling at the kerbside. Officers are able to report measure diversion from landfill figures to the end of quarter three at 32.4% which is equivalent to when the WMMP was adopted in 2019. Kerbside recycling participation rates have not recently been measured.

			Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Progress
WMMP	Regulation	Review Part 6 of the Council's bylaw to include provisions for licensing and data collection											Will be done as part of a planned review of the Solid Waste bylaw following the Section 17a review
		Include provisions in future solid waste bylaws to require waste management for events, businesses, industry sites, large building projects etc											Will be done as part of a planned review of the Solid Waste bylaw following the Section 17a review
		Include landfill bans for materials where alternative management options exist, as/when these can be established e.g. new plasterboard, reusable timber, untreated timber											This will be part of a function of a Re-use/Recovery facility if one is in the outcomes of the Section 17A review
		Include provisions in future solid waste bylaws to require waste management for events, businesses, industry sites, large building projects etc.											Will be done as part of a planned review of the Solid Waste bylaw following the Section 17a review
		Expand enforcement action against those who dump rubbish illegally, and work in partnership with community groups to identify and address problem spots											Action taken early in 2020 to install CCTV cameras at problem locations. Further work programmed for August to work with rural communities
	Data	Council will continue to undertake occasional surveys in accordance with the solid waste analysis protocol to monitor performance and identify opportunities for improvement											This will be done in early 2021
		Council will continue to improve their internal data and analysis and ensure that it is possible to identify trends over time where possible											This will be made possible in July 2020, because of a detailed fees and charging system at the transfer stations.
		Continue to collect detailed data on the source and types of wastes coming to the landfill from outside the district. Work with customers directly to collect data on the waste and jointly develop initiatives to divert more from landfill.											This is included in the Section 17A review
		Investigate rural community waste/recycling needs to understand specific issues and opportunities for waste minimisation.											This is included in the Section 17A review
	Education	Maintain and extend current education and engagement											Council continue to support Enviro-schools annual programme and are working to actively engage directly with schools who have expressed interest in waste and recycling (e.g. Argyll East School)
		Carry out specific communication and education if new services are introduced, if existing services are changed, or if regulatory changes are made (e.g. change in bin sizes)											The Waste Free CHB Communications campaign details targeted comms for waste and recycling throughout 2020.
		Establish a community-led zero waste action group/waste reference group, supported by Council through coordination and some funding to deliver project areas prioritised and planned by the community											Planned for creation following LTP pre-engagement and will comprise of a sub group from the present Stakeholders group
		Work with rural communities to understand specific issues and opportunities for waste minimisation.											This is included in the Section 17A review
		Work closely with Iwi and other regional partners to ensure culturally appropriate waste management methods where possible.											This is included in the Section 17A review
		Improve web-based communication on services, options, waste minimisation, and waste 101' facts, potentially as a stand-alone website											This has been actioned but will be a continuous process and is listed in the Waste Free CHB communications campaign
	Collections	Maintain and expand existing kerbside collections; at least to align rubbish and recycling collection areas. Survey residents to find out why they aren't using it.											This is included in the Section 17A review

			Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Progress
		Maintain existing kerbside user-pays rubbish bag collection, with potentially part of the collection covered by general rates and the remainder by user charges with the appropriate user-pays/rates proportion to be invested and agreed through the annual fees and charges process.											This is included in the Section 17A review
		Investigate the provision of a weekly kerbside food waste collection service, once regulation for kerbside rubbish collection is in place and recycling collection participation has been improved.											This is included in the Section 17A review
		Encourage households to make use of preferred options for garden waste, such as home composting, delivery to a centre or private collection.											This is included in the Section 17A review
		Work with and facilitate key local businesses to fill gaps in waste services that integrate with council services, such as farm waste collections, green waste collections and business recycling services.											This is included in the Section 17A review
		Work with rural communities to investigate opportunities to deal with silage and bale wrap and other agriculture related recyclables.											This is currently being actioned. Council is working with HBRC to develop plastic recycling service
		Investigate the efficacy of public place recycling systems by analysing data from Central Hawke's bay and other districts that have these systems in place. Based on this data, make a decision regarding whether public place recycling services are a good use of funds.											This is planned for 2021
	Infrastructure	Maintain the district landfill to ensure cost-effective access to disposal services into the future.											This is included in the Section 17A review with a specific model being developed to assess landfill lifecycle costs and recovery options
		Review the charging at the landfill to ensure that this is on a full cost-recovery basis											This is included in the Section 17A review with a specific model being developed to assess landfill lifecycle costs and recovery options
		Review the cost benefit of each drop-off point and transfer station and survey customers to ensure best location, number and material ranges at each											This is included in the Section 17A review
		Work with local industry and community to develop a local solution for composting food waste and green waste											This is included in the Section 17A review
		Investigate the feasibility of incorporating C&D and ICI recovery at the district landfill site and implement the preferred option											This is planned for 2021
		Investigate the potential to work with community to develop a community reuse/recovery centre for reusable items and some difficult materials such as polystyrene and mattresses											This is included in the Section 17A review
	Leadership & Management	Advocate to government for action in areas such as extended producer responsibility											Working at a regional level with WasteMinz to lobby Central Government. This is currently being done.
		Work closely with mana whenua, community groups and the private sector to progress opportunities for increased waste diversion											This is included in the Section 17A review
		Proactively identify opportunities to work in partnership with neighbouring authorities and other agencies											Currently working with Hawke's bay councils on a common Recycling website
		Review Council's procurement policy to require lower-waste Council purchasing											Social procurement principles and principles aligning with the 4 wellbeings are being built into a revised Council procurement policy and manual
		Explore potential for a joint waste assessment and WMMP with neighbouring councils for next review point											Potential to partner with Tararua for the next WMMP

			Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Progress
Environmental and Sustainability Strategy	We are a good example to the rest of New Zealand, leading the way in environmentally friendly and sustainable business practices	Obtain membership on a Sustainable Business Network, complete an audit and plan to reduce Council's emissions and build sustainability into purchasing decisions											To be prioritised late in 2020
	We continue to demonstrate leadership in environmental and sustainability matters locally and on the national stage	Formally establish the Community Environmental and Sustainability Reference Group											Planned for creation following LTP pre-engagement and will comprise of a sub group from the present Stakeholders group
	We will successfully meet our legal obligations	Complete Review of District Plan											District Plan review underway and progressing with sections focussed on Environmental management
		Investigate long term water supply storage solution											Current work underway to develop a Water Conservation Strategy for the purposes of managing demand on our drinking water network.
		Implement the Solid Waste Management and Minimisation Plan											This has commenced and will be ongoing
		Continue investment in infrastructure to meet resource consent conditions, specifically those related to discharges to waterways											Multiple active projects underway for wastewater and stormwater to improvement environmental effects in line with consent conditions.
		Council where possible will continue to seek external funding to support various environmental and sustainability initiatives											Waste Levy funding has been sought for the 2020/21 year. Glass packaging forum contributions have also been sought to support local initiatives.
	We will do more than meet compliance. We will work in a way that ensures environmental vitality – our environment is strong, lively and healthy.	Council and the Tuki Tuki Water Task Force will continue to work together with Regional and Central Government on a sustainable water retention solution for the community.											The Tuki Leaders Forum continues to progress actions to investigate long term water storage options
		Continue to improve water supply infrastructure to reduce leakage and waste											Multiple physical projects in progress to improve infrastructure. Asset mgmt. plans currently being reviewed / rewritten to further improve our work programmes and asset reliability.
		Proactively work towards meeting resource consent conditions by monitoring and addressing issues as they arise.											Wastewater and stormwater consent compliance works in progress from monitoring and reporting through to infrastructure improvements.
	We will monitor our progress towards environmental vitality and develop a plan for action	Undertake State of Environment Report and report back to Council and Community											Scheduled for later in 2020
		Develop a State of the Environment Action Plan											Following SOE report
	We are aware of our unique natural environment and how to care for it	Provide readily accessible information about environmental sustainability.											To be incorporated within Waste Free CHB communications campaign
	We are in partnerships with organisations and individuals that can help us be successful environmental guardians	Continue to provide support and resources for the Hawke's Bay Biodiversity Strategy and Action Plan – to protect, stabilise and enhance biodiversity. Signatory to the Biodiversity Accord.											CHBDC are a listed signatory of the HB Biodiversity accord.
		Complete Village Planning to identify projects of interest and plan to complete											Spatial Planning exercise underway
	We attract business that our natural environment can sustain	Complete Economic Development Assessment to determine opportunities sustained by our natural environment											Planned for 2020

			Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Progress
	We encourage businesses to operate sustainably	Develop an Economic Development Strategy incorporating sustainable development											Completed in 2019
		Provide and facilitate access to information about sustainable business practices											Planned for later in 2020 as a phase of the Waste Free CHB communications campaign
		Encourage businesses to practice end of life product stewardship											This will be done in conjunction with national government

Communication Campaign Progress

Late in 2019 to support the delivery of the Waste Free CHB strategic priority, and to further tell the story about waste and environmental management work, Council created a targeted communications plan known as the Waste Free CHB Campaign (the Campaign).

The Campaign is intended to support the delivery of actions under the Strategy and the WMMP as well as operational waste and environmental management activities. The Campaign's stated objectives are to:

1. Raise awareness and educate people of CHB, on:
 - The impact and importance of waste management on the environment (including food waste)
 - The benefits of reusing and recycling
 - Waste management services available, as provided by Council
2. Evoke a feeling of togetherness, pride and purpose throughout the community, through a long-term district-wide campaign encompassing all waste education and marketing initiatives to ensure 'Waste Free CHB' is a way of life.
3. Increase council market share in kerbside rubbish and recycling collection. Uplift in both council kerbside rubbish and recycling collection.

To achieve these objectives, the Campaign targets residents, local businesses, schools and community groups and Council staff. Especially the Campaign aims to:

Educate our residents on the impact of waste on our environment, and the services that are available to reduce waste. Provide new and innovative opportunities encouraging CHB residents and commercial businesses to reduce, reuse and recycle.

Visualise what waste looks like. Just how long does a glass bottle take to break down? We know that our residents are eager to understand more, so let's give them that opportunity.

Connect our residents, engage community organisations and further develop partnerships with the common goal of waste reduction. Get our residents online to make use of our digital services, guides and information. Use events and social media to evoke a joint sense of purpose throughout the district.

The Campaign delivery was delayed significantly due to Covid-19 with work planned to commence in February postponed and then further delayed following Level 4,3 and 2 lockdown stages due to timing of messaging. Officers did not seek to push messaging about recycling and waste during times where some or all recycling was being sent to landfill due to Covid-19 disruptions.

Operational Initiatives

Supporting the WMMP, Strategy and the Waste Free CHB strategic goal, Officers have led a number of events aimed at reducing waste and improving environmental outcomes. In the past reporting period these include:

- Composting workshops – Council facilitates workshops in different areas of the district where residents get to actively learn to make hot and cold composts completed in September and October 2019
- Second-hand Sunday – Residents place their unwanted items at their gates for other resident to remove at no cost completed in March 2020
- Haz-mobile – Held on an advertised day at Waipukurau transfer station, where residents can dispose of their hazardous materials at no cost completed in November 2019
- Implementation of recycling 'pods' in town centre. Completed in
- Trash to Fashion – a recently held competition, open to all residents who were asked to create a fashionable item of clothing from domestic waste material completed in June 2020

- School visits to the landfill – schools were invited to visit the landfill as an educational initiative completed in December 2019
- Greenwaste day – a day where residents could dispose of their greenwaste at the transfer stations at no cost completed in January 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 request feedback on the structure and content of the report in order to develop meaningful future reporting. Officers also request feedback on the identified priorities and progress areas within the report.

RECOMMENDATION

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

5.5 DROUGHT AND COVID 19 - ECONOMIC RECOVERY ACTION PLAN

File Number: COU1-1411

Author: Craig Ireson, Economic Development Lead

Authoriser: Doug Tate, Group Manager Customer and Community Partnerships

Attachments: 1. CHB Economic Social Recovery Status Report [↓](#)

PURPOSE

The purpose of this report is to provide a progress report on the drought and Covid-19 Economic Recovery Plan.

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.

BACKGROUND

In April 2020 as part of the local Civil Defence response to the COVID-19 pandemic and ongoing drought situation Council developed and adopted an 18-point economic recovery action plan.

This included the establishment of an operations team and a governance level project control group.

The full action plan can be found here:

<https://www.chbdc.govt.nz/assets/Uploads/002209-Economic-Recovery-Doc-aR.pdf>

The operational team is in the process of adopting a more formal, weekly status report structure. This report was prepared prior to the first status report being prepared, so an interim modified version of this template is used for this status update.

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;
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- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
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- 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.

RECOMMENDATION

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

Date:	22/06/2020			
Meeting:	Social and Economic Recovery PCG meeting			
Event:	COVID-19 and Drought 2020 - Social & Economic Recovery			
Purpose:	The purpose of this report is to provide the Central Hawkes Bay District Council with a tool that captures and tracks key information across the organisation relevant to the local social and economic recovery from COVID-19 and the drought.			
Key Contacts:	Role	Name	Email	Phone
	Rates Policies	Brent Chamberlain	Brent.Chamberlain@chbdc.govt.nz	
	Skills, Talent and Employment	Bridget Cover	Bridgett.Cover@chbdc.govt.nz	027 277 5330
	Capital Projects	Darren De Klerk	Darren.Deklerk@chbdc.govt.nz	021 309 892
	Mayor's Taskforce for Jobs	Nicola Fryer	mtfj.employment@chbdc.govt.nz	027 206 3020
	Drought Relief	Lisa Harrison	Lisa.Harrison@chbdc.govt.nz	
	Communication	Courtney Henderson	Courtney.Henderson@chbdc.govt.nz	027 277 6885
	Economic Recovery, Tourism & Events	Craig Ireson	Craig.Ireson@chbdc.govt.nz	027 889 3482
	Local Recovery Projects	Tracey Lee-Lewis	Tracey.Lee-Lewis@chbdc.govt.nz	021 089 46152
	Capital Projects	Josh Lloyd	Josh.Lloyd@chbdc.govt.nz	021 521 791
	Local Social Recovery	Christine Renata	Christine.Renata@chbdc.govt.nz	027 403 8786
	EOC Controller	Doug Tate	eoc.controller@chbdc.govt.nz	027 422 9977
	Centralines Business Development Manager	Stuart Smith	Stuart.Smith@centralines.co.nz	027 857 8840

Key Statistics relating to CHB Social & Economic Recovery	May 2020
Total number of working age beneficiaries (May 2020)	878
Percentage of working age beneficiaries that are youth (18 – 24)	14%
Percentage of working age beneficiaries that are Maori	40%
Percentage increase in Job Seeker beneficiary numbers	30%
Unemployment rate (compared with National rate of 4.59%)	3.38%
Total number of redeployed workers to date	10
Total number of redeployed workers currently forecasted	50

GENERAL UPDATES:

- Overarching social and economic recovery structure established –See structure in appendix below
- Establishment of an industry –led economic recovery taskforce, in partnership with Centralines, to accelerate projects and opportunities. Task force terms of reference finalized and proposed membership list compiled- first meeting tbc.

Rates Policies and relief packages	Brett Chamberlain
<ul style="list-style-type: none"> • Established a Hawke’s Bay Mayoral drought relief fund and kick-started our contribution with \$100,000 in partnership with Centralines (\$50k each) • Rates postponement policies have been adopted. • Rates remission policy has been sent out for consultation. • Rates currently owing for May 2020 are at \$238, 550 compared to \$200,262, which shows an increase of debtors of approximately \$38k in comparison to this time last year. 	

PGF Funding - Pipeline & Live Projects

Craig Ireson

Vegetation management funding

- Contract finalized and scope expanded to include parks and reserves
- Social procurement objectives developed. Project used as catalyst for over-arching social procurement framework in Central Hawkes Bay. Project manager engaged to deliver social procurement outcomes
- Project approach developed with three tranches, including an immediate rapid response Procurement of first tranche (rapid response) completed (\$850,000 for parks and reserves)
- 2nd Tranche (tree work) recruitment and procurement is underway
- Third tranche will 'soak up' social procurement any successful rapid response applications for waterways, marae, halls, war memorials, crown infrastructure and ongoing Route 52 and HPMV projects

Ngā Ara Tipuna

- Filming has begun to develop content
- Business development framework approved
- \$400k secured from Lotteries
- Next step is finalising what acceleration of phase two looks like with MBIE
- On track for Q1 2021 launch

Route 52

- Investigations complete
- Quick wins –retaining walls to start on 22 June
- Discussions with MBIE continue about launch event on 25 June
- Future contracts to include more prescribed social procurement approach

HPMV Assessment

- Draft business case submitted to MBIE
- Strategic approach around implementation being developed including advocacy for district freight study to inform regional land transport plan and 'quick-win' acceleration of safety improvements on SH50 intersections to feed into next round of PGF stimulus funding
- Meeting set with TPK and MPI to progress programme of support for Maori land owners to benefit from any future HPMV projects

Digital Business Hub

- Application submitted

Crown Infrastructure Partners

- There are no updates for Crown Infrastructure Partners funding for Three waters projects. Our expectation is that this may be known in August.

Several private applications to PGF have already been submitted or are in EOI stage. Council working with these companies to assist in the process.

Skills, Talent & Employment	Bridget Cover
<ul style="list-style-type: none">• Skills, Talent and employment network of networks established, and two meetings held• Developed a social procurement framework which ensure all current and future capital projects and funding success create local jobs• Delivery of a Mayors Taskforce for jobs pilot, including Employment Hubs and new employment schemes specific to Central Hawke's Bay• Employment Hubs have been established throughout Central Hawke's Bay as a place for both employees and employers to seek further information, or register to obtain employment or an employee.	

Capital projects and consents	Josh Lloyd
<ul style="list-style-type: none">• Announced the awarding of \$35M worth of land transport contracts to local contractors Higgins and Downers• Processed a record \$13.2M worth of building consent applications in March and April, up 180% on the same period the year before	

Tourism & Events	Craig Ireson
<ul style="list-style-type: none">• Free yearly membership launched for Hawke's Bay Tourism. Ten new members joined so far (baseline of 22)• Hawke's Baycation campaign launched in Wellington with strong Central Hawkes Bay District representation• Vantage Cycle National confirmed for July 17 at full complement of competitors.• Spring Fling Planning underway for October/November• Creative Communities funding of \$13k includes several events, including the new Readers and Writers festival IN July• Tourism Infrastructure Needs Assessment progressed with Veros. Site visits booked.• Te Paerahi toilet block project finished, final report and invoice sent to MBIE.	

Business Support – Shop Local CHB

Craig Ireson

- Free yearly memberships launched with financial support of Centralines and CHBDC. 60 members signed up in first two weeks (Initial target was 50 businesses signed up against total of 200, baseline prior to free memberships was 10).
- Sign up events held on Saturday 13 and Tuesday 16 at Waipukurau club
- Connection made to ZEALD – NZ Approved Google provider, to link online platform to free e-commerce sites. Workshops to be held in coming months for retailers.

Communications

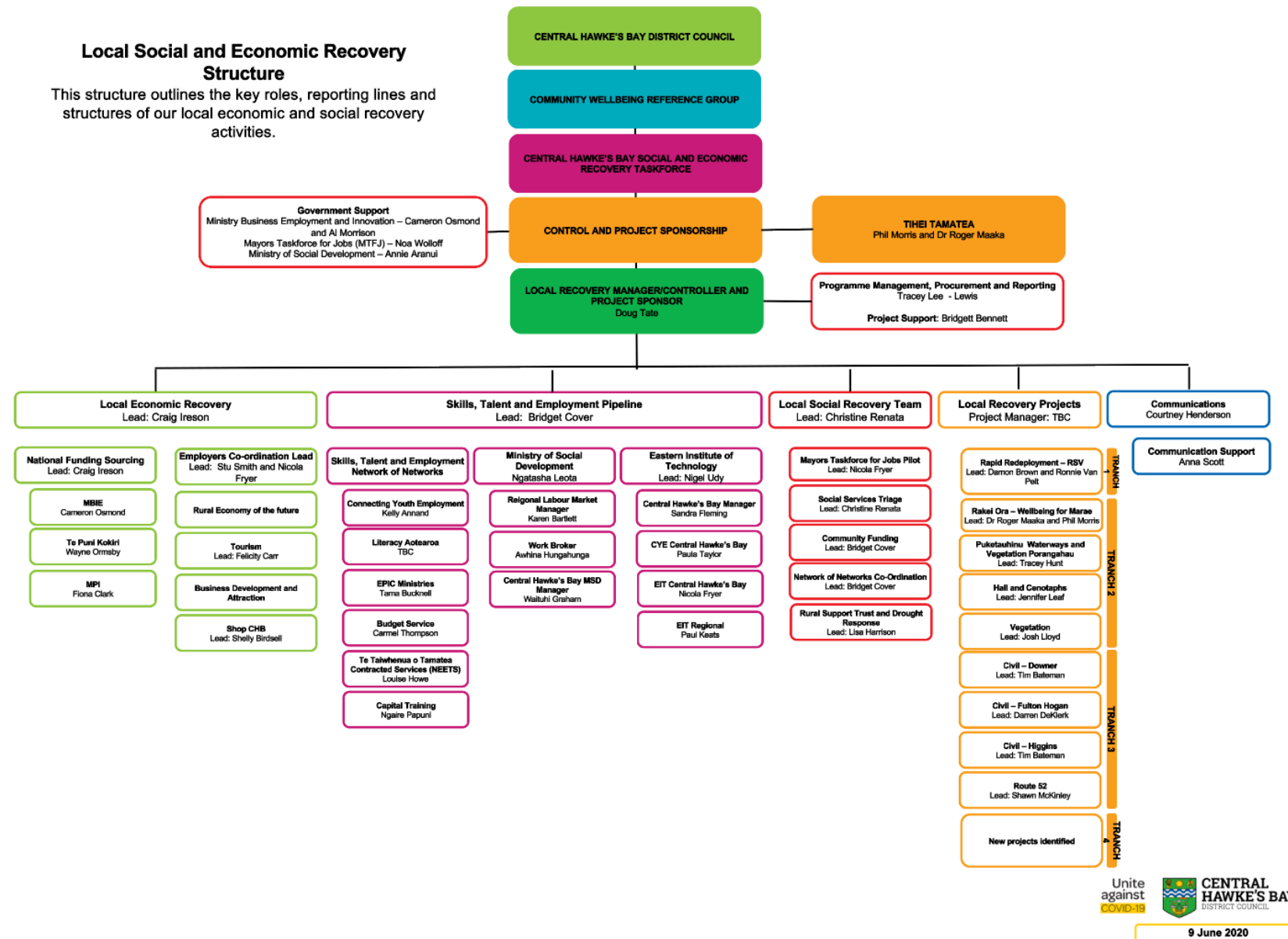
Courtney Henderson

- Planning underway for Under-Secretary Tabuteau visit on 25 June to launch Route 52.
- Related media releases sent include:
 - Adoption of annual plan
 - \$2M Vegetation management funding
 - SHOP Local campaign underway
 - \$100k support for farmers
 - Launch of regional mayoral relief fund for drought
 - Record building consents for March/April
- Work underway to develop a comprehensive stakeholder communications and engagement approach
- Prioritization of comms for Route 52, Vegetation Management and Nga Ara Tipuna projects underway as these are now accelerating
- Double Page Spread in CHB Mail on 17 June updating community

Report approved by:

Doug Tate – Local Controller
Central Hawke's Bay District Council

Appendix: Local economic and social recovery response structure



5.6 UPDATE ON THE DEVELOPMENT OF THE LONG TERM PLAN 2021-2031

File Number:

Author: Gina McGrath, Strategy and Governance Manager

Authoriser: Monique Davidson, Chief Executive

Attachments: Long Term Plan 3 Month Timeline

PURPOSE

The purpose of this report is to comprehensively update Council on the progress of the development of the Long Term Plan (LTP) 2021-2031. This update focuses on the conversations and decisions Council will need to have over the next few months, particularly in regards to Asset and Activity Management Plans.

RECOMMENDATION

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

SIGNIFICANCE AND ENGAGEMENT

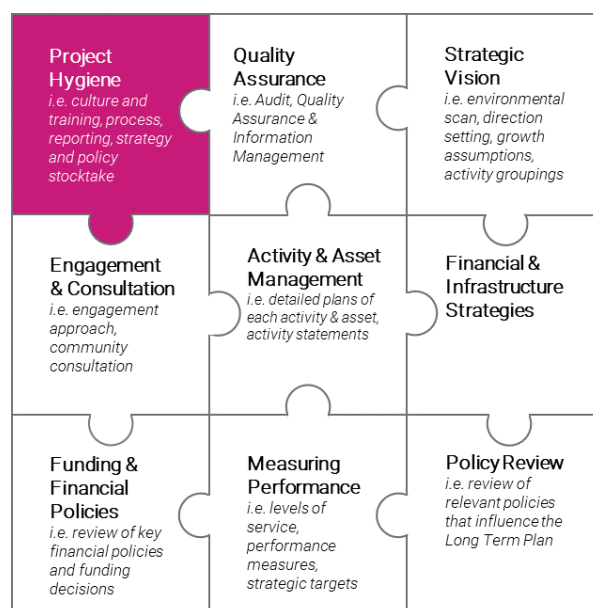
This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

Local government exists to meet community needs and wants effectively, efficiently and in a way that meets those needs and wants now and in the future.

All Councils are required by section 93 of the Local Government Act 2002 (LGA) to adopt a LTP and review it every three years. If done properly, long-term planning helps make the present and future consequences of decisions and trade-offs clear to all.

This is because the LTP pairs the Council's vision and ambition for the future and the status quo, and articulates how we bridge the gap in between. This is done by setting out Council's assets, activities, plans, budgets and policies. It 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.



DISCUSSION

Preparing for the adoption of a LTP is a long and complex process. Successful delivery of a LTP relies on many moving parts working together and lining up to tell a coherent story to the community about how Council is going to deliver its vision for the future.

Underpinning the LTP document itself is a large amount of planning that Council Officers undertake in the 12-18 months prior to consultation. Throughout the process, Councillors are asked for feedback, and decisions, on those key components.

In March, COVID-19 had raised the possibility of delayed decision-making, consultations and possibly delivery. However, despite initial disruption to our normal working rhythm, Council Officers have been working diligently in the background to continue to deliver on project tasks and milestones. We have provided a comprehensive updated on key pieces of work below, and have also identified next steps.

Strategic

In April Council confirmed our overall direction. Having this has been vital to progressing other areas of work. For example, we have used this to build our Engagement Approach (and draft strategic narrative). We are also going to use it to draft some of the strategic components of other key inputs – like our Finance and Infrastructure Strategies – and bring it to Council for discussion and feedback.

Our draft Growth Assumptions were presented to Council in May. These have built on the work that underpinned the 2018-2028 LTP. Having this draft has also provided critical information to our Asset and Activity Managers that is assisting with the drafting of their Asset and Activity Management Plans.

Next steps

Council needs to approve a recommended scenario for use in our planning documentation (i.e. Asset and Activity Management Plans). This is being presented to you for your approval today as per committee delegations. This allow us to have certainty when in the final phases of planning for our Asset and Activity Management Plans.

On 30 July, a 'bundle' of strategic documents will be presented to Council for discussion and adoption. This is to revisit and confirm previous direction on community outcomes, our overall strategic narrative, and how we will group our activities in the LTP. Depending on the outcome of this conversation, we will then workshop the Financial and Infrastructure Strategies on 13 August at Finance and Infrastructure Committee.

We have also tentatively scheduled the Financial and Infrastructure Strategies to be presented for adoption at the 27 September Council meeting.

Engagement / Consultation

The special consultative process for the LTP is the legal minimum that is required. However, this is increasingly out of step with the complex nature of issues that an LTP presents, and the realities of modern life. Council has identified some big conversations we need to have with the community about our future direction, so we are looking to engage earlier on the big issues to frame the overall LTP.

What this has meant is that we workshopped our Engagement Approach with you early on, and have ensured that have done so in concert with the overall project plan.

Falling out of this workshop with you, we have also completed the following:

- Procured the use of Social Pinpoint, an online engagement and consultation platform. This is in response to the uncertainty that COVID-19 poses on potential future engagement with the community.
- Undertaken planning for how we will support the pre-engagement for key LTP topics, as well as framed what the supporting information will look like.
- Completed a draft strategic narrative, which will be used to frame all of our documentation to ensure that every piece is aligned, and reinforces, each other.

Next steps

Our LTP pre-engagement period will take place from mid-July to end of August. We are currently developing information to support you to have conversations with constituents on our major engagement areas (i.e. Wastewater). This will be emailed to you along with a clear timeline on proposed dates and activities for those conversations.

Policy

Our first step was to examine our current policies, and develop a policy framework. On 3 June, Council adopted a Governance Policy Framework. This is to clarify the linkages between strategies, policies and plans, and also with the LTP.

The Māori Contribution to Decision-Making Policy was approved in March. The Policy provides context and direction for Māori to have a voice in the decision-making process, and will have linkages to other key inputs into the LTP.

There has been a lot of focus on our funding and financial policies. These underpin how you will achieve your objectives set in your LTP as your funding decisions provide the tools your Council will be able to use. This work includes the Rates Review, Rates Remission policies, and our bundled financial policies.

Next Steps

The Spatial Plan project will deliver some potential growth options for consideration by Council. The start of the work to deliver this has begun, with stakeholder workshops this month, following by community consultation in July.

We will be consulting on the Rates Review shortly. After this process has concluded, Council will be able to adopt any changes. These will be included in an updates Revenue and Financing Policy (which forms a core of the LTP).

Asset and Activity Management Plans (AMPs)

The LTP brings together a number of different planning elements to give as full a picture as possible about what the current state is, and what actions can be taken to achieve the overall strategic vision.

Absolutely crucial to this is asset management. This is because much of local government service delivery relies on assets. Unless the assets are well managed, the services they support will suffer. Assets are sometimes taken for granted until they fail. Failed assets have social and economic effects on the communities they serve. Assets represent a significant investment by New Zealanders that needs protecting.

For clarity, we use the term 'activity' to cover off Council services with no assets, and 'asset' for those areas that have both operational services and assets to maintain.

Our aim for this area is to:

- Develop activity management plans *for the first time*. This will be the first time Central Hawke's Bay District Council has attempted to plan out purely operational services over 10 years. The benefits (to name a few), are better workforce planning, identification of projects, and identification of capability and capacity risks or gaps.
- Improve our asset management planning to meet a basic levels of asset management sophistication, in line with the International Infrastructure Management Manual (IIMM). A particular focus are the 3 Waters AMPs, due to the significant ongoing investment in this area.

Asset and Activity Leads have been working on their plans formally since April. Once drafts are completed, they will be tested internally with the Executive Leadership Team as part of our quality assurance process. We will then workshop these with Councillors.

Next Steps

We want to support you to have the best informed conversations you can when discussing AMPs. For this reason, we will be coming to you on 27 August at Strategy and Wellbeing Committee to discuss the purpose of AMPs, and how they link to (in detail) to the LTP and Levels of Service.

This is in advance of a proposed workshop on 10 September to go through the AMPs and Levels of Service.

Levels of Service

This is the service levels that we commit to provide to the community in return for rates and charges. It brings together the conversation of balancing these levels of service and the cost of doing so – for example, Council may choose to not fund something, which would have the consequence of Council have a lower level of service because we do not have the capacity to deliver more. This is all a necessary part of the conversation and balance to be struck with the community.

The levels of service and measures specified in the LTP form the basis of the annual plans, and the basis for the comparisons of actual and forecast levels of service contained in the annual report. Once in the LTP, significant changes to levels of service for significant activities may only be made through an amendment to the LTP.

Next Steps

Council is having an external contractor review our current Levels of Service and provide some feedback and recommendations about what they could look like in the next Long Term Plan. Councillor feedback will also be sought and this will be workshopped with you on 10 September.

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:

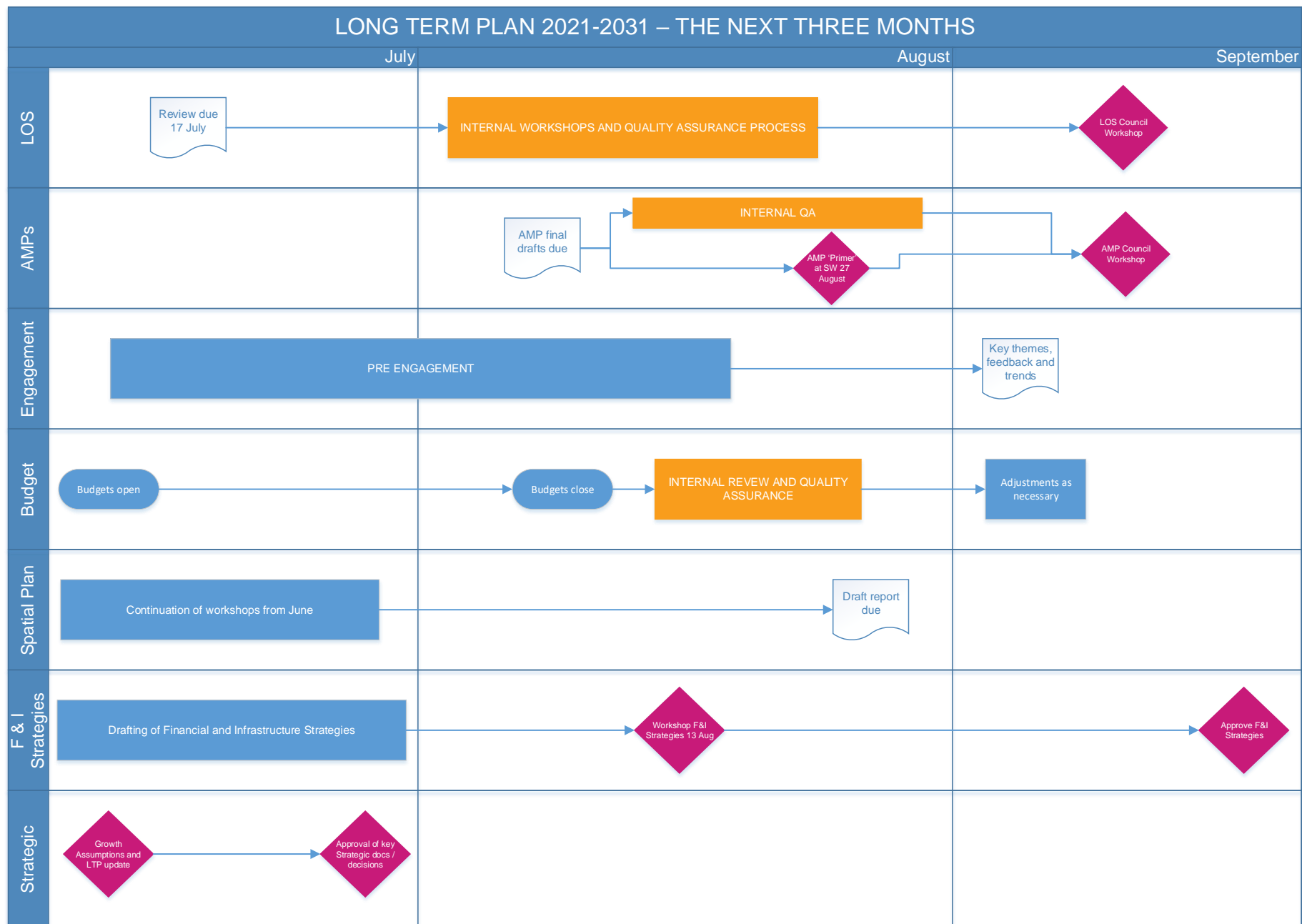
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- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

We have included our next steps in the text above, and in the attached timeline for your information.

RECOMMENDATION

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



6 DATE OF NEXT MEETING

RECOMMENDATION

THAT the next meeting of the Strategy and Wellbeing Committee be held on 27 August 2020.

7 KARAKIA

8 TIME OF CLOSURE