



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Council Meeting Agenda

Thursday, 5 June 2025

9.00am

Council Chamber

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 - 8 May 2025

RECOMMENDATION

That the minutes of the Ordinary Council Meeting held on 8 May 2025 as circulated, be confirmed as true and correct.

**MINUTES OF CENTRAL HAWKE'S BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 8 MAY 2025 AT 9.00AM**

UNCONFIRMED

PRESENT: Mayor Alex Walker
Deputy Mayor Kelly Annand
Cr Tim Aitken (*from 9.11am*)
Cr Pip Burne
Cr Gerard Minehan
Cr Brent Muggeridge (*Online*)
Cr Kate Taylor
Cr Exham Wichman
Pou Whirinaki Piri Galbraith

IN ATTENDANCE: Doug Tate (Chief Executive)
Nicola Bousfield (Group Manager People and Business Enablement)
Brent Chamberlain (Chief Financial Officer)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Mark Kinvig (Group Manager Community Infrastructure and Development)
Jane Budge (Strategic Governance Manager)
Sarah Crysell (Communications and Engagement Manager)
Annelie Roets (Governance Lead)

1 WELCOME/KARAKIA/NOTICES

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

2 APOLOGIES: 25.11

Moved: Cr Kate Taylor
Seconded: Deputy Mayor Kelly Annand

That the apologies from Councillor Jerry Greer and Pou Whirinaki Amiria Nepe-Apatu, and the apology for lateness from Councillor Tim Aitken, be noted and received.

CARRIED

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflicts of Interests declared.

4 STANDING ORDERS

RESOLVED: 25.12

Moved: Cr Pip Burne
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

RESOLVED: 25.13

Moved: Cr Kate Taylor

Seconded: Cr Gerard Minehan

That the minutes of the Ordinary Council Meeting held on 10 April 2025 as circulated, be confirmed as true and correct.

CARRIED

It was noted that Cr Kate Taylor had joined the meeting online, and the attendance record would be updated to reflect this

6 REPORTS FROM COMMITTEES

There were no reports received.

7 REPORT SECTION

7.1 ADOPTION OF THE ANNUAL PLAN 2025/26

PURPOSE

To adopt Council's Annual Plan 2025-2026.

RESOLVED: 25.14

Moved: Cr Gerard Minehan

Seconded: Cr Pip Burne

That Council:

- 1. Adopts the Annual Plan 2025-2026 in accordance with section 95 of the Local Government Act 2002.**
- 2. Delegates responsibility to the Chief Executive to approve the final edits required to the Annual Plan in order to finalise the documents for printing and distribution.**

CARRIED

Doug Tate presented the Annual Plan 2025/26, emphasising major priorities: investment in critical three waters infrastructure and transport network recovery.

Cr Tim Aitken arrived at 9:11am.

- The average rates increase was reduced from 14.9% to 7.9%.
- Brent Chamberlain outlined ratepayer impacts: 3-Water connected properties face a 10% increase, non-connected 4%. He also addressed how recent Quotable Value (QV) changes will affect rates.

- It was acknowledged a lot of work went into this Annual Plan.

7.2 ADOPTION OF LOCAL WATER DONE WELL CONSULTATION DOCUMENT

PURPOSE

The purpose of this report is to present and seek approval of the Consultation Document (CD) for consultation on Central Hawke's Bay District Council's response to Local Water Done Well (LWDW).

RESOLVED: 25.15

Moved: Mayor Alex Walker

Seconded: Cr Gerard Minehan

That Council:

1. **Adopts the Local Water Done Well Consultation Document (attached).**
2. **Notes that the options, along with the preferred option, identified in the Consultation Document were endorsed at the 24 April Finance Infrastructure and Performance Committee meeting.**
3. **Delegates to the Chief Executive approval to make minor changes and edits to the consultation document for minor corrections and formatting.**

CARRIED

- Doug Tate introduced the Local Water Done Well consultation document. Discussion included:
 - Consultation taking place from 12 May to 15 June, Hearings scheduled for 19 June and a final decision in early July 2025.
 - It was noted that new wastewater standards and acceptable solutions could also help reduce this cost, and for this to be included.
 - More information on affordability is likely before the 3 September deadline.
- Emphasis was placed on the role of community input and the pressures of meeting regulatory standards in water and wastewater services.
- Doug Tate noted the community roadshow (May 12 – June 15) will engage on LWDW, roading recovery, and the annual plan rates.

7.3 MATARIKI REVIEW OF REGIONAL STRUCTURES

PURPOSE

To receive the Matariki Governance Group's review of the Hawke's Bay Regional Structures and notes the recommended changes. Also directs the Chief Executive to create fit-for purpose internal processes to support Council's MGG representative.

RESOLVED: 25.16

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

That Council:

1. **Notes that the Matariki Governance Group (MGG), in its capacity as shareholder representative, has accepted the recommendations of the '*Review of Regional Structures, Recommendation Report*', dated 14 April 2025.**
2. **Notes that the key decisions and areas of engagement for Council will be related to the following:**
 - a. **Contributing to the development, and endorsement, of the 'regional priorities' approach and Letters of Expectation that will guide the delivery, monitoring, and evaluation of regional priorities and outcomes we want for our communities.**
 - b. **Agreement to ongoing funding for HBREDA based on the "regional priorities" approach and strengthened accountability disciplines that meet local government legislative requirements.**
 - c. **Confirming and agreeing the Terms of Reference of MGG and any delegations provided by Councils.**
3. **Directs the Chief Executive to create fit-for purpose internal processes to support Council's MGG representative (currently the Mayor). This includes:**
 - a. **Supporting Council's MGG representative, to provide more structured updates and reporting on MGG and the delivery of regional priorities to Council.**
 - b. **Nominating a Senior council officer to be responsible for MGG co-ordination with Council. This role will support the Mayor and Chief Executive to participate effectively in MGG discussions and for sharing and disseminating MGG-related information (e.g. papers supporting MGG discussion and minutes) to support coordination and alignment of, and with, identified shared regional priorities.**
 - c. **Creating a regular (e.g. annual) process to consider key regional priorities from Council's perspective. This information would be used to inform MGG consideration of shared regional priorities.**
 - d. **Creating an annual process to consider Council feedback on the Letter of Expectation for HBREDA.**
 - e. **Building, with MGG and HBREDA an efficient and comprehensive reporting process whereby Council is provided with performance and outcome reporting on the activities delegated to MGG and/or HBREDA so Council can execute its responsibilities under the Local Government Act (LGA).**

CARRIED

Doug Tate presented the Matariki regional structural review, which aims at strengthening governance, communication, transparency and accountability within the Matariki Governance Group.

- The importance of continued regional collaboration was acknowledged.

8 DATE OF NEXT MEETING**RESOLVED: 25.17**

Moved: Cr Kate Taylor

Seconded: Cr Exham Wichman

That the next meeting of the Central Hawke's Bay District Council be held on 5 June 2025.**CARRIED****9 PUBLIC EXCLUDED BUSINESS****RESOLUTION TO EXCLUDE THE PUBLIC****RESOLVED: 25.18**

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Approval and adoption of the Procurement Plan for Road Maintenance	<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

CARRIED

RESOLVED: 25.19

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

That Council moves into Public Excluded Business at 10.10am.

CARRIED

RESOLVED: 25.20

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

That Council moves out of Public Excluded Business at 10.53am.

CARRIED

10 TIME OF CLOSURE

The meeting closed at 10.53am.

The Minutes of this meeting will be confirmed at the next Ordinary Council meeting to be held on 5 June 2025.

.....
CHAIRPERSON

6 REPORTS FROM COMMITTEES

Nil

7 REPORT SECTION

7.1 RESOLUTION MONITORING REPORT

File Number: COU1-1400

Author: Annelie Roets, Governance Lead

Authoriser: Doug Tate, Chief Executive

Attachments: 1. Council Resolution Monitoring Report - 5 June 2025 [↓](#)

RECOMMENDATION

That Council notes the Resolution 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.

SIGNIFICANCE AND ENGAGEMENT

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

DISCUSSION

The monitoring report is **attached**.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter.
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan.
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

An updated Resolution Monitoring Report will be presented at the next Ordinary Council meeting.



Council Resolution Monitoring Report - 5 June 2025

Key	
Completed	
On Track	
Off Track	

Item Number		Item	Council Resolution or Action	Resolution Date	Responsible Officer	Progress Report
1	7.3	Centralines Aquatic Centre - Annual Plan 2023/24	1. That the report is noted. 2. That Council notes that a Section 17a Review will be conducted in collaboration with the Trust ahead of the development of a new agreement beyond 30 June 2024. 3. That subject to the funding for urgent works being confirmed by Council, Officers will develop an agreement with the Trust confirming expectations and obligations of the funding, including that the Trust continue to seek external funding support for the required works.	15-Jun-23	Doug Tate	On Track - Officers continue to progress this work, with the aim of being a report back to Council on next steps prior to October 2025.
2	7.8	Establishment of Hawke's Bay Community Water Trust	That Council: 1. Endorses the Hawke's Bay Community Water Trust Deed. 2. Notes that its responsibilities in the Trust only extend to the appointment of a Trustee. Cr Brent Muggeridge / Cr Gerard Minehan Against: Cr Kelly Annand/Cr Pip Burne CARRIED 3. Approves the process for the appointment of an inaugural Trustee on behalf of community, as per the Trust Deed. 4. Appoints Mayor Alex Walker, Councillor Brent Muggeridge and Councillor Gerard Minehan with Cr Tim Aitken as an alternate to the selection Committee, to make recommendations to Council on an appointment. Cr Exham Wichman / Cr Jerry Greer CARRIED	31-Oct-24	Doug Tate	On track - There is a public excluded item in this Council agenda to consider the appointment of an inaugural Trustee to enable this item to be completed.

3	7.2	Update on the draft Annual Plan 2025/26	<div>That Council: 1. Endorses the work to date on the draft Annual Plan and requests officers to continue exploring further budget savings and bring further updates back to the Council throughout March/April. 2. Intends no changes to the Levels of Service outlined in the Three-Year Plan negating the need for separate public consultation on the draft Annual Plan.</div>	13-Feb-25	Doug Tate/ Chamberlain	Completed.
			<div>3. Confirms the proposed budget provision of \$75,000 in the Annual Plan 2025/26 for Hawke's Bay Tourism activities subject to further due diligence from the Chief Executive including:<ul style="list-style-type: none">• Formalisation of the funding and agreement.• Letter of expectation requirements and associated KPI's.• Regional reporting expectations (including financial reporting).• Clarifying Council appointments to the Board.• Detailed future operating budget.</div>			On track - This report provides an update on the Letter of Expectation and seeks delegations to finalise the agreement.
4	7.1	Adopt of Annual Plan 2025/2026	<div>That Council: 1. Adopts the Annual Plan 2025-2026 in accordance with section 95 of the Local Government Act 2002. 2. Delegates responsibility to the Chief Executive to approve the final edits required to the Annual Plan in order to finalise the documents for printing and distribution.</div>	8-May-25	Brent Chamberlain/ Doug Tate	Complete - The Annual Plan has now been finalised, is available on Councils website and has been part of Councils Community Conversations across the district.
5	7.2	Adoption of Local Water Done Well Consultation document	<div>That Council: 1. Adopts the Local Water Done Well Consultation Document (attached). 2. Notes that the options, along with the preferred option, identified in the Consultation Document were endorsed at the 24 April Finance Infrastructure and Performance Committee meeting. 3. Delegates to the Chief Executive approval to make minor changes and edits to the consultation document for minor corrections and formatting.</div>	8-May-25	Doug Tate	Complete - the Consultation is now being actively consulted on with community at www.letstalkchb.co.nz
6	7.3	Matariki Review of Regional Structures	<div>That Council: 1. Notes that the Matariki Governance Group (MGG), in its capacity as shareholder representative, has accepted the recommendations of the 'Review of Regional Structures, Recommendation Report', dated 14 April 2025. 2. Notes that the key decisions and areas of engagement for Council will be related to the following:<ul style="list-style-type: none">a. Contributing to the development, and endorsement, of the 'regional priorities' approach and Letters of Expectation that will guide the delivery, monitoring, and evaluation of regional priorities and outcomes we want for our communities.b. Agreement to ongoing funding for HBREDA based on the "regional priorities" approach and strengthened accountability disciplines that meet local government legislative requirements.c. Confirming and agreeing the Terms of Reference of MGG and any delegations provided by Councils.</div>	8-May-25	Doug Tate	On track - While the action of the Regional Review are underway, the Chief Executive is still working thorough an internal process to confirm support to the Mayor and Chief Executive.

7.2 SETTING OF RATES FOR 2025/2026 FINANCIAL YEAR**File Number:** COU1-1400**Author:** Brent Chamberlain, Chief Financial Officer**Authoriser:** Doug Tate, Chief Executive**Attachments:** Nil**PURPOSE**

The matter for consideration by the Council is the setting of the rates for the 2025-2026 financial year.

The rating factors below, when combined with Councils rating database, will collect the rates revenue required as per the Annual Plan 2025-2026, which was adopted at the 8 May 2025 Council meeting. The final annual plan is available on our website [here](#).

RECOMMENDATIONS

That having considered all matters raised in the report:

- a) **Pursuant to Section 23(1) of the Local Government (Rating) Act 2002, the Central Hawke's Bay District Council resolves to set the rates, due dates and penalties regime for the 2025-2026 year.**

1. GENERAL RATE

- A general rate set under section 13 of the Local Government (Rating) Act 2002 for the purposes of providing all or some of the cost of:
 - Community leadership, including administration, cost of democracy, community voluntary support grants
 - All regulatory activities, including district planning, land use and subdivision consent costs, building control, public health, animal control, and compliance.
 - Solid waste
 - Parks and reserves, public toilets, theatres and halls, cemeteries, and miscellaneous property costs

For the 2025-2026 year, this rate will be based on the rateable capital value of all rateable land within the district on a differential basis as set out below:

General Rate Differential Zone	Differential	2025-2026 Cents per Dollar of Capital Value (including GST)
Waipawa / Waipukurau Central Business District Zone	1.4	0.18836
Rest of District	1.0	0.12566





2. Uniform Annual General Rate

- A rate set under section 15 of the Local Government (Rating) Act 2002 on each separately used or inhabited part of a rating unit within the district. See definition below. This rate is for the purpose of providing:

- Economic and social development.
- A portion of the cost of solid waste.
- Libraries and swimming facilities.

For the 2025-2026 year, this rate will be \$452.67 (including GST).

TARGETED RATES:

3. District Land Transport Rate

- A rate for the Council's land transport facilities set under section 16 of the Local Government (Rating) Act 2002. This rate is set for the purpose of funding the operation and maintenance of the land transport system.

- **For the 2025-2026 year, this rate will be 0.20766 cents per dollar (including GST) based on the land value of all rateable land in the district.**

Separately Used or Inhabited Parts of a Rating Unit

Definition – for the purposes of the Uniform Annual General Charge and the targeted rates above, a separately used or inhabited part of a rating unit is defined as –

A separately used or inhabited part of a rating unit includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any time, which are used by the owner for occupation on an occasional or long-term basis by someone other than he owner.

Examples of separately used or inhabited parts of a rating unit include:

- For residential rating units, each self-contained household unit is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self-contained would include the provision of independent facilities such as cooking/kitchen or bathroom, and its own separate entrance.
- Residential properties, where a separate area is used for the purpose of operating a business, such as a medical or dental practice. The business area is considered a separately used or inhabited part.

These examples are not considered inclusive of all situations.

4. Water Supply Rates

- A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for water supply operations of a fixed amount per separately used or inhabited part of a rating unit. The purpose of this rate is to fund water supplies for Otāne, Takapau, Waipukurau, Waipawa, Kairakau, Pōrangahau and Te Paerahi.

- The purpose of this rate is to fund the maintenance, operation and capital upgrades of water supplies and treatment in those parts of the district where these systems are provided.

- The rate is subject to differentials as follows:
 - a) a charge of per separately used or inhabited part of a rating unit connected in the Ōtāne, Takapau, Waipukurau, Waipawa, Kairakau, Pōrangahau, and Te Paerahi Beach communities.
 - b) a half charge per separately used or inhabited part of a rating unit which is serviceable for the above locations.
- **For this rate:**
 - "Connected" means a rating unit to which water is supplied.
 - "Serviceable" means a rating unit to which water is not being supplied, but the property it is situated within 100 metres of the water supply.

For the 2025-2026 year these rates will be:

	Charge	Water Rate (incl GST)
a	Connected	\$1,581.04
b	Serviceable, not connected	\$790.52

5. Metered Water Rates

A targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, as measured by cubic metre, over 300 cubic metres per year. This is applied to water users deemed 'Extraordinary' where payment of the Water Supply rate above entitles extraordinary users to the first 300 cubic metres of water without additional charge.

The rate is subject to differentials as follows:

- (a) a rate per cubic metre of water, for users consuming below 40,000 cubic metres.
- (b) A rate per cubic metre of water, for users above 40,000 cubic metres, and where the land use category in the valuation database is not 'industrial'.
- (c) a rate of per cubic metre of water, for users consuming above 40,000 cubic metres, and where the land use category in the valuation database is 'industrial'.

For the 2025-2026 year these rates will be:

	Volume of water (cubic metres)	Rate per cubic metre (incl GST)
a	Below 40,000	\$3.21
b	Above 40,000, non- industrial	\$3.21
c	Above 40,000, industrial	\$3.21

6. Sewage Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's sewage disposal function of fixed amounts in relation to all land in the district to which the Council's sewage disposal service is provided or available, as follows:

- (a) a charge per rating unit connected.
- (b) a charge per pan within the rating unit, after the first one.
- (c) a charge per rating unit which is serviceable.

The rate is subject to differentials as follows:

- "Connected" means the rating unit is connected to a public sewerage system.
- "Serviceable" means the rating unit is not connected to a public sewerage drain but is within 30 metres of such a drain.
- A rating unit used primarily as a residence for one household is treated as not having more than one pan.
- For commercial accommodation providers, each subsequent pan will be rated at 50% of the charge.
- For those Clubs who qualify for a rebate of their General Rates under Council's Community Contribution and Club Rebate Remission Policy, and who are connected to the sewerage network, each subsequent pan will be rated at 50% of the Sewerage Charge.

The purpose of this rate is to fund the maintenance, operation and capital upgrades of sewerage collection, treatment and disposal systems in those parts of the district where these systems are provided.

For the 2025-2026 year these rates will be:

	Charge	Sewerage Rate (incl GST)
a	First charge per separately used or inhabited part of a rating unit connected	\$1,425.92
b	Additional charge per pan after the first	\$1,425.92
c	Serviceable, not connected, per separately used or inhabited part of a rating unit	\$712.96
d	Additional charge per pan after the first – commercial accommodation provider, qualifying club	\$712.96

7. Stormwater Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the purpose of funding operations and maintenance, plus improvements and loan charges on the stormwater drainage network as follows:

A uniform targeted rate on the capital value of all rateable land in the Waipukurau, Waipawa, Takapau, and Otāne Stormwater Catchment Areas on a differential basis as set out below:

Stormwater Catchment Area	Differential	2025-2026 Cents per Dollar of Capital Value (including GST)
Otane	0.80	0.05154
Takapau	0.60	0.03866
Waipawa	1.00	0.06443
Waipukurau	1.00	0.06433

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-

8. Kerbside Recycling Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's collection of household recyclables for Waipukurau, Waipawa, Takapau, Otāne, Ongaonga, and Tikokino on each separately used or inhabited part of a rating unit to which the Council provides the service.

For the 2025-2026 year this rate will be \$136.84 (including GST).

9. Refuse Collection Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the collection of household and commercial refuse for Otāne, Ongaonga, Takapau, Tikokino, Waipukurau, Waipawa, Pōrangahau, Te Paerahi, Blackhead Beach, Kairakau, Mangakuri, Aramoana and Pourerere Beach on each separately used or inhabited part of a rating unit to which the Council provides the service.

For the 2025-2026 year this rate will be \$36.93 (including GST).

10. Te Aute Drainage Rate

Te Aute Drainage rates are set on all rateable area of rateable property within the designated area subject to a graduated scale for the purpose of funding the operations, loan charges and the repayment of loans for the Te Aute Drainage Scheme area.

The amount required and the classification is set by the Te Aute Drainage Committee.

Each hectare of land in each property is classified according to the susceptibility of that hectare to flooding as follows:

A (100 points), B (80 points), C (15 points), F (3 points), and G (0 points).

The total number of points is 73614. The total amount of funding required each year determines how much each of these points are worth. In this way, the total amount required is apportioned on a pro rata basis using the weightings on each hectare.

The total amount of funding required for 2025-2026 is \$103,500.

The amount per point is 140.59826 cents including GST.

The Te Aute drainage scheme area is defined by reference to the classification list establishing the graduated scale.

Valuation Number	Hectares in each classification				Total Points	Amount
	A (100pts)	B (80pts)	C (15pts)	F (3pts)		
1092000300	0	11.3	8.15	31.63	1,121	\$ 1,576.10
1092000800	0	32.83	74.69	23.42	3,817	\$ 5,366.60
1092000900	0	0	0.83	2.15	19	\$ 26.71
1092001001	77.96	16.65	11.94	17.95	9,361	\$ 13,161.33
1092001100	78.22	0	15.28	39.73	8,171	\$ 11,488.22
1092001107	0	0	18.02	68.04	474	\$ 667.02
1092001200	0	2.88	18.35	18.86	562	\$ 790.16
1092001201	0	20.25	19.15	12.31	1,944	\$ 2,733.21
1092001400	0	0	0	14.16	42	\$ 59.05
1092001600	0	0	0	10.12	30	\$ 42.18
1092001700	38.74	51.06	36.24	45.12	8,638	\$ 12,144.81
1092002100	188.81	0	0	23.93	18,953	\$ 26,647.44
1092002200	84.02	4.14	1.16	6.45	8,770	\$ 12,330.40
1092002300	41.02	5.2	20.43	22.8	4,893	\$ 6,879.43
1092002900	0	0	0	0.81	2	\$ 2.81
1092006100	0	84.44	0	20.77	6,817	\$ 9,584.53
Total	508.77	228.75	224.24	358.25	73,614	\$103,500.00

Approach to Rating

Rates are set and assessed under the Local Government (Rating) Act 2002 on all rateable rating units on the value of the land and improvements as supplied by Quotable Value New Zealand Limited. The last rating revaluation was carried out in September 2024 and is effective from 1 July 2025.

The objectives of the council's rating policy is to:

- I. spread the incidence of rates as fairly as possible.
- II. be consistent in charging rates.
- III. ensure all ratepayers pay their fair share for council services.
- IV. provide the income needed to meet the council's goals.

The Central Hawke's Bay District Council rating system provides for all user charges and other income to be taken into account first, with the rates providing the balance needed to meet the council's objectives.

Rating Base

The rating base will be the database determined by the contracted rating service provider. Because this database is constantly changing due to change of ownership, subdivision, regular revaluations, change of status from rateable to non-rateable (and reverse), the rating base is not described in detail in this policy.

Due Dates for Rate Payments

Pursuant to Section 24 of the Local Government (Rating) Act 2002, the following dates are proposed to apply for assessing the amount of each instalment of rates excluding metered water rates for the year 1 July 2025 to 30 June 2026. Each instalment will be assessed in four equal amounts, rounded.

Instalment number	Instalment Start Date	Last day of payment without additional charge	Penalty date
1	1 July 2025	20 August 2025	21 August 2025
2	1 October 2025	20 November 2025	21 November 2025
3	1 January 2026	20 February 2026	21 February 2026
4	1 April 2026	20 May 2026	21 May 2026

Due Dates for Metered Water Rates

Pursuant to Section 24 of the Local Government (Rating) Act 2002, the following dates are proposed to apply for assessing the amount of metered water rates for the year 1 July 2025 to 30 June 2026. The assessment is applied to water users after the first 300 cubic metres of water without additional charge has been used as part of the Water Supply Rate.

Area/Users	Water Meters read during	Last day of payment
Commercial/Large Users	Monthly	20 th month following
All other Users	September, December, March, June	20 th month following

Penalty Charges

(Additional Charges on Unpaid Rates)

Pursuant to Section 58(1)(a) of the Local Government (Rating) Act 2002, an additional charge of 10% will be added on the penalty date above, to all amounts remaining unpaid for each instalment excluding metered water rates.

Pursuant to Section 58(1)(b) of the Local Government (Rating) Act, a further additional charge of 10% will be added on 1 July 2025 to the amount of rates assessed in previous financial years and remaining unpaid as at 30 June 2026 (Section 58(1)(b)) excluding metered water rates.

Targeted rates for metered water supply will be invoiced separately from other rates invoices. A 10% penalty will be added to any part of the water rates that remain unpaid by the due date as shown in the table above as provided for in Section 57 and 58(1)(a) of the Local Government (Rating) Act 2002.

EXECUTIVE SUMMARY

This report is the final step in the process of being able to set the rates for the 2025-2026 financial year following the adoption of the Annual Plan 2025-2026. The rates included in the report are part of the Funding Impact Statement that is included in the Annual Plan 2025-2026 document.

BACKGROUND

Council is required to resolve to set the rates, due dates and penalties regime for the 2025-2026 year.

The rates required by Council to be able to meet the requirements of the purpose of Local Government are part of the development of Annual Plan and are set out within the attached Funding Impact Statement within the Annual Plan. Following the adoption of the Annual Plan, Council is required to set rates in accordance with the Funding Impact Statement and Section 23 of Local Government (Rating) Act 2002.

DISCUSSION

Once Council has set its Annual Plan for the year it knows what it expects its cost structure to be, and therefore what income it needs from rates and fees and charges to recover these costs.

To ensure that the appropriate level of rates are levied, it must set appropriate “Rate Factors” that will generate the required level of rates revenue.

For example, Land Transport is rated based on “Land Value” and Central Hawkes Bay District has \$5.36 billion of land value across its District (this is down from \$5.96b based on the 2021 QV). The Rates required to cover the Land Transport activity is \$11.12m, so by dividing one into the other, Council is required to rate \$0.0020766 for every dollar of Land Value a property has. This is its Rate Factor.

So, working through an example, a house in Waipukurau with a Land Value of \$100,000 will pay \$207.66 in Land Transport Rates.

On Tuesday 9 May 2025, Council Officers undertook a rates strike based on the rating database at that point in time, to set the Rates Factors for 2025-2026 that would generate the revenue required to match the 2025-2026 Annual Plan expectations.

While Council can control the budgets, it has no control over property and land values. The factors below are simply a result of a mathematical formula using the budgets set by Council and the property values set by Quotable Value.

The full list of rates factors are:

Rates Type	2024-2025 Factor	2025-2026 Factor	% Change
General Rate	\$0.11423	\$0.12566	10.0%
Land Transport	\$0.17863	\$0.20766	16.3%
Refuse Collection	\$53.69	\$36.93	-31.2%
Sewerage	\$1,300.47	\$1,425.92	9.6%
Stormwater	\$0.04707	\$0.06433	36.7%
Water Supply	\$1,294.73	\$1,581.04	22.1%
Water Supply by Meter	\$3.12	\$3.21	2.9%
Recycling	\$133.35	\$136.84	2.6%
UAGC	\$445.30	\$452.67	1.7%
Te Aute Drainage	\$1.405983	\$1.405983	0.0%
Rates Penalty	10%	10%	

Due to the impact of the recent property revaluations, you’ll note that the change in General Rate, Land Transport Rate, and Stormwater Rate would indicate a rate increase well above the 7.9% average impact on the ratepayer. Below is the same table showing what the 2025-2026 if Council was to reapply the 2021 QV values rather than the newer 2024 QV values.

Rates Type	2024-2025 Factor	2025-2026 Modified Factor	% Change
General Rate	\$0.11423	\$0.11878	4.0%
Land Transport	\$0.17863	\$0.18659	4.5%

Stormwater	\$0.04707	\$0.06013	27.7%
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Assuming a ratepayer's property value has moved by the district average, then the percentage change shown above will be the true impact on their 2025-2026 rates invoice compared to the 2024-2025 invoice.

RISK ASSESSMENT AND MITIGATION

Setting of the rates is a requirement of the Local Government Act 2002 and the Section 23 of Local Government (Rating) Act 2002. Council is required to set the rates in accordance with the Act to ensure they are lawful and can be collected from ratepayers.

The nature of the resolution recommended to Council is aligned with legal advice.

FOUR WELLBEINGS

Rates funding allows the Council to deliver the services included in the Annual Plan. The rates proposed to be set are consistent with the Annual Plan, therefore the decision before Council enables the Council to fund and finance the programmes and services which will in turn support the fostering of community wellbeing.

DELEGATIONS OR AUTHORITY

Council is required to set rates based on the Annual Plan and in accordance with Section 23 of Local Government (Rating) Act 2002. This is a duty that only Council has authority to make and is unable to delegate.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being critical to the financial management of the Council, however the decision before Council to strike the rates does not trigger significance in itself.

OPTIONS ANALYSIS

Option 1

Pursuant to Section 23(1) of the Local Government (Rating) Act 2002, the Central Hawke's Bay District Council resolves to set the rates, due dates and penalties regime for the 2025-2026 year.

Option 2

Council resolves to not set the rates, due dates and penalties regime for the 2025-2026 year and to give Officers guidance on which amendments are needed and an amended timeframe related to setting of rates would be required. Any amendments are likely to result in delays in issuing the first rates instalment for 2025-2026.

Setting of rates is key for the service provision and the financial management and funding of Council. Not setting the rates would put Council at financial risk.

Recommended Option

This report recommends option number one "setting the rates" for addressing the matter.

NEXT STEPS

Following the setting of Rates, Council Officers will strike the rates within the Council rating system and following 1st July, the first rates assessment will be sent to ratepayers.

Those ratepayers on Direct Debit will be notified before the DD amount is recalculated.

As is usual practice Council Officers will be working with the network of networks to promote the rates rebate scheme and will be holding a number of rates clinics in the libraries.

7.3 COUNCIL FINANCIAL RESULTS FOR 9 MONTHS AND YEAR END FORECAST

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

RECOMMENDATION(S)

That Council receives the Council Financial Results for 9 months and Year End Forecast report.

PURPOSE

The purpose of this report is to inform Councillors how the first $\frac{3}{4}$ of the financial year has gone financially and to provide a forecast of where Council is tracking to end up at year end.

SIGNIFICANCE AND ENGAGEMENT

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

BACKGROUND

Council Officers report the financial performance of the Council quarterly so that Councillors are abreast of how Council is tracking against its Annual Plan, highlighting any variances, drivers, and corrective actions being undertaken.

This report also forecasts based on the year-to-date results, and corrective actions where Council's financials are likely to land at year end.

DISCUSSION

Over the page is Council's Funding Impact Statement (FIS) for the first 9 months of the 2024/2025 financial year.

For the 2024/2025 financial year Council's results are heavily impacted by the Cyclone Roding Recovery.

The table below shows Business as Usual (BAU) and Roding Recovery separately so you can see the impact on Council's finances clearly.

	BAU Actuals \$'000	BAU Budget \$'000	BAU Var \$'000	Recovery Actual \$'000	Recovery Budget \$'000	Recovery Var \$'000	Total Actual \$'000	Total Budget \$'000	Total Var \$'000
Operating Revenue	35,583	35,424	159	416	0	416	35,999	35,424	575
Operating Costs	28,725	28,557	168	855	18,750	(17,895)	29,580	47,307	(17,727)
Operating Surplus/(Deficit)	6,858	6,867	(9)	(439)	(18,750)	18,311	6,419	(11,883)	18,302
Capital Revenue	10,853	16,435	(5,582)	9,987	18,750	(8,763)	20,840	35,185	(14,345)
Capital Expenditure	21,744	23,771	(2,027)	7,576	0	7,576	29,320	23,771	5,549
Total FIS	(4,033)	(469)	(3,565)	1,972	0	1,971	(2,061)	(469)	(1,593)

What this shows, putting Roding Recovery to one side, operationally Council is broadly on track.

It is behind in its capital delivery (mainly in water, wastewater, and to a lesser extent community facilities).

Roading Recovery has been pulled back to match NZTA's funding envelope (which was less than originally budgeted). \$3m of this years work has been funded at a 99% Funding Assistance Rate (FAR), and the balance has been funded at 89%. Councils original budget had been set at a FAR of 95% (that is NZTA would fund \$95 and Council would fund \$5 for every \$100 of cyclone repair work undertaken).

Central Hawkes Bay District Council

For the Period July 2024 - March 2025

Funding Impact Statement Report

Sources of Operating	YTD Actuals	YTD Budget	Bud Var
General rates, uniform annual general charges and rates penalties	15,959,458	16,001,160	(41,702)
Targeted rates	8,897,132	9,062,160	(165,028)
Subsidies and Grants for Operating Purposes	5,755,749	5,268,006	487,743
Fees, charges	4,119,693	4,706,384	(586,691)
Interest and dividends from investments	355,012	135,468	219,544
Local authorities fuel tax, fines, infringement fees and other receipts	912,086	251,622	660,464
TOTAL	35,999,131	35,424,800	574,331
Applications of Operating			
Payments to staff	7,436,441	8,742,915	1,306,474
Payments to suppliers	20,475,940	37,438,417	16,962,477
Finance costs	2,399,958	2,400,183	225
Other operating funding applications	(732,368)	(1,274,994)	(542,626)
TOTAL	29,579,971	47,306,521	17,726,550
Net Operating Cash Flows	6,419,160	(11,881,721)	18,300,881

Sources of Capital	YTD Actuals	YTD Budget	Bud Var
Subsidies and grants for capital expenditure	15,434,505	21,113,154	(5,678,649)
Gross proceeds from sale of assets	334,105	45,000	289,105
Development and financial contributions	1,071,325	1,703,628	(632,303)
Increase (decrease) in debt	4,000,000	12,323,709	(8,323,709)
TOTAL	20,839,935	35,185,491	(14,345,556)
Applications of Capital			
to meet additional demand	194,443	878,346	683,903
to improve the level of service	3,479,802	6,014,124	2,534,322
to replace existing assets	17,780,634	17,572,428	(208,206)
Increase (decrease) in reserves	(509,819)	168,750	678,569
Increase (decrease) of investments	8,375,000	(862,803)	(9,237,803)
TOTAL	29,320,060	23,770,845	(5,549,215)
Net Capital Cash Flows	(8,480,126)	11,414,646	(19,894,772)
Grand Total	(2,060,965)	(467,075)	(1,593,890)

Although Council's operational BAU is only \$9k different to budget there are a number of overs and unders that are offsetting each other in this number.

Like other business in New Zealand some of Council's activities are subject to economic downturns. For example, Council's consenting teams have seen a downturn in consent applications and Council's landfill is light on construction waste this year.

Offsetting this is lower than forecast costs regarding finalising the district plan, the washup of covid employment generation activity, lower Emission Trading Scheme (ETS) commitments on the back of lower landfill volumes, and Council carrying vacancies and not filling budgeted roles.

End of Year Forecast

Looking forward to the end of the year Council is forecasting it'll finish with a small surplus as per the tables below:

	Annual Budget	EOY Forecast	Variance	Explanation
Operating Income				
Community Leadership	2,828,839	2,967,640	138,801	
Leadership Governance & Consultation	1,558,990	1,558,990	0	
Economic & Social Development	1,269,849	1,408,650	138,801	Last of Covid Recovery Contracts
Planning & Regulatory	4,312,661	3,968,108	(344,553)	
District Planning	884,252	884,252	0	
Resource Consenting	920,705	825,380	(95,325)	Economic Downturn driving lower volumes
Building Consents	1,190,784	891,876	(298,908)	Economic Downturn driving lower volumes
Public Health	234,089	234,089	0	
Animal Control	512,931	472,931	(40,000)	Write-off of old uncollectable infringements
Compliance & Monitoring	569,900	659,580	89,680	Freedom Camping TIFF revenue
Community Partnerships	6,428,658	6,548,734	120,076	
Parks & Reserves	1,665,055	1,833,656	168,601	
Cemetries	401,913	383,639	(18,274)	
Community Facilities	1,961,258	1,918,662	(42,596)	
Libraries	1,352,084	1,348,184	(3,900)	
Public Toilets	503,348	499,801	(3,547)	
Retirement Housing	545,000	564,792	19,792	
Land Transport	13,901,224	27,669,534	13,768,310	
BAU	12,991,224	9,441,531	(3,549,693)	Movement between Operating and Capital Revenue Lines
Cyclone Recovery	910,000	18,228,003	17,318,003	Movement between Operating and Capital Revenue Lines
Solid Waste	6,067,722	5,720,865	(346,857)	Lower Waste Volumes
Three Waters	12,824,259	11,859,415	(964,844)	
Drinking Water	5,682,997	5,488,415	(194,582)	Decline in Water Meter Revenues and less Connections Rated than Budgeted
Wastewater	5,210,047	5,150,509	(59,538)	Decline in Trade waste Volumes
Stormwater	1,931,215	1,220,491	(710,724)	Better Off Funding Carried Forward
Total Operating Revenue	46,363,363	58,734,296	12,370,933	

Operating Costs				
Community Leadership	2,834,339	2,816,955	(17,384)	
Leadership Governance & Consultation	1,564,490	1,420,973	(143,517)	
Economic & Social Development	1,269,849	1,395,981	126,132	Last of Covid Recovery Contracts
Planning & Regulatory	4,456,711	3,938,153	(518,558)	
District Planning	1,038,331	715,932	(322,399)	Staffing vacancy & less legal costs
Resource Consenting	920,705	983,931	63,226	Increase in legal and outsourcing costs
Building Consents	1,190,784	981,520	(209,264)	Adjusted staffing & little outsourcing
Public Health	234,089	220,228	(13,861)	
Animal Control	502,902	436,648	(66,254)	Doing afterhours inhouse and lower pound operating costs
Compliance & Monitoring	569,900	599,895	29,995	
Community Partnerships	5,548,174	5,657,516	109,342	
Parks & Reserves	1,509,263	1,598,508	89,245	
Cemeteries	391,913	326,536	(65,377)	
Community Facilities	1,576,795	1,691,982	115,187	Additional contract costs - pools and civic theatre
Libraries	1,178,791	1,090,759	(88,032)	Savings in staff, training, and building maintenance
Public Toilets	446,847	439,473	(7,374)	
Retirement Housing	444,565	510,257	65,692	Higher maintenance and insurance costs
Land Transport	35,299,585	27,733,623	(7,565,962)	
BAU	10,299,585	8,973,619	(1,325,966)	Some work deferred to 2026
Cyclone Recovery	25,000,000	18,760,004	(6,239,996)	Only received 89% funding rather than 95%
Solid Waste	5,764,705	5,100,875	(663,830)	Lower Waste Volumes = less Carbon Credits & WM Levies
Three Waters	11,694,940	10,481,431	(1,213,509)	
Drinking Water	5,314,539	5,071,508	(243,031)	Tighter contract management
Wastewater	4,612,244	4,483,681	(128,563)	Tighter contract management
Stormwater	1,768,157	926,241	(841,916)	Better Off Funding work not completed
Total Operating Costs	65,598,454	55,728,552	(9,869,902)	
Total Operating Surplus / (Deficit)	(19,235,091)	3,005,745	22,240,836	

	Annual Budget	EOY Forecast	Variance	Explanation
Capital Income				
Planning & Regulatory	144,050	202,853	58,803	
District Planning	154,079	(168,320)	(322,399)	Decrease in Debt Principal
Resource Consenting	0	(33,756)	(33,756)	Decrease in Debt Principal
Building Consents	0	(13,500)	(13,500)	Decrease in Debt Principal
Animal Control	(10,029)	418,429	428,458	Pound Section Sale & Debt Draw for Pound Building
Community Partnerships	134,422	(140,793)	(275,215)	
Parks & Reserves	279,229	40,000	(239,229)	Not Drawing Debt - deferred capital program
Cemeteries	21,250	0	(21,250)	
Community Facilities	(97,763)	(232,483)	(134,720)	Better Off Funding work not completed, balance is debt retirement
Libraries	(46,293)	(67,847)	(21,554)	
Public Toilets	(22,001)	119,536	141,537	Ongaonga and Linsday Bush Toilet TIFF funding
Land Transport	28,248,779	17,772,622	(10,476,157)	
BAU	4,458,779	3,202,440	(1,256,339)	Underdelivering this years plan, will carry forward work to 2026
Cyclone Recovery	23,790,000	14,570,182	(9,219,818)	Only received 89% funding rather than 95% and funding under Opex
Solid Waste	(25,474)	(406,231)	(380,757)	Decrease in Debt Principal
Three Waters	18,422,623	4,331,106	(14,091,517)	
Drinking Water	11,905,236	3,134,673	(8,770,563)	Not Drawing Debt - differed capital program
Wastewater	5,078,695	260,435	(4,818,260)	Not Drawing Debt - differed capital program
Stormwater	1,438,692	935,998	(502,694)	Not Drawing Debt - differed capital program, offset by IAF Receipt for ponds
Total Capital Revenue	46,789,978	21,900,350	(24,889,628)	

Capital Costs				
Community Leadership	(5,500)	47,000	52,500	
Leadership Governance & Consultation	(5,500)	65,000	70,500	Carry forward some surplus to fund Election
Economic & Social Development	0	(18,000)	(18,000)	Reserve movements
Planning & Regulatory	0	421,095	421,095	
District Planning	0	0	0	
Resource Consenting	0	0	0	
Building Consents	0	(50,000)	(50,000)	Reserve movements
Public Health	0	(3,000)	(3,000)	Reserve movements
Animal Control	0	424,095	424,095	Purchase of Pound Property
Compliance & Monitoring	0	50,000	50,000	Reserve movements
Community Partnerships	1,014,906	615,979	(398,927)	
Parks & Reserves	435,021	174,900	(260,121)	Deferred Capital Program
Cemeteries	31,250	31,250	0	
Community Facilities	286,700	47,197	(239,503)	Deferred Capital Program
Libraries	127,000	87,692	(39,308)	Deferred Capital Program
Public Toilets	34,500	220,404	185,904	Construction of Ongaonga and Lindsay Bush Toilet
Retirement Housing	100,435	54,535	(45,900)	Deferred Capital Program
Land Transport	6,850,418	17,708,534	10,858,116	
BAU	7,150,418	3,670,352	(3,480,066)	Underdelivering this years plan, will carry forward work to 2026
Cyclone Recovery	(300,000)	14,038,181	14,338,181	Budgeted under Opex
Solid Waste	277,543	213,760	(63,783)	Outside of Weighbridge little other works completed this year
Three Waters	19,551,944	8,173,648	(11,378,296)	
Drinking Water	12,273,694	5,154,228	(7,119,466)	Deferred Capital Program
Wastewater	5,676,500	1,260,769	(4,415,731)	Deferred Capital Program
Stormwater	1,601,750	1,758,651	156,901	
Total Capital Costs	27,689,311	27,180,015	(509,296)	
TOTAL FIS				
Community Leadership	0	103,685	103,685	
Leadership Governance & Consultation	0	73,017	73,017	
Economic & Social Development	0	30,669	30,669	
Planning & Regulatory	0	(188,287)	(188,287)	
District Planning	0	0	0	Debt draw will be matched to District Plan costs
Resource Consenting	0	(192,307)	(192,307)	
Building Consents	0	(53,144)	(53,144)	
Public Health	0	16,861	16,861	
Animal Control	0	30,617	30,617	
Compliance & Monitoring	0	9,685	9,685	
Community Partnerships	0	134,446	134,446	
Parks & Reserves	0	100,248	100,248	
Cemeteries	0	25,853	25,853	
Community Facilities	0	(52,999)	(52,999)	
Libraries	0	101,886	101,886	
Public Toilets	0	(40,540)	(40,540)	
Retirement Housing	0	(0)	(0)	Ring Fenced Activity - surplus carried forward
Land Transport	0	0	0	
BAU	0	0	0	Will be balanced through carry forwards to match program deferral
Cyclone Recovery	0	0	0	Will be balanced through debt/reserves
Solid Waste	0	0	0	Should have a small surplus with will be applied to debt
Three Waters	0	0	0	
Drinking Water	0	0	0	On track to neutral
Wastewater	0	0	0	Should have a small surplus to be carried forward
Stormwater	0	0	0	On track to neutral and balance of BOF carried forward
Total FIS	0	49,844	49,844	Small surplus from General rated activities to be carried forward after offsetting deficits

What this shows is Council will ringfence its targeted rates for water, wastewater, stormwater, and land transport, and retirement housing (as is normal practice) and transfer any surpluses/(deficits) through reserves to be used for these activities in future years. It is envisaged that there will be a small surplus to carry forward in the 3 Waters area which could be utilised for Local Water Done Well transition costs in the future, dependent on the outcome.

The balance of activities, which are general rate funded, are forecast to generate a small surplus of approximately \$49k and will be carried forward to be used in future years.

Already included in the numbers above is adjustments for unspent grants that need to be treated as revenue in advance, and ring-fenced activities that can't be transferred between activities. In August once all the year end numbers are being finalised, a further report will be brought to Council provide a draft result and to confirm the treatment of any activity transfers / carry forwards.

STRATEGIC ALIGNMENT

The financial reports indicate how well Council is at delivering its Annual Plan for the year and whether it is delivering in line with its expected levels of service.

COMMUNICATION

This report is one of the measures Council uses to be open and transparent about how Council is at using public money in the manner that was consulted on as part of the 3-Year Plan.

NEXT STEPS

Council Officers will in August/September will bring the draft financial results for the full year back to Council to consider and to confirm final debt funding and what surpluses can be carried forward to future years.

7.4 PROPOSAL TO GRANT LEASE – PŌRANGAHAU SPORTS CLUB LEASE – WHITE DOMAIN

Author: Nikki Whelpton, Property Manager

Authoriser: Doug Tate, Chief Executive

Attachments: 1. Proposed Lease Area – White Domain [↓](#)

PURPOSE

The purpose of this report is to seek the approval of Council to grant a lease to the Pōrangahau Sports Club for part of White Domain, Pōrangahau both as the Administering Body of the Reserve and under Delegated Authority of the Minister of Conservation under the Reserves Act 1977 (the Act).

RECOMMENDATION(S)

That Council:

1. **Grants a lease to the Pōrangahau Sports Club Incorporated for a portion of White Domain, Dundas Street Pōrangahau, legally described under CT Section 6 BLK XII Pōrangahau Survey District, in accordance with Section 54 (1) (b) of the Reserves Act 1977, for a term of eleven (11) years with two (2) rights of renewal of eleven (11) years, subject to not receiving any sustained objections following public consultation, as the administering body of the Reserve.**
2. **Grants a lease to the Pōrangahau Sports Club Incorporated for a portion of White Domain, Dundas Street Pōrangahau, legally described, under CT Section 6 BLK XII Pōrangahau Survey District, in accordance with Section 54 (1) (b) of the Reserves Act 1977 for a term of eleven (11) years with two (2) rights of renewal of eleven (11) years, subject to not receiving any sustained objections following public consultation, under delegated Authority from the Minister of Conservation.**

EXECUTIVE SUMMARY

The Pōrangahau Sports Club has requested a new lease for a portion of White Domain, Pōrangahau, to construct new clubrooms. The club currently holds a license to occupy part of the domain and seeks to surrender this license in favour of a new lease agreement with the Council. This proposal aligns with the Council's Reserve Management Plan 2022 and the Central Hawke's Bay Sport and Recreation Facilities Plan 2022, which recognise the club's significant role in managing and developing the park for the community.

The report recommends granting the lease for a term of eleven years, with two rights of renewal for eleven years each, subject to public consultation and not receiving any sustained objections. The lease terms have been agreed upon in principle, including the land area, annual rental, and conditions for the erection and operation of the sports pavilion. The Council must formally consult with the community in accordance with the Reserves Act 1977, and the lease will be finalised if no sustained objections are received.

Granting the lease will enable the Pōrangahau Sports Club to proceed with their plans to build a sporting hub on White Domain, benefiting the Pōrangahau community. The club has a strong membership and professional project management support, ensuring the success and longevity of the new clubrooms. The proposal substantially aligns with the Council's strategic plans and supports the club's aspirations for the future.

BACKGROUND

This report seeks approval to grant a lease to the Pōrangahau Sports Club Incorporated on White Domain, Pōrangahau both as the administering body of the Reserve, and under delegated Authority from the Minister of Conservation (Reserves Act 1977 – Instrument of Delegation for Territorial Authorities 2013).

By way of background, the Pōrangahau Sports Club hold a Licence to occupy dated 1 July 2008 for Recreation Reserve land known as White Domain Pōrangahau, legally described as under CT Section 6 BLK XII Pōrangahau Survey District for the occupation of the changing sheds on the site.

The Club has outlined a proposal for the construction of a new clubrooms on White Domain. They propose to surrender the Licence to Occupy dated 1 July 2008 and wish to enter into a new Lease Agreement with Council for a larger area of the Domain for the construction of a new clubroom. This approach recognises the existing leadership and operational role the club play at White Domain on behalf of the Pōrangahau Community.

Councils Reserve Management Plan 2022 available [here](#) (see page 121) and the Central Hawke's Bay Sport and Recreation Facilities Plan 2022 available [here](#), contemplates the role of the Sports Club as the primary leader of the ground, noting the plans approach to:

- Recognise Pōrangahau Sports Club's significant role in management and development of the park and support community-led processes to determine future aspirations for the park •
- Continue as the local sport and recreation park for Pōrangahau.

The Club have presented to Councils Strategy, Growth and Community Committee 27 March 2025 Workshop on their aspirations to build a sporting hub on White Domain.

Officers and the Club are now at a point, where having worked through the matters in principle with the club, are ready to seek the approval of Council, both as the Administering Authority and under Delegated Authority from the Minister of Conservation to approve the lease, in order for consultation to occur in accordance with the Act.

DISCUSSION

This section of the report sets out the legal process and the agreed conditions of the lease:

Legal Basis

The Reserves Act 1977 sets out the requirements and legal basis to establish a lease on reserve land. White Domain is classified Recreation Reserve in accordance with the Reserves Act 1977 under CT Section 6 BLK XII Pōrangahau SD. In 1982 the reserve was classified as Recreation Reserve. The Reserve is vested in Council as the Administering under the Reserves Act 1977.

Section 54 and section 54 (1) (b) of the Reserves Act sets out requirements for leasing of Recreation Reserve and the conditions that must be contained within the Lease for the purposes of erecting a clubrooms which the Club seek.

In accordance with Section 54(1A) Council is required to formally consult with the community in accordance with section 119 of the Act, due to not passing one of the four requirements of the Act, being that the lease is not specifically contemplated in the Reserve Management Plan 2022.

Officers intend to seek Council approval to grant the lease, subject to not receiving any sustained objections to grant the lease. Where objections are received and these are sustained, Council will need to hear these in accordance with section 120 of the Act.

In the event that no sustained objections are received, the lease will be finalised and executed by the Chief Executive on behalf of Council.

Approval for the lease is sought by Council in two forms:

As the Administering Authority

Approval is first sought from Council to grant the lease as the Administering Authority, with the authority to administer and control the reserve being granted to Council in 1978.

Under Delegated Authority

Approval is then sought from Council under delegated Authority from the Minister of Conservation (Reserves Act 1977 – Instrument of Delegation for Territorial Authorities 2013) to approve the lease.

Terms of the Lease

Officers have worked with Club on proposed terms of the lease. The parties have worked through and agreed in principle the following terms and conditions:

Lease Structure:	Bespoke lease to capture the provisions of the Reserves Act 1977.
Premises:	Land area and position on the reserve TBC 67950 m2 more or less being part of Blk XII Pōrangahau SD Sec 6, 41 Dundas Street, Pōrangahau as delineated in Blue on the attached plan.
Term:	Eleven (11) years.
Commencement Date:	1 September 2025
Rights of Renewal:	Two (2) rights of renewal for a further eleven (11) years.
Renewal Dates:	TBC (11 years less one day from commencement), TBC (11 years less one day from first renewal)
Final Expiry Date:	TBC (33 years less one day from commencement) if all rights of renewal are exercised.
Annual Rental:	\$100 per annum plus GST (if any) – subject to a future community leasing policy.
Monthly Rental:	-
Rent Reviews:	Nil – subject to a future community leasing policy.
Default Interest Rate:	Nil.
Purpose:	For the erection and operation of a sports pavilion being the Pōrangahau Sports Club Rooms.
Landlords Insurance:	[Strike-out].
Proportion of outgoings:	100% of exclusive use area as shown on attached plan.
Outgoings:	Rates or levies payable to any local or territorial authority. Charges for water, gas, electricity, telecommunications and other utilities or services, including line charges. Rubbish collection and recycling charges. New Zealand Fire Service charges and the maintenance charges in respect of all fire detection and firefighting equipment. Any insurance excess (but not exceeding \$2,000) in respect of a claim and insurance premiums and related valuation fees (subject to clause 23.2) Service Contract Charges for air conditioning, lifts, other building services and security services. Cleaning, maintenance and repair charges including charges for

~~repainting, decorative repairs and the maintenance and repair of the building services to the extent that such charges do not comprise part of the cost of a service maintenance contract, but excluding charges for structural repairs to the building (minor repairs to the roof of the building shall not be a structural repair), repairs due to defects in design or construction, inherent defects in the building and renewal or replacement of building services.~~

~~The provisioning of toilets and other shared facilities.~~

The cost of maintenance of lawns, gardens and planted areas including plant hire and replacement, and the cost repair of fences.

Yard and car parking area maintenance and repairs charges but excluding charges for repaving and resealing.

~~Body Corporate charges for any insurance premiums under any insurance policy effected by the Body Corporate and related valuation fees and reasonable management administration expenses.~~

~~Management expenses (subject to Clause 3.7).~~

~~The costs incurred and payable by the Landlord in the supplying to the territorial authority a building warrant of fitness and obtaining reports as required by Sections 108 and 110 of the Building Act 2004 but excluding the costs of upgrading or other work to make the building comply with the Building Act 2004.~~

Further Terms

Reserves Act 1977: Both parties expressly acknowledge that this lease is given under the Reserves Act. Under s61 of the Act, the lessee has no right of acquiring the fee simple.

Termination: The land leased shall be used solely for such sports, games, or other recreational activities as are specified in the lease, and, if at any time the lessor is of the opinion that the land leased is not being used or is not being sufficiently used for the purpose specified in the lease, the lessor, after making such enquiries as the lessor thinks fit and giving the lessee an opportunity of explaining the usage of the land leased, and if satisfied that the land leased is not being used or is not being sufficiently used for the purpose specified in the lease, may terminate the lease on such terms as the Minister approves in any case where an administering body is the lessor, and as the Minister thinks fit in any other case.

Compensation for Improvements: On termination of the lease under the termination clause of the lease or by effluxion of time, surrender, breach of conditions, or otherwise, the land, together with all improvements thereon, shall revert to the lessor without compensation payable to the lessee or otherwise.

Erection of buildings The lease shall prohibit the erection of any building without the prior consent in writing of the Minister. (noting the lease will contemplate the establish of a new building):

Other Terms and Conditions contemplated by the Act for inclusion:

~~(a) include an allocation of the use of a portion of the reserve, to be specified from time to time by the lessor, for the playing of specified sports, games, or other recreational activity. Such allocation may be for a whole year, part of a year, or for certain days in a year:~~

~~(b) grant the exclusive use of the land in the lease or allocated in terms of the lease on a specified number of days in each year during the term of the lease, but subject to the limitation imposed by [section 53](#) as to the number of days on which a charge for admission to the ground and to any stands, pavilions, gymnasiums, or other buildings or facilities may be made:~~

(c) require the lessee to allow the use of playing facilities by non-members, on the payment of reasonable fees, on any occasion when playing facilities are open for play and the lessee is not exercising any right of exclusive use of the land:

(d) require the lessee to make the whole or part of any stands, pavilions, gymnasiums, or other buildings or structures available from time to time at reasonable charges to such other voluntary organisation using the reserve or part of it for outdoor sports, games, or recreational activities, or in special circumstances for recreation not directly associated with outdoor recreation:

(e) provide that, notwithstanding anything to the contrary in the compensation for improvements clause of the lease, the lessor may require the lessee to remove the whole or some of his or her improvements; may provide that, where improvements are of value to the lessor, the lessor may pay to the lessee the value of the improvements as determined by the Minister; or may provide that an incoming lessee shall pay to the outgoing lessee the value as determined by the Minister of specified improvements.

It is on these terms that a proposed lease is granted.

The Club has a strong and active membership and is seeking funding to help ensure the long-term sustainability of its building. The Club also has professional project management support in place and has undertaken due diligence for the project. There are no known current or future alternative uses for the site.

STRATEGIC ALIGNMENT

The proposal to grant the lease substantially aligns with Councils Central Hawke's Bay Reserve Management Plan, and Sport and Recreation Facilities Plan 2022. Substantially granting the lease also provides for the Club to continue to pursue its plans and ambitions outlined in both of the aforementioned plans, for the benefit of the Pōrangahau Community.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of low significance. Despite this, Council must formally consult with community in accordance with Section 119 of the Act, which will see a public consultation process for no less than 20 working days occurring.

As part of this process, Council must publicly notify the proposal and seek the views of the community.

OPTIONS/ ANALYSIS

Two possible options for Council to consider include:

Option 1 – Grant the lease (subject to not receiving any sustained objections)

Council approves the lease, and subject to not receiving any sustained objections the lease would be granted. In the event that sustained objections are received, these would return to Council to be heard.

Option 2 – Do not grant the lease

Council chooses not to support the club, and not to grant a lease.

<u>Option 1</u>	<u>Option 2</u>
Grant the proposed Lease (subject to not receiving any sustained objections)	Do not grant the lease

	<u>Option 1</u> Grant the proposed Lease (subject to not receiving any sustained objections)	<u>Option 2</u> Do not grant the lease
Financial and Operational Implications	This option enables Council to proceed with the clubs' aspirations. There are no new implications to Council.	There would likely be operational implications as Council would still need to resolve the existing occupation, use of the ground the clubs' aspirations.
Long Term Plan and Annual Plan Implications	There are no obvious implications.	There are no obvious implications.
Promotion or Achievement of Community Outcomes	This option enables the Club to proceed with their aspirations, on behalf of the community.	It is not clear how this option supports the community to proceed with their aspirations.
Statutory Requirements	The Reserves Act 1977 is the primary Statutory requirements.	The Reserves Act 1977 is the primary Statutory requirements.
Consistency with Policies and Plans	This option is consistent with the Central Hawke's Bay Reserves Management Plan 2022 and the Sports and Facilities Plan 2022.	This option would not support the intent of the Central Hawke's Bay Reserves Management Plan 2022 and the Sports and Facilities Plan 2022.

RISK ASSESSMENT AND MITIGATION

There are no obvious risks in this decision.

RECOMMENDED OPTION

This report recommends **Option One – Grant the lease** for addressing the matter.

DELEGATIONS OR AUTHORITY

Only Council has the authority for these resolutions.

CONSULTATION

On the basis Council adopts Officers recommendations, the Lease will be publicly notified in accordance with Section 119 of the Act for no less the 20 working days.

It is proposed that consultation will include a sign on White Domain, Pōrangahau, information on Councils website and must include an advert in the Hawke's Bay Today in accordance with the requirements of the Act.

NEXT STEPS

In the event Council adopt Officers recommendations, staff will prepare communications required for consultation to occur.

In the event that sustained objections are received, Council will bring these back to Council to be heard in accordance with Section 120 of the Act.

In the event that no sustained objections are received, once finalised the Chief Executive will finalise the lease with the club.



7.5 LOCAL WATER DONE WELL - UPDATE AND NEXT STEPS

Author: Doug Tate, Chief Executive

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

RECOMMENDATION(S)

That Council:

- 1. Notes the Local Water Done Well – Update and next steps report.**
- 2. Supports the approach being adopted by Officers to address the affordability challenges identified in the Central Hawke’s Bay Local Water Done Well modelling.**

PURPOSE

The purpose of this report is to provide an update on Council’s Local Water Done Well Programme and the next steps for Council to achieve the legal requirement of delivering a Water Service Delivery Plan to the Department of Internal Affairs (DIA) by 3 September 2025.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as of medium significance, noting the imperative legislative requirements of Local Water Done Well and the impacts of the investment required in our local three waters network.

BACKGROUND

Local Water Done Well is the Government’s plan to address New Zealand’s long-standing water infrastructure challenges. It recognises the importance of local decision making for communities and provides councils with a framework to determine how their water services will be delivered in the future. There is a strong emphasis on meeting economic, environmental and water quality regulatory requirements.

Council has received multiple reports and updates on Local Water Done Well and the previous Three Waters reform programme. Officers recently reported to the Finance, Infrastructure and Performance Committee meeting of 24 April 2025 available [here](#), which provided further background information to the Local Water Done Well programme and sought endorsement of Water Service Delivery options for consultation.

The most recent report to Council on 8 May 2025 available [here](#), sought the approval of the Local Water Done Well Consultation document, based on the options adopted at the meeting of 24 April 2025. Council is now out publicly consulting community on the three options available to Council with submissions opening on Monday, 12 May and closing on Sunday, 15 June 2025. The next section of the report provides an update on the consultation process to date.

This report also presents back to Council work that is underway to consider how best to address the significant projected increase in rates for the delivery of water services required across the options currently being consulted on as part of the Local Water Done Well legislative framework.

DISCUSSION

This section of the report speaks to the work underway to address the projected affordability challenges, updates on engagement and outlines the next steps Council can expect to undertake.

Local Water Done Well Consultation

Central Hawke's Bay consultation on the Local Water Done Well proposal opened on 12 May and will run through to 15 June 2025.

Council has established a full consultation page at its website www.letstalkchb.co.nz for Local Water Done Well. At the time of writing the page has had 836 unique visitors to the site and 71 submissions across the district had been received. Officers will provide a verbal update on the day.

A series of community conversations are underway with the following programme of public meetings across the district:

- Live update and presentation – Monday, 19 May.
- Tikokino Community Conversation – Wednesday, 21 May.
- Porangahau Community Conversation – Sunday, 25 May.
- Waipukurau Community Conversation – Tuesday, 27 May.
- Takapau Community Conversation – Wednesday, 28 May.
- Elsthorpe Community Conversation – Tuesday, 3 June.
- Live update and presentation – Thursday, 5 June.
- Waipawa Community Conversation – Tuesday, 10 June.
- Ōtāne Community Conversation (rebooked) – Wednesday 11 June.

The early key themes emerging from community engagement are consistent with the concerns raised by Elected Members, being the costs associated with the regional model and the significant affordability challenges the projected rating increases will result in. While there is understanding of the benefits of a regional Local Water Done Well model, the costs are confronting and causing notable concern for many in the community.

Drivers of the Proposed Cost

As outlined in Officers' previous reporting to Council, consistent with other Hawke's Bay Councils, Central Hawke's Bay Local Water Done Well modelling includes the modelled values contained inside the Three-Year Plan 2024 – 2027. While aspects of Council's wastewater programme were rephased during the Cyclone, the Three-Year Plan includes an 'all in' approach to Council's capital programme for water, wastewater and stormwater as previously projected in the Long Term Plan 2021 - 2031.

Central Hawke's Bay's capital programme is a major driver of the significant required increases in the modelled Local Water Done Well options. While the Local Water Done Well legislative framework requires a higher level of investment to achieve the proposed economic regulation, the district faces a perfect storm of investment, with a \$201m capital programme ahead to replace two 100-year-old drinking water reservoirs, major renewal investment in water and wastewater reticulation networks, and significant upgrades across our seven wastewater treatment plants.

Based on early feedback from Elected Members, Officers have already begun a body of work on exploring options to address the projected rating requirements. This includes:

- Impacts of Taumata Arowai's Wastewater Standards

While still early, Officers have work underway to understand the future impacts of the proposed Wastewater standards and the opportunities to address the forecast \$112 million of investment required at the district's seven wastewater treatment sites. While reductions in investment are possible at smaller sites such as Takapau, Pōrangahau and Te Paerahi, the two major sites of Waipawa/Ōtāne and Waipukurau are still expected to require substantial investment.

If the standard to be achieved is able to be reduced, this will be critical to reducing the major capital investment and subsequent depreciation funding required as a result of the new expenditure.

- **Impact of Taumata Arowai's Acceptable Solutions**

Currently out for consultation, Taumata Arowai has proposed changes to the Acceptable Solutions for drinking water to help save suppliers and their communities time, effort, and cost while ensuring good quality water for everyday consumption.

These solutions offer a compliance pathway for rural supplies that provide water for both farm use and drinking, serving communities of 500 people or fewer. The aim is to simplify the requirements for smaller supplies, making it easier for suppliers to meet their responsibilities without compromising safety. In workshop, Councillors will receive an update from Taumata Arowai on these standards.

- **Acceptable levels of resilience**

As part of the projected three waters capital investment, Officers will also be assessing the level of resilience that the proposed economic regulation will require and ensuring that Council's capital investment does not have an unnecessarily high level of resilience built into the capital programmes.

This includes options such as whether some assets from should be replaced at the point of failure, in the event that other alternate back-up options exist that do not compromise services.

- **Economic options**

Officers have begun work assessing affordability 'caps' and what this would mean to the deliverability of the Council's required capital programme. As outlined earlier in the report, the current programme in the modelling includes an 'all-in' approach, with the full programme of renewals and upgrades required.

This approach having considered the aforementioned points, would seek to understand what a potential capital programme could achieve at a 'cap' (on rates), while still meeting the requirements of the Local Water Done Well Legislative Framework. Councillors can expect an update on this at Council's Finance Infrastructure and Performance Committee workshop on 19 June with early work completed by Officers on the likely impacts of early options that have been considered to date.

While these bodies of work are underway, it is unlikely that these will be significantly completed within the timeframes that will require Council to have adopted the Water Service Delivery Plan for submission by the legal requirement of 3 September.

These bodies of work will continue and should be areas of focus for Council as it considers the next phase of the Local Water Done Well programme, should it agree to proceed with a regional Hawke's Bay Model or any other model.

Water Service Delivery Model Detail

Without predetermining Council's decision future decisions, at Council's 19 June Finance, Infrastructure and Performance workshop, Officers intend to present options available to Council on the form, structure, and settings of any future regional or other shared entity.

The purpose of this workshop will be to test Council's appetite across the minimum key areas any future entity would need to consider and to give Officers direction ahead of any regional discussions with the other Hawkes Bay Council's that may eventuate. These areas include:

- Shareholding allocation.
- Shareholding voting mechanism.
- Shareholder decisions.
- Dividends.
- Asset Valuation.
- Opening Debt methodology.
- Source of debt capital.
- Debt Transfer.
- Pricing Harmonisation.
- LGFA Guarantee/Uncalled Capital.

This workshop, which is proposed to be publicly excluded, would start to inform the basis for any future negotiations with partner Councils if Councils chose to adopt this pathway. This would also be an opportunity for Council to identify options that may address costs concerns as part of any future arrangement also.

Programme and Next steps

At the time of writing an updated programme for progressing any Regional Entity is still under development by the Regional Recovery Agency, in accordance with the Terms of Reference adopted by Council at its 27 June 2024 meeting [here](#). The key dates for Council at this time include:

Date	Activity
Sunday, 15 June	Local Water Done Well Consultation Closes.
Thursday, 19 June	Central Hawke's Bay Hearings. CHBDC Workshop on future arrangements and modelling options.
Thursday, 3 July	Council – Workshop / LWDW Deliberations.
Thursday, 24 July	Strategy Growth and Community Meeting – Endorsement of preferred model.
Friday, 8 August	Regional Collaboration Day.
Thursday, 21 August	Endorsement of Water Services Delivery Plan.
Wednesday, 3 September	Wednesday 3 September.

STRATEGIC ALIGNMENT

Addressing water services affordability and the challenges of three waters is a major imperative for the district's future. This report provides an update and outlines opportunities to progress the affordability challenges identified including updates on the Local Water Done Well legislative framework. Progressing these matters seeks to progress the core seven goals of Project Thrive.

NEXT STEPS

The next steps are outlined in the programme section of this report. In the meanwhile, engagement with community remains the priority and is ongoing.

Council can expect further updates at its workshop of 19 June 2025.

7.6 LOCAL GOVERNMENT NEW ZEALAND (LGNZ) AGM DELEGATE NOMINATIONS AND REMITS 2025

Author: Jane Budge, Strategic Governance Manager

Authoriser: Doug Tate, Chief Executive

Attachments: 1. Local Government New Zealand Remits 2025 [↓](#)

PURPOSE

To nominate delegates and decide Central Hawke's Bay District Council's position on its remits for 2025-26 for the Local Government New Zealand's Annual General Meeting to be held on 16 July 2025 in Christchurch.

RECOMMENDATION(S)**That Council**

1. Nominates Mayor Alex Walker as the presiding delegate, and Deputy Mayor Kelly Annand as the two voting appointed members at the Local Government New Zealand Annual General Meeting to be held on 16 July 2025 in Christchurch.
2. Nominates the Chief Executive, Cr _____ and Cr _____ as Observers.
3. Supports the following remits at the LGNZ AGM 2025: (or delete where not or recommend abstain)

REMIT:**Remit 1 – Security Payment Systems**

That LGNZ advocates for security system payments to be included as an allowance under the Local Government Members Determination, in line with those afforded to Members of Parliament.

Remit 2 – Improving Joint Management Agreements

That LGNZ advocate to Government for: a) legislative change to make the Joint Management Agreement (JMA) mechanism more accessible for councils to use with iwi/hapū, b) for the provision of technical, legal and financial support to facilitate the use of JMAs for joint council and iwi/hapū environmental governance, and c) for a mechanism such as JMAs to be included in the Government's new resource management legislation.

Remit 3 – Alcohol Licensing Fees

That LGNZ advocates for the government to update the Sale and Supply of Alcohol (Fees) Regulations 18 December 2013 to account for inflation and include a mechanism for automatic annual inflation adjustments.

Remit 4 – Aligning public and school bus services

That LGNZ advocate for the reform of the Ministry of Education funded school bus services to provide an improved service for families and to better integrate the services with council provided public transport services, including the option of Public Transport Authorities (e.g. regional and unitary councils) managing such services (with appropriate government funding), noting that:

- a. *councils better know their local communities; and*
- b. *the potential to reduce congestion from better bus services for schools; and*
- c. *the efficiency gains realised from integrating these two publicly funded bus services*
- d. *the outdated and inflexible rules of the current centralised school bus system.*

Remit 5 – Review of local government arrangements to achieve better balance

That LGNZ works with the Government and Councils to review current local government arrangements, including the functions and structure of local government, to achieve a better balance between the need to efficiently and effectively deliver services and infrastructure, while enabling democratic local decision-making and action by, and on behalf of communities.

DELEGATES

All local authorities who are full financial members of Local Government New Zealand (LGNZ) are entitled to be represented at the 2025 LGNZ Annual General Meeting (AGM). The AGM will be held

Under LGNZ's constitution CHBDC is entitled to **3 votes** at the AGM. The number of votes is determined by our membership fee.

We can be represented by up to **3 delegates**, which is determined by our population. The representatives can be either elected members and/or staff.

One presiding delegate is needed with express authority (by way of delegation) on how to exercise Councils.

Observers, who have no speaking or voting rights, can also attend the AGM.

All delegates and observers must be registered by Friday 20 June.

REMITs

The Local Government New Zealand (LGNZ) remits are decided at every Annual General Meeting (AGM) to determine where their priorities are directed. These remits make it clearer where their resourcing of LGNZ should be directed.

This paper allows Council the opportunity to consider these remits prior to LGNZs AGM. Your support is sought on each remit and those you do not support or wish to abstain from.

This then guides our appointees to make our decisions at the AGM. This will also allow for a change of decision, should the wording or intent of the remit change throughout the debate.

At the AGM, our appointees will be asked whether they agree or disagree with each remit, or whether they wish to abstain.

An overview of each remit has been provided in the attachment.

Following the LGNZ AGM further decisions on the programme and policy initiatives may be required and brought back to Council for your consideration.

This paper also seeks to confirm Councils two voting appointees by way of resolution.

SIGNIFICANCE AND ENGAGEMENT

This has been assessed as of low importance and no further consultation or engagement is required.

DELEGATIONS OR AUTHORITY

Council has the delegation to make this decision.

NEXT STEPS

Once the nominations are made, our registration will be sent. The appointees will use the information provided to assist with their voting at the AGM.

Any changes regarding the remits requiring further consideration will be brought back to Council for discussion and approval following the AGM.



2025 Remits



// 01 Security System Payments

Proposed by: Far North District Council and Central Otago District Council

Supported by: Zone 6 and Zone 1

Remit: *That LGNZ advocates for security system payments to be included as an allowance under the Local Government Members Determination, in line with those afforded to Members of Parliament.*

Why is this remit important?

The importance of safety for elected members has become more apparent in recent times. With an increase in animosity towards “government figures,” both online and in person, the time has come to address this. Recent examples of elected members being threatened, harassed and abused, including incidents occurring at or near their home address, highlights the need for changes to the Local Government Act to be updated. The ability for security system payments to be made as an allowance would go some way towards encouraging actual and perceived safety for existing elected members, as well as ensuring future candidates can feel safer while representing their communities.

Background and Context

Democracy worldwide is currently considered a “tinderbox” according to multiple news sites. In 2024, 37 candidates for election were murdered in Mexico. While this may seem extreme – our own Electoral Commission in NZ has a page dedicated to “security advice” for potential candidates. The rise of fringe groups, anonymity of online forums, general mistrust of government figures and polarising coverage of worldwide democratic outcomes has been creating a platform for those with singular or disaffected viewpoints. While we recognise that some of the sentiment is online, there have been instances of this spilling over into daily life for our elected members. Much of “being safe” is about “feeling safe.”

The Members of Parliament Determination 2023 (Section 48) allows for up to \$4500 to install a security system at a member’s primary place of residence, along with up to \$1000 per year to monitor this.

LGNZ’s own research carried out last year identified three quarters of elected members had suffered abuse or harassment at public meetings, a third at the supermarket or school pick up, and that half of EM’s felt it was worse than a year ago. Supporting new anti-stalking and harassment Legislation is a good start, but this is something that could immediately help our elected members to feel safer at home.

Some councils are already supporting elected members in personal safety. Central Otago District has paid for a member to install a camera at their home address where they live with young kids following an obnoxious campaign including items being left in their letterbox. There will be multiple other examples where councils are promoting personal safety, wellbeing initiatives and also installing or providing additional security measures at homes and council offices.

Far North and Central Otago Districts are just two examples of our huge, remote areas. Overnight Central Otago, all 9,968 square kilometres of it, is covered by two on-call Police officers, based 30km



apart. Feeling safe plays a big role in actual safety. Expectations of safety will be different for an older female to a young dad with kids, a large family or a person living alone, and they are also different between rural and urban areas.

This election, we want to ensure worry about how safe someone is in their own home is not a barrier to putting their hand up to fulfil a wonderful role for our communities.

How does this remit relate to LGNZ's current work programme?

Ties into the research on safety that LGNZ carried out last year, and also the support of the Crimes Legislation (Stalking and Harassment) Amendment Bill.

How will the proposing council help LGNZ to make progress on this remit?

Connect with Minister Mark Patterson (Minister for Rural Communities) for support

Investigate the possibility for a partnership with a national retailer/supplier of home security systems and/or trail cams

Timeframe - depends how quickly things could progress before the election?



// 02 Improving Joint Management Agreements

Proposed by: Northland Regional Council

Supported by: LGNZ Zone 1

Remit: *That LGNZ advocate to Government for: a) legislative change to make the Joint Management Agreement (JMA) mechanism more accessible for councils to use with iwi/hapū, b) for the provision of technical, legal and financial support to facilitate the use of JMAs for joint council and iwi/hapū environmental governance, and c) for a mechanism such as JMAs to be included in the Government's new resource management legislation.*

Why is this remit important?

JMAs are a valuable tool for councils and iwi / hapū to work together on environmental governance. Many councils support stronger partnerships with tangata whenua, but the statutory and practical barriers to formalising JMAs have severely limited their uptake by councils and iwi/hapū. There is thus a need to address the limitations of the current mechanism under the RMA, to make it more accessible to councils and tangata whenua, as well as to ensure a mechanism such as JMAs is included in the Government's new resource management legislation.

Recommended improvements include a) simplification or modification of the JMA statutory requirements and criteria; b) provision of a customisable JMA template and detailed guidance on when JMAs might be appropriate and how to establish them; c) explanation of the legal implications for the parties, and the Health & Safety obligations; d) making JMAs mandatory in appropriate circumstances in addition to Treaty settlements; and e) provision of funding to support iwi/hapū capacity to develop and implement JMAs.

Background and Context

JMAs under the Resource Management Act 1991 (RMA) provide for agreement between a local authority and an iwi authority and/or groups representing hapū to jointly perform or exercise any local authority functions, powers or duties under the RMA relating to a natural or physical resource.

Since inclusion as a mechanism under sections 36B-E of the RMA in 2005, only two JMAs have been established, apart from their mandatory use in some Treaty settlements.

For a JMA to be developed, the local authority must be satisfied that the agreement is an "efficient" method of exercising the function, power or duty. However, if a JMA were to require more funds and resources to support administrative costs and extra person-hours than what council would itself expend, the "efficiency" criterion might not be satisfied. Thus, "efficiency" could compel an iwi/hapū to contribute its own resources to the collaborative management process if it wished to conclude a JMA. A lack of financial resources is repeatedly identified by iwi/hapū as being the most significant barrier to their full participation under the RMA.

Another requirement of s36B is that the local authority must be satisfied that the other party to the JMA has the "technical or special capability or expertise to perform or exercise the function, power,



or duty jointly with the local authority". Many (especially unsettled) iwi/hapū are under-resourced, often having to rely on voluntary contributions of resources and expertise; thus funding and technical support may be needed to facilitate iwi/hapū participation in JMAs.

Another deterrent to JMA uptake is that the agreement can be cancelled by either party at any time. If conflict arises, the local authority will always have the "upper hand" because the function(s) shared under the JMA will revert exclusively to local authority control. More stringent cancellation requirements could be introduced that give JMA parties greater assurance of continuation.

Only those JMAs created as part of Treaty Settlements are currently mandatory for local authorities. A similar mandatory requirement under the RMA for councils to enter into JMAs in appropriate circumstances would facilitate uptake.

Currently there is very little information available on the legal implications of JMAs, and on the process and considerations for developing and implementing such an agreement. There is also no template provided for such agreements. Technical guidance from central government would further facilitate uptake.

In summary, very low uptake of JMAs reflects the high barriers to their uptake by councils and iwi/hapū. They remain a potentially useful tool if sufficient guidance, resourcing and technical support is provided, and if criteria for developing them are made more enabling.

How does this remit relate to LGNZ's current work programme?

This remit aligns with LGNZ's strategy, in particular the long-term goal that Te Tiriti partnerships between local government and Māori are authentic, strong and respected. We are not aware of any existing or planned work to advocate for improved legislative mechanisms and implementation support for Joint Management Agreements.

How will the proposing council help LGNZ to make progress on this remit?

We can provide some technical expertise to support analysis of specific options to improve how JMAs function and some advocacy support.



// 03 Alcohol Licensing Fees

Proposed by: Far North District Council

Supported by: LGNZ Zone 1

Remit: *That LGNZ advocates for the government to update the Sale and Supply of Alcohol (Fees) Regulations 18 December 2013 to account for inflation and include a mechanism for automatic annual inflation adjustments.*

Why is this remit important?

If a local council does not have a bylaw that sets alcohol licensing fees and charges it must default to the schedule of fees in the Sale and Supply of Alcohol (Fees) Regulations 2013. These default fees were set 12 years ago and, with the impact of inflation over this period, no longer enable local councils to reasonably recover the costs to administer the alcohol licensing system. This has led to increasing ratepayer subsidisation of these costs. Currently the only way that councils can increase these fees and charges is to make an Alcohol Fees Bylaw under an Order in Council associated with the Sale and Supply of Alcohol Act 2012. This is an inefficient and expensive way for councils to raise their alcohol licensing fees and charges, when this issue could be simply resolved by the government updating the schedule of fees in the Regulations.

Background and Context

Objectives relating to the setting of alcohol licensing fees were listed in the review of the Supply of Alcohol (Fees) Regulations 2013 conducted by the Ministry of Justice in 2017. These objectives include: - recovering the total reasonable costs incurred by local councils and ARLA in administering the alcohol licensing system - ensuring that those who create the greatest need for regulatory effort bear the commensurate costs.

Alcohol licensing fees and charges are intended to cover the reasonable costs of administering the alcohol licensing system via a 'user pays' approach. The fees and charges set in the Sale and Supply of Alcohol (Fees) Regulations 2013 are now 12 years out of date and have not been updated since 2013, despite two reviews of these fees conducted in 2018 and 2022 as required by section 404 of the Sale and Supply of Alcohol Act. With inflation since 2013, costs to manage alcohol licenses cannot be recovered through the fees prescribed in these Regulations. This means that every time Council processes an alcohol licence it costs more than the fee paid by the licensee and the difference must be covered by general rates.

To increase these fees and charges in their districts, local councils can make Alcohol Fees Bylaws under the Sale and Supply of Alcohol (Fee-setting Bylaws) Order 2013. However, making a bylaw is a relatively costly and inefficient way to address this issue as it involves: - time and effort to research and draft the bylaw - costs for public consultation - the need to regularly review the fees and charges set in the bylaw. A better solution would be for the government to update the fees and charges listed in the 2013 Regulations to reflect current costs. The schedule of fees in the revised Regulations should also allow for an annual CPI increase and allow cost recovery for hearings objections to District Licensing Committee decisions.

**How does this remit relate to LGNZ's current work programme?**

This remit sits within the Funding and Financing advocacy area within LGNZ's Advocacy Work Programme. Specifically, this relates to: - Advocating for changes to local government funding and financing - Building and working with a coalition of the willing to support LGNZ's advocacy for changes to local government funding and financing. Fees and charges are also specifically mentioned in LGNZ's funding and finance toolbox. We understand that the regulation of alcohol fees is not currently part of this Work Programme.

How will the proposing council help LGNZ to make progress on this remit?

We can provide detailed evidence of the current income received by FNDC from licensing fees based on applying the outdated fee schedule in the 2013 Regulations, compared with the costs to administer the alcohol licensing system. In summary, in the 2023/24 financial year FNDC received \$410,000 in income from licence application fees compared with costs of \$581,000. This means there was a shortfall of \$171,000 which has to be recovered from general rates. In 2023/24 licence application fees covered 71% of costs for the Council. By contrast, the 2017 Review of the 2013 Regulations reported that cost recovery across all local councils was 108%.



// 04 Aligning public and school bus services

Proposed by: Nelson City Council

Supported by: LGNZ Regional Sector

Remit: *That LGNZ advocate for the reform of the Ministry of Education funded school bus services to provide an improved service for families and to better integrate the services with council provided public transport services, including the option of Public Transport Authorities (e.g. regional and unitary councils) managing such services (with appropriate government funding), noting that:*

- a. councils better know their local communities; and*
- b. the potential to reduce congestion from better bus services for schools; and*
- c. the efficiency gains realised from integrating these two publicly funded bus services*
- d. the outdated and inflexible rules of the current centralised school bus system*

Why is this remit important?

The quality and efficiency of school and public bus services is compromised by school and public bus services being funded through two different arms of Government. Some services are funded through the New Zealand Transport Agency and councils, and others are through the Ministry of Education School Bus Transport Service. This remit proposes to align those functions by transferring the funding and management to Regional Public Transport authorities which are better placed to understand and respond to local transport needs. By improving our bus services for students, we can also reduce congestion which is noticeably less during the school holidays in towns and cities around New Zealand.

Background and Context

There are essentially two drivers for this reform. The first is that it makes no sense to have two different arms of Government separately planning and contracting publicly funded bus services. The second is that decisions about bus services are best made locally.

The co-ordination and contracting of public bus services, whether for getting students to school or for other passengers, is a complex job. Decisions about the routes, frequency, bus size and convenient bus stops are difficult, requiring the juggling the objectives of making the service as convenient as possible, maximising usage, managing costs and ensuring safety. These decisions are inherently local.

The centralised school bus transport system is a huge source of frustration to communities and councils all over New Zealand. It is governed centrally by archaic, rigid rules that date back nearly 100 years, and are unchanged to this day.



The Ministry of Education officials do the best they can within the current policy, but the system is fundamentally outdated and broken. It makes no sense for education officials to be running transport services, and it is impossible to run a community focused, flexible school transport system over thousands of schools and communities from Wellington.

One of the big opportunities of this reform is to reduce congestion by improving our bus service for students. The potential is highlighted in towns and cities all over New Zealand during school holidays when there is much less congestion. An improved bus service with timetables and routes tailored to students' needs would be a wise investment for the overall transport network.

Regional councils, unitary authorities and Auckland Transport are all public transport authorities with delegated responsibility for the development, planning and delivery of public transport services in New Zealand.

The current system has perverse incentives in that if a public transport authority uses rates to improve public transport service to an area, the Ministry of Education withdraws its service. The current system discourages councils to provide public transport services on routes and times that work for students.

Nelson/Tasman are exploring trialling the integration of the management of public and school transport services. We believe there is the opportunity to provide a more responsive service to families of school aged children, to expend our public transport network and to get efficiency gains from contracting for both types of services. If successful, the trial may result in wider reforms.

This is a significant proposal currently involving more than \$125 million of annual public expenditure on school bus services that would need to be transferred to public transport authorities. It would be a complex reform that requires careful attention to detail and consultation with parents, schools, bus service providers and councils. The prize is a better bus services in places like Nelson, less congestion on our roads and more efficient use of public money.

How does this remit relate to LGNZ's current work programme?

Transport is a critical issue facing all councils and we need to be proactively looking for way to better deliver services. This remit goes to the heart of LGNZ's vision of localism in that it proposes to localise the delivery of school bus services. This remit also compliments LGNZ's strategic relationship with Government in that it proposes reforms that improve efficiency, and is not just asking for more funding in fiscally constrained times. It also supports LGNZ's sustainability goals by providing opportunities for expansion of public transport services.

How will the proposing council help LGNZ to make progress on this remit?

Nelson City Council is keen to help advance the case for this reform. We have already engaged with the Ministry of Education, the Minister of Education and the Minister of Transport who are interested in the reforms and keen to trial this alternative approach for the delivery of school bus services. We also commit to sharing our experiences should Nelson Tasman proceed to trialling this reform.



// 05 Review of local government arrangements to achieve better balance

Proposed by: Tauranga City Council

Supported by: LGNZ Metro Sector

Remit: *That LGNZ works with the Government and Councils to review current local government arrangements, including the functions and structure of local government, to achieve a better balance between the need to efficiently and effectively deliver services and infrastructure, while enabling democratic local decision-making and action by, and on behalf of communities.*

Why is this remit important?

Efficient and effective local democracy and associated decision making is paramount.

Background and Context

A number of local government reviews undertaken previously, have concluded that the current structure and arrangement of the local government sector, is not conducive to ensuring that infrastructure and services delivered to communities, are always done so in a cost effective and efficient manner.

Current sector arrangements are a legacy, and do not always reflect how our communities have expanded, nor how modern services are delivered.

Central government is underway with key policy and legislations changes that both directly and indirectly significantly impact the local government sector. This will require an agile and well planned response by the sector.

How does this remit relate to LGNZ's current work programme?

This is an important issue for local government as the sector responds to the current central government policy and legislation changes and reforms underway. Seeks advocacy for a work programme between central government, local government and LGNZ, to undertake this review, and ensuring local communities are well considered.

This remit sits within the principles of the Local Government Act 2002 in that it would give local government a tool to provide services more efficiently. While this is not currently part of LGNZ's work programme, engaging with central government will be essential to making progress in this area.

How will the proposing council help LGNZ to make progress on this remit?

Metro sector councils will provide support and resource to participate and work on the programme established.

7.7 HAWKE'S BAY TOURISM - UPDATE AND DELEGATIONS

Author: Doug Tate, Chief Executive

Authoriser: Doug Tate, Chief Executive

Attachments: 1. Draft Letter of Expectation - Hawke's Bay Tourism [↓](#)
2. Draft KPI's for feedback - Hawke's Bay Tourism [↓](#)

RECOMMENDATION(S)

That Council:

1. Notes the Hawke's Bay Tourism – Update and Delegations report.
2. Notes the Draft Letter of Expectation to Hawke's Bay Tourism.
3. Appoints Mayor Alex Walker to the Hawke's Bay Tourism Board selection panel and delegates authority to confirm the appointment to the Hawke's Bay Tourism Board.
4. Delegates authority to Mayor Alex Walker to provide feedback on the Letter of Expectation and to regionally agree to amendments and the final approval of the Letter of Expectation to Hawke's Bay Tourism.

PURPOSE

The purpose of this report is to provide Council with an update on progress made on the establishment of a new Agreement with Hawke's Bay Tourism (HBT) for the participating Hawke's Bay Councils and to seek delegation for Mayor Alex Walker to finalise the Letter of Expectation and appointment to the Hawke's Bay Tourism Board.

SIGNIFICANCE AND ENGAGEMENT

This report has been assessed as of low significance in accordance with Councils Significance and Engagement Policy.

BACKGROUND

Officers at Council's meeting of 13 February 2025 sought confirmation to include funding for Hawke's Bay Tourism in the Annual Plan 2025/26. Hawke's Bay Tourism (HBT) in the 2024/25 year was funded by way of Hawke's Bay Regional Council (HBRC) collecting a regional rate. With this base funding, HBT is able to leverage this funding to seek further private and other central government funding.

HBRC confirmed in early 2025 that funding would not be included in its 2025/26 Annual Plan. HBT approached the individual Hawke's Bay District and City Councils for replacement funding, albeit at a lower minimum viable product of \$1m to keep the entity operating through to the Long-term Planning process in 2027. This anticipates that other funding tools may be available, including visitor levies being considered currently by the Government.

Funding was confirmed—subject to conditions—by the Central Hawke's Bay District Council, Hastings District Council, and Napier City Council.

An allocation of \$75,000 was included in the draft Annual Plan and formally approved as part of the 2025/26 Annual Plan at the Council meeting held on 8 May 2025.

In the confirmation of funding at Council's 13 February 2025 meeting, funding was confirmed subject to due diligence including:

- Formalisation of the funding and agreement.
- Letter of expectation requirements and associated KPI's.
- Regional reporting expectations (including financial reporting).
- Clarifying Council appointments to the Board.
- Detailed future operating budget.

The Chief Executive has been working with partner Councils on these points of due diligence. This has included working through a detailed operating budget, that has formed the basis for the proposed letter of expectation and KPI's for HBT.

The next section of this report talks to the progress made to date and outlines the key matters for Council to consider, which recommendations are based upon.

DISCUSSION

This section of the report outlines the progress made to date and the key areas where approval is sought.

Funding Agreement

Progress has been made updating the existing funding agreement between Hawke's Bay Regional Council and HBT. The key updates and amendments to this funding agreement are to ensure appropriate reporting and financial reporting expectations are included.

Both Central Hawke's Bay District Council and Hastings District Council sought specific further detail on the operating budget of the HBT. Noting the future size of Hawke's Bay Tourism, particularly noting the potential impact on the privacy of employees, it is proposed two budgets are made available. A public budget (as is currently available) will be made available as part of public reporting to Councils.

Further detailed budget information will be made available to Chief Executives for any diligence, noting the potential privacy implications from this information being made available at large as outlined.

Key Performance Indicators and Draft Letter of Expectation

The agreement is currently being reviewed by legal parties to ensure it adequately captures the key points related to each party.

Draft Key Performance Indicators have also been developed based on the available budget for Hawke's Bay Tourism.

These draft Key Performance Indicators are **attached** for feedback from the Elected Council; however, it should be noted that these are based on the minimum viable product that can be achieved for the available funding between the funding Councils. These KPI's have been used to form the draft letter of expectation **attached** also to this report. Officers seek feedback on these KPI's and the letter of expectation in presenting this report to Council.

If Council wish to see additional KPI's or greater Central Hawke's Bay outcomes from either the KPI's or Letter of Expectation, local funding will need to be increased to see an increase in the outcomes being delivered.

Delegation to Mayor Alex Walker is sought to approve the final Letter of Expectation to HBT, following a similar process to Council being taken by each of the funding Councils.

Appointments to the Board and constitutional change

The current HBT constitution provides for a Council appointment to the Board by Hawke's Bay Regional Council. The intention is that the HBT constitution will be amended to capture an appointment by the funding Councils and other future parties.

The intention is that the appointment to the Board will be a skills-based appointment, with feedback already sought from HBT on the range of skills that they would seek in an appointment to the Board.

It is proposed that a panel of the funding Council Mayors would interview and select the appointee to the HBT Board, following an open process to confirm an appointment. Approval is sought as part of this report for approval to appoint Mayor Alex Walker to the panel and to confirm the appointment.

STRATEGIC ALIGNMENT

As outlined in the report of 13 February 2025, Tourism forms a growing and important part of the Central Hawke's Bay and wider Hawke's Bay Economy.

Maintaining strong Tourism leadership through HBT ensures that the region is placed well to benefit from future streams of funding from Government and also maintains and seeks to develop a future economic market for the district.

COMMUNICATION

The focus currently is working amongst Councils to confirm the Letter of Expectation and progress the funding arrangements between Councils. There are no further communication actions at this time.

NEXT STEPS

Following this decision, there are similar subsequent delegations and approvals to be made by Hastings and Napier Councils. This process from each Council will also include seeking feedback from the respective Councils on the Draft Letter of Expectation.

Officers will continue to progress the appropriate arrangements with HBT, including finalising the funding agreements, and support Mayor Alex to give effect to the delegations sought as part of this report.

[On Joint Council Letterhead or Coordinated Branding]

13 May 2025

Chair of the Board
Hawke's Bay Tourism
[Address]

Tēnā koe,

Letter of Expectation for the 2025/26 Funding Year

On behalf of Hastings District Council, Napier City Council, and Central Hawke's Bay District Council (together, "the funding councils"), we are pleased to confirm our collective support for Hawke's Bay Tourism (HBT) for the 2025/26 financial year, with funding commencing on 1 July 2025.

This Letter of Expectation sets out the shared priorities and performance expectations for HBT, as a publicly funded regional tourism organisation, to ensure that our investment continues to deliver measurable value to our communities, businesses, and the broader visitor economy.

Strategic Performance Focus Areas

The following overarching objectives are the areas the funding councils expect HBT to focus its work programme on

- Maintaining or strengthening Hawke's Bay's market share in domestic tourism.
- Enhancing brand awareness and visitor engagement through targeted PR and digital campaigns.
- Supporting and growing industry capability and participation.
- Maximising the value of Hawke's Bay's position as a Great Wine Capital.
- Maintaining strong governance and alignment with local government strategy.

Key Performance Expectations

(12 months to June 2026)

Market Share

- Increase Hawke's Bay's share of Wellington-origin visitor spend to 6%.
- Maintain overall visitor spend (using 2024/25 as benchmark).
- Maintain Hawke's Bay's domestic card transaction share at 3.35%.
- Maintain domestic visitor numbers at 1.7 million (if measurable)

Brand Awareness & Reach

- Achieve 2.5 million social media reach.
- Achieve a minimum engagement rate of 3% across key platforms (Facebook, Instagram, TikTok).
- Achieve a click-through rate (CTR) of 1% or higher on paid campaigns.
- Report follower growth rate by platform, with a target of 10% annual growth.
- Achieve 350,000 organic website sessions and 750,000 total sessions.

- Secure \$3 million Equivalent Advertising Value (EAV) through media, with qualitative case studies showing impact.
- Deliver a minimum of 15 famils for media, influencers, and trade with post famil reporting on :
 - o Media/ social coverage generated
 - o Estimated reach/impressions
 - o operator feedback on business impact.

Ensure fair and equitable representation of sub-regions/towns/cities within Hawke's Bay in promotional activities, digital campaigns and media coverage.

Industry Engagement & Capability

- Grow HBT membership base: 175 members, 25 Tourism Marketing Group members, 20 Support Partners.
- Increase industry financial contributions: \$150,000 cash, \$50,000 contra.
- Deliver a minimum of four industry capability workshops with >80% positive feedback positive participant feedback.
- Support tourism operators to innovate and expand into new markets, with an annual summary reporting on:
 - o Number of new products launched, including number of Māori Tourism products
 - o Number of new markets entered, including number linked to Māori Tourism
 - o High operator satisfaction with HBT support

Great Wine Capitals Programme

- Grow industry contributions to \$100,000, to achieve a \$185,000 operating budget.
- Develop and implement KPIs to measure ROI from GWC activity.
- Deliver a visible and effective activation campaign and ensure GWC status is evident to visitors.

Governance & Strategy

- Secure required operational funding for 2026/27 with a clear funding plan.
- Provide quarterly performance reporting to funding councils.
- Continue advocacy to central and local government on the value of tourism.
- Finalise updates to the HBT Constitution to support council representation and enable a skills-based Council Board Representative appointment.
- Work with council partners to develop contingency planning for critical regional tourism activity (e.g. FAWC, HB Marathon, Visitor Guides).
- Demonstrate alignment with Council tourism and events strategies through coordinated work planning and a process to incorporate council strategic priorities.

Reporting & Engagement

We expect HBT to engage regularly and transparently with council elected members and officers, providing quarterly updates aligned to these KPIs. In addition, HBT should maintain a collaborative and proactive approach with council tourism, marketing, and events teams to ensure integration and maximum value from collective efforts.

We thank you for your continued leadership and look forward to working in partnership to grow a thriving visitor economy that delivers lasting benefits to our region and communities.

Ngā mihi nui,

Sandra Hazlehurst
Mayor
Hastings District Council

Kirsten Wise
Mayor
Napier City Council

Alex Walker
Mayor
Central Hawke's Bay District
Council

DRAFT

KPI	Objective	Performance Measure
Market Share	Increase market share from Wellington	<ul style="list-style-type: none"> Wellington domestic share of visitor spend - 6%
	Maintain visitor spend for Hawke's Bay	<ul style="list-style-type: none"> Total visitor spend - (use 24/25 figures as benchmark) Share of domestic card transactions 3.35%
	Maintain domestic tourism activity for Hawke's Bay	<ul style="list-style-type: none"> Domestic visitor numbers - 1.7m
Brand Awareness	Increase effectiveness of owned and earned channels to support market share targets	<ul style="list-style-type: none"> Grow social media reach to 2.5m Achieve a minimum engagement rate of 3% across key platforms (Facebook, Instagram, TikTok). Achieve a click-through rate (CTR) of 1% or higher on paid campaigns. Report follower growth rate by platform, with a target of 10% annual growth. Grow website sessions – organic visits 350k, total sessions 750k Achieve EAV (Equivalent Advertising Value**) of \$3m, with qualitative case studies showing impact. Deliver minimum of 15 famils for media, influencers, and trade with post famil reporting on: <ul style="list-style-type: none"> Media/ social coverage generated Estimated reach/impressions operator feedback on business impact. Ensure fair and equitable representation of sub-regions/towns/cities within Hawke's Bay in promotional activities, digital campaigns and media coverage. <p>(** measured ratio 1:1)</p>
Industry Engagement and Capability	Grow paid membership of HBT	<p>Membership increases:</p> <ul style="list-style-type: none"> 175 members, 25 TMG, 20 Support Partners

	Grow industry support to HBT	<ul style="list-style-type: none"> • Industry cash income increases \$150k • Industry contra increases \$50k
	Deliver annual series of workshops to build industry capability.	<ul style="list-style-type: none"> • Annual series of four workshops delivered with >80% positive feedback from participants. • Overall participant feedback per topic is positive as providing value.
	Support existing tourism operators to develop new products and expand into new markets.	<ul style="list-style-type: none"> • EOY summary shows return on investment from workstream, including: <ul style="list-style-type: none"> ◦ No. of new products launched (including Māori Tourism products) ◦ No. of new operator markets developed (including no. for Māori Tourism operators) ◦ No. of Māori Tourism operators ◦ High operator satisfaction with HBT support
Great Wine Capitals (GWC)	GWC investment & membership	<ul style="list-style-type: none"> • Industry cash contribution increases to \$100k (total operating budget \$185k)
	KPIs developed to support ROI measurement	<ul style="list-style-type: none"> • Metrics developed for EOY reporting on ROI
	GWC activation	<ul style="list-style-type: none"> • Campaign metrics achieved (what are they?) • GWC status visible to visitors (organic)
Governance & Strategy	Secure required funding for ongoing financial operations 2026/2027	<ul style="list-style-type: none"> • Quarterly reporting to Councils • Continued advocacy to local government and central government on value of tourism sector. • Viable funding plan in place for 2026/2027
	Council representation on HBT Board.	<ul style="list-style-type: none"> • Updated constitution • Support appointment of Council Board representative (skills-based appointment)
	Business continuity plan for abandoned tourism activity	<ul style="list-style-type: none"> • With council officers for tourism and events functions, contingency plan developed for key regional tourism activity (F.A.W.C, HB Marathon, Visitor Guides)

	Strong strategic relationships	<ul style="list-style-type: none">• Coordinated and aligned strategic work programme with council tourism and events functions.• Process for capturing Council strategic priorities related to tourism for consideration in strategic planning.
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7.8 DOCUMENTS EXECUTED UNDER COMMON SEAL

File Number:

Author: Annelie Roets, Governance Lead

Authoriser: Brent Chamberlain, Chief Financial Officer

Attachments: 1. CHBDC Use of Seal Register [↓](#)

RECOMMENDATION

That the report be noted.

PURPOSE

The purpose of this report is to update Council on the use of the Common Seal as part of its work programme.

SIGNIFICANCE AND ENGAGEMENT

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

DISCUSSION

The Common Seal is the mark of the Council which is used to execute legal documents as required by various pieces of legislation and also for ceremonial purposes. It provides endorsement of an official Council document.

Although a Council resolution is required for the Seal to be affixed to a document, the delegations register specifies that -

- *In the case of a document of a routine nature, and/or a document which is urgent, the Seal may be affixed to such documents and such action reported to Council for a confirmation resolution.*

The seal is held by the Chief Executive who is responsible for its use.

The Common Seal is affixed to any document that is required to be executed under the Seal, including:

- Warrants to enter private land on behalf of the Council made under the Resource Management Act, the Biosecurity Act, the Building Act, Local Government Act 1974 or the Local Government Act 2002.
- When executing any Memorandum of Transfer pursuant to section 80 of the Local Government (Rating) Act 2002.
- Regional policy statements and regional and district plans prepared under the Resource Management Act.
- Central Hawke's Bay District Council – Delegations Manual 1 July 2020.
- Bylaws prepared under the Local Government Act 2002 or other relevant statutes.
- Any documents (e.g., covenants, caveats, or consent notices) which otherwise require the use of the Council's Common Seal with the exception of "Deeds".

- In relation to executing any Deed, the authority to impress on any document the Common Seal of the Council is delegated to the mayor or in their absence Deputy Mayor, and any one councillor by virtue of section 9 of the Property Law Act 2007 (two signatures required).

The Register detailing the Use if the Common Seal is attached.

FINANCIAL AND RESOURCING IMPLICATIONS

There are no financial or resourcing implications to consider when affixing the seal

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- 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
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

Officers will continue to use the seal in accordance with the delegations register and report its use to Council regularly.

RECOMMENDATION

That the report be noted.



CHBDC Use Of Seal Register



Any use of the Common Seal must be notified to Governance Officer for reporting to Council

Use of the Common Seal of the Central Hawke's Bay District Council

2025						
Number	Date	Used on	Delegation Issued to	Assigned under Delegations Register as	To Whom	
25/01	5-Feb-25	Warrant of Authority	Compliance Officer	Compliance Officer / Resource Consent Planner	Michelle Brocklehurst	
25/02	5-Feb-25	Warrant of Authority	Building Technician	Consents Support	Rachael Stanbra	
25/03	5-Feb-25	Warrant of Authority	3 Waters Compliance Officer	3 Waters	Katherine Foley	
25/04	14-Feb-25	Warrant of Authority	Resource Consents Officer	Consents	Hayden Saunders	

7.9 REPORTS FROM JOINT COMMITTEES FOR MARCH 2025**File Number:****Author:** Annelie Roets, Governance Lead**Authoriser:** Doug Tate, Chief Executive**Attachments:** 1. 21 Feb 2025 Regional Transport Committee Minutes.pdf [↓](#)**Purpose**

This report presents the minutes of the Regional Transport Committee meeting held on 21 February 2025, for Council's information.

RECOMMENDATION

That the minutes of the Regional Transport Committee meeting held on 21 February 2025 be received and noted.

**Unconfirmed****Minutes of a meeting of the Regional Transport Committee**

Date:	21 February 2025
Time:	10.00am
Venue:	Council Chamber Hawke's Bay Regional Council 159 Dalton Street NAPIER
Present:	Cr M Williams, Chair Mayor C Little (WDC) Cr M Buddo (HDC) Cr K Price (NCC) L Stewart (NZTA) Cr K Taylor (CHBDC)
Advisory members in Attendance:	I Emmerson (Road Transport Association) A Hallett (NZ Police) D Headifen (KiwiRail) D Murray (AA) A Robin (HBRC Māori Committee) N Flack (HB Airport) Dr M Radford (Te Whatu Ora)
In Attendance:	R Turnbull – HBRC Transport Manager R Hollyman – Governance Advisor
TAG	B Cullen – HBRC Transport Strategy & Policy Analyst S McKinley – CHBDC (<i>online</i>) G Noble – NZTA (<i>online</i>) R Stewart – NZTA (<i>online</i>) C Mahoney - TREC

1. Welcome/Karakia /Apologies

The Chair welcomed everyone to the meeting and Api Robin opened with a karakia.

RTC1/25 Resolution

That the apologies for absence from Mayor Alex Walker and councillors Tania Kerr and Jerf van Beek be accepted.

**Price/Buddo
CARRIED**

2. Conflict of interest declarations

There were no conflicts of interest declared.

3. Confirmation of Minutes of the Regional Transport Committee held on 6 December 2024**RTC2/25 Resolution**

Minutes of the Regional Transport Committee held on Friday, 6 December 2024, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Buddo/Taylor
CARRIED**

4. Public Forum

There were speakers in the public forum.

Angela Hallett arrived at 10.13am

5. Regional Public Transport Plan review

Russell Turnbull and Bryce Cullen spoke to the item and discussions covered:

- It is critical that the plan review has accurate information as the completed document will be the basis for public consultation.
- The My-Way service pilot in Napier not planned because the Hastings trial showed the cost per passenger is significantly higher than a fixed bus route service. The My-Way service is still going well in Timaru.
- The RTC Chair has written to the Minister of Education regarding recent changes to the school bus routes in HB. A vague response has been received and it was suggested that RTC now writes to the Minister of Regulation about the outdated rules used for how school bus services are funded.

RTC3/25 Resolutions

That the Regional Transport Committee:

1. Receives and considers the *Regional Public Transport Plan review* staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Hawke's Bay Regional Council's adopted Significance and Engagement Policy, and that the Committee can exercise its discretion and make the relevant decisions without conferring directly with the community.
3. Endorses the draft Regional Public Transport Plan 2025-2035 for inclusion in the HBRC Annual Plan 2025-2026 public consultation, subject to the RTC Chair working alongside staff to approve the final version inclusive of changes discussed at this meeting.

**Little/Buddo
CARRIED**

6. Information on accepting cash fares

Russell Turnbull introduced the item, which was taken as read. Discussions included:

- The introduction of the National Ticketing System provides an opportunity to consider the acceptance of cash bus fares and consultation will be included in the upcoming RPTP consultation.
- While cash provides accessibility benefits for some users, eliminating cash can improve security, reduce boarding times, and lower operational costs. On balance, removing cash fares off buses will have more positive impacts than negative.
- Auckland Transport has been cash-free since Covid.

RTC4/25 Resolution

That the Regional Transport Committee receives and considers the *Information on accepting cash payments on buses* staff report.

**Price/Buddo
CARRIED**

7. Increase in public transport fares

Russell Turnbull spoke to the item, which was taken as read. Discussions included:

- Every year bus fares are reviewed and there will be a 5% increase from 4 May 2025, to generate another ~\$35,000, with a further 5% expected next year.
- Experience elsewhere has shown a 30% decrease in patronage for every one dollar increase in fares however those impacts have not been experienced in HB.

RTC5/25 Resolution

That the Regional Transport Committee receives and considers the *Increase in Public Transport Fares* staff report.

**Williams/Little
CARRIED**

8. Regional Transport Programme February 2025 update

Bryce Cullen introduced the item and discussions included:

- Current policies around multimodal integration for active transport have been retained and will be progressed later in the year, including the potential to have integrated transport hubs around bus stops.
- Communities along SH5 are currently holding hui on the submission process for the public consultation on reversing the 80km/h speed limit on SH5 to 100km/h. Emergency services including Police and FENZ will be making submissions against the reversion to 100km/h.

The meeting adjourned at 11.20am due to internet failure and reconvened at 11.50am, with Nick Flack having left during this period.

- RTC agreed that the RTC Chair will liaise with Tania Kerr on whether to lodge a submission in support of the 'local voice' on SH5 speed.

RTC6/25 Resolutions

That the Regional Transport Committee:

1. Receives and notes the *Regional Transport Programme February 2025 update* staff report.
2. Notes that the RTC Chair will liaise with Councillor Tania Kerr on whether to lodge a submission in support of the 'local voice' on the SH5 speed limit consultation.

**Williams/Little
CARRIED**

9. RoadSafe Hawke's Bay update

Bryce Cullen introduced the item, which was taken as read. Discussions included:

- Leading up to the Christmas period the team supported the Police with impairment prevention and restraint checkpoints.
- Currently working with police on 'fatigue' checkpoint at Nuhaka, supported by a local coffee business.
- High School Road Safety education days are being delivered on a smaller scale due to funding constraints, with 2 pencilled in for mid-late May 2025.
- Positive feedback on the car seat education demonstrations was shared with the meeting.

RTC7/25 Resolution

That the Regional Transport Committee receives and notes the *RoadSafe Hawke's Bay update* staff report.

**Taylor/Buddo
CARRIED**

10. Public Transport February 2025 update

Russell Turnbull introduced the item, which was taken as read. Discussions included:

- For bus driver safety purposes CCTV will be installed in buses by April 2025.
- The National ticketing system implementation has been delayed until early 2026.
- Real-time systems are now active on mobile devices, showing actual wait times for passengers. Physical real time signs are being investigated for 16 locations.

Daniel Headifen arrived at 12.11pm

- Rural communities remain very concerned about significant negative impacts of the cancellation of school bus services and a further letter, to be written by the RTC Chair and Councillor Tania Kerr, will be sent to the Minister of Regulation seeking an urgent review of the archaic criteria used as the basis for what school bus services are provided.

RTC8/25 Resolution

That the Regional Transport Committee:

1. Receives and notes the *Public Transport February 2025 update* staff report
2. Delegates councillors Martin Williams and Tania Kerr to write to the Minister of Regulation on behalf of the Regional Transport Committee, requesting an urgent review of the criteria for the provision of school bus services in light of the significant negative impacts of rural school bus service cuts.

**Little/Buddo
CARRIED**

11. Waka Kotahi/NZTA Central Region Regional Relationships Director's update

Linda Stewart spoke to the item. Discussions included:

- The Christchurch **Motu Move** pilot of the National ticketing system is going well.
- The Napier Commercial Vehicle Safety Centre on the corner of Prebensen Drive and SH2 is expected to be completed 2027.
- The government's auto-reversal of speed limits will be completed by July 2025.
- The first set of works on the Hawke's Bay Expressway are ahead of schedule and work near the Tūtaekurī bridge is expected to be completed by April 2025.

Linda Stewart introduced a strategic update on the National Safety Camera programme assisted by Graham Noble and Richard Stewart. A presentation covered:

- Fixed and mobile safety cameras have been transitioned from Police to NZTA
- Safety camera network to be expanded with another 51 cameras across the motu, with priority for average speed, point-to-point safety cameras.
- The 6 high level principles of NZTA's approach are 1 whole of system, 2 partnership with NZ Police, 3 deterrence before detection, 4 fair and transparent, 5 reducing inequity and 6 intelligence led decision-making.
- Initial strategic modelling for safety camera locations includes local expert insights, patterns in crash data, collective risk, personal risk, crash types, evidence of high risk behaviour and how the road is used.

RTC9/25 **Resolution**

That the Regional Transport Committee receives and notes the *Public Transport February 2025 update* staff report.

**Williams/Taylor
CARRIED**

12. Transport Rebuild East Coast (TREC) update

Chris Mahoney spoke to the item, assisted by Daniel Headifen. Discussions included:

- Recovery work is 70% (of 96 projects) done and expected to be complete by mid-2025, except Devil's Corner.
- TREC map is live for the public to see all the projects.
- Three of the 23 rail sites between Palmerston North and Napier completed and 3 more to be completed by mid-year.
- Work on the rail bridge over the Tūtaekurī River continues, with a decision expected soon on installing permanent spans.

RTC10/25 **Resolution**

That the Regional Transport Committee receives and notes the *Transport Rebuild East Coast (TREC) update*.

**Williams/Buddo
CARRIED**

13. Verbal Advisory Representative reports

- Nick Flack is the new CE and representative for the HB Airport.
- Police priorities are open road speed and breath screening. Oral Fluid drug testing is being rolled out and will include public education.
- Ian Emmerson advised there's been a 10-15% reduction in truck fleet numbers due to economic conditions.

RTC11/25 **Resolution**

That the Regional Transport Committee receives and notes the *Verbal Advisory Representative reports*.

**Williams/Little
CARRIED**

14. Follow-ups from previous Regional Transport Committee meetings

The item was taken as read.

RTC12/25 **Resolution**

That the Regional Transport Committee receives and notes the *follow-up items from previous Regional Transport Committee meetings*.

**Williams/Buddo
CARRIED**

Api Robin offered a closing karakia.

Closure:

There being no further business the Chair declared the meeting closed at 1.23pm on Friday, 21 February 2025.

Signed as a true and correct record.

Date:

Chair:

8 DATE OF NEXT MEETING**RECOMMENDATION**

That the next meeting of the xxx be held on 7 August 2025.

9 PUBLIC EXCLUDED BUSINESS**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - 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
9.2 - Appointment to Hawke's Bay Community Water Trust	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	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 TIME OF CLOSURE