



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Council Meeting Agenda

Thursday, 30 May 2024

9.00am

Council Chambers,
28-32 Ruataniwha Street, Waipawa

Together we thrive! E ora ngātahi ana!

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- 1 **WELCOME/ KARAKIA/ NOTICES**
- 2 **APOLOGIES**
- 3 **DECLARATIONS OF CONFLICTS OF INTEREST**
- 4 **STANDING ORDERS**

RECOMMENDATION

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

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

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

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

- 5 **CONFIRMATION OF MINUTES**

Ordinary Council Meeting - 22 May and 23 May 2024.

RECOMMENDATION

That the minutes of the following Minutes, as circulated, be confirmed as true and correct:

1. **22 May 2024 – Three Year Plan 2024-2027 Submissions Hearing Council Meeting; and**
2. **23 May 2024 – Ordinary Council meeting.**

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON WEDNESDAY, 22 MAY 2024 AT 9.00AM**

UNCONFIRMED

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

IN ATTENDANCE: Doug Tate (Chief Executive)
Dennise Elers (Group Manager Community Partnerships)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Phillip Stroud (Acting Group Manager Community Infrastructure and
Development)

Sarah Crysell (Communications & Engagement Manager)
Lisa Harrison (LTP Programme Manager)
Bridgett Bennett (Community and Strategic Group Coordinator)
Annelie Roets (Governance Lead)

1 KARAKIA

Her Worship, The Mayor Alex Walker welcomed everyone to the meeting and Cr Kate Taylor opened with a karakia

2 APOLOGIES

There were no apologies received.

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflicts of Interest declared.

4 STANDING ORDERS

RESOLVED: 24.1

Moved: Cr Kate Taylor
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 21 General procedures for speaking and moving motions be used

for the meeting.

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

CARRIED

5 CONFIRMATION OF MINUTES

RECOMMENDATION

That the minutes of the Ordinary Council Meeting held on 18 April 2024 will be confirmed at the next Council meeting on 23 May 2024.

6 REPORTS FROM COMMITTEES

No reports.

7 REPORT SECTION

7.1 SUBMISSIONS ON THE THREE YEAR PLAN 2024-2027

PURPOSE

The purpose of this report is to present submissions to the Three Year Plan 2024–2027 to Council for their consideration.

RESOLVED: 24.2

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

- 1. That the submissions on the Three Year Plan 2024–2027 be received.**
- 2. That late submissions referred to in Attachment 4 are received.**
- 3. That Council thank submitters for taking the time to provide feedback to the Three Year Plan process and thank them for their submissions.**

CARRIED

The report was introduced by Mayor Alex Walker who welcomed those in attendance to speak today. Mayor Walker called the first submitter being:

- **9.05am – Ian Sharp, Submitter #149** – Central Option – Critical Three Waters and Land Transport focus, closures and reductions of some services (Council's Status quo option). Swing bridge across Tukituki river is urgent and been delayed. Needs replacement asap. Prioritise projects and get on with it.
- **9.12am – Sharron Hales, Submitter #45** – Higher Option. By reducing Library hours and programmes will severely impact on the wellbeing of the community.
Land Transport (Central Option): Seems like a sensible option which will see improvements.
For Community to thrive, it is imperative that services and programmes are retained.
- **9.22am – Catherine Pedersen, Submitter #237 & #250** – Overall budget (Higher option): Restoring some services and one-off investment in some activities. Rate increases are undesirable and difficult to fund, but recognise the need for funds. Oppose any reduction in library services. Concerned about dump closure and roadside/cemetery/public toilet suggested

reductions. These are all core and important services for residents. Council's suggested areas to cut expenditure are extremely shortsighted. Cut on contractor and consultant costs. Do not close libraries.

- **9.32am – Crystal Lau, Cancer Society #255** – Presented their presentation. Advocate for cancer prevention environments, raise awareness and provide education on this matter. Highlight the importance of Council's recreational and outdoor community facilities, such as playgrounds and sports fields in CHB to promote and ensure the Community's wellbeing and promote a healthier lifestyle. Hawke's Bay has the highest number of skin cancer incidences resulting from overexposure to ultraviolet radiation (UVR) from the sun. To provided shaded areas in parks and outdoor facilities. Encourage planting native trees and natural shade sources which can be a cost-effective alternative to large shade structures while enhancing the play area's aesthetics. Encourage Council to continue its efforts in creating SunSmart Environments and develop a sun protection policy as an essential step towards achieving this goal. Encourage council to consider allocating funds for Smokefree and Vape free education and enforcement as part of the Infrastructure Strategy. Council to prioritise tap water as the primary and most accessible option for the community, particularly in outdoor places. Install public drinking fountains in high-use recreational and outdoor community facilities.

The meeting adjourned at 9.43am and reconvened at 10.37am.

- **10.38am – Sharleen Baird, Submitter #155** – Central option: Critical three waters and land transport focus, closures and reductions of some services (Council's referred option).

Congratulate council and officers for their hard work behind the scenes.

Māori Wards: Encourage council to hold a referendum.

Library: Supporting what Catherine Pederson and Ian Sharp have noted this morning. Keep the Waipawa Library open.

Tourism: No money given to HB Tourism.

Water: Wastewater – Supports higher option. Make a one-off additional investment in water. Use money wisely when it comes to water. Sewerage continues to toxically pollute the river. Agree on reservoirs second supply, replacement and leakage.

- **10.45am – Will Foley, Submitter #274** – Submission taken as read. Preferred option is the Central option. Don't see a lot of difference between the 3 options, particularly around the affordability of one versus the other. Rate increases comes as no surprise. Ensure that wasteful spending is addressed. Significant rate increase proposed over the next 3 years. Ensure longer term vision for what this council sees for our future. What does our district from the council's perspective look like in 4 years and beyond? Do more to see our district flourish. Have a thriving district, one with a vision of prosperity which supports productivity otherwise people will look for better opportunities and a cheaper cost of living elsewhere.
- **10.56am – Roy Fraser, Rotary River Pathway Trust, Submitter #254, #258 & #259** – Concerns the re-building of the Swing bridge which has been destroyed in 2022. Acknowledged the support from Council to rebuild the bridge. The 3YP makes provision to be rebuild in Year 3 – unacceptable. Need to prioritise in rebuilding the bridge. Council needs to decide if they wishes the bridge to carry waste water pips now, not in 3 years' time. A delayed decision is not an option. HBRC have \$565k allocated as their share of the bridge replacement which will be made available in the next year. Meeting planned for 27 May between HBRC, RRPT and CHBDC to have clear decisions and agreed plan forward.
- **11.04am – Cara Keane, CHB Older Persons Network, Submitter #227** – Supports Central Option. Older community of CHB is significantly worries about proposed rate increases due to their income being fixed and not increasing at the rate of cost of living is increasing. Proposing a lowest increase on rates with the least amount of impact on the community. Another worry is the proposed closer and/or reduction of the Waipawa Library which poses as a social hub for the elderly. Consider least disruption to services at the Library.
- **11.19am – Catherine Stonehouse, HB Netball Centre Inc, Submitter #272** – Network of

netball facilities needs to be addressed to ensure community wellbeing. Key issues identified includes the quality of the courts, access to the courts and ancillary amenities, temporary portaloos and temporary container for competition control and storage. Challenges continues to grow and significantly impacting on the quality of the netball experience. Desired improvements includes toilet onsite, changing facilities, better shelter, warm-up spaces, improved office/control room/facilities for officials and food/drink kiosk/options.

- **11.31am – Sir Graeme Avery, HB Community Fitness Centre Trust, Submitter #186 & #256** – Delivered a presentation on key points noting: Seeking an annual grant of \$25,000 towards their programme delivery, including for development of a major New Outreach programme, Project H.O.P.E. Project H.O.P.E It aims to bring fitness, wellbeing, and life skill development directly to the wider Central Hawke's Bay community, particularly targeting schools, the elderly and groups that may face barriers accessing traditional fitness facilities. Note that the Trust receives no programmes or operations grants from any Local Authority in the Region or from any other Government Agency. The Trust has evolved into a cornerstone of community health and wellbeing, sports performance development and social cohesion within the region.
- **11.50am – Ryan Hambleton, Sport HB, Submitter #L1** – Sport HB is a charitable trust that exists to enhance the health and wellbeing of Hawke's Bay by influencing, enabling, and supporting our communities to be more physically active. Will continue to focus on partnership initiatives to lift physical activity levels, while also ensuring there is no reduction of the activity levels of those living in Hawke's Bay. Request additional \$8,000 towards the completion of these two regional planning documents tagged in the terms of reference for the regional planning approach.
- **12.07pm – Simon Baker, Health NZ – Te Whatu Ora, Submitter #257** – Online. Acknowledged the immense work council has done following Cyclone Gabrielle.

General: Council urged to prioritise the retention of initiatives that enhance Māori wellbeing and reduces inequities.

Land Transport: Repairing damage roading infrastructure is important but also recognises the investment into active transport modes (cycleways/safe walking infrastructure) should be planned alongside upgrading of roading network. Advocate for safe and accessible footpaths are fundamental. Seal extensions are an effective method of controlling dust which can harm human health and should not be deferred. Recommends prioritising seal extensions on roads which service higher or more vulnerable populations.

Library: Opposing closure of Library services as it will have a significant impact on community wellbeing.

Transfer stations: Concerned around closure of transfer stations as it would make it difficult for communities to dispose of unwanted and potentially hazardous items in a safe way.

Alcohol licence fees: Growing concern that fees paid by licensees do not fairly cover the administrative and monitoring functions. Encourages Council to examine the current alcohol licensing fee structure and explore opportunities to increase alcohol licence application fees. Should not be covered by the rate payer itself.

- **12.17pm – Dianne Smith, Submitter #240** – Online. Supports Central Option. Congratulate council with their excellent communications on the Three Year Plan. Today mainly focussed on the rebuilding of the Tararewa swing bridge. Supports the rebuild of the bridge but at a later stage as there are more critical priorities to focus on such as Three Waters projects.
- **12.23pm – Rūma Toru, Argyll East School, Submitter #260** – Charlie, Hetty and Grace, students from the Argyll School spoke to their submission. Urges council not to close or reduce Waipawa library hours as it delivers fun projects, great books and school holiday programmes. It should also stay open as people live far to travel to Waipukurau instead.
- **Diane FitzGerald, Submitter #243** – Acknowledges officer in the immense amount of work

into creating the Three Year Plan and understand the increase of costs like insurance, loan amounts, construction and supplies. Proposed rate increase too high and must be reduced. Residents simply can not afford it. Salaries does not increase with the rate proposed over the three years. Not council's role to increase debt and create hardship, but to represent community. Long Term Plans and goals are over-ambitious and well-beyond the community's fiscal means. Live within your (council's) means. Oppose reduced hours or closing of Waipawa Library.

The meeting adjourned at 12.37pm and reconvened at 1.07pm.

- **1.08pm – Jim Galloway & Rhea Dasent, Federated Farmers, Submitter #262** – The Mayor thanked Federated Farmers for their assistance during the cyclone.

Concerned on the considerable cost of rates to farm businesses in terms of the value and relative accessibility of farmers to ratepayer funded services, the rates levels on farms compared to other residents and businesses, and the failure of property value to reflect the incomes of farmers and their relative ability to pay. Federated Farmers is focused on the transparency of rate setting, rates equity and both the overall and relative cost of local government on rural ratepayers.

Land Transport: Agrees that our district's roads are a major challenge and how to fund this. Urges the Council to implement a hybrid road funding model to ensure that enough rates are collected for a decent road network, while spreading the cost more equitably among ratepayers. That Council adopts an alternative method of funding roads to reduce the disproportionate rates burden on farmers.

- **1.27pm – Gerard Pain, Submitter #L3** – Overall budget option: Mixed version of the three options proposed. Drinking water: This council opposed the "affordable water plan". Correct spending needs to be left to Central Government. Even with minimum or no spending options across all proposals, rates are unaffordable. Central Government must provide alternative funding for essential local Council services.
- Councillors will have the opportunity tomorrow to discuss the Three Year Plan submissions. Councillors might want to consider additional materials to consider on 30 May at the Deliberations Council meeting.

8 CHIEF EXECUTIVE REPORT

No report.

9 PUBLIC EXCLUDED BUSINESS

No Public Excluded Business.

10 DATE OF NEXT MEETING

RESOLVED: 24.3

Moved: Cr Pip Burne

Seconded: Cr Exham Wichman

That the next meeting of the Central Hawke's Bay District Council be held on 23 May 2024.

CARRIED

11 TIME OF CLOSURE

The Meeting closed at 1.34pm.

The minutes of this meeting will be confirmed at the 30 May 2024 Council meeting.

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CHAIRPERSON

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 23 MAY 2024 AT 9.00AM**

UNCONFIRMED

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

IN ATTENDANCE: Doug Tate (Chief Executive)
Nicola Bousfield (Group Manager People and Business Enablement)
Brent Chamberlain (Chief Financial Officer)
Dennise Elers (Group Manager Community Partnerships)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Phillip Stroud (Acting Group Manager Community Infrastructure and
Development)
Reuben George (Director Projects & Programmes)
Lisa Harrison (LTP Programme Manager)
Sasha D'Ath (Economic Development Manager)
Annelie Roets (Governance Lead)

1 KARAKIA

Her Worship, The Mayor Alex Walker welcomed everyone to the meeting and Cr Kate Taylor opened with a karakia.

2 APOLOGIES

There were no apologies received.

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflict of Interest received.

4 STANDING ORDERS

RESOLVED: 24.4

Moved: Cr Pip Burne
Seconded: Cr Jerry Greer

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 21 General procedures for speaking and moving motions be used for the meeting.

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

CARRIED

5 CONFIRMATION OF MINUTES

RESOLVED: 24.5

Moved: Cr Gerard Minehan

Seconded: Deputy Mayor Kelly Annand

That the minutes of the Ordinary Council Meeting held on 18 April 2024 as circulated, be confirmed as true and correct.

CARRIED

6 REPORTS FROM COMMITTEES

There were no reports received.

7 REPORT SECTION

7.1 RESOLUTION MONITORING REPORT

PURPOSE

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

RESOLVED: 24.6

Moved: Cr Kate Taylor

Seconded: Cr Jerry Greer

That the report be noted.

CARRIED

The report was introduced by Doug Tate which was taken as read.

- An update on Better-Off Funding in relation to Harker Street requested. Press release will go out today. Bit of work on the stormwater pipe under the road to work on. Work on progress will be communicated to public next week.
- Snap-send-solve: More visibility over this. To be discussed on Item 8.1 Organisation Report later in the agenda.

7.2 CYCLONE GABRIELLE - ROADING RECOVERY UPDATE

PURPOSE

The purpose of this report is to provide an update to the Council on the Land Transport Recovery programme and the work undertaken during April 2024. This update is provided within the attached Road to Recovery Key Programme Status Report.

RESOLVED: 24.7

Moved: Cr Kate Taylor
Seconded: Cr Exham Wichman

That the report be noted.

CARRIED

Reuben George provided a brief summary on the progress made across the program. Further discussions noted:

- Additional \$9.5m funding received from Waka Kotahi.
- Construction has started on 4 sites with procurement in progress for various others.
- A further 4 repairs have also been completed with work ongoing at sites like Gwavas and Douglas Cutting Bridges on track for completion before the 30 June 2024 deadline.
- Focus remains on progressing construction on current and upcoming sites within funding deadlines.
- Aim to further develop non-construction activities such as resource consenting and our multi-criteria analysis.
- Progress has been made in selecting preferred design options for recovery sites.

7.3 THIRD QUARTER FINANCIAL RESULTS FOR THE 2023/2024 FINANCIAL YEAR

PURPOSE

The purpose of this report is to provide Council with visibility of how Council's finances are tracking for the first six months of the 2023–2024 financial year.

RESOLVED: 24.8

Moved: Cr Gerard Minehan
Seconded: Cr Brent Muggeridge

That the report be noted.

CARRIED

The report was introduced by Brent Chamberlain which was taken as read. Key highlights noted:

- Financials heavily influenced by the cyclone recovery particularly in roading.
- Financials may appear well ahead of budgets, but this is due to extra funds received for emergency roading works from Waka Kotahi.
- Business as usual revenue is actually down on budget, specifically in fees and charges, resource consents and building consents and solid waste areas.
- Largest driver of the revenue shortfall is volume.
- A purposeful slowdown in capital work, which shows the lower than budgeted capital expenditure, the lack of new debt being drawn, and the maturity of the last of the investment bonds Council held.
- In April, Council had to refinance a \$10m fixed loan which came off a 2.19% pa interest rate and was replaced with a 5.47% pa loan.
- Also, Council entered into its first interest rate swap which doesn't start until 2026 but runs

through to 2029 and locks in an effective interest rate for \$10m at 3.91% pa.

7.4 FEES AND CHARGES 2024-2025

PURPOSE

The matter for consideration by Council is the adoption of the Fees and Charges for 2024–2025.

RESOLVED: 24.9

Moved: Cr Pip Burne

Seconded: Cr Gerard Minehan

- 1. That the Council adopts the Fees and Charges for the financial year dated 2024–2025 as set out in Attachment 1.**
- 2. That Council gives notice pursuant to Section 103 of the Local Government Act 2002 of its intention to prescribe the fees payable for the period 1 July 2024 to 30 June 2025 in respect of certificates, authorities, approvals, consents, and services given or inspections made by the Council under the Local Government Act 2002, the Building Act 2004, the Building (Infringement Offences, Fees, and Forms) Regulations 2007, the Amusement Devices Regulations 1978, the Resource Management Act 1991, Health (Registration of Premises) Regulations 1966, Sale and Supply of Alcohol (Fees) Regulations 2013, the Gambling Act 2003, the Burial and Cremation Act 1964, and the Central Hawke's Bay District Council Bylaws as set out in the Fees and Charges Schedule 2024-2025.**

CARRIED

The report was introduced by Brent Chamberlain with discussions noting:

- Sets out what Council's proposed fees and charges are for the coming financial year of 2024/25.
- These are fees and charges that had been built into the assumptions contained in the Three Year Plan 2024-2027 which will come into effect from 1 July 2024.
- Majority of fees and charges are inflationary adjustments.
- Some prices reflect legislative changes i.e parking offences and Waste Minimisation levy.
- Most significant changes are Solid Waste, Room Hire (Libraries & Community Facilities), Resource management and Trade Waste.

7.5 THREE YEAR PLAN 2024-2027 UPDATE

PURPOSE

The purpose of this report is to provide an update on the Three Year Plan 2024–2027, focused on next steps following on from hearing of submissions on 22 May 2024, and in preparation of deliberations being held on 30 May 2024

RESOLVED: 24.10

Moved: Cr Exham Wichman

Seconded: Cr Kate Taylor

That the report be noted.

CARRIED

Lisa Harrison introduced the report which was taken as read. Further discussions noted.

- Council had its submissions hearing yesterday and officers are in the process in finalising their deliberation reports for the 30 May Council meeting.
- Councillors discussed the Three Year Plan key topics and provided feedback on each topic for

consideration in the deliberations reports.

7.6 REPORTS FROM JOINT COMMITTEES JANUARY - MARCH 2024

PURPOSE

This report presents the minutes of the following Joint Committee for Council's noting:

1. 11 March 2024 – Climate Action Joint Committee minutes.

RESOLVED: 24.11

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

That the Minutes from the Climate Action Joint Committee held on 11 March 2024 be received.

CARRIED

The report was taken as read.

7.7 HAWKE'S BAY CIVIL DEFENCE AND EMERGENCY MANAGEMENT GROUP RESPONSE TO CYCLONE GABRIELLE INDEPENDENT REVIEW

PURPOSE

The purpose of this report is to provide background and an overview of the scope, procurement processes and methodology for the completion of the independent review of the Hawke's Bay Civil Defence Emergency Management Group's response to Cyclone Gabrielle (the review), the key findings from the review and, importantly, the next steps for the initial implementation of the review recommendations.

RESOLVED: 24.12

Moved: Cr Kate Taylor

Seconded: Cr Gerard Minehan

1. **That Council receives the Hawke's Bay Civil Defence and Emergency Management Group response to Cyclone Gabrielle independent review.**
2. **That Council is committed to working regionally and locally to ensure that the learnings and recommendations from the review are implemented.**

CARRIED

Dennise Elers introduced the report was taken as read.

The meeting adjourned for morning tea at 10.45am and reconvened at 11.05am.

7.8 REGIONAL ECONOMIC DEVELOPMENT AGENCY - LETTER OF EXPECTATION

PURPOSE

The matter for consideration by the Council is to consider and provide feedback on the Hawke's Bay Regional Economic Development Agency (HBREDA) draft Letter of Expectations (LOE) and to delegate to the Mayor to advocate on behalf of Central Hawke's Bay at the Matariki Governance Group on finalising this LOE.

RESOLVED: 24.13

Moved: Cr Exham Wichman

Seconded: Deputy Mayor Kelly Annand

1. **That Council notes the draft Letter of Expectations for the Hawke's Bay Regional Development Agency for the six months from 1 July 2024 to 31 December 2024.**
2. **That Council delegates authority to Mayor Walker to advocate on behalf of Central Hawke's Bay in her role on the Matariki Governance Group to finalise this Letter of Expectations.**

CARRIED

The report was introduced by Sasha D'Ath which was taken as read.

8 CHIEF EXECUTIVE REPORT

8.1 THIRD QUARTER ORGANISATION REPORT JANUARY - MARCH 2024

PURPOSE

The purpose of this report is to present to Council the Third Quarter Organisation report from 1 January – 31 March 2024.

RESOLVED: 24.14

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

That the Third Quarter Organisation Report (January – March 2024) be noted.

CARRIED

Doug Tate introduced the report which was taken as read.

9 DATE OF NEXT MEETING

RECOMMENDATION

Moved: Cr Annand

Seconded: Cr Exham Wichman

That the next meeting of the Central Hawke's Bay District Council be held on 30 May 2024.

CARRIED

10 PUBLIC EXCLUDED BUSINESS**RESOLUTION TO EXCLUDE THE PUBLIC****RESOLVED: 24.15**

Moved: Cr Tim Aitken

Seconded: Cr Brent Muggeridge

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
10.1 - Public Excluded Resolution Monitoring Report	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.2 - Water Leak Remission Request	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.3 - Patangata Bridge Scour Protection Procurement - Late Report to follow	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

RESOLVED: 24.16

Moved: Cr Tim Aitken
Seconded: Cr Brent Muggeridge

That Council moves into Public Excluded business at 11.58am.

CARRIED

RESOLVED: 24.17

Moved: Cr Exham Wichman
Seconded: Deputy Mayor Kelly Annand

That Council moves out of Public Excluded business at 12.19pm.

CARRIED

11 TIME OF CLOSURE

The Meeting closed at 12.19pm.

The minutes of this meeting will be confirmed at the next Council meeting to be held on 30 May 2024.

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CHAIRPERSON

6 REPORTS FROM COMMITTEES

No reports received.

7 REPORT SECTION

7.1 REPRESENTATION REVIEW - CONFIRMATION OF REPRESENTATION ARRANGEMENTS

File Number:**Author:** Stephen Hill, Electionz.com**Authoriser:** Doug Tate, Chief Executive**Attachments:** 1. **Table Assessing the various Representation Arrangements** [↓](#)

PURPOSE

The matter for consideration by the Council is to confirm its preferred option for representation arrangements for the 2025 and 2028 elections for inclusion in the initial representation proposal, to be presented to Council at its meeting of 27 June 2024 for adoption and subsequent community consultation.

RECOMMENDATION

1. **That the Council confirms Option X as the representation arrangement for inclusion in Councils Initial Representation Proposal for the 2025 and 2028 elections.**

BACKGROUND

Council as good practice and as required under the Local Electoral Act (LEA) 2001, is required to review its local representation arrangements every six years. Council last completed a representation review in 2018 with changes coming into effect for the 2019 Local Government Election.

Council is now in its third phase of its representation review. The **first phase** in August 2023, saw Council confirming its Electoral System, where it resolved to continue with the current first past the post electoral system for the 2025 Local Body Elections. The **second phase** was confirmed at Councils meeting on 15 November 2023, where Council voted in favour of introducing Māori wards at the 2025 and 2028 Local Elections.

This report now seeks a critical decision in **third phase** of the Review, being the comprehensive representation review and the representation arrangements to be included in Councils Initial Representation Proposal. The representation arrangements put in place through this review will apply for next two local election cycles, in 2025 and 2028.

As part of the review, the following representation arrangements need to be determined:

- the number of electoral areas (wards/community boards), if any.
- the boundaries and names of wards/community boards.
- the number of elected members for each ward/community board.
- the basis of election (by wards, at large, or a mix of wards and at large).
- establishment of community boards.

In carrying out the review, the LEA requires councils to provide for “effective representation of communities of interest” and “fair representation of electors”. The key principles to be considered are:

- **Communities of interest** - This principle may include factors such a community's sense of belonging and identity, similarities in the demographic, socio-economic and/or ethnic characteristics of a community, distinct local history, the rohe or takiwā of local iwi and hapū, and dependence on shared facilities in an area.
- **Effective representation** - Effective representation of communities of interest includes consideration of the number of elected members to represent each community, and whether members are elected by wards, at large (by district) or a mix of both. Other factors to be considered include the accessibility, size and configuration of an area, and ensuring communities of interest are not split between electoral areas, or grouped with communities that have few common interests.
- **Fair representation** - Under this provision, membership of wards is required to provide approximate population equality per member; that is, all votes are of approximately equal value (referred to as the '+/-10% rule') unless there are good (prescribed) reasons to depart from this requirement.

Council at its meeting of 14 March 2024, received a formal update outlining the process and the timeline for the review. This report can be found on Council's website [here](#). Council has also held workshops on the review, exploring and seeking feedback and additional information on the various representation arrangements on 18 May and 9 May 2024. The slides from these workshops can be found on Council's website.

Through March and April preliminary engagement on the options available was also completed. Later in the discussion section of this report, the findings of that preliminary engagement are presented.

On 7 May 2024 a Kahui with Manawhenua leaders was also held with representation discussed, in particular the Māori Ward. Feedback from the Kahui is also included in the discussion section of this report.

Having now had the opportunity to explore the various representation arrangements, and to seek additional information on the different various arrangements, Council are now at a point where they need to confirm their preferred representation arrangement that they wish to include in their Initial Representation Proposal. By confirming a preferred representation arrangement, this will allow the Initial Representation Proposal to be finalised and presented to Council at its meeting of 27 June 2024, to be adopted for consultation with community.

This next section of the report outlines the requirements of what the Representation Review must include and consider.

DISCUSSION

This section of the report goes into detail on the key considerations that must be covered in the review and works through the representation options that are available to Council. The key headings covered in this section include:

- Current representation arrangements
- Communities of Interest
- Effective Representation
- Fair Representation
- Māori Representation
- Changes to the Local Electoral Act provisions for Māori wards
- Community Boards
- Preliminary Engagement
- Engagement with Mana whenua

- Options Developed
- Options available for Council to consider
- Other option considerations

Current Representation Arrangements

Under the current representation arrangements, determined in the 2018 representation review, Central Hawke's Bay District Council comprises a mayor and eight Councillors, elected from two wards, with there being no community boards. The two wards are:

- Aramoana-Ruahine Ward (4 councillors).
- Ruataniwha Ward (4 councillors).

As part of this review, the current arrangements cannot remain unless Council chose to rescind its decision to establish a Māori Ward following the enactment of proposed Māori Ward legislation.

Communities of interest

A key discussion point as part of the options analysis was to identify the communities of interest, and whether these had changed significantly since the last representation review in 2018.

The communities of interest are currently identified as predominantly urban (Ruataniwha ward, which includes the townships of Waipawa and Waipukurau) and predominantly rural (Ruahine/Aramoana ward).

It was noted that the district's population had grown by 15.5% since 2018, with growth distributed relatively evenly across the two wards:

Ward	2018	2023	% Change
Aramoana/Ruahine	6,890	8,170	18.5%
Ruataniwha	6,980	7,860	12.6%
Central Hawke's Bay District	13,870	16,030	15.5%

(StatsNZ population estimates)

Other key population and community findings, which are also included in Council's latest population projections available on Council's website [here](#), include:

- Population has been increasing steadily since 2013, averaging 2.1% annually, driven by factors such as lower living costs, less traffic congestion, and good transportation links.
- a more mobile workforce, with an increase over time in the proportion of the district population working for employers outside the district.
- population growth concentrated in the over-65 age group (ageing population) and in the 15-39 age group (inward migration).
- a notable decline in agriculture jobs, offset by significant growth in service and construction industries. *(Framing the Future of Central Hawke's Bay, August 2023).*

In the Council's preliminary engagement during April 2024, over 60% of respondents indicated that they considered the current urban/rural ward structure best represented their community.

Councillors in confirming their preferred representation arrangement will need to consider whether the current ward structure continues to accurately reflect the district's communities of interest.

Effective representation

In considering how to best ensure effective representation of communities of interest, Councillors will also need to consider whether the current number of elected members is appropriate to enable residents to access their representatives, and for elected members to share the workload; provide for a diversity of thought and representation and enable good governance.

In the preliminary engagement survey, 69% of respondents indicated the total number of councillors should remain at the status quo (8), while 17% indicated a preference for fewer, and 14% for more.

In relation to the basis of election, the survey showed that 37% of respondents thought councillors should be elected under the current two-ward system, and 20% indicated a general preference for elections “by ward”. 36% indicated a preference for a mix of wards and at large.

Fair representation

At the 2018 representation review both wards fully complied with the +/- 10% requirement for the population per member ratio:

Ward	Population	Members	Pop per member	Difference from quota	% diff from quota
Aramoana-Ruahine	6,890	4	1,723	-11	-0.65
Ruataniwha	6,980	4	1,745	11	0.65
Total General	13,870	8	7,734		

For the current review, StatsNZ population data shows that after adjustment for the introduction of a Māori ward, the population per member ratios for the general wards remain fully compliant.

Ward	Population	Members	Pop per member	Difference from quota	% diff from quota
Aramoana-Ruahine	7,050	4	1,763	74	4.37
Ruataniwha	6,460	4	1,615	-74	-4.37
Total General	13,510	8	1,689		

Population per member ratios for the representation options that are available for consideration by the Council are discussed below.

Māori representation

As a result of the Council's decision to establish Māori representation for the 2025 and 2028 elections, the representation review must include consideration of:

- the proposed total number of members of the local authority.
- whether all members are to be elected from either Māori or general wards, or some members are to be elected from either Māori or general wards, and some are to be elected at-large.
- the proposed number of members to be elected from the Māori wards and the number from the general wards.

The process for determining the number of members to be elected from both Māori and general wards is set out in clauses 2 and 4, Schedule 1A of the LEA.

The statutory formula for determining the number of members indicates that:

- If the total number of councillors elected from wards (General and Māori) is from 5 to 9, then 1 Māori member can be elected.

- If the total number of councillors elected from wards (General and Māori) is from 10 to 15, then 2 Māori members can be elected.

With the establishment of a Māori ward/s, there must be at least one General ward; the option of a fully at large basis of election is not available.

In the preliminary engagement survey, 64% of respondents on the Māori electoral roll indicated they would prefer to have they would prefer to have a single Māori ward, which all Māori ward Councillors are elected from.

Changes to the Local Electoral Act provisions for Māori wards

In April 2024 the Minister of Local Government announced pending changes to the Local Electoral Act, which will:

- Reintroduce legislative provisions allowing for binding polls on the establishment of Māori wards/constituencies.
- Provide transitional arrangements for councils that have resolved to establish Māori wards/constituencies since 2020 without holding a poll.
- Adjust dates relating to elections, to allow more time for voting papers to be delivered.

Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill was introduced on 20 May 2024 For Central Hawke's Bay (and other councils that decided to establish Māori wards for the 2025 local elections), transitional arrangements proposed in the Bill would require the Council to either:

- Rescind the decision to establish Māori wards; or
- Hold a binding poll alongside the 2025 local elections to decide whether Māori wards should continue.

If the Council chooses to disestablish or rescind its decision to establish Māori wards, it will subsequently need to either:

- Carry out a shortened representation review prior to April 2025; or
- Continue to use their current representation arrangements (for councils that choose to rescind their decision to establish Māori wards for 2025).

If the Council chooses to hold a poll alongside the 2025 local elections, the results of that poll will take effect at the 2028 local elections.

This report is prepared on the basis that the Council will continue with its representation review as currently in progress.

Community Boards

As part of reviewing representation arrangements, all territorial authorities must consider whether community boards are required, regardless of whether they currently exist within the district.

Local Government New Zealand (2023) notes that community boards are often created where there is a specific community of interest that, without the community board option, would be under-represented on the governing body. Examples include rural community boards, and community boards representing in geographically distinct or remote areas.

There are currently no community boards established in Central Hawke's Bay. Councillors will also need to consider in confirming their preferred option that the current representation needs across the district are being met effectively under the current structure, and they are not aware of any demands or of any issues that would indicate a need for a community board/s.

In the preliminary engagement survey, 74% of respondents indicated they did not think that the district required a community board/s.

Preliminary engagement

Preliminary engagement provides a valuable input into the Council's decision-making process as an indicator of community views on representation matters, and also helps to raise awareness of the review process.

Preliminary community engagement on the representation review was undertaken from 28 March to 28 April 2024, through the Council's Kōrero Mai/Let's Talk engagement platform. A total of 61 responses were received.

- Age range of respondents was predominantly older (over 60% aged 55+).
- Respondents predominantly enrolled on the General roll.
- Majority of respondents (>60%) live in Ruataniwha ward:
 - Waipawa 34%.
 - Waipukurau 38%.
- Respondents identified their community of interest as:
 - Rural – 25%.
 - Urban – 16%.
 - Township or locality – 23%.

While the number of responses is not large, Councillors will be able to draw on these results, along with their own experience and knowledge of the community, to give due weight to these when considering the various options available.

The findings from the survey are included in the table below:

Survey Area	Findings
Ward Structure	<ul style="list-style-type: none"> • Majority of respondents (60%) indicate the current urban/rural structure best represents their community. • 22% indicated at-large structure would best represent them (13%). • 14% indicated preference for representation by more, smaller wards. • No indication of any calls for changes to ward boundaries.
Number of Councillors	<ul style="list-style-type: none"> • 69% indicated preference for status quo (8). • 17% indicated preference for fewer. • 14% indicated preference for more.
Māori ward	<ul style="list-style-type: none"> • <u>Māori roll respondents</u> indicated preference for one Māori ward (64%).
Community Board	<ul style="list-style-type: none"> • 74% of respondents felt the district does not require community board/s.
Basis of election	<ul style="list-style-type: none"> • 37% indicated a preference to retain the status quo (election by 2 wards – rural/urban). • 20% indicated a preference for election by wards (note: number of wards not specified). • 36% indicated a preference for election by a mix of wards and at-large.

Engagement with Manawhenua

Engagement to date with Manawhenua has been through the Kahui of Manawhenua leaders. Discussions on the representation arrangements for Māori ward/s were discussed at a Kahui meeting on 7 May 2024.

Discussion included options for having one or two Māori ward councillors. The meeting indicated a preference for having two Māori Ward councillors selected from one district-wide ward. There was

a view to keep the overall number of councillors as low as possible while allowing for two Māori representatives.

An option of having seven general ward councillors, two Māori ward councillors, plus the Mayor was discussed, however, it was subsequently noted that this option would not be available, i.e. a minimum of 10 councillors in total is required to meet the threshold for two Māori members.

The rationale for seeking two Māori members included the ability for these members to provide mutual support for each other to work together across the district, especially as first-term councillors; and that by having two councillors from a single district-wide ward, this would emphasise that they represent the entire district, rather than specific areas or marae. This feedback was also consistent with the pre-engagement survey feedback relating to a single Māori Ward.

The Kahui will also consider and advise on the name for a proposed Māori ward(s).

Options developed

A range of options for representation arrangements have been requested and workshopped by the Council, to explore and consider the range of options available. This has included the options outlined in the table below:

Option	Ruataniwha Ward Councillors	Aramoana – Ruahine Ward Councillors	General Ward or at large Councillors	Māori Ward Councillors	Community Boards	Total Councillors
1a	4	4	0	1	0	9
1b	4	4	0	2	0	10
2a	4	3	0	1	0	8
2b	3	4	0	1	0	8
3	3	3	0	1		7
4	3	3	2	1	0	9
5a	0	0	7	1		8
5b			8	2		10

Of the range of options developed, some options do not comply with the LEA due to the over or under representation in one or both wards and the non-compliance with the per member ratio. Option 2a and 2b outlined below are examples of this.

Option 2a proposed two general wards and one Māori ward, with 7 general ward and 1 Māori ward councillors. This option would lead to over or under-representation in one or both wards and result in non-compliance with the population per member ratio.

OPTION 2a	Population	Members	Pop per member	Difference from quota	% diff from quota
Aramoana-Ruahine	7,050	4	1,763	-168	-8.68
Ruataniwha	6,460	3	2,153	223	11.57
Total General	13,510	7	1,930		
Māori Ward	2510	1			
Total	16,020	8			

This option was also considered with the balance of members being weighted to the Ruataniwha Ward, rather than the Aramoana-Ruahine Ward. This option also did not comply.

OPTION 2b	Population	Members	Pop per member	Difference from quota	% diff from quota
Aramoana-Ruahine	7,050	3	2,350	420	21.76
Ruataniwha	6,460	4	1,615	-315	-16.32
Total General	13,510	7	1,930		
Māori Ward	2510	1			
Total	16,020	8			

In the options available to Council, we outline an approach that may allow Council to proceed with this option if it felt strongly that one of these options would be the most appropriate representation arrangement for the District. These options are however non-compliant and would automatically trigger a referral to the Local Government Commission for a determination.

As outlined in the options described further in the next section of this report, these options are not recommended by Officers.

Options available for Council to consider

In all of the options provided, no changes are proposed to the current ward boundaries for the Ruataniwha and Aramoana/Ruahine Wards. The map of these ward boundaries is shown in Appendix 1.

To support Council in its decision making, the table in Attachment 1 has summarised the varying options and the make-up of wards, the number of Councillors from each ward and the total number of Councillors.

To help assess the options available, a matrix has also been developed those highlights using a green/amber/red assessment across four criteria outlined below:

- Fair representation
- Effective Representation
- Communities of Interest
- Manawhenua Views
- Survey Feedback.

While not a comprehensive matrix assessment of the options, the table in Attachment 1 does give an indication of the options that best align with the principles that must be considered in the review, the views of Mana whenua and feedback from the survey. While this assessment is subjective to how you individually describe effective and fair representation, it is provided as a tool to help guide councillors in their decision making.

This analysis identifies four options that align the most with the criteria, with only one of the four options fully achieving all five of criteria – being option 1b. The table is provided as an attachment to this report.

Option 1a – 2 General Wards / 1 Māori ward / Total 9 councillors

This option proposes:

- A total of 9 Councillors
- Two general wards: Aramoana/Ruahine and Ruataniwha. These are unchanged from the wards currently in place.
 - 4 councillors elected from the Aramoana/Ruahine ward.
 - 4 councillors elected from the Ruataniwha ward.
- 1 Māori ward, encompassing the entire Central Hawke’s Bay district.
 - 1 councillor elected from the district-wide Māori ward.
- No community board is proposed.

The Aramoana-Ruahine ward represents a predominantly rural community of interest and takes in the rural areas and smaller settlements of the district outside the Ruataniwha ward.

Ruataniwha represents a predominantly urban community of interest and takes in the townships of Waipawa and Waipukurau.

In considering this option, it is the closest option to the existing representation arrangements, with the addition of a district-wide Māori ward and one councillor elected from the Māori ward.

This arrangement would retain an element of familiarity for residents while complying fully with the +/-10% requirements.

This option does not however provide for two elected Māori representatives, as sought by the Kahui Manawhenua.

OPTION 1a	Population	Members	Pop per member	Difference from quota	% diff from quota
Aramoana-Ruahine	7,050	4	1,763	74	4.37
Ruataniwha	6,460	4	1,615	-74	-4.37
Total General	13,510	8	1,689		
Māori Ward	2510	1			
Total	16,020	9			

Option 1b – 2 General Wards / 1 Māori Ward / Total 10 councillors

(Note: this option was previously presented as option 4, but is presented here as 1b as it based on the same structure as option 1a)

This option is essentially the same as option 1a above, but with one additional Māori ward councillor. It proposes:

- A total of 10 Councillors
- Two general wards: Aramoana-Ruahine and Ruataniwha. These are unchanged from the wards currently in place.
 - 4 councillors elected from the Aramoana-Ruahine ward.
 - 4 councillors elected from the Ruataniwha ward.
- 1 Māori ward, encompassing the entire Central Hawke's Bay district.
 - 2 councillors elected from the district-wide Māori ward.
- No community board is proposed.

Like Option 1a, this option is similar to the existing representation arrangements, with the addition of a district-wide Māori ward and two councillors elected from the Māori ward.

It complies fully with the +/-10% requirements and it provides for two elected Māori representatives, as sought by the Kahui Manawhenua.

OPTION 1b	Population	Members	Pop per member	Difference from quota	% diff from quota
Aramoana-Ruahine	7,050	4	1,763	74	4.37
Ruataniwha	6,460	4	1,615	-74	-4.37
Total General	13,510	8	1,689		
Māori Ward	2510	2			
Total	16,020	10			

Option 2 (2a/2b)

The two options developed as Option 2 scenarios (Option 2a and 2b) are not options that comply with the population per member ratio in accordance with the LEA.

An option for Council is to seek approval from the Local Government Commission (LGC), as it is outside of the ratio. The LGC may accept a non-compliant proposal where there are good (prescribed) reasons to depart from the +/-10% requirement. Grounds for exceptions include to provide for effective representation within isolated/island communities and to avoid dividing a community of interest, or combining communities with few commonalities of interest

Council could still resolve to propose this option, which would automatically be referred to the LGC, however this approach is not recommended by as the reasons to depart from this requirement are not considered strong enough by Officers based on guidance documents from the LGC. The Elected Council may hold an alternate view to this.

Option 3 – 2 general wards / 1 Māori ward, Total 7 Councillors

Option 3 proposes:

- A total of 7 Councillors
- Two general wards: Aramoana - Ruahine and Ruataniwha. The number of Councillors in each ward would be reduced from four to three.
- 3 councillors elected from the Aramoana - Ruahine ward.
- 3 councillors elected from the Ruataniwha ward.
- One Māori ward
- 1 Councillors elected from the district-wide Māori ward.
- No community boards.

In the workshop questions on this option related to whether seven Councillors is considered sufficient to achieve effective representation, particularly if Councillors are unable to attend due to illness or leave.

OPTION 3	Population	Members	Pop per member	Difference from quota	% diff from quota
Aramoana-Ruahine	7,050	3	2,350	98	4.37
Ruataniwha	6,460	3	2,153	-98	-4.37
Total General	13,510	6	2,252		
Māori Ward	2510	1			
Total	16,020	7			

Option 4 – Mixed basis 2 General Wards / 1 Māori Ward / 2 Members at Large / Total 9 councillors

This option proposes a mixed basis of election, with some Councillors elected from wards, and some elected at large (i.e. elected by all electors across the entire district).

- A total of 9 Councillors
- Two general wards: Aramoana - Ruahine and Ruataniwha. These are unchanged from the wards currently in place, however the number of ward Councillors reduce.
 - 3 councillors elected from the Aramoana - Ruahine ward.
 - 3 councillors elected from the Ruataniwha ward.
- 1 Māori ward, encompassing the entire Central Hawke's Bay district.
 - 1 councillors elected from the district-wide Māori ward.
- 2 councillors elected by all electors at large (across the entire district).
- No community board is proposed.

The mixed basis of election (mixed/at large) allows for a combination of elections by ward and at large (by all electors, across the entire district). The Local Government Commission Guidelines (2023) note that:

5.21 General characteristics of territorial authorities that have opted for elections at large include:

- *the district has a relatively compact geographic area, and/or*
- *a shared common community of interest at the district level, and/or*
- *communities of interest that are spread across the district rather than being geographically distinct.*

5.25 Members of a territorial authority may also be elected partly by wards and partly at large (a mixed system). This option may be best when there are clear district-wide communities of interest as well as specific geographically based communities of interest.

In some cases, there is a need to provide representation for both discrete communities of interest as well as the interests of the district as a whole. This can be done, in territorial authorities, by electing some members by ward and others at large (a mixed system). This option may be best when there are clear district-wide communities of interest as well as specific geographically based communities of interest. Ward and at-large members do continue to represent the areas they are elected from at the council table. (LGNZ, Representation Reviews – A guide for elected members, November 2023)

A mixed basis of election can also have the effect of balancing out the number of votes available to electors in general and Māori wards. For example, where general roll electors may have multiple votes within a ward, compared to Māori roll electors who may have only one ward vote.

This option substantially retains the existing ward structure, maintaining some familiarity for residents. It also fully complies with the +/-10% requirements.

Under Option 4:

- Each general ward elector would have 3 ward votes plus 2 at-large votes (plus a vote for mayor).
- Each Māori ward elector would have 1 ward vote plus 2 at-large votes (plus a vote for mayor).

OPTION 4	Population	Members	Pop per member	Difference from quota	% diff from quota
Aramoana-Ruahine Ward	7,050	3	2,350	98	4.37
Ruataniwha Ward	6,460	3	2,153	-98	-4.37
Total General	13,510	6	2,252		
Māori Ward	2510	1	2,510		
At-large	16,020	2			
Total	16,020	9			

Option 5a – 1 General Ward / 1 Māori Ward, Total 8 Councillors

Option 5a proposes:

- A total of 8 Councillors
- One general ward, meaning the current ward representation of Aramoana-Ruahine and Ruataniwha would be abolished. The number of general Councillors would reduce from eight to seven.
- One Māori ward with one ward Councillor
- No community boards.

In the workshop questions on this option related to whether this option adequately reflected separate representation for urban/rural communities of interest and provided for fair representation, recognising this approach would be a significant shift from the current arrangements in place.

This option would also result in an imbalance in the number of votes available to electors on the general roll compared to those on the Māori roll.

OPTION 5a	Population	Members	Pop per member	Difference from quota	% diff from quota
Central Hawke's Bay General Ward	13,510	7	1,930	n/a	n/a
Total General Ward	13,510	7			
Māori Ward	2,510	1	2,510	n/a	n/a
Total	16,020	8			

Option 5b – 1 General Ward / 1 Māori Ward, Total 10 Councillors

Option 5b is similar to Option 5a, but increases the total number of Councillors proposing:

- A total of 10 Councillors
- One general ward, meaning the current ward representation of Aramoana-Ruahine and Ruataniwha would be abolished. The number of general Councillors would remain at eight.
- One Māori ward – with two ward Councillors.
- No community boards.

Again, like Option 5a, Councillors will need to consider whether this adequately reflects the separate representation for urban/rural communities of interest and provides for fair representation, recognising this approach is a significant shift from the current arrangements in place. Officers analysis would suggest it does not.

OPTION 5b	Population	Members	Pop per member	Difference from quota	% diff from quota
Central Hawke's Bay General Ward	13,510	8	1,689	n/a	n/a
Total General Ward	13,510	8			
Māori Ward	2,510	2	2,510/1255	n/a	n/a
Total	16,020	10			

OPTIONS CONSIDERED

The options set out above provide for an increase in the number of councillors, from 8 to 9 or 10. Aside from relatively minor increases in administrative costs related to, for example, running elections and providing administration support for councillors, this does not mean an increase in rates.

Councillors' remuneration is based on a fixed pool of funds which is set independently by a government agency, the Remuneration Authority. This amount does not go up or down in relation to the number of councillors. It also means that any change in the number of Councillors would not affect the total amount paid to councillors overall, as the total pool is divided between the number of elected members.

There would however be impacts to the total budget required for training, development and support of elected members for items such as IT. The cost of this is likely to be around \$3 – 5,000 depending on the total number of additional Councillors identified.

DELEGATIONS OR AUTHORITY

This matter is legislatively required to be undertaken by Council every six years and cannot be delegated to officers.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of significance, and Council undertook a period of preliminary engagement with the public between 25 March 2024 and 28 April 2024 on this subject. The results of this engagement are discussed in this paper and will be considered by the Council in its decision making on the representation review proposal being recommended in this paper.

A further period of formal consultation will be undertaken in July-August 2024 on this resulting initial representation review proposal.

OPTIONS

There are primarily two options available to Council at this time:

Option 1: Confirm a Representation Arrangement for inclusion

That Council confirm one of the representation arrangements for inclusion in the Initial Representation Proposal for the 2025 and 2028 Elections.

Option 2: Request further options

That Council requests further representation arrangement options are developed for their consideration.

	<u>Option 1</u> Confirm a Representation Arrangement for inclusion.	<u>Option 2</u> Request further representation arrangement options
Financial and Operational Implications	Relative to the option selected, will the financial and operational implications from the resulting representation arrangement. The report provides information relating to the expected costs of additional Councillors, which are not significant.	Council officers are working to a tight timeframe to develop and bring options back to be able to confirm an Initial Representation Proposal by 27 June. A further report and decision of Council may be required.
Long Term Plan and Annual Plan Implications	There are no obvious implications.	There are no obvious implications.
Promotion or Achievement of Community Outcomes	Representation is key to the achievement of community outcomes long-term. This decision is critical in this respect. This option provides the opportunity to confirm the right representation arrangement.	Representation is key to the achievement of community outcomes long-term. This decision is critical in this respect. This option provides the opportunity to explore other options.
Statutory Requirements	Compliant with legislation	Compliant with legislation
Consistency with Policies and Plans	There are no obvious implications.	There are no obvious implications.

This report does not present a recommended Option.

Resolving representation arrangements is one of the most important decisions for an elected Council. Officers have provided a range of options and feedback and can provide further advice to Elected Members as requested on other representation arrangements.

NEXT STEPS

On the basis that Council confirm a representation arrangement, Officers will prepare the initial representation proposal, ready for it to be presented to Councils meeting of 27 June 2024 for consideration.

In the event this is adopted, this will be followed by a period of public consultation – proposed from mid-July to late August 2024.

Council will then hold hearings (if required) to hear any objections in early September 2024. Council will then determine its final proposal on 19 September 2024.

RECOMMENDATION

- That the Council confirms Option X as the representation arrangement for inclusion in Councils Initial Representation Proposal for the 2025 and 2028 elections.**

Table Assessing the various Representation Arrangements

Option	Ruataniwha Ward Councillors	Aramoana – Ruahine Ward Councillors	General Ward or at large Councillors	Māori Ward Councillors	Community Boards	Total Councillors	Fair Representation	Effective Representation	Communities of Interest	Mana whenua Views	Survey Feedback	Notes
1a	4	4	0	1	0	9	Green	Green	Green	Yellow	Green	
1b	4	4	0	2	0	10	Green	Green	Green	Green	Green	
2a	4	3	0	1	0	8	Green	Yellow	Green	Yellow	Green	Does not comply with LGC Ratios
2b	3	4	0	1	0	8	Green	Yellow	Green	Yellow	Green	Does not comply with LGC Ratios
3	3	3	0	1		7	Green	Yellow	Green	Yellow	Green	
4												
5	3	3	2	1	0	9	Green	Green	Green	Green	Yellow	
6a	0	0	7	1		8	Yellow	Yellow	Yellow	Yellow	Red	
6b			8	2		10	Yellow	Yellow	Yellow	Green	Red	

While not a comprehensive matrix assessment of the options, the table in Attachment 1 does give an indication of the options that best align with the principles that must be considered in the review, the views of Mana whenua and feedback from the survey. While this assessment is subjective to how you individually describe effective and fair representation, it is provided as a tool to help guide councillors in their decision making.

7.2 THREE YEAR PLAN 2024-2027 SUMMARY REPORT

File Number: COU1-1400

Author: Lisa Harrison, LTP Programme Manager

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

RECOMMENDATION

That the report be noted.

PURPOSE

The purpose of this report is to provide a summary on the Three Year Plan 2024-2027 process, and the matters to be deliberated on that form part of this agenda.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant, however it should be noted that the Three Year Plan 2024-2027 does trigger significance. When Officers present a report for the adoption of the Three Year Plan 2024-2027 in June 2024, the item will be identified as significant.

BACKGROUND

All Councils are required by Section 93 of the Local Government Act 2002 (LGA) to adopt a Long Term Plan (LTP) and review it every three years. Following Cyclone Gabrielle, Cyclone affected Councils such as Central Hawke's Bay were provided legislative relief to not undertake an LTP, rather a Three Year Plan 2024-2027 due to the significant constraints and unknowns that recovery from the Cyclone has created.

The Three Year Plan pairs the Council's vision and ambition for the future and articulates how we plan to move forward. 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 (i.e. 30 June 2024) and continues in force until the close of the third consecutive year to which it relates (30 June 2027).

With the establishment of Project 'Thrive' in 2017, there has been a longstanding clear vision for Council and community. This vision, alongside Elected Members priorities and recovery priorities identified by the community have helped shape the basis of the Three Year Plan 2024-2027.

DISCUSSION

Preparing for the adoption of the Three Year Plan 2024-2027 is an integrated legally prescribed process. The work programme for the Three Year Plan 2024-2027 began in mid-2023 and has been focused on ensuring that Council outline to its community how it intends to invest for the next three years, while giving consideration to the longterm, with a focus on key infrastructure, particularly in the context of recovery.

The key building blocks that help in the development of a Three Year Plan 2024-2027 broadly fit into the following categories:

- Strategic inputs: Council direction setting, environmental scan, integrated spatial planning, strategy review (e.g. Financial Strategy, Infrastructure Strategy, Asset Management Policy, Significance and Engagement Policy and Māori Contribution to Decision Making Policy), and significant assumptions.

- Tactical inputs: Infrastructure Strategy, Asset Management Plans and Activity Management Plans (e.g., Animal Services, Compliance and Monitoring), Three Year Plan 2024-2027 inputs (e.g., community outcomes, Levels of Service, performance measures and groups of activities), policy review (e.g. rates review, Revenue and Finance Policy, development contributions, trade waste contributions).
- Communication and consultation: Communication and Engagement Plan for the consultation on the Three Year Plan 2024-2027.

The Three Year Plan 2024-2027 has already hit the following milestones:

- September 2023 – March 2024 – prepare Asset and Activity Management Plans, review key policies and strategies that were key inputs into the Three Year Plan 2024-2027.
- 14 March 2024 – Formal endorsement of key inputs into the Three Year Plan 2024-2027 including:
 - Consultation options
 - Endorsement of Draft Financial Strategy 2024
 - Endorsement of Draft Infrastructure Strategy 2024
 - Endorsement of Draft Development Contributions Policy 2024
 - Endorsement of Draft Significant Assumptions
 - Endorsement of Activity Levels of Service and Performance Measures
 - Better Off Funding – funding direction
 - Review of the Significance and Engagement Policy
 - Review of the Treasury Management Policy
- 10 April 2024 – Adoption of Consultation Document for consultation.
- 10 April – 12 May 2024 – Formal public consultation on Three Year Plan 2024-2027.
- 22 May 2024 – Hearing of public feedback.

Having achieved these milestones, brings us to deliberations today, where Council will weigh up written and verbal submissions and make final Three Year Plan 2024-2027 deliberation decisions.

Any decisions made today that amends the proposed Three Year Plan 2024-2027 consulted on, will impact the final rates strike. Not all decisions will impact all rate payers equally, and decisions made today shouldn't be made in isolation as every change will have a cumulative impact on rates.

The purpose of this report is not to pre-empt Council's decisions, but to give a summary of proposed recommendations, and how they impact rates, and summarise the cumulative impacts adoption of the proposals might have.

Challenge / Issue	Consultation Assumption	Recommended Assumption	Further Rating Impact Year 1 if recommendations adopted.			
			General / UAGC	Land Transport	3 Waters Targeted Rate	Total Rates Impact
Land Transport	Central Option	Central Option		Nil		Nil
2 Waters	Central Option	Central Option			Nil	Nil
Stormwater	Central Option	Central Option	Nil		Nil	Nil
Service reductions						
Library hours	Central Option	Higher Option	\$30k			\$30k
Transfer Stations	Central Option	Central Option	Nil			Nil

Challenge / Issue	Consultation Assumption	Recommended Assumption	Further Rating Impact Year 1 if recommendations adopted.			
			General / UAGC	Land Transport	3 Waters Targeted Rate	Total Rates Impact
Open spaces & community facilities	Central Option	Central Option	Nil			Nil
Development Contributions	Updated Policy	Updated Policy				Nil
Swimming pool move to targeted rate and move to 100% private funding	Move to Targeted Rate, but not included in model	Remain a Fee & Charge with 100% private funding	Nil			Nil
Rebuild Tukituki Swing Bridge	Year 3 construction linked with Wastewater Project	Year 3 construction linked with Wastewater Project			Nil	Nil
Te Aute Drainage Scheme budget	Status Quo	Add flood gate repair			\$50k (only affect 16 properties)	\$50k
Cancer Society HB – shade, water fountains, smoke free	Status Quo Renewal	Status Quo Renewal – Included comments in planning	Nil			Nil
Health NZ Te Whatu Ora – footpaths, 3 Waters, service reductions	Central Option	Central Option - Included comments in planning	Nil	Nil	Nil	Nil
HB Netball – toilets and changing rooms	Russell Park Masterplan	Russell Park Masterplan	Nil			Nil
CCS Disability – access and awareness	Status Quo	Status Quo – Consider further staff training	Nil			Nil
Russell Park Masterplan	Russell Park Masterplan	Russell Park Masterplan	Nil			Nil
Federated Farmers – greater use of differentials	Status Quo	Status Quo – Consider a rating review after QV revaluation in Year 2		Nil		Nil
Sports HB – funding increase \$8k	Funding at Status Quo Level	Request be managed within existing budgets	Nil			Nil
HB Community Fitness Trust - \$25k grant	Not Budgeted	Not budgeted	Nil			Nil
Land Use and Subdivision – fee & cost reduction	Central Option	Modified Central Option	Nil			Nil
Total Change Proposed			+\$30k	Nil	+\$50k	+\$80k

SAMPLE RATEPAYERS IMPACT

Outside of the Te Aute Drainage scheme, the only rating impact proposed is in the library rate which is funded through a Uniform Annual Charge. This would result in a \$4.14 increase in the UAGC for every property in the district.

Waipukurau Residence - \$770,000 CV

Rate Type	2023/24 Actual	2024/25 Consultation	2024/25 Deliberation
General/UAGC	1,142.10	1,331.05	1,335.19 (+4.14)
Land Transport	423.50	490.11	490.11
Refuse/Recycling	173.77	187.37	187.37
Drinking water	1,011.54	1,310.91	1,310.91
Wastewater	1,026.00	1,304.08	1,304.08
Stormwater	394.24	394.32	394.32
Total	4,171.15	5,017.84 20.30%	5,021.98 20.4%

Takapau Farm - \$9,470,000 CV

Rate Type	2023/24 Actual	2024/25 Consultation	2024/25 Deliberation
General/UAGC	9,167.85	11,370.85	11,374.99 (+4.14)
Land Transport	11,797.50	13,653.12	13,653.12
Total	20,965.35	25,023.97 19.36%	25,028.11 19.38%

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 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.
- Any decisions made are consistent with the Council's plans and policies; and

NEXT STEPS

The next steps are for Council to deliberate and select their preferred options for the finalisation of the Three Year Plan 2024-2027 and budgets. The report can be used as a reference point for Council as they go throughout deliberations.

RECOMMENDATION

That the report be noted.

7.3 THREE YEAR PLAN 2024-2027 - DRAFT DELIBERATIONS REPORT: TRADE-OFF AREA #1 - SORTING LAND TRANSPORT

File Number:

Author: Phillip Stroud, Group Manager - Community Infrastructure and Development

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

PURPOSE

The matter for consideration by the Council is to consider feedback related to Trade-off area #1 – Sorting Land Transport received through the Three Year Plan 2024 - 2027 process.

RECOMMENDATION

- 1. That Council adopts the Central Option for Trade-off Area #1 – Sorting Land Transport as set out in the Three Year Plan 2024-2027.**
- 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

EXECUTIVE SUMMARY

Throughout the consultation process for the Three Year Plan 2024-2027, a total of 249 submissions were received that made specific reference to Trade-off Area #1 – Sorting Land Transport.

A number of points across all of the options for land transport have been raised relating to ensuring the efficiency and value received from services. Overall, the Central Option for Land Transport was identified as the preferred option by submitters.

There remain some risks relating to the timing of the confirmation of funding by the New Zealand Transport Agency (NZTA) for both day-to-day maintenance and recovery.

Having considered the matters raised in the submissions, officers continue to recommend the Central Option, as it aligns with the majority of submissions and continues to reflect a balanced approach to address community need from the land transport activity.

BACKGROUND

Council's Three Year Plan 2024-2027 Road to Recovery Consultation Document was adopted by Council on 10 April 2024. Community input was sought from 11 April 2024 with public submissions closing 11.59pm 12 May 2024.

The Three Year Plan 2024-2027 focuses on what it will achieve over the next three years with this report's focus being on Trade-off Area #1 - Sorting Land Transport.

Within the consultation document, Council proposed three options for Trade-off Area #1 – Sorting Land Transport. These were:

- Lower Option - One-off reduction in Land Transport maintenance.
- Central Option - A Planned approach to Land Transport.
- Higher Option - One-off boost to Land Transport.

226 of 281 submissions were received relating to Trade-off Area #1 - Sorting Land Transport including 2 of 5 late submissions. This report provides a summary of the feedback received as well as officer responses and recommendations.

Submissions on the topic were received from:

2	Alexandra Waihape	3	Aaron Doody	4	Anita Lamonte
5	Tony Robson	6	Wendy Milne	7	Bryce Fergusson
9	Richard Thomas	10	Max Carter	11	Jodi Jeffery
12	David Glynn	13	Jessica Nielson	14	Elise Pledger
15	Lisa Hansen	16	Abbey Lee	17	Daphne Lester
18	Glenda Mawson	19	Jordache William Michael Jones	20	Anthony (Tony) Charles Gray
21	Barbara Mclay	22	Peggy Scott	23	Evan Potter
24	Celeste Alice Le Lievre	25	Mark Stevens	26	Gina McGrath
27	David Philip Darby	28	Donna O'Brien	29	Camille Le Lievre
30	Geert Gelling	31	Jesse Singson	32	Hayden Tristram
34	Bob Alkema	35	Margee Adams	36	Jimmy Fisher
37	Pamela Kay Crawford	38	Robina Beatrice Harper	39	George Christopher Harper
40	Christopher John Bath	41	Sallie Moore	42	Faye Te Nahu
43	Gavin Long	44	A Marcus Marcus Avery	45	Sharron May Hales
47	Douglas John Hales	48	Don Shewan	49	Rebecca Taylor
50	Fiona Winter	51	Jeff Hibbs	52	Lisa Treloar
53	Gael Riddford	54	Helen Jane Graham	55	David Whitney
56	Alan Gregory Steer	57	Sarah Le Grys	58	Toby Yule
59	Peter Seligman	61	Marcia Mackrell	62	Julie Giffin Boshier
64	Patricia Jean Peacock	65	No Name Given	67	Martin Thelwall
68	James Alexander Edwards	69	Peter Tod	70	Alison Angela Ross
71	Cain Foxall	72	Bob Pearce	73	Genevieve Wilce
74	Lance King	75	Lara Smith	77	Elaine Macgregor
78	Anita Fontaine	79	Clare Harvey	81	Emma Fergusson
82	Hannah Cox	83	Warwick Greville	84	Kate How
85	Eric Teichmann	86	David Bishop	87	Alistair Mcmillan
88	Jo Cox	89	Kaitlin Faulknor	90	Peter Mckenzie
91	Ashley Jevon-Dalgaard	92	Sheryl Summers	93	Rayewyn Hansen
94	Richard Thomas	95	Pamela Watson	96	Annabelle Campbell
99	Tina Moorcock	100	Brian Dalgaard	101	Orlando Macdonald
102	Kendall Peacock	103	Annette Libby	104	Judith & Darrell Halford
105	Elizabeth Gollan	106	Gillian Mullins	107	John B McCormick
108	Rev Bryon Carey	109	N/A	110	Jenny Cross (Dobson)
111	Sally Sisson	113	Donna Marie Te Amo	114	Richard Jacobs
115	David Edmondston	116	Benedikt Buerschgens	117	Heather Hughes
118	Linda Greer	119	Vanessa Amato	120	John Campbell
121	Bronwyn Slingsby	122	Sandy Wiggins	123	Jenny Valentine
124	Sandra Foley	125	Michelle Goodman	126	Lani Hartley
127	Amy Eagle	128	Teresa Murdoch	129	Bethany Wickham
130	Josie Whaanga	131	Greg Struthers	132	Evelyn Marples

133	Ron King	134	Donald Cooper	135	Julie Irvine
137	Dennis Mills	138	Malissa Helen Webster	139	Kate Luff and Family
140	Ebony Meretini Holt	141	Will Heesterman	142	Jennifer Butler
143	Joanna Chubb	144	Maria Barnea	145	No Name Given (Ratepayer)
146	Jody Hamilton	147	Blair Hamilton	148	Keziah Amber Heke
149	Ian Geoffrey Stanton Sharp	150	Brittany Chote	151	Phil Griffin
152	Darren Hawea	153	Cushla Isaacson	154	Joyce Ireland
155	Sharleen Baird	156	Jennifer Lee Woodman	157	Andrea Mooney
159	Dawn Le Lievre	160	Vivienne Hunter	161	Blanche Paewai-Ashcroft
162	Lynere Anne Illsley	163	Barbara Anne Morris	164	Nicola Akkersma
165	Sue Coppinger	166	Michael James Waite	167	Kristyn Stehfest
168	Murray Gosling	169	Darren Cooper	170	Kerri Thomson
171	Nick Preston	172	Rebecca Riddell	173	Rose Hay, Keith Hunt
174	Bianca Lord	175	Nichola Heremaia	176	Claire Chandler
177	Matthew Taylor	178	Chb Youth Council	179	Brendon Fryer
180	Victoria Mavin	181	Michael Kingon	182	Trevor Plunkett
185	Grenville Christie	187	Jean Scott	189	Andrew King
190	Mary-Anne Ward	191	Peter Alastair Fleming	192	Micha Johansen
193	Wendy Bethwaite	194	Jackie Lowry	195	Meredith Kingston
196	Margot Murphy	197	John Nicholas Sunman	198	Daniel Repko
199	Jon Cruise	200	Hard Copy	201	Rae Walker
202	Olivia Good	203	Shona Crooks	204	Pakeke Centre Clients
205	Ian Roland Barber	206	Shelagh Barber	207	Teresa Duffin
208	Susan Johnson	212	Donna Hossack	214	Serena Mackenzie
215	Michelle Cameron	216	Andrea Chamberlain	217	Jackie Scannell
218	Syliva and Tony Partridge	219	Penne Chote	220	Micheal Green
221	Kaylan Ireland	222	Tania Jean Smith	223	Amanda Charlotte Waldron
224	Pamela Denise Waldrom	225	Suzie Greaves	228	Paul Jamieson
229	Sydney James King	230	Beth Hosford	231	Evan Wright
233	Kathryn Bayliss	234	Paul Robottom	235	Caroline Seligman
237	Catherine Pedersen	241	Jane Hamilton	243	Diane Fitzgerald
244	Te Ara Bergstrom	245	Berit Sinden	247	Bridget K Snushall
248	Dianna Karauria	249	Michelle Lucas	257	Health NZ – Te Whatu Ora
262	Federated Farmers	274	Will Foley	279	Pat Pedersen
280	Helen Francis Manning	281	Catherine Baker		

An important note while considering this feedback overall, is at this time funding for both Council's Cyclone Recovery and Council's day-to-day activities are yet to be confirmed by the New Zealand Transport Agency (NZTA).

The Council receives financial assistance from Central Government in the form of a Funding Assistance Rate (FAR). Currently, this rate stands at \$0.59 for every dollar spent, subject to a predetermined cap. The cap is determined by NZTA, reflecting their assessment of the cost required to maintain the road network within their budgetary constraints. Consequently, the Council is responsible for funding the remaining 41% through local rates.

Due to the timing of the /NZTA three-year funding block deliberations, Council does not anticipate receiving confirmation of the funding amount prior to August 2024.

The allocation of funds for the damage caused by the 2022 events and Cyclone Gabrielle from Waka Kotahi beyond the 2023/2024 financial year also remains uncertain.

If the assumed funding is not realised, this will affect our ability to deliver our proposed programmes in this Three Year Plan 2024-2027.

Summary of Submissions

31 of the 281 online submissions, 3 of 6 hard copy submissions and 3 of 5 late submissions did not select a preferred option for Trade-off Area #1 – Sorting Land Transport.

The Lower Option was supported by 18.1% of submissions, with general comments focussing on the need to reduce land transport maintenance through cost-saving measures and advocating for increased Central Government funding.

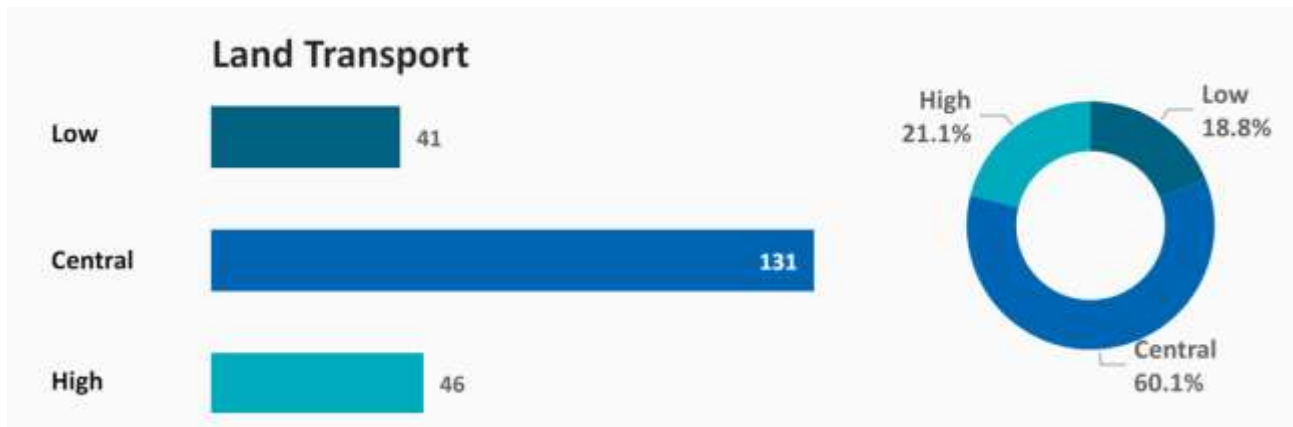
The Central Option was supported by 60.1% of submissions, with general comments made on the need to continue to focus on proactive maintenance and project renewals to save costs and enhance road conditions long term needs.

The Higher Option was favoured by 21.1% of submissions.

Additionally, 2% of submissions addressed post-storm repairs, highlighting the need for recovery funding in storm-affected areas to remain a priority.

Among these submissions, 7% of submissions addressed matters pertaining to contract management and quality assurance. These matters are being addressed within the context of the Land Transport Improvement Plan and further aligns with Council’s areas of focus - accountable delivery and resilient roading.

Online Submission Statistics



Hard Copy Statistics

Of the 281 submissions, 23 were received via hard copy. Of the 23 submissions the majority of the submitters offered insights via free text into Land Transport but did not select an option.

Of the submissions received, they did note for Land Transport, 4 selected the Central Option and 2 selected the Higher Option.

DISCUSSION

This section of the report sets out the feedback across the three trade-off options and other matters raised by submitters.

Support for Lower Option

This option proposes a one-off \$500k reduction in funding for Land Transport which equates to \$205,000 in rates for Year 1, returning to normal levels in Year 2 and Year 3, compared to the Central Option.

The reduction equates to reducing the road metalling budget by 20%, (equating to 8.3km of roads not being metalled) and the road resealing budget by 20% (equating to 6.0km of reseals not being completed).

These reductions will further increase the backlog of maintenance required.

Analysis

41 of 226 total Land Transport submissions (18.1%) support the one-off reduction in Land Transport Maintenance. The majority of these submissions (73%) were from residents in the urban areas.

The following themes were raised by submitters:

- Implementing cost-saving measures in road maintenance to facilitate a reduction in local rates.
- Minimising the frequency of metalling and resealing activities across the road network to achieve financial efficiencies.
- Exploring more economical alternatives to traditional resealing methods.
- Recognising the inadequacy of current road products for the New Zealand environment and seeking suitable alternatives, and
- Advocating for increased funding from Central Government to support road maintenance endeavours.

Officers Response

Ongoing efforts remain focussed towards optimising resources and identifying opportunities for efficiency gains without compromising project quality and safety. Contract management and quality assurance are being further addressed within the context of the Land Transport Improvement Plan where work is underway.

While the points raised by submitters are noted, the Central Option remains Officers' recommended option for Land Transport activities.

Support for Central Option

This option provides for an ongoing increase in Land Transport funds over the Three Year Plan 2024-2027 to address the growing backlog of maintenance.

This option will increase the buying power eroded by recent inflation costs over recent years and allows incremental increases to address backlogs in drainage maintenance, sealed and unsealed pavement maintenance and bridge and retaining wall repairs.

Analysis

135 of 226 total Land Transport submissions (59.7%) support a planned Approach to Land Transport (Council's preferred option). The following themes were raised by submitters:

- Prioritise increased maintenance efforts for roads in poor condition to ensure safer and smoother travel experiences.
- Intensify drainage maintenance activities to mitigate flooding risks and safeguard road infrastructure, and

- Implement robust oversight measures to ensure the proper maintenance of roading infrastructure, recognising its fundamental role in supporting community activities.

Officers Response

In this Three Year Plan 2024-2027 Council have prioritised pavement and drainage work in line with the Government Policy Statement (GPS) to target the backlog of maintenance and renewals in these categories, which are areas raised by submitters.

The Central Option allows for an increase in drainage maintenance and renewals which will help alleviate flooding risks across the district.

The Council's Supply Chain Improvement Programme aims to achieve the outcomes that community, like Officers, seek from suppliers. Contract management and quality assurance specifically in this activity is also being further addressed within the context of the Land Transport Improvement Plan.

The Council is committed to striking a balance between quality, affordability, and the level of service provided to the community, ensuring that roading initiatives meet the needs of residents while remaining financially feasible.

The submission points raised are noted, with the Central Option remaining Officers' recommended option for Land Transport activities.

Support for Higher Option

The Higher Option allowed for 20% (one-off) more funds, compared to the Central Option, to address additional metalling and a one-off 20% in resealing being 6km, noting Council seals 30km each year. This one-off investment will increase the levels of achievement for these activities as a one-off hit and move towards the desired minimum level of asset renewal.

Council is currently able to reseal approximately 30 kilometres of sealed road relative to its budget. This equates to 4% of the network which means the roads theoretically will get a reseal every 25 years. This is less than the desired level of reseal per year at 7% which would equate to an average 14-year turnaround. One of the issues driving the cost of resealing is the volatility of the price of bitumen. Over the last three years the cost escalation of bitumen has gone from -13% spiking to +75% (December 2022) and down to +40% (April 2024).

Similarly, Council's target for unsealed road metalling is 16,000m³ per year. It is currently able to achieve 4,000m³ per annum.

Analysis

50 of 226 Land Transport Submissions (22.1%) support a one-off additional boost for Land Transport. The following themes were raised by submitters:

- Expand the network of sealed roads to enhance connectivity and accessibility. (This option of seal extensions is not included in only of the 3 options in this 3-year plan)
- Extend metalling to additional roads to improve their durability and resilience, and
- Allocate more resources for more extensive bridge construction and repair projects to enhance transportation links (relating to Cyclone Gabrielle and 2022 rain event damage).

Officers Response

Improved road maintenance and renewals programme leads to better quality roads and ensuring safer and more efficient transportation for community members. The fundamental risk with the Higher Option is a heightened unaffordability risk for ratepayers.

Officers Recommendation

The Central Option remains Officers' recommended option. This aligns with the level of activity that will be able to be achieved, and the feedback also received from community.

Other Land Transport Matters

In addition to the analysis on the Land Transport options, the following key topics were also identified for responses:

Topic One	Contract Management & Quality Assurance
Topic Two	Cyclone Gabrielle/Weather Event Damage

Topic One – Contract Management & Quality Assurance**Analysis**

18 respondents (7%) commented on the poor quality of repairs.

Officers Response

This is an area that has had heightened management overview in the last 20 months. The Council has established Key Performance Indicator (KPI) measures for all contractors, aligning them with the Council's Thrive values. Officers monitor contractor performance to ensure they meet contractual and quality expectations. In the event of contractor work failure, we enforce warranty periods and associated repair, or reworked costs are borne by the contractor.

Contract management and quality assurance is being further addressed within the context of the Land Transport Improvement Plan. The Council's Supplier Chain Improvement Programme will continue to support this improved management.

Topic Two – Cyclone Gabrielle/Weather Event Damage**Analysis**

5 Respondents (2%) commented on the need for repairs required post Cyclone Gabrielle or storm events.

Officers Response:

The magnitude of damage during the 2022 and 2023 storm events resulted in costs to repair being the highest in Council's history. Council continues to try to source external funding to cover the cost of recovery with approximately \$129M of repairs required with uncertain funding. Where funding has been received roads and bridges are prioritised within the constraints set out by the funding provider. Options for recovery have been included in the Three Year Plan 2024-2027, with the assumption that Council provides a 5% contribution (\$2M) to the total cost of work forecast each year.

Recommendation on Other Land Transport Matters

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

RISK ASSESSMENT AND MITIGATION

For Land Transport maintenance, a significant risk lies in potential funding shortages from the Central Government, hindering the execution of maintenance activities essential for meeting the community's desired levels of service. Consequently, major programmes may face delays, leading to longer project delivery.

This risk could lead to disruptions in the Council's ability to deliver essential services, impacting the functionality and safety of the road network. Furthermore, delays in major programmes may affect operational efficiency and strain resources.

There are measures to mitigate the risks including:

- **Prioritising projects:** Conducting a thorough assessment to identify critical maintenance activities and prioritise them based on safety, asset condition, and community impact. Then adjust levels of service if necessary. This ensures that limited resources are allocated to the most essential projects.
- **Engaging stakeholders:** Collaborate with Central Government agencies, local stakeholders, and community members to advocate for more funding and support for transportation infrastructure.

FOUR WELLBEINGS

Project Thrive has seven strategic goals that Council focusses on for our community's wellbeing, which support a thriving Central Hawke's Bay. The four wellbeing's are intrinsically linked to the purpose of everything we do.

How the recommended options deliver on Council's seven strategic goals are outlined below:

Community Outcome	Description
Goal One Proud District	Enhancing road conditions through increased maintenance improves the district's overall appearance and functionality, fostering community pride.
Goal Two Prosperous District	Improved transportation infrastructure facilitates economic activity by enhancing efficiency and attracting investment, promoting local business growth.
Goal Three Strong Communities	Better-maintained roads contribute to safer and more connected communities, enhancing social cohesion and accessibility.
Goal Four Connected Citizens	An efficient and reliable road network ensures that citizens remain well-connected, supporting mobility and access to services.
Goal Five Smart Growth	Strategic investment in infrastructure supports sustainable growth, ensuring that development is well-planned and resource efficient.
Goal Six Environmentally Responsible	Increased drainage maintenance and other proactive measures help mitigate environmental risks, promoting resilience and sustainability.
Goal Seven Durable Infrastructure	Ongoing investment in road and infrastructure maintenance ensures durability and longevity, providing a solid foundation for future development

DELEGATIONS OR AUTHORITY

The recommendations of this report require Council approval by way of resolution through the Three Year Plan 2024-2027 process.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of significance and accordingly has undergone an appropriate process of formal consultation.

OPTIONS ANALYSIS

The three options available to Council in this matter include:

Option 1 – Lower Option – One-off reduction in Land Transport Maintenance.

Option 2 – Central Option – A planned approach to Land Transport Maintenance.

	<u>Option 1</u> Lower Option One-off reduction in Land Transport maintenance	<u>Option 2</u> Central Option A planned approach to Land Transport maintenance	<u>Option 3</u> Higher Option One-off boost to Land Transport
Financial and Operational Implications	Less funding requirements, will benefit some of our ratepayers who are struggling with affordability in the short term. Increased risk of asset failures due to lack of funding along with a higher safety risk for the road users due to deferred work.	The increase in funding will allow for the Council to keep up with inflation with minor increases in drainage maintenance, metalling and reseals. Using a planned prioritised approach to maintenance will ensure that funding is spent in the right places at the right time with the optimal solution increasing safety and protecting the assets.	Higher rates required for a population that is already struggling with affordability. Due to the limited resources available in the industry due to cyclone recovery and other work it may be difficult to complete work to the quality required and fully expend the budgets.
Promotion or Achievement of Community Outcomes	With less funding the ability to deliver on community outcomes is compromised due to an increase in safety risk, route security and connectivity.	It allows Council the opportunity in future works to focus on the community outcomes like resilience, safety, and connected communities.	It allows Council the opportunity in future works to focus on the community outcomes like resilience, safety, and connected communities.
Statutory Requirements	The local Council must comply with all relevant statutory requirements, including those outlined in the LGA 2002 and Land Transportation Management Act 2003.	The local Council must comply with all relevant statutory requirements, including those outlined in the LGA 2002 and Land Transportation Management Act 2003.	The local Council must comply with all relevant statutory requirements, including those outlined in the LGA 2002 and Land Transportation Management Act 2003.
Consistency with Policies and Plans	Aligns with NZTA and Council Policies and Plans.	Aligns with NZTA and Council Policies and Plans.	Aligns with NZTA and Council Policies and Plans.

Option 3 – Higher Option – One-off boost to Land Transport.

Recommended Option

This report recommends **Option 2 – the Central Option for Trade-off Area #1 – Sorting Land Transport** as set out in the Three Year Plan 2024-2027 be adopted.

<p>RECOMMENDATION</p> <ol style="list-style-type: none"> 1. That Council adopts the Central Option for Trade-off Area #1 – Sorting Land Transport as set out in the Three Year Plan 2024-2027. 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

7.4 THREE YEAR PLAN 2024-2027 - DRAFT DELIBERATIONS REPORT: TRADE-OFF AREA #2 - DRINKING WATER AND WASTEWATER INVESTMENT

File Number:

Author: Phillip Stroud, Group Manager - Community Infrastructure and Development

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

PURPOSE

The matter for consideration by the Council is to consider feedback related to Trade-off Area #2 – Drinking Water and Wastewater Investment received through the Three Year Plan 2024–2027 process.

RECOMMENDATION

1. That Council adopts the Central Option for Trade-off Area #2 – Drinking Water and Wastewater Investment.
2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

BACKGROUND

Council's Three Year Plan 2024-2027 Road to Recovery Consultation Document was adopted by Council on 10 April 2024. Community input was sought from 11 April 2024 with public submission closing 11.59pm 12 May 2024.

The Three Year Plan 2024-2027 focuses on what can be achieved over the next three years with this report focusing on Trade-off Area #2 – Drinking Water and Wastewater Investment.

Within the consultation document, Council proposed three options for Trade-off Area #2 – Drinking Water and Wastewater Investment. These were:

- Lower Option - Reduce operational activities.
- Central Option - Deliver on critical water projects.
- Higher option - Make a one-off \$500k additional investment in waters.

247 submissions were received relating to Trade-off Area #2 – Drinking Water and Wastewater Investment. This paper provides a summary of the feedback received.

Submissions on the topic were received from:

1	Ashley Dagg	2	Alexandra Waihape	3	Aaron Doody
4	Anita Lamonte	5	Tony Robson	6	Wendy Milne
7	Bryce Fergusson	8	Nicole Lana Jardine	9	Richard Thomas
10	Max Carter	11	Jodi Jeffery	12	David Glynn
13	Jessica Nielson	15	Lisa Hansen	16	Abbey Lee
17	Daphne Lester	18	Glenda Mawson	19	Jordache William Michael Jones
20	Anthony(Tony) Charles Gray	21	Barbara Mclay	22	Peggy Scott
23	Evan Potter	24	Celeste Alice Le Lievre	25	Mark Stevens
26	Gina Mcgrath	27	David Philip Darby	28	Donna O'brien
29	Camille Le Lievre	30	Geert Gelling	31	Jesse Singson

33	Genelle Jones	34	Bob Alkema	35	Margee Adams
36	Jimmy Fisher	37	Pamela Kay Crawford	38	Robina Beatrice Harper
39	George Christopher Harper	40	Christopher John Bath	42	Faye Te Nahu
43	Gavin Long	44	A Marcus Marcus Avery	45	Sharron May Hales
46	Jan Wroe	47	Douglas John Hales	48	Don Shewan
49	Rebecca Taylor	50	Fiona Winter	51	Jeff Hibbs
52	Lisa Treloar	53	Gael Riddford	54	Helen Jane Graham
55	David Whitney	56	Alan Gregory Steer	57	Sarah Le Gry
58	Toby Yule	59	Peter Seligman	60	Handcopy
61	Marcia Mackrell	62	Julie Giffin Boshier	63	Simon Kisa
64	Patricia Jean Peacock	65	No Name Given	66	Richard Bradley
67	Martin Thelwall.	68	James Alexander Edwards	69	Peter Tod
70	Alison Angela Ross	71	Cain Foxall	72	Bob Pearce
73	Genevieve Wilce	74	Lance King	75	Lara Smith
76	Merihea Te Aira Wiremu	77	Elaine Macgregor	78	Anita Fontaine
79	Clare Harvey	80	Peter Missen	81	Emma Fergusson
82	Hannah Cox	83	Warwick Greville	84	Kate How
85	Eric Teichmann	86	David Bishop	87	Alistair Mcmillan
89	Kaitlin Faulknor	90	Peter Mckenzie	91	Ashley Jevon-Dalgaard
92	Sheryl Summers	93	Rayewyn Hansen	94	Richard Thomas
95	Pamela Watson	97	Tim Steel	98	Susan Coppinger
99	Tina Moorcock	100	Brian Dalgaard	101	Orlando Macdonald
102	Kendall Peacock	103	Annette Libby	104	Judith & Darrell Halford
105	Elizabeth Gollan	106	Gillian Mullins	107	John B McCormick
108	Rev Bryon Carey	109	N/A	110	Jenny Cross (Dobson)
111	Sally Sisson	112	Graham Bernard Rudd	113	Donna Marie Te Amo
114	Richard Jacobs	115	David Edmondston	116	Benedikt Buerschgens
117	Heather Hughes	118	Linda Greer	119	Vanessa Amato
121	Bronwyn Slingsby	122	Sandy Wiggins	123	Jenny Valentine
124	Sandra Foley	126	Lani Hartley	127	Amy Eagle
128	Teresa Murdoch	129	Bethany Wickham	130	Josie Whaanga
131	Greg Struthers	132	Evelyn Marples	133	Ron King
134	Donald Cooper	135	Julie Irvine	136	Cheryl Pile
137	Dennis Mills	138	Malissa Helen Webster	139	Kate Luff and Family
140	Ebony Meretini Holt	141	Will Heesterman	142	Jennifer Butler
143	Joanna Chubb	144	Maria Barnea	145	No Name Given (Ratepayer)
146	Jody Hamilton	148	Keziah Amber Heke	149	Ian Geoffrey Stanton Sharp
150	Brittany Chote	151	Phil Griffin	152	Darren Hawea
154	Joyce Ireland	155	Sharleen Baird	156	Jennifer Lee Woodman
157	Andrea Mooney	158	A	159	Dawn Le Lievre
160	Vivienne Hunter	161	Blanche Paewai-Ashcroft	162	Lynere Anne Illsley
163	Barbara Anne Morris	164	Nicola Akkersma	165	Sue Coppinger
166	Michael James Waite	167	Kristyn Stehfest	168	Murray Gosling
169	Darren Cooper	170	Kerri Thomson	171	Nick Preston
172	Rebecca Riddell	173	Rose Hay, Keith Hunt	174	Bianca Lord
175	Nichola Heremaia	176	Claire Chandler	177	Matthew Taylor
179	Brendon Fryer	180	Victoria Mavin	181	Michael Kingon
182	Trevor Plunkett	183	Barbara Sangster	184	Tracey Turfrey
185	Grenville Christie	186	Sir Graeme Avery	187	Jean Scott

188	Vera Smith	189	Andrew King	190	Mary-Anne Ward
191	Peter Alastair Fleming	192	Micha Johansen	193	Wendy Bethwaite
194	Jackie Lowry	195	Meredith Kingston	196	Margot Murphy
197	John Nicholas Sunman	198	Daniel Repko	199	Jon Cruise
200	Hard Copy	201	Rae Walker	202	Olivia Good
203	Shona Crooks	204	Pakeke Centre Clients	205	Ian Roland Barber
206	Shelagh Barber	207	Teresa Duffin	208	Susan Johnson
209	Jenny Senior	210	Sarah May	211	Bernie Hawke
212	Donna Hossack	213	Angela Jenkinson	214	Serena Mackenzie
215	Michelle Cameron	216	Andrea Chamberlain	217	Jackie Scannell
218	Syliva and Tony Partridge	219	Penne Chote	220	Micheal Green
221	Kaylan Ireland	222	Tania Jean Smith	223	Amanda Charlotte Waldron
224	Pamela Denise Waldrom	225	Suzie Greaves	226	Jean Mciver
227	Chb Older Persons Network	228	Paul Jamieson	229	Sydney James King
230	Beth Hosford	231	Evan Wright	232	Sue Benton
233	Kathryn Bayliss	234	Paul Robottom	235	Caroline Seligman
236	Tony Byron Chamberlain Ward	237	Catherine Pedersen	238	Martin Lord
239	Anonymous	240	Dianne Smith	241	Jane Hamilton
242	Rick Gunson	243	Diane Fitzgerald	244	Te Ara Bergstrom
246	Anna Oosterkamp	247	Bridget K Snushall	248	Dianna Karauria
255	Cancer Society Hawke's Bay Centre	257	Health New Zealand - Te Whatu Ora	270	Syd & Annie King
273	Johanna King	274	Will Foley	277	Bronwyn Calder
278	Maitland Manning	279	Pat Pedersen	280	Helen Manning
281	Catherine Baker				

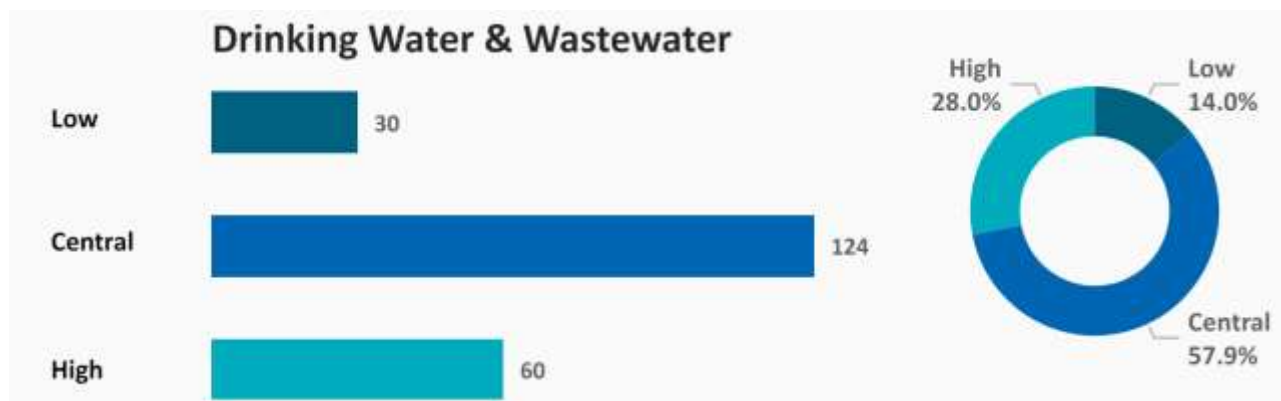
Summary of Submissions

247 submissions were received relating to Trade-off Area #2 – Drinking Water and Wastewater Investment.

A total of 14% of submissions preferred the lower option, 57.9% of submissions preferred the Central Option with a further 28% preferring the higher option, recognising that despite the affordability challenges, continued investment in Three Waters Infrastructure remains an important priority for this community.

12% of the 281 total submissions did not indicate a preferred option for Trade-off Area #2 – Drinking Water and Wastewater Investment.

Online Survey Submission Statistics



Hard Copy Submission Statistics

Of the 247 submissions received, 10 were received via hard copy. Of the 10 submissions received, only 5 submissions provided feedback on the three options specifically for drinking water and wastewater investment with 4 submitters choosing the central option and 1 submitter choosing the high option. Submitters also offered insights through the free text into Drinking Water and Wastewater Investment.

DISCUSSION

This section of the report sets out the feedback across the three options and other matters raised by submitters. While further detail is provided below, the majority of submitters supported investment into drinking water and wastewater services and spoke to the importance of these activities to community.

Support for Lower Option

The Lower Option proposes a \$150,000 annual reduction in operational activity, which will impact:

- Response times to address network leaks.
- Grounds maintenance at drinking water and wastewater sites across the district, and
- Responsiveness to respond to complaints and network requests.

Analysis

30 submitters supported the Lower Option, being 14% of the submission received for Trade-off Area #2 Drinking Water and Wastewater Investment. Of the 30 submitters supporting the Lower Option 60% resided in the urban townships of Waipukurau and Waipawa.

Of the 30 submissions, 15 provided written feedback with the following key themes:

- Encouraging the use of rainwater tanks for the urban areas to reduce the load on Council's water supply, and
- Deferring work to lessen the rates burden makes sense in the current economic climate, a level of sentiment to get "back to basics" looking to spread investment over a longer period.

Officers Response

The Lower Option (reduction of operational activities) will further reduce responsiveness to leaks, complaints and network requests. Critical improvement work will remain prioritised. This option does not align with most of our customers' expectations based on submitters' feedback. However, reduced responsiveness would slightly lessen the financial burden in Year 1.

To ease the burden on the water network, Council's Water Supply Bylaw 2021 requires new dwellings within the Urban Water Supply Areas to have a rainwater collection tank of at least 3000 litres for domestic use. Any homeowner can however increase this capacity to effectively manage their own water supply.

Loan funding of most of the capital works programme effectively spreads the burden of the cost to renew and upgrade our existing infrastructure across all targeted ratepayers during the lifetime of the loan. The renewed, replaced or upgraded assets are designed to be intergenerational.

While the points raised by submitters are noted, the Central Option remains Officers' recommended option for Water and Wastewater investment.

Support for Central Option

The Central Option focuses on the delivery of critical water projects and includes:

- Essential drinking water projects to increase resilience, including the Waipukurau Second Supply project (drinking water) and the replacement of the two aged drinking water reservoirs in Waipawa.

- Continuation of pipeline renewals across our drinking and wastewater programmes, and
- New Dissolved Air Floatation treatment at Waipukurau Wastewater Treatment Plant.

Analysis

124 submitters supported the Central Option to deliver on critical water projects, being 58% of the submissions received for Trade-off Area #2.

Of the 124 submissions, 34 provided written feedback with the following key themes:

- Aging water supply and wastewater infrastructure needs to be prioritised, following years of underinvestment.
- Collaboration with the wider region and Central Government to find more sustainable solutions are needed.
- Promotion of water storage at home is needed to help with future resilience and lessen the burden on the current network.
- Water metering could provide an option to shift to a user pays approach.
- Supporting growth is questioned in the current financial climate rather than focusing on the existing networks, and
- Concern about the effects of deferring investment into improved wastewater treatment.

Officers Response

The Central Option prioritises investment in critical drinking water and wastewater services to renew, deliver, and upgrade aging infrastructure. Without these critical works significant risks would exist that could impact the continuous safe supply of drinking water as well as the health of our rivers and environment.

A step change in investment in waters infrastructure was agreed in the 2021 Long Term Plan to renew and replace aging, failing and high-risk critical assets. The Central Option in the Three Year Plan continues with this approach while balancing community affordability.

Council continues to work with Central Government and advocate for sustainable solutions to the issues facing Central Hawke's Bay. The four Hawke's Bay councils have continued to collaborate on the Hawke's Bay model approach for the future of 3 Waters service delivery since the change in Government. Officers also continue to advocate for and secure external funding, across all of Council's activities, to reduce the burden on local ratepayers and support community outcomes.

Investment in the rollout of a universal water metering programme has been indicated to start in Year 4. This will allow Council to be consistent in its approach to the user pays model. The rollout of a universal metering programme will require consultation with the community and adoption of a policy position prior to implementation of this approach.

Council uses many tools to manage growth including:

- network demand and capacity models
- the incorporation of available household growth projections in network planning
- Long-term urban land planning through the Integrated Spatial Plan
- Using planning tools like the District Plan to develop policies to direct growth.

Investment in new wastewater treatment infrastructure for Waipukurau has been included in Years 1 and 2, which will improve the quality of water discharging into the Tukituki River.

A re-phasing of the long-term wastewater upgrade programme has already been proposed as Council awaits the outcomes of the Upper Tukituki Scheme Review being led by Hawke's Bay Regional Council. Following the completion of this review, any impacts on our Wastewater plants will be known.

Existing drinking water projects have also been focussed on the most critical projects such as reservoir replacements and the Waipukurau/Waipawa Second Supply (drinking water) project.

Support for Higher Option

The Higher Option allows for a one-off additional investment in waters of \$500,000 to increase water and wastewater operational activities to:

- Address the backlog of water leak roading reinstatements that have not been fully repaired is estimated to be \$400k of works, and
- Remediate the grounds at the Waipawa Wastewater Treatment Plant following Cyclone Gabrielle.

Analysis

60 submitters supported the Higher Option, being 28% of the submissions received for Trade-off Area #2.

Of the 60 submissions, 30 provided written feedback with the following key themes:

- There is minimal cost difference between this option and the Central Option
- The delay of investment has hurt the community in the past. Water is critical to our future wellbeing and should be invested in as a priority.
- Prioritise Waipukurau Wastewater Treatment Plant to resolve treated wastewater going into the river.
- Leaks need to be fixed as these are a waste of precious resource, and
- Developers to pay fair share of this investment to facilitate growth and new homes.

Officers Response

The Higher Option represents a one-off additional investment in waters to begin addressing the backlog of water leaks and begin to remediate the Waipawa Wastewater Treatment Plant following Cyclone Gabrielle. The one-off investment of \$500,000 would increase targeted rates by approximately \$113 on average for Year 1, on the assumption that this would be rate funded. Officers consider that the benefits of this increased investment may not outweigh the financial impact on targeted ratepayers within the current financial environment.

In the 2021-2031 Long Term Plan, a step change in investment into drinking water and wastewater was made and this plan continues that approach. However, to manage our community's ability to fund the increased investment, officers have prioritised critical projects which are unchanged between the Central and Higher Option.

Investment into new tertiary treatment systems at the Waipukurau Wastewater Treatment Plant has been prioritised in the Three Year Plan. This investment will improve the quality of the effluent discharge until the future centralised treatment plant for Waipawa, Otāne and Waipukurau can be built.

Projects to better understand and improve our drinking water network performance are included in both the Central and Higher Options. This includes network metering to understand where leaks may be occurring and continuation of our pipe renewals programme to reduce water losses from aging or poor condition pipes.

Developers contribute to upgrades and expansions of our network where their developments impact the network capacity due to demand from growth, in line with the Development Contributions policy. Developers fully fund the infrastructure within their developments.

While the points raised by submitters are noted, the Central Option remains Officers recommended option for Water and Wastewater investment.

Officers Recommendation

The Central Option remains Officers' recommended option. This option best balances the level of expectation that community holds in terms of investment in water and wastewater activities, while ultimately balancing the significant affordability challenges that three waters investment creates.

Other Drinking Water and Wastewater Matters

In addition to the analysis on the Water and Wastewater options, the following key topics were also identified in submissions for responses:

Topic One	Issues with water quality and aesthetics
Topic Two	Questions on how we rate for waters services

Topic One: Issues with water quality and aesthetics

Officers Response

Comments on water quality and aesthetics reference dissatisfaction with the taste of drinking water supplied, primarily the taste of chlorine and fluoride. Officers note that we do not add fluoride to any of the drinking water supplies in the district. Chlorine is added as required to meet the Drinking Water Quality Assurance Rules set by Taumata Arowai. The levels of chlorine are closely monitored to ensure the amount of free available chlorine within all areas of our network is consistently within allowed tolerances.

Topic Two: Questions on how we rate for waters services

Officers Response

Multiple written submissions received were unclear as to how investment in water and wastewater impacted them if they were not connected to these services (ie, lived rurally).

The costs of providing water and wastewater services are provided for through targeted rating of those connected to the services, not through any other rate form.

RISK ASSESSMENT AND MITIGATION

Submitters have voiced support and concern over the options presented. This section highlights risks that have been noted with the presented options.

The risk with the Lower Option is that our communities' expectations on operational responsiveness do not align with the outcomes of this option. It is expected that reduced responsiveness to water leaks and other network requests would result in reputational damage. This wouldn't demonstrate our commitment to treat our water as a valuable resource and adhere to the principles of our Sustainable Water Management Plan 2021-2024 adopted in February 2021.

Risks considered for the Central Option relate primarily to affordability challenges and how the investment is funded. The affordability risk relates to ratepayers, not Council. Council has the necessary means to fund the programme of work outlined in the Infrastructure Strategy and Three Year Plan through a combination of both rates and debt funding, confirmed through its Financial Strategy.

The fundamental risk with the Higher Option is a heightened unaffordability risk for ratepayers. The risk is that there may be an inability for those on low or fixed incomes to afford the rates increases which may result in an inability for some ratepayers to meet payments.

FOUR WELLBEINGS

Project Thrive has seven strategic goals that Council focusses on for our community's wellbeing, which support a thriving Central Hawke's Bay. The four wellbeings are intrinsically linked to the purpose of everything we do.

How the recommended options deliver on Council's seven strategic goals are outlined below:

Community Outcome	Description
Goal One: Proud District	The recommended option delivers drinking water and wastewater service outcomes in a way that enhances Central Hawke's Bays identity, and our community can be proud of.
Goal Two: Prosperous District	Effective and reliable Drinking Water and Wastewater services are imperative for our district to be attractive to businesses and for whanau to thrive.
Goal Three: Strong Communities	Our communities are strong and supported through the recommended option as we deliver projects that ensure these services are resilient for all our different communities
Goal Four: Connected Citizens	Quality drinking and wastewater enhances our overall life satisfaction – and promotes our wellbeing in all its senses. The investment in this plan continues to build on historic investment for the future.
Goal Five: Smart Growth	Growth is enabled through the recommended option as we future proof our infrastructure when upsizing pipework, add water source and treatment resilience with new assets and building new wastewater treatment systems with extra capacity
Goal Six: Environmentally Responsible	The recommended option will improve the quality of our wastewater discharge in Waipukurau, and the continuation of our pipeline renewals programme will reduce the loss of water throughout our networks.
Goal Seven: Durable Infrastructure	Throughout the programme we ensure our planning, design and material use considers new and innovative technologies and builds-in additional capacity to future proof for the next generation

DELEGATIONS OR AUTHORITY

The recommendations of this report require Council approval by way of resolution through the Three Year Plan process.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of significance and accordingly has undergone an appropriate process of formal consultation.

OPTIONS ANALYSIS

The three options available to Council in this matter for consideration:

Option 1 – Lower Option – Reducing operational activities.

Option 2 – Central Option – Deliver on critical waters projects.

Option 3 – Higher Option – Make a one-off additional investment in waters.

	<u>Option 1</u> Lower Option – Reducing operational activities	<u>Option 2</u> Central Option – Deliver on critical waters projects	<u>Option 3</u> Higher Option – Make a one-off additional investment in waters
Financial and Operational Implications	Financial modelling for rates impacts if investment is reduced by \$150,000 has been completed and rates can be reset to these lower levels. Revised operational expectations can be implemented.	Rates impacts are as outlined within the Three Year Plan consultation document. Operationally works can be delivered as per the Three Year Plan within existing structures.	Financial modelling for rates impacts if additional investment is made has been completed and rates can be reset to these higher levels. Operationally works can be delivered as per the Three Year Plan within existing structures.
Promotion or Achievement of Community Outcomes	There is less community support for this option to reduce operational responsiveness and increase response times.	There is strong community support for this option to deliver on critical water projects.	There is some support from community to provide additional investment, to increase funding for water and wastewater operational activities in Year One.
Statutory Requirements	This option is significant and required consultation. This option will still deliver critical projects but reduce operational service levels. Compliance with the regulatory requirements set by Taumata Arowai will be met under this option.	This option is significant and required consultation. This option will deliver critical projects while maintaining current service levels. Compliance with the regulatory requirements set by Taumata Arowai will be met under this option.	This option is significant and required consultation. This option will deliver critical projects while maintaining current service levels. Compliance with the regulatory requirements set by Taumata Arowai will be met under this option.
Consistency with Policies and Plans	This option is consistent with Council’s policies.	This option is consistent with Council’s policies.	This option is consistent with Council’s policies.

Recommended Option

This report recommends **Option 2 – the Central Option for Trade-off Area #2 – Drinking Water and Wastewater Investment** as set out in the Three Year Plan 2024-2027 be adopted when considering the financial impacts and feedback from community.

NEXT STEPS

Following adoption of any option, Officers will commence with delivering the appropriate programme of infrastructure works and implementing the mandated financial approach.

<p>RECOMMENDATION</p> <ol style="list-style-type: none"> 1. That Council adopts the Central Option for Trade-off Area #2 – Drinking Water and Wastewater Investment as set out in the Three Year Plan 2024-2027. 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

7.5 THREE YEAR PLAN 2024-2027 - DRAFT DELIBERATIONS REPORT: TRADE-OFF AREA #3 - PRIORITISING STORMWATER

File Number:

Author: Phillip Stroud, Group Manager - Community Infrastructure and Development

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

PURPOSE

The matter for consideration by the Council is to consider feedback related to Trade-off Area #3 – Prioritising Stormwater received through the Three Year Plan 2024 - 2027 process.

RECOMMENDATION

1. That Council adopts the Central Option for Trade-off Area #3 – Prioritising Stormwater as set out in the Three Year Plan 2024-2027.
2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

BACKGROUND

Council's Three Year Plan 2024-2027 Road to Recovery Consultation Document was adopted by Council on 10 April 2024. Community input was sought from 11 April 2024 with public submissions closing 11.59pm 12 May 2024.

The Three Year Plan 2024-2027 focuses on what can be achieved over the next 3 years with this report's focus being on Trade-off Area #3 - Prioritising Stormwater.

Within the consultation document, Council proposed two options for Trade-off Area #3 Prioritising Stormwater. These were:

- Central Option – Providing for programmed regular maintenance, and
- Higher option – Making a one-off \$350,000 additional investment in stormwater.
- These options were developed from our community recovery conversations following Cyclone Gabrielle, where we clearly heard the need to urgently boost investment in stormwater maintenance, rather than taking a long-term incremental approach as we were. Overall, the options proposed to nearly double our investment in stormwater.
- Overall, this investment sought to provide an urgent boost in stormwater maintenance for the long term.

218 submissions were received relating to Trade-off Area #3 - Prioritising Stormwater. This paper provides a summary of that feedback received. Submissions on the topic were received from:

1 Ashley Dagg	2 Alexandra Waihape	3 Aaron Doody
4 Anita Lamonte	6 Wendy Milne	7 Bryce Fergusson
9 Richard Thomas	10 Max Carter	11 Jodi Jeffery
13 Jessica Nielson	14 Elise Pledger	15 Lisa Hansen
16 Abbey Lee	17 Daphne Lester	18 Glenda Mawson
19 Jordache William Michael Jones	20 Anthony (Tony) Charles Gray	21 Barbara Mclay
22 Peggy Scott	23 Evan Potter	24 Celeste Alice Le Lievre

26	Gina McGrath	27	David Philip Darby	28	Donna O'Brien
29	Camille Le Lievre	30	Geert Gelling	34	Bob Alkema
35	Margee Adams	36	Jimmy Fisher	37	Pamela Kay Crawford
38	Robina Beatrice Harper	39	George Christopher Harper	40	Christopher John Bath
42	Faye Te Nahu	43	Gavin Long	44	A Marcus Marcus Avery
45	Sharron May Hales	46	Jan Wroe	47	Douglas John Hales
48	Don Shewan	49	Rebecca Taylor	50	Fiona Winter
51	Jeff Hibbs	52	Lisa Treloar	53	Gael Riddford
54	Helen Jane Graham	55	David Whitney	56	Alan Gregory Steer
57	Sarah Le Gry	58	Toby Yule	59	Peter Seligman
61	Marcia Mackrell	62	Julie Giffin Boshier	64	Patricia Jean Peacock
65	No Name Given	67	Martin Thelwall.	68	James Alexander Edwards
69	Peter Tod	70	Alison Angela Ross	71	Cain Foxall
72	Bob Pearce	73	Genevieve Wilce	74	Lance King
75	Lara Smith	76	Merihea Te Aira Wiremu	79	Clare Harvey
80	Peter Missen	81	Emma Fergusson	82	Hannah Cox
83	Warwick Greville	84	Kate How	85	Eric Teichmann
86	David Bishop	87	Alistair Mcmillan	88	Jo Cox
89	Kaitlin Faulknor	90	Peter Mckenzie	91	Ashley Jevon-Dalgaard
92	Sheryl Summers	93	Rayewyn Hansen	94	Richard Thomas
95	Pamela Watson	98	Susan Coppinger	99	Tina Moorcock
100	Brian Dalgaard	101	Orlando Macdonald	102	Kendall Peacock
103	Annette Libby	104	Judith & Darrell Halford	105	Elizabeth Gollan
106	Gillian Mullins	107	John B McCormick	108	Rev Bryon Carey
109	N/A	110	Jenny Cross (Dobson)	111	Sally Sisson
112	Graham Bernard Rudd	113	Donna Marie Te Amo	114	Richard Jacobs
115	David Edmondston	116	Benedikt Buerschgens	117	Heather Hughes
118	Linda Greer	121	Bronwyn Slingsby	122	Sandy Wiggins
123	Jenny Valentine	124	Sandra Foley	126	Lani Hartley
127	Amy Eagle	128	Teresa Murdoch	129	Bethany Wickham
130	Josie Whaanga	131	Greg Struthers	132	Evelyn Marples
133	Ron King	134	Donald Cooper	136	Cheryl Pile
137	Dennis Mills	138	Malissa Helen Webster	139	Kate Luff and Family
140	Ebony Meretini Holt	141	Will Heesterman	142	Jennifer Butler
143	Joanna Chubb	144	Maria Barnea	145	No Name Given (Ratepayer)
146	Jody Hamilton	147	Blair Hamilton	148	Keziah Amber Heke
149	Ian Geoffrey Stanton Sharp	150	Brittany Chote	151	Phil Griffin
152	Darren Hawea	153	Cushla Isaacson	154	Joyce Ireland
155	Sharleen Baird	156	Jennifer Lee Woodman	157	Andrea Mooney
159	Dawn Le Lievre	160	Vivienne Hunter	161	Blanche Paewai-Ashcroft
162	Lynere Anne Illsley	163	Barbara Anne Morris	164	Nicola Akkersma
165	Sue Coppinger	166	Michael James Waite	167	Kristyn Stehfest
168	Murray Gosling	169	Darren Cooper	170	Kerri Thomson
171	Nick Preston	172	Rebecca Riddell	173	Rose Hay, Keith Hunt

174 Bianca Lord	175 Nichola Heremaia	176 Claire Chandler
177 Matthew Taylor	179 Brendon Fryer	180 Victoria Mavin
181 Michael Kingon	182 Trevor Plunkett	185 Grenville Christie
187 Jean Scott	189 Andrew King	190 Mary-Anne Ward
191 Peter Alastair Fleming	192 Micha Johansen	193 Wendy Bethwaite
194 Jackie Lowry	195 Meredith Kingston	196 Margot Murphy
197 John Nicholas Sunman	198 Daniel Repko	199 Jon Cruise
200 Hard Copy	201 Rae Walker	203 Shona Crooks
204 Pakeke Centre Clients	205 Ian Roland Barber	206 Shelagh Barber
207 Teresa Duffin	208 Susan Johnson	210 Sarah May
212 Donna Hossack	214 Serena Mackenzie	215 Michelle Cameron
216 Andrea Chamberlain	217 Jackie Scannell	218 Syliva and Tony Partridge
219 Penne Chote	220 Micheal Green	221 Kaylan Ireland
222 Tania Jean Smith	223 Amanda Charlotte Waldron	224 Pamela Denise Waldrom
225 Suzie Greaves	228 Paul Jamieson	229 Sydney James King
231 Evan Wright	233 Kathryn Bayliss	234 Paul Robottom
235 Caroline Seligman	237 Catherine Pedersen	239 Anonymous
240 Dianne Smith	241 Jane Hamilton	242 Rick Gunson
243 Diane Fitzgerald	244 Te Ara Bergstrom	245 Berit Sinden
248 Dianna Karauria	255 Cancer Society Hawke's Bay Centre	257 Health New Zealand - Te Whatu ora
273 Johanna King	278 Maitland Manning	279 Pat Pedersen
280 Helen Manning	281 Catherine Baker	

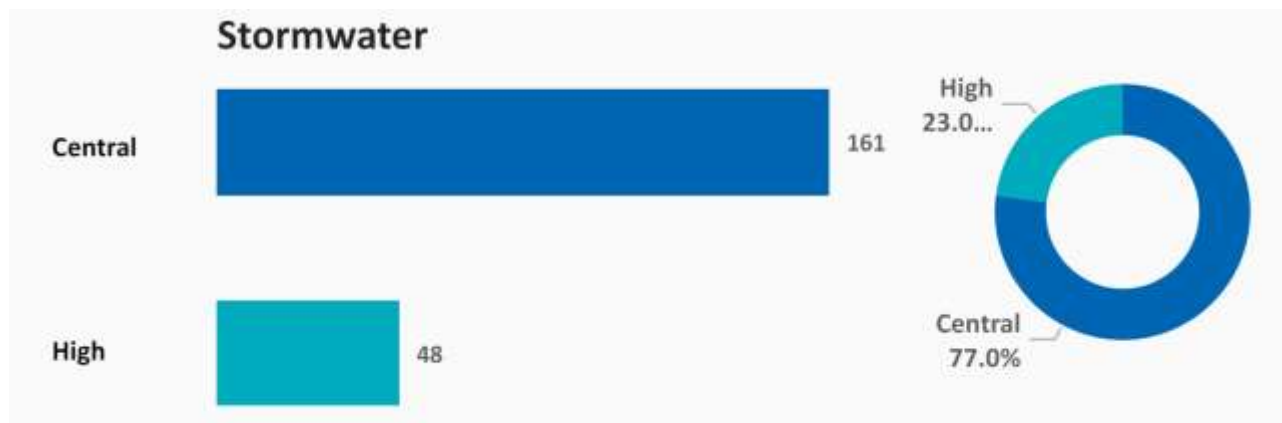
Summary of Submissions:

218 submissions were received relating to Trade-off Area #3 - Prioritising Stormwater.

A total of 77% of submissions preferred the Central Option with a further 23% preferring the higher option, recognising that despite the affordability challenges, continued investment in Three Waters Infrastructure remains an important priority for this community.

23% of the 281 total submissions did not indicate a preferred option for Trade-off Area #3 Prioritising Stormwater.

Online Submission Statistics



Hard Copy Submission Statistics

Of the 218 submissions received, 7 were received via hard copy. Of the 7 submissions received only 3 provided feedback on the two options specifically for stormwater with all 3 submitters choosing the central option. Submitters also offered insights through the free text into Stormwater Investment.

DISCUSSION

This section of the report sets out the feedback across the two Three Year Plan options and other matters raised by submitters. Almost all submissions supported the increased investment in the stormwater activity. Written feedback spoke to the need for focus on maintenance activities and ensuring our network is performing well in preparation for rain events.

Support for Central Option

This option provides for new investment across the district and proposes to:

- Increase maintenance of both our piped and open drain network
- Develop an overarching strategy for how the Stormwater activity is managed in the future, and
- Develop a hydraulic model for Takapau and update Waipukurau, Waipawa and Otāne models.

The new investment proposes the following new Levels of Service and the following maintenance deliverables:

- 100% of our open drain network and culverts are inspected annually, to inform maintenance requirements and ensure optimal network performance.
- 20% of our open drain and culvert network has maintenance carried out annually.

The increased maintenance to achieve these includes:

Activity	Description
Open Channel Vegetation Removal	2-Yearly Vegetation clearance for open drain channels. This frequency means residents will notice some overgrowth, but the vegetation should not reach the stage where it presents a major blockage of the drain. This also eliminates the need for large tree removal in the future as saplings are controlled.
Open Channel Bed Excavation	5-Yearly Open bed excavation to remove sedimentation and vegetation overgrowth. This maintains capacity and velocity of drainage channels.
Piped Network Maintenance	10% of the piped stormwater network flushed or inspected each year. This would mainly cover service requests and instances of blockages.

Analysis

163 submitters supported the Central Option, being 75% of the submissions received for Trade-off Area #3.

Of the 163 submitters, 40 provided written feedback with the following key themes:

- The majority of submissions support an increase in investment in the Stormwater activity.
- Regular maintenance of drains was considered a necessity.
- Accountable, efficient, and cost-effective delivery with measurable results is considered important by a larger portion of submitters.
- Community is unclear on the value of an activity strategy and the need for hydraulic modelling.
- Requests were made to ensure that rating for the stormwater activity is fairly distributed amongst those that benefit from the service, and

- Concerns raised about Pōrangahau as the community works through the options for flood protection.

Officers Response

The Central Option represents investment in an increased and more regularly maintained stormwater network in urban areas. This has been advocated for by the community following Cyclone Gabrielle and is supported by the submissions received.

Developing an overarching activity strategy for stormwater will help to ensure future work programmes align with the community's vision. It will provide direction on how to manage stormwater and where the investment is spent in a way that reflects the community's needs.

To ensure officers make informed investment decisions, a better understanding of the existing network performance is required. To do this we need to collect data about the network and utilise this to inform any hydraulic modelling. The outputs will inform decisions and ensure we can measure the networks' on-going performance.

Officers will continue to look for ways to deliver works more efficiently and effectively in advance of the investment commencing. This includes officers investigating various ways to deliver these works, such as in-house delivery, partnering with existing contractors and supporting local contractors. Due to the scale of the investment over the three year period, Council can expect to have to adopt the procurement approach and contract, recognising the total value will exceed the delegation of the Chief Executive.

Officers are also looking for efficiency in the way in which we manage our contractors and utilise our specialist consultants for specialist stormwater advice. The Council's Supplier Improvement Programme will continue to support this improved management.

The stormwater activity is proposed to remain 85% funded by a targeted rate from those that live within the stormwater network boundaries. The remaining 15% is to be funded by general rates as the stormwater activity benefits the wider community that utilises and benefits from the service within the network boundaries.

While considerable emphasis is noted in Waipawa and Waipukurau, increased services will also be provided in Takapau and Otāne. These includes more regular inspection of piped network, the creation of a hydraulic model for Takapau and further development of Otāne's model and development of future upgrade programmes utilising model outputs and aligning with communities' strategic vision for stormwater.

While Pōrangahau is not currently rated for stormwater, officers are working closely with the Hawke's Bay Regional Council to ensure that any proposed Flood Protection scheme incorporates improvements to the Council's stormwater network within the Pōrangahau township.

The Porangahau township is also serviced by a roadside swale network, this has been recently maintained and requires regular maintenance. As our maturity and understanding of our stormwater networks continue to grow, the interface between road networks and stormwater will be an area that we will need to continue to focus on.

Support for Higher Option

The Higher Option delivers the same investment as in the Central Option but also proposes a one-off \$350,000 increase in stormwater maintenance to provide up to an additional 5.2 kilometres of stormwater drain vegetation clearance.

Analysis

48 submitters supported the Higher Option, being 23% of the submissions received for Trade-off Area #3.

Of the 48 submitters, 21 provided written feedback with the following key themes:

- The cost difference between the Central and Higher Options is minimal.

- Greater investment may help reduce the effects of future events, which are becoming more frequent, and
- Council needs to continue advocating for greater support from Central Government.

Officers Response

The additional \$350,000 investment would result in an average estimated residential \$68 increase in the targeted stormwater rate and average \$7 increase in the general rate. This estimate is just that – noting that the stormwater rate will vary property to property based on its capital value.

The one-off increase in investment, allowing for additional vegetation clearance in Year 1 of the plan, would ensure more of the network is performing optimally earlier than under the Central Option.

Council continues to work with Central Government and advocate for sustainable solutions to the issues facing Central Hawke's Bay. This has included the reallocation of \$860,000 of external 'Better Off Funding' into the Stormwater activity in Year 1 to ease the burden on ratepayers' investment into increased activity.

Officers Recommendation

The Central Option remains Officers' recommended option. While a notable step change, this level of investment will be necessary to achieve an enhanced level of stormwater service delivery. It is recognised and acknowledged that with a step change in investment, a step change in organisational maturity in stormwater will also need to occur, and ensuring there is sufficient planning for this will be critical to ensure we receive long-term value from the new investment.

RISK ASSESSMENT AND MITIGATION

Submitters have voiced support and concern over the options presented. This section highlights risks that have been noted with the presented options.

Central Option Risks

Risks considered for the Central Option relate primarily to affordability challenges, confidence in asset management planning and decision-making and overall deliverability of the works programme.

From an affordability perspective, Council has, through allocating \$860,000 of external 'Better Off Funding', mitigated some of this risk in Year 1. Without the allocation of this external funding, the targeted rate for stormwater in Year 1 would be 87% higher.

The main affordability risks relate to the ongoing impact of rating increases in Year 2 created by the stormwater investment. Although the financial burden in Year 1 has been mitigated, this does mean that ratepayers will see an increase in their stormwater rate from Year 2 onwards, providing for the increased maintenance programme. This corresponds to a general rate increase for year 2 of \$173k (an average of \$21.63 per ratepayer) and \$983k in targeted rates (an average of \$262.48 per ratepayer). Council has confirmed through its Financial Strategy that it has the means to complete the programme of work outlined in the Three Year Plan.

The infrastructure decision-making risk relates to submissions questioning the previous decisions made around the lack of investment in maintenance or upgrades of the stormwater network. Officers believe that quality assurance is in place to ensure robust decision-making, utilising data, information and knowledge availability from our asset management system, hydraulic modelling, community's knowledge and technical advisors. Regular and routine audit processes are a key part of this with a high level of scrutiny placed on planning.

While the additional maintenance is a step change in investment, it is expected that delivery of the required annual works programme is achievable. Council recently delivered open drain corrective maintenance works that were of a similar scale to the planned annual programme and Council will see this programme of how the services will be delivered and procured, recognising that the level of investment over the three years will require approval from Council. It is recognised that the step

change in service will be expected for stormwater in its entirety. This will need to be a continued focus for Council to ensure the step change is successfully delivered.

Higher Option Risks

The fundamental risk with the Higher Option is a heightened unaffordability for ratepayers. The risk is that there may be an inability for those on low or fixed incomes to afford the rate increases which results in an inability of some ratepayers to meet payments.

FOUR WELLBEINGS

Project Thrive has seven strategic goals that Council focusses on for our community’s wellbeing, which support a thriving Central Hawke’s Bay. The four wellbeing’s are intrinsically linked to the purpose of everything we do.

How the recommended options deliver on Council’s seven strategic goals are outlined below:

Community Outcome	Description
Goal One: Proud District	The recommended option delivers stormwater service outcomes in a way that protects and enhances the uniqueness of the Central Hawke’s Bays identity
Goal Two: Prosperous District	Stormwater networks that provide appropriate service provisions enable our district to be attractive to businesses and for whanau and households to thrive.
Goal Three: Strong Communities	The recommended option provides a step change in maintenance that ensures each of our community’s networks are operating optimally
Goal Four: Connected Citizens	Our community’s vision for stormwater management will be captured in our overarching strategy
Goal Five: Smart Growth	Growth is enabled through the recommended option as we future proof our infrastructure when designing upgrades
Goal Six: Environmentally Responsible	The recommended option will enhance environmental outcomes through the development of an overarching strategy that promotes sustainability and improvements to water quality
Goal Seven: Durable Infrastructure	Throughout the programme we ensure our planning, design and material use considers new and innovative technologies and builds in additional capacity to future proof for the next generation

DELEGATIONS OR AUTHORITY

The recommendations of this report require Council approval by way of a resolution through the Three Year Plan process.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council’s Significance and Engagement Policy, this matter has been assessed as being of significance and accordingly has undergone an appropriate process of formal consultation.

OPTIONS ANALYSIS

The two options available to Council in this matter for consideration:

Option 1 – Central Option – Provide for programmed regular maintenance.

Option 2 – Higher Option – Make an additional investment in stormwater.

<u>Option 1</u>	<u>Option 2</u>
Central Option – Provide for programmed regular maintenance	Higher Option – Make an additional investment in stormwater

Financial and Operational Implications	The Three Year Plan uses external 'Better Off Funding' to reduce the impact of increases in rates in Year One, with a further increase required in rating in Year Two.	The additional \$350,000 investment would result in approximately a \$68 increase in the targeted rate and \$7 increase in the general rate in Year One.
Promotion or Achievement of Community Outcomes	There is strong community support for this option to introduce a much higher level of service than currently provided.	There is some support from community to provide additional investment, to increase the amount of open drain maintenance in Year One.
Statutory Requirements	This option is significant and requires consultation. This option will ensure that investment is provided to deliver operational maintenance works that meet the communities' expected levels of service.	This option is significant and requires consultation. This option will ensure that investment is provided to deliver operational maintenance works that meet the communities' expected levels of service.
Consistency with Policies and Plans	This option is consistent with the Infrastructure Strategy and Financial Strategy as well as relevant asset management plans and the asset management policy.	This option is consistent with the Infrastructure Strategy and Financial Strategy as well as relevant asset management plans and the asset management policy.

Recommended Option

This report recommends that the Central Option for Trade-off Area #3 – Prioritising Stormwater as set out in the Three Year Plan 2024-2027 be adopted.

NEXT STEPS

Following adoption of any option, Officers will commence with delivering the appropriate programme of infrastructure works and implementing the mandated financial approach.

RECOMMENDATION

1. **That Council adopts the Central Option for Trade-off Area #3 – Prioritising Stormwater as set out in the Three Year Plan 2024-2027.**
2. **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

7.6 THREE YEAR PLAN 2024-2027 - DRAFT DELIBERATIONS REPORT: TRADE-OFF AREA #4 - SERVICE REDUCTIONS AND EFFICIENCIES

File Number:

Author: Dennise Elers, Group Manager, Community Partnerships

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

PURPOSE

The matter for consideration by the Council is to consider feedback related to Trade-off area #4 – Service Reductions and Efficiencies received through the Three Year Plan 2024-2027 process.

RECOMMENDATION

1. **That Council adopts the Central Option for Trade-off area #4 – Service Reductions and Efficiencies, with the following changes:**
 - a) **That Council retains the existing Library Service operating hours, requiring an increase in the general rate of \$30,000 in the Three Year Plan 2024-2027.**
2. **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

EXECUTIVE SUMMARY

This report presents the submissions received relating to Trade Off Area #4 – Service Reductions and Efficiencies.

Many tough decisions across the organisation to reduce or close services have already been made in reaching the Central Option that was consulted with community as part of the Three Year Plan 2024-2027.

Every aspect of the organisation has been explored and considered to reduce cost as well as options to increase other revenue also considered. This is additional to savings and reductions already made in the 2023/24 Annual Plan process.

This report specifically covers points raised on Libraries, Solid Waste, Open Spaces and Economic Development and wider organisational reductions and efficiencies.

BACKGROUND

Council's Three Year Plan 2024-2027 Road to Recovery Consultation Document was adopted by Council on 10 April 2024. Community input was sought from 11 April 2024 with public submission closing 11.59pm 12 May 2024.

The Three Year Plan 2024-2027 focuses on what it will achieve over the next three years with this report focusing on Trade-off Area #4 – Service Reductions and Efficiencies.

A total of 261 submissions were received relating to Trade-off area #4 – Service Reductions and Efficiencies. This paper provides a summary of that feedback received.

Submissions on this trade-off area were received from:

1	Ashley Dagg	2	Alexandra Waihape	3	Aaron Doody
4	Anita Lamonte	5	Tony Robson	6	Wendy Milne
7	Bryce Fergusson	9	Richard Thomas	10	Max Carter
11	Jodi Jeffery	12	David Glynn	13	Jessica Nielson
14	Elise Pledger	15	Lisa Hansen	16	Abbey Lee

17	Daphne Lester	18	Glenda Mawson	19	Jordache William Michael Jones
20	Anthony (Tony) Charles Gray	21	Barbara Mclay	22	Peggy Scott
23	Evan Potter	24	Celeste Alice Le Lievre	25	Mark Stevens
26	Gina McGrath	27	David Philip Darby	28	Donna O'Brien
29	Camille Le Lievre	30	Geert Gelling	32	Hayden Tristram
33	Genelle Jones	34	Bob Alkema	35	Margee Adams
36	Jimmy Fisher	37	Pamela Kay Crawford	38	Robina Beatrice Harper
39	George Christopher Harper	40	Christopher John Bath	41	Sallie Moore
43	Gavin Long	44	A Marcus Marcus Avery	45	Sharron May Hales
46	Jan Wroe	47	Douglas John Hales	48	Don Shewan
49	Rebecca Taylor	50	Fiona Winter	51	Jeff Hibbs
52	Lisa Treloar	53	Gael Riddford	54	Helen Jane Graham
55	David Whitney	56	Alan Gregory Steer	57	Sarah Le Gry
58	Toby Yule	59	Peter Seligman	60	Hard copy
61	Marcia Mackrell	62	Julie Giffin Boshier	63	Simon Kisa
64	Patricia Jean Peacock	65	No Name Given	67	Martin Thelwall
68	James Alexander Edwards	69	Peter Tod	70	Alison Angela Ross
71	Cain Foxall	72	Bob Pearce	73	Genevieve Wilce
74	Lance King	75	Lara Smith	76	Merihea Te Aira Wiremu
78	Anita Fontaine	79	Clare Harvey	80	Peter Missen
81	Emma Fergusson	82	Hannah Cox	83	Warwick Greville
84	Kate How	85	Eric Teichmann	86	David Bishop
87	Alistair Mcmillan	88	Jo Cox	89	Kaitlin Faulknor
90	Peter Mckenzie	91	Ashley Jevon-Dalgaard	92	Sheryl Summers
93	Rayewyn Hansen	94	Richard Thomas	95	Pamela Watson
96	Annabelle Campbell	97	Tim Steel	98	Susan Coppinger
99	Tina Moorcock	100	Brian Dalgaard	101	Orlando Macdonald
102	Kendall Peacock	103	Annette Libby	104	Judith & Darrell Halford
106	Gillian Mullins	107	John B McCormick	108	Rev Bryon Carey
109	N/A	110	Jenny Cross (Dobson)	111	Sally Sisson
112	Graham Bernard Rudd	113	Donna Marie Te Amo	114	Richard Jacobs
115	David Edmondston	116	Benedikt Buerschgens	117	Heather Hughes
118	Linda Greer	119	Vanessa Amato	121	Bronwyn Slingsby
122	Sandy Wiggins	123	Jenny Valentine	124	Sandra Foley
125	Michelle Goodman	126	Lani Hartley	127	Amy Eagle
128	Teresa Murdoch	129	Bethany Wickham	130	Josie Whaanga
131	Greg Struthers	132	Evelyn Marples	133	Ron King
134	Donald Cooper	135	Julie Irvine	136	Cheryl Pile
137	Dennis Mills	138	Malissa Helen Webster	139	Kate Luff and Family
140	Ebony Meretini Holt	141	Will Heesterman	142	Jennifer Butler
143	Joanna Chubb	144	Maria Barnea	145	No Name Given (Ratepayer)

146 Jody Hamilton	147 Blair Hamilton	148 Keziah Amber Heke
149 Ian Geoffrey Stanton Sharp	150 Brittany Chote	151 Phil Griffin
152 Darren Hawea	153 Cushla Isaacson	154 Joyce Ireland
155 Sharleen Baird	156 Jennifer Lee Woodman	159 Dawn Le Lievre
160 Vivienne Hunter	161 Blanche Paewai-Ashcroft	162 Lynere Anne Illsley
163 Barbara Anne Morris	164 Nicola Akkersma	165 Sue Coppinger
166 Michael James Waite	167 Kristyn Stehfest	168 Murray Gosling
169 Darren Cooper	170 Kerri Thomson	171 Nick Preston
172 Rebecca Riddell	173 Rose Hay, Keith Hunt	174 Bianca Lord
175 Nichola Heremaia	176 Claire Chandler	177 Matthew Taylor
178 Chb Youth Council	179 Brendon Fryer	180 Victoria Mavin
181 Michael Kingon	183 Barbara Sangster	184 Tracey Turfrey
185 Grenville Christie	187 Jean Scott	188 Vera Smith
189 Andrew King	190 Mary-Anne Ward	191 Peter Alastair Fleming
192 Micha Johansen	193 Wendy Bethwaite	194 Jackie Lowry
195 Meredith Kingston	196 Margot Murphy	197 John Nicholas Sunman
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213 Angela Jenkinson	214 Serena Mackenzie	215 Michelle Cameron
216 Andrea Chamberlain	217 Jackie Scannell	218 Syliva and Tony Partridge
219 Penne Chote	220 Micheal Green	221 Kaylan Ireland
222 Tania Jean Smith	223 Amanda Charlotte Waldron	224 Pamela Denise Waldrom
225 Suzie Greaves	226 Jean Mclver	227 Chb Older Persons Network
228 Paul Jamieson	229 Sydney James King	230 Beth Hosford
231 Evan Wright	232 Sue Benton	233 Kathryn Bayliss
234 Paul Robottom	235 Caroline Seligman	236 Tony Byron Chamberlain Ward
237 Catherine Pedersen	238 Martin Lord	239 Anonymous
240 Dianne Smith	241 Jane Hamilton	242 Rick Gunson
243 Diane FitzGerald	244 Te Ara Bergstrom	245 Berit Sinden
246 Anna Oosterkamp	247 Bridget K Snushall	248 Dianna Karauria
249 Michelle Lucas	250 Catherine Pederson	251 Cleodie
252 Cosmo	253 Otilie	254 Wayne Ewing
255 Cancer Society HB	257 Health New Zealand - Te Whatu ora	260 Argyll East School
263 Waipawa Primary	264 Waipawa Primary	265 Waipawa Primary
266 Waipawa Primary	267 Waipawa Primary	268 Public Libraries New Zealand
269 Waipawa Library	270 Syd & Annie King	273 Johanna King
275 Michelle Gliddon	277 Bronwyn Calder	278 Maitland Manning
279 Pat Pedersen	280 Helen Manning	281 Catherine Baker

Summary of Submissions

261 submissions were received with commentary received on a wide range of topics from economic development, general levels of service, to libraries, solid waste, retirement housing and park maintenance.

Data from online submission (249 submissions) shows that 8.8% (22) of submissions were in support of the Lower Option, 43.4% (108) submissions were in support of the Central Option and 36.1% (90) submissions were in support of the Higher Option.

11.6% (29) of online submissions had not selected a preferred option for Trade-off area #4 – Service Reductions and Efficiencies.

Online Survey Submission Statistics



Hard Copy Survey Submission Statistics

Of the 261 submissions, 23 were received via hard copy. Of the 23 submissions received, submitters provided feedback on a number of topics including Libraries, Tukituki Swingbridge, solid waste, levels of service, roading, growth and affordability. The majority of the hard copy submissions were not in the format of the survey, so did not provide feedback on the different options within the four trade-off areas and other consultation matters.

While this report does not speak to all of these matters, officers have sought to address all of these topics in the various deliberation reports.

DISCUSSION

This Council paper covers the following areas within Trade-Off area #4 – Service Reductions and Efficiencies and shows analysis through the Lower, Central and Higher options in the following order:

- Libraries
- Solid Waste
- Open Spaces and Community Facilities
- Economic Development

Topic One	Three Year Plan 2024-2027 options - Library Services
Topic Two	Volunteering in Libraries
Topic Three	Three Year Plan 2024-2027 options – Solid Waste
Topic Four	Closure of Takapau Transfer Station
Topic Five	Closure of Waipawa Transfer Station
Topic Six	Illegal dumping will increase from the result of the transfer station closures
Topic Seven	Improvement in Solid Waste services
Topic Eight	Enhancing community and Council partnerships to reduce illegal dumping
Topic Nine	Moving to a weight-based charge

Topic Ten	Three Year Plan 2024-2027 options - Open Spaces and Community Facilities
Topic Eleven	The Old Waipukurau Library, Retirement Housing and other land banking
Topic Twelve	Cancer Society Hawke's Bay
Topic Thirteen	Hawke's Bay Netball Centre Inc
Topic Fourteen	Draft Russell Park Masterplan
Topic Fifteen:	Organisational reductions and efficiencies
Topic Sixteen:	Procurement and contract management

Topic One: Three Year Plan 2024-2027 Options – Library Services

Trade-off area #4 included three options, with different service reductions for libraries being proposed across the three.

This included:

- Lower Option – Closing the Waipawa Library in Year 1 and further reduce hours elsewhere, returning to normal opening hours by 2027.
- Central Option – A reduction in opening hours and programmes at the Waipawa and Waipukurau libraries.
- Higher Option – No reduction in opening hours at Waipawa and Waipukurau Libraries.

The next section of the report outlines a summary of the feedback received and provides a recommendation to Council on the way forward.

Summary of submissions

A total of 88 submissions made specific comment on libraries. The majority supported the Central or Higher Option, as outlined below.

Of the total submissions received, 88 specifically addressed the matter of proposing to close Waipawa Library and reduce hours elsewhere. 1 supported the Lower Option to close the library.

2 of the 88 submissions were from Waipawa and Argyll East Schools which included letters from 101 children who wrote that they did not want the Waipawa Library to close.

Of the 88 submissions received, 22 supported the Central Option.

Of the 88 submissions received on the Waipawa Library 46 supported the Higher Option. Of those 88 submissions 36 specifically mentioned they did not want the Waipawa Library to close and 21 mentioned they did not want to see the reduction in hours or programmes within the libraries.

Overall, the community have rallied strongly to ensure consideration of the lower option for library services is not given. Council acknowledges the submissions from Friends of the Library, community and schools.

Analysis

The Lower Option to close the Waipawa Library and reinstate services to normal over three years was not Council's preferred option, however, was one of the few tangible options that was available to reduce costs. This proposed option is estimated to save a total of \$188,000.

Consistent with much of the feedback and responses that spoke strongly against any consideration of the Lower Option was a recognition that libraries are a critical service that ensures the wellbeing of our communities and provides for the needs of society – whether those needs be economic, social, environmental, or cultural.

Closing the Waipawa Library would have an adverse effect on the community, and it was commented that it would also be a reputational risk to the wider footprint of Waipawa.

Social isolation for those who do not have the means to travel to Waipukurau to access Te Huinga Wai (the Waipukurau Library) was also identified. Schools would not be able to access a wide

range of literacy resources and our community would have reduced access to a warm, free space to gain valuable information and connection.

The Central Option would result in a saving of \$30,000 which is a reduction of 8 hours between both facilities. It would allow all permanent staff to be retained.

Many submissions did not want to see a reduction in hours or programmes offered at the libraries.

A number of pragmatic suggestions were made around what days and times the hours should be reduced should the Council decide on the Central Option. These suggestions could be taken into consideration and worked through to find the best solution for the operations of the libraries dependent upon the decision of Council.

Many submitters encouraged Council to retain the existing library hours, noting that any reduction is unlikely to ever be restored. All of the points previously raised speak to the need to maintain the services existing library hours.

Restoring the library hours would require a \$30,000 increase in the uniform annual general charge, being a \$4.14 additional annual charge per property which is a 0.09% total rates increase.

Officer Recommendation

That Council retains the existing library service operating hours, requiring an increase in the general rate of \$30,000 in the Three Year Plan 2024 -2027.

Topic Two: Volunteering and Friends of the Library

Summary of submissions

The increased use of volunteers in library services to help offset costs and to maintain services, was raised by a number of submitters to support library services. The Friends of the Library also play a pivotal role in supporting library services both operationally and financially, and their support for libraries should not be understated.

Analysis

Council currently already utilises volunteers in library services, providing support for programmes, covering and other activities in the service. It is noted that the support they could provide would vary relative to the role and support they would provide in the service. This is an area that Officers are already continuing to explore and expand where they can.

Officer Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Three: Three Year Plan Options – Solid Waste

Trade-off area #4 proposed reductions in the Central Option only, with no options to increase services in the higher option and limited ability to further reduce services in the Lower Option.

The Central option proposed the following reductions:

- Close Waipawa and Takapau Transfer Stations,
- Reduce Porangahau Transfer Station opening hours from 8hrs per week to 4 hrs per week and
- Open Waipukurau Transfer Station on Sundays.
- Funding Rural Recycling Trailer through Better Off Funding (external funding) in Year 1.

The reductions are estimated to save a total of \$92,000 per annum. This is made up of \$67,000 in operational costs which includes reductions on contract costs, insurances and leases and \$25,000 in capital expenditure per annum.

Summary of submissions

Of the total submissions received, 19 submitters did not support the closure of any transfer stations, 6 submitters supported the closure of one of the two transfer stations, 6 preferred reduced operating hours with 5 submitters supporting closing both transfer stations.

2 submitters suggested increasing recycling and waste diversion options, 1 proposed the Council stopped accepting Tararua District Council waste and 1 submitter proposed enhancing Council and community partnerships to tackle illegal dumping.

Officers interpret the main concerns for submitters are the increased travel time and costs for Takapau and Waipawa users and increased illegal dumping.

Topic Four: Closure of Takapau Transfer Station

Summary of Submissions

Submitters sought further clarification on costs that would be saved and outlined the impacts to them from the closure of this service – including additional travel time.

Analysis

Closure of the Takapau Transfer Station achieves a reduction of \$19,000 and \$8,500 in operational and capital costs in Year 1. Further capital funding reductions of \$25,000 in Year 2 and \$7500 in Year 3 are also achieved with the closure of the Transfer station. Keeping the Takapau Transfer Station open would add 0.08% to the rates and an average of \$3.44 per household.

Takapau is open on Thursdays and Sundays, it averages 12 visitors on Thursdays and 16 visitors on a Sunday. The land is leased with a provision to exit the lease with 3 months' notice.

Commercially, the Takapau Transfer Station is not viable due to high fixed cost coupled with low revenue generation.

Officers acknowledge that the closure of Takapau Transfer Station will be notable for residents. Officers are keen to explore a private mobile transfer service for Takapau residents in Year 1. This service includes a provision for an operator to provide a manned skip bin for two hours, once a week, on the weekends, at an agreed location. This service is considered feasible with no capacity issues given Takapau's low waste volumes (approximately one skip bin a fortnight). This option would still be subject to a private operator willing to entertain the option.

A wider discussion around whether similar services are viable in other smaller townships can be addressed as part of the upcoming Waste Management and Minimisation Plan review.

Officer Recommendation

The Central Option, which includes the closure of the Takapau Transfer Station as part of the Three Year Plan 2024 – 2027 remains the recommended option.

Topic Five: Closure of Waipawa Transfer Station

Summary of Submissions

The closure of the Waipawa Transfer Station was the most raised matter in relation to solid waste activities with a range of issues identified. Like the Takapau Transfer Station, travel was a point regularly raised.

Analysis

Closure of the Waipawa Transfer Station achieves a reduction of \$47,000 and \$16,500 in operational and capital costs in Year 1. Further capital renewal reductions of \$9,500 in Year 2 and \$65,000 in Year 3 are also achieved with the closure of the transfer station. Keeping the Waipawa Transfer Station open would add 0.2% to the rates and an average of \$7.94 per household per annum in Year 1.

The Waipawa Transfer Station is open on Tuesdays, Thursdays and Sundays, averaging 25 visitors on Tuesdays and Thursdays and 85 visitors on Sundays respectively. Visitor numbers are higher on Sundays as Waipawa is the only transfer station catering for both communities.

The opening of the Waipukurau Transfer Station on Sundays, as proposed, will shift Sundays Waipawa users to the larger site, 8 kms away. The Waipukurau site is larger and can accommodate an increased usage predicted from the closure of Waipawa.

Officers were requested to provide a breakdown of users at the Waipawa Transfer Station and where these users came from. On average, 54% of users were from Waipawa, 19% from Waipukurau, 8% from the northern and eastern areas (Otane, Omakere and Elsthorpe), 4% the southern areas (Wanstead and Flemington), 2% from outside the district (possibly visiting or supporting residents locally) and the remaining 13% either commercial users or were not willing to provide this information.

Officers do not consider keeping the Waipawa Transfer Station open as a long-term cost-effective option. This will add some costs to users, however, these costs can be avoided if visits are timed with other trips to Waipukurau.

If users are unable to time trips, then the costs for the extra 16 minutes of travel time is considered reasonable when compared with the long term the financial savings that community as ratepayers otherwise have to fund. It is noted that among peer councils, this service provision is an outlier with no other Councils operating two transfer stations within a similar distance to each other.

The closure of Waipawa Transfer Station will allow Waipawa users to access more waste diversion options, such as e-waste diversion and agricultural recovery services. These are not available at the Waipawa Transfer Station due to site constraints.

The closure also allows Officers a more focussed approach when allocating capital resources to improve site infrastructure whether to improve safety, support future waste diversion services or to find operational efficiencies which could in turn provide further future savings.

A reduction in operating hours has been considered and is unlikely to be as cost effective over the longer term. This option only provides operational savings without any further advantages as described above.

A 'mobile' transfer operation for Waipawa, as could be achieved in Takapau by a private collector, is not feasible as it is unlikely to be able to cater for Waipawa's waste volumes.

The site also has potential to be leased out and to return an income to Council, subject to the legal limitations of the site. The potential income of this is not known at this time.

Officers Recommendation

The Central Option, which includes the closure of the Waipawa Transfer Station as part of the Three Year Plan 2024 – 2027 remains the recommended option.

Topic Six: Illegal dumping will increase from the result of the transfer station closures

Summary of Submissions

Multiple submitters, including Te Whatu Ora made reference that closing the transfer stations will result in an increase in illegal dumping or other methods of disposal, including burning.

Analysis

There is a risk that a temporary increase in illegal dumping will happen as users adjust to the changes. There is a basic principle however that if people are willing to illegally dump after a fee change, they will be willing to dump illegally regardless of the fee or distance to a transfer station.

Officers have contacted other Councils seeking further advice on this matter. Auckland City Council provided a study concluding that illegal dumping increased for 3 months after a service reduction before returning to pre-change levels.

Officers agree that the price increases and learnt behaviour are the main influences in illegal dumping behaviour rather than a minor increase in distance to access a waste disposal facility. As it currently is now, illegal dumping will be a matter that will need to be monitored.

The evidential basis to prosecute for littering is high. While Council does not have any staff that are dedicated to litter, many staff are warranted litter officers as part of their delegations under the Litter Act. Where littering is spotted by Officers, Officers can ticket offenders. In this instance however, most fly tipping is done inconspicuously.

Officer Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Seven: Improvement in solid waste services

Summary of Submissions

Submitters raised suggested improvements or increases in waste diversion services or options.

Analysis

The planning and introduction of new waste diversion services or options are detailed in the current Waste Management and Minimisation Plan 2019, which is not impacted by any of the current options.

Noting suggestions of reducing kerbside collection frequencies to save costs, Officers acknowledge that contractual adjustments and a review of the whole collection system is required to ensure minimal disruption to users whilst still in line with achieving our waste free CHB goals. A wider discussion on other services will be addressed as part of the upcoming Waste Management and Minimisation Plan review.

Officer Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Eight: Enhancing community and Council partnerships to reduce illegal dumping

Summary of Submission

A submitter requested the Council enhance community partnerships to reduce illegal dumping.

Analysis

Design of a community beautification and clean up empowerment programme is underway. This intends to provide a streamlined, simple approach for community individuals or groups to access Council support for beautification and clean up initiatives.

The upcoming Waste Management and Minimisation Plan review will include a new litter prevention strategy.

Officer Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Nine: Moving to a weight-based charge

Councillors sought additional information on the change to fees and charges connected with the implementation of the new Weighbridge at the Waipukurau Transfer Station, in the event that the Takapau and Waipawa Transfer Stations remained open.

As Councillors were briefed in the Council meeting of 14 March 2024, the intention is to operate the weigh station in Waipukurau for a period of 3-5 months before establishing fees and charges at

the Waipukurau Transfer Station. If the Takapau and Waipawa Transfer Stations remain open, Officers will develop a range of fees and charges to address preferential use. This could include amending fees and charges at these sites based on the material type or limiting vehicle types at these transfer stations. Officers will further explore this and will seek approval from Council prior to any change.

Topic Ten: Three Year Plan 2024-2027 Options – Open spaces and community facilities

Trade-off Area #4 included three options, with different service reductions for open spaces and community facilities libraries being proposed across the three. The next section sets out the feedback across the three trade-off options and other matters raised by submitters.

Support for the Lower Option

The lower option included the following proposed service reductions in parks, with proposed additional savings of up to \$100,000 per annum:

- Stop catcher mowing across the district's rural cemeteries and high-profile parks and open spaces.
- Fire mow in some locations only, such as Don Allen and High Street Reserves.
- Reduce berm mowing frequency districtwide by 30%.
- Reduce mowing and spraying frequencies across all the districts reserves.
- Reduce the frequency of toilet cleaning and litter collections districtwide.

Analysis

Of the 29 submissions that mention open spaces, five comments supported reduced open spaces maintenance (mowing, spraying, less annuals).

Overall feedback noted that if Council chose the Lower Option this would impact negatively on community pride, and overall would be challenging to reinstate long term.

Officers Response

Officers acknowledge that reducing these services will provide some cost savings. However, they will also likely result in an increase in complaints, an overall impact on visitor first impressions, and an overall sense that the district is less well-cared for.

Key risks associated with this option include:

- A rise in complaints.
- Reputational risk if cemeteries and high-profile parks are not up to a high standard.
- Safety risk if fire mows are reduced across the district.
- Longer grass can also hide dangerous rubbish (e.g., broken glass) and harbour vermin.
- Health & safety risk if toilets and litter cleaning frequencies are reduced.
- Specific risk of communicable diseases if toilets are cleaned less frequently.
- Overall, an impact on civic pride, the first impression gained by visitors to the district, and the enjoyment and accessibility of open spaces for all.

Support for the Central Option

The Central Option including substantially maintaining existing levels of services, however deferring new planned investment from the Thriving Places and Spaces Programme. This included:

- Deferring most new capital projects across open spaces and community facilities in the first three years.

- Delaying the decisions on the future of the former Waipukurau Library and other community facilities.
- Some reductions in operational budgets across the activity.

The majority of open spaces capital projects have been deferred to Year 4 and beyond. Some \$1,724,000 of capital funding is included across the three years. In years one and two, a total of \$495,000 of renewal and capital funding, substantially funded by debt. In Year 3 of the Three Year Plan \$1,229,000 for a range of previously signalled renewal and capital works is signalled. This is substantially debt funded and will have a financial impact in Year 4.

Analysis

Of the 29 submissions received that mention open spaces:

- 7 comments urged Council to not reduce mowing or facility maintenance.
- 7 comments specifically made reference to the value of civic pride.
- 2 comments also made reference to the fire hazard created by reduced mowing.
- The submission from Te Whatu Ora made mention of the public health risks (e.g., communicable diseases) of reduced servicing and cleaning of public toilets.
- A general theme of some submissions was the importance of open spaces for social and cultural wellbeing.

Officers Response

The Central Option already includes savings of around \$100,000 which will see some reductions in some activities as part of the reductions across all of Council.

All open spaces rate funded projects have been moved to Year 4 and beyond apart from some quick wins in the Russell Park Masterplan Implementation utilising Better Off Funding (external funding). In addition to this, each year Council has a small renewal budget that is rate funded.

The Central Option allows Officers to continue to maintain and manage our open spaces and community facilities largely in accordance with current levels of service, whilst still continuing to look for service efficiencies and ways to decrease costs – for example, trialling a wildflower no mow site.

Deferring the majority of open spaces and community facilities renewal projects, capital and new projects for three years has some potential risk, particularly if unplanned major expense results. The potential risks of deferring capital projects include:

- Cost escalations.
- Inability to maintain ageing assets; and inability to meet community expectations.
- Impact on Council's ability to implement strategies and plans such as the Reserve Management Plan and the Sport and Recreation Facilities Plan.

Support for the Higher Option

The Higher Option was included in the Central Option with \$50,000 of additional funding in Year 1 to fund the backlog of maintenance in rural halls in Year 1. There was no clear support for this option identified from submissions for rural halls.

Officer Recommendation

While there are valid points noted, Officers continue to recommend the Central Option for open Spaces and community facilities.

Topic Eleven: The old Waipukurau Library, retirement housing and other land banking**Summary of Submissions**

A number of submissions suggested to keep rates low such as selling of surplus assets, reducing land banking, selling its retirement flats. The question has also been asked about what's happening to the old Waipukurau Library site.

Officers Response

Unlike some other councils, Central Hawke's Bay District Council doesn't have an investment portfolio, port or airport shares, or anything similar it can divest itself of to raise funds and lower the rating burden.

Eight years ago, Council undertook a review of all its land holdings and identified approximately five small pieces of land it no longer required. These were sold in 2022.

Two submitters proposed selling the 48 retirement housing flats Council owns (24 in Waipawa and 24 in Waipukurau). This was considered in 2020 when a review of this activity was undertaken, along with 9 other options. At the time it was decided to keep the flats but increase the rentals to ensure that the flats generated enough income to fully cover the costs of ownership and their maintenance. No ratepayer subsidisation is occurring. This is a rate neutral activity to Council.

The only asset of any significance not being fully utilised is the old Waipukurau Library. This was identified as being a significant earthquake risk despite previous strengthening work having been undertaken. At the time various legal recourses were explored, but it was deemed to be unlikely to result in any monetary benefit to the ratepayer.

At the same time Council managed to obtain external funding from Central Government to fitout what is now the Waipukurau Library and to fund its rental costs for a period. The lease on this building runs through until 2026, with further rights of renewal through to 2032.

At present Council has other priorities and does not want to further burden the ratepayer, so has put the decision on the future of this site on hold until such time as it has the headroom to add another capital project into the budget. Whether this building returns to being a library, or is redeployed for another use, or whether Council divests itself of the site is yet to be determined.

Officer Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Twelve: Cancer Society Hawke's Bay

This submission highlights the importance of shade in community spaces particularly playgrounds. It also outlines the key role played by Council in public health, specifically promotion of smoke/vape free facilities.

Recommendations from the Cancer Society to Council is to budget for increased shade in playgrounds and smoke/vape free signage in playgrounds and an associated awareness campaign.

During their verbal submission the Cancer Society representative also made mention of water fountains, and the importance of provision of drinking water in public spaces. They noted that there is only one playground in Central Hawke's Bay which has a water fountain.

Officer response

Additional shade trees are currently included in the renewals programme, including, for example, Otane Playground and Mackie Street Reserve.

There are water fountains in the Russell Park playground, Nelly Jull playground, and A'Deane Park playground. Officers will continue to work with Cancer Society HB to explore funding options to improve smoke free signage and undertake associated awareness campaigns.

Officers will also continue to implement the Reserve Management Plan objectives for parks and reserves in relation to provision of shade, particularly planting for shade.

Officer Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Thirteen: Hawke's Bay Netball Centre Inc

Submission Summary

This submission speaks to the Russell Park Masterplan, supporting the development of toilets and changing facilities adjacent to the turf, and urging Council to work with Central Hawke's Bay Community Trust, Hockey, Netball and Touch on future design and possible expansion of netball court provision.

Analysis

The Russell Park Masterplan is currently in draft, but does include future provision of additional netball courts, and provision for a pavilion adjacent to the turf, incorporating toilets and changing room. The Masterplan will be reviewed as part of a review of the Reserve Management Plan in the second half of 2024.

A small amount of Better off Funding (external funding) has been allocated for implementation of some quick wins within the Russell Park Masterplan. Officers will continue with the Russell Park Master Plan planning process, ensuring that Hawke's Bay Netball continues to be closely involved.

Officer Recommendation:

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Fourteen: Draft Russell Park Masterplan

Summary of Submissions

Several submissions made mention of the Draft Russell Park Masterplan and, more specifically, the urgency of the need for facilities adjacent to the turf. These included Hawke's Bay Netball (above) and Sport Hawke's Bay.

One individual submission noted that too much has already been spent on Russell Park.

Analysis

Following the development of Russell Park, including the construction of the new turf in 2018, Council is under significant pressure to complete the Community Trust's development in the Sport areas of Russell Park, from various users and codes, with an expectation that additional facilities, services and surrounding infrastructure, such as accessways, parking and lighting are realised.

The Russell Park Masterplan process is continuing, with wider public consultation, as part of reviewing the Reserve Management Plan, programmed to commence August 2024. This has been fully funded by Better Off Funding (external funding) to date.

\$200,000 has been allocated to the Russell Park Masterplan implementation from the Better Off Funding (external funding), as previously endorsed by Council.

In acknowledgement of the urgency of the need for facilities adjacent to the turf, Officers are liaising with a community-led working group which has been established by users to raise funds for the pavilion. Officers will continue with the Russell Park Master Plan planning process, ensuring that all stakeholders are informed and engaged.

Officer Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters

Topic Fifteen: Organisational reductions and efficiencies

Summary of Submissions

Many submissions speak of the need to cut staffing, reduce management costs and to downsize the organisation overall in response to the economic situation of Council, recognising Council has been through a period of growth. Overall, many submissions speak to the need to ensure there is no wasteful spending and ensuring that Council as an organisation places the same level of rigour into making reductions as individual households are.

Analysis

Like households Council is facing the same financial resilience challenges at this time, albeit on a significantly greater scale and exacerbated by the types of construction and maintenance activities that Council deliver which relies on labour, fuel/oil, and heavy plant and where major construction is underway, interest costs from debt funding.

The significant increases in costs facing Council since the adoption of the Long Term Plan (LTP) 2021-2031 include inflation which has more than doubled from the predicted rate in the 2021-2031 LTP, interest costs have also more than doubled since the last LTP was set, and insurance premiums that have significantly increased since Cyclone Gabrielle.

Against this backdrop, Council also have commitments initiated during the Long Term Plan 2021–2031 including a period of significant infrastructure investment in three waters. Compounded with rising interest rates and inflation, the two factors have significantly impacted on our ability to keep rates within our increases forecast in the Long Term Plan 2021–2031.

Councils across New Zealand are facing the same challenges with some councils forecasting increases between 7.5% to over 25% (Auckland 7.5%, Wellington City 15-20%, Regional Councils 20-30%, Unitary Councils 10 to 17%, Hamilton 25.5%).

Recovery councils such as Nelson, Tairāwhiti, Hastings and Napier are forecasting that the rating costs will be a lot higher for longer, including ongoing increases in their external debt.

Just like households, Council too has reached into every aspect of its organisation and explored where we can defer, reduce or eliminate cost or create new revenue for activities and services.

This has been a ruthless approach, which has included a line-by-line review of all activities, the deferment of new rates funded staff, reductions in service activities and overall, \$1.5 million of savings and reductions across services and activities. For a small Council the impact of this will be noticeable.

While there is a perception that Council staff numbers have grown exponentially, the level of growth is not inconsistent with the increase in the volume of capital and renewal projects, externally funded services and projects being delivered and the increasing legislative requirements Council faces from Central Government that it must respond to.

As context Councils external funding has more than tripled since 2015 from \$8.3 million in 2015 to \$27.3m in 2023 and our capital programmes have increased from \$12.9m in 2015 to \$32.7m. In a recovery sense, we are currently delivering a further \$30m of capital work also.

The current cost of staff costs as a percentage of total operating and capital expenditure is also consistent with that of the organisation over ten years ago when it was operating in a period of austerity. In the current financial year, staff costs as a percentage of total expenditure are only 10.2% and forecast to be 11.5% in the 2024/25 Year. As a comparison, Staff costs in 2013/14 year made up 11.5% of total expenditure.

Internally, Council as an organisation will continue to focus on how we create best value from our services and activities for the community. Ultimately to significantly reduce cost of Council, services and activities must stop. These reductions would still not be enough to offset the long

term rating increases and major investment that we face as a community across most aspects of our organisation.

Officer Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Sixteen: Procurement and contract management

Summary of Submissions

Council has received a number of submissions questioning whether Council is getting value for money from its contractors, with roading, traffic management, and use of consultants being popular discussion topics.

Officers Response

Council has a Procurement Policy which defines how procurement at Council is undertaken based on best practice guidelines written by the Ministry of Business, Innovation and Employment. This policy requires all procurement to be competitively acquired using tenders from multiple vendors. The procurement process evaluates a number of attributes including price, work experience, ability to meet deadlines, and other social outcomes desired by Council. These might include buying local, using local staff, offering apprentice programs, environmental impacts.

Each year Council's external auditors check a number of procurements to ensure compliance to this policy.

Once Council have procured a contract, its staff are then responsible for ensuring that the deliverables from the contract are realised and that the resulting invoice is in line with the tender. Council has recently re-launched the Supplier Improvement Programme and employed a Contract Manager to ensure that all Councils contract management is being done in a consistent manner right across all Council activities. This person is also responsible for improving contractor reporting throughout the life of the contracts.

In the roading space the New Zealand Transport Agency (NZTA) is a co-funder of the activity (they fund 59% of local roads in our district) and as the main funder they also overlay what they consider to be best practice, and roading contracts have additional procurement and management requirements as part of their funding agreements. They are prescriptive about roading procurement, traffic management, and quality of work. Council is bound to follow their rules and guidelines or risk its funding.

Central Hawkes Bay District Council is too small to employ specialist staff. We simply don't have enough work to justify a full-time role for the likes of structural engineers, wastewater engineers, lawyers, specialist treasury advisors, property valuers. For these types of services, we contract in staff as we need them.

Having said that, as a Council we are constantly reviewing our services to ensure that we are getting value for money, and where the volume of work justifies it, we will employ staff rather than outsource as this is generally more cost effective. However, price is only one factor. Other factors such as specialist equipment and its cost also need to be considered.

Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

FOUR WELLBEINGS

Project Thrive has seven strategic goals that Council focusses on for our community's wellbeing, which support a thriving Central Hawke's Bay. The four wellbeing's are intrinsically linked to the purpose of everything we do.

How the recommended options deliver on Council's seven strategic goals are outlined below:

Community Outcome	Description
Goal One: Proud District	Maintained open spaces and community facilities generate pride in the community. The preferred option seeks to balance this investment with making reductions to ensure Council still achieves its goal that by 2031 95% of residents believe Central Hawke's Bay is a great place to live.
Goal Two: Prosperous District	Vibrant and positive communities and places encourage visitors to spend time in the district adding to the local economy. Similarly, library services promote knowledge and learning and the growth of our community overall. The recommended option again balances this with affordability, seeking to still achieve a lift in the overall GDP per FTE in Central Hawke's Bay
Goal Three: Strong Communities	The Central Option continues programmes and activities albeit repaced or reduced that provides for opportunities for partnership and collaboration. This supports the goal where we seek to increase people's ability to freely express their identity.
Goal Four: Connected Citizens	The Central Option continues to provide for maintained open spaces that provide equity of access and services that allow for social and cultural connection, supporting our goal to enhance our resident's overall life satisfaction.
Goal Five: Smart Growth	The recommended option remains focused on the long-term aim of growth and development, including growth projects and factors in growth for the long term.
Goal Six: Environmentally Responsible	The Central Option seeks to balance enhanced environment outcomes, through waste minimization programmes continuing and a focus on delivering on the Wastefree CHB programme. While there are not programmes in this option that relate directly to water quality, overall, the Central Option continues to support activities that support our environment overall.
Goal Seven: Durable Infrastructure	The recommended option still includes renewal projects and maintains a long-term focus, working towards the aim that community have confidence our decisions and planning is for the long term.

DELEGATIONS OR AUTHORITY

The recommendations of this report require Council approval via resolution through the Three Year Plan 2024-2027 process.

SIGNIFICANCE AND ENGAGEMENT

RECOMMENDATION

1. **That Council adopts the Central Option for Trade-off area #4 – Service Reductions and Efficiencies, with the following changes:**
 - a) **That Council retains the existing Library Service operating hours, requiring an increase in the general rate of \$30,000 in the Three Year Plan 2024-2027.**
2. **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

7.7 THREE YEAR PLAN 2024-2027 - DRAFT DELIBERATION'S REPORT: TUKITUKI (TAREWA) SWINGBRIDGE

File Number:

Author: Phillip Stroud, Group Manager - Community Infrastructure and Development

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

PURPOSE

The matter for consideration by the Council is to consider feedback related to Tukituki Swing bridge received through the Three Year Plan 2024 - 2027 process.

RECOMMENDATION

1. That Council reaffirms its support of the Tukituki (Tarewa) Swing bridge as an important recreational asset for Central Hawke's Bay, despite delays in the rebuilding of the bridge as a result of Hawke's Bay Regional Council's review of the Upper Tukituki River Scheme following Cyclone Gabrielle.
2. That Council retains funding as proposed in the Three Year Plan 2024-2027 for the construction of the Tukituki (Tarewa) Swing bridge as a means to convey wastewater across the river.
3. That following the release of the Hawke's Bay Regional Council Upper Tukituki Scheme Review an assessment of the impacts of the review on the project is completed, and that Council reassesses the viability of the project to convey wastewater across the Tukituki.
4. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

EXECUTIVE SUMMARY

A decision is required on how Council should proceed with the project to rebuild the Tukituki (Tarewa) Swing bridge following consultation with community as part of the Three Year plan process. Community's feedback has shown there are three clear options:

- Continue to rebuild the bridge, as proposed in Year 3 of the Three Year plan.
- Bring forward the project, to rebuild the bridge as soon as consent allows.
- Return the project to the Rotary River Pathways Trust, and investigate new options for the pipe crossing of the Tukituki River.

There are a number of risks associated with this project and further information is required to better understand the impacts of these, particularly the Hawke's Bay Regional council Upper Tukituki Scheme Review that has halted the project's progress to date.

Officers suggest that further work is required prior to Council making a significant decision on the future of this project, and that further consultation with community may be required.

BACKGROUND

Council's Three Year Plan 2024-2027 Road to Recovery Consultation Document was adopted by Council on 10 April 2024. Community input was sought from 11 April 2024 with public submissions closing 11.59pm 12 May 2024.

The Three Year Plan 2024-2027 focuses on what it will achieve over the next three years with this report's particular focus being on Tukituki Swing bridge.

Project Background

In Year 8 of the 2021 - 2031 Long Term Plan (LTP), Council had planned to commence building a wastewater pipeline from Waipukurau to Waipawa, which would require the crossing of the Tukituki River. The need for two river crossings is critical to the success of Project One (Waipawa, Otāne Waipukurau WOW project) of the Wastewater programme. Following the destruction of the previous Tukituki River Swing bridge in March 2022 the opportunity to enable a future wastewater conveyance pipe on a new rebuilt structure was identified as a potential option to investigate.

During initial business case investigations, a number of benefits were outlined for Council and the community including significant value for money. The swing bridge is an important asset to our community and is the centrepiece of the Tukituki Trails network.

On 18 August 2022 following a discussion of these benefits, Council's Finance and Infrastructure Committee approved \$1 million of funding to be brought forward from year 8 of the LTP. In the following months, Hawke's Bay Regional Council agreed to contribute \$565,000 to the rebuild, which brought the total project budget to \$1,565,000.

Through partnership with Hawke's Bay Regional Council (HBRC), the Rotary River Pathway Trust (RRPT) and Abseil Access (design and construction), significant milestones in the project had been met, including design completion, design peer review completion, granting of the building consent, the execution of contractors to construct the bridge and provisional agreement with HBRC on resource consent and granting of the Department of Conservation concession.

Prior to Cyclone Gabrielle public perception and durability of both the bridge and attached wastewater pipes had been raised as significant risks. Mitigations of both these risks included extensive flood modelling reports and investigations alongside significant planning with the communications team.

Following Cyclone Gabrielle concerns were raised about the bridge rebuild. Council confirmed at their June 2023 meeting to continue the project of rebuilding the Tukituki (Tarewa) Swing bridge including the attached wastewater conveyance pipe. At this time however, HBRC were unable to progress the consenting for the project any further due to the Upper Tukituki Scheme Review which was underway following Cyclone Gabrielle, which could potentially change flood levels through the area and potentially even alter the configuration of stop banks in the area.

In December 2023, Council resolved to engage with community on the matter as part of the Three Year Plan 2024- 2027. This report speaks to that resolution of Council.

Budget

The current estimate to complete the bridge project, based on the current design, is \$2.45 million. Of that \$565,000 is funded by Hawke's Bay Regional Council, with the balance to be funded through the Targeted wastewater rate. A budget of just under \$1.9m is included in Year 3 of Council's Three Year Plan for the completion of the project. This budget was presented to Council in November 2023 and has been included in Councils Three Year Plan 2024-2027 following Councils resolution of 14 December 2023.

Current Project Status

The project is currently unable to proceed due to the inability to achieve resource consent from HBRC. This is due to HBRC being unable to issue a resource consent for the new bridge until such a time as HBRC have completed their review of the Upper Tukituki Scheme Review, following Cyclone Gabrielle.

Even in the event that Council relinquished the project to the Trust, the bridge would still not be able to proceed, until consent has been achieved. Early indications from HBRC are that this could

realistically be at least between a further 12 – 18 months away, however this could change based on the final outputs of the review.

There is also at this time a significant assumption that the current bridge design will still be fit for purpose after the Upper Tukituki Scheme Review is complete. There could be a likelihood that the bridge is required to be higher and longer than currently anticipated following the outcomes of the review. This would require Council to assess the viability of its continuation in the project to convey wastewater using the bridge.

Until the Upper Tukituki Scheme Review is complete and the implications of the review are fully understood, it would be unwise for Council to commit long term to any continuation of the project or to relinquish the project. Similarly for the Trust, it would be unwise to attempt to progress the project at a time when no solid progress on the project can occur until the review is complete, as it could completely alter any bridge location and design.

At this current time and when attempting to navigate through this matter, it is important to remember that this uncertainty is the very basis for why Council is currently completing a Three Year Plan – not our normal 10 Year Long Term Plan Process.

It is recommended in the proposed options, that upon the release of the review, an assessment is completed of how best to proceed. Following this assessment, it may be in Council's best interest to relinquish the project back to the Trust, as constructing a bridge to convey wastewater may no longer be financially viable based on the findings from the review.

In assessing any option in this report, any suggestion that the Trust can achieve resource consent at this time to reconstruct the bridge, when Council cannot for this and other water and wastewater projects of greater criticality, while well-meaning, is incorrect.

Community Responses

The consultation process sought the community's response to a question about the future of Council's project to rebuild the swing bridge and include the provision for future wastewater pipes. Investment in the rebuild is provided in Year 3 of the plan in officers' preferred option (Central Option noted within Trade-off Area #2). Submitters were asked whether they supported Council's direction or not, and to provide comment.

120 submissions were received that related to Tukituki Swing bridge. This paper provides a summary of the feedback received.

Submissions on the Tukituki Swing bridge were received from:

94	Richard Thomas	95	Pamela Watson	96	Annabelle Campbell
98	Susan Coppinger	99	Tina Moorcock	100	Brian Dalgaard
101	Orlando Macdonald	103	Annette Libby	111	Sally Sisson
112	Graham Bernard Rudd	113	Donna Marie Te Amo	114	Richard Jacobs
115	David Edmondston	116	Benedikt Buerschgens	117	Heather Hughes
118	Linda Greer	119	Vanessa Amato	120	John Campbell
121	Bronwyn Slingsby	122	Sandy Wiggins	123	Jenny Valentine
124	Sandra Foley	126	Lani Hartley	127	Amy Eagle
128	Teresa Murdoch	129	Bethany Wickham	130	Josie Whaanga
131	Greg Struthers	132	Evelyn Marples	133	Ron King
134	Donald Cooper	136	Cheryl Pile	137	Dennis Mills
138	Malissa Helen Webster	139	Kate Luff and Family	140	Ebony Meretini Holt
141	Will Heesterman	142	Jennifer Butler	143	Joanna Chubb
144	Maria Barnea	146	Jody Hamilton	147	Blair Hamilton
148	Keziah Amber Heke	149	Ian Geoffrey Stanton Sharp	150	Brittany Chote
151	Phil Griffin	152	Darren Hawea	153	Cushla Isaacson

154 Joyce Ireland	155 Sharleen Baird	156 Jennifer Lee Woodman
157 Andrea Mooney	161 Blanche Paewai-Ashcroft	163 Barbara Anne Morris
164 Nicola Akkersma	165 Sue Coppinger	167 Kristyn Stehfest
168 Murray Gosling	169 Darren Cooper	170 Kerri Thomson
171 Nick Preston	172 Rebecca Riddell	173 Rose Hay, Keith Hunt
174 Bianca Lord	175 Nichola Heremaia	177 Matthew Taylor
179 Brendon Fryer	180 Victoria Mavin	181 Michael Kingon
182 Trevor Plunkett	185 Grenville Christie	187 Jean Scott
189 Andrew King	190 Mary-Anne Ward	191 Peter Alastair Fleming
192 Micha Johansen	193 Wendy Bethwaite	194 Jackie Lowry
195 Meredith Kingston	198 Daniel Repko	199 Jon Cruise
210 Sarah May	212 Donna Hossack	215 Michelle Cameron
216 Andrea Chamberlain	217 Jackie Scannell	219 Penne Chote
220 Micheal Green	221 Kaylan Ireland	222 Tania Jean Smith
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226 Jean Mciver	228 Paul Jamieson	229 Sydney James King
230 Beth Hosford	231 Evan Wright	233 Kathryn Bayliss
234 Paul Robottom	235 Caroline Seligman	236 Tony Byron Chamberlain Ward
237 Catherine Pedersen	238 Martin Lord	239 Anonymous
240 Dianne Smith	241 Jane Hamilton	242 Rick Gunson
243 Diane Fitzgerald	244 Te Ara Bergstrom	245 Berit Sinden
247 Bridget K Snushall	248 Dianna Karauria	254 Wayne Ewig
258 Roy Fraser - RRPT	259 Wayne Thompson RRPT survey	270 Syd & Annie King
276 Phil Enticott	281 Catherine Baker	

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101 Orlando Macdonald	102 Kendall Peacock	103 Annette Libby
111 Sally Sisson	112 Graham Bernard Rudd	113 Donna Marie Te Amo
114 Richard Jacobs	115 David Edmondston	116 Benedikt Buerschgens
117 Heather Hughes	118 Linda Greer	119 Vanessa Amato
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127 Amy Eagle	128 Teresa Murdoch	129 Bethany Wickham
130 Josie Whaanga	131 Greg Struthers	132 Evelyn Marples
133 Ron King	134 Donald Cooper	136 Cheryl Pile
137 Dennis Mills	138 Malissa Helen Webster	139 Kate Luff and Family
140 Ebony Meretini Holt	141 Will Heesterman	142 Jennifer Butler
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147 Blair Hamilton	148 Keziah Amber Heke	149 Ian Geoffrey Stanton Sharp
150 Brittany Chote	151 Phil Griffin	152 Darren Hawea
153 Cushla Isaacson	154 Joyce Ireland	155 Sharleen Baird
156 Jennifer Lee Woodman	157 Andrea Mooney	161 Blanche Paewai-Ashcroft

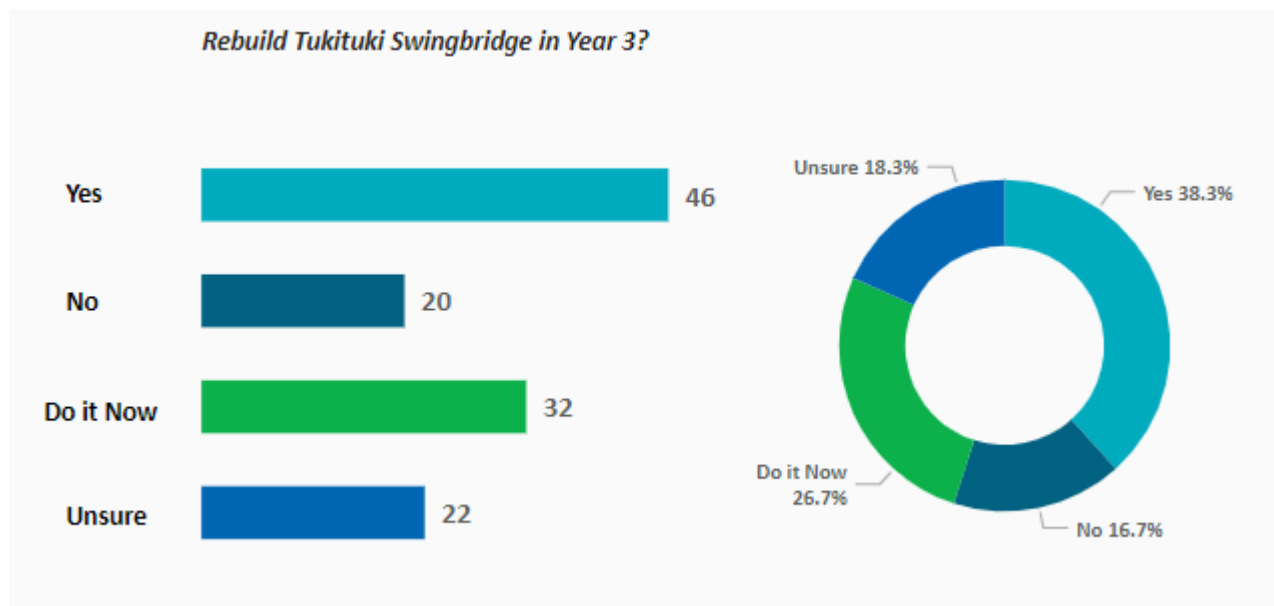
163 Barbara Anne Morris	164 Nicola Akkersma	165 Sue Coppinger
167 Kristyn Stehfest	168 Murray Gosling	169 Darren Cooper
170 Kerri Thomson	171 Nick Preston	172 Rebecca Riddell
173 Rose Hay, Keith Hunt	174 Bianca Lord	175 Nichola Heremaia
177 Matthew Taylor	179 Brendon Fryer	180 Victoria Mavin
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The question around the Tukituki Swing bridge was not included in the online survey or hard copy survey when it went out for consultation on 10 April 2024. The question was added to the online survey on 30 April 2024. Due to the lateness in adding this question into this survey, there was a targeted social media post in relation to the Tukituki Swing bridge on 9 May 2024 to enable community to have input. We note however, that due to it not being included in the original survey, that those early submitters may not have had the opportunity to answer this question.

We do note however the additional separate survey that the Pathways Trust have completed that seeks to have the bridge constructed as soon as possible.

Summary of Submissions

Of the total 281 submissions received for the Three Year plan, 120 submissions provided feedback on the future of the Tukituki Swing bridge.



Note: the statistical information provided above, is based on online and hard copy submissions received, not external surveys which were undertaken by submitters.

DISCUSSION

A question was asked as part of the Three Year Plan consultation:

"A project to replace the Tukituki (Tarewa) Swing bridge has faced unavoidable delays, flood modelling/design changes and cost increases from Cyclone Gabrielle, construction costs and Hawke's Bay Regional Council's review of flood protection. Do you support our plan to build a replacement in Year 3 that will support two wastewater pipes alongside it so we can create a centralised wastewater treatment system in Waipawa in the future and help remove all treated wastewater from our waterways?"

The building of a replacement swing bridge was included within the Central Option in Trade-off Area #2 Drinking Water and Wastewater Investment. The timing of the rebuild allows officers to understand the outcomes of HBRC's Upper Tukituki Scheme review of flood protection that has affected the ability to achieve the granting of a resource consent to construct the bridge and could affect the bridge design should the review indicate a need for altered stop banks.

All 120 submissions that commented on swing bridge received were able to be grouped into three key outcomes which are further explained and analysed below, 18.3% of these submitters noted they were unsure about how they thought the project should progress.

"Yes" Option - Continue to rebuild the bridge, as proposed in Year 3 of the Three Year plan

This option aligns with the Central Option in Trade-off Area #2, funding the cost of the rebuild of the Swing bridge and incorporating the wastewater pipes in Year 3.

Analysis:

- 46 submissions received support for the proposed approach of completing the project in Year 3, supporting the consultation option.
- Most of these submissions expressed that the swing bridge serves as a valuable community asset, promoting tourism and offering broader community benefits.

Officers Response:

Community feedback is to rebuild the swing bridge in some shape or form, with 38.3% of submissions favouring this option and 26.7% advocating for an earlier rebuild (this excludes private surveys provided). This option allows for the rebuild of this community asset, future proofs our ability to convey wastewater to a centralised plant and allows time for officers to understand the outcomes of HBRC's review of flood protection and the impact it may have on the bridge design, consenting of construction, and cost.

Obtaining resource consent for the construction of the bridge is somewhat out of Council's control and relies upon the outcome of Hawke's Bay Regional Council's flood protection scheme review. This could prevent the project moving forward even if this option is adopted by Council.

"No" Option - Return the project to the Rotary River Pathways Trust, and investigate new options for the pipe crossing of the Tukituki River

This option outlines the options to relinquish the project to the Trust and seek alternate options.

Analysis:

- 20 submissions suggested not rebuilding the bridge.
- The submitters generally cited issues associated with the overall affordability and other areas that Council should be focused on rather than the swing bridge.

Officers Response:

Not rebuilding the bridge would provide economic relief to targeted ratepayers in the short-term, reducing the wastewater targeted rate in Year 4 by approximately \$18.

This option would require officers to reassess the options for wastewater crossing the Tukituki River as part of the wastewater upgrade programme. As this programme has been deferred to Year 4, the pipe from Waipukurau to the future centralised plant in Waipawa is planned for completion by 2031 and will require investment in the future.

"Other" Option – Bring forward the project, to rebuild the bridge as soon as consent allows

This option advocates for an earlier start date to rebuild the bridge.

Analysis:

- Several submitters noted that the wastewater pipes could be removed if it meant the bridge could be rebuilt faster.
- A few of the submissions referenced the ability for community to fundraise if required to ensure the rebuild is financially viable.
- All submissions were silent on the current consenting and potential design challenges that are noted above.

Officers Response:

As noted in the question during consultation, there are several issues that have caused unavoidable delays to the project. The inclusion of the wastewater pipes being on the bridge has had no impact on the project's programme.

Obtaining resource consent for the construction of the bridge is somewhat out of Council's control and relies upon the outcome of HBRC's Upper Tukituki Scheme review and the timelines for how HBRC can reasonably proceed. Early indications are that any consents are realistically at least 12 – 18 months away. This will continue to prevent the project from moving forward even if this option is adopted by Council. The review may also likely have an impact on the bridge's final design.

Should this approach be adopted there will be some financial impacts and adjustment of the targeted rate in Year 2 due to loan funding being required. Community fundraising could minimise some of this cost and once the final scope and timing of the project is confirmed, could include what extent of community fundraising is realistic.

However, further discussion on how this could be incorporated will be required.

While the wastewater pipes inclusion has not impacted the project's programme, officers can provide the following indication of cost should utilising the bridge for the pipe crossing no longer be favoured.

A high-level estimate for the rebuilding of the bridge alone, at an appropriate height and span determined by recent river flood modelling, has been provided indicating a cost between \$1.1 and \$1.4m. For comparison the bridge rebuild cost that would allow to carry the wastewater is estimated at \$1.68m, however a further \$750,000 is required to complete the other aspects of the wastewater connections to the project.

RISK ASSESSMENT AND MITIGATION

Several risks exist within the project itself. However, officers consider that the fundamental risk in making a decision about this project, based on community's submissions, is that community may not have been fully informed of the details of the project prior this consultation.

Due to the unknown impacts of the Hawke's Bay Regional Council's review of flood protection, further assessment of the project's viability is likely to be required. Officers propose that further consultation is undertaken following the results of the flood protection review, and that officers assess the impact of the review on the project, to ensure our community is well informed and their can be heard.

DELEGATIONS OR AUTHORITY

The recommendations of this report require Council approval by way of a resolution through the Three Year Plan process.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of some significance.

OPTIONS ANALYSIS

Two options that are realistically available to Council are shown below. Options to rebuild the bridge now are not possible with the consenting lag due to the Upper Tukituki Scheme Review underway.

The two options proposed by Officers are:

Option 1 – Continue with Planned Bridge Construction (recommended)

This option would see the funding retained in Year 3 of the Three Year Plan 2024 – 2027, and following the receipt of the Upper Tukituki Scheme Review information, that an assessment of the impacts of the Hawke's Bay Regional Council flood protection scheme review on the project, and its ongoing suitability to convey wastewater be presented to Council following the release of the review findings.

Relative to the timing of the review being released and the ability for consent to be achieved, funding could be brought forward through the 2025/26 Annual Plan or by resolution of Council. However, at this time early indications are that the ability to achieve consent could still be a further 12 – 18 months away.

Option 2 – Relinquish the Project to the Rotary River Pathways Trust

This option would see the project to convey wastewater over the bridge abandoned and the project would be relinquished back to the Rotary River Pathways Trust. While the Trust have ambition and hope to construct the bridge earlier, they will face the same challenges and obstacles that Council currently faces – in that consent is unable to be achieved until the completion of the Upper Tukituki Scheme review and its implications are understood – estimated to be a further 12 to 18 months away.

The key issue with this option is that Council will still be required to convey wastewater over the Tukituki River with stranded costs from the project to date. Relinquishing the project, simply means that any efficiencies or opportunities to achieve this conveyance on the bridge would need to be as a separate independent structure to a rebuilt pedestrian bridge, or to drill under the river at potentially much higher cost.

While there is urgency from the Trust, there would still be funding shortfall of circa \$500k that would be required to be raised.

	<u>Option 1</u> <u>Option 1 – Continue with Planned Bridge Construction</u>	<u>Option 2</u> <u>Option 2 – Relinquish the Project to the Rotary River Pathways Trust</u>
Financial and Operational Implications	Rates impacts are as outlined within the Three Year Plan consultation document.	This option would provide some rating relief in Year 4 of the plan
Long Term Plan and Annual Plan Implications	There are no new implications.	While this option would reduce the short-term cost to Council, the cost to convey water otherwise is known to be considerably greater than the proposed option. It is also unclear what contribution may be sought from Council by the Trust if Council relinquishes the project.
Promotion or Achievement of Community Outcomes	Submissions have heavily favoured the need for the bridge to be rebuilt which is achieved with this option	Submissions have heavily favoured the need for the bridge to be rebuilt, which this option also achieves.
Statutory Requirements	This option is significant and required consultation.	This option is significant and required consultation.
Consistency with Policies and Plans	This option is consistent with Council’s policies	This option is consistent with Council’s policies

Recommended Option

This report recommends that **Option One - Continue with Planned Bridge Construction**, is adopted.

While Officers are incredibly sympathetic and understand the benefits that the replacement bridge brings, at this time even if the project was relinquished to the Trust, there is no ability for them to move any faster than Council. They will face the same time constraints relating to HBRC consenting that Council will.

NEXT STEPS

Following adoption of any option, Officers will commence with delivering the appropriate programme of infrastructure works and implementing the mandated financial approach.

Officers will assess the impact on the project resulting from the Hawke's Bay Regional Council's Upper Tukituki Scheme Review, following release of the review findings, and provide an update on this assessment to Council and community.

RECOMMENDATION

1. **That Council reaffirms its support of the Tukituki (Tarewa) Swing bridge as an important recreational asset for Central Hawke's Bay, despite delays in the rebuilding of the bridge as a result of Hawke's Bay Regional Council's review of the Upper Tukituki River Scheme following Cyclone Gabrielle.**
2. **That Council retains funding as proposed in the Three Year Plan 2024-2027 for the construction of the Tukituki (Tarewa) Swing bridge as a means to convey wastewater across the river.**
3. **That following the release of the Hawke's Bay Regional Council Upper Tukituki Scheme Review an assessment of the impacts of the review on the project is completed, and that Council reassesses the viability of the project to convey wastewater across the Tukituki.**
4. **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

7.8 THREE YEAR PLAN 2024-2027 - DRAFT DELIBERATIONS REPORT: REVENUE AND FINANCING POLICY AND RATING SYSTEM

File Number:

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

PURPOSE

The matters for consideration by Council is whether the Revenue and Financing Policy and Rating System should move the cost of swimming pool inspections, for those that have a permanent swimming pool, from a fee and charge to a targeted rate.

This report also considers the cost of swimming pool inspections moving to 100% funded by swimming pool owners (under the previous Revenue and Financing Policy 80% of the fee was covered by the pool owner and 20% was covered by general rates).

RECOMMENDATION

- 1. That Council adopts the following recommendations for the Revenue and Financing Policy following its consultation as part of the Three Year Plan 2024-2027:**
 - a) That swimming pool inspection costs continue as a fee and do not move to a targeted rate.**
 - b) That swimming pool inspection costs move to 100% private funding.**
- 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

EXECUTIVE SUMMARY

This report presents the submissions received relating to the proposed changes to the Revenue and Financing Policy on two matters for consideration – if swimming pool inspection costs should move to 100% private funding and if swimming pool inspection costs continue as a fee or move to a targeted rate.

The first matter – if swimming pool inspections should move to a targeted rate – received 123 submissions through the Three Year Plan 2024-2027 consultation process and 115 submissions during the pre-engagement targeted directly to pool owners themselves.

The second matter – if swimming pool inspection costs should move to 100% private funding received 56 submissions through the Three Year Plan 2024-2027 consultation process.

Having considered the matters raised in the submissions, officers recommend that the swimming pool inspection costs continue as a fee and do not move to a targeted rate (based on the submissions from pool owners) and that swimming pool inspection costs move to 100% private funding.

BACKGROUND

In late 2023 Officers presented to Council on different options regarding the payment of swimming pool fees. At this time, Council was receiving feedback from pool owners on the financial burden they felt by paying for a pool inspection - an activity that Council is legislatively required to conduct as part of its territorial authority requirements under the Building Act 2004. Further explanation on this is provided in the other matters section at the end of this report. After consideration, it was

decided that Council would consult on the matter during the Three Year Plan consultation as any change in the approach would require a change to Council's Revenue and Financing Policy.

Shortly following this, Council also proposed to move the fee for swimming pool inspections to 100% privately funded by swimming pool owners. Under the current Revenue and Financing Policy 80% of the fee is privately funded by the pool owner and 20% funded publicly by general rates.

Ahead of the Three Year Plan engagement, Officers directly surveyed pool owners as pre-engagement on the first matter (proposed move to a targeted rate) and the results for which are included below.

Please note that the second matter (proposing to move to 100% funded by swimming pool owners) was not included as a pre-engagement survey question as it came later but was consulted on in the Three Year Plan consultation period.

Following pre-engagement with surveyed pool owners, in early 2024 Council reviewed its Revenue and Financing Policy and rating system as part of the Three Year Plan process. This resulted in the current proposal to move the cost of swimming pool inspections, for those that have a permanent swimming pool, from a fee to a targeted rate only payable by pool owners. There would still be an option to pay a fee by invoice for temporary pools. Noting that the fee for all swimming pool inspections (whether permanent or temporary) is the same.

The proposed change to the Revenue and Financing Policy would also see the cost of swimming pool inspections move to 100% privately funded by swimming pool owners (under the current policy 80% of the fee is privately funded by the pool owner and 20% is publicly funded by general rates).

Council has sought public feedback on proposed changes to the Revenue and Financing Policy as part of the 2024-2027 Three Year Plan process, as well as through the pre-engagement on the first matter (proposed move to a targeted rate) all of which are included below.

DISCUSSION

Proposal to move pool inspections to a Targeted Rate

Responses to the question "Do you support the proposal to move the fee for swimming pool inspections for permanent pools to a targeted rate" were received from:

68 James Alexander Edwards	69 Peter Tod	70 Alison Angela Ross
71 Cain Foxall	72 Bob Pearce	73 Genevieve Wilce
74 Lance King	75 Lara Smith	76 Merihea Te Aira Wiremu
80 Peter Missen	81 Emma Fergusson	82 Hannah Cox
83 Warwick Greville	84 Kate How	85 Eric Teichmann
87 Alistair Mcmillan	88 Jo Cox	89 Kaitlin Faulkner
91 Ashley Jevon-Dalgaard	94 Richard Thomas	95 Pamela Watson
96 Annabelle Campbell	99 Tina Moorcock	100 Brian Dalgaard
101 Orlando Macdonald	102 Kendall Peacock	111 Sally Sisson
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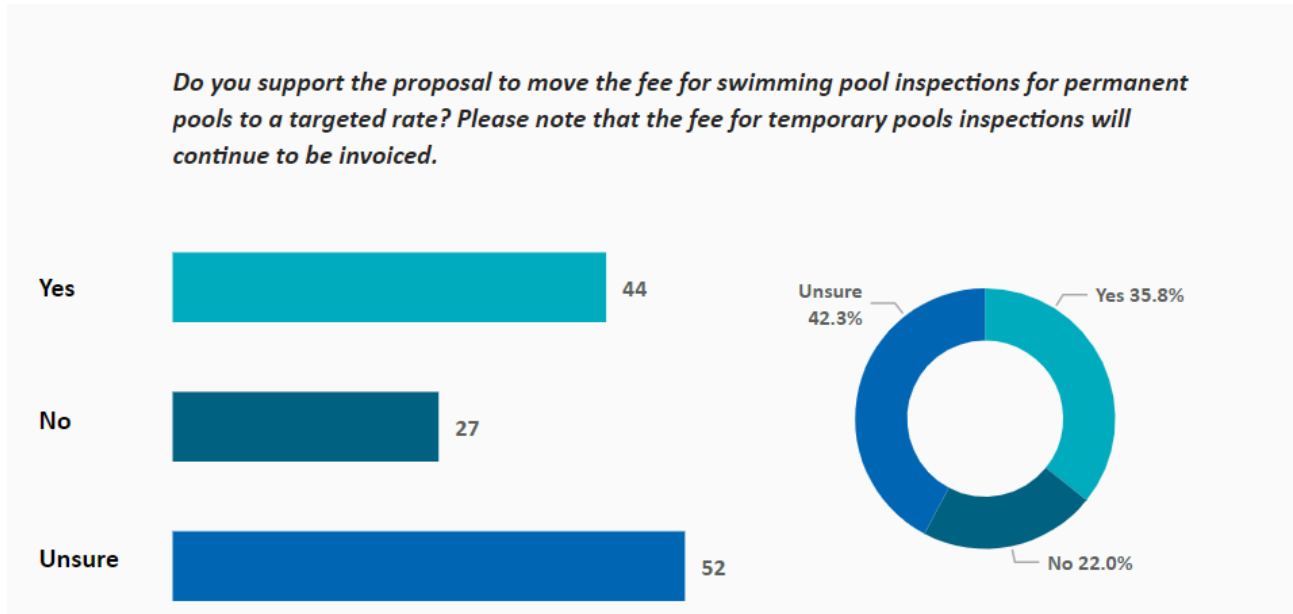
While included in the Consultation Document, the question in relation to swimming pools was not included in the online survey or hard copy survey when it went out for consultation on 10 April 2024. The questions were added to the online survey on 07 May 2024. Officers however did send a targeted survey to permanent pool owners to seek feedback and the analysis of this feedback is included below.

Officers also undertook pre-engagement directly with pool owners, which are also in the results included below and contribute to the officers' recommendations.

Analysis of Three-Year Plan Engagement

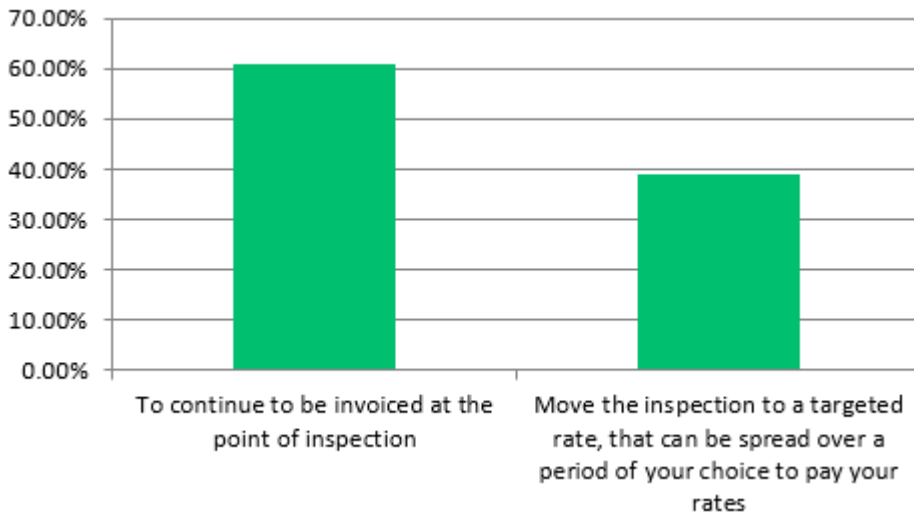
As part of the Three-Year Plan engagement, submitters were asked the question below. Council received 123 responses to this survey question. 36% (44) of submitters were in favour of the fee moving to a targeted rate, 22% (27) were against, and 42% (52) were unsure.

Online Submission Statistics



Analysis of pre-engagement targeted to pool owners

In the development of the Three-Year Plan, Council officers directly surveyed pool owners asking the same question – did they support moving the fee for permanent swimming pools to a targeted rate rather than by invoice at the time of inspection. Council received 115 responses to this survey question. 39% (45) of respondents were in favour of the fee moving from a fee and charge to a targeted rate, 61% (70) were against.



Analysis of financial impact

The Council currently collects approximately \$30k in fees each year, and a further \$8k in general rates to fund swimming pool inspections.

Under the proposed model, this would become \$38k of targeted rates, with minimal fees and charges being from temporary pools and no general rates being collected.

Overall, the net impact on Council’s revenue is nil, but the switch to targeted rates would see an increase in rating income of 0.09% and 0.5% decline in fees and charges.

Officers Recommendation

In considering the responses, it is important to note that the submissions in the Three Year Plan engagement are from the community at large, rather than those that are specifically pool owners (who are affected by these proposed changes).

The pre-engagement survey that was directly targeted to pool owners themselves has a higher response rate and is from those who would be directly impacted by the change (ie, the submissions are not skewed by the general feedback from non-pool owners) and does not support moving the fee to a targeted rate.

In addition to the above statistical data, the 2023 conversation with Council was instigated following community feedback on the swimming pool inspection process and in hindsight this proposed change was driven to bring relief to the group of people who had given feedback, rather than the general sentiment of a wider group of pool owners.

Additionally since proposing the change in late 2023, Officers have considered how the proposed change would be implemented and note that this proposed change to a targeted rate would be complex and administratively heavy. It would involve a phased approach, that considers all customers that have paid pool inspection fees in the last three years prior (the period of a three-year pool safe certificate) and if a full or partial refund should be considered. Those customers that fall in this period would have paid for the three-year period in advance, which the targeted rate will essentially double-up in charging.

Based on the above survey results from pre-engagement with the pool owners (who would be directly impacted by the proposed change) and to a lesser degree the other administrative considerations, Officers do not recommend moving to a targeted rate for swimming pool fees and the proposed change in the Revenue and Financing Policy should not proceed.

Officers also recommend that submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Proposal to move pool inspection costs to 100% private funding

Responses on the proposal to move the fee for swimming pool inspections and services to 100% funded by the swimming pool owner are provided below.

This proposal would see the fee increasing from \$220 to \$275. The change is proposed in Council's Revenue and Financing Policy, which previously saw general rates cover 10% - 25% of this fee. The proposed change would apply to both permanent and temporary pools and submissions were received from:

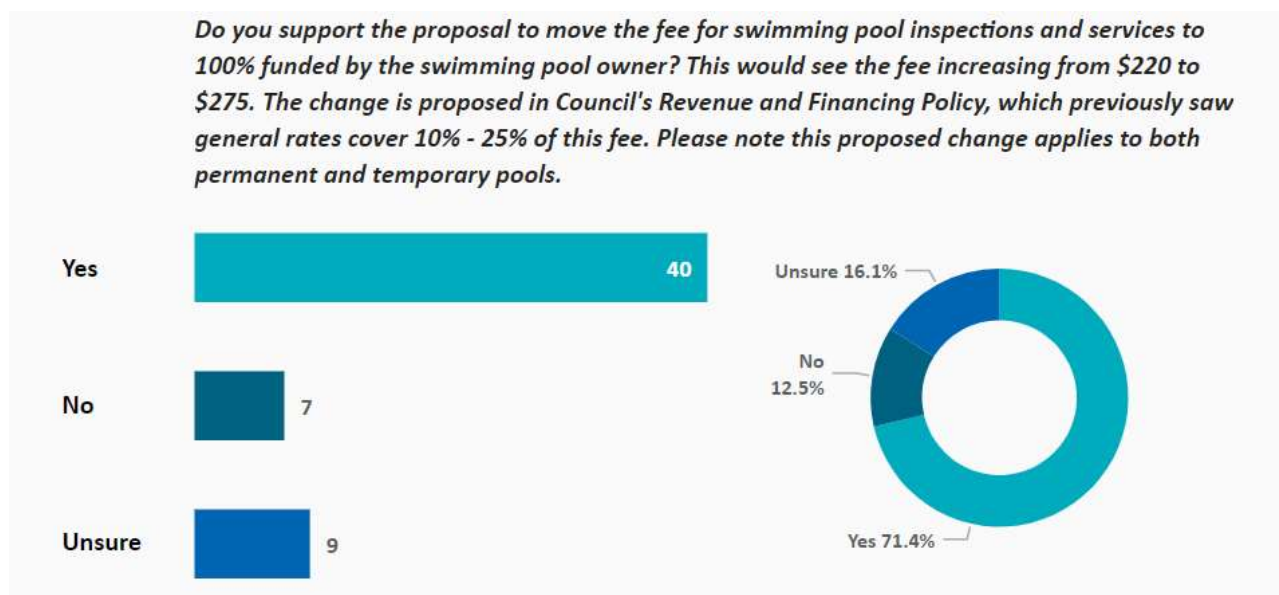
164 Nicola Akkersma	165 Sue Coppinger	167 Kristyn Stehfest
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247 Bridget K Snushall	248 Dianna Karauria	

Analysis

Council received 56 responses to this survey question. 71% (40) of submitters were in favour of the fee moving to being 100% funded by the swimming pool owner (therefore the fee increasing to \$275) 13% (7) were against, and 16% (9) were unsure.

Online Submission Statistics



Analysis of the Financial Impact

The Council currently collects approximately \$30,000 in fees each year, and a further \$8,000 in general rates to fund swimming pool inspections.

Under the proposed model moving to 100% private funding would see \$8,000 switch from the general rate to private funding.

Overall, the net impact on Council's revenue is nil, but the switch to 100% private funding would see an increase in rating income of 0.09% and 0.5% decline in fees and charges.

Officers have interpreted the above feedback as being supportive of the proposal (albeit also noting the relatively low response rate - 40 people for, 7 against).

Officers Recommendation

That the proposed change in the Revenue and Financing Policy proceed - that the swimming pool compliance activity move to 100% privately funded by the swimming pool owner.

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Other Swimming Pool Matters

In addition to the two key questions relating to the Revenue and Financing Policy, Council also received free text responses that can be summarised into the following topics:

Topic One	User Pays: Why the change from 80% to 100% swimming pool owner funding?
Topic Two	What's involved in a pool inspection? How is the \$275 calculated?
Topic Three	Why are pool inspections required at all
Topic Four	Why the distinction between temporary and permanent pools?
Topic Five	Should the pool inspection fee be variable based on travel time?

Topic One – User Pays: Why the change from 80% to 100% swimming pool owner funding?

Officer Response

The current Revenue and Financing Policy sets out the benefits from activities (in this case swimming pool compliance) that accrue across the wider community, through ensuring that activities are monitored and comply with legislation and thereby minimising negative impacts on residents of the district.

The current Revenue and Financing Policy sets out 80% private funding for the swimming pool compliance activity, and a 20% public funding (paid for by the general rate payer). This indicates that there is currently a “public good” element of swimming pool compliance, and thereby a general rate payer public contribution to the activity (around 20%). The proposed change to the Revenue and Finance Policy would see this change to 100% private funding – thereby indicating the benefit of swimming pool compliance (and the cost to undertake the activity) is solely held by the swimming pool owner.

Topic Two – What's involved in a pool inspection? How is the \$275 calculated?

Officer Response

An inspection fee applies to each inspection. This fee covers:

- Travel to/from to the property.
- On site inspection of the pool, pool fence and pool gate.
- Processing of inspection report
- Issuing of pool safe certificate (if compliant at time of inspection)
- Adding reports and licence to the property file.

Officers have considered the actual cost of undertaking the swimming pool compliance activity, and as part of putting together the Activity Management Plan for the Three-Year Plan 2024-2027 analysed what fee would be appropriate as well as considering the fee charged by neighbouring Councils.

Officers determined the current fee is still appropriate and do not recommend it is increased but note that if the proposed change to 100% funded privately by swimming pool owners proceeds, then the full cost of the activity falls to the swimming pool owner. This would see the fee charged to the pool owner increase from \$220 to \$275 + GST as the \$55 difference was previously funded by the general rate.

Topic Three – Why are pool inspections required at all?**Officer Response**

As part of our territorial authority requirements under the Building Act 2004, the Central Hawke's Bay District Council undertakes swimming pool and pool fencing compliance inspections throughout our district to ensure they comply with legislation for the fencing of swimming pools and the Building (Pools) Amendment Act 2016.

Topic Four – Why the distinction between temporary and permanent pools?**Officer Response**

As part of the proposed changes consulted on in the Three-Year Plan 2024-2027 engagement, Officers proposed to make a distinction between temporary and permanent pools. This was proposed due to temporary pools by nature having the ability to be removed (e.g., during winter months) or be moved with a tenant who is not necessarily the homeowner and rate payer. It is important to note that the legislation for swimming pool compliance does not distinguish between temporary and permanent pool requirements.

Topic Five – Should the pool inspection fee be variable based on travel time?**Officer Response:**

The inspection fee is not variable based on travel time as it primarily funds the officer time to undertake the pool inspection process covered in Topic 2 above. Officers undertake pool inspections by geographic location to make the process as efficient as possible, for example the pools in Porangahau that require inspection would be undertaken on the same day where possible.

Recommendation on Other Swimming Pool Matters:

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

RISK ASSESSMENT AND MITIGATION

The key risk associated with the proposed move to a targeted rate is reputational risk by applying a targeted rate to pool owners who have already been invoiced for a pool safe certificate in the three-year period prior.

The mitigation for this risk, is that all customers affected would be directly engaged with and agreement will be sought on the appropriate refund required for their situation, should this apply to them.

Overall it is recognised that this new compliance activity has not been well received by community, and this will be an ongoing area of focus for the organisation to focus on delivery.

DELEGATIONS OR AUTHORITY

The recommendations of this report require Council approval by way of resolution through the Three Year Plan 2024-2027 process.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of significance and accordingly has undergone an appropriate process of formal consultation.

OPTIONS ANALYSIS

This section of the report lays out the options analysis for the two major decisions relating to the Revenue and Financing Policy Review.

Proposal to move pool inspections to a Targeted Rate

There are two options available to Council in this matter for consideration:

Option 1 – Move the fee for swimming pool inspections (for permanent pools) to a targeted rate.

Option 2 – Do not move the fee for swimming pool inspections (for permanent pools) to a targeted rate (preferred option).

	<u>Option 1</u> Move the fee for swimming pool inspections (for permanent pools) to a targeted rate	<u>Option 2</u> <u>Do not</u> move the fee for swimming pool inspections (for permanent pools) to a targeted rate (preferred option)
Financial and Operational Implications	Financially administratively heavy process to implement and refund those already paid within a three-year period prior.	Keep with the status quo, no further financial or operational implications.
Long Term Plan and Annual Plan Implications	This would see a drop in income from swimming pool fees and an equal increase in revenue by way of targeted rate and a change to the Revenue and Financing Policy.	No obvious implications.
Promotion or Achievement of Community Outcomes	No obvious implications.	No obvious implications.
Statutory Requirements	Both options meet statutory requirements.	Both options meet statutory requirements.
Consistency with Policies and Plans	Does not impact Policies and Plans.	Does not impact Policies and Plans.

Recommended Option

This report recommends **Option 2 – Do not move the fee for swimming pool inspections for permanent pools to a targeted rate** for addressing the matter.

Officers do not recommend moving to a targeted rate for swimming pool fees and the proposed change in the Revenue and Financing Policy should not proceed on this matter.

Proposal to move swimming pool inspection costs to 100% private funding

There are two options available to Council in this matter for consideration:

Option 1 – Move swimming pool inspection costs to 100% private funding (preferred option).

Option 2 – Do not move swimming pool inspection costs to 100% private funding.

	<u>Option 1</u> Move swimming pool inspection costs to 100% private funding (preferred option)	<u>Option 2</u> Do not move swimming pool inspection costs to 100% private funding
Financial and Operational Implications	Revenue drops from the general rate (prior 20% portion) now wholly funded by the swimming pool owner.	No obvious implications.

Long Term Plan and Annual Plan Implications	A change to the Revenue and Financing Policy.	No obvious implications.
Promotion or Achievement of Community Outcomes	No obvious implications.	The current 20% portion of general rate payer funding could be perceived a "greater good" for the community by ensuring swimming pool compliance for all.
Statutory Requirements	Both options meet statutory requirements.	Both options meet statutory requirements.
Consistency with Policies and Plans	Does not impact Policies and Plans.	Does not impact Policies and Plans.

Recommended Option

This report recommends **Option 1: Move swimming pool inspection costs to 100% private funding** for addressing the matter.

Officers recommend moving swimming pool inspection costs to 100% private funding and the proposed change in the Revenue and Financing Policy should proceed on this matter.

RECOMMENDATION

1. That Council adopts the following recommendations for the Revenue and Financing Policy following its consultation as part of the Three Year Plan 2024-2027:
 - a) That swimming pool inspection costs continue as a fee and do not move to a targeted rate.
 - b) That swimming pool inspection costs move to 100% private funding.
2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

7.9 THREE YEAR PLAN 2024-2027 - DRAFT DELIBERATIONS REPORT: DEVELOPMENT CONTRIBUTIONS POLICY

File Number:

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

PURPOSE

The matter for consideration by the Council is whether or not the proposed Development Contributions Policy should be adopted.

RECOMMENDATION

1. That Council adopts the Development Contribution Policy following its consultation as part of the Three Year Plan 2024-2027.
2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

BACKGROUND

Submissions on the Development Contributions Policy were received from:

68	James Alexander Edwards	69	Peter Tod	70	Alison Angela Ross
71	Cain Foxall	72	Bob Pearce	73	Genevieve Wilce
74	Lance King	75	Lara Smith	76	Merihea Te Aira Wiremu
79	Clare Harvey	80	Peter Missen	81	Emma Fergusson
82	Hannah Cox	84	Kate How	85	Eric Teichmann
87	Alistair Mcmillan	88	Jo Cox	89	Kaitlin Faulknor
91	Ashley Jevon-Dalgaard	94	Richard Thomas	95	Pamela Watson
96	Annabelle Campbell	97	Tim Steel	99	Tina Moorcock
100	Brian Dalgaard	101	Orlando Macdonald	102	Kendall Peacock
111	Sally Sisson	113	Donna Marie Te Amo	114	Richard Jacobs
115	David Edmondston	116	Benedikt Buerschgens	117	Heather Hughes
118	Linda Greer	119	Vanessa Amato	121	Bronwyn Slingsby
122	Sandy Wiggins	123	Jenny Valentine	124	Sandra Foley
127	Amy Eagle	128	Teresa Murdoch	129	Bethany Wickham
130	Josie Whaanga	131	Greg Struthers	132	Evelyn Marples
133	Ron King	136	Cheryl Pile	137	Dennis Mills
138	Malissa Helen Webster	139	Kate Luff And Family	140	Ebony Meretini Holt
141	Will Heesterman	142	Jennifer Butler	143	Joanna Chubb
144	Maria Barnea	146	Jody Hamilton	147	Blair Hamilton
148	Keziah Amber Heke	149	Ian Geoffrey Stanton Sharp	150	Brittany Chote
151	Phil Griffin	152	Darren Hawea	153	Cushla Isaacson
154	Joyce Ireland	155	Sharleen Baird	156	Jennifer Lee Woodman
157	Andrea Mooney	161	Blanche Paewai-Ashcroft	163	Barbara Anne Morris
164	Nicola Akkersma	165	Sue Coppinger	167	Kristyn Stehfest

168 Murray Gosling	169 Darren Cooper	170 Kerri Thomson
171 Nick Preston	172 Rebecca Riddell	173 Rose Hay ,Keith Hunt
174 Bianca Lord	175 Nichola Heremaia	177 Matthew Taylor
179 Brendon Fryer	180 Victoria Mavin	181 Michael Kingon
185 Grenville Christie	187 Jean Scott	190 Mary-Anne Ward
191 Peter Alastair Fleming	192 Micha Johansen	193 Wendy Bethwaite
194 Jackie Lowry	195 Meredith Kingston	198 Daniel Repko
199 Jon Cruise	210 Sarah May	212 Donna Hossack
215 Michelle Cameron	216 Andrea Chamberlain	219 Penne Chote
220 Micheal Green	221 Kaylan Ireland	222 Tania Jean Smith
223 Amanda Charlotte Waldron	224 Pamela Denise Waldrom	225 Suzie Greaves
226 Jean Mciver	228 Paul Jamieson	229 Sydney James King
230 Beth Hosford	233 Kathryn Bayliss	234 Paul Robottom
235 Caroline Seligman	236 Tony Byron Chamberlain Ward	237 Catherine Pedersen
238 Martin Lord	239 Anonymous	240 Dianne Smith
241 Jane Hamilton	242 Rick Gunson	243 Diane Fitzgerald
244 Te Ara Bergstrom	245 Berit Sinden	248 Dianna Karauria

Summary of Submissions

In early 2024, Council reviewed its Development Contributions Policy as part of its Three Year Plan 2024-2027 process. This resulted in a proposal to amend the current Development Contribution Levies as follows:

GROWTH GEOGRAPHIC AREA	ACTIVITY	TOTAL DC GROWTH CAPEX	2024 DC	2021 DC
Districtwide	Community Infrastructure	\$1,691,834	\$1,243	\$1,410
			\$1,243	\$1,410
Otāne	Wastewater	\$349,971	\$3,379	\$10,838
	Water	\$706,243	\$6,819	\$9,818
	Stormwater	\$146,121	\$1,411	\$2,736
	Reserves	\$309,135	\$2,985	-
	Districtwide		\$1,243	\$1,410
			\$15,837	\$24,802
Waipawa	Wastewater	\$921,514	\$4,958	\$10,838
	Water	\$2,849,746	\$15,333	\$9,818
	Stormwater	\$331,648	\$1,914	\$2,736
	Reserves	\$185,661	\$1,106	-
	Districtwide		\$1,243	\$1,410
			\$24,555	\$24,802
Waipukurau	Wastewater	\$2,000,228	\$4,328	\$10,838
	Water	\$5,362,282	\$11,603	\$9,818
	Stormwater	\$698,366	\$1,882	\$2,736
	Reserves	\$1,272,914	\$3,832	-
	Roading	\$1,230,000	\$2,662	-
	Districtwide		\$1,243	\$1,410
			\$25,550	\$24,802
Takapau	Wastewater	\$1,118,264	\$17,395	\$3,205
	Water	\$296,119	\$4,606	\$1,407
	Stormwater	\$92,447	\$1,438	\$1,523
	Districtwide		\$1,243	\$1,410
			\$24,683	\$7,545
Pōrangahau	Wastewater	\$569,271	\$26,566	\$16,036
	Water	\$74,030	\$3,455	\$1,735
	Stormwater	-	-	\$1,045
	Districtwide		\$1,243	\$1,410
			\$31,264	\$20,226

Council has sought feedback on the proposed changes to the Development Contributions Policy as part of the Three Year Plan 2027-2027 process. In total, Council received 123 submissions on this consultation topic.

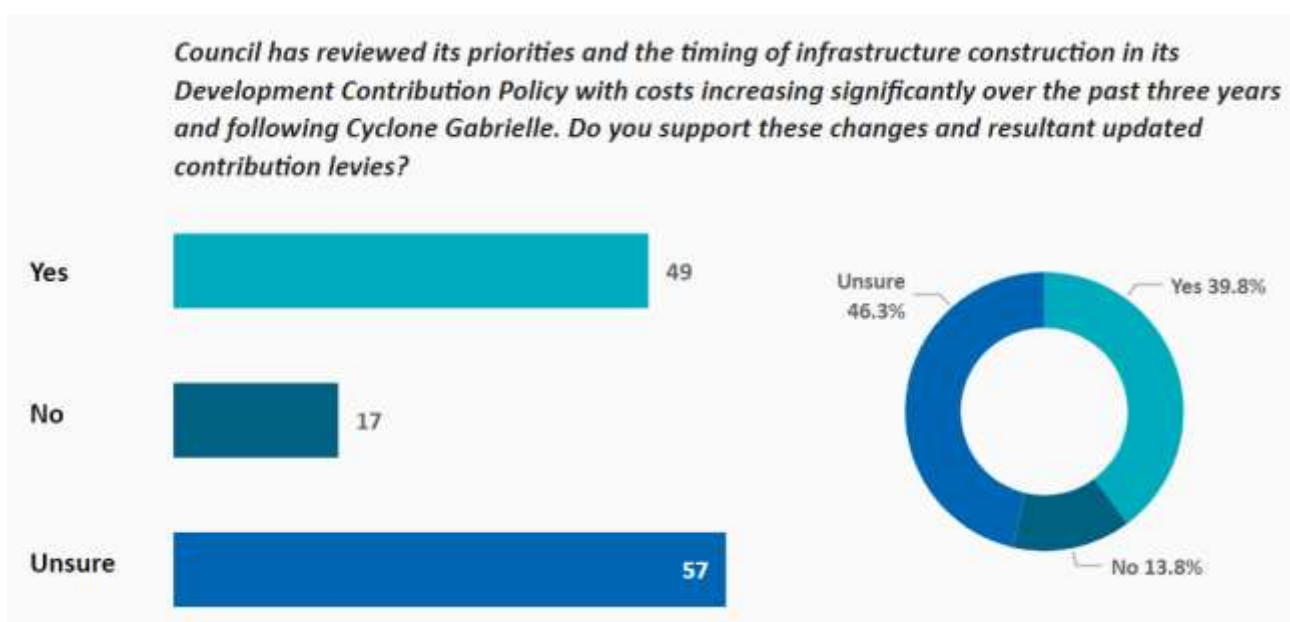
Analysis

Of the total 123 submissions received for the Development Contributions Policy, 39.8% were for the proposed changes outlined in the table above, 13.8% were against, and 46.3% were unsure.

If you exclude the high level of “unsure” submissions, the remaining submissions were 74% in favour of the change.

In addition to this submission process, Council officers are currently undertaking a Smart Growth Review that is seeking feedback from the development community in all areas of Council that support growth in the district. As part of this review, the development community indicated they are supportive of the proposed Development Contributions Policy and that the proposed Development Contribution Levies are sufficient.

Online Submission Statistics



There were no hard copy submissions that spoke directly to the Development Contributions Policy.

Other Development Contribution Policy Matters

Topic One	Who pays for Growth
Topic Two	District Plan - urban sprawl vs infill

Topic One – Who pays for growth

Analysis: Of the limited free text on this topic, all submitters were in favour of 100% user pays.

Officers Response: The fundamental purpose of having a Developer Contribution Policy is to ensure that growth assets are paid for by developers rather than having the burden fall on the existing ratepayers so the proposed change in policy will align with the submitters commentary.

Topic Two – District Plan - urban sprawl vs infill

Analysis: Of the limited free text on this topic, there were essentially three themes. Limiting further urban sprawl (particularly new lifestyle properties), encouraging infill development, and ensuring that our environment is protected.

Officers Response: Council's new District Plan is the document that determines what land use changes can be undertaken in what areas of the district. The new District Plan is more restrictive on subdivisions than the old plan and tries to encourage growth within predetermined growth zones and encourage infill where possible.

Another function of the District Plan, in conjunction with the National Policy Statement on Highly Productive Soils, is to protect productive soils from being converted to housing and also to protect areas of natural significance.

The review of the Development Contribution Policy also resulted in the introduction of a discounted Development Contribution Levy - where the development is a small, second dwelling on an existing residential section. Here, the Development Contribution payable per additional dwelling added is discounted by between 0% and 50% depending on the floor size of the building. This will help encourage infill developments.

Reduction for Additional Residential Buildings Size of Additional Building	HUE Reduction applied per activity	HUE Charged per activity
80m ² or over	Nil	1
70m ² – 79m ²	0.125	0.875
60m ² – 69m ²	0.25	0.75
50m ² – 59m ²	0.375	0.625
49m ² or under	0.5	0.5

RISK ASSESSMENT AND MITIGATION

The risk associated with the changes in Development Contribution Policy is that developers have the right to challenge the policy through the courts. The ability to challenge is more to do with the methodology used in the calculations rather than the policy itself. The mitigation for this risk is to ensure that the fee is correctly calculated, and the growth component has been fairly apportioned. It should be noted that Central Hawke's Bay District Council's fee level is consistent with neighbouring Councils.

FOUR WELLBEINGS

Project Thrive has seven strategic goals that we focus on for our community's wellbeing, which support a thriving Central Hawke's Bay. While we don't specifically use the four wellbeing's, we understand and acknowledge that they are intrinsically linked to the purpose of everything we do.

How the recommended options deliver on our seven strategy goals are outlined below:

Community Outcome	Description
Goal One: Proud District	The Development Contributions Policy is a funding mechanism to ensure that Council has the funding available to fund new infrastructure as growth requires it. This ensures that infrastructure can be planned, fit for purpose, and not a burden on the existing ratepayers.
Goal Two: Prosperous District	A growing district is a healthy district. It brings new ratepayers and jobs to the district
Goal Three: Strong Communities	Growth brings new ratepayers and jobs to the district. Through roading design, and urban planning we can ensure that Council is developing strong communities and connected citizens.
Goal Four: Connected Citizens	Growth brings new ratepayers and jobs to the district. Through roading design, and urban planning we can ensure that Council is developing strong communities and connected citizens.

Goal Five: Smart Growth	Where growth occurs is controlled by the district plan, but what development contributions allow is for new infrastructure to appropriately designed, built, and funded.
Goal Six: Environmentally Responsible	Development contributions allow is for new infrastructure to appropriately designed, built, and funded. Part of the design is to ensure that impacts on the environment are minimised through design and engineering.
Goal Seven: Durable Infrastructure	The Development Contributions Policy is a funding mechanism to ensure that Council has the funding available to fund new infrastructure as growth requires it. This ensures that infrastructure can be planned, fit for purpose, and not a burden on the existing ratepayers.

DELEGATIONS OR AUTHORITY

Only Council has the authority to adopt Changes to the Development Contributions Policy.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of significance, having gone through a significant community consultation process.

OPTIONS ANALYSIS

The two options available to Council are outlined below:

Option 1 – Adopt the proposed Development Contribution Policy (preferred option).

Option 2 – Do not adopt the proposed Development Contribution Policy.

	<u>Option 1</u> Adopt the proposed Development Contribution Policy (preferred option)	<u>Option 2</u> Do not adopt the proposed Development Contribution Policy
Financial and Operational Implications	Recovers the growth component of the revised capital programme.	Keep with the status quo. Fees won't reflect the current capital program and could be challenged legally.
Long Term Plan and Annual Plan Implications	No obvious implications.	Will not achieve revenue budgets.
Promotion or Achievement of Community Outcomes	No obvious implications.	No obvious implications.
Statutory Requirements	Meets statutory requirements.	Could be challenged as it doesn't reflect the current capital budgets.
Consistency with Policies and Plans	Updated Policy.	The Development Contribution Policy would remain unchanged but would not be consistent with the Three Year Plan 2024-2027. This causes a disconnect between the Three Year Plan 2024-2027 and the Development Contributions Policy which isn't the intent of Local Government Act 2002 legislation.

Recommended Option

This report recommends **Option One –Adopt the proposed Development Contribution Policy** for addressing the matter.

RECOMMENDATION

- 1. That Council adopts the proposed Development Contribution Policy following its consultation as part of the Three-Year Plan 2024-2027.**
- 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

7.10 THREE YEAR PLAN 2024-2027 - DRAFT DELIBERATIONS REPORT: OTHER MATTERS

File Number:

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

PURPOSE

The matter for consideration by the Council is any other matters outside the four trade-off areas or related policies, raised during Three Year Plan submission process.

RECOMMENDATION

1. That the submitters are thanked for their comments, which are acknowledged, and further that the information contained in this report is provided to the submitters.
2. That Sport Hawke's Bay's are thanked for their submission and their ongoing efforts in Central Hawke's Bay and that their request for support for a Regional Spaces and Places Plan and the Regional Aquatics Plan is managed by Officers.
3. That funding support [is provided] OR [is not provided] to the Hawke's Bay Community Fitness Trust.
4. That Council adopts the proposed change in the Land Use and Subdivision activity budget.

BACKGROUND

Topics for Consideration

Topic One	Rates Affordability
Topic Two	Other Funding Sources
Topic Three	Rural Rates
Topic Four	What are the real differences between the options by year three?
Topic Five	Procurement and Contract Management
Topic Six	Representation Review
Topic Seven	Health New Zealand Te Whatu Ora
Topic Eight	CCS Disability Action
Topic Nine	Rating Review - Differentials
Topic Ten	Sport Hawke's Bay (Sport HB)
Topic Eleven	Hawke's Bay Community Fitness Trust (HBCFT)
Topic Twelve	Land Use and Subdivision Budget

Topic One: Rates Affordability

Summary of Submissions

Council has received a number of submissions stating that rate increases are unaffordable referencing issues such as the cost of living crisis, and fixed income/superannuant households not being able to afford the increases.

Analysis

While understanding of these matters raised, Council is equally exposed to rising prices.

In a normal year, rates accounts for approximately 60% of a Council's income, with fees and charges accounting for another 17% (also paid by ratepayers). Unlike for profit businesses that have a profit margin, Councils operate on a straight cost recovery basis, so when costs go up, so do rates and fees and charges.

Many of Council's activities are legislatively required (consenting and compliance for example) or provide essential services (3 Waters, Rooding, Refuse, Cemeteries) so Councils have little ability to stop doing these things.

Like households, Council's costs have been impacted by high inflation (particularly in the construction market – in the last three years the cost of replacing bridges has gone up 38%, sewage systems 30%, roads 27%, and water systems 27%). Interest costs have also risen (Council had a \$10m fixed rate loan taken during covid at 2.19% pa roll over recently at 5.47% pa – a 250% increase), and so have insurance costs (Council's insurance programme costs over a \$1m a year in premium – last year's premium was a \$200k increase).

In addition, Council's cost base is influenced by central government policies (such as water quality standards, 3 Waters reforms, RMA reforms, health and safety requirements) which all add additional burdens on Council.

Council has been active in pursuing external funding and has been quite successful in attracting nearly \$100m over the past 5 years – this has allowed Council to undertake activities or capital upgrades without the level of rates that would have otherwise been required.

Council also has a raft of rating policies that offer remissions/postponements for financial hardship, or for superannuants on fixed incomes. Anyone struggling with their rates burden should reach out and see what assistance our rates team can offer.

Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Two: Other Funding Sources

Summary of Submissions

Council has received a number of submissions asking what other funding options Council might have other than rates, and should Central Government be funding 100% of Cyclone Recovery?

Analysis

As stated under the rates affordability section, Council has been active in pursuing external funding and has been quite successful in attracting nearly \$100m over the past 5 years – this has allowed Council to undertake activities or capital upgrades without the level of rates that would have otherwise been required. Examples of this funding have been for the Route 52 rooding upgrade, adding public toilets at the beach reserves, adding new infrastructure to allow development to occur at the old Waipukurau Hospital Site, expansion of the cycleway network, and the new weighbridge at the Waipukurau Transfer Station.

In addition, Council has had 3 Waters Reform funding which has paid for some of the recent upgrades to the water and wastewater networks. In year 1 of the three year plan, significant 'Better Off Funding' from the Government is being used to fund stormwater upgrades, while keeping the rating requirement lower than it would have otherwise been.

In terms of Cyclone Recovery, the main asset class that remains an issue is rooding where Council has approximately \$130m of damage remaining at the time of writing. Unfortunately, this is an asset class Council can't insure so the costs fall back to local and central government to fund. To

date Council has received approximately \$55m of Central Government Funding for road repairs, but this has left a significant unfunded repair for which the ratepayer share remains uncertain.

Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Three: Rural Rates

Summary of Submissions

Council has received submissions from rural ratepayers asking questions such as “I’m not connected to your water services, why do I need to pay for them?” Or “as a rural ratepayer what do I get for my rates?”

Analysis

Council rates for two main types of rates. The first is a rate applicable to all ratepayers regardless of where they live, and the second is targeted rates that only apply to ratepayers receiving that service (the targeted rate).

Examples of district wide rates are General Rates, Land Transport Rates, and Uniform Annual Charge. These pay for services that everyone uses, or at least has access to, such as roads, refuse and recycling (excluding kerbside collections), libraries, parks, public swimming pools, community facilities, cemeteries, consenting, compliance, Mayor and Councillor representation, and council administration. It should be noted that many of these activities are only partly rate funded as many have a user pays or central government subsidy component.

Examples of Targeted Rates are Kerbside Refuse and Recycling collection, Drinking Water supply, Wastewater disposal, swimming pool inspections. Here only those ratepayers receiving those services pay (predominately rate payers living in the district’s main urban areas).

Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Four: What are the real differences between the options by Year Three

Summary of Submissions

Council has had a number of ratepayers reach out and suggest that by year three there is very little difference between the options in terms of rating impacts. Isn’t this disingenuous?

Officers Response

The three different options consulted on were more about smoothing rate increases rather than creating permanent differences. In most cases the rates rise over the 3 years will be similar.

For example, the lower option for libraries is to close the Waipawa library in year 1, have it partly open in year 2, and fully open in year 3. The Central Option was to have some temporary cuts to hours in year one but returning to normal hours by year 3. The Higher option was to retain the status quo. Therefore, regardless of the option the cost in year 3 is the same i.e., a fully functioning open library, but you do get some relief in year 1 from the central and lower options.

Likewise, the roading and water options add an additional one-off extra programme of works in Year 1 which only impacts year 1 of the plan. By Year 3 the plans have merged back into the same budgets with the same deliverables.

So, in most cases the options were about smoothing, and how quickly ratepayers wanted “recovery” to occur, and how much they could afford in the early years rather than creating permanent differences and permanent cuts to levels of service.

Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Five: Procurement and Contract Management

Summary of Submissions

Council has received a number of submissions questioning whether Council is getting value for money from its contractors, with roading, traffic management, and use of consultants being popular discussion topics.

Officers Response

Council has a procurement policy that defines how procurement at Council is undertaken based on best practice guidelines written by the Ministry of Business, Innovation and Employment. This policy requires all procurement to be competitively acquired using tenders from multiple vendors. The procurement process evaluates a number of attributes including price, work experience, ability to meet deadlines, and other social outcomes desired by Council. These might include buying local, using local staff, offering apprentice programs, and achieving positive environmental impacts.

Each year Council's external auditors check a number of procurements to ensure compliance to this policy.

Once Council has procured a contract, its staff are then responsible for ensuring that the deliverables from the contract are realised and that the resulting invoice is in line with the tender. Council has recently launched a supplier improvement plan and employed a contract manager to ensure that all Council's contract management is being done in a consistent manner right across all Council activities. This person is also responsible for improving contractor reporting throughout the life of the contracts.

In the roading space the New Zealand Transport Agency (NZTA) is a co-funder of the activity (they fund 59% of local roads in our district) and as the main funder they also overlay what they consider to be best practice, and roading contracts have additional procurement and management requirements as part of their funding agreements. They are quite prescriptive about roading procurement, traffic management, and quality of work. We are bound to follow their rules and guidelines – or risk our funding.

Central Hawke's Bay District Council is too small to employ specialist staff. We simply don't have enough work to justify full-time roles for the likes of structural engineers, wastewater engineers, lawyers, specialist treasury advisors, property valuers. For these types of services, we contract in staff as we need them.

Having said that, as a Council we are constantly reviewing our services to ensure that we are getting value for money, and where the volume of work justifies it, we will employ staff rather than outsource as this is generally more cost-effective. However, price is only one factor. Other factors such as specialist equipment and their cost also need to be considered.

Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Six: Representation Review

Summary of Submissions

Council has received a number of submissions questioning whether the decision to create Māori Wards was consulted on, and what additional cost this will add to Council's rating requirement.

Officers Response

Council is required under the Local Electoral Act 2001 ("The Act") to undertake a representation review every six years – this includes reviewing the voting method, whether to have Māori Wards, how many Councillors to have, what wards and what boundaries to use.

Council undertook pre-engagement with various parties in September 2023 as to whether it was their desire to establish a Māori Ward in Central Hawkes Bay. A unanimous letter of support from Te Taiwhenua o Tamatea was formally received by Council at its 21 September 2023 meeting.

Council then followed this up with a public survey in October asking for public feedback which resulted in 64% of respondents being supportive, and 35% opposed.

At the 15 November 2023 Council meeting those respondents that wanted to speak to their survey responses were invited to present in person to Councillors in a public meeting, which was then followed by a public debate between Councillors about the submissions, and ultimately resulted in the decision to introduce a Māori Ward from the 2025 Local Body Election.

In terms of cost to rate payers, Councillors (regardless of whether they are on the Māori roll or General roll) are paid from a pool of funds determined by the Remuneration Authority, not Council. The pool of money to pay Councillors is fixed regardless of the quantum of Councillors. The more Councillors there are the less each one gets paid. To this end, adding a Māori Ward doesn't add to the rates burden, it just means the pool of funds is distributed differently.

Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Seven: Health New Zealand Te Whatu Ora

Summary of Submission

This submission includes comments on the four trade-off areas and so this feedback may also be mentioned in the Deliberation Report - Trade Off Areas. The key points of this submission are:

- Land Transport: concern noted regarding no new footpaths or seal extensions in the Central Option and highlights that safe and accessible footpaths are a fundamental component of safe transport systems and to enable and encourage active modes of transport.
- Drinking water and wastewater investment: Congratulates Council on its continued focus on upgrading water and wastewater services.
- Stormwater – commends Council for listening to community and making this a priority.
- Service reductions and efficiencies:
 - Reduction in public toilet maintenance and cleaning (under the Lower Option) may result in an increase in the spread of communicable diseases.
 - Closure of the Waipawa Library would impact community wellbeing and introduce inequity to accessing this resource across the district. This issue is further compounded by the lack of public transport between Waipawa and Waipukurau.
 - Alcohol licencing fees: submission encourages Council to review the liquor licensing fees which have currently been set through the legislation (Sale and Supply of Alcohol Act 2012).

Analysis

Officers acknowledge the importance of footpaths as part of safety and accessibility and will always consider this when developing town planning.

Officers acknowledge the recognition of Council's efforts in the drinking water, wastewater and storm water activities.

The review of Council bylaws will include the review of fees and charges in relation to Alcohol Licensing.

Officers acknowledge the Health and Safety issues in relation to a reduction in public toilet maintenance and the potential closure of the Waipawa Library. Council's preferred option is the Central Option which would not see a service reduction.

Recommendation

That the submitter is thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Eight: CCS Disability Action

Summary of Submission

This submission speaks to planning for accessibility, authentic engagement with the disability sector, and building an informed and supportive workforce across Council.

The submission recommends that Council engages with the sector in all aspects of planning and implementation, and that we consider disability awareness training for our staff.

Analysis

Some disability awareness training has been delivered to staff, but not in recent years. Officers acknowledge that this is an important aspect of Council staff being able to champion accessibility needs. Currently, Council officers play a central role in facilitating the CHB Disability network.

Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Nine: Rating Review – Differentials

Summary of Submission

Federated Farmers submitted on the fairness of how the Land Transport rate falls between rural versus urban rate payers and recommends that Council explore greater use of differentials and gave the examples of Wairoa District Council and Hastings District Council as methods for achieving this.

Analysis

What Federated Farmers are requesting is a Rating Review. This is where Councils go back to first principles and consider who are the beneficiaries of each activity, how the costs are incurred across the district, and how to ensure that revenue being collected follows the benefits derived and ensures cost recovery in a fair and equitable way.

A rating review is a lengthy process which requires public consultation, so wouldn't be able to be considered for year one of the Three Year Plan but could be completed in time for year two.

Council last undertook a full rating review in 2020 leading into the 2021 Long Term Plan. As part of this review Council did look at what Wairoa District Council was proposing at that time, in particular

around a separate Forestry Differential. At the time this was being challenged in Court and Central Hawke's Bay District Council choose to take a watching brief. This issue has since been resolved.

Wairoa District Council uses a number of differentials based on location and activity. Below are the main categories (there are 14 differentials in total)

Category	Differential (multiplier) applied
Residential Main Town	2.75
Commercial Main Town	3.85
Residential Rural Town	0.5 to 1.25
Commercial Farm	3.7
Commercial Forest	5.0

Hastings District Council uses a different approach. They split their roading networks into an urban zone and a rural zone. Each zone has a separate budget and the ratepayers in each zone pay only for their budget. At the time of writing officers don't have the historical split for this district but believe that this information can be extracted from RAMM and would form part of the evidence used if this split was required in the future.

In addition, Quotable Value is due to revalue the district's properties in September 2024 and this can influence the urban/rural rating split if rural property prices and urban property prices change at different rates.

Officers' advice is that Council wait until after the impacts of the Quotable Value revaluation is understood, and then consider undertaking a Rating Review of Land Transport Rates.

Recommendation

That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.

Topic Ten: Sport Hawke's Bay (Sport HB)

Summary of Submission

This submission acknowledges Council's investment in the Central Hawke's Bay Community Advisor (through the annual Sport HB grant) and the closer working relationship that has been achieved through the externally funded Play Advocate role. The submission commends Council's leadership in the area of Play and a continuation of the annual grant for Sport HB's work in the CHB community (included in all three options at \$33,725).

A further request of \$8,000 towards the Regional Spaces and Places Plan and the Regional Aquatics Plan has been requested.

Analysis

Central Hawke's Bay District Council is a signatory to the Hawke's Bay Spaces and Places Regional Planning Approach. This is a commitment at Chief Executive Level, across all five Territorial Authorities, supported by Sport Hawke's Bay and Sport New Zealand, to bring together those who can actively address challenges and plans for future needs of spaces and places for play, active recreation, and sport in the region.

The annual grant to Sport HB is already included in the Central Option and officers support the continuation of this grant. The grant ensures that Central Hawke's Bay receives dedicated resource to strengthen sport and active recreation in our community, with all the associated wellbeing benefits. KPI's are agreed annually.

The benefits of contributing this funding would be that Central Hawke's Bay is strongly represented in regional sports facility planning, so that our residents can benefit from a collaborative and regional approach to the provision of places for sports and active recreation.

Noting that previous engagement on regional planning issues have been led and managed at an executive level, it is recommended that Officers manage this funding request as an operational activity amongst existing planning priorities, as would normally occur for a request of this scale.

Officer Recommendation

That Sport Hawke's Bay's are thanked for their submission and their ongoing efforts in the Central Hawke's Bay and that their request for support for a Regional Spaces and Places Plan and the Regional Aquatics Plan is managed by Officers.

Topic Eleven: Hawke's Bay Community Fitness Trust (HBCFT)

Summary of Submission

This submission outlines the work done by the Trust through their programmes and facilities at the Mitre 10 Sports Park, Hastings, where an estimated 7.5% of the 500,000 user visits are from residents of Central Hawke's Bay. Additionally, 7% of the 7000 students that benefit from an outreach programme are from schools and kura in Central Hawke's Bay.

The submission requests \$25,000 towards programme delivery, including a new outreach programme, Project HOPE. This would target schools, elderly and groups that may face barriers to accessing traditional fitness facilities.

Analysis

This project has potential community benefit, however, would require new budget to support it.

Council has historically acknowledged the great work the Trust is achieving in previous requests made in 2018 and 2021, however has not been in a position to fund to the extent and scale the Trust has requested.

If Council were to invest in outreach programmes of this nature, Officers would recommend that localised service provision, in partnership with local providers and organisations is explored and/or that a condition of agreeing to this funding is that the HBCFT supports the community to build capability to ensure the sustainability of the programme. If Council does not provide funding support to Project Hope it could be argued that there would be less equitable access for Central Hawke's Bay residents to these activities, impacting social equity. However, this is an unbudgeted expense and will have a measurable rates impact. In addition, working with local providers would be seen as important to our community.

The \$25,000 per annum required to support this programme would require a 0.2% general rates increase and a 0.08% total rates increase.

At this time, the Trusts endeavours are encouraged recognising the benefits of physical activity. Further collaboration on the proposal is encouraged locally to understand the opportunity to partner with existing organisations such as Sport Hawke's Bay, before funding is committed.

Officer Recommendation

Officers are not providing a recommendation on this matter.

Topic Twelve: Land Use and Subdivision Budget

Officers have further considered the Land Use and Subdivision budget based on the continued decrease in consenting volumes received in the 2023/2024 year. Officers expect that consent volume numbers will continue to be conservative and at a lesser volume than what was forecast in the activity budget for the Three Year Plan 2024-2027.

On this basis, Officers propose to decrease the forecast revenue in fees and charges by \$100,000 and an equal reduction in the operational expenses (of \$100,000) which will have no impact on the general rates. This change will also see the activity continue to operate within the public/private split of the Revenue and Financing Policy.

Officers have noted a specific resolution to the end in this report.

RECOMMENDATION

- 1. That the submitters are thanked for their comments, which are acknowledged, and further that the information contained in this report is provided to the submitters.**
- 2. That Sport Hawke's Bay's are thanked for their submission and their ongoing efforts in Central Hawke's Bay and that their request for support for a Regional Spaces and Places Plan and the Regional Aquatics Plan is managed by Officers.**
- 3. That funding support [is provided] OR [is not provided] to the Hawke's Bay Community Fitness Trust.**
- 4. That Council adopts the proposed change in the Land Use and Subdivision activity budget.**

7.11 THREE YEAR PLAN 2024-2027 - DRAFT DELIBERATIONS REPORT: TE AUTE DRAINAGE SCHEME

File Number:

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

PURPOSE

The matters for consideration by Council is whether the Te Aute Drainage Scheme Budget should be adjusted following the Te Aute Drainage Scheme Annual General Meeting (AGM).

This is a Targeted Rate affecting the 16 farm properties surrounding the Papanui Stream Catchment Area.

RECOMMENDATION

- 1. That Council agrees to increase the targeted rate for the Te Aute Drainage Scheme by \$50,000 for additional maintenance of the drainage scheme as requested by the Te Aute Drainage Scheme Committee/Ratepayers in the Three Year Plan 2024-2027.**

BACKGROUND

The Te Aute Drainage Scheme is a stormwater scheme administered by Council on behalf of the Te Aute Drainage Committee (the Committee), which is made up of landowners whose properties surround the Papanui Stream Catchment Area.

Council has little control of the scheme as the operational control and decision making regarding the scheme is handled by the Committee. Council simply acts as the banker and accountant for the scheme. It is a ring-fenced activity, where the rates collected from the scheme are put into a trust account, and invoices are paid from the trust account as the Committee submit them for payment.

The main activities undertaken by the scheme include weed spraying, weed boating, shale trap maintenance, flood control gate maintenance, drain clearance and vegetation control.

The Te Aute Drainage Committee met in May 2024 where they received the financial statements for the current financial year and discussed their budget for the coming financial year (on which the rates are set).

DISCUSSION

Until recent years the Te Aute Drainage Scheme rate had remained relatively flat at \$40,000 per annum as the scheme had accumulated significant levels of trust funds over a number of years.

This changed in 2023/24 when the Committee identified that its flood gate was in need of repair and that there was a need to budget additional funds to undertake this repair. This saw the targeted rate for the scheme jump from its historical level of \$40,000 per annum to \$90,000 for the year 2023/24.

When the budgets Council used for consultation purposes were set the Committee hadn't met for the year, and Officers returned the targeted rate back to its historical setting of \$40,000 per annum.

However, at the AGM held in May the committee members requested the rate be set again at \$90,000 as the repair to the flood gate hadn't been completed and quotes received were higher than previously thought and more funds would be needed.

In fact, there was discussion as to the type of repair. The \$90k would allow them to undertake a temporary repair to get the scheme through the 2024 winter period, but long term a full replacement of the gate should be considered which means the rate will likely need to remain at the \$90,000 for years 2 and 3 as well.

While the proposed rate increase is a variation from the consultation document, it will have no impact on rate payers outside of this scheme. But adding \$50k to the scheme Council's total rates will increase by 0.15% on what was consulted on.

Officers' Recommendation

As requested, this has been proposed by the landowners paying the targeted rate and has no impact on the rest of the District, Officers recommend that the Te Aute Drainage Scheme's rate be increased by \$50,000 per annum and its maintenance budget also be increased by \$50,000 per annum for years 1-3 of the Three Year Plan 2024-2027.

RISK ASSESSMENT AND MITIGATION

By accepting this request Council would be ensuring the 16 properties associated with the scheme retain a greater level of flood protection through allowing control gate repairs to be undertaken but would be reporting to the general public a slightly higher average rate increase from what was consulted on.

DELEGATIONS OR AUTHORITY

ONLY COUNCIL HAS THE AUTHORITY TO ADOPT CHANGE BUDGETS. SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of limited significance, and the properties affected have been consulted with.

OPTIONS ANALYSIS

This section of the report lays out the options analysis for the two major decisions relating to the Revenue and Financing Policy Review.

There are two options available to Council in this matter for consideration:

Option 1 – Increase the Te Aute Drainage Scheme Targeted Rate by \$50,000 per annum as requested (preferred option).

Option 2 – Do not increase the Te Aute Drainage Scheme Targeted Rate by \$50,000 per annum as requested.

Recommended Option

This report recommends **Option 1 - Increase the Te Aute Drainage Scheme Targeted Rate by \$50,000 per annum as requested** for addressing the matter.

RECOMMENDATION

1. **That Council agrees to increase the targeted rate for the Te Aute Drainage Scheme by \$50,000 for additional maintenance of the drainage scheme as requested by the Te Aute Drainage Scheme Committee/Ratepayers in the Three Year Plan 2024-2027.**

8 CHIEF EXECUTIVE REPORT

No reports.

9 DATE OF NEXT MEETING

RECOMMENDATION

That the next meeting of the Central Hawke's Bay District Council be held on 13 June 2024.

10 TIME OF CLOSURE