

HAWKE'S BAY CENTRE FOR EXCELLENCE IN HUMAN PERFORMANCE

*A new world-class regional sports hub and community health centre
at the Hawke's Bay Regional Sports Park underpinning a community-
based regional obesity reduction programme*

FEASIBILITY STUDY REPORT



PREPARED FOR

HAWKE'S BAY COMMUNITY FITNESS CENTRE TRUST

BY

APR CONSULTANTS LTD

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EXECUTIVE SUMMARY

Community Need

In response to the obesity epidemic and other community issues, the Hawke's Bay Community Fitness Centre Trust (the Trust) is partnering with schools, community groups and agencies to transform the health and prosperity of people in Hawke's Bay. A regional approach to sport, recreation and nutrition tackles the major issue of obesity in the community and other outcomes of social focus such as youth development. The initiative promotes a broad range of social and economic benefits including productivity gains and cost savings.

Evidence Base

The Trust has compiled extensive international research evidence on the social and economic benefits associated with physical activity and healthy eating initiatives. This shows that obesity and diabetes are having an increasingly negative impact on people's productivity, life expectancy and quality of life and add substantial costs to the health system. Increased physical activity and healthier eating have been linked with improved student learning outcomes, increased work productivity, improved mental health and longer and happier lives, as well as significant taxpayer and personal savings from avoiding health costs of diabetes and other diseases.

Development

The project requires building of the Hawke's Bay Community Health and Sports Centre (to be named EIT Institute of Sport and Health) at the Hawke's Bay Regional Sports Park, Percival Road, Hastings, with delivery of community-wide programmes at and from it. The Trust will own and operate the multi-sport and multi-use facility and deliver the programmes across the region.

The sports hub and community health centre is being built in two stages. Approximately half of the \$27 million funding target for Stage 1 development has been secured to date from donors, funders and sponsors, with further sums under development to complete the initial fundraising campaign. The Trust is well placed to complete the first two phases of Stage 1 construction by mid 2019, comprising a main sports hall building and accommodation hostel. Programmes and satellite services are already being delivered throughout the region, from Wairoa in the north to Waipukurau in the south, as well as from temporary facilities at the Hawke's Bay Regional Sports Park. With strong momentum and ongoing programme delivery in place, the Trust is seeking major backing to commit to full completion of the project and delivery of outcomes at the earliest opportunity.

Stage 2 is scheduled for construction over the period 2021 to 2022, including an Aquatic Centre, extended hockey turf, stadium floodlights, athletics throws field and canoe polo courts. These facilities will complement those in Stage 1 to extend the range of sports at the centre and fulfil unmet community need. The extra facilities, as with Stage 1, will be accessible for all ages and abilities across the region and will serve as a regional hub for delivery of services at and from the Centre to satellites in Waipukurau, Flaxmere and Wairoa. Stage 2 will broaden the range of sports facilities

and services available for all sectors of the Hawke's Bay community, including Māori and Pasifika sports people and their families across the region.

The completed Stage 1 and 2 facilities will provide a multi-purpose world-class Centre of Excellence in Human Performance which will deliver world-leading programmes to transform health and sports outcomes across the region.

Strategic Fit

The planned facility and programmes have a high degree of strategic fit with the Hastings District Council, Napier City Council and Central Hawke's Bay District Council community outcomes, existing school and community health and fitness programmes and regional health stakeholder initiatives seeking to reduce obesity rates and promote physical activity and healthy eating. The facility will provide a broad base of services to Hawke's Bay for sporting, personal health and wellbeing and schools physical education purposes. The Trust's vision is closely aligned to the Government's regional development goals through its pursuit of a broad-based initiative with substantial financial, economic and social benefits.

The development will model off the successful example of AUT Millennium in Auckland. The aim is to integrate community sport, school sport development, community health and wellbeing and high-performance sport into a leading Centre of Excellence in Human Performance.

User Groups

The Centre will service three main markets regionally:

- public (community health and fitness programmes and gym);
- school groups; and
- sports users.

The planned development will provide programmes for the whole community, from health and wellbeing for all ages through to sports performance development of youth talent in schools and clubs, catering for users from Napier, Hastings, Central Hawke's Bay and Wairoa. The Trust anticipates almost 250,000 annual user-visits initially, climbing to more than 360,000 in Year 3 and beyond as the range of facilities expands. The anticipated user profile comprises 85 per cent community members and school groups and the remainder being local sports groups and other sports performance development stakeholders.

Apart from AUT Millennium in Auckland, no other facility in New Zealand caters for both sports performance training and community health and fitness with on-site sports medicine and sports science support. This will be achieved by providing a wide range of services at the main facility at the Regional Sports Park and via satellite services managed from the facility. The facility will be an approved training site for High Performance Sport NZ, a regional feeder for national sports systems and a regional development hub for world-leading community wellbeing and youth development

programmes of regional and national importance. The project will be transformational for enhanced health and sports performance outcomes across the region.

The community health and fitness gym will adhere to AUT Millennium programme requirements. A Fitness Trail at the main facility will also be a drawcard. Group and individualised community health and fitness programmes will be professionally developed and managed:

- based on best evidence from research-led programmes;
- supervised by certified instructors/coaches; and
- with baseline health, nutrition and active exercise status assessment on programme entry.

Programmes

The initiative has specific programmes designed to meet Hawke's Bay community needs including:

- Education Outside the Classroom (EOTC)
- Athlete development for schools and youth sports talent
- Workplace wellbeing programmes
- Programmes for at-risk young people
- Community learn-to-swim and water safety education programmes.

Summary details about these programmes and their evidence basis are provided in this report.

Options Analysis

As part of its consideration of options and overall planning, the Trust has undertaken extensive reviews of research literature to identify what works for obesity prevention and reduction. The initiative itself will contribute to future knowledge through the development and implementation of health-related research programmes including a planned longitudinal study.

The Trust also researched existing sport, health and fitness facilities in the Hawke's Bay region, and identified no existing multi-use and multi-purpose facilities managed by health professionals suitable for community-wide healthy living, wellbeing or active recreation programmes. Following consideration of many available location and facility options, a staged build at the Hawke's Bay Regional Sports Park was identified as the preferred option allowing scope for future expansion.

Research Programmes

The Trust's vision is for physical activity and healthy eating education services for pre-school and primary school-age groups with support of the whole family using an evidence-based social development approach. This involves a major community-based research study to expand knowledge about what works for preventing and reducing obesity. Programmes run by the Trust will measure outcomes over time, providing baseline and ongoing health indicators which can be combined with data on participants' backgrounds, demographics, attitudes, lifestyles and programme participation. The research will develop new tools and methods to help embed healthy

lifestyles into school curricula and everyday living. The 'Changing Lives Hawke's Bay 2040' project aims, through use of collaborative programmes based on world best evidence research, to reduce prevalence rates of obesity and physical inactivity and youth criminality in Hawke's Bay:

- Healthier Weight for a Longer Healthy Life obesity intervention research study and programme; and
- At-Risk Youth programme using sport to lead to job training and employment.

Financial and Economic Sustainability

This feasibility report includes indicative financial and economic analyses based on demand projections and price and revenue assumptions. Allowance has been made for staged investment and growth. The baseline projections aim to be conservative and contingency plans are in place to adapt to any unrealised demand. Sensitivity analyses in relation to key revenue sources suggest that, allowing for worse-case scenarios, the initiative's demand and financial projections are robust. The operation aims to be fully self-funding from Year 4 of operation onwards, relying on community trust grant funding for some operational expenses during the initial stages.

The regional health care cost of obesity in the Hawke's Bay is conservatively estimated to be between \$165 million and \$320 million per annum (in 2018 dollars). A lifetime reduction in the prevalence rate of obesity of even 10% would lead to economic savings of \$16-32 million per annum in the cost of complications of obesity in the Hawke's Bay. While substantial tourism and employment benefits are also anticipated from the project initiative, obesity reduction has the largest quantifiable economic benefits.

Based on conservative assumptions about direct and indirect costs and benefits, and accounting for attribution to other causes, displacement (e.g. from other gyms) and drop-off:

- Stage 1 overall is projected to have a net present value (NPV) of \$115 million over the course of a single generation, an ROI ratio of 4.3, and a societal payback period is around 3 years.
- Together, Stages 1 and 2 are projected to have an NPV of \$200 million, ROI ratio of 3.2 and payback period of 3 years from the date of investment.

These are indicative estimates only and will be further refined as information comes to hand.

| | Stage 1 scenario | Stage 1+2 scenario |
|---------------------------------------|------------------|--------------------|
| Capital investment | \$27,000,000 | \$63,000,000 |
| Annual societal impact | \$13,590,000 | \$26,610,000 |
| Net Present Value (25 years) | \$115,180,000 | \$200,050,000 |
| Benefit Cost ratio (25 years) | 5.3 | 4.2 |
| Return on Investment ratio (25 years) | 4.3 | 3.2 |
| Payback period (years) | 3 | 3 |

Further details on the scale and scope of the project, options analysis, community need assessment, benefits, social return on investment (ROI), risks, plans, and information about the Trust are provided in this report.

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1.0 INTRODUCTION

1.1 Background and Report Structure

This report provides a feasibility assessment of the Hawke's Bay Community Fitness Trust's planned facility and programmes. These are being rolled out in two stages, enabling initial activities to commence using Stage 1 facilities such as a sports hall, community gym and delivery of at-risk youth programmes while Stage 2 is being further developed. The initiative aims to integrate high performance sport, community sport and school sport development with community health and wellbeing, underpinning a regional obesity prevention initiative and related research programmes.

This report builds on prior planning material compiled by and available from the Trust with APR Consultants as follows:

- Independent Peer Review report – Proposed Centre of Excellence in Human Performance (August 2016)
- Literature Review report – Evaluating the benefits of physical activity and healthy eating (January 2017)
- Stakeholder Briefing report – Reducing obesity prevalence in the Hawke's Bay region (March 2017)
- Literature Review report – Review of pre-school obesity intervention research (August 2017)
- Feasibility Study report – Hawke's Bay Centre for Excellence in Human Performance (July 2017)
- Literature Review report – Social and economic benefits of healthy lifestyles and wellbeing programmes (including in the workplace and for at-risk youth) (January 2018)
- Stakeholder Briefing Report – Promoting healthy lifestyles and wellbeing programmes in the Hawke's Bay region (including workplace and at-risk youth programmes) (updated May 2018).
- Literature Review report – Community learn-to-swim and water safety education programmes (June 2018).

Following an initial overview, this report discusses the initiative's governance and management, asset description, programmes and benefits, community need assessment, financial and economic analyses, and risk analysis.

1.2 Transforming Hawke's Bay's Future

Following several years of discussion and preparation, on 10 June 2016 Sir Graeme Avery launched a vision for a multi-million-dollar transformation of the Hawke's Bay Regional Sports Park at Percival Road in Hastings. The vision is for a world-class sports hub and community health centre facility under the ownership and governance of the Hawke's Bay Community Fitness Trust, an incorporated community trust with charitable status.

The Trust's aim is to integrate community and school sport development, community health and wellbeing and high-performance sport into a leading Centre of Excellence in Human Performance.

The initiative is a community health and sport project focussed on addressing issues associated with obesity, lack of physical activity and proper nutrition, as well as at-risk-youth and employment outcomes. In parallel, the Trust is leading a major obesity intervention study in partnership with the Hawke's Bay DHB.

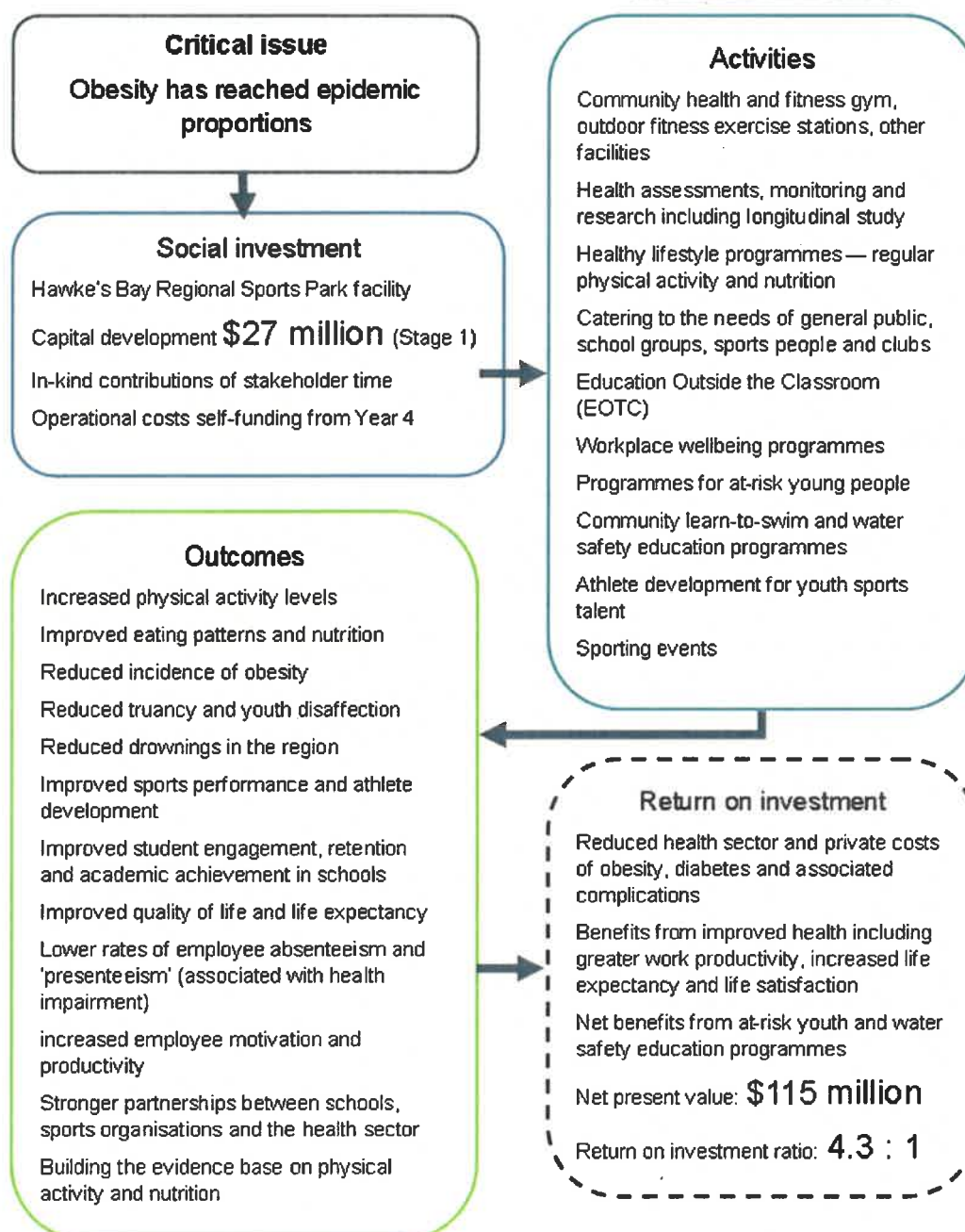
The initiative's success and value for money will be measured in the long term by achieving broad inter-generational health and wellbeing outcomes in the region. Short term benefits will range from employment creation during the construction stage and ongoing operation through to programme participation by the general public, expected to be over 250,000 people annually.



Photo: AUT Millennium/Hawke's Bay Community Fitness Centre Trust

Figure 1: Hawke's Bay Centre for Excellence in Human Performance – overview

The Hawke's Bay Community Fitness Centre Trust is developing a new world-class regional sports hub and community health centre at the Hawke's Bay Regional Sports Park, delivering physical activity and healthy eating programmes for pre-schoolers, school-aged children and adult generations. The goal is to measurably reduce the prevalence of obesity in the region to create a healthier, happier and more prosperous future for Hawke's Bay communities.



Source: Updated from Hawke's Bay Community Fitness Centre (2017) 'Reducing obesity prevalence in the Hawke's Bay region' – with updated ROI calculated June/July 2018.

1.3 The Community Problems being Addressed

New Zealand adults have the third highest prevalence of overweight and obesity in the OECD. Obesity has reached epidemic proportions and is now a major health issue which will get much worse if not effectively addressed.

Healthcare costs associated with treating overweight- and obesity-related conditions in New Zealand were estimated at over \$600 million in 2006. Increased obesity prevalence over the past decade means that current obesity-related healthcare costs are likely to be substantially higher than this. Based on trends in New Zealand obesity levels since 1997, researchers have forecast that unless prevented through major health policy changes, New Zealanders' average Body Mass Index (BMI) will exceed the clinical cut-off for obesity by the early 2030s.¹ The prevalence of obesity in New Zealand has already increased to more than 30% and is projected to increase further to between 43% and 48% by the year 2038. **This could potentially see a doubling of obesity-related health costs over the coming two decades.**

Factors that influence obesity rates include a sedentary lifestyle, high intake of energy-dense foods, and environmental factors. The INFORMAS 2018 Food Environments Report (Vandevijvere et al 2018) identified that New Zealand's food environments, especially children's environments, are largely unhealthy, and policy implementation is low.

Poverty has been identified as a major contributor to poor lifestyle decisions and inadequate access to health care and management. In turn, obesity can lead to poor employment and income prospects, leading to a vicious circle of poor health and income outcomes in disadvantaged areas.

Based on Hawke's Bay's current adult population size and obesity rates, and Treasury estimates of the marginal value of avoided diabetes and cardiovascular disease, the regional cost of obesity and its complications is estimated to be between \$165 million and \$320 million per annum for the Hawke's Bay Region (in 2018 dollars).

Table 1: Factors that promote obesity

| Causes/factors | Strength of evidence |
|---|----------------------|
| Sedentary lifestyles | Convincing |
| High intake of energy-dense, nutrient-poor food | |
| Heavy marketing of energy-dense foods and fast-food outlets | Probable |
| Adverse social and economic conditions | |
| Sugar sweetened soft drinks and fruit juices | Possible |
| Large portion sizes | |
| High proportion of food prepared outside the home | |
| 'Rigid restraint / periodic disinhibition' eating patterns | |

Source: Social Policy Evaluation and Research Unit (2015)

¹ Wilson, R. and Abbott, J. H. (2018) 'Age, period and cohort effects on body mass index in New Zealand, 1997-2038', *Australian and New Zealand Journal of Public Health*, Vol 42, Issue 3, June 2018 : <https://onlinelibrary.wiley.com/doi/epdf/10.1111/1753-6405.12804>

1.4 Evidence-Based Solution

The Trust is taking an evidence-based social investment approach. Preventing and reducing obesity requires a multi-faceted, integrated and collaborative approach and a shared long-term vision and plan.

Research has confirmed that increased physical activity and healthier eating are associated with reduced obesity prevalence. This has a wide range of life benefits including longer and happier lives, improved mental health, better student learning outcomes, increased work productivity, and significant taxpayer and personal savings from health costs of type 2 diabetes and other obesity related diseases.

Research has also shown that sport and recreation activities targeting the obesity problem address other social issues such as youth engagement, employability and crime reduction.

Reviews of effective obesity intervention programmes highlight collaborative and flexible approaches embedded within school and community settings. Interventions that influence both diet and physical activity attitudes and behaviours are more successful than single-factor interventions.

Physical activity programmes for children have been shown to prevent obesity and improve educational attainment. Childhood is a particularly important developmental stage for building good habits, reducing future health risks and instilling a healthy lifestyle. Physical activity in childhood improves cardiovascular, mental, metabolic and skeletal health.

1.5 Regional Obesity Prevention Initiative

The Trust has a long-term lease from the Council at a peppercorn rental for 8,100 sqm of the Park's area. The Sports Park already houses an outdoor athletics track, 2500-seat grandstand, sports fields, changing rooms, hockey stadium, netball courts and other facilities used for recreation, sport and other events for the public.

The Trust will make use of all the Sports Park facilities, existing and new, to deliver its community health and fitness programmes. The redeveloped facility will cater for regional needs around community health and fitness, sporting excellence, education and research.

While the Sports Park provides a regional hub, the centre's true impact will be through professional staff working with pre-schools, schools and community networks to promote greater knowledge, change attitudes and create new behaviours to achieve healthy lifestyles. Physical activity and healthy eating education programmes will be delivered throughout the Hawke's Bay Region at satellite venues including Pettigrew Green Arena in Taradale (Napier) and venues in Flaxmere, Wairoa and Central Hawke's Bay.

Community health and fitness programmes will be professionally developed and delivered based on best evidence from research and supervised by certified instructors/coaches. Community members will receive health, nutrition and exercise assessments as part of their individualised programmes.

Figure 2: Hawke's Bay Regional Sports Park



Source: Dan Browne, Google Maps, July 2016.

The 'Changing Lives Hawke's Bay 2040' project is an integral part of the whole concept and aims, through use of collaborative programmes based on world best evidence research, to reduce prevalence rates of obesity and physical inactivity and youth criminality in Hawke's Bay:

- Healthier Weight for a Longer Healthy Life obesity intervention research study and programme; and
- At-Risk Youth programme using sport to lead to job training and employment.

The goal is to measurably reduce regional physical inactivity, unhealthy eating and obesity prevalence rates. The Trust will quantify its activities and outcomes through whole-of-population and long-term longitudinal research studies.

1.6 Location and Facility Options

The Trust assessed various options throughout its planning to date. The Trust has a clear vision of the community needs it is seeking to meet, including:

- Increased opportunities for participation in physical activity and healthy eating, cooking and shopping education, to reduce obesity prevalence over the long-term.

- World-class sports training and physical activity facilities for Hawke's Bay sports groups, schools and the public.
- Promotion of healthy living for social and economic benefit of current and future generations.

Review of Health and Fitness Gyms and Public Access Facilities in the Region

As part of its considerations, the Trust has done considerable research on existing facilities in the Hawke's Bay region.

Existing Indoor Sport and Recreation Facilities

Below is a list of existing indoor sport and recreation facilities in the region:

- Hastings Sports Centre – basketball court (competition).
- Flaxmere Community Centre sports hall – basketball court (training/recreation), small and dated community fitness gym next door.
- Pettigrew Green Arena – 3 x basketball/netball courts (competition), modern community fitness gym, EIT sports science lab.
- Rodney Green Centennial Event Centre at McLean Park – basketball court only (competition).
- Meeanee Indoor Sports Centre – 4 x badminton courts (competition).
- Weston Sports in Omahu Road – 1 x indoor netball court (training/recreation)
- Choices Gym in Maraekakaho Road – 1 x indoor netball court (training/recreation). Old dated community fitness equipment also, surrounding the netball court.
- Waipukurau Community Recreation Centre with pool and basketball court and sports gym.
- Wairoa Community Recreation Centre with pool and basketball court.

None of these is specifically designed for multiple sports training use with sports science and medicine support on-site to cater for a wide range of sports and the general public. The community facilities in each of Waipukurau and Wairoa are better than any in Hastings or Napier which will be used by the Trust as satellite facilities.

Health/Community Facilities

There are no existing specific facilities managed by health professionals suitable for community-wide healthy living, wellbeing or active recreation programmes in the Hawke's Bay region.

Commercial Health and Fitness Gyms

A desk research binder on all commercial health and fitness gyms in Napier, Hastings and the wider region was compiled by the Trust in 2016. This revealed there are approximately 30 commercial health and fitness gyms, but none have a health and nutrition status assessment on entry to programmes, with regular health professional monitoring of an individual's programmes. Moreover, the commercial nature of these gyms means key segments of the community most at risk of obesity (i.e. lower socio-economic) are generally excluded from accessing these facilities.

Swimming Pools

The Trust's research identified 13 pool complexes in the region. There is no 50 m. size pool in the region suitable for competitive swimming, no deep-water space for water polo or underwater hockey, and none with sports medicine and sports science support on-site for aquatic sports performance development.

Public and selected private swimming pools in the Napier/Hastings are listed below from north to south:

1. Ocean Spa, Napier
2. Napier Aquatic Centre, Onekawa²
3. Swim Solutions, Napier (private)
4. Greendale Pool, Taradale (not operating)
5. Clive War Memorial Pool, Hastings
6. Frimley Pool, Hastings (closed in winter months)
7. Swim Heretaunga Waterworld Indoor Pool, Flaxmere, Hastings
8. Swim Gym, Hastings (private)
9. Splash Planet, Hastings (leisure only)
10. Havelock North Village Pool (closed in winter).

Pools in the Central Hawke's Bay and Wairoa Districts are:

11. Waipawa Community Pool (being re-built)
12. Waipukurau Community Centre Pool
13. Wairoa Community Centre Pool.

Napier/Hastings pools are plotted on the map below to give an idea of accessibility for residents of Napier and Hastings. Numbering corresponds to the list above, and the Regional Sports Park is shown as a dot. Note: not all these pools are publicly accessible and not all are operated year-round.

² A new 2 x 25 m. pools and leisure facility is planned for the north of Napier at intersection of Prebensen Drive and Expressway to the Airport. The current Onekawa pool will be demolished when the Prebensen Drive pools are completed in a few years' time.

Figure 3: Swimming pools in the Napier/Hastings area



Source: Indicative locations from GoogleMaps:

https://www.google.com/maps/d/edit?hl=en&hl=en&mid=1p9dFb6FP_4Hzrc8THQYaLRHKrvfMjzQ&ll=39.62833432446563%2C176.87720809340522&z=11

From the information provided, it is clear the Hawke's Bay Community Fitness Centre Trust has done considerable research and is well aware of prevailing user prices, opening hours and other aspects of the local aquatics market. In relation to the Aquatic Centre proposal, experience from the AUT Millennium Aquatic Centre is that:³

- Increased provision of swimming pools tends to bring new learn-to-swim students and new swimmers 'out of the woodwork'.
- There is substantial demand from schools, particularly with deep water providing the option of water safety programmes. The venue is also popular for school swim sports due to the spectator area and purpose-built pool.
- The key to success is as much programmed water space as possible, including local club use, schools and other user groups booked into pool space agreements (annual).
- AUT Millennium has entered into an MOU agreement with the Council whereby AUT Millennium hosts all national events and the Council hosts regional events.

³ Based on information provided by Steve Lindsay Operations Manager at AUT Millennium.

The Trust believes the same situation as for AUT Millennium will exist in Napier/Hastings, especially as there is locally:

- Insufficient water space for learn-to-swim and water safety education; and
- No deep-water pool for competitive swim training or water polo, or aquarobics for the morbidly obese.

Preferred Option

Following consideration of many available location and facility options, a staged build at the Hawke's Bay Regional Sports Park is planned with scope for future expansion. Other potential locations were considered – for example, Pettigrew Green Arena (PGA) or Park Island sports precinct (both Napier) or a new facility on an industrial or former rural area. However, none could meet the investment objectives so well as the Hawke's Bay Regional Sports Park.

Key factors in the Trust's consideration of options included the size of space required, availability of existing sports facilities and need for a convenient central location. The Sports Park has ample space, whereas PGA (for example) has inadequate area to accommodate the proposed first and subsequent stages of the development. The Sports Park also has an existing outdoor athletics track, sports fields, changing rooms, hockey stadium, netball courts and other facilities, which no other available option can provide. The Sports Park is also a convenient location for Hastings and Napier communities to access, whereas Park Island sports precinct (for example) is only convenient for Napier communities. Overall, the Sports Park location presented the most obvious and economic option for the proposed development.

The Hawke's Bay Regional Sports Park is centrally located off the Napier-Hastings Expressway. It currently caters for a number of sports including athletics, netball, hockey, football, league and cross-fit. Most importantly, it has space for adding more sports and facilities.

Also, rather than restricting to a single location option, the Trust has taken a hub-and-spoke approach to its planned service delivery by combining a world-class facility near the region's centre with outreach sports, physical activity and healthy eating education programmes delivered at schools and satellite venues including PGA and at Flaxmere, Wairoa and Central Hawke's Bay venues.

Throughout its planning, the Trust has been cognisant of sport and recreation facilities provision in the Hawke's Bay, including the Hawke's Bay Regional Sport Facilities Plan. The Trust has also undertaken a desktop scan of commercial health and fitness gyms in 2015-16 to understand the current commercial offering for physical activity interventions.

The Trust initially proposed to develop a \$10 million facility, however based on a larger space and wider range of programmes to best meet community needs, along with a high level of funder and stakeholder interest and enthusiasm, the Trust expanded its vision to a \$27 million funding target for

the Stage 1 community-based health and wellness facility to serve current and future generations throughout the region.

Further details about the facility are provided in the Asset Description section.

2.0 GOVERNANCE AND MANAGEMENT

2.1 Governance

The facility is being built, owned and operated by the Hawke's Bay Community Fitness Centre Trust Inc (established April 2016, charitable status number CC54002). The Trust is a governance and operational organisation and local community partnership that arose from existing connections between:

- Eastern Institute of Technology (EIT) – one of New Zealand's top tertiary vocational education institutes, located in Taradale, Napier with Regional Learning Centres in Hastings, Gisborne, Maraenui, Ruatoria, Tokomaru Bay, Waipukurau and Wairoa.
- Sport Hawke's Bay – the Centre of Excellence concept was conceived in 2009 by Sport Hawke's Bay talent development manager Marcus Agnew, who leads Talent Development and the Pathway to Podium for the Centre and lectures in sports science at EIT.
- Hawke's Bay Sports Events and Education Consortium (HBSEEC) – Hawke's Bay business and community leaders supporting and sponsoring hockey at a regional and national level and promoting youth sports events.
- Auckland University of Technology (AUT) – a national leader in exercise science and public health and nutrition. The Sports Performance Research Institute New Zealand (SPRINZ) arm of AUT is the nation's leading multi-disciplinary team undertaking research for improving physical performance and increasing human potential.
- AUT Millennium – originally established as the Millennium Institute of Sport & Health in 2002 with AUT University as its Tertiary Education Partner, the \$85 million AUT Millennium development was initiated by North Shore businessmen Sir Graeme Avery and Sir Stephen Tindall to provide world-class facilities for New Zealand's best athletes and local athletes along with highly valued community sport, health and fitness programmes.

Each of the partners behind the Trust contributes significant skills, experience and expertise. Trustees collectively have a high level of capability and experience in delivering complex projects. The current trustees are:

- Sir Graeme Avery (Chair and independent trustee) – Sileni Estates, Founder and President AUT Millennium Institute of Sport and Health in Auckland
- Mark Aspden – CEO, Sport Hawke's Bay
- Chris Collins – CEO, Eastern Institute of Technology Hawke's Bay and Tairāwhiti

- Bruce Mactaggart – Founder and Secretary, Hawke's Bay Sports Events and Education Consortium
- Giles Pearson – Former partner Price Waterhouse Coopers, Napier (independent trustee)
- Wendy Pirie – Owner Director TimberNook Outdoor Education Centre, Hastings (independent trustee)
- Mike Purchas – Owner Sportsground Ltd (independent trustee).

At present the Trust is run primarily on a voluntary basis by the partner organisations. There are three full-time and one part-time staff members:

- Marcus Agnew, leading the Sports Development and Pathway to Podium programmes;
- Joe Payton, Project Leader for the obesity studies;
- Kendall Malcolm, leading the physical activity for schools; and
- Kelly James is part-time Administration, along with several part-time contractors including EIT students.

As the facility is developed and becomes operational, staff will increase accordingly. The plan is to keep staffing lean and comprised of a part-time and volunteer resource, as well as contract providers and voluntary support from Trustees, students and parents. Total staffing during the first full year of operation (2019) is expected to comprise five full-time staff and a similar number of part-time staff.

A Strategic Plan has been developed by the Trust (refer Appendix 5), along with a three-year operational budget. The Trust has also developed a multi-year youth event acquisition and delivery strategy.

2.2 Operations

The Trust has carefully researched its operational budget to ensure it is sustainable in the longer term. The business model is based on the successful AUT Millennium in Auckland.

An Operations and Commercial Manager will report to the Ownership Trust (Hawke's Bay Community Fitness Centre Trust) to manage day-to-day operations, stakeholder and tenant relationships and finances. Programmes operated at and from the facility will be overseen by the operations manager with support from:

- Full- and part-time resources.
- Volunteers.
- EIT under and post-grads.
- AUT post-grads Research.
- Contracting of special services and products from Sport Hawke's Bay, EIT, AUT University and AUT Millennium (Auckland).

Programmes and services will be delivered across the region at:

- Hawke's Bay Sports Park.
- Satellite venues (Pettigrew Green Arena and community recreation facilities in Flaxmere, Wairoa and Central Hawke's Bay).

Activities will be managed through timetables and scheduling.

3.0 ASSET DESCRIPTION

3.1 Facility Overview

The project requires building of the Hawke's Bay Community Health and Sports Centre (to be name EIT Institute of Sport and Health) at the Hawke's Bay Regional Sports Park, Percival Road, Hastings, with operation of community-wide programmes at and from it. The Trust will own and operate the multi-sport and multi-use facility and deliver the programmes across the region.

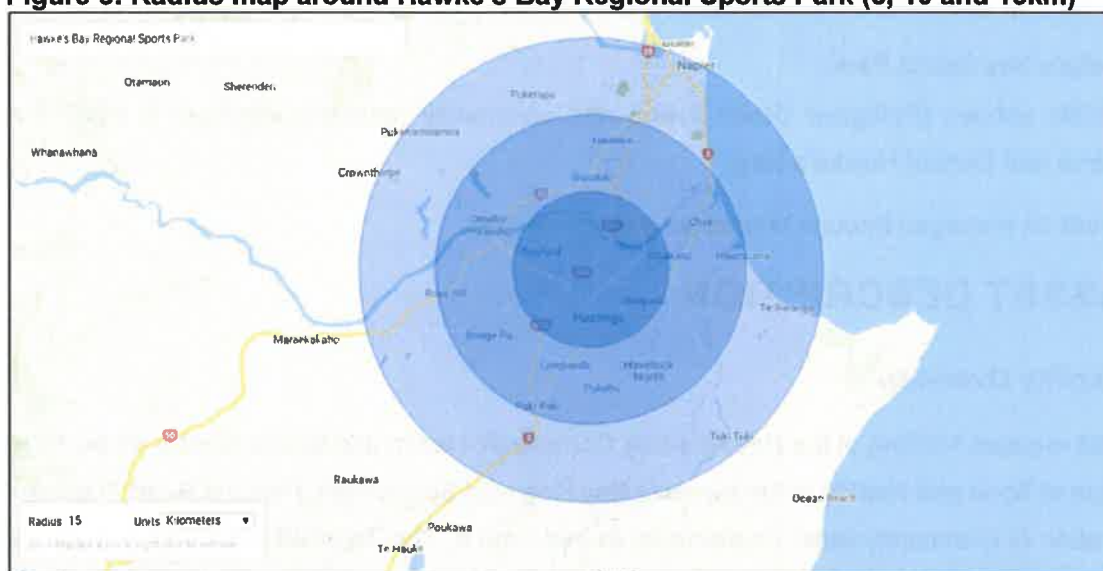
The Sports Park is centrally located off the Napier-Hastings Expressway, 5 to 10 minutes' drive from Hastings and Taradale and 15 minutes from Havelock North and Napier. The Sports Park currently attracts 300,000 users per annum and caters for sports including athletics, netball, hockey, football, league and cross-fit, with space for adding more sports.

Figure 4: Convenient central location



Source: Hawke's Bay Community Fitness Centre Trust.

Figure 5: Radius map around Hawke's Bay Regional Sports Park (5, 10 and 15km)



Source: <http://obeattie.github.io/gmaps-radius/?lat=-39.631108&lng=176.865568&z=11&u=km&r=15>

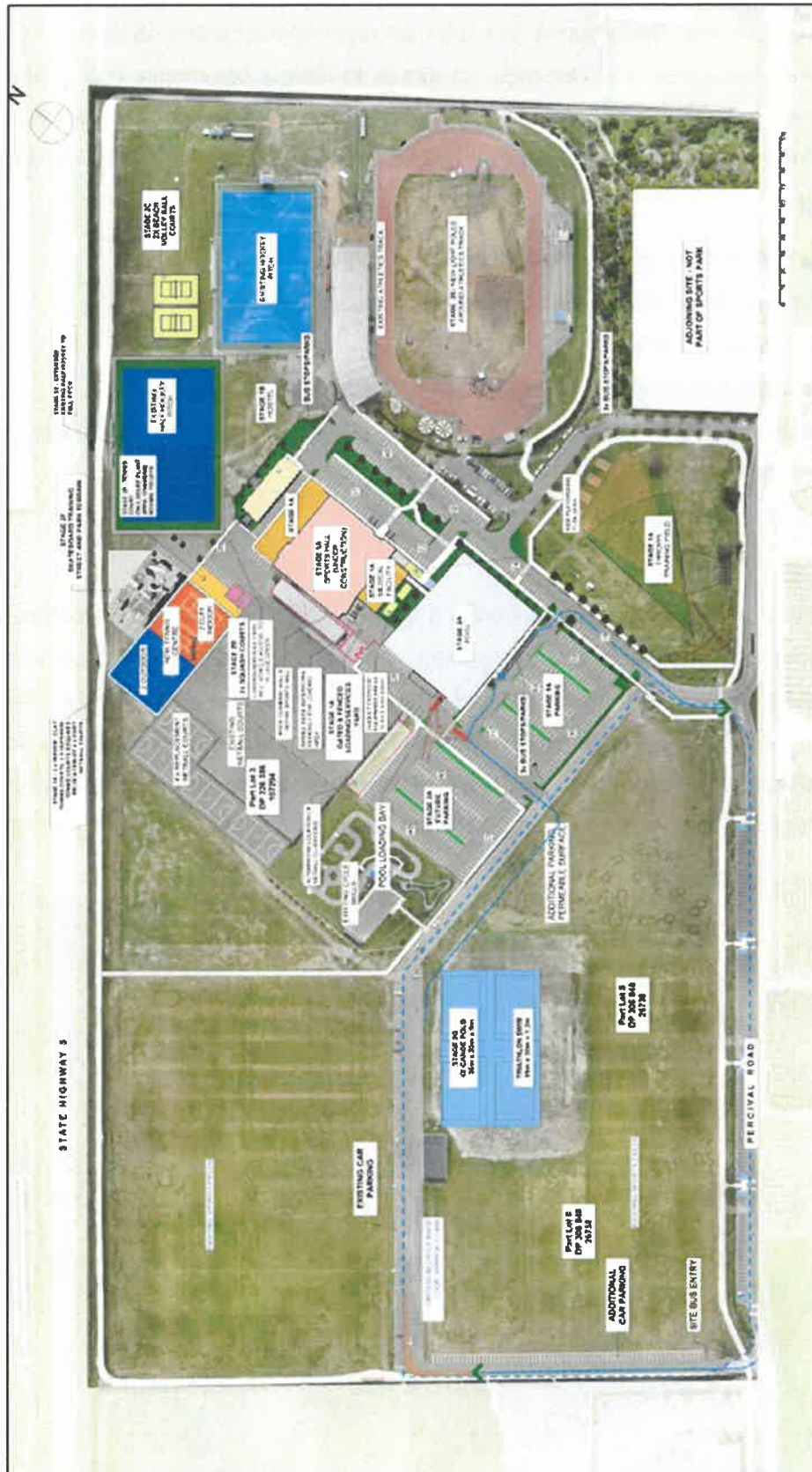
3.2 Staged Development

The initiative will be unique in regional New Zealand through its combination of facilities and programmes for the general public and school students (e.g. indoor sports and recreation hall, climbing wall, community health and fitness gym) and for sports talent development (e.g. strength and conditioning gym, sprint track for speed and agility, gymnastics, on-site medical centre and sports science research). This will also include an accommodation hostel for school camps, sports groups and other purposes. The sports hall in Stage 1 is not proposed to be used for sports competition but will provide an alternative training venue. The aquatic centre in Stage 2 will, however, be used for school sports and regional competitions.



Photo: Sport Hawke's Bay

Figure 6: Hawke's Bay Sports Park, Stages 1 and 2



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments (last updated 20 June 2018)

3.3 Stage 1

The Centre of Excellence in Human Performance will cater for regional needs around community fitness, sporting excellence, education and research. Its aim is to deliver community health and fitness through to high performance sports programmes. The centrepiece of the development is a two-storey indoor sports and recreation hall and sports medicine and science centre. The facility will include:

- community health and fitness gym for general public;
- synthetic sprint track for speed/acceleration and agility testing for all sports;
- internal pole vault run-up and dome;
- state-of-the-art strength and conditioning gym for all sports and general public;
- biomechanical analysis for netball; basketball; volleyball; athletics; pole vault; weight lifting; gymnastics and selected other sports;
- medical facilities and a sports and health science lab; and
- café and shop.

Capital funding and fundraising information is provided in a later section. Costings and plans have been developed with input from architects and independent advisors. The same architects and project construction plan as for AUT Millennium are being used for the Hawke's Bay facility. ***The facility will serve as a multiple sports training facility for local talent and sports groups, and a multi-use facility for the public for a range of health and wellness programmes.*** Construction of the main building (Stage 1A) started in February 2018 with completion scheduled for May 2019.

Figure 7: Commencement of Stage 1 construction, February 2018



Source: www.hbcommunityfitness.org.nz/newsarticle/59692

Figure 8: Left view of sports hall (stage 1A)



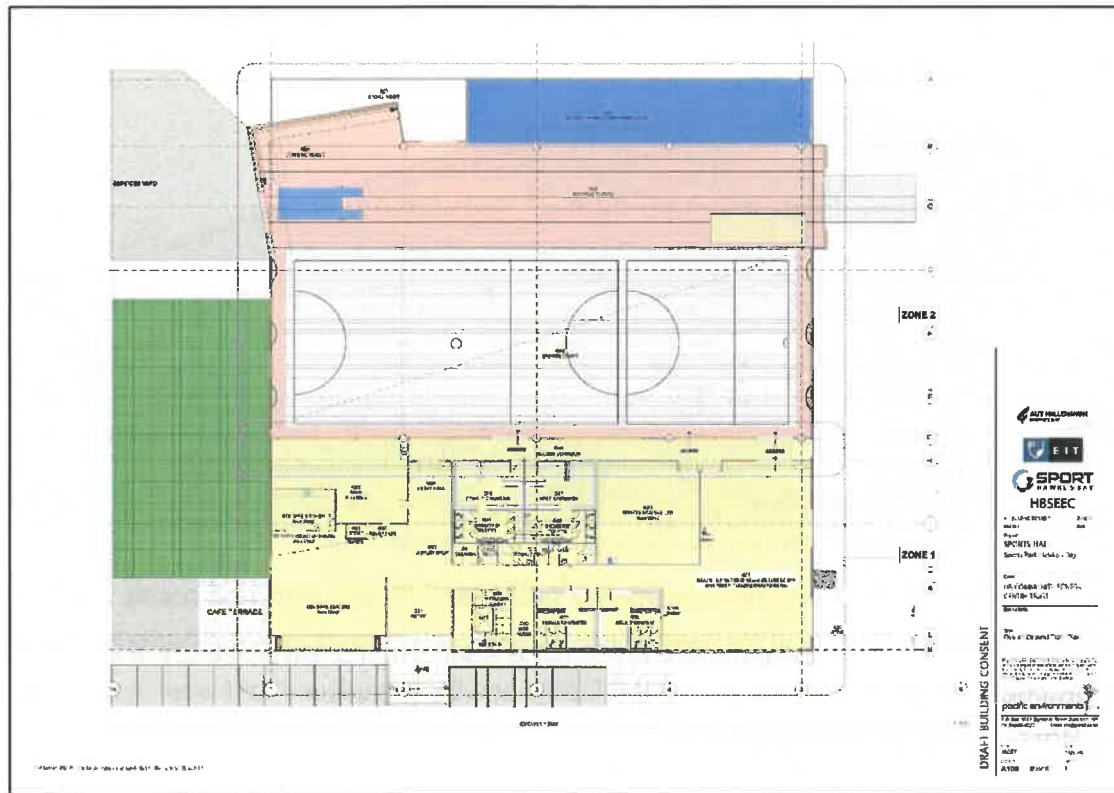
Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.

Patrons will have access to a separate community health and fitness gym and sports medicine centre, and light meals and coffee at the café. Schools from Napier, Hastings and Wairoa to Central Hawke's Bay will have the opportunity to use the facility and book weekend and week-long camps using the planned hostel for accommodation.

The indoor facility will house:

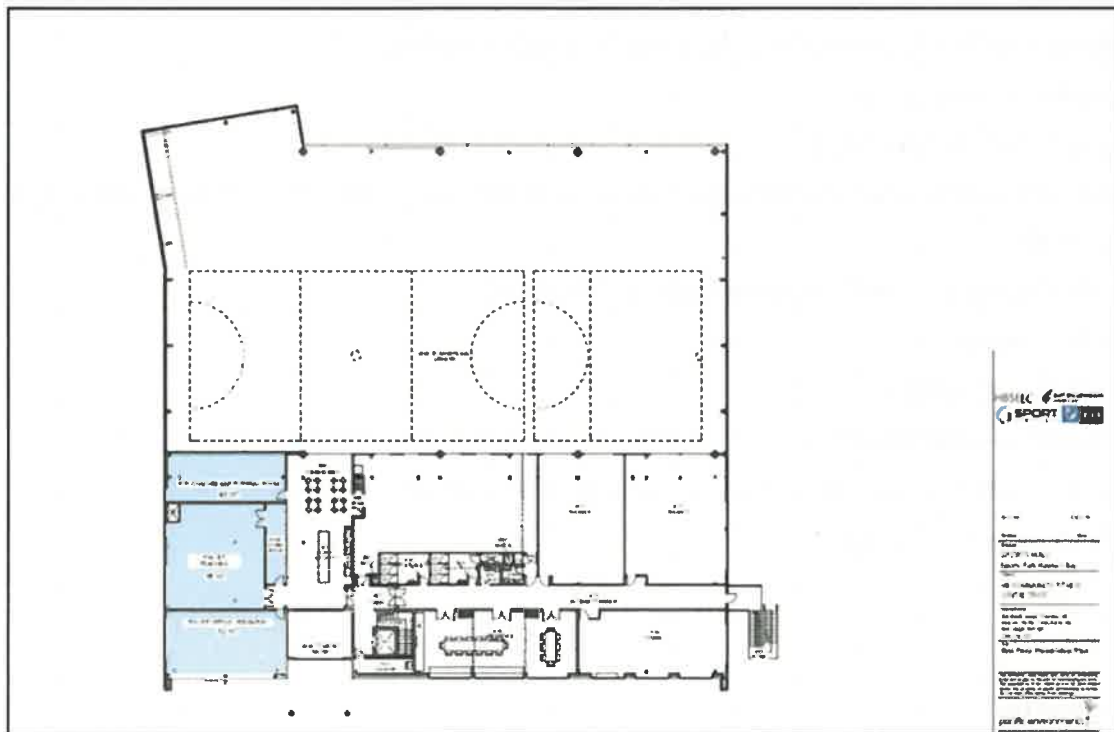
- community health and fitness gym
- indoor sports and recreation hall (large enough for 1.5 netball courts but multi-purpose use)
- eight-lane synthetic surface track for speed and agility training
- recreation climbing wall
- strength and conditioning gym
- sports and health business innovation hub for innovation and development of products in sport and health
- sports science and health science research laboratory
- medical centre
- administration offices
- commercial tenanted offices
- rooms for tutorials, meetings and delivery of programmes and activities
- café, shop and reception.

Figure 9: Sports hall ground floor plan (Stage 1A)



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.

Figure 10: Sports hall first floor plan (Stage 1A)



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.

Outdoor facilities will include a 43-bed, self-catering hostel to accommodate users of the Facility for camps and conferences. Construction of the accommodation hostel and car parking/ roading is scheduled to start in September 2018, with completion in May 2019.

Figure 11: Front entrance view of hostel (Stage 1B)



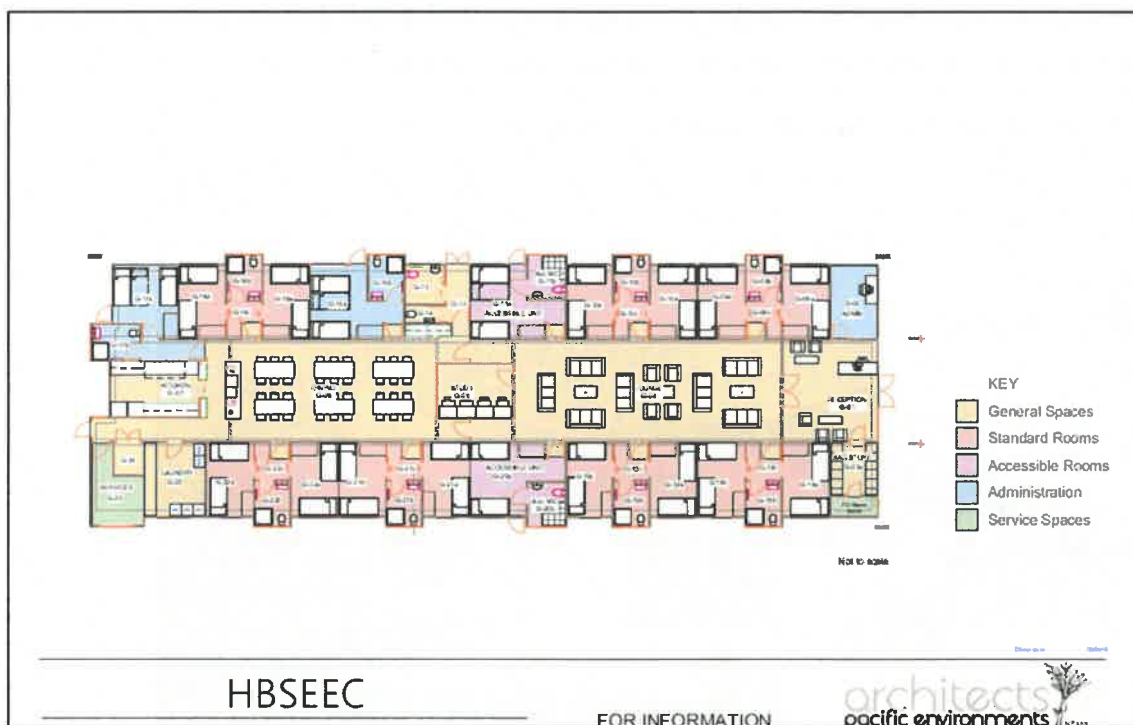
Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.

Figure 12: Hostel interior (Stage 1B)



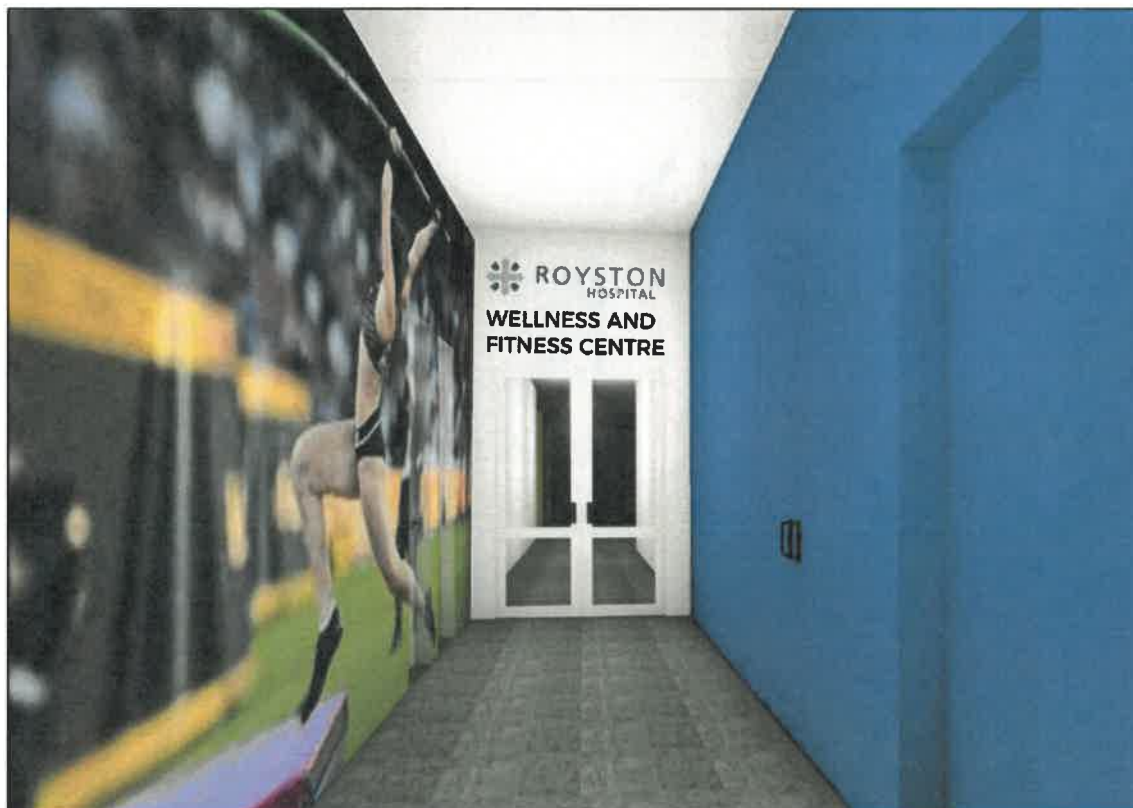
Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.

Figure 13: Floor plan of hostel (Stage 1B)



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.

Figure 14: Interior view Royston Wellness and Fitness Centre (Stage 1A)



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.

Figure 15: Sports hall interior ground floor mock up (Stage 1A)



Source: Hawke's Bay Community Fitness Centre Trust.

Figure 16: Sports hall interior view



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.

The Stage 1 building extension (Stage 1C) will allow for larger medical facilities (sports and exercise medicine, physiotherapy, nutrition, mental health, imaging); tenancy space for Sport Hawke's Bay, the population health group of Hawke's Bay DHB, and Te Taiwhenua; more indoor court space; larger community health and fitness gym; more health and wellbeing tutorial rooms; career and job training rooms. The planned start date for construction is late 2019 to early 2020, for completion by the end of 2021.

Figure 17: Left side image of extended sports hall (Stage 1C)

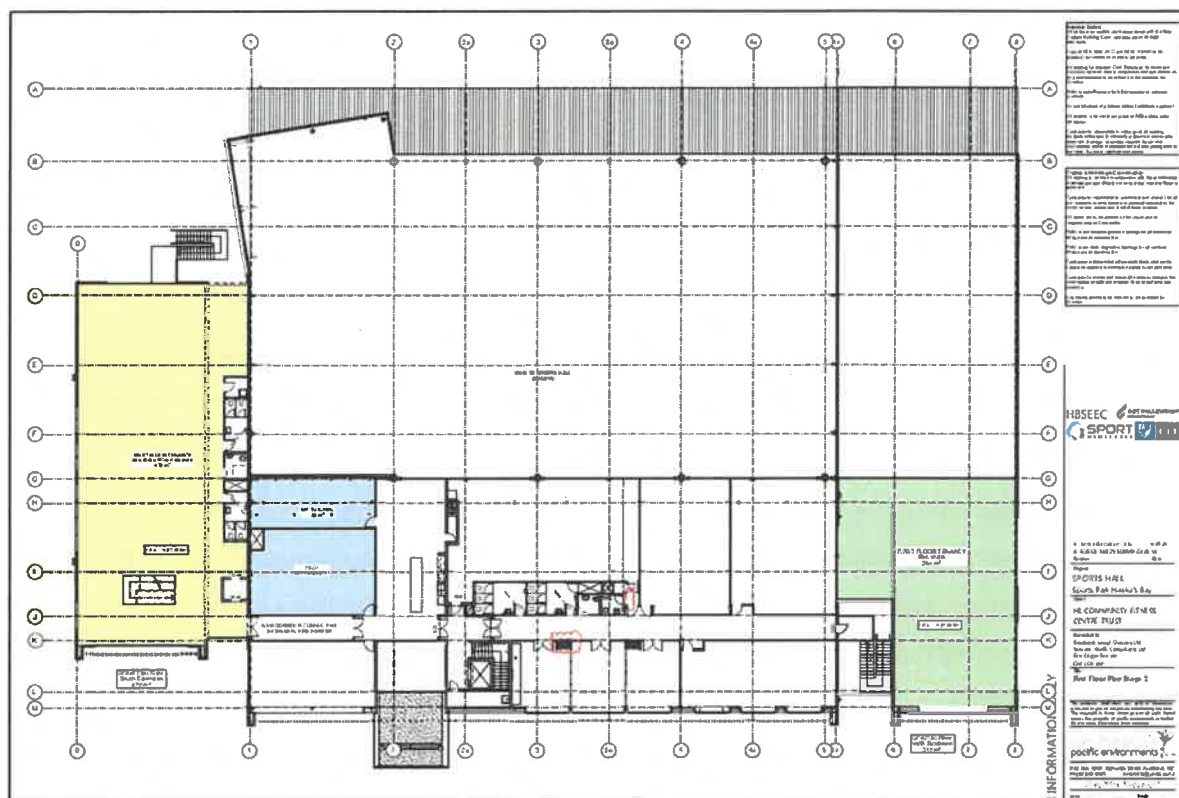


Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.

Figure 18: Right side image of extended sports hall (Stage 1C) and hostel



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments.

3.4 Stage 2

Stage 2 facilities will include:

- Aquatic Centre (sports and general public)
- Extended hockey turf (sports)
- Stadium floodlights (sports and general public)
- Athletics throws field (sports)
- Canoe polo courts (sports).

School sports groups will be major users of the new facilities in Education Outside the Classroom programmes run by the Trust, as well as for individual school and regional schools' competitions. Also, for the At-risk Youth programme using sport to develop life skills and employment.

The Stage 2 facilities described below complement those in Stage 1. They are needed to both extend the range of sports at a multi-sport training centre and to fulfil unmet community need in the region. The extra facilities, as with Stage 1, will be accessible for all ages and abilities across the region and will serve as a regional hub for delivery of services at and from the Centre to satellites in Waipukurau, Flaxmere and Wairoa.

The Stage 2 facilities will importantly broaden the range of sports and services available for Māori and Pasifika sports people and their families across the region.

The completed stage 1 and 2 Facility will be a multi-purpose world-class Centre of Excellence in Human Performance which will deliver world-leading programmes to transform health and sports outcomes across the region. Sports catered for at the Hawke's Bay Community Health and Sports Centre and Regional Sports Park will include:

- athletics
- hockey
- netball
- football
- rugby sevens
- basketball
- volleyball/beach volleyball
- badminton
- weightlifting
- boxing
- swimming
- water polo.

All the sports facilities in Stages 1 and 2 will be used for the at-risk youth programme, creating a unique environment in a single location including on-site mentoring for job training and professional staff support.

The multi-sport facility at the Regional Sports Park will be of a world-class standard and scope to enable the region to bid to host major international youth and other sports events.

3.4.1 Aquatic Centre

The Aquatic Centre will comprise a heated Olympic size pool and multi-sport water space for training and competition and health programmes, along with a heated learners pool for learn-to-swim and water safety education.

Figure 20: Concept design – Aquatic Centre (north-east view)



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments

Olympic Pool: a 51.5 m. pool with 1.5 m. moveable bulkhead for flexibility to divide pool as one 50 m. pool or two 25 m. pools, one with deep water for water polo:

- 50 m. for regional swimming competitions (1.5 m. bulkhead at one end)
- 25 m. for swimming training and schools competitions + general public use or recreational healthy exercise and youth development programmes
- 25 m. deeper water end for water polo and underwater hockey and aquarobics, especially for the morbidly obese
- deeper water, water safety education, including for kayak, canoe and dinghy safe use in the open sea and rivers.

A key finding of the National Facilities Strategy for Aquatic Sports (Sport NZ, 2013) was that additional pools are required in Hawke's Bay and other areas to address the current shortage of facilities. Sport NZ identified that 62% of swimming pools in Hawke's Bay were over 45 years old; and that 42% of Hawke's Bay pools were classified as 'poor condition', a substantially higher percentage than any other region.

There is no 50 m. size pool in the region suitable for competitive swimming, no deep-water space for water polo or underwater hockey, and none with sports medicine and sports science support on-site for aquatic sports performance development.

According to reporting in the Hawke's Bay Today (11 March 2017):

'Competitive swimmers, student and water sport are affected by a lack of swimming space in Hawke's Bay... This lack of facilities has seen increased public criticism levelled at Napier City Council, which provides the two public swimming amenities, the Napier Aquatic Centre and the Ocean Space complex. This increased after the recent closure of the Greendale Pool, which has meant 3500 people will miss out on learn-to-swim programmes, left its club "trying to survive" and placed pressure on other facilities.'

The Hawke's Bay DHB also needs more deep water for aquarobics for the significant number of morbidly obese people who struggle to walk and are too large to sit on a bicycle. They need a buoyancy vest and flippers to aid the graded exercise programme.

Napier City Council has dropped its plans for a 50 m. pool in favour of the 50 m. pool planned for the Hawke's Bay Community Fitness Centre Trust's Stage 2 development. The 50 m. pool at Frimley in Hastings is shallow water and cannot accommodate senior grade competitive swim training or competitions, nor water polo. It is also closed in the winter making its availability limited. There is pressure on available water space for schools' swim meetings in Hastings and Napier.

Figure 21: Concept design – main pool view



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments

Learners Pool: a 25 x 20 m. pool for teaching learn to swim and water safety education.

While there are eight non-private 25 m. and learner pools in Napier and Hastings in use at the present time which offer learn-to-swim classes, two of the pools in Hastings are not open in the winter period when learn-to-swim best needs to be taught prior to the summer swimming and water recreation season. There remains an acute shortage of water space for more widely available learn-to-swim

and water safety education for primary school age children, particularly in the largest population area of the region of Hastings and Napier.

Figure 22: Concept design of learn-to-swim pool



Source: Hawke's Bay Community Fitness Centre Trust and Architects Pacific Environments

A recent study by Button, McGuire, Cotter and Jackson (2017) supports the notion that New Zealand children aged between 7 and 11 years of age have a relatively low level of water survival skills:⁴ 'Children's propulsion skills were limited, with 62% unable to swim 100 m unaided. Although knowledge of risks and emergency response was notably low, there was some encouraging evidence that education of survival skills can bring about improvements of competency. The results of this research reveal that NZ children typically lack a range of important survival skills and that further attention to how these skills are acquired is also needed amongst education providers.'

The advent of the Aquatic Centre will increase the demand for water safety education and learn-to-swim lessons, as has been the experience at AUT Millennium in Auckland when it opened in 2002, and after it added a second Olympic pool.

Table 2: Existing swimming pools in Hawke's Bay region

| Territorial authority area | Swimming pools |
|----------------------------|--|
| Central Hawke's Bay | Waipukurau Recreation Centre |
| | Waipawa (not in use and under re-construction) |
| Hastings | Frimley (closed in winter months) |
| | Flaxmere Community Centre (Swim Heretaunga) |
| | Swim Gym (private) |
| | Havelock North (closed in winter months) |
| | Clive War Memorial |
| Napier | Greendale Swim Club (a private pool not currently in active use) |
| | Napier Aquatic Centre (Onekawa) |
| | Ocean Spa |
| | Swim Solutions (private) |
| Wairoa | Wairoa Community Centre |

Source: Information provided by Hawke's Bay Community Fitness Centre Trust.

⁴ Button, C., McGuire, T., Cotter, J. and Jackson, A.-M. (2017) 'Assessing the Water Survival Skills Competency of Children', research report prepared for Water Safety New Zealand, July 2017.

3.4.2 Extension of Hockey Turf

Extension of the present half turf to give needed extra turf area for training and competitions, especially for schools in a fast-growing sport. An enlarged, floodlit two turf facility for regional competitions and age grade training camps.

3.4.3 Athletics Stadium Floodlights

The need exists to allow extended night use in summer and for winter training of the athletics track, as well as summer and winter use of the inner grass field for a range of sports from rugby, league, football, touch, and outdoor concerts – so also maximising use of the covered grandstand at the Stadium.

3.4.4 Athletics Throws Training Field

Relocation of training areas for dangerous throws implements of the javelin, hammer, discus and shot, from the centre field of the Stadium to a high security fenced dedicated special purpose Throws training area. Endorsed by Athletics New Zealand. Major use will be made for developing current youth talent in the region, especially Māori and Pasifika.

3.4.5 Canoe Polo Courts

This facility is under development by the Regional Sports Park Trust for training and competition and so is not part of the Hawke's Bay Community Fitness Centre Trust's stage 2 funding development. The four courts will serve a fast-growing sport in the region that will double in size with the advent of the new facility. It will also serve as space for triathlon swim training.

3.4.6 Car Parking and Roothing

Additional car parks and roading will also be constructed in Stage 2 to cater for the additional facilities use.

4.0 PROGRAMMES AND BENEFITS

The initiative will cater for regional needs around community health and fitness, sporting excellence, health-related education and research. It will model off the successful example of AUT Millennium in Auckland by integrating community sport, school sport development, community health and fitness and high-performance sport into a leading Centre of Excellence in Human Performance servicing three main markets regionally:

- general public (community health and fitness programmes and gym);
- school groups; and
- sports users.

The planned development will provide programmes for the whole community, from health and wellbeing for all ages through to sports performance development of youth talent in schools and

clubs, catering for users from Napier, Hastings, Central Hawke's Bay and Wairoa. The Trust anticipates almost 250,000 annual user-visits in year one, comprising 85 per cent community members and school groups and the remainder being local sports groups and other sports performance development stakeholders.

Apart from AUT Millennium in Auckland, no other facility in New Zealand caters for both sports performance training and community health and fitness with on-site sports medicine and sports science support. This will be achieved by providing a wide range of services at the main facility at the Regional Sports Park and via satellite services managed from the facility.

4.1 Programme Options

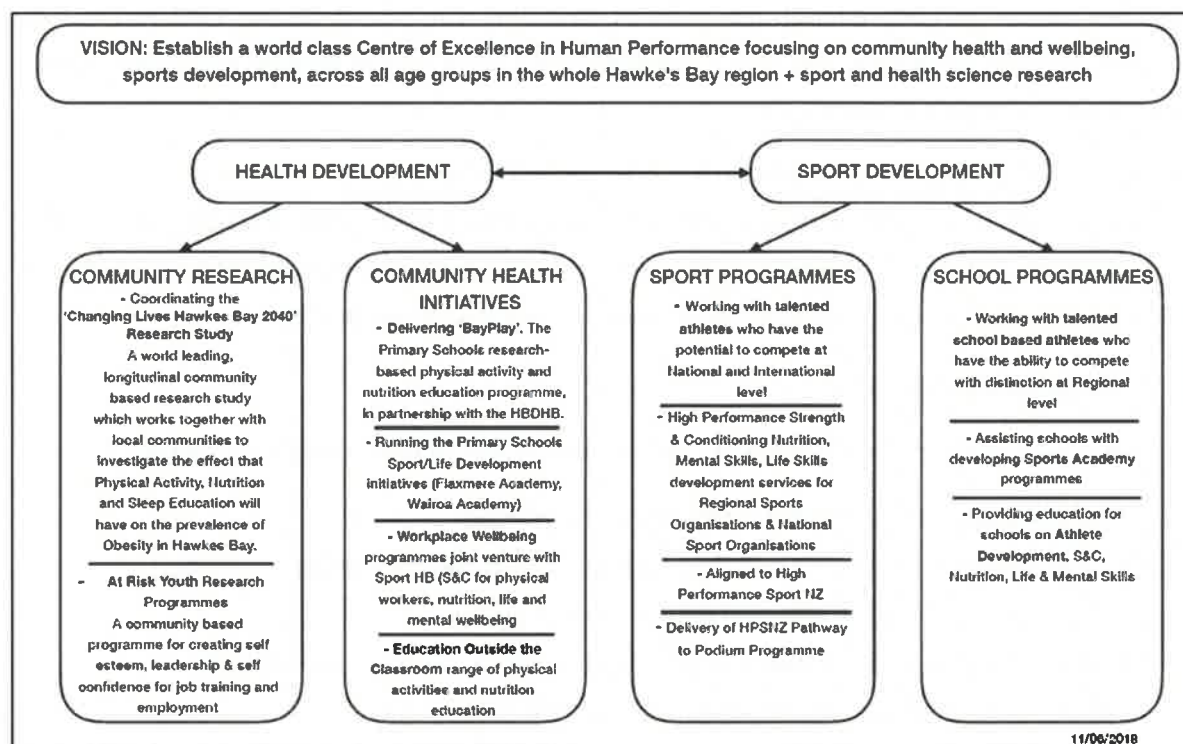
The facility has been designed to meet the needs of the planned programmes, including:

- Outside the classroom education and camps for schools.
- Physical activity and nutrition education for schools, including satellite services.
- Community health and fitness gym for the general public.
- Outdoor community fitness exercise stations for self-use by the general public.
- Community healthy lifestyles tutorials and exercise programme.
- At-risk youth programmes.
- Community learn-to-swim and water safety education programmes.
- Talented youth sports performance programme, including for schools and local sports groups.
- Regional performance development for National Sports Organisations.
- Satellite facilities delivery of the above (Central Hawke's Bay and Wairoa).

It was initially proposed that the programmes will encompass meeting the needs of the public, schools and sports users. This has been maintained through to current planning stages, albeit with a greater focus on younger children through school groups and out-reach, and a specific focus on preschool-age children in the planned obesity intervention research studies.

The Sports Park development is designed to be much more than a 'bricks and mortar' project. The broader programme will comprise of a range of programmes delivered at the main facility and through satellite facilities to provide services to all age ranges from ante-natal classes, through pre-school and onwards to senior age groups.

Figure 23: Research and programme summary



Source: Hawke's Bay Community Fitness Centre Trust, June 2018.

4.2 User Groups and Programmes

General Public

The community health and fitness gym is planned to be operated by Trust staff, with adherence to defined AUT Millennium group and individualised programme requirements.⁵ The Trust's baseline demand projection is for 500 members visiting an average of 5 days per week. A major focus for the gym will be targeting local businesses in 'Workplace Wellbeing' programmes. The gym facility will include:

- a health and nutrition status baseline screen (re-assessed four times a year);
- group classes based on the Fitness Class Timetable; and
- individualised use of weights, bikes, running treadmill, rowing machines and other equipment with personal trainer engagement.

Outdoor self-use exercise stations for children and adults at the main facility will also be a drawcard.

⁵ The Trust initially considered renting the gym to a commercial operator. The Trust subsequently decided to operate the gym itself to provide more flexibility for programmes and research interface with Medical Centre professionals and for Workplace Wellbeing programmes. Based on the experience of AUT Millennium in Auckland, this alternative approach could generate more income for the Trust than a tenancy rental arrangement. The Trust is confident it can recruit experienced and competent staff (including from AUT Millennium who have relocated to Hawke's Bay).

Proposed community health and fitness programmes will be professionally developed and managed:

- based on best evidence from research-led programmes of AUT, AUT Millennium, EIT and others;
- professionally supervised by certified instructors/coaches; and
- with baseline health, nutritional and active exercise status assessment on entry into programmes (key parameters to measure improved health outcomes over time).

Programmes for groups and individuals will have a primary focus on healthy lifestyles and healthy families. Tutorials on healthy eating, nutrition and active exercise will be held at the main facility and offered at satellite locations. Details of the programmes are to be developed collaboratively by key stakeholders including health and fitness educators. Programme instructors (coaches) will be certified to deliver the programmes, and will also be able to train undergraduate students, fitness instructors and parent volunteers towards certification.

School Groups

School programmes will include:

- Education Outside the Classroom (EOTC) (e.g. active recreation and healthy eating education).
- School camps (e.g. active recreation and healthy eating education).
- Physical literacy programmes (e.g. (e.g. human movement, healthy eating, sleep and nutrition education).



Photo: Hawke's Bay Community Fitness Centre Trust.

School groups will benefit from all the facilities and services offered as described above. Schools from throughout the region will have access to day or week-long healthy lifestyle and sports development education camps at the on-site accommodation hostel.

Physical literacy programmes will be delivered at the planned facility to develop a healthy active recreation lifestyle, and at schools for healthy lifestyle plus focus on sporting development. Physical literacy is about establishing the necessary foundations for a lifelong involvement in health-enhancing physical activity and sport.

Programmes provided by the Centre for Excellence will complement and enhance a range of existing healthy eating and physical activity programmes, initiatives and activities which have been previously documented in a January 2016 stock-take by Hawke's Bay District Health Board (DHB) (e.g. Fruit in Schools, Sport Skills in Schools, Physical Activity Leaders Programme). The Hawke's Bay DHB has proposed that resources should be targeted toward children aged 5 – 12 years within primary school settings. Evidence shows early intervention programmes delivered in schools are effective because they are delivered in structured environments and have close links with family/whanau. These links provide opportunities for reinforcing sustainable behaviour change across the wider school and home environment.

Sports Users

As with the health and fitness programmes described above, all sports performance and sports capability programmes will be managed by instructors and coaches with tertiary degrees or diplomas in Sports Science, Sports Coaching or Sports Management, or with specific Coaching experience in a particular sport, or providers certified by High Performance Sport New Zealand (HPSNZ). Programme development will be undertaken collaboratively by representatives from AUT Millennium, EIT, Sport Hawke's Bay, as well as Regional and National Sports Organisations, supplemented by advisory input from locally resident former international athletes. The various programmes will utilise the principles and guidelines of those of Sport NZ and HPSNZ, along with the best evidence from AUT Millennium research-led programmes. Sports users will include local youth talent, local sports groups and regional performance development for National Sports Organisations, with interest already expressed by the national bodies for Athletics, Netball, Hockey and other sports codes, including Rowing and Cycling.

The Sports Park development will build on and enhance the existing regional Pathway to Podium programme run by the Trust for High-Performance Sport New Zealand. Through the Centre for Excellence, the region's best athletes will be supported by world class instructors and facilities at a multiple sport training environment, with medical and sports science support on-site. Coaching, training, injury rehabilitation and recovery, performance analysis, strength and conditioning will all be catered for through evidence-based sports performance development programmes.

Satellite Services

Schools physical literacy programmes will be provided locally via satellite services at Hastings, Napier, Central Hawke's Bay and Wairoa. Local sports groups will also be supported through regular sessions at satellite facilities in Central Hawke's Bay and Wairoa. Schools, gyms, and recreation centres across the region will host Trust staff certified to deliver the programmes.

Social Responsibility Programmes

In addition to the services described above, the Trust is also planning to introduce programmes to address social issues, including programmes for at-risk youth (in collaboration with local Iwi and social services) and community learn-to-swim and water safety education programmes.

The Pivotal Role of EIT

EIT are a key stakeholder in the initiative. Academic staff will contribute to research and delivery of services in sport and community health programmes to be delivered from the new facility. Undergraduate and post-grad students will have new opportunities for practical involvement in delivery of these programmes. It is also envisaged that, EIT and AUT will collaborate for doctoral studies and research projects in community health and sport to be carried out from the new facility. EIT has existing partnerships with many Hawke's Bay schools and has a high level of experience around working with at-risk youth.



Photo: Hawke's Bay Community Fitness Centre Trust.

4.3 Specific Programmes

As part of its consideration of options and overall planning, the Hawke's Bay Community Fitness Centre Trust has commissioned reviews of research literature to confirm that increased physical activity and healthier eating are associated with a wide range of social, life and wellbeing benefits (refer APR report of 10 May, 2018).

4.3.1 Education Outside the Classroom (EOTC)

The Trust will increasingly provide services for school groups as a key beneficiary. This will be achieved by providing a wide range of services at the main facility at the Regional Sports Park and via satellite services including Pettigrew Green Arena in Taradale (Napier) and venues in Wairoa and Central Hawke's Bay. Schools programmes for active recreation and healthy eating education will be targeted towards:

- for primary and intermediate schools, Education Outside the Classroom (EOTC)
- for intermediate and secondary schools, long-term athlete development and healthy lifestyles education
- for all schools, support through weekend and week-long camps using the accommodation hostel.

The new facility at the Regional Sports Park has been designed to meet the needs of planned programmes including EOTC and camps for schools, physical literacy education for schools, and satellite services for schools. Recreational activities will include those suitable for different ages:

- recreational climbing (using climbing wall)
- gymnastic agility and balance movement (basic skills)
- sports hall and outdoor facilities, including stadium (fun team games)
- cognitive skills development (using specialised equipment)
- water safety skills.

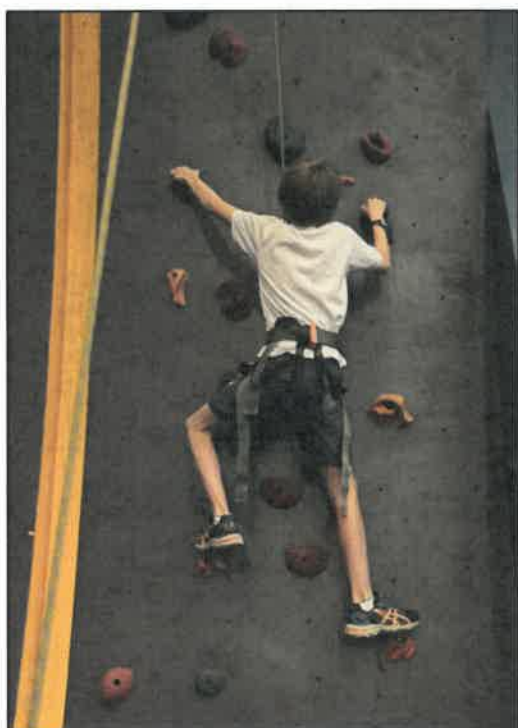


Photo: AUT Millennium/Hawke's Bay Community Fitness Centre Trust

4.3.2 Athlete Development for School and Youth Sports Talent

Through the Trust's Centre for Excellence, the region's best athletes will be supported by world-class instructors and facilities at a multiple sport training environment with medical and sports science support on-site. Coaching, training, injury rehabilitation and recovery, performance analysis, strength and conditioning will all be catered for through evidence-based sports performance development programmes.

The youth sports talent programme will identify, nurture and develop tomorrow's sports talent. This is a long-term programme based on progression from learning to train, through training to train and then training to compete when the individual is psychologically and physiologically ready. Each group will include 10-20 athletes for twice weekly sessions at the Trust gym, or at the school, covering:

- human movement skills (agility, balance, speed)
- strength and conditioning (appropriate for age and physiological development).
- The programme will also include tutorials and practical workshops four times per annum on:
 - nutrition (including healthy meals preparation)
 - life skills
 - mental skills.

The goal is that preparation of the body and mind to be able to play sports better will result in flow-on leadership and decision-making benefits. A further flow-on effect is to keep well-disciplined, hard-working high achievers living in their local communities and provide inspiration for those around them, including up-and-coming young athletes.



Photo: AUT Millennium/Hawke's Bay Community Fitness Centre Trust

4.3.3 Workplace Wellbeing Programmes

A major focus of the Trust's community health and fitness gym will be targeting local businesses in 'Healthy Workforce' programmes. Community programmes to be developed by the Trust will include, for adults and corporates, health screen managed programmes for wellness, general fitness, mental health and workplace wellbeing. The goal is for professionally managed holistic health and wellbeing programmes tailored to the needs of the organisation, to be delivered at the facility or workplace. This includes:

- strength and conditioning at the facility gym (especially for physically active workers, but also for general fitness for all employees and strength/balance for older workers)
- group fitness and exercise classes
- tutorials at workplace and via webinars for:
 - healthy eating, cooking and food shopping (adults and workplace version of schools' programme)
 - life skills (including developing workplace confidence and resilience)
 - mental wellbeing (including 'feeling well', positive thinking, stress management, etc).

The aim is for preparation of the body and mind for the workplace. Key Executive initiatives will also be developed as an individualised programme managed by Sports and Exercise Medicine staff at the facility, in collaboration with visiting medical consultants. This will include:

- full health screen, including cardiovascular work-up
- cognitive fitness for decision making
- individual programme for general fitness and mental wellbeing.



Photo: AUT Millennium/Hawke's Bay Community Fitness Centre Trust

4.3.4 Programmes for At-Risk Young People

The Trust is planning programmes to address social issues, including programmes for at-risk young people. There is already a group of young people in Wairoa who have done a programme, with some now involved in a sports and recreation course at EIT. Programmes will be further developed in collaboration with local Iwi and Council Social Services, to give at-risk youth a new journey of creating self-esteem through achievement in sport, and moving onto leadership development from coaching in sport, continuing onto job skills training and future employment (a concept successfully developed in Singapore). Features of the programme include:

- discipline through a structured sport and physical activity programme
- mentoring on life skills and use of role models
- direction on sport specific skills development
- mentoring on leadership responsibility and development
- progression to job skills training at EIT and other certified providers.



Photo: AUT Millennium/Hawke's Bay Community Fitness Centre Trust

Note: The above image is illustrative of strength and conditioning gym work and is NOT of actual at-risk youth.

4.3.5 Community Learn-To-Swim and Water Safety Education Programmes

Learn-to-swim and water safety education are an important part of people's education and skills. However, there is a shortage of water space for more widely available learn-to-swim and water safety education for primary school age children in Hastings and Napier. The Stage 2 development will include a heated learners pool for community learn-to-swim and water safety education programmes.

The effectiveness of swimming and water safety education depends in turn on pedagogical aspects of the teaching-learning process. WHO (2014) recommends that learn-to-swim lessons for children should include a structured, safety-tested curriculum, a safe training environment, trained instructors, and student-instructor ratios established for safety.⁶ Langendorfer et al (2009) found that, in the context of developmentally appropriate practice (DAP) issues of when, what, and how to teach swimming to young children:⁷

- Swim instructors and parents need to have training and skill in assessing a child's cognitive and general psychomotor skills, and specific water readiness.
- Aquatic instructional practices should be aimed at the needs of individual children in classes, not the class as a group.
- Aquatic instruction should employ learner-centred indirect techniques that view skill acquisition from a systems perspective rather than either strict maturational or learning perspectives.
- The flexibility of lesson plans and curriculum oriented toward student success must be given priority over a rigid progression of skill teaching.

The Trust's learn-to-swim and water safety education programmes are based on AUT Millennium's successful programmes and use qualified instructors and lifeguards. Programmes are delivered according to WHO criteria and aligned with the 'Water Skills for Life' programme of Water Safety New Zealand.



Photo: AUT Millennium/Hawke's Bay Community Fitness Centre Trust

⁶ World Health Organisation (2014) 'Global report on drowning: preventing a leading killer', WHO Press, Geneva, Switzerland.

⁷ Langendorfer, S. J., Quan, L., Pia, F. A., Fielding, R. and Wernicki, P. G. (2009) 'Scientific Review: Minimum Age for Swim Lessons', *International Journal of Aquatic Research and Education*, Vol 3(4): 450-469.

4.3.6 Obesity Intervention Research Studies

Underpinning the above programmes will be two world leading collaborative and multi-faceted, integrated studies, with study design and data analysis by Liggins Institute of Auckland University Medical School in collaboration with the University of Auckland, University of Otago, AUT University and AUT Millennium Institute. In addition to the physical activity and healthy eating programmes and facilities outlined in this report, the Trust is also proactively planning and fund-raising towards:

- A whole-of-population community-based research study in pre-schools and primary schools across the region, especially to develop the right behaviour habits for under 5s to 10-year-old children on healthy eating, cooking, food shopping and regular active play/exercise – supported by the whole family and local community; and
- A longitudinal research study from conception to new-born infant and on to pre-school, primary and secondary school age to adulthood for life. Same healthy eating education and regular active play/exercise as above.

The planned research-led obesity intervention programmes are well aligned with the physical activity and health needs of the region. The services will be directed in a practical way to measure over time the outcome benefits of the programme and develop new tools and methods to help embed physical activity in everyday living.

All activities run from the Centre will be based on best evidence from international research and the research-led programmes of AUT University, AUT Millennium in Auckland, EIT and those developed in Hawke's Bay communities, including support from Māori and Pasifika. Collaborative working groups of professionals trained and experienced in physical activity, nutrition, healthy lifestyles education, primary healthcare and health promotion will lead the development of the programmes on healthy eating and active recreation along with input of the local community.

One of the features of the planned development is a sports and health science research laboratory, with a collaborative approach to service delivery and obesity research with EIT, the Hawke's Bay DHB and other local stakeholders.

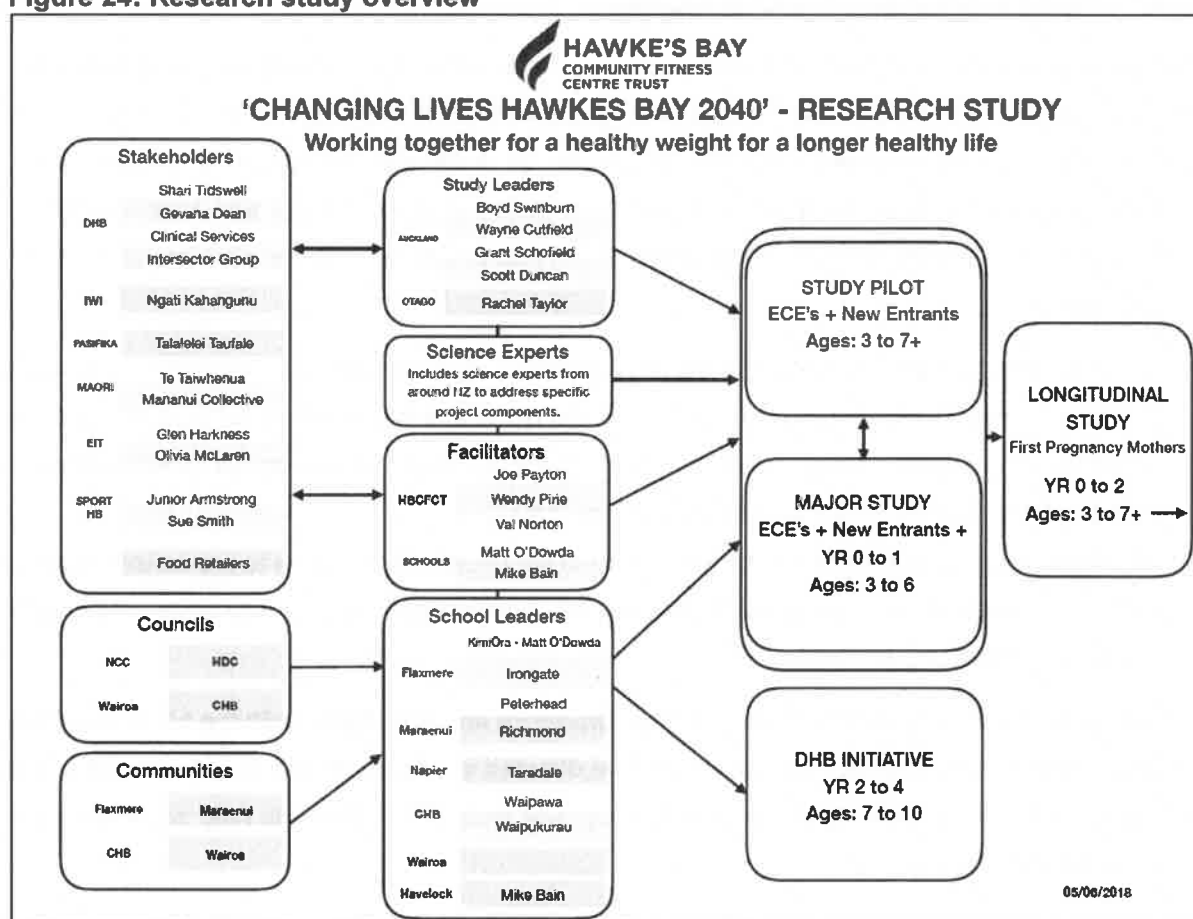
Funding for these research aspects is being sought from government and the private sector, in parallel with facility and programme development and is independent from the capital requirements and associated fund-raising.

Table 3: Sources and amounts of research funding committed to date, June 2018

| Source | Amount |
|--|------------------|
| Community Trusts | \$400,000 |
| Individuals | \$100,000 |
| Total committed (research programmes) | \$500,000 |

Source: Information supplied by Hawke's Bay Community Fitness Centre Trust, June 2018

Figure 24: Research study overview



Source: Hawke's Bay Community Fitness Centre Trust, June 2018.

Following consideration by the Trust in consultation with other key stakeholders, the design of the planned Whole of Population Obesity Intervention study will not be a randomised controlled trial (RCT) but rather one of a Systems mixed-method approach where the local community defines what they can commit to in terms of the nature of physical activity and food they can afford or provide. This approach is very important for lower socioeconomic groups, especially Māori and Pasifika. This design approach will better enable the collaboration of the whole family around the child, and is being led by Professor Boyd Swinburn of University of Auckland and Co-Chair of the WHO Obesity Taskforce.

All the instruments of physical activity, healthy eating, cooking and food shopping remain, but are defined by the community in terms of what they can commit to. Impact and change will be assessed over time against baseline measurements. This systems approach is much more sustainable for the future as it is developed by each local community and can be much more readily included in school curricula and everyday living. For Māori and Pasifika, the systems approach is centred on their cultural assets and values. For further details on this approach, refer for example:

- Allendar et al (2015) 'A Community Based Systems Diagram of Obesity Causes', PLoS ONE 10(7): e0129683.

- De Groot et al (2010) 'Increasing community capacity to prevent childhood obesity: challenges, lessons learned and results from the Romp & Chomp intervention', BMC Public Health 10, August 2010.
- De Silva-Sanigorski et al (2012) 'Process and Impact Evaluation of the *Romp & Chomp* Obesity Intervention in Early Childhood Settings: Lessons Learned from Implementation in Preschools and Long Day Care Settings', *Childhood Obesity* 8(3), June 2012.

5.0 COMMUNITY NEED ASSESSMENT

5.1 The Obesity Epidemic

Rapidly increasing levels of obesity and diabetes have become a global health epidemic. Compared with previous decades, people undertake substantially less physical exercise and have greater access to calorie-rich food. Consequently, obesity, diabetes and other lifestyle diseases are becoming an increasing social and economic burden.

Increasing childhood obesity creates additional future concerns. People can develop a propensity towards obesity from their early years, particularly in lower socio-economic families and communities. Obesity can lead to lower employment prospects and incomes, leading to a poverty trap of poor health and wellbeing.

There are declining health statistics for a significant proportion of people in the Hawke's Bay region, including:

- high obesity rates, with 38% of adults obese, higher than the national rate of 32%;⁸
- even higher obesity rates for Māori adults in Hawke's Bay (54%), which is particularly concerning given 23% of the regional population is Māori;
- very high obesity rates (69%) for Pacifica adults, with 4% of the regional population identifying as Pacifica;
- poor physical activity rates, with only 37% of adults in the Hawke's Bay engaging in recommended minimum activity levels.⁹ This means 63% of adults are not physically active (higher than the national rate of 50%); and
- health issues associated with obesity include diabetes and cardiovascular disease, musculoskeletal disorders and some cancers.

⁸ Source: NZ Health Survey pooled data for 2014-17 survey period, Hawke's Bay DHB and New Zealand, BMI of 30+.

⁹ Physical activity (aged 15+ years) defined as doing at least 30 minutes of brisk walking or moderate-intensity physical activity (or equivalent vigorous activity), for at least 10 minutes

5.2 Community Context

The Hawke's Bay regional population is approximately 152,000 (2013 Census), of whom approximately 80% are within 15-30 minute drive of the Regional Sports Park. There are 59 schools in the Hastings District with total pupil roll of approximately 15,250 (some small rural schools); and a further 35 schools in Napier with approximately 11,500 pupils.

The Hawke's Bay is one of six priority 'surge' regions identified by the Government as needing early investment through the Provincial Growth Fund to enhance economic development opportunities, create sustainable jobs, enable Māori to reach their full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets.¹⁰

Compared to other parts of New Zealand, the Hawke's Bay region:

- Has a relatively high proportion of Māori residents. Hawke's Bay is home to 3.6 per cent of New Zealanders overall but 5.8 per cent of New Zealand's Māori population (in total, 23% of the regional population is Māori).
- Has a relatively high rate of unemployment, currently 5.1 per cent compared to national rate of 4.4 per cent (March 2018 quarter).
- Has higher rates of unemployment for Māori and Pacific peoples at 15.6 per cent and 12.8 per cent respectively (March 2018 quarter).
- Has a relatively high rate of obesity and higher rates of obesity for Māori and Pacific peoples.

5.3 Strategic Fit

Hastings District Plan

Hawke's Bay Regional Sports Park is defined as a Special Character Zone in the Hastings District Plan, with the vision for a high quality multiple sport and recreation facility to increase the future potential of all sports and recreation activities that locate there:

This Special Purpose Zone allows for the establishment of a comprehensively planned regional sports and recreation facility with athletics track (and internal field), grandstand, indoor cycling velodrome, a central social, sports and administration facility, indoor and outdoor sports courts, playing fields along with associated facilities including ancillary structures such as changing rooms and toilets, internal roading, car parking, swales, rain gardens, earth bunding (for wind protection and amenity) and stormwater detention areas. The facility will have the potential to include other facilities and sports uses in the future as required (e.g. a swimming pool). Other associated activities that may be included are: limited retail uses, a sports medicine facility, physiotherapy, high performance areas, function rooms, food and beverage outlets and office facilities for sports codes, clubs and sports bodies. A key feature of the site is that it will provide

¹⁰ The other regions are Northland, Bay of Plenty, Gisborne, Manawatu-Wanganui, and West Coast.

for a range of passive recreation opportunities and will be appropriately landscaped with generous buffers around the site perimeter.

Importantly, the regional sports and recreation facility will be a focus for sport and other forms of recreation within the region and will, in time, provide opportunities for local, regional and national sporting events and other activities. It will complement other significant sports and recreation facilities within the region providing opportunities to partner with Napier City Council and to co-host large events from a powerful regional facility base.

Strategic Fit with Existing Training Facilities

Hawke's Bay currently lacks adequate facilities for the optimal development of sports talent and a system to develop community-wide health and wellbeing programmes. The programmes and services to be offered by the Trust will supplement the existing programmes of Hawke's Bay DHB, Sport Hawke's Bay, sports clubs and fitness instruction services.

Sports uses of the planned facility will be solely for fitness and sports training rather than for sports competition purposes and hence will be complementary to existing sports facilities. Information about sports facilities and plans in the Hawke's Bay Region is summarised as follows:

- The school network plays a critical role in the provision of indoor sports facilities. In the Hawke's Bay Region, school gymnasias represent approximately two-thirds of the total number of indoor courts.
- In addition, there are various community indoor facilities including Pettigrew Green Arena, Hastings Sports Centre, Wairoa Community Centre and Waipukurau Community Fitness Centre. Pettigrew Green Arena in Napier provides for regional and national tournaments and national events.
- By the year 2031 an additional seven indoor courts will be required in the Hawke's Bay to remain at the national benchmark level of provision.
- Overall there is a good existing network of international, national, regional and local sport facilities in the Hawke's Bay region, however these are not always strategically located within the region to best meet the convenience needs of sports.
- Collaboration is required between the various sporting codes and facility providers to maximise usage of existing facilities.

The Centre will be the first multiple-sports training facility in the region with sports science and medical support on-site. Other training facilities across the region are fragmented and have limited gym and sports science support facilities (e.g. through EIT). It will have a majority user focus on community health and wellness, as well as a research-led structure not currently in play for the public in the region.

Desktop Scan of Commercial Gyms in Hawke's Bay

Desktop research has been conducted by the Trust on all commercial fitness gyms in Hastings and Napier. An information binder was provided to the consultants for review. This revealed a competitive health and fitness industry within the Hawke's Bay region, comprising at least 30 gyms (including cross fit) and ten swimming pools. From the information provided, it is clear the Hawke's Bay Community Fitness Centre Trust has done considerable research and is well aware of prevailing prices, opening hours and other aspects of the local health and fitness market. The Trust has identified that none of the current offerings include the range of programmes intended, in particular with a health screening and monitoring focus, or out-reach programmes for healthy eating and physical activity education.

Strategic Fit with Council and Community Outcomes

The planned facility and programmes align with council and community outcomes identified throughout the region.

Table 4: Relevant council outcomes in the Hawke's Bay Region

| Council | Outcome statements |
|--|---|
| 2004 collaborative region-wide community outcomes consultation | <ul style="list-style-type: none"> • A lifetime of good health and well-being |
| Napier Council | <ul style="list-style-type: none"> • Safe and accessible recreational facilities • A lifetime of good health and wellbeing |
| Central Hawke's Bay District Council | <ul style="list-style-type: none"> • Strong communities |
| Hastings District Council | <ul style="list-style-type: none"> • Places and spaces for recreation • Fostering recreational participation |
| Wairoa District Council | <ul style="list-style-type: none"> • Safe and accessible recreational facilities • A Lifetime of good health and well-being |

Strategic Fit with Health Stakeholder Initiatives

The planned research-led intervention programmes are well-aligned with physical activity and health needs of the region. The services will be directed in a practical way to measure over time the outcome benefits of the programme and develop new tools and methods to help embed physical activity and healthy eating in everyday living and school curricula. Interest has been expressed from potential DHB programme partners.

A regional community issue underpinning the development is to strategically improve the prevalence rates for Hawke's Bay compared with the national rates around obesity and physical activity. According to results from the New Zealand Health Survey, in 2014-17:

- 38% of Hawke's Bay adults were estimated to be in the obese category. This is significantly higher than the 32% national average.

- Regional obesity rates were higher for Māori (54%) and Pasifika (69%).
- 37% of Hawke's Bay adults were estimated to be physically active, well below the national level of 50%.

The planned programmes and services are well aligned with the Hawke's Bay Healthy Weight Strategy 2016-2025, which adopts a lifespan approach to activities to improve healthy weight. Obesity is identified as the second leading health risk in the region. The Healthy Weight Strategy involves cross-sector leadership and activity delivering obesity prevention and intervention. As part of this approach, the Hawke's Bay DHB is delivering on a Healthy Eating and Activity 2016-2020 action plan to promote healthy weight for children throughout the region.

5.4 Access and Benefits for Māori

Inequality and health issues, especially for Māori in the region, are at the forefront of design and development. The aim is to promote an enhanced quality of life, especially for Māori, from the obesity intervention and at-risk youth sports programme (including increased employability). Directly addressing the high obesity rates for Māori in Hawke's Bay (48%) is particularly important given 23% of the regional population is Māori.

The Stage 2 facilities will broaden the range of sports and services available for Māori and Pasifika sports people and their families across the region. Considerable use will be made of the athletics throws training field and other facilities for developing current youth talent in the region, especially Māori and Pasifika.

Stage 2 learn-to-swim and water safety education programmes will help address Māori drowning rate. According to the 2016 Water Safety NZ Drowning Prevention Report, 18% of all Māori drowning deaths nationally occurred in the Hawke's Bay region.

The aim will also be to create an environment for Māori to aspire to the new jobs of the future. In Year 2 of opening the Centre, an 'IP Innovation Hub in Human Performance' will be established to mentor secondary and tertiary students and at-risk youth in opportunities for new products in the business of sport and health.

Increased productivity potential of the region will also be achieved by facilitating use of the Māori asset base in relation to fixed, natural and people assets:

- Harnessing and nurturing the rich natural assets of Māori as individuals who can succeed in sport, as well as other endeavours, through encouragement of the individuals involved in Trust programmes.
- Use of marae across the region for the healthy cooking education, establishment of food produce gardens, and regular physical activity component of the obesity intervention study for young children and whānau.

- Development of wide involvement in waka ama as a sport for Māori primary and secondary school children, including use of natural river assets (e.g. Wairoa).
- The healthy lifestyle and obesity intervention programmes will extend to Te Kura Kaupapa Māori schools, including establishment of produce gardens.

The Trust programmes are well aligned with the pillars of 'Matariki', the Hawke's Bay Regional Social Inclusion Strategy 2018. A crucial part of the obesity study is involvement of iwi in design of the study. Similarly, the establishment of local community support groups such that children and whānau are an integral part of the study development.

5.5 Stakeholder and Community Support

Support for the project is very wide-ranging across the whole Hawke's Bay region and has been developed by multiple meetings and formal presentations since mid-2016. The Trust has a Memorandum of Understanding with the Hawke's Bay DHB, which it is working with and working for on the obesity intervention research studies. Six school programmes and four sports group programmes are already operating and making good progress, and there has been considerable support expressed from a range of stakeholders including National Sports Organisations and local schools. Letters from local councils, schools, athletes, local sports clubs, iwi and national organisations indicate strong support and anticipated use of the planned facility and services. The project is supported by Sport New Zealand, the New Zealand Olympic Committee, Hawke's Bay DHB, Ngāti Kahungunu, all Councils and MPs in the region, amongst many others. A list of supporters and examples letters of support are provided in the Appendices, along with a copy of the DHB Memorandum of Understanding.

5.6 Community Benefits Summary

The planned facility is intended to provide a broad base of quality facilities and services to the Hawke's Bay for sporting and fitness purposes, generate a sense of pride in the region and transform the health and wellbeing of its citizens. It has been designed to provide programmes for:

- the whole community, from health and wellbeing for all ages through to sports performance development of youth talent in schools and clubs; and
- the wider Hawke's Bay region from Central Hawke's Bay to Hastings, Napier and Wairoa.

A major long-term benefit will be in tackling the regional obesity epidemic, which will become an increasingly large economic burden if unchecked. Research has estimated that the regional productivity cost of obesity and physical inactivity is valued at hundreds of millions of dollars per annum.¹¹ The costs of physical inactivity include direct health costs associated with treatment in the

¹¹ For example: Market Economics Ltd (2013) 'The Costs of Physical Inactivity: Toward a regional full-cost accounting perspective'; Lal *et al* (2012), 'Health care and lost productivity costs of overweight and obesity in New Zealand'; NZIER Social Policy Evaluation and Research Unit (2015) 'The wider economic and social costs of obesity: A discussion of the non-health impacts of obesity in New Zealand'.

health care system, and indirect health costs associated with living with disability/disease and dying prematurely.

Young people are a particular benefactor of the proposed facility and services. A benefit mentioned by many stakeholders is the opportunity to retain talented role models and young athletes in the Hawke's Bay community by providing them with access to high-quality training facilities and expertise, and hence reduce the need to relocate to centres that already have such facilities and services. A flow-on effect is to keep well-disciplined, hard-working high achievers living in their local communities and provide inspiration for those around them, including up-and-coming young athletes.

For local high-performance athletes and coaches, the facility will provide a shared facility where they could access high-quality training and mingle with athletes and coaches from other disciplines. It will provide access and reduce costs, enabling more Hawke's Bay people to aspire to higher levels of sports performance and achievement. There is a view that Hawke's Bay currently lacks the facilities to develop sports talent and boost health and wellbeing in the community, and the development will seek to fill that gap. There will also be employment and economic benefits associated with the development and operation of the planned facility, and it will be used for tertiary education training which will contribute human capital towards long-term economic growth. In the long-term, and subject to evolving community needs, the Trust has estimated that the Centre of Excellence could lead to approximately 40 new full-time equivalent jobs on completion including potential new teaching opportunities at EIT. Additional economic benefits could be realised if the new high-quality facility and programmes attract additional national and international events to Hawke's Bay, for example major sports events for youth and conferences in health and wellness and sports talent development.

6.0 FINANCIAL ANALYSIS

The financial analysis that follow focuses in the first instance on Stage 1 as an ongoing operation and separately consider the incremental costs and benefits of Stage 2 (i.e. consolidated Stage 1 and 2 operations).

6.1 Capital Expenditure – Stage 1

Cost estimates for the construction, fit-out, professional fees, and contingency sum of the Stage 1 build overall is \$27 million, comprising:

- Indoor sports hall (1.5 x netball courts) for sports performance development and community wellness programmes.
- Indoor synthetic surface eight lane sprint track and pole vault dome for sports performance development and community wellness programmes.
- High Performance strength, conditioning gym for sports development for sports and community wellness development.
- Sports and health science research labs.

- Athlete and community wellness tutorial rooms.
- Multi-purpose meeting rooms for tenants and local business conferences.
- Accommodation hostel (especially for schools' programmes use).
- Exercise stations at Sports Park.
- Administration space (incl. user stakeholders and business tenants).
- Wellness programmes administration space.
- Community Health and Fitness gym.
- Sports Medicine Centre (physio, medical, imaging, orthopaedics and other medical commercial tenants).
- Sports Business IP Innovation Centre (business support tenants).
- Café (commercial tenant).
- Sports and wellness nutritional products and apparel shop.

Construction for stage 1 is in three phases, denoted here as:

- Phase 1A main building;
- Phase 2A hostel; and
- Phase 3A extension of the main building.

A breakdown of the estimated costs of the facility build for Stage 1 is outlined below.

Table 5: Estimated costs of facility build for Stage 1 as at June 2018

| Stage/phase | Cost | Start date | End date |
|---|---------------------|-------------------------|----------|
| 1A Main building | \$13 million | Feb 2018 (under way) | May 2019 |
| 1B Accommodation Hostel and car parking/roading | \$5 million | Sept 2018 | May 2019 |
| 1C Extension of main building | \$9 million | 2019/20 | 2021 |
| Total capital cost – Stage 1 | \$27 million | | |

Source: Estimates supplied by Hawke's Bay Community Fitness Centre Trust, June 2018

6.2 Capital Fundraising – Stage 1

The Trust was established in April 2016. Capital fundraising for the EIT Institute of Sport and Health commenced in June 2016, with a start to construction in February 2018. A fundraising appeal is being led by Sir Graeme Avery, professionally managed by Clive Pedley of Giving Architects. In June 2016, Hastings District Council announced up to \$4 million funding contribution and granted a long-term lease of the land for the facility at a peppercorn rental.¹² By October 2016, approximately \$10 million had been pledged. The EIT naming rights involved a \$2 million grant (\$1.75 million towards

¹² Hastings District Council pledged financial support for the project within its 2016/17 Annual Plan. A \$1.75m allowance already in the long-term budget for a main facility on the sports park has been brought forward to put into the project, and \$250,000 added to it to bring the investment up to \$2m. Subsequent to public consultation, Council has put another \$2m into the project bring its contribution to a total of \$4 million.

capital build and \$0.25 million tenancy rent in advance). The status of the capital fundraising for Stage 1 as at June 2018 is shown in the table below.

Table 6: Capital funding campaign as at June 2018

| Stage/phase | Fundraising status |
|---|--------------------|
| 1A Main building | Fully funded |
| 1B Accommodation Hostel and car parking/roading | Under engagement |
| 1C Extension of main building | Still to be raised |

Source: Information supplied by Hawke's Bay Community Fitness Centre Trust, June 2018

Table 7: Sources and amounts of capital funding committed, June 2018

| Source | Amount |
|--|---------------------|
| Councils (Hastings, Wairoa) | \$4,200,000 |
| Businesses | \$2,830,000 |
| Individuals | \$2,570,000 |
| EIT | \$1,750,000 |
| Charitable Trusts | \$1,500,000 |
| Total committed (capital build) | \$12,850,000 |

Source: Information supplied by Hawke's Bay Community Fitness Centre Trust, June 2018

Table 8: Sources and amounts of capital funding under development, June 2018

| Source | Amount | Notes |
|--|---------------------|-------|
| Napier City Council | \$2,000,000 | 1 |
| Central Hawke's Bay District Council | \$250,000 | 2 |
| Hastings/Napier Councils II | \$5,000,000 | 3 |
| Businesses | \$2,000,000 | 4 |
| Individuals | \$1,500,000 | 5 |
| Charitable Trusts | \$900,000 | 6 |
| Total under development (capital build) | \$11,650,000 | |

Notes:

1. Sum has been provided for in FY21/22 Plan period, subject to community consultation
2. To be submitted to FY20 Plan process
3. Additional contributions for 50 m. pool Aquatic Centre. Napier is not proceeding with former plans for a 50 m. pool
4. Naming rights for new features in Buildings and Aquatic Centre
5. As above + Hockey Turf extension
6. Additional contributions.

Source: Information supplied by Hawke's Bay Community Fitness Centre Trust, June 2018

6.3 Financial Projections and Sensitivity – Stage 1

This section draws predominantly on updated demand, price and growth assumptions provided by the Trust in June and July 2018. The approach here is to first step through the demand and price assumptions, subsequently combine these with expenditure estimates to arrive at an operational budget projection, then undertake sensitivity analysis to test the robustness of the Trust's projected operational viability under a range of alternative future scenarios. For this analysis, the Stage 1 projections are provided for Stages 1A and 1B firstly, followed by projections for the completed Stage 1 including building extension (1C) including associated increase in net income.

Note: The Obesity Research and At-risk Youth projects have separate independent grant-funded budgets not related to operation of the facility:

- **At-risk Youth programme funded by local community trusts, Councils, Ministry of Police and Social Welfare.**
- **Obesity Research initiative funded by local health funding charitable organisations and some commercial sponsorship, followed by Lotteries Health Fund and NZ Health Research Foundation.**

Revenues and expenditures associated with these aspects are not included in the organisational financial analysis that follows.

6.3.1 Demand, Price and Revenue Assumptions – Stage 1

Prior analysis suggests that the main facility and satellite services will collectively attract approximately 235,000 user visits in the initial full year of operation. Of this, approximately 62 per cent is projected to be from members of the public making use of the community health and fitness gym, fitness trail and exercise programs, 23 per cent from school visits and camps, and 15 per cent from sports users including talent programmes and local sports groups.

Table 9: Annual user demand summary (no. visits) – Stage 1 facilities, Year 1

| | Annual visits (Year 1) | Percentage |
|---|------------------------|-------------|
| SCHOOLS AND GENERAL PUBLIC | | 85% |
| Schools programmes | 48,400 | 21% |
| School visits | 4,800 | 2% |
| Lodge Camps (week) | 180 | 0% |
| Lodge Camps (w/end) | 300 | 0% |
| Gym visits | 125,000 | 53% |
| Community Fitness Trail visits | 17,500 | 7% |
| Community Healthy Lifestyle Tutorials + Exercise Programme visits | 3,200 | 1% |
| SPORT USERS | | 15% |
| Talented Youth Program visits | 2,800 | 1% |
| Regional Performance development for NSOs | 9,000 | 4% |
| Cricket, netball and rugby visits | 6,750 | 3% |
| Smaller sports visits | 11,250 | 5% |
| Satellite - Central Hawke's Bay visits | 3,375 | 1% |
| Satellite - Wairoa visits | 2,250 | 1% |
| TOTAL ANNUAL USER VISITS | 234,805 | 100% |

Source: APR prior analysis based on data and assumptions supplied by Hawke's Bay Community Fitness Centre Trust.

The Trust's demand estimates are considered reasonable for a fully operational initiative. Allowance has been made for staged growth. The baseline projections aim to be conservative, and contingency plans are in place to adapt to any unrealised demand.

Updated demand and associated price and revenue estimates below are the basis for the financial projections that follow. Once operational, revenues will come from:

- User fees (individuals and bulk-fees for groups).
- Commercial tenants (EIT, café, medical centre, sports/health groups, businesses).
- Local community sponsorship (especially businesses).
- Regional gaming and other trusts.

Demand, price and revenue assumptions that underpin the Centre's high-level budget include:

- School/sports group athlete development programmes at \$10,000 per school per annum based on existing programmes.
- School visits at initially 2 schools per week for 20 weeks with 30 students per visit at \$5 per student.
- Gym operation initially 450 members at \$500 annual subscription (excl GST), assuming normal gym fee \$750 discounted to allow for reduced prices e.g. sponsors, workplaces.
- School weekday use of the hostel at initially 6 schools per annum with a weekly fee of \$10,000 for 5-day programme.
- School weekend use of the hostel for initially 20 weekends per annum with 20 attendees each and a cost of \$25 per night per attendee.
- Initially 20 conference days per annum at \$400 per day.
- Two bulk sports user groups (e.g. HB Volleyball, HB Basketball) with an annual fee of \$25,000.
- Tenant rentals based on initially 733 sqm of lettable space (increasing by 1,000 sqm following completion of Stage 1C) at \$200-\$220 rental per sqm plus \$47 opex recovery per sqm.
- Sponsorship of \$75,000 per annum from Karamu Rotary and \$150,000 per annum from business sponsorships (comprising 10 @ \$5k and 10 @ \$10k per year).
- Grants and donations of \$100,000 per annum for the first three years from local and regional trusts (includes ECCT, Gaming Trusts) followed by ongoing annual grants of \$50,000.

6.3.2 Expenditure Assumptions – Stage 1

Expenditure assumptions that underpin the Centre's high-level budget include:

- Staffing contractor expenses based on a percentage of revenue (30% of school athlete development programme revenues; 20% of lodge revenues; and 40% of community gym revenues).
- Staff salaries/wages ranging from \$50,000 for facility maintenance up to \$125,000 for the Operations Manager.
- Marketing budgeting of initially \$50,000 per annum.
- Hostel operating costs of \$50,000 per annum (based on AUT Millennium experience).
- Overheads (utilities, cleaning, insurance, etc), vehicle running costs and vehicle lease costs.

Routine repair and maintenance costs are included in annual overheads, with a schedule of larger repairs and maintenance and major asset replacement costs provided in a long-term plan scheduled in 5 and 20 years respectively. These additional provisions are to be funded by an endowment plan on completion of the capital build and a new capital fundraising for major asset replacement.

6.3.3 Operating Budget – Stage 1

The projections below are in 2018 real dollar terms and do not factor in inflation. The Trust will adopt an appropriate policy to update its prices regularly to keep pace with cost increases. The operating budget below is indicative only. Full operational income and expenditure forecasts will be prepared by the Trust as the final scope of the facility and programmes are determined.

In summary, based on the assumptions presented here:

- The baseline projection is for an approximately \$9,000 deficit in Year 1, followed by a growing surplus in subsequent years (subject to demand and revenue assumptions including community trust grant funding); and
- The Stage 1C building extension opening in Year 2 will provide incremental revenues from tenancy rentals and expanded gym membership to help ensure long-term financial viability.

Table 10: Operational budget – Stages 1A and 1B

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue | | | | | | |
| Schools / Sports Grp Athlete Development | \$100,000 | \$150,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| Schools Visits | \$6,000 | \$9,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| Community gym | \$225,000 | \$250,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 |
| Hostel use weekdays | \$60,000 | \$70,000 | \$80,000 | \$80,000 | \$80,000 | \$80,000 |
| Hostel use weekends | \$20,000 | \$30,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 |
| Conferences | \$8,000 | \$12,000 | \$16,000 | \$16,000 | \$16,000 | \$16,000 |
| Bulk user group facility fees | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Tenant rentals | \$181,051 | \$181,051 | \$181,051 | \$181,051 | \$181,051 | \$181,051 |
| Sponsorships | \$225,000 | \$250,000 | \$250,000 | \$300,000 | \$300,000 | \$300,000 |
| Grants / Community Trusts | \$100,000 | \$100,000 | \$100,000 | \$50,000 | \$50,000 | \$50,000 |
| Total Revenue | \$975,051 | \$1,102,051 | \$1,279,051 | \$1,279,051 | \$1,279,051 | \$1,279,051 |
| Expenses | | | | | | |
| Staffing | | | | | | |
| Athlete development / schools contractors | \$30,000 | \$45,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 |
| Hostel programme contractors | \$20,000 | \$25,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 |
| Gym contractors | \$90,000 | \$100,000 | \$120,000 | \$120,000 | \$120,000 | \$120,000 |
| Other staffing / wages | \$492,000 | \$512,000 | \$532,000 | \$532,000 | \$532,000 | \$532,000 |
| Marketing | \$50,000 | \$60,000 | \$70,000 | \$70,000 | \$70,000 | \$70,000 |
| Hostel operating costs | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Overheads | \$251,820 | \$261,820 | \$271,820 | \$271,820 | \$271,820 | \$271,820 |
| Total expenses | \$983,820 | \$1,053,820 | \$1,133,820 | \$1,133,820 | \$1,133,820 | \$1,133,820 |
| Net cash surplus / (deficit) | -\$8,769 | \$48,231 | \$145,231 | \$145,231 | \$145,231 | \$145,231 |

Notes:

- These budgets are a work in progress but reflect the best knowledge to this point
- Bulk user groups rising from 2 in Years 1-2 up to 4 groups from Year 3 onward
- School athlete development programmes rising from 10 schools in Y1 to 20 by Y3
- Gym member numbers rising from 450 in Y1 to 600 by Y3 - at \$500/yr (allows for discounts)
- Hostel use rising for 6x week long programmes in Y1 to 8 by Y3. Weekend use from 20 weekends in Y1 to 40 weekends in Y3
- Tenant rental based on 733m2 of space at \$200/m2 + opex
- Sponsorships include Karamu Rotary and business sponsorships of \$5k to \$10k per contributor
- Grants will be required initially while programmes grow, but not after Y3
- Athlete development programmes and the gym will be run by contractors based on existing costing levels
- Staffing of 6 FTE's rising to 6.5 FTE's including Operations Director, Sports Director and Manager, Facility Manager, Gym Manager and Administration / Reception
- Hostel operating costs and Overheads based on line by line assessment of likely costs
- All amounts exd GST

Source: Information provided by HBCFCT, June/July 2018.

Table 11: Operational budget summary – Stages 1A, 1B and 1C

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|-------------------------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| Total Revenue | \$975,051 | \$1,102,051 | \$1,596,051 | \$1,621,051 | \$1,646,051 | \$1,646,051 |
| Total expenses | \$983,820 | \$1,053,820 | \$1,221,775 | \$1,231,775 | \$1,241,775 | \$1,241,775 |
| Net cash surplus / (deficit) | -\$8,769 | \$48,231 | \$374,276 | \$389,276 | \$404,276 | \$404,276 |

Notes as per assumptions for Stages 1A and 1B, supplemented by the following

- Incremental gym member numbers of 100 in Year 3, 150 in Year 4 and 200 from Year 5 onward
- Incremental lettable space of 1,000m2 from Year 3 onwards, with the new space rented at \$220 per m2
- Increase in overhead expenses by 25% from Year 3 onwards

Source: Information provided by HBCFCT, June/July 2018.

6.3.4 Sensitivity Analysis – Stage 1

The operation aims to be fully self-funding from Year 4 of operation onwards, relying on community trust grant funding for some operational expenses during the initial stages. The financial model allows assumptions to be flexed up and down in terms of demand and revenue assumptions. The table that follows shows what happens to the bottom line results when a single assumption is varied (i.e. *ceteris paribus*). Note that the baseline financial model above assumes zero inflation and this assumption is maintained in the scenarios below.

The choice of key assumptions for this analysis was guided by the materiality of different revenue drivers in the model. In summary, if any of the following scenarios occur in isolation then the initiative will remain financially viable:

- 50% less than anticipated demand for commercial rental space;¹³ or
- 50% less than anticipated demand for gym membership; or
- 50% less than anticipated demand for schools programmes; or
- 50% less than anticipated sponsorship revenue.

Note: In summary, sensitivity analyses suggest that, allowing for worse-case scenarios, the Trust's financial projections are robust. Viability is promoted through:

- a diverse range of revenue streams; and
- contractor fee expenses linked to user demand and revenues.

Even in a worst-case scenario, the operation aims to be fully self-funding from year 4 onwards, relying on community trust grant funding for some operational expenses during the initial stages in years 1-3.

Table 12: Sensitivity results – Stage 1

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|--|------------|-----------|-----------|-----------|-----------|-----------|
| Baseline estimates | -\$8,769 | \$48,231 | \$374,276 | \$389,276 | \$404,276 | \$404,276 |
| Low demand for commercial rental space (-50%) | -\$99,295 | -\$42,295 | \$150,251 | \$165,251 | \$180,251 | \$180,251 |
| Low demand for gym membership (-50%) | -\$76,269 | -\$26,769 | \$269,276 | \$276,776 | \$284,276 | \$284,276 |
| Low demand for Schools / Sports Grp Athlete Development (-50%) | -\$43,769 | -\$4,269 | \$304,276 | \$319,276 | \$334,276 | \$334,276 |
| Low sponsorship revenues (-50%) | -\$121,269 | -\$76,769 | \$249,276 | \$239,276 | \$254,276 | \$254,276 |

Source: APR analysis based on information provided by HBCFCT, June/July 2018

6.4 Capital Expenditure and Fundraising – Stage 2

The Trust is well placed to complete the first phase of Stage 1 construction by early 2019. The intended approach is to finalise fundraising for the completion of the full extension of Stage 1 and then commence fundraising towards Stage 2. The required additional investment for full

¹³ Our understanding from the Trust is that enquiries and current discussions give confidence that all available space will be fully tenanted.

implementation of Stage 2 is estimated at \$36 million. All amounts are expressed in 2018 dollars. Stage 2 is indicatively scheduled for construction over the period mid-2021 to the end of 2022, or earlier if full funding is received ahead of schedule.

Table 13: Estimated costs of facility build for Stage 2 as at June 2018

| Stage/phase | Cost (est) |
|-------------------------------------|---------------------|
| Aquatic Centre | \$32 million |
| Extended hockey turf | \$1.5 million |
| Athletics stadium floodlights | \$1.5 million |
| Car parking and roading | \$1 million |
| Total capital cost – Stage 2 | \$36 million |

Source: Estimates supplied by Hawke's Bay Community Fitness Centre Trust, June 2018

6.5 Financial Projections and Sensitivity – Stage 2

6.5.1 Incremental Demand, Price and Revenue Assumptions – Stage 2

Investigations by the Trust suggests that the development of Stage 2 will result in an incremental increase in net operating position of approximately \$50,000 to \$60,000 per annum, primarily as a result of activities at the aquatic centre. This result is underpinned by the following demand, price and assumptions.

Table 14: Incremental user profile – Stage 2 aquatic facilities, Years 4-6

| | Year 4 | Year 5 | Year 6 |
|------------------------|--------|--------|--------|
| 50m Pool | | | |
| EOTC | | | |
| Schools | 30 | 30 | 30 |
| Students per school | 60 | 60 | 60 |
| School Holidays | | | |
| Students | 50 | 50 | 50 |
| Days per year | 40 | 40 | 40 |
| School Swimming Sports | | | |
| Schools | 20 | 20 | 20 |
| Students / school | 180 | 180 | 180 |
| Swimming Clubs | | | |
| No of clubs | 2 | 2 | 2 |
| Water Polo | | | |
| No of clubs | 1 | 1 | 1 |
| Flippa Ball | | | |
| Days per year | 80 | 80 | 80 |
| Players per day | 160 | 160 | 160 |
| Regional events | | | |
| Events per year | 2 | 2 | 2 |
| Aquarobics | | | |
| User nos | 50 | 50 | 50 |
| Sessions per week | 3 | 3 | 3 |
| No of weeks | 50 | 50 | 50 |
| Learners Pool | | | |
| Learn To Swim | | | |
| Users per year | 1,300 | 2,000 | 2,200 |
| No of times per week | 2 | 2 | 2 |
| No of weeks | 20 | 20 | 20 |
| Swim Only Members | | | |
| No users | 100 | 100 | 100 |

Source: Estimates supplied by Hawke's Bay Community Fitness Centre Trust, June/July 2018

Price and revenue assumptions that underpin the Centre's high-level budget for Stage 1+2 include:

- EOTC school use of the 50 m. pool at \$7 per student.
- School holidays \$25 per child per day.
- School swimming sports \$3 per student.
- Swimming clubs annual hire \$32,000 per club.
- Water polo annual fees \$24,000.
- Flippa Ball \$3 per player.
- Regional events \$3,500 hire fee for 50 m. pool.
- Aquarobics \$10 per user per session.
- Learn-to-swim \$14 per lesson.
- Swim Only Members \$500 per annum.
- Business sponsorships \$50,000 per annum for Years 4 to 6.
- Community trusts (dvpt phase cover) \$50,000 in Year 4 and \$25,000 in Year 5.

6.5.2 Incremental Expenditure Assumptions

Expenditure assumptions that underpin the Centre's high-level budget for Stage 2 include:

- Wages costs of:
 - \$75,000 for Facilities Manager.
 - \$250,000 for Lifeguards (3 FT / 5 PT).
 - Contractor fees for 50m pool based on 55% of schools aquatics income (EOTC, school holidays and school swimming sports).
 - Learn-to-swim contractor fees based on 50% of learn-to-swim income.
- Incremental overhead expenses:
 - Marketing \$25,000 in Year 4 growing to \$35,000 in Year 6.
 - Gas \$108,000 per annum.
 - Power \$47,000 per annum.
 - Cleaning \$35,000 per annum.
 - Water rates \$0 per annum.
 - Other operating expenses \$201,000 per annum.

Routine repair and maintenance costs are included in annual overheads, with a schedule of larger repairs and maintenance and major asset replacement costs provided in a long-term plan scheduled in 5 and 20 years respectively. These additional provisions are to be funded by an endowment plan on completion of the capital build and a new capital fundraising for major asset replacement.

6.5.3 Incremental Operating Budget – Stage 1

Based on the assumptions above, the Stage 2 development is expected to have a positive incremental impact of approximately \$200,000 per annum by Year 6.

Table 15: Incremental impact of Stage 2 on net operating position

| | Year 4 | Year 5 | Year 6 |
|---------------------|--------------------|--------------------|--------------------|
| 50m Pool | \$281,800 | \$281,800 | \$281,800 |
| Learners Pool | \$778,000 | \$1,170,000 | \$1,282,000 |
| Other income | \$100,000 | \$75,000 | \$50,000 |
| Total Income | \$1,159,800 | \$1,526,800 | \$1,613,800 |
| Wages | \$729,370 | \$925,370 | \$981,370 |
| Operating costs | \$416,000 | \$421,000 | \$426,000 |
| Total Costs | \$1,145,370 | \$1,346,370 | \$1,407,370 |
| Net Income | \$14,430 | \$180,430 | \$206,430 |

Source: Estimates supplied by Hawke's Bay Community Fitness Centre Trust, June/July 2018

6.5.4 Operating Budget – Stage 1+2

The combined Stage 1+2 operating budget is shown below. The assumptions and data underpinning these budgets will continue to be refined by the Trust over coming years. All financial amounts are expressed in 2018 dollars.

Table 16: Operational budget – Stages 1+2

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue | | | | | | |
| Schools / Sports Grp Athlete Development | \$100,000 | \$150,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| Schools Visits | \$6,000 | \$9,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| Community gym | \$225,000 | \$250,000 | \$350,000 | \$375,000 | \$400,000 | \$400,000 |
| Hostel use weekdays | \$60,000 | \$70,000 | \$80,000 | \$80,000 | \$80,000 | \$80,000 |
| Hostel use weekends | \$20,000 | \$30,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 |
| Conferences | \$8,000 | \$12,000 | \$16,000 | \$16,000 | \$16,000 | \$16,000 |
| Bulk user group facility fees | \$50,000 | \$50,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| Tenant rentals | \$181,051 | \$181,051 | \$448,051 | \$448,051 | \$448,051 | \$448,051 |
| Sponsorships | \$225,000 | \$250,000 | \$250,000 | \$300,000 | \$300,000 | \$300,000 |
| Grants / Community Trusts | \$100,000 | \$100,000 | \$100,000 | \$50,000 | \$50,000 | \$50,000 |
| Aquatic Centre - 50m pool | | | | \$281,800 | \$281,800 | \$281,800 |
| Aquatic Centre - Learners pool | | | | \$778,000 | \$1,170,000 | \$1,282,000 |
| Aquatic Centre - Other income | | | | \$100,000 | \$75,000 | \$50,000 |
| Total Revenue | \$975,051 | \$1,102,051 | \$1,596,051 | \$2,780,851 | \$3,172,851 | \$3,259,851 |
| Expenses | | | | | | |
| Staffing | | | | | | |
| Athlete development / schools contractors | \$30,000 | \$45,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 |
| Hostel programme contractors | \$20,000 | \$25,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 |
| Gym contractors | \$90,000 | \$100,000 | \$140,000 | \$150,000 | \$160,000 | \$160,000 |
| Other staffing / wages | \$492,000 | \$512,000 | \$532,000 | \$532,000 | \$532,000 | \$532,000 |
| Marketing | \$50,000 | \$60,000 | \$70,000 | \$70,000 | \$70,000 | \$70,000 |
| Hostel operating costs | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Overheads | \$251,820 | \$261,820 | \$339,775 | \$339,775 | \$339,775 | \$339,775 |
| Aquatic Centre wages | | | | \$729,370 | \$925,370 | \$981,370 |
| Aquatic Centre overheads | | | | \$416,000 | \$421,000 | \$426,000 |
| Total expenses | \$983,820 | \$1,053,820 | \$1,221,775 | \$2,377,145 | \$2,588,145 | \$2,649,145 |
| Net cash surplus / (deficit) | -\$8,769 | \$48,231 | \$374,276 | \$403,706 | \$584,706 | \$610,706 |
| Incremental impact | | | | \$14,430 | \$180,430 | \$206,430 |

Source: Estimates supplied by Hawke's Bay Community Fitness Centre Trust, June/July 2018

6.5.5 Sensitivity Analysis – Stages 1+2

The table that follows shows what happens to the bottom line results for Stages 1+2 combined when a single assumption is varied (i.e. *ceteris paribus*). Note that the baseline financial model above assumes zero inflation and this assumption is maintained in the scenarios below.

The choice of key assumptions for this analysis was guided by the materiality of different revenue drivers in the model. In summary, if any of the following scenarios occur in isolation then the initiative will remain financially viable:

- 50% less than anticipated demand for commercial rental space;¹⁴ or
- 50% less than anticipated demand for gym membership; or
- 50% less than anticipated demand for schools programmes; or
- 50% less than anticipated sponsorship revenue; or
- 50% less revenues from the 50m pool; or
- 50% less revenues from the learn-to-swim programmes.

Note: In summary, sensitivity analyses suggest that, allowing for worse-case scenarios, the Trust's financial projections are robust. Viability is promoted through:

- a diverse range of revenue streams; and
- contractor fee expenses linked to key user demand and revenue streams.

Even in a worst-case scenario, the operation aims to be fully self-funding from year 4 onwards, relying on community trust grant funding for some operational expenses during the initial stages in years 1-3.

Table 17: Sensitivity results – Stages 1 + 2

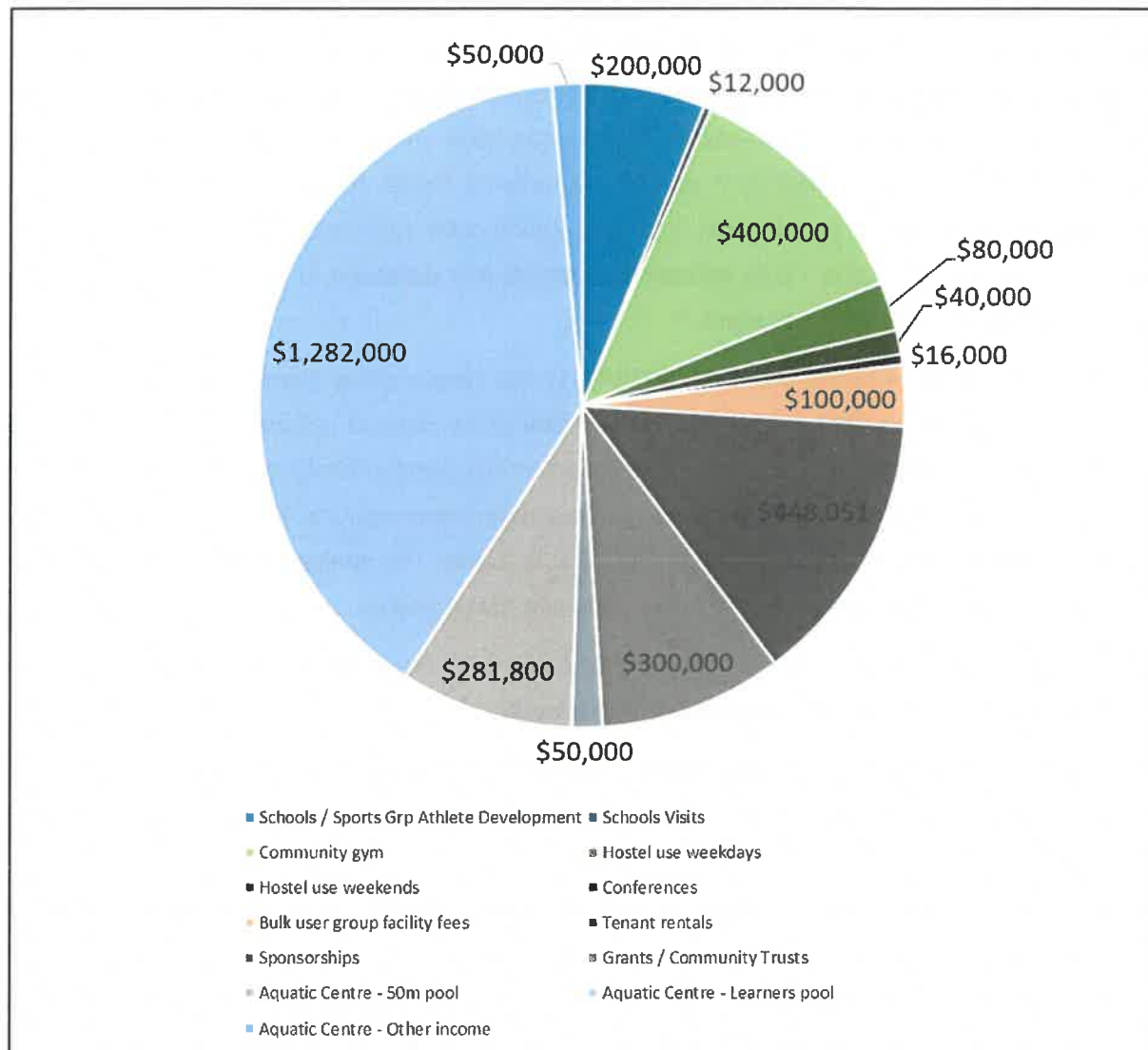
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|--|------------|-----------|-----------|-----------|-----------|-----------|
| Baseline estimates | -\$8,769 | \$48,231 | \$374,276 | \$403,706 | \$584,706 | \$610,706 |
| Low demand for commercial rental space (-50%) | -\$99,295 | -\$42,295 | \$150,251 | \$179,681 | \$360,681 | \$386,681 |
| Low demand for gym membership (-50%) | -\$76,269 | -\$26,769 | \$269,276 | \$291,206 | \$464,706 | \$490,706 |
| Low demand for Schools / Sports Grp Athlete Development (-50%) | -\$43,769 | -\$4,269 | \$304,276 | \$333,706 | \$514,706 | \$540,706 |
| Low sponsorship revenues (-50%) | -\$121,269 | -\$76,769 | \$249,276 | \$253,706 | \$434,706 | \$460,706 |
| Low 50m pool revenues (-50%) | -\$8,769 | \$48,231 | \$374,276 | \$262,806 | \$443,806 | \$469,806 |
| Low learn-to-swim revenues (-50%) | -\$8,769 | \$48,231 | \$374,276 | \$209,206 | \$292,206 | \$290,206 |

Source: APR analysis based on information provided by HBCFCT, June/July 2018

The pie graph below illustrates the projected diversity of revenue profile for Year 6. Revenue diversification is a key strength of the Trust's plans.

¹⁴ Our understanding from the Trust is that enquiries and current discussions give confidence that all available space will be fully tenanted.

Figure 25: Projected revenues, Stages 1 + 2, Year 6



Source: APR analysis based on information provided by HBCFCT, June/July 2018

7.0 ECONOMIC COST-BENEFIT ANALYSIS

The economic analysis that follows focuses in the first instance on Stage 1 as an ongoing concern and separately considers the incremental costs and benefits of Stage 2 (i.e. consolidated Stage 1 and 2 operations).

7.1 Economic Benefit-Cost Analysis

Inherent challenges faced by policy makers include how best to choose between investments to ensure maximum return on investment (e.g. between a social marketing programme versus a school-based programme or another initiative) and how to evidence and evaluate the relative impacts and value-for-money of physical activity and healthy eating initiatives generally.

Various approaches exist to estimate the value of intangible outcomes to support benefit cost-assessment. For example, in the UK the Housing Associations' Charitable Trust (HACT) has developed a guide to social wellbeing valuation drawing on results from statistical analyses of large datasets on the wellbeing and life circumstances of British people.¹⁵ Other approaches include, for example, the standardised benefit-cost research undertaken in the US by the Washington State Institute of Public Policy (WSIPP);¹⁶ or the international Social Return on Investment (SROI) approach which focuses on valuation from key stakeholder perspectives.¹⁷ The New Zealand Treasury provides an online CBAX spreadsheet model and database to help agencies monetise impacts for these types of ROI analysis.¹⁸

As part of its evidence-based approach, in 2016-17 the Hawke's Bay Community Fitness Centre Trust commissioned an ROI benefit-cost assessment of its planned initiatives. This comprised a 'theory of change' followed by an economic assessment of projected health benefits and health cost savings associated with the initiatives, based on transparent assumptions. These were underpinned by an extensive literature of cost-of-illness and other research. The analysis has subsequently been updated to incorporate latest available information and assumptions.

Note: The Obesity Research and At-risk Youth projects have separate independent grant-funded budgets not related to operation of the facility:

- **Benefits and facility/service operation costs of delivering obesity intervention aspects of the initiative have been quantified to the extent possible and included in the economic analysis.**
- **Benefits of the At-risk Youth programme are relatively well-quantified from research and therefore also included in the economic analysis that follows.**
- **Benefits of the related obesity research programme are more intangible and dispersed and not amenable to quantification or localised benefit capture. Hence, the research aspect has not been incorporated into the economic analysis.**

7.2 Inputs

Inputs for this initiative include up-front capital investment in facilities and annual expenditure on ongoing services. For Stage 1, this ROI analysis assumes a one-off public investment of \$27 million in Year 0 (2018). An Operations Manager will report to the Trust for day-to-day operations, stakeholder and tenant relationships and finances. Programmes will be delivered by Trust staff with support from:

- Sport Hawke's Bay;

¹⁵ Refer Trotter, et al (2014) 'Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach': www.hact.org.uk/sites/default/files/uploads/Archives/2014/3/MeasuringSocialImpactHACT2014.pdf?sid=9120

¹⁶ Refer www.wsipp.wa.gov/About

¹⁷ Refer www.socialvalueuk.org/app/uploads/2016/03/The%20Guide%20to%20Social%20Return%20on%20Investment%202015.pdf

¹⁸ Refer <https://treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/plan-investment-choices/cost-benefit-analysis-including-public-sector-discount-rates/treasurys-cbax-tool>

- EIT students; and
- volunteers; with
- contracting of special services and products from EIT, AUT University, AUT Millennium (Auckland) and councils in the region.

The operating cost of the fully operational Stage 1 development will be around \$1 million per annum.¹⁹ For this analysis, most annual operating costs are assumed to be fully covered by annual revenues from commercial tenant rentals (e.g. EIT, health and fitness gym, medical centre, other tenants and café), group user fees and other activity income including school programme fees, lodge camp revenues and sponsorships/grants. Hence, for the economic analysis most of the operations are considered to be fully funded.

For economic analysis of the consolidated Stage 1 and 2 development scenario, up-front capital investment of \$63 million is modelled with operations and associated demand scaled up and largely fully-funded operations from the outset.

7.3 Outcomes and Impacts

Long-term annual societal outcomes from the initiative include:

- Reduced health sector and private costs of obesity, diabetes and associated complications.
- Improved health, greater work productivity, increased life expectancy and life satisfaction by participants.
- From the at-risk youth programmes, planned outcomes include reduced truancy, disaffection, residential care, crime and recidivism, and increased productivity.
- From the Stage 2 community learn-to-swim and water safety education programmes, there is an expectation of not only physical activity and health impacts but also a reduced number of drownings over the long-term, associated avoided costs of hospitalisations and increased life expectancy.
- The completed facility at the Regional Sports Park will be of a world-class standard and scope to enable the region to bid to host major national and international events such as the World Indigenous Peoples Games, Commonwealth Youth Games or World Youth Games, with related tourism spend benefits for the region.
- The initiative targets substantial social and economic benefits in regional value, productivity gains and employment.

Projected annual demand for the facility is based on annually servicing approximately 55,000 children and adults at least once per year for Stage 1, with a conservative assumption that 10 per cent of these will achieve lifetime obesity reduction as a result of their involvement with the physical activity and healthy eating programmes during that year; of whom half are assumed to then return

¹⁹ Excludes funding and service provision for at-risk youth programmes. Excludes depreciation.

to unhealthy lifestyles. For the consolidated Stages 1 and 2 development, the annual service demand is assumed to increase to 100,000 people at least once per year.

A qualitative description of the benefits associated with specific programmes is provided below, followed by data and simplifying assumptions used in the ROI analysis.

7.3.1 Obesity Reduction

Effects of Obesity

Obesity has been linked with a wide range of conditions adverse to people's health, from falling injuries and depression to type 2 diabetes, certain types of cancers, heart failure and stroke. The World Health Organisation has estimated that physical inactivity is currently responsible for 5-6 per cent of deaths globally, with deaths from diabetes set to double between 2005 and 2030.

Obese people have many times greater risk of developing diabetes. People with diabetes can develop a range of complications affecting their eyes, heart, nerves, feet and kidneys, and have a greater chance of premature death. Obesity and diabetes reduce people's quality of life, productivity and life expectancy, and create substantial health costs. Complications from diabetes are a major cause of disability and death.

Costs of Obesity

Due to increasingly sedentary lifestyles, over-eating and unhealthy diets, along with an ageing population and increasing medical treatment costs, the direct health cost burden of obesity is rising rapidly. This includes increasing costs of visits to doctors, physiotherapists and other health professionals, pharmaceutical costs, laboratory testing services, hospital stays and a wide range of other expenses.

Just as significant are the indirect costs of obesity, including lower work productivity, lower self-esteem associated with poor body image, reduced quality of life and premature death.

The direct and indirect costs of obesity in New Zealand are considerable. According to the New Zealand Treasury database of social costs as at July 2018, total annual health care cost for a person with diabetes is \$4,636 compared to \$1,002 for people without diabetes, a difference of \$3,634. The difference for avoiding cardiovascular disease is even higher at \$7,073 per year. Other marginal costs are associated with a wide range of other obesity-related disorders.

The figures above are direct health costs only. They exclude indirect costs such as lower work productivity or premature death. The value of a single quality-adjusted life year in New Zealand is almost \$60,000, hence the marginal health and indirect costs of obesity may be much higher than the upper range of \$7,073 used for the analysis below.

Based on these assumptions, the regional cost of obesity in the Hawke's Bay is conservatively estimated to be between \$165 million and \$320 million per annum. Even assuming the lower amount of \$165 million, the regional net present cost is more than \$2.9 billion when summed over the course

of a generation.²⁰ ***A lifetime reduction in the prevalence rate of obesity of even 10% would lead to economic savings of \$16-32 million per annum in the cost of complications of obesity in the Hawke's Bay.***

Benefits of Physical Activity and Healthy Eating Education

Research has shown that increased physical activity and healthier eating are the keys to addressing New Zealand's obesity epidemic. Weight loss and weight management through diet and exercise can greatly reduce the incidence of diabetes and other health risks.

Health promotion programmes should target people of all ages. Physical activity has been shown to improve learning ability and educational attainment in children, as well as prevent obesity. Among older adults, regular exercise leads to improved functional abilities such as mobility, and is related to increased longevity. Any form of physical activity is generally beneficial for health.

Recommended minimum weekly exercise is at least 2 ½ hours of moderate to vigorous physical activity spread throughout the week—so, at least 30 minutes of activity on most days of the week. Compared with no physical activity, reaching the recommended minimum level reduces all-cause mortality by 19 per cent; and undertaking one hour per day of physical activity reduces mortality risk by 24 per cent.²¹

Food intake is also important in terms of both quantity and food types consumed. Over-eating is a major contributor to obesity. Healthy eating education needs to be enhanced and tailored toward specific socio-demographic groups.

Investment in obesity prevention and reduction programmes can effectively and efficiently reduce morbidity and mortality rates and save health care system costs. Research suggests that whole-of-community obesity programmes should target multiple settings, working with stakeholders to build social infrastructure and foster norms of healthy eating and regular exercise.

Long-term annual societal outcomes from the initiative include:

- Reduced health sector and private costs of obesity, diabetes and associated complications.
- Improved health, greater work productivity, increased life expectancy and life satisfaction by participants.

For the purpose of this analysis, the Treasury-sourced marginal value of avoided diabetes is used as a conservative proxy for the benefits of avoiding obesity.

7.3.2 Education Outside the Classroom for Young Children

Increased physical activity and healthier eating have been linked with improved student learning outcomes, increased work productivity, improved mental health and longer and happier lives, as well as significant taxpayer and personal savings from avoiding health costs of diabetes and other

²⁰ Net present cost calculated over 25-year planning horizon using 3% real discount rate and 2018 dollars.

²¹ Collaborating for Health (2011) 'Review: The benefits of physical activity for health and well-being'.

diseases.

Physical education (PE) and sport in school is a key societal institution for the development of physical skills and activity in children and young people. Researchers have observed that the influence of PE and sport in schools on physical activity seems greatest when classroom study is combined with practical experiences of self-determination and competency that emphasise enjoyment and social interaction.

Education outside the classroom (EOTC), otherwise known as Teaching or Learning Outside the Classroom (LOTCL), involves children experiencing the world through explorative play and experiential learning activities. As a teaching method it aims to holistically promote children's learning, physical activity, social relations, motivation and wellbeing. EOTC activities are characterised by children's problem-solving, experimentation, co-operation, physical activity and play.

Evidence suggests that children who experience EOTC have:

- increased physical activity levels and improved motor skills
- improved tactical skills such as problem-solving and experimentation
- increased attention and motivation both in and out of school
- improved social skills such as co-operation and negotiation
- enhanced self-concept, confidence, self-esteem and mental health
- increased independence, initiative and resilience to be able to respond to changing conditions
- improved knowledge and skill acquisition generally.

Resulting from these, potential social and economic benefits would likely include:

- improved student engagement, retention and academic achievement in schools
- reduced lifetime rates of obesity and related disorders
- improved quality of life and life expectancy.

Little research has been undertaken seeking to quantify the benefits and costs of EOTC. The Washington State Institute for Public Policy (WSIPP) provides indirectly relevant benefit-cost ratio (BCR) benchmarking results which range from a very high BCR of 39:1 for a brief intervention in high schools to promote a healthy lifestyle via improved physical activity, diet and sleep; down to approximately 3:1 for wilderness experience programmes. This is an area that could benefit from further research, noting it is inherently challenging to quantify impacts across a broad range of intangible outcomes from the wide variety of activities and settings that comprise EOTC.

7.3.3 Workplace Wellbeing Programmes

For many employees, workplaces are a sedentary setting with easy access to energy-dense food and beverages. Without a proactive approach to workplace wellbeing, there is potential for this

setting to lead to long-term costs for the company, employees and society at large through higher health care costs and reduced productivity, quality of life and life expectancy.

The most recent 2017 Wellness in the Workplace Survey by Business NZ and Southern Cross Health Society identified that:

- In 2016, New Zealand lost 6.6 million working days and \$1.51 billion due to absences.
- The average rate of absence per employee is 4.5 to 5 days annually.
- On average, an absent employee typically costs their employer \$600 to \$1,000 per year.

Workplace wellbeing programmes are a practical method for achieving substantial social and economic benefits. A workplace wellbeing programme is any initiative by a company or worksite that aims to improve the health and wellbeing of employees. Components may include quit smoking programmes, regular physical activity, stress and sleep management, early detection or screening for diseases, nutrition education and promotion, weight management, heart health education and training, and changes in the work environment to encourage healthy behaviours.

An indicative review of literature on workplace wellbeing programmes identified the following list of benefits to individual participants:

- increased physical activity and associated health improvements
- increased motivation and productivity
- enhanced self-concept and mental health.

Related to these, the literature identified the following potential social and economic benefits from workplace wellbeing programmes:

- improved occupational safety and health through injury and disease prevention
- reduced prevalence of chronic disease and subsequent improvements in quality of life and life expectancy
- reduced costs of illnesses including cardiovascular disease, stroke and certain cancers
- lower rates of employee absenteeism and 'presenteeism' (associated with health impairment)
- increased employee motivation and productivity.

Grawitch, Gottschalk and Munz (2006) estimate from their review that the average cost-benefit ratio (CBR) for health promotion program savings associated with reduced health care costs was \$3.48 for every dollar spent, and the average CBR reported was \$5.82 for health promotion program savings associated with absenteeism related expenditures.

Carnethon et al (2009) estimate that workplace wellbeing programmes have achieved a rate of return on investment that ranges from less than \$3 to more than \$15 for each dollar invested.

van Dongen et al (2011) report that the average ROI from their review in terms of absenteeism benefits was 200%, in terms of medical benefits 22%, in terms of presenteeism benefits 246%,

and in terms of both absenteeism and medical benefits 174%.

7.3.4 At-Risk Youth Sports Programmes

Poverty has been identified as a major contributor to both an obese lifestyle and inadequate health-care access and health management, as well as a general lack of health care prioritisation. Linked to this, different geographic locations and ethnic groups can have substantially different levels of poverty and health care access. Children and adults living in lower socio-economic conditions are likely to have poorer education, lower earnings and other outcomes, and subsequently have higher risk of developing cardiovascular disease, diabetes and other lifestyle related disorders as well as exhibiting other adverse societal outcomes such as truancy, disaffection and crime. Social exclusion tends to occur when individuals or communities suffer a combination of problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown.

Sporting initiatives have the potential to contribute toward addressing some or all of the dimensions of social exclusion. At-risk youth sports programmes purposefully adopt sporting activities as a focus for promoting social inclusion. Sport-based initiatives can provide experiences promoting self-discovery and teach participants life skills in an intentional and systematic manner.

An indicative review of research literature identified the following list of potential benefits of at-risk youth sports programmes to individual participants:

- improved cardiovascular health, weight control and subsequently lower symptoms of depression and anxiety and decreased likelihood of developing risk factors for chronic diseases in adulthood
- increased physical activity levels and improved motor skills
- improved social inclusion across a range of dimensions (spatial, relational, functional and power/control)
- development of life skills that are transferable to other life domains (e.g. good health habits and health risk management skills)
- psychological/emotional development and improved mental health including positive self-regard, coping skills, conflict resolution skills, mastery motivation, a sense of autonomy, moral character and confidence
- lower likelihood to demonstrate antisocial behaviours, violence and school problems
- improved cognitive and academic development
- social development including fostering citizenship, social success, positive peer relationships and leadership skills.

Resulting from these, potential social and economic benefits would likely include:

- development of social capital (shared norms, co-operative networks and social trust)
- increased social equity and inclusion

- reduction in school truancy and disaffection
- reduction in crime and recidivism.

The Trust's work and programme structure for obesity intervention programmes, starting from early childhood, will automatically dovetail into reducing the number of at-risk youth and subsequent adverse personal, family, social and economic outcomes.

While some of the research literature relevant to at-risk youth sports programmes seeks to quantify the benefits of health and other interventions, there is a dearth of studies that take the further step of considering cost-effectiveness and/or benefit-cost analysis. There is scope for further targeted research in this area.

According to New Zealand Treasury estimates (in 2016 dollars), just 2-3 months of supervised residential care for juvenile offenders is estimated to cost approximately \$70,000 per person.

In terms of fiscal and economic benefits, even a ten per cent reduction in the number of people imprisoned could lead to around \$7 million per annum annual social and economic benefits for the Hawke's Bay region.

For this analysis, **the societal benefit for positively changed at-risk youth is conservatively estimated at \$50,000 per annum** based on incremental avoided costs from residential care costs, crime and unemployment, plus increased productivity represented by wages and salaries (currently \$41,600 per annum median weekly income for persons with no qualification) plus economic multiplier effects.

7.3.5 Athlete Development for Youth Sports Talent

Developing expertise in sport comes from the successful interaction of biological, psychological and social factors. The quality and quantity of sports training are key predictors of attainment, along with maturational factors (the relative age effect), possession of resources such as parental support and adequate coaching, and social factors such as cultural influences. Key features that emerge consistently from the literature on the effective development of talent in young people (sporting or otherwise) include a long-term perspective, coherent messages and support, emphasis on appropriate development rather than early selection, and holistic and systematic development.

An indicative review of research literature on athlete development for youth sport programmes identified the following list of potential benefits to individual participants:

- increased emotional attachment and intrinsic pleasure from participating in sporting activities
- Enhanced enjoyment from long-term effort and mastery of a specific discipline
- learning and development of performance management and life skills
- physical skills, both fundamental and specialised
- learning a sense of balance across a broad range of factors such as nutrition, flexibility,

strength and decision-making skills

- individualised and ongoing coaching and development.

Resulting from these, potential social and economic benefits would likely include:

- development of community and national pride
- promotion of positive values and role models
- promotion of physical activity and pursuit of physical and mental wellbeing
- economic benefits associated with facilities and support for high performance sports.

Much of the research relevant to athlete development for youth sports talent focuses on describing development pathways and discussing potential positive and negative impacts on young people. Very little research seeks to identify or quantify the social or economic benefits of youth sports talent development, let alone considering cost-effectiveness and/or benefit-cost analysis. There is scope for further research in this area.

7.3.6 Community Learn-To-Swim and Water Safety Education Programmes (Stage 2)

New Zealand has one of the highest rates of drowning for a developed country. Of the approximately 100 drowning deaths in New Zealand waters each year, up to 80 are preventable. On average, approximately two drowning deaths per year occur in the Hawke's Bay region.

Risk factors for drowning and near-drowning among children include lack of adult supervision; lack of swimming instruction for children; lack of fencing around household swimming pools; and lack of knowledge of how to perform cardiopulmonary resuscitation (CPR) on an infant or child. Amongst other proposed actions to prevent drowning, WHO (2014) recommends:

- Teaching school-age children basic swimming, water safety and safe rescue skills.
- Training bystanders in safe rescue and resuscitation.
- Strengthening public awareness of drowning and highlighting the vulnerability of children.

While water safety training for young pre-school age children may reduce their risk of drowning if immersed, in parallel it may also modify their attitude and behaviour toward involving themselves in more hazardous activities. For this reason, learn-to-swim training for children should always be accompanied by an emphasis on the ongoing need for adult supervision and safety awareness.

Little research has been undertaken directly seeking to quantify the benefits and costs of community learn-to-swim and water safety education programmes. Nevertheless, the literature review identifies the following benefits to individual participants:

- Improved confidence around water.
- Reduced rate of drowning relating to immersion (countered by increased hazardous activity relating to increased confidence).
- Health benefits of swimming for children and adolescents with asthma.
- Health benefits of swimming generally, including obesity prevention.

Resulting from these participant benefits, potential social and economic benefits would likely include:

- Reduced rates of drowning hospitalisations and fatalities and associated social costs avoided.
- Increased levels of health and fitness associated with swimming as a form of physical activity.

For the purpose of undertaking the consolidated Stage 1 and 2 economic analysis, the value of a statistical life is assumed to be \$4.6 million (as per CBAX tool, July 2018 in 2018 dollar terms) and the Trust's community learn-to-swim and water safety education programmes are conservatively ***assumed to prevent an average of one drowning death every ten years (i.e. 0.1 statistical lives per annum)***. Note this is a rough proxy at this stage and is assumed to also reflect the avoided costs of hospitalisations associated with non-fatal drownings.

7.3.7 Tourism Impacts (Stage 2)

The completed facility at the Regional Sports Park will be of a world-class standard and scope to enable the region to bid to host major national and international events. The new facilities will enable Hawke's Bay to bid for major national and international events of larger scale and longer duration, along with the ability to host more national and regional school and youth tournaments.

The Trust has estimated the new facilities will be attributable to an additional 22,850 visitor days equating to 13,208 bed nights on a recurrent basis, resulting in additional direct expenditures in excess of \$2.3 million per annum. By way of example, the proposed facilities would enable the hosting of the ISF Gymnasiade which involves well over 4,000 participating athletes and officials and runs over 8 days of competition. In addition to these major events, the new facilities and the related event acquisition strategy will target growth in the region's ability to host more frequent and larger scale national and regional school sports competitions and tournaments, further enhancing economic benefits to the region.

For the purpose of this analysis, the completed facility (Stages 1 and 2) is conservatively assumed to attract approximately \$2.3 million per annum in attributable tourism benefits including multiplier effects. This is equivalent to two events per year attracting 4,000 external visitors for two days and spending \$145 each per day (including multiplier impacts).

7.3.8 Employment and Productivity Impacts (Stages 1 and 2)

The initiative targets substantial social and economic benefits including employment. While this is not separately accounted for in the analysis that follows, key employment outcomes include:

- Design, construction and related employment benefits associated with \$63 million of capital works over a period of approximately five years. The Trust estimates that this will provide work for 675 local trades people during the construction phase over this period.
- Professional staff working at the Sports Park and with pre-schools, schools and community networks, estimated at 40 new full-time equivalent jobs on completion, increasing with growth of facilities thereafter and including:

- Stage 1 operations staff comprising approximately five full-time staff and a similar number of part-time staff (wages/salaries estimated at \$525,000 initially and increasing as staff increase over time to meet demand).
- Contract providers, grounds maintenance and other associated employment.
- Stage 2 Aquatics Facility manager and lifeguards (wages/salaries estimated at \$370,000 initially).
- Productivity gains associated with decreased regional rates of obesity and associated reduction in absenteeism and 'presenteeism'.
- Employment experience for EIT students, life opportunities for at-risk youth and other work-related benefits from the initiative.
- Potential downstream employment impacts associated with event tourism following the Stage 2 development. The new sports facilities, combined with current ones across the region, will enable Hawke's Bay to bid for major national and international events of larger scale and longer duration.

7.4 Data and Assumptions

The following approach has been used to arrive at indicative estimates for the annual return on investment (ROI) from the Regional Sports Park development and relative initiatives. Investment and demand projections are combined with transparent assumptions around the expected outcomes (e.g. obesity reduction), including financial proxies to quantify the net private and social benefits (e.g. marginal value of avoided diabetes) and project them forward in time (e.g. 25 years using 3% real discount rate). Before calculating the net present value (NPV), annual net benefits are reduced by valuation filter assumptions to arrive at conservative estimates. The valuation filters are (1) attribution to other causes, (2) displacement of other beneficial activities, and (3) drop-off in future years.

Stage 1:

- Public investment of \$27 million in Year 0.
- Fully-funded service delivery from Year 1.
- The analysis' key cost-of-illness assumption, namely the marginal value of avoided diabetes per annum per obese person, has been updated to a 2018 dollar value of \$3,634 using the latest version of New Zealand Treasury's CBAX database.
- Assumes 55,000 participants at least once per year, and conservatively assuming a lifetime obesity reduction of 10%.
- Subject to further refinement, benefit projections for at-risk youth programmes are based on:
 - 100 at-risk youth participants per year;
 - 50% programme completion, and 50% permanent positive change in life path for those that complete (i.e. assumes 25% success rate);

- \$50,000 per annum annual benefit to society for each positively changed young person—a conservative estimate based on incremental avoided costs from residential care costs, crime and unemployment, plus increased productivity represented by wages and salaries plus economic multiplier effects; and
- attribution, displacement and drop-off assumptions (valuation filters) are applied to the at-risk youth programmes to arrive at conservative estimates.
- Duration of impact is assumed to be 25 years (i.e. one generation). This assumption of ongoing annual impacts from obesity reduction and youth development is supported by research literature. Valuation filters are separately applied to arrive at a conservative estimate.
- Valuation filters applied to the net annual benefits are:
 - 20% of the effect attributable to other causes;
 - 20% of the benefit displacing other activity (e.g. reduction in demand in other gyms); and
 - 5% drop-off in obesity benefit in future years as some people return to unhealthy lifestyles.
 - 20% drop-off in at-risk youth benefits in future years as some people return to at-risk lifestyles.

Stage 1+2:

- Public investment of \$63 million (\$27 million stage 1 plus \$36 million stage 2).
- For simplicity of analysis, the full capital cost is assumed to occur in Year 0. This does not materially impact the ROI estimation. Operations for Stage 2 are scheduled by the Trust to commence in Year 4 (fully-funded), at which stage construction costs will have risen in nominal terms. For this analysis, all calculations are undertaken in real (2017/18) dollar terms.
- The combined Stage 1 + 2 demand assumptions are associated with 100,000 participants at least once per year, and conservatively assuming a lifetime obesity reduction of 10% as before.
- The assumed benefits of community learn-to-swim and water safety education programmes are based on 0.1 average attributable prevented drowning death per year and \$4.6 million societal value per life saved (from NZ Treasury CBAX database, 2018 dollars). A moderately large (50%) displacement assumption is applied to reflect a level of regional centralisation of swimming lesson toward the Aquatic Centre.
- The analysis assumed tourism impact benefits of \$100,000 per annum, based on two events per annum. A moderately large (50%) drop-off assumption is applied to reflect the one-off impact of events (note: multiplier impacts are already assumed into the financial

proxy for this item).²²

Further review of assumptions will be undertaken by the Trust as the initiative further develops, including updated demand, operating revenue and operating expenditure budgets and projections.

Table 18: ROI assumptions

| Components | Items | Stage 1 scenario | Stage 1+2 scenario |
|---|---|------------------|--------------------|
| Inputs | Capital investment - Year 0 | \$27,000,000 | \$63,000,000 |
| | NET annual delivery cost (excl depreciation) | \$0 | \$0 |
| | Annual public funding for at-risk youth programme (included in above) | \$0 | \$0 |
| Outputs | Participants per annum (no.) - at least once every year | 55,000 | 100,000 |
| | At-risk youth programme participants per annum | 100 | 100 |
| | Avoided drownings per annum, Stage 2 | n/a | 0.1 |
| | Events per annum, Stage 2 | n/a | 2 |
| Outcomes | Lifetime obesity reduction of participants (%) | 10% | 10% |
| | At-risk youth who complete programme and change life path | 25% | 25% |
| Duration | Duration - obesity reduction | 25 | 25 |
| | Duration - at-risk youth development | 25 | 25 |
| | Duration - drowning reduction | 25 | 25 |
| | Duration - events | 2 | 2 |
| Financial proxy unit value (per annum) | Average annual cost of inactivity per obese person | \$3,634 | \$3,634 |
| | Societal benefit for positively changed at-risk youth | \$50,000 | \$50,000 |
| | Value of a statistical life | n/a | \$4,623,163 |
| | Regional value of an event | n/a | \$1,160,000 |
| Attribution (to other causes) | Attribution to other causes - obesity reduction | 20% | 20% |
| | Attribution to other causes - at-risk youth development | 20% | 20% |
| | Attribution to other causes - drowning reduction | n/a | 0% |
| | Attribution to other causes - events | n/a | 0% |
| Displacement | Displacement from other initiatives - obesity reduction | 20% | 20% |
| | Displacement from other initiatives - at-risk youth development | 20% | 20% |
| | Displacement from other initiatives - drowning reduction | n/a | 50% |
| | Displacement from other initiatives - events | n/a | 0% |
| Drop-off | Drop-off - people returning to unhealthy lifestyle and lifetime obesity | 5% | 5% |
| | Drop-off - at-risk youth development | 20% | 20% |
| | Drop-off - drowning reduction | n/a | 0% |
| | Drop-off - events | n/a | 50% |
| Discount rate | Real discount rate for calculating net present value | 3% | 3% |

Note: For lifetime obesity reduction of participants (%) the Trust's goal is 25% prevalence reduction in 10 years and 50% in 20 years, however more conservative estimates have been used for this analysis.

²² Drop-off is calculated by deducting a fixed percentage from the net outcome at the end of each year, for the duration of the assumed benefit. For obesity reduction, at-risk youth development and learn-to-swim, the duration is assumed to be an average generation (25 years) and drop-off 5%, 20% and 0% per year respectively. For events, the duration is assumed to be two years (including flow-on economic impacts) with a drop-off of 50% in the second year.

7.5 ROI Estimate as at June 2018

Based on conservative assumptions about direct and indirect costs and benefits, and accounting for attribution to other causes, displacement (e.g. from other gyms) and drop-off:

- Stage 1 is projected to have a net present value (NPV) of \$115 million over the course of a single generation, an ROI ratio of 4.3, and a societal payback period is around 3 years.
- Together, Stages 1 and 2 are projected to have an NPV of \$200 million, ROI ratio of 3.2 and payback period of 3 years from the date of investment.

These are indicative estimates only and may be further refined with regional health data and stakeholder input.

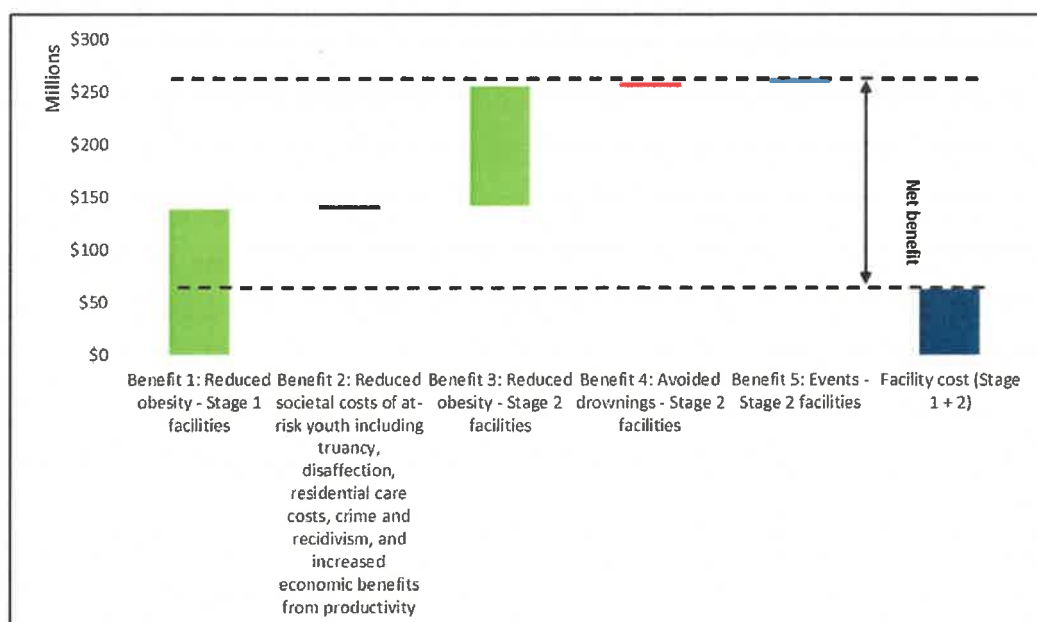
Table 19: ROI results

| | Stage 1 scenario | Stage 1+2 scenario |
|---------------------------------------|------------------|--------------------|
| Capital investment | \$27,000,000 | \$63,000,000 |
| Annual societal impact | \$13,590,000 | \$26,610,000 |
| Net Present Value (25 years) | \$115,180,000 | \$200,050,000 |
| Benefit Cost ratio (25 years) | 5.3 | 4.2 |
| Return on Investment ratio (25 years) | 4.3 | 3.2 |
| Payback period (years) | 3 | 3 |

Source: APR analysis based on information provided by HBCFCT, June/July 2018

7.6 Relative benefits

The diagram below shows the present value (PV) of projected benefits categorised into specific benefit streams. This illustrates that the PV of obesity benefits from the Stage 1 and Stage 2 facilities collectively represent around 96% of the societal benefit, followed by avoided drownings (2%), benefits for at-risk youth (1%) and benefits from events (1%).



Source: APR analysis based on information provided by HBCFCT, June/July 2018

7.7 ROI Measures Explained

| ROI measure | Definition |
|----------------------------|--|
| Annual societal impact | Estimated annual projected societal/economic value of improved regional health and wellbeing attributed to the initiative, based on conservative assumptions. |
| Net Present Value | A key measure of profitability or social return on investment, Net Present Value (NPV) is the total present value (PV) of projected benefits in today's dollars minus the PV of investment (costs) required to generate those benefits. In other words, it is the value of net return from investment, expressed in today's dollars and taking into account the time value of money. It is calculated by adding up the costs and benefits for different time periods, all discounted to today's dollars. In this case, the time period is 25 years and the initial investment occurs in Year 0. Other measures such as the Benefit Cost Ratio (BCR) are a different way of considering the same PV information. Higher values represent higher levels of return on investment. |
| Benefit Cost Ratio | The BCR provides a scale-independent or dollar-free measure of the size of projected benefits compared to the size of the investment. It is calculated as the total PV of projected benefits divided by the PV of the investment. |
| Return on Investment ratio | The ROI ratio provides an alternative dollar-free measure of the size of projected net benefits compared to the size of the investment. It is calculated as the NPV divided by the PV of investment. It is equivalent to the Benefit Cost Ratio minus one (i.e. net of the initial investment). |
| Payback period | Payback period is the projected number of years for the value of the impact to exceed the investment. The shorter the payback period, the quicker the original investment is recouped. The payback period calculated here has been rounded upward to the nearest whole number (year X) for a conservative estimate. |

8.0 RISK ANALYSIS

Over the past three years, the Trust has refined its plans in consultation with key stakeholders including sports, health and education sector representatives. As a result, the Trust has identified a considerable number of strategic and operational risks and altered its planning directions to eliminate, mitigate or manage as many risks as possible.

The Trust has also had benefit of observing and learning from attempts in other areas to develop multi-use sports facilities. Key lessons for risk mitigation have included:

- Taking a collaborative planning approach with key stakeholders – In the case of this initiative, Hastings District Council, key sports sector stakeholders, health sector and education and research stakeholders have all been involved through consultation, funding commitments and memoranda of understanding.
- Taking a professional approach to capital and operational funding – The Trust has engaged independent, professional advice and secured major funding from a broad base of funder-stakeholders.
- Ensuring strategic fit and alignment with other organisations – The planned facility and programmes are well-aligned with other relevant projects, plans and budgets.
- Providing strong leadership – The Trust has vision, enthusiasm and skills, and members are working steadily towards the realisation of their vision.

| Supporter types | Letters |
|---------------------------------------|---|
| Iwi and local governance | <ul style="list-style-type: none"> - Ngāti Kahungunu Iwi Incorporated Chief Executive – Dr Adele Whyte, March 2017 - Ngāti Kahungunu Iwi Incorporated Tumuaki/Chairman – Ngahiwi Tomoana, February 2018 - Central Hawke's Bay District Council Mayor – Alex Walker, March 2018 - Hastings District Council Mayor – Sandra Hazlehurst, February 2018 - Former Hastings District Council Mayor – Lawrence Yule, March 2017 - Hastings District Councillor, Flaxmere Ward – Henare Ngaera O'Keefe, June 2016 - Hawke's Bay District Health Board Chief Executive Officer – Dr Kevin Snee, February 2018 - Hawke's Bay District Health Board Elected Member – Dan Druzniac, March 2017 - Hawke's Bay Regional Council Chair – Rex Graham, February 2018 - Hawke's Bay Regional Councillor – Paul Bailey, March 2017 - Napier City Council Mayor – Bill Dalton, February 2018 - Waipukurau Community Fitness Centre (Aqua Management Limited) Managing Director – Michelle Hayes, February 2016 - Wairoa District Council Mayor – Craig Little, June 2016 |
| Regional groups and community leaders | <ul style="list-style-type: none"> - Di Petersen MNZM, JP, February 2018 - Hawke's Bay Chamber of Commerce CEO – Wayne Walford, February 2018 - Hawke's Bay Tourism General Manager – Annie Dundas, February 2018 - Lowe Corporation Ltd Managing Director – Andy Lowe, March 2017 - Ron Rowe, JP, February 2018 |
| National groups and leaders | <ul style="list-style-type: none"> - MP for Napier – Hon Stuart Nash, April 2018 - MP for Tūkituki – Lawrence Yule, February 2018 - New Zealand Olympic Committee President – Mike Stanley, March 2018 - Sport New Zealand Chief Executive – Peter Miskimin, February 2018 |

LETTERS OF SUPPORT, ATHLETES

Athlete – Swimming NZ Aquablack, Bobbi Gichard, 2 June 2016

My name is Bobbi Gichard and I am a NZ Swimming Aquablack currently swimming at AUT in Auckland.

Last year at the age of 15yr I had to make the decision to move away from my family and train at AUT due to the fact that there was a lack of facilities in Hawke's Bay to increase my performance as an athlete to the next level.

When I heard that an AUT facility may be introduced here I thought how amazing it would be for young athletes not to have to leave their family/region to get the necessary services provided at a 'one stop' facility. Something I experience every day in Auckland. Another point to consider is that like many athletes there is always costs involved with their sports and personally having moved away

from the region has been another added cost to my family which would not happen if I was able to train here.

Having been involved with the Pathway to Podium and seeing first-hand how this helps young athletes from many different sporting codes, I would definitely support a AUT facility as it seems the natural next step for the P2P athletes who already have built relationships with the service providers.

I wish you luck in your plans for this venture and if there is anything I can do to support this them please do not hesitate to contact me.

Athlete – Cycling, Regan Gough, 2 June 2016

I am Regan Gough. A High Performance athlete in the chosen field of cycling (both road and track). I have been a member of the HP squad for the last three years, but have been travelling with New Zealand teams for the last five years. I am Hawke's Bay, born and bred in Waipukurau.

I endorse the establishment of a Millennium in Hawke's Bay. Travelling to the places I have been, for example the institute of sport in Canberra, Australia, you can see what the effects of an establishment like this can do to the community. Myself, I live in Cambridge, a now base for HB [sic] athletes (cyclists, triathletes, rowers) where each of these sports are centred. Having the access to the things we do, every day increase or chances of international success.

For our community to have something like this would be the next step forward that needs to be taken. Hawke's Bay already boasts many nationally recognised clubs and teams. Supporting them in the way necessary would be having a structure like the Millennium would provide.

I wish you the best with the potential development and construction of this awesome initiative, you have my 100% support.

Athlete – Alpine Ski Racer, Piera Hudson, 1 June 2016

I am excited to convey mu support for the possible AUT Millennium Hawke's Bay facility. As a full time athlete my key months of fitness in between competition seasons are April-July and October and currently I attend the local gym in Havelock North twice a day 5 days a week.

I believe having a high performance gym would increase my chances of qualifying for the 2018 Winter Olympics by enhancing my programme to have a dedicated fitness facility with trainers, practitioners and nutritionists under one roof.

I fully endorse the proposed AUT Millennium project and if I can be of any assistance, please advise.

Athlete – Athletics, Georgia Hulls, 31 May 2016

I am a 16 year olds sprinter, member of Hastings Athletics Club and Sport Hawke's Bay P2P programme (second year). I have been a member of the New Zealand 4 x 100m Junior relay squad for 2 years.

I support the establishment of a regional high performance centre for sport in Hawke's Bay, my coach and I are hoping to use the facilities to help me qualify for the 2018 Commonwealth Games.

Having a well-resourced high performance centre actually at the Regional Sports Park, next to the athletics track would be very empowering for all of us young athletes. It will be a "go to" place for sports related testing, advice and a place to meet experts that we currently don't have easy access to. It will make us feel even more supported than we are at the moment.

I hope that the centre goes ahead, I feel that it will benefit many future elite athletes and I wish it had been in place when I started serious training. I am looking forward to using the facility and if there is anything I or my family can do to help further this, please let us know.

Anna Lee, mother of a high-performance athlete, 14 March 2018

I am totally supportive of this HB Community Fitness Centre Trust and think it will be a good asset to the community.

Hawke's Bay has a growing population and is in desperate need of a community sport facility. It will be a great asset and centre to help people old and young to join in social, recreational, civil or cultural activities.

My son who is a high performance athlete uses the centre on a regular basis to further develop his sporting talents.

I believe there is a lot of untapped potential in Hawke's Bay in athletes and without this facility there will be a lot of potentially good athletes that won't be developed and helped grow in to top athletes.

I support hugely the need to have a top sport facility in Hawke's Bay and totally support Sir Graeme Avery with his plans in making this happen. Hawke's Bay is very lucky to have someone like Sir Graeme driving this project.

Athlete – Sprint Kayaker, Elise Legarth, 30 May 2016

I am a sprint kayaker and have been selected as part of the NZ U23 Sprint kayaking team to compete at Junior World Championships in Minsk, Belarus in July this year [2016]. I also represented New Zealand last year as part of the U18 team.

I endorse the establishment of a facility such as AUT Millennium, Hawke's Bay.

I attended the Havelock North High School and had I had the facilities of an AUT Millennium facility, it would have been extremely beneficial to me as I worked at improving my fitness and strength to achieve my sporting goals.

I'm sure it will be an asset to all Hawke's Bay athletes as they strive for top performances in their chosen sports.

I wish you well with this endeavour and look forward to Hawke's Bay having such a high quality facility.

Athlete – Hockey, Shea McAleese, 22 February 2018

I am writing this letter in support of the planned Hawke's Bay Community Health and Sports Centre.

As a Hawkes Bay local, plus a triple Olympian and NZ Black Stick for the past 14 years I have seen what sports can do for a community.

Having a facility not only supports our future stars of the region but one that is also available for the wider community is fantastic.

It will naturally grow sports participation of all ages and levels!

The more people we have participating in sport is only positive, it brings people together and helps combat many social issues rife in everyday kiwis (obesity and mental illness).

I have been involved in many sports centres around the world and within NZ and they have always been successful and well supported by the community. Hawkes Bay has always been the place to be with an amazing climate and support network. It is my home and I can't wait to come back there full-time in June and seeing the Sports Centre come alive. I wish it were there when I was going through school so I didn't have to leave the region so early to seek a better training centre.

I can't wait to see this come to fruition. At the same time putting Hawkes Bay on the sporting map both in a social and elite aspect and within NZ and the world.

Athlete – BMX, Amy Martin, 29 May 2016

My name is Amy Martin and I am a Junior Elite BMX racer. I have been a New Zealand Champion twice in 2014 and 2015. I have also represented New Zealand several times, including at the World Championships 3 times. I am currently training and saving to race in Australia in the Australian National Series starting in January 2017, with my main goal to be selected by BMX New Zealand for the World Championships in July 2017 at Rock Hill, USA.

I 100% support the AUT Millennium in Hawke's Bay as I believe it will be an incredible facility for athletes in our region to all train together, for myself especially having a gymnasium would be so beneficial. I think this will be an amazing sports hub for the community and to also develop high performing athletes from our Region.

I wish the AUT Millennium Hawke's Bay the best of luck in making this happen you fully have my support and I am available to help in any way possible.

LETTERS OF SUPPORT, LOCAL SPORTS CLUBS

Kathryn Samia, Operations Manager, Basketball Hawke's Bay, 2 May 2018

Basketball Hawke's Bay is very pleased to be associated with the Hawke's Bay Community Fitness Centre Trust and have established a group of young basketball athletes at the Sports Centre. Our group commenced training towards the end of 2017 and were identified for the programme as the top 12 teenage basketball athletes in Hawke's Bay with the highest potential in the game.

The trainers at the Centre have engaged well with these teenage athletes with the aim in maximising their current and future performance in the game and we are now seeing a group of young athletes who are fitter stronger and moving more efficiently (and confidently) on the basketball court. Our group consists of 7 female and 5 male athletes. 50% reside in Napier and 50% in Hastings, and the athletes typically attend sessions one morning (before school) and one evening per week. Attendance has been consistently good with no athletes withdrawing and all athletes reporting benefits and enjoyment in completing the programme.

We are most excited to see the 'permanent building' build now commencing and look forward to using these facilities in the near future. In particular in a sport which struggles to find enough court space for our needs we are looking forwards to the addition of an indoor court which athletes and teams will be able to utilise for training and development alongside all the other sport/athlete centred facilities and services.

Congratulations to the Trust on this project. We look forward to seeing the opening of the new facilities and being able to offer your services to a wider group in our basketball community as facilities expand. This is great for basketball and fantastic for our region.

Craig Ross, Director of Cricket, Central Districts Cricket Association, 31 May 2016

We are grateful to Sports Hawke's Bay for bringing the proposed establishment of an AUT Millennium Institute of Sport in Hawke's Bay to our attention.

Central Districts Cricket Association's high performance programme would certainly benefit from, and make regular use of, the availability of the many facilities that the Institute would be able to provide to our coaches and cricketers.

We would be very happy to work alongside you and other stakeholders to assist with the progression of this project and encourage you to contact the writer should you require any additional supporting documentation of information.

Sharee Jones, Chair, Hastings Athletics Club, 1 June 2016

The Hastings Athletics Club would like to fully endorse the establishment of the AUT Millennium Hawke's Bay and the initiative regarding its assistance in talent development and the community in general.

We have been fortunate over the years to have several club athletes selected for the New Zealand Track and Field team to the Oceania Championships, World Youth Championships and this year World Junior Championships. These athletes have been part of both Athletic NZ and regional P2P squads which have helped develop them into international athletes.

To have a regional initiative here in Hawke's Bay will only help those athletes on the fringes to be able to move up into the next level and those younger athletes looking up to those already making great strides in their disciplines to work to be part of those squads.

I wish you the best of luck in getting it started, and if there is anything I can do to support you in this endeavour please do not hesitate to contact the club.

Emma Akeripa, Development Officer and Coach, Hawke's Bay Gisborne Athletics Centre, 4 May 2018

Hawke's Bay Gisborne Athletics Centre have worked with the Community Centre assisting in the development of youth groups aimed to mentor, educate and improve athletic ability. We have assisted in coaching athletics fundamental movements in run jump and throw. Seeing the youth grow, mature, increase in confidence and improve athletically over weeks is amazing and exciting to see. The Community Centre are coming up with some great initiatives to involve the community in being active and healthy. The staff are great to work with.

We are looking forward to using the facility as it progresses to the finished sport centre. All the services and facility options being offered all under one umbrella is definitely needed here in Hawke's Bay. The facility is central to Napier and Hastings and easily accessed by travelling sports people. The ease of everything in one facility is great for time efficiency. It will be well utilised by our members from Gisborne through to Dannevirke. We are very excited to have an indoor training facility to use.

This is a fantastic project and so good to see Sir Graeme Avery making this happen.

Ben Bennett, Senior Club Coach and P2P Coach, Hawke's Bay Kayak Racing Club, 31 May 2016

I am the senior club coach for the Hawke's Bay Kayak Racing Club and also a regional Pathway to Podium Coach with Canoe Racing New Zealand. The Hawke's Bay Kayak Racing Club has members who represent the whole spectrum of kayak racing in New Zealand, from those who are just starting to learn how to paddle a kayak right through to Aimee Fisher, who is a current member of the Rio bound New Zealand Women's K4 team and Hawke's Bay Sports Person of the year. Since our inception ten years ago our club has consistently produced national champions and our members have consistently populated national under 18 and 23 teams.

I endorse the establishment of a combined AUT EIT SHB sporting centre of excellence.

I coached Aimee Fisher through to her transition into the Open Women's K4 team and toured with her and the team as assistant coach in 2014. The move from a club environment in Hawke's Bay to the high performance environment in Auckland was a big step for both of us. A high performance facility right on our doorstep would have made that transition so much easier and in many cases would make that kind of transition so much more likely to be successful for future athletes, coaches and officials within our sport.

I wish you and your colleagues the best of luck in getting this facility started. If there is anything else that our club can do to help, please let me know.

Tina Arlidge, Operations Manager, Hawke's Bay Netball, 22 February 2018

My name is Tina Arlidge and I am the Operations Manager for Hawke's Bay Netball. Hawke's Bay Netball support the establishment of a world class sporting facility for community and high-performance athletes, especially on this scale, which is a good fit for the needs of Hawke's Bay Netball.

The benefits to our sport of having access to this kind of facility and the programmes it may offer are endless, particularly right at our back door. It will allow much greater community outreach for our programmes.

We are seeing multiple talented athletes coming through the system who currently leave the region to pursue their netball career. To be able to keep them here in Hawke's Bay would be fantastic not only for the region but further development of our sport.

It has been a great benefit to have been involved in this process as a stakeholder and the project will have our full support and engagement. If there is anything we can do to help please contact me on details below.

Ross Webb, Club Captain and Women's Coach, Hawke's Bay Rowing Club, 29 May 2016

I am a rowing volunteer coach with the Hawke's Bay Rowing Club. My coaching responsibility covers all girls from the second season through to university level. I believe the establishment of a High Performance Sports Development Environment in Hawke's Bay is essential to retain our best athletes in the Bay and lift the profile and growth of sport through the role models enjoying high performance development who are going to be performing in their club environment. In my sport we lose so many of our athletes to other centres to grow their skills in pursuit of NZ Elite recognition and most often do not see them return to the club.

It would also mean a great deal to Caches who would also benefit from engaging regularly with other high performance coaches and the programmes and expertise offered to their athletes.

Were this environment to exist it would add to the current high performance pathway available in our sport. Our current athletes associated with Sport Hawke's Bay have grown from the support received through the Spark [sic] Athlete Development Programme and now at Junior level are better prepared for the challenges they face.

The Hawke's Bay Rowing Club see this as an opportunity not to be missed and would like to offer their support for what we see as a valuable project that will advantage our athletes and coaches and growth the strength of our Club and Sport.

Chris Morgan, Vice-President, Hawke's Bay Rowing Club, 22 February 2018

This letter is sent in support of the Hawke's Bay Community Fitness Centre Trust development at the Regional Sports Park.

The Hawke's Bay Rowing Club is one of the region's most successful sporting bodies, having "produced" New Zealand's most successful female rowers in the Evers Swindell twins, along with former world champion Emma Twigg. The club continues to be a successful feeder into the national programme and currently has four rowers in elite and U23 squads. This is a significant achievement in a sport where NZ ranks No.1 in the world.

We are excited about the development of the Community Fitness Centre Trust and regard it as a game changer in the Hawke's Bay sporting and community landscape. This region has a strong history of sporting success, but the bar is being continually raised and this is the type of facility that will ensure Hawke's Bay continues to achieve. We are also aware of the region's poor track record in health and crime and strongly endorse the Trust's efforts in that regard.

For the past two seasons our intermediate and senior boys squad have undertaken specialist land training with the Trust. This squad has finished in the top three in five national championship events over the last two years and we regard the fitness work of the Trust as being an important component of that success.

Importantly the advice, training and mentoring of the Trust has been available to the entire boys' and girls' squads and in doing so has assisted athletes of lesser natural ability to be the best they can be.

Sean Davies, Development Officer, Tennis Eastern, 23 February 2018

Tennis Eastern would like to lend its full support to the building and development of the Hawke's Bay Community Health and Sports Centre at the Regional Sports Park.

We have recently entered into a working relationship with the Hawke's Bay Community Fitness Centre, where a number of our Napier based junior representative tennis players have started an athlete development plan. We are only 3 months into this initiative but the results have been nothing short of amazing and the players enjoyment and appreciation for this programme has exceeded all our expectations.

When starting a project like this there is always scepticism about what could be so different about a strength & conditioning programme, especially as some players have their own personal trainers. However, the parents & players doubts have been firmly laid to rest by the professionalism and enthusiasm of Marcus Agnew and his team.

Sport and fitness is a wonderful platform to learn valuable life skills such as working as a team, testing your threshold for hard work, making a commitment to complete tasks and most importantly overcoming adversity, which in turn creates resilience. A quality all too short of these days. Young children need as much exposure to a variety of sport and health activities to help them learn these valuable lessons.

Having a dedicated centre will help young athletes make significant gains in their physical and mental development can only be viewed as, as a positive in our opinion. We know, as a country, what the value of successful teams and role models are, and the positive effects that this has on the community. I have no doubt that with such world class facilities and the opportunities that this will afford young athletes, that we in turn will get some wonderful ambassadors for sport in Hawke's Bay.

However, there are many other benefits that this project will create. Access will not only be granted to the elite level athletes and to have these wonderful facilities being accessible to the public is great. With obesity on the rise the more that can be done to get people exercising and getting the right advice is vital and with what is being offered at the centre all these objectives will be met.

Private gyms can be seen and viewed as intimidating by some people and this is where a community facility such as this is unique. With a truly open doors policy it will help encourage some people to have a go at a variety of exercises who may have been put off by the stigma associated with privately owned and operated gyms.

There is so much to like about Hawke's Bay and with the size of the population growing and more investors looking to move here, we in turn have to change with the times. The demand for more sport and exercise in the Bay is only going to increase and with people wanting more international sport being played locally there is a need for investment in world class facilities. This in turn will put Hawke's Bay on the map and encourage more governing bodies to send international fixtures this way.

Facilities are one thing, but in order for the level of success that we wish for this centre, the personnel behind the project and the staff involved in running the centre will be extremely important. In this regard we have been very impressed with the dealings we have experienced with Marcus Agnew; Sir Graeme Avery and his team and rest assured this project is in great hands.

We wish the team well in getting this project off the ground and look forward to what the future holds for the development of sport, health and wellbeing in Hawke's Bay.

Tony Barnett, Operations Manager. Volleyball Hawke's Bay, 23 February 2018

Volleyball Hawke's Bay wishes to offer its whole-hearted support for the proposed construction of the Hawke's Bay Community Health and Sports Centre.

The proposed facility plans to have two volleyball courts inside and outside two beach volleyball courts. Volleyball Hawke's Bay needs more court space to run its competitions and tournaments.

Hawke's Bay is desperately short of indoor court space.

Volleyball Hawke's Bay is a regional non-profit sports organisation and a registered charity CC%\$104 responsible for the development of volleyball competitions in Hawke's Bay.

During 2017, there were about 2,900 players involved in week-day volleyball and KiwiVolley competitions or about 3,700 players if you include tournament participation. Most of this competition occurs at Pettigrew Green Arena.

This term, at Hastings Sports Centre & Rodney Green Centennial Event Centre, primary & intermediate schools play KiwiVolley on a Wednesday from 3:30 – 6:00 pm. KiwiVolley is played on a badminton court (6m x 6m).

Volleyball (9m x 9m court) is currently played on a Friday at Hastings Sports but this is not a popular night.

Volleyball Hawke's Bay has been unable to secure any 6:00 – 9:00 pm booking from Monday to Thursday at Hastings Sports Centre or Rodney Green Centennial Event Centre for the sport of volleyball. This significantly hinders our ability to provide volleyball competitions for the local community.

In 2017, Volleyball Hawke's Bay had discussions with both Hastings District Council and Napier City Council requesting that the sport of volleyball be allocated one of the popular days, Monday to Thursday in 2018. Neither Council was prepared to offer this but both did offer Fridays in Terms 1 & 4 so something is better than nothing.

According to the 2016 Secondary school census data volleyball and basketball are tow biggest indoor sports played at secondary schools in Hawke's Bay.

| Rank | Sport at Secondary Schools in Hawke's Bay | Sum of Participant Involvements (Girls) | Sum of Participant Involvements (Boys) | Sum of Participant Involvements (Total) |
|------|---|---|--|---|
| 4 | Volleyball | 499 | 295 | 794 |
| 5 | Basketball | 274 | 504 | 778 |

(Source: <http://nzsssc.org.nz/NZSSSC-Census-Data/NZSSSC-Census-Reports>)

The table above shows that volleyball is by far the most popular indoor sport played by girls at Secondary schools in Hawke's Bay. There are 80% more females participating in volleyball as compared to basketball.

Volleyball is also about 50% cheaper than basketball to play volleyball, making it very popular with Maori and Pacific Island communities.

Volleyball is growing rapidly as can be seen in the Table below.

| School Volleyball in Hawke's Bay | Primary & Intermediate KiwiVolley Teams | Secondary & Intermediate KiwiVolley Teams | Total School Teams |
|----------------------------------|---|---|--------------------|
| Annual Growth | 100% | 2% | 30% |
| Term 4, 2016 & Term 1, 2017 | 107 | 130 | 237 |
| Term 4, 2015 & Term 1, 2016 | 54 | 127 | 181 |

There has been a 30% increase in school teams over the last year and an exceptional 100% increase in primary and intermediate school teams participating in volleyball competitions in Hawke's Bay. If adult competitions are included, average growth has been about 20% over the last 12 months.

Volleyball Hawke's Bay hopes that the proposed Hawke's Bay Community Health and Sports Centre will be built as soon as possible and looks forward to using the facilities when they are built.

LETTERS OF SUPPORT, REGIONAL SPORTS ORGANISATION

Damon Harvey Chair and Mark Aspden Chief Executive – Sport Hawke's Bay, 14 March 2017

Sport Hawke's Bay is a Regional Sports Trust which provides services relating to health and active living throughout the Hawke's Bay community. Our vision is that "Our Hawke's Bay community has a life-long love of sport and physical activity" while our mission is "To create a health, vibrant community by supporting our people to be more physically active".

We met with Sir Graeme Avery early in 2016 and discussed his plans for developing services to improve the health and well-being of our local community. Those plans aligned very much with our services. That led in turn to us being represented on the Hawke's Bay Community Fitness Centre Trust from its inception.

This is a region with poor health statistics and we believe that the services proposed to be offered to the community by the HBCFCT have the potential to make a very material difference to its overall health and well-being. We are therefore very pleased to be working with HBCFCT on this project and we endorse that Trust as a worthy entity to receive support from funders.

LETTERS OF SUPPORT, REGIONAL SPORTS PARK TRUST

Jock Mackintosh, Chief Executive Hawke's Bay Regional Sports Park Trust, 13 March 2017

This letter is provided in support of the Community Health and Fitness Centre to be constructed at the Hawke's Bay Regional Sports Park.

The Centre is very much in sync with our original master planning for the Sports Park. Indeed the Centre is a bigger and better version than what we originally planned and as such we view it as a natural and beneficial addition to existing facilities.

The Sports Park currently attracts 300,000 users pa and caters for many sports, the core of which are netball, athletics, hockey, league, football and touch. Alongside this the Park is increasingly used for events including the Te Matatini kapa haka Festival, Mitre 10 tough kids day, Waitangi Day and so on.

The Centre will benefit our existing users and generate considerable additional use. It will benefit existing users through, among other things, providing indoor training options and sports support services such as strength conditioning training, nutritional advice, lab testing and the like. We expect it to generate increased use for the general public through offering those same services and importantly a range of programmes targeted at improving the health and wellbeing, especially in those areas where the HB population is deficient.

In summary, the Hawke's Bay Regional Sports Park Trust is very supportive of this development.

LETTERS OF SUPPORT, NATIONAL SPORTS ORGANISATIONS

Scott Goodman, High Performance Director, Athletics New Zealand, 25 May 2016

Tim Driesen (Athlete Development), Gareth Archer (Competitions Manager) and myself had a very fruitful meeting last Tuesday with your colleague Marcus Agnew.

We think that this is a great opportunity for sport generally in the Hawke's Bay community generally, but particularly so for athletics.

The one item area we encourage you to also consider is the capacity of a Throwing Field in the Hawke's Bay Sports Part precinct. As you are aware, Throws is a priority Event Group for our HP programme and a separate field is generally needed as the main athletics arena is usually shared by other sports such as Soccer and Rugby that do not want "divots" in the "pitch". What we are after is a fenced off area a bit bigger than a rugby field (fenced off for safety reasons).

If Pole Vault and Throws are priority Event Groups on the Hawke's Bay-AUT Millennium site then we would be very keen to explore coaching employment partnerships in the future.

In summary Athletics NZ fully supports the establishment of a training facility that will provide opportunities to not only develop athletes in the Hawke's Bay region, but also provide a facility that could be used for future athletics training camps or competitions.

Greg Owen, Acting High Performance Director, Canoe Racing New Zealand, 30 May 2016

As a National Sports Organisation with athletes living and training in the Hawke's Bay we would support and endorse the establishment of a sports performance training environment. It supports the development of our future athletes by ensuring they and their coaches have a quality training environment whereby they can train and collaborate with like-minded individuals striving for excellence.

I wish you all the best in getting this project underway. If there is anything I can do to support you, please do not hesitate to contact me.

Andrew Matheson, Chief Executive, Cycling New Zealand, 10 May 2016

As the National Sports Organisation responsible for development of cycling in New Zealand, we fully support the establishment of AUT Millennium, Hawke's Bay.

Our sport would work with the AUT Millennium Institute, Hawke's Bay and local cycling organisations, to establish the most efficient programmes maximising facilities, regional athlete support systems and coaches, as part of the Regional Performance Hub for our sport.

We look forward to working with you to complete a Heads of Agreement for this partnership.

Ian Francis, Acting CEO, Hockey New Zealand, 25 May 2016

Hockey New Zealand is the national sporting body for Field Hockey in New Zealand, fostering all levels of the sport, from children and beginners through to elite national teams – the Black Sticks Men and Women. Hockey New Zealand provide support to 32 regional hockey associations throughout New Zealand, and work closely with over 300 clubs nationwide.

I wholeheartedly support the establishment of a Regional Performance Development Hub at the AUT Millennium development. The ability to use the facility and programmes in a state-of-the-art facility upon its completion would be extremely meaningful to developing hockey players in the wider Hawke's Bay region.

I wish you the best of luck in getting your Regional Performance Development Hub off the ground, and if there is anything that Hockey New Zealand can do to assist you with this venture, please let me know.

Steve Lancaster, Head of High Performance, Netball New Zealand, 27 May 2016

Further to our recent dialogue with Marcus Agnew of Sport Hawke's Bay, I am writing in support of the development of the proposed AUT Millennium Hawke's Bay Centre for Excellence in Human Performance.

In addition to providing high quality training and playing facility for the community – Hawke's Bay has significant and growing netball player numbers – the facility will provide the type of regional high performance hub that will support the movement of local players into Beko League and ANZ Championship teams, and ultimately international netball.

I wish you every success in realising the vision for this facility. If NNZ can further support your efforts, please don't hesitate to be in touch.

Judith Hamilton, High Performance Athlete Development Manager, Rowing New Zealand, 27 May 2016

Thank you for sharing your vision to establish a Regional Performance Development Hub with our Chief Executive, Simon Peterson and High Performance Director, Alan Cotter, recently. AUT Millennium, Hawke's Bay will certainly be a valued asset for the region, in development talented athletes.

Rowing New Zealand supports you in establishing a regional facility focussing on athlete development from grassroots through to high performance, to support talented athletes based in the Hawke's Bay.

We see our East Coast Rowing Association and associated clubs (and schools), including the Hawke's Bay Rowing club as benefiting from such a facility. We already have a number of athletes that have come from the Hawke's Bay in our national teams, and a facility such as this would only enhance the development of these athletes having access to expertise early in their rowing career.

I wish you the best of luck in getting it started, and if there is anything I can do to support, please don't hesitate to contact me.

Christian Renford, Chief Executive Officer, Swimming New Zealand, May 2016

Swimming New Zealand would be very happy to support an AUT Millennium, Hawke's Bay facility to assist the development of our athletes in the area.

It is a great opportunity for the local community to have a facility which helps the young athletes of the region to participate and link with other sports athletes with a long term view of achieving high performance results.

We wish you the best in getting this great idea started and if there is anything we can do to support please let us know.

Graeme Maw, High Performance Director, Triathlon New Zealand, 31 May 2016

Thank you for taking time to share with us the fabulous plans or AUT Millennium, Hawke's Bay.

It is my pleasure to write as High Performance Director of Triathlon New Zealand to express our support in principle for this project.

It is our intent to work with regions around the country to develop talent hubs for triathlon, in conjunction with other like-minded sports. And your purpose, facility, and proposed programmes are strongly well aligned. We believe that outstanding sport development is central to both sustainable high performance and healthy communities.

I apologise that, due to current Olympic commitments, we will not be able to attend the public announcement next Friday. But we wish you every success in getting the project going, and will very much look forward to discussing with you again in the near future.

If there is anything further we can do to assist in the meantime, please do not hesitate to ask.

LETTERS OF SUPPORT, SCHOOLS

Lance Christiansen, Principal, Central Hawke's Bay College, 16 February 2018

I am writing to lend my support to your Trust as they continue to work towards developing the planned Hawke's Bay Community Health and Sports Centre.

As Principal of our rural secondary school we have already formed a strong and successful partnership with Marcus and the Health and Fitness Centre. We are delighted with the support that has been offered to our Sports Academy students. The professional and experienced team have given our students excellent guidance and encouragement as they undertake their own sporting journeys.

At Central Hawke's Bay College, sport is a major focus and avenue for our students to grow as athletes and as people. Our strengthening relationship has already provided vital in ensuring our students get expert knowledge and advice and also supports the college staff who are involved in the Academy.

Keep up the great work and all the best for the Trust plans in the future.

R. G. Sturch, Headmaster, Hastings Boys' High School – 27 February 2018

As Headmaster of Hastings Boys' High School and Chairman of the Hawke's Bay Secondary Schools Sport Committee, I wish to offer my full support to the planned Hawke's Bay Community Health and Sports Centre.

As a region we are blessed with some of the best natural sporting talent in the country. We are also, however, hindered by a lack of resources, coaches and facilities. We are also hindered by a crucial lack of health statistics and financial affordability by parents.

As Headmaster of a Decile 2 school with 70% Māori and Pacifica boys, talent is not enough to raise these students out of a cyclic dependence on government agencies support. Hawke's Bay desperately needs this facility to reduce the barriers to sport participation and increase health care and awareness. It needs a community approach, inclusive of family, whanau, school, local and national government.

If the future of the country is in the hands of our young people, there is not better springboard to success than offered by the Hawke's Bay Community Health and Sports Centre.

Bryan Grapes, BOT, Hastings Girls' High School, 22 February 2018

Hawke's Bay Community Centre Trust have delivered an excellent High Performance fitness programme. Our daughter, Asher, has been part of this programme for the past 15 months. We have seen her general netball performance improve with her fitness and core strength that the programme has given her. During this time, I have watched several of her netball, rowing and soccer peers gain

valuable techniques in strength and conditioning as well as positive input from Marcus, Rob and the other trainers.

The current building is adequate at the moment, however it really needs to be a facility that will cater to a large number of people from our community, and offer the most up to date equipment. The facility will offer programmes for High Performance athletes, as well as those athletes who require specialised rehabilitation programmes. The facility will also offer a place where people will learn new skills to better themselves in health and sport. A fitter community is a healthier community which will benefit the whole community.

I commend Sir Graeme Avery for the vision to build such a facility in our community. The community will benefit from such a facility as it will keep our talented athletes here in Hawke's Bay and have positive role models for both young and old.

Greg Fenton, Principal, Havelock North High School, 20 February 2018

I am writing as a supporter of Graeme Avery and the quest that he has undertaken to develop a planned Hawke's Bay Community Health and Sports Centre.

As a large secondary school here in the Hawke's Bay, we are tremendously excited about the possibilities that such a facility could provide to our students and the Hawke's Bay community in general.

Being someone constantly concerned for student wellbeing, I see such a world class resource as both enhancing the education of our students, through increasing their awareness of healthy lifestyles, and also giving them access to high quality facilities which will enable them to pursue these lifestyle, to training and to compete.

We are confident that this project will underpin the desire of our school community to increase the fitness levels and reduce the levels of obesity that exists amongst some of our students. Access to such resources can only but enhance their physical literacy and ultimately their wellbeing.

We are also hopeful that when Stage 2 is ultimately developed, that it will provide a focus by which to attempt to arrest the decline in the number of students who lack the confidence in and around the water. Two drownings on Hawke's Bay beaches this summer, reinforce the school's observation that too many young people arrive at secondary school without sound water survival skills.

Finally, it must also be said, that the project will provide much needed additional indoor space for school sport in the region, and a focal point for the community to self-manage its sporting, health and recreational needs.

Our school has already engaged in several partnerships with Graeme and his team and have been tremendously impressed by his community focus and desire to enhance the overall wellbeing of our people. His commitment, enthusiasm and thorough professionalism, mean that we look forward to

broadening this relationship and further benefiting from the knowledge, skills and facilities that the project will provide to the Hawke's Bay.

Matt O'Dowda, Principal, Kimi Ora Community School, 27 February 2018

On behalf of the Board of Trustees of Kimi Ora Community School in Flaxmere, I would like to fully endorse the work and vision of the trust.

Our school uses the current facility regularly, with increased usage recently through the Flaxmere Elite Sports Academy. Without facilities such as the sports park our tamariki will not have the opportunities they need and deserve to realise their potential. Many of our tamariki do not have the resources to travel to find quality coaching and facilities – this will be on our doorstep, creating opportunities for so many of our talented athletes.

While grassroots and localised facilities are vital, the next step is often missing. The fully developed sports park represents that next step. The construction of iWay cycle paths must be a great example of this. They have engaged the wider community and provided a resource for locals to use. The sports park will do the same.

For the Flaxmere community, the lack of quality facilities makes it difficult for people to engage in health and wellbeing activities. The sports park is ideally located between the 3 cities to cater for all of the Hawke's Bay community. This sort of infrastructure will bring a massive boost to the Hawke's Bay region. Top quality sportspeople, coaches and teams are going to be using the facility regularly – this also helps provide the inspiration for the next generation. The scale of the project ensures it does not just remain a local facility but one that will be of national significance.

As a school, the hauora of our whanau is of utmost importance. Access to these facilities will further support our school and community. Having worked with the trust over the past year, I have full confidence they will deliver what is promised.

Roy Sye, Hawke's Bay/Tairāwhiti Director of Education, Ministry of Education, 5 March 2018

We are very excited to hear of the developments that the Hawke's Bay Community Fitness Centre Trust has made over the last twelve months towards developing the planned Hawke's Bay Community Health and Sport Centre. It is going to be a transformational facility that will make a positive impact on the health and wellbeing of our community.

The Ministry of Education shares the goal of the Hawke's Bay Community Fitness Centre Trust to improve the health and wellbeing of our community. Regular and enjoyable physical activity can improve physical, mental, social and spiritual wellbeing. From an education perspective, encouraging the importance of physical wellbeing throughout a child's schooling is very important and a core part of the New Zealand school curriculum. I have no doubt that the children in our community will benefit from this facility.

The location of the Centre within the Regional Sports Park enables the facility to serve the wider Hawke's Bay community with ease in a location already established as a successful hub for a variety of sporting activities in Hawke's Bay.

I am happy to offer my support towards the further development of the Hawke's Bay Community Health and Sport Centre and look forward to working with the Trust to support the relationships across the education network and wider community in Hawke's Bay. We are excited to see the positive results the Trust will deliver for our community.

JoAnne Owen, Head of Sport, Napier Girls' High School, 30 April 2018

Thank you for the opportunity to offer support to the goals of the Hawke's Bay Community Fitness Centre Trust, with the ultimate aim of completing the Hawke's Bay Community Health and Sport Centre.

I have been involved with your organisation through my role as Head of Sport at Napier Girls' High School for the past 6 months. As a school we have been fortunate to be able to offer out high performance athletes the opportunity to train at your facilities and learn new skills from your experts. I especially appreciate the flexibility your staff have offered our athletes to work in their individual timetables and particular skill sets.

The girls (and their parents) who have been offered our high performance development experience have expressed their appreciation for the dedication of your staff and have noted the increase in their strength and conditioning since starting the programme. Most have opted to continue with the programme across the next 6 months, and have committed to attending the weekly sessions. Funding for our school groups has been secured for this period.

High performance development is a key part of the Napier Girls' High School strategic plan for sports over the next 5 years. This need was identified in 2016, and we are very fortunate that a suitable programme such as yours was being put into place and able to be utilised. We thank you for inviting our school into the programme, and would appreciate the relationship with your organisation to continue. We fully support the ongoing development of the Hawke's Bay Community Health and Sport Centre as critical to the development of our future athletes in this region.

Robin Fabish, Tumuaki (Principal), Tamatea High School, 17 April 2018

I am writing in support of the Hawke's Bay Community Health and Sport Centre.

Our school and community is one of the less privileged in Hawke's Bay. Some of our students are addressing issues of poverty and the impact that this has on their learning, financial security, health and overall wellbeing.

We applauded the efforts of the trust in creating a facility that will be available to and benefit the health and wellbeing of our students and the wider Hawke's Bay community. By working together,

we can overcome the barriers that prevent people in our less-fortunate communities from taking part in sport, recreation and cultural activities. All of these activities contribute to wellbeing.

The partnership approach being taken with schools is positive and the objectives of the trust to use education to encourage healthy eating and physical activity for all is consistent with our own objectives.

At Tamatea High School, we are excited by the possibilities being offered by the Trust for our students. We are totally behind the trust and wish you all the best in seeking further support for the initiative.

Michael Bain, Principal, Te Mata School and Immediate Past President of Hawke's Bay Primary Principals' Association, 13 March 2017

Our communities in the wider Hawke's Bay region face many challenges, but none more acute than the health issues associated with obesity, poor nutrition and lack of physical activity. These are not unique to Hawke's Bay, but I am aware that the statistics and associated issues are worse in our region than the national average.

I am inspired by the vision and leadership shown by Sir Graeme Avery and the Trustees of the Hawke's Bay Community Fitness Centre Trust to establish a facility, and more importantly a range of education and intervention programmes to be delivered throughout our region, which will address this increasingly urgent need.

Having had the opportunity to consider the project details, speak with Sir Graeme about the vision of the Trust and understand that scale and effort required to create intergenerational change, I am very pleased to offer my full support to this project. Early progress is encouraging and tremendous community support already exists for this project. I am quite certain that its development will effectively engage and involve the whole Hawke's Bay community.

The planned facilities that need to be established to effectively deliver the range of community health programmes are without doubt the essential first step. They are pragmatic, required in our region, will be accessible to all and are sure to be a great asset to our communities. I am greatly encouraged to know that the delivery of satellite programmes throughout our region, with an emphasis on healthy lifestyles and obesity intervention, will deliver the changes we need.

I encourage all potential funders and supporters of this project to provide their full and generous support to this project. Our people and communities through the Hawke's Bay region will be very grateful.

Robert Hamblyn, Deputy Principal, Wairoa College, 1 June 2016

I was fortunate to be at a presentation to a group of Wairoa people by Marcus Agnew on Tuesday 31 May [2016] regarding the potential AUT Millennium, Hawke's Bay.

Personally I am really excited with this possibility having had children of my own who competed successfully at an international level and having to struggle with access to expertise to assist with their growth in sport. I only wish this was around a decade ago.

As a school we are also excited. We can see huge opportunities for our students at a sporting level to have access to experts and facilities, along with the opportunity for the Wairoa community facilities to continue to be utilised and developed.

We also see that there are opportunities for continued education with a link between the AUT Millennium and the EIT and future vocational pathways for our students.

We certainly are very pleased to endorse the establishment of the facility in the Hawke's Bay region and are ever so pleased to hear that we in Wairoa are featuring in the thinking when it comes to its development.

We wish you all the best in the development of the idea and we are looking forward to offering support in any way we can to ensure the success of the project.

Margaret Goldsmith, Head of Faculty Physical Education, Wairoa College, 19 February 2018

On behalf of Wairoa College and the Junior Athlete Development students, I would like to say a big thank you for giving the students of Wairoa College the opportunity to grow and develop their fundamental movements through Athlete Development throughout 2017.

Living in Wairoa, our students are rarely exposed to having professional coaches and sport specific trainers. It was a wonderful opportunity to have specialised coaches assist them with improving their physical literacy skills, nutrition knowledge and physical movements.

I myself found it a privilege to attend a 2-day course in Havelock North to be able to coach the students in Wairoa and share my knowledge and experience with them.

The 2017 Junior Athlete Development group of 13 students travelled to the Hastings Sports Park every three weeks and were able to train in the new gym facility, use the athletics running track and classrooms for their nutrition lessons. These sessions were very beneficial to our students as they fully immersed themselves in the training and learning of developing their skills both physically and mentally. It was also beneficial as the students had access to some great pieces of equipment in the gym, which meant more learning and growing.

As one of the Athlete Development coaches, I feel that the Hawke's Bay Community Fitness Trust has wholeheartedly supported the students at Wairoa College in enabling them to have the opportunity to be part of Athlete Development, learn new skills and improve certain techniques. One

of the long-term goals for these students to bring what they have learned back to Wairoa to be able to teach others and share their knowledge.

Marcus Agnew and the team of coaches and trainers, travelled to Wairoa every alternating three weeks to deliver their part of the programme. Wairoa College, the students and their Whanau and the wider community, enjoyed watching the Junior Athlete Development students in action whether in school or out in the community.

The students of Wairoa College found the programme to be very advantageous to their learning and have recommended Athlete Development to others. The students grew a lot over the year-long course and developed skills such as learning how to speak in front of a larger group of people, volunteering at the Hawke's Bay Marathon (meeting and working with new people), building their confidence to create and carry out a physical education lesson incorporating the fundamental movements, developing their nutritional knowledge and being able to create their own healthy breakfast, lunches and dinners and growing in maturity as well.

The Hawke's Bay Community Fitness Trust have done a fantastic job with doing their best to keep a range of sports local in the Hawke's Bay region. This means it keeps costs down for our local families as they do not need to travel far to get the specialised training and development our students need. By training and teaching our students at the Hastings Sports Park, the students understand and accept that they do not have to relocate to a big city to be able to have the best coaches or trainers as they can do that right here at home.

This gym facility will enable others to join in socially by building stronger relationships, meeting new people by networking as well as give the local sport and recreation clubs the ability to still train and use their facility without being overwhelmed by an influx of potential members. I feel the Hawke's Bay Community Fitness Trust has the opportunity to develop further into civil and cultural activities, which will bring a different dynamic to the facility.

The Hastings Sports Park gym facility has the opportunity to contribute greatly to sport and recreation in Hawke's Bay. Some examples include developing stronger relationships between the different sport and recreation codes, co-construction between coaches and trainers and the types of training they are carrying out, inclusion and participation opportunities and having access to a broader range of programmes.

The students have demonstrated dedication, commitment and perseverance and have strengthened their relationship with their coaches and trainers. I am very proud of how far our students have progressed and what they have achieved within Athlete Development.

LETTERS OF SUPPORT, TERTIARY EDUCATION AND TRAINING

Chris Collins, Chief Executive, Eastern Institute of Technology (EIT), 15 March 2017

As the leading provider of tertiary provision and qualifications in the Hawke's Bay region, the Eastern Institute of Technology (EIT) continues to partner with a number of local and national stakeholders to ensure that community outcomes are identified and regional needs are met through the delivery of high-quality vocational education and applied research.

One of the identified key challenges for the Hawke's Bay is the health and wellbeing of the local population and the associated growing issues of obesity, nutrition and physical activity. EIT acknowledges that no one entity can tackle these challenges alone, however it does recognise that 'education' needs to play a central and critical role in the public campaign and understanding around the social and economic benefits of an active and healthy lifestyle.

EIT remains a proactive supporter of the vision that Sir Graeme Avery and the Hawke's Bay Community Fitness Centre Trust have developed in their proposal for a regional facility and community intervention programme to address these significant regional concerns. EIT sees a role for tertiary education in leading some of this thinking in the provision of tailored courses and degree/post-graduate programmes in Health Sciences and other related disciplines. It also sees a growing need for applied research in community health and wellbeing, along with more targeted research in developing the capabilities around high performance sport.

EIT sees significant regional and national benefit in the development of the work of the Hawke's Bay Community Fitness Centre Trust and as such we encourage wider community and financial support.

We look forward to continuing to work with Sir Graeme and the Trust in seeing this facility and related programmes through to fruition.

LETTERS OF SUPPORT, IWI AND LOCAL GOVERNANCE

Dr Adele Whyte, Chief Executive, Ngāti Kahungunu Iwi Incorporated, 15 March 2017

Ngāti Kahungunu Iwi Incorporated along with representatives from the Kahungunu Asset Holding Company have been working with Sir Graeme Avery and the Trustees of the Hawke's Bay Community Fitness Centre Trust to support the establishment of a Hastings based sporting facility which will offer a range of education and intervention programmes. Ngāti Kahungunu is supportive of the vision put forward by Sir Graeme to develop such a facility as it aligns with the iwi 25 year strategy to develop strong, vibrant, health whanau and hapu. We believe such a facility will be of great benefit to our people.

Ngahiwi Tomoana, Tumuaki/Chairman, Ngāti Kahungunu Iwi Incorporated, 28 February 2018

Ngāti Kahungunu Iwi Incorporated has met with Sir Graeme Avery and Trustees from the Hawke's Bay Community Fitness Centre Trust on a number of occasions over the past eighteen months. Further engagement between the iwi and Trust will continue as we work towards common goals for

the benefit of our people, including access to sport and recreation facilities that lead to better health and wellbeing outcomes.

The vision of Sir Graeme and his Trustees are wholly supported by Ngāti Kahungunu Iwi Incorporated, as it is by many other authorities in the region and influential community leaders. Given our experience in delivering major events and supporting our whanau in their communities, we're certain that the project being developed by the Trust will not only meet sport and recreation needs in the Hawke's Bay, but also make a positive contribution to economic activity throughout the region.

Healthy active whanau are essential to improved social and economic outcomes in our communities. We have welcomed the opportunity to partner with Sir Graeme and the Trust and look forward to a successful working relationship.

Alex Walker, Mayor, Central Hawke's Bay District Council, 1 March 2018

I would like to congratulate Sie Graeme Avery and the HB Community Health and Sports Centre Trust for their vision and hard work pulling together a truly transformational plan for the people of Hawke's Bay.

For my small district of Central Hawke's Bay, the Centre will bring significant opportunity for increased success on regional and national levels of sport. The pathway they are creating will help connect the existing facilities and programmes that occur at a school, community and district level through to levels of high performance that we don't currently have access to. It will also mean our young people are able to achieve to a higher level in their chosen sport while still being able to reside at home in Hawke's Bay.

I whole-heartedly support the approach that is being taken and ask that serious and careful thought is given to the funding of this project.

Sandra Hazlehurst, Mayor, Hastings District Council, 27 February 2018

I am pleased to offer the Council's support to the Hawke's Bay Community Fitness Centre Trust in their endeavour to gain funding for the development of a planned Hawke's Bay Community Health and Sports Centre.

This facility will be a transformation facility that will make a positive impact on the region's communities. It will be available to be used by the wider community which will be very beneficial and a huge contribution to sport and recreation in Hawke's Bay.

People will be able to join in social, recreational, civil or cultural activities which will reduce or overcome barriers that prevent people taking part in these activities. This will increase the community's ability to look after its own needs and grow stronger. The project is a size and scale that meets the unique needs of Hawke's Bay. The centre will provide programmes for the whole community, from health and wellbeing of all ages through to sports performance development of youth talent in schools and clubs.

The Trust has widespread support in the community and has engaged with a variety of key stakeholders effectively. We have full confidence in the team to deliver great results for the community.

Lawrence Yule, former Mayor, Hastings District Council, 14 March 2017

The construction of what will be a game-changing health and fitness centre for our people in our region is fully supported by Hastings District Council.

As a council we have a strong social well-being focus, based on the principle that people who are fit and healthy are more engaged with society. They are more able and more likely to participate in work, recreation and democracy.

The aim of this state-of-the-art facility is to provide evidence-backed education and intervention programmes to our community. The vision is that more than 80 per cent of people using it will be from within the region. That was a primary consideration as Council made the decision to become a key partner.

The proposed Hawke's Bay Community Fitness Centre fits extremely well with our policies and to that end Council has facilitated its placement on the Council-owned regional sports park and contributed \$2 million to the project. We are about to [March/April 2017] hold a public consultation on whether to contribute another \$2m.

That the proposal is to site the facility on the sports park, which within the District Plan is zoned Hawke's Bay Regional Sports Park, means there is little risk around gaining resource consent.

I encourage other organisations to give their full consideration to supporting what will be a nationally important facility that will provide measurable health and fitness benefits for our community.

Henare Ngaera O'Keefe, Councillor, Hastings District Council, Flaxmere Ward, 2 June 2016

Our beloved suburb of Flaxmere is a haven of potential Super Stars (not an exaggeration) waiting to be unearthed, be it sport, music or otherwise. These futures stars have the capacity/ability to totally annihilate the cycle of poverty, abuse and mediocrity. I am convinced a facility such as the AUT Millennium, Hawke's Bay, would provide them and their families with the support and platform to help them realise this. Whereby fostering a sense of value, importance and affirmation. For me the AUTMHB is about growing & nurturing an entire community, not just the individual. Every community I believe needs champions and heroes to look up to. I am convinced the AUTMHB would provoke our beloved suburb of Flaxmere, and others of similar ilk toward this aim. The AUTMHB is indeed a virtual "Beacon In The Dark" which is destined to go where the angels fear to tread.

Graeme I total and unequivocally support your endeavours in this regard.

Dr Kevin Snee, Chief Executive Officer, Hawke's Bay District Health Board, 15 February 2018

The Hawke's Bay District Health Board signed a Memorandum of Understanding with the Hawke's Bay Community Fitness Centre Trust in 2016. This expressed the District Health Board's early support for this project and the expected positive outcomes for the Hawke's Bay community. We have continued to support the project during its development phase.

As the major provider of health care services in the Hawke's Bay, the Hawke's Bay District Health Board focuses on the health of the whole population. To achieve this, we work with our community partners to address health inequity and improve health outcomes across the Hawke's Bay. We consider the Hawke's Bay Community Fitness Centre Trust as a partner in achieving these outcomes.

Supporting our community to increase their physical activity has wide ranging health benefits including managing weight supporting mental health and reducing the risk of a number of diseases (including some cancers and heart diseases). Group activity has wider benefits including social connection, supporting identity, fostering community and recognising achievement. We anticipate that this facility will provide an accessible centrally located venue and foster community engagement, enabling the Hawke's Bay community to benefit.

This local facility has the potential to be more responsive to the unique needs of the Hawke's Bay community, through creating a sense of community ownership and bringing together key stakeholders. These collaborative opportunities have the potential to maximise many benefits such as key academic and health partners combining to deliver Hawke's Bay research that can benefit the whole community.

We acknowledge the work done to date in moving this project to its current phase which is a great result and demonstrates the determination and drive needed to deliver this project.

Once again, we note our ongoing support for the Hawke's Bay Community Fitness Trust.

Dan Druzniac, Elected Member, Hawke's Bay District Health Board, 13 March 2017

As an elected member of the HBDHB I am very aware our Hawke's Bay population faces great health challenges around obesity, poor nutrition and lack of physical activity.

Sir Graeme Avery and the Trustees of the Hawke's Bay Community Fitness Centre Trust have launched this exciting project which is destined to deliver great positive change to our community. The project has strong community support.

The facilities will enable a range of community health programmes to be delivered with an emphasis on healthy lifestyle and obesity prevention.

I urge all community funder and supported to give their full support for this project.

Rex Graham, Chair, Hawke's Bay Regional Council, 26 February 2018

I was very pleased to read the report in HB Today confirming the commencement of the building which will house the new community sports and health centre at the Regional Sports Park.

We are all very appreciative of your drive and vision around this project which will have a huge effect on our HB community. This project would not have happened without your passion and steadfast resolve.

Our health figures in HB are still very poor. There is no doubt that we can improve these by encouraging more activity into sport and there is a distinct correlation between capita investment and improved participation.

We built the new netball facility and this, combined with superb management by HB Netball, has resulted in stunning growth of the sport in HB. In 2016, HB had twice the number of junior netballers (years 1, 2 and 3) than all of Auckland. Netball is booming in HB and is now the biggest participation sport in the region.

We have achieved similar results with hockey, league and touch all of which have greatly increased participation numbers.

In all cases increased activity in sport has followed capital investment into great facilities.

We are a small province but our kids also need top facilities, access to great coaches and to be able to train and participate alongside their heroes.

This new centre is set to be a much needed "game changer" in our region and I congratulate you and your team.

Paul Bailey, Councillor, Hawke's Bay Regional Council, 13 March 2017

There are many challenges confronting the Hawke's Bay community. Physical health being but one of them. Whilst declining physical health is a challenge for the whole of the country, the statistics around obesity and nutrition place Hawke's Bay at the lower end of the scale. That's why I was encouraged to see Graham Avery's proposed initiative, the Hawke's Bay Community Fitness Centre Trust.

As a resident of Napier I am comfortable that my community will be able to access and utilise the facilities based around the current sports park. Personally my children already make regular use of the facilities at the sports park for netball and hockey.

The Hawke's Bay community will be very grateful for any contribution to this project and I encourage all potential funders and supporters of this project to provide their full and generous support.

Bill Dalton, Mayor, Napier City Council, 15 February 2018

I write in support of the Hawke's Bay Community Health and Sport Centre.

Sir Graeme Avery began this project, initially as a centre of excellence for elite sports people. Over the years of planning and preparation, it has now morphed into a centre of community health and sport.

A growing region, such as Hawke's Bay, constantly needs to upgrade and update its sporting and recreational facilities. Here in Napier we are about to undertake two major projects – a \$5 million upgrade of McLean Park and a \$40 million competitive and recreational aquatic centre.

Those projects, like the Community Health Centre at the Hastings Sport Park, will provide wonderful facilities for our regional now and into the future.

Hawke's Bay, being home to two significantly size cities so close together, is in a unique position that enables complementary sports, cultural and recreational facilities to be developed efficiently. Once these facilities have been developed by the respective councils or their agencies, they are available to service the entire region.

As the Napier City Council undertakes its major projects that will service the region, it offers its support for Sir Graeme Avery's Hawke's Bay Community Fitness Trust.

All these additional facilities can only be good for the people of our region especially the young.

Michelle Hayes, Managing Director, Aqua Management Limited (Waipukurau Community Fitness Centre), 24 February 2016

I would like to confirm Aqua Management's support for your pathway to podium program.

The A. W. Parson's sports complex in Waipukurau is seen as the Sporting hub for Central Hawke's Bay, therefore, to be able to offer our up and coming athletes more opportunities to follow their dreams and aspirations to become winners in their chosen sport cannot be missed.

As our facility contains an Indoor swimming pool, fully equipped gym, stadium and meeting room plus with plans underway for a multi-purpose turf to be built adjacent to the complex, the opportunities for more specialised coaching and training are increasing.

I am very interested in the discussion around implementing some of the programs from the AUT millennium particularly around the youth initiatives.

I look forward to further discussions regarding Aqua Management's involvement in the pathway to podium program and how we can support this initiative.

Craig Little, Mayor, Wairoa District Council, 1 June 2016

As the Mayor of Wairoa I would like to offer my support for the establishment of AUT Millennium, Hawke's Bay. A high performance sports centre and sporting facility like AUT Millennium, Hawke's Bay will continue to support the sporting future of our community here in Wairoa but also for the entire region of Hawke's Bay.

The Wairoa district has just recently held its Sports Awards where we were able to celebrate the sporting talent of local sports people, coaches, administrators and teams. We know that our district and region has no shortage of sporting talent and a facility like this will further support harnessing that sporting talent not only for the national stage but also internationally. That our athletes and teams are now able to access world-class facilities, programmes and services can only be a positive thing.

Because Wairoa is particularly isolated due to our location, it is a continuing challenge to be able to further nurture our elite athletes. However, with the potential of this facility in Hawke's Bay, [lack of] access to high performance sporting programmes and services will be a thing of the past.

I'm sure the community of Wairoa joins me in wishing you the best of luck in getting this facility started for the benefit of Wairoa and for our entire region.

LETTERS OF SUPPORT – REGIONAL GROUPS AND COMMUNITY LEADERS

Di Petersen MNZM, JP, 19 February 2018

Although I am a Trustee of the Central Hawke's Bay District Community Trust which is in the process of building the Centralines Multi Use Turf at Russell Park, Waipukurau, I am writing as an individual to support your Trust.

We see our turf providing a sport facility for our community, which will then lead people on to being able to access our services and expertise for more specialised fitness and training.

The Trust also owns the A W Parsons Heated Pool, Gymnasium and Indoor Stadium so with our combined facilities we are providing health and welfare opportunities for Central Hawke's Bay, but there are many in our community who would love the opportunity to be able to access superb facilities such as you are providing.

We have some athletes who have had to move away to access elite facilities so that they can become representatives of HB and New Zealand.

Hawke's Bay is very fortunate that such a facility will be available for all to use and to work with the expertise which it will provide, saving athletes leaving to progress.

We are seeing our facilities as a "feeder" to those which you are providing and we look forward to working with you.

We share the same aims of providing health, welfare, social and recreational opportunities for our community.

Wayne Walford, CEO, Hawke's Bay Chamber of Commerce, 12 February 2018

I write to support to the HB Community Health and Sport Centre Trust for the development of the Health and Sport Centre. Not only will this centre benefit youth and sports people here in Hawke's Bay but in addition the centre will have a much wider positive economic impact.

Self-esteem – when we work with young people and business owners through our initiatives for entrepreneurship and business development we experience a resistance to learning based on a challenged self-esteem. Your centre will go a long way to support the positive development of self-esteem in young and maybe not so young clients. This will have a longer-term benefit for Hawke's Bay and as well transfer into strong business and commercial opportunities for the region. Development of talented youth sportspeople in the region is to be an outcome, then the attraction of sponsors and national and international marketing is very positive for the region. Young healthy optimistic people with a positive self-esteem are very good for the commercial environment.

Regional sport training camps – The centre will be a positive addition to the Sports Park Complex that already hosts some significant events that attract major funding and commercial investment to Hawke's Bay. Adding diversity to the existing offering through the Health and Sports centre will ensure a dollar invested in Hawke's Bay goes a lot further. The Chamber Executive applauds the courage and the foresight to develop the current sports park as well as positively influencing the health and wellbeing of Hawke's Bay people.

We wish you all the best for this development.

Annie Dundas, General Manager, Hawke's Bay Tourism, 22 February 2018

On behalf of the Hawke's Bay Tourism Board, I would like to acknowledge the incredible efforts made by the Hawke's Bay Community Fitness Centre Trust in developing the planned Hawke's Bay Community Health and Sport Centre.

This centre will not only meet the needs of our community from a sport and recreation point of view but it also has enormous potential in helping us grow visitor nights into Hawke's Bay. The completed centre will ensure we can bid for future events we have not been able to host before, therefore bringing new money in the region.

Hawke's Bay Tourism fully supports the planned Hawke's Bay Community Health and Sport Centre.

Andy Lowe, Managing Director, Lowe Corporation Ltd, 14 March 2017

As Managing Director of Lowe Corporation Limited and sponsor of many community initiatives, I have been invited to set out my company's views in relation to the above Trust's proposal to establish a centre of excellence in Hastings.

I think it's a brilliant concept and much needed in Hawke's Bay which is uniquely placed to benefit from such a facility.

Lowe Corporation has over the last couple of years financially and publicly supported the continuance of a programme that provided alternative options for those fighting diabetes in this community. This region's statistics with regard to diabetes are worse than other communities and many of our employees and their staff are directly affected by this disease. Lowe Corporation has long supported Hawke's Bay Sport and youth education believing that physical activity, education and social interaction are fundamental to the health of our society.

This project, created by the vision and drive of Sir Graeme Avery, brings all of those strands together into one facility offering a full range of programmes with a proper governance structure under the Trusteeship of the Hawke's Bay Community Fitness Centre Trust.

I strongly support this project. I believe that the way it has been structured will provide a huge impetus to improvements in community health and education as well as delivering a wide range of benefits to many, many people in Hawke's Bay.

Ron Rowe, JP, 18 February 2018

It is a very real pleasure to write in support of the Hawke's Bay Community Fitness Centre Trust and their overall benefits to the wider community so well detailed in the materials that I have had the privilege of reading.

The purposes, the *raison d'être* are so well spelled out in the reports and what is very valuable (and very impressive) is the extent of the research, literature reviews and very sound evidence. I can't recall ever seeing the scope and scale of detail, all highly relevant, that is within each of these reports.

From my personal involvement in various community and voluntary fora I know first-hand of the extent of engagement that the Trust has had and continues to have with key stakeholders throughout the wider community. I know too that there is strong support, with the equally strong belief, among stakeholders, that the commitment to improve the health and wellbeing of the people of Hawke's Bay through the provision of a multi-purpose facility (indoor and outdoor) at the Hawke's Bay Regional Sports Park will meet the needs identified both in the reports and research, and from the personal input from many with whom the Trust has communicated.

The facilities will be of a size and scale to fulfil the needs and be available to all sectors of the population – pre-school through to elderly – all cultures and ages, and sports groups yet with their own targeted programmes, guidance and support, segmented to especially meet the needs and provide benefits to each. This in turn, in my view, will overcome barriers that too often prevent people becoming involved in programmes set around health, social wellbeing, physical activity.

It is noted that an integral part of the Trust's work (already implemented) is to offer the portfolio of programmes across the whole of the Hawke's Bay Region from Wairoa to Central Hawke's Bay.

The success of the Trust and the benefits it will bring to all participants is so very well founded in the acknowledged and highly acclaimed partners, and partnerships that have brought their outstanding commitment to excellence in their own fields and operations.

In a piece of work that I have been involved with over the recent past it was again reinforced that there is a **significant social and economic cost** to our country, to every community, and every community, Family and Whanau where latent potentials are not fulfilled. Potentials in health, wellbeing, fitness, and engagement.

As part of this work a most **startling and telling** comment was made to me by Paediatrician Dr Russell Wills when NZ Children's Commissioner. He said: there is a '**Poverty of Hope**' amongst many of our youth and younger people.

Dr Wills was (at that time) referring to the 'realisation of potential,' where decades of research and practice confirms that large numbers of youth never get to fulfil the opportunities that are available to them. The youth(s) lose out then, and into their future, their families/Whanau miss out, their communities miss out, and our nation misses out on what might/could have been.

The first consideration within 'step change' is to recognise that this Trust and its purpose is not only of, or for today or tomorrow, but will go on well into the future. It is not viewed as being a 'quick fix', but rather one requiring longevity.

This is really a Social (or Societal) investment to bring about positive attitudinal change, over time. One youth/person at a time.

This will, I believe, bring about positive attitudinal changes thereby growing **social and human capital** in our communities and reducing disparities.

It would be a pleasure to personally confirm any of the above comments and/or speak with anyone in support of the Trust.

LETTERS OF SUPPORT – NATIONAL GROUPS AND LEADERS

Hon Stuart Nash, MP for Napier, 16 April 2018

It is with great enthusiasm that I applaud you and your trustees for your vision and determination to improve the lives and wellbeing of communities and families in Hawke's Bay. As remarkable as it has been to watch you secure the level of support, funding and backing from a wide range of stakeholders, it is all the more remarkable to learn more about the programmes that will be delivered throughout our region.

It is my understanding that although your project has wide reaching objectives, it will specifically provide education and training that lead to healthier lifestyles as well as programmes designed to

get alongside and assist at-risk youth. The health and physical activity work delivered by the Trust into schools throughout the region will also positively impact our communities for generations to come.

I am confident, having become familiar with your project and a genuine supporter of your vision for the health and wellbeing of Hawke's Bay communities, that this project is well positioned for further support. I will be actively seeking and advocating for support and understanding of this significant project. It is clear to me that your project will achieve many of the social and economic outcomes that our local, regional and central governments have prioritised.

Please pass on my strongest encouragement to your Trustees, supporters and other key regional stakeholders. I look forward to continuing to advocate strongly for the level of financial support that will ensure the successful delivery of your project and its impact in communities throughout Hawke's Bay.

Lawrence Yule, MP for Tukituki, 28 February 2018

The Hawke's Bay Community Health and Sport Centre is going to be a transformational facility that will have a positive impact on our region's communities. The project is seeking funding for the completion of the initial development having already achieved significant success in gaining public and private financial support.

The project will deliver important new sport training and recreation facilities to our region. It has become integrated into the planning of future facilities of our region through the Trust's effective engagement with regional authorities. Additionally, it is sure to add social capital and economic impetus to our region through its broad public impact, especially on the youth in our region.

The Hawke's Bay Community Fitness Centre Trust has widespread support in the community and has already effectively engaged with a variety of key stakeholders. The support of these stakeholders speaks volumes on how effective this facility will be in addressing a variety of issues and opportunities in our communities.

I fully support this project, which I believe will benefit a cross section of the community for generations to come.

Mike Stanley, President, New Zealand Olympic Committee, 1 March 2018

It is with excitement that I have followed the proposal for the Hawke's Bay Community Sport and Health Centre project. With all that AUT Millennium has been able to accomplish in supporting the health and wellness of our local community, I have no doubt this facility will provide the same benefits to the people of the Hawke's Bay.

Since its inception, AUT Millennium has aimed to deliver the best facilities and expertise to enable our community to be the best they can be. While we do provide an unrivalled hub for high performance athletes, we also endeavour to support the sporting, health and wellness outcomes of

the wider community. We have seen widespread participation in our programmes across a broad section of society including facilitating an introduction to healthy, active living for many schools and community groups. This increased inclusiveness within our local community is testament to our mission being well-executed across the organisation.

We want health, wellness and fitness programmes to be accessible to the community at any stage of life. It is possible for a young child to learn to swim at AUT Millennium, follow any one of a number of sports pathways as they grow, join our gym, and be supported by the services we provide along the way.

Supporting all New Zealanders to reach their potential is our goal, and it is satisfying to see the impact our services continue to have on the wellbeing of the community. From weight loss and improving health to international sport representation, the results of our services have been significant and encouraging. The Hawke's Bay Community Sport and Health Centre has the potential to produce improved health and performance outcomes for the wider region, the importance of which cannot be underestimated.

As engagement with our facility has grown, we have proudly noticed the community embrace our values and vision as a place where everybody can be the best they can be. This in turn motivates our organisation to remain at the forefront of health and wellbeing services. The people of the Hawke's Bay region will benefit immensely from a local facility with similar goals and an appreciation of the unique needs of the region.

We wish you all the best with the project and look forward to its development.

Sport New Zealand Chief Executive – Peter Miskimmin, February 2018

Thank you for updating me on progress with planned Hawke's Bay Community Health and Sport Centre. I would personally like to congratulate you and the many supporters of the project – I agree, this facility together with the many programmes and activities envisaged will make a positive impact on local and regional communities.

In 2015, the Hawke's Bay Regional Sports Council adopted the *Hawke's Bay Regional Sports Facilities Plan*. The Plan lists six commitments essential to ensure coordinated and informed planning maximises use of existing facilities and in plans for the future sports facilities across the region. Sport NZ is of the view that the proposed Hawke's Bay Community Health and Sports Centre is closely aligned with these principles, especially that sport and recreation facilities incorporate the principles of co-location and shared use (hubbing) to ensure they are meeting clearly identifiable needs and remain financially sustainable.

Like Sport NZ, you will share the concern about health outcomes in the Hawke's Bay highlighted by the Health Equity in Hawke's Bay Reports, which identify that Hawke's Bay, as a region, is doing worse than the national average across multiple health indicators. Of the 49 indicators examined, Hawke's Bay is worse than the New Zealand average in 15 areas.

While active recreation and sporting participation is not an instant panacea for the identified health issues, facilities and services as envisaged for the Hawke's Bay Community Health and Sport Centre can play a significant role in improving outcomes in some key areas.

The value of sport to communities cannot be measured on physical outcomes alone, but as an activity that can achieve wider social, health and economic outcomes. There is a core argument that in addition to the direct benefits generated by the growth of the sport and active recreation has the capacity to cover a wide range of external effects including: health benefits, crime reduction, educational attainment, social capacity and cohesion, and improvements in living standards.

It is clear than any facilities and programmes for improving participation rates for people in Hawke's Bay will contribute to better outcomes for the community as a whole, in addition to individual improvements in health and wellbeing. From everything we know about this planned facility, it ticks the above considerations.

Of significance to me is your track record in delivering projects that are effective, sustainable and fit-for-purpose. I would like to express my high confidence in your leadership and acumen enabling this project to succeed well into the future.

APPENDIX 4: DHB MEMORANDUM OF UNDERSTANDING

Through a Memorandum of Understanding signed in October 2016 between the HBCFCT and Hawke's Bay District Health Board, the DHB committed to support a collegial working relationship, providing when appropriate healthcare professionals advising on clinical, operational and strategic health matters to align with healthy weight activities. A copy of the Memorandum is shown below.



MEMORANDUM OF UNDERSTANDING

Between

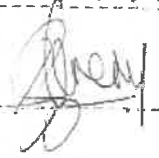

Hawke's Bay Community Fitness Centre Trust

And

Hawke's Bay District Health Board

'BE THE BEST YOU CAN BE'

Signatories to this Memorandum of Understanding

| | |
|---|--|
| Signed for and on behalf of Hawke's Bay Community Fitness Centre Trust | Signed for and on behalf of Hawke's Bay District Health Board |
| Name <u>Graeme Avery</u> | Name <u>Kean Atkinson</u> |
| Signature  | Signature  |
| Designation <u>CHAIR</u> | Designation <u>Chair</u> |
| Date <u>18.10.2016</u> | Date <u>18/10/16</u> |



**THIS MEMORANDUM OF UNDERSTANDING (MOU) IS MADE 18 OCTOBER 2016 BETWEEN
HAWKE'S BAY COMMUNITY FITNESS CENTRE TRUST AND HAWKE'S BAY DISTRICT
HEALTH BOARD**

Status of the MOU

This MOU confirms that the relationship between the Parties is based on a spirit of goodwill and co-operation and does not override any legal right or obligation that any of the Parties may have under any legislation or regulation to carry out lawful powers and functions.

Purpose

This MOU sets out the mutual expectations that arise from the desire of both parties to work together for the benefit of the community of Hawke's Bay.

Relationship Principles

The following values will guide us in all our dealings with each other under this MOU:

- Integrity – we will act towards each other honestly and in good faith
- Good communication – we will listen, talk and engage with each other openly and promptly including clear and timely written communication
- Enablement – we will seek to enable each other to meet our respective objectives and commitments to achieve positive outcomes for the Hawke's Bay community
- Trust and co-operation – we will work in co-operative and constructive manner recognising each other's viewpoints and respecting each other's differences
- Accountability – we will encourage new approaches and creative solutions to achieve positive outcomes for communities and consumers of our services
- Quality improvement – we will work co-operatively with each other to achieve quality services with positive outcomes for consumers

Objective

Hawke's Bay Community Fitness Centre Trust vision is to establish a world class sports and recreational hub and community health centre at the Hawke's Bay Regional Sports Park as a "Centre for Excellence in Human Performance", by supporting all age groups across the Hawke's Bay region in community health and fitness, school sports development, community sport performance along with sports and health science research.

To promote its programmes, the facility will include an indoor sports and recreation hall, strength and conditioning gym for sports and wellness development, community health and fitness gym, sprint track, pole vault dome, fitness trail, wellness tutorial rooms, a sports medicine centre and an on-site accommodation lodge.

Programmes will also be delivered off-site at pre-schools, primary and secondary schools and community recreation centres, including at Waipukurau and Wairoa.

Hawke's Bay District Health Board believes individuals and whānau should be at the centre of health care, taking health services into the community to ensure we are delivering the right care to the right people in the right place the first time. The Hawke's Bay Healthy Weight Strategy provides a framework to support co-design and collaboration via the lifespan approach to activities to improve healthy weight.



Obesity is recognised as a major public health issue for New Zealand as it increases a person's risk of dying young. The Health Equity in Hawke's Bay report identified an increase in obesity across the population with disparity in rates with Pasifika (68%) and Maori (51%) compared to total population (34%), which are all above the national averages. The leading factor is the obesogenic environment that includes easily accessible calorie-rich, nutrient-poor food and less physical activity.

Programme Development

Hawke's Bay Community Fitness Centre Trust will develop a range of programmes, for example:

- Education on healthy lifestyles from conception to pre-school, through to the elderly (with an emphasis on healthy eating and active recreation for all)
- Physical literacy and healthy eating education for primary and secondary schools (inculcation of a life-long journey)
- Training and guidance to schools, educational institutions and other community groups on healthy lifestyles, physical activity, sport and recreation
- Long-term athlete development in sport to improve performance in sport

All programmes will be based from research-led programmes of AUT University, AUT Millennium in Auckland, Hawke's Bay Eastern Institute of Technology and those of Hawke's Bay communities, including Māori and Pasifika.

Collaborative working groups of professionals trained and experienced in physical literacy, nutrition, healthy lifestyles education, primary healthcare and health promotion will lead the development of programmes on healthy eating and active recreation, which will be based on best evidence from research in these areas.

Programmes will be managed by Instructors/Coaches with tertiary degrees or diplomas in Sports Science, Health, Fitness/Sports Coaching or Sports Management, or with specific Coaching experience in a particular sport, or Providers certified by High Performance Sport NZ (HPSNZ).

Hawke's Bay District Health Board will support a collegial working relationship, providing when appropriate, healthcare professionals advising on clinical, operational and strategic health matters to align with healthy weight activities. Sharing relevant information as required for the purposes of the Programmes, so long as the information is shared consistent with the law and the term of this MOU.

Responsibilities of all Parties

Both Parties will:

- take all reasonable steps to undertake all matters covered by this MOU in a spirit of mutual co-operation and in a professional and competent manner
- be responsible for the payment of its own costs and expenses in connection with the activities of this MOU
- consult with each other as appropriate and keep each other informed of any major matter, policy, practice or procedure affecting any aspect of this MOU
- endeavour to resolve any issues between them relating to the performance of the Services or any other aspect of this MOU
- provide each other with information relating to the actions taken in respect to any matters covered in this MOU in so far as this is reasonably practicable and permitted by law
- comply with all relevant legislation and relevant government and ministerial policies



Communications

The Parties agree to consult with each other before providing to the media or any third party any information or comment on a matter that may come within another Party's responsibility or in which that other party has an interest.

It is agreed that if any Party is concerned about any matter relating to this MOU or the policies, communications or operational matters of the other party it will:

- raise that concern through the appropriate internal channels, rather than through the media, any third party and respective ministers; and
- ensure that concern is notified to the contact people as soon as reasonably practicable

Contact People

The points of information exchange will operate between the Parties as follows, this includes all matters involving the media and any third party regarding the subject matters of this MOU:

- Hawke's Bay Community Fitness Centre Trust – Sir Graeme Avery, Chairperson
- Hawke's Bay District Health Board – Dr Caroline McElroy, Director of Population Health

Term

This MOU will commence on the date of signing and will expire on the date that is one year from the commencement date, unless the Parties agree in writing to extend the MOU for a further term of one year or any other period.

Review, Amendments and Early Termination

The MOU may be:

- re-negotiated as a result of any change to legislation or government or departmental policy which will or may affect the purpose and functions of the MOU
- amended and any Schedule or Appendix to this MOU may be added, replaced, or repealed, at any time by written agreement signed by all Parties

A party may withdraw from this MOU by giving three months' notice in writing to the other Parties.

Dispute or Difference Resolution

The Parties agree they shall attempt, at the earliest opportunity, to resolve any dispute or difference between the Parties in relation to the performance of this MOU. Only when matters remain unresolved or require further adjudication should they be referred to the contact people for joint resolution. Where the matter remains unresolved following referral to the contact people, the dispute will be referred to both parties' executive management teams and/or Board of Directors.

Legal Responsibilities

Nothing in this MOU shall make any Party liable for the actions of any other Party or constitute any legal relationship between the Parties.

It is understood, since this is a MOU, that neither party will be bound by its terms, nor any intention or expectation by either party to fund and/or deliver the same or similar service for any subsequent period.

APPENDIX 5: TRUST STRATEGIC PLAN 2018-19



HAWKE'S BAY COMMUNITY FITNESS CENTRE TRUST STRATEGIC PLAN 2018-2019



DRAFT FOR CLIENT FEEDBACK

**12 MARCH 2018
(revised 10 July 2018)**



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INTRODUCTION

The Hawke's Bay Community Fitness Centre Trust developed this inaugural Strategic Plan to:

- express the Trust's long-term vision;
- identify key priorities; and
- establish an action plan.

The Plan was developed through Trustee strategic discussions and consultation with key stakeholders.

Progress against the Plan will be regularly monitored at Trust meetings. The Plan will be reviewed and refreshed in early 2019.

BACKGROUND

The Hawke's Bay Community Fitness Centre Trust (HBCFT) is an asset-owning governance and operational charitable trust formed in 2016 with governance representation from:

- Hawke's Bay Eastern Institute of Technology (EIT) – represented by Chris Collins, CEO
- Sport Hawke's Bay – represented by Mark Aspden, CEO
- Hawke's Bay Sports Events & Education Consortium – represented by Bruce Mactaggart, Secretary
- Independents – represented by Sir Graeme Avery (Chair), President Sileni Estates; Mike Purchas, CEO Sportsground; Wendy Pirie, Owner TimberNook; Giles Pearson, Accountant and former PWC partner.

The Trust works in close partnership with:

- AUT University
- AUT Millennium Institute of Sport & Health
- Hawke's Bay District Health Board.

TRUST PURPOSE

The Trust was formed to:

- establish new facilities at the Hawke's Bay Regional Sports Park (HBRSP); and
- govern operations and programmes to cater for regional needs around community health and fitness, sporting excellence, health-related education and research.

The initiative is modelled off the successful AUT Millennium in Auckland by integrating community sport, school sport development, community health and fitness and high-performance sport into a leading Centre of Excellence in Human Performance.



FACILITY AND ACTIVITIES

To promote its programmes, the HBRSP facility will include an indoor community sports and recreation hall, strength and conditioning gym for sports and wellness development, community health and fitness gym, sprint track for speed and fitness testing, community fitness trail, wellness tutorial rooms, a sports medicine centre and an onsite accommodation hostel.

This will be a transformational initiative for enhancing human performance excellence, with special programmes for:

- the whole community, from encouraging health and wellbeing for all ages through to sports and recreation development in schools and clubs; and
- across the whole Hawke's Bay region from Central Hawke's Bay, Hastings and Napier to Wairoa.

To achieve this vision, programmes from the world leading AUT University, AUT Millennium in Auckland and nationally top-ranked EIT in collaboration with the Hawke's Bay District Health Board, Hastings District Council and Sport Hawke's Bay, will include research-led and group-specific:

- education to encourage healthy eating and physical activity, from conception to pre-school through to the elderly; and
- training and guidance to schools and sports groups on healthy lifestyles, physical literacy and sports performance development.

The programmes of the Hawke's Bay Community Fitness Centre Trust operate in a different space and will supplement the more general programmes of Sport Hawke's Bay.



Pacific Environmentals NZ Ltd and Registered Architects



SCOPE OF PROGRAMME ACTIVITIES

Funding and communication messages are separate and different for the Trust's Commercial Services compared to those that are Social and Research Services.

Commercial Services

| Programme activities | Funding |
|---|---|
| Education Outside the Classroom (Primary and Intermediate Schools) | User pays annual fee for AD programmes. A one-time fee for EOTC, but with subsidised funding from Karamu Rotary Club for decile 1 and 2 schools and individuals with financial hardship (the Trust's income will not come from disadvantaged communities) |
| Athlete (athletic) Development (Intermediate and Secondary Schools and Sports Groups) | |
| Community Health and Fitness Gym (Individuals) | Fee for a defined period, including a bulk annual fee for organisations |
| Workplace Wellbeing (corporates, other organisations including School staff and Councils) | Unhealthy weight Māori and Pasifika are expected to continue to use their current own gyms and services |

Social Services and Research Services

| Programme activities | Funding |
|--|---|
| Obesity Intervention Study, titled 'Health Weight for a Longer Healthier Life' | Grants from Charitable Trusts, Councils, Police and Health Research organisations both local and national |
| At-Risk Youth | |

For further information and Outline of Programmes refer to Stakeholder Briefing Report by APR Consultants, 10 January 2018.



COMMUNICATION MESSAGES

The Trust has begun working with ConnectPlus on imagery and communications for the Karamu Hastings Rotary Club Annual fundraising event for the Trust. Key communication messages are:

- to create a 'Centre of Excellence in Human Performance'
- by helping people to 'Be the Best You Can Be'
- a facility and programmes for young and old
- opportunities for all social-economic groups and abilities
- programmes across the whole HB region
- world best evidence behind all programmes
- delivered by professionally qualified and experienced individuals
- a Community Health & Fitness Gym with regular monitoring of health and wellbeing
- structured Workplace Wellbeing, including mental wellbeing, programmes
- a multiple-sports training facility with sports medicine and sports science services on-site
- an accommodation hostel for schools and sports group camps and business meetings using the facility



COMPLEMENTARY FIT WITH SPORT HB

The Trust and Sport Hawkes Bay each operate in a **DIFFERENT** way and component of the overall space and are **COMPLEMENTARY**.



Sport Hawke's Bay (dark green and light orange in the diagram)

Provide general and specific services to the community + collaboration with HB DHB and associated community social services.

Hawke's Bay Community Fitness Centre Trust (dark orange)

Provide targeted services to the community that are not done by Sport Hawke's Bay, but delivered in collaboration with them and HB DHB and associated community social services

- Changing Lives/Healthy Weight for a Longer Healthy & Quality Life multi-component RESEARCH study in ECE Centres and Primary Schools
- SPORTS TALENT IDENTIFICATION and Athletic Development holistic programme (strength, agility, speed; nutrition; life skills; mental skills)
- AT RISK YOUTH using achievement in sport to establish self-esteem, leading to leadership development through sport skills instruction and on to interest in job training and employment through the self-confidence obtained from the programme
- COMMUNITY GYM is a facility of the Trust, from which a JV with Sport Hawke's Bay will deliver WORKPLACE WELLBEING programmes

These programmes are not conducted at the Waipukurau Recreation Centre or Schools in the District and will complement and enhance current programmes.

ADDED VALUE will result from all the Trust programmes.



VISION

"Hawke's Bay's Centre of Excellence in Human Performance"

MISSION

"Helping the people of Hawkes Bay 'To Be The Best You Can Be' through establishment and operation of a world class sports and recreation hub and community health centre supporting all age groups across the Hawke's Bay region in community health and fitness, school sports development and community sport, along with sports and health science research"

VALUES

(grouped in alphabetical order)

Aspirational

Collaborative, Community-focused, Inclusive and Connected

Evidence-led and Professional

Honest, Humble and Respectful

Pioneering and Transformational

STRATEGIC PRIORITIES

The Trust's strategic priorities for the period 2018 to 2019 are as follows:

| Priority area | Priority status | Timeframe | Key elements |
|--------------------------|-----------------|-----------------|--|
| Fostering relationships | High | Now and ongoing | Use this Strategic Plan as a starting point to develop a Funder-Stakeholder and Partnering Action Plan with agreed timeframes and responsibilities |
| | High | Now and ongoing | Undertake partnership development and agreements including decisions around relationships with Sport Hawke's Bay and the Hawkes Bay Regional Sports Park Trust |
| | High | Now and ongoing | Maintain engagement with local and regional councils and central government |
| | High | Mid-term | Work with local iwi/Māori to develop a iwi/Māori Strategy for the Trust |
| Preparing for opening | High | Now | Finalise funding |
| | High | Now and ongoing | Finalise construction and development |
| | High | Now | Recruit General Manager |
| | High | Now | Develop a detailed business plan and operating budgets |
| Operations and marketing | High | Now | Develop a Branding and Communication Strategy |
| | High | Mid-term | Develop and implement community initiatives |
| | High | Now and ongoing | Maintain the Trust's status, reputation and competitiveness |
| Monitoring and review | High | Now and ongoing | Monitor and report on the Trust's plans, budgets, key indicators and research project to support continuous improvement, transparency and accountability |
| | High | Mid-term | Review and refresh the Trust's 2018 Strategic Plan |

ACTION PLAN

Fostering relationships

| Key elements | Actions required | Responsibility | Timeframe |
|---|---|---|---|
| Develop Stakeholder/Partner Plan | Use this Strategic Plan as a starting point to develop a Funder-Stakeholder and Partnering Action Plan with agreed timeframes and responsibilities | Giles Pearson | Completed before 30 September 2018 |
| Define long term relationship with Sport Hawke's Bay | Hawke's Bay Community Fitness Centre Trust (HBCFCT) and Sport HB to finalise discussions around Heads of Agreement for a potential merger | Working Group (Giles Pearson, Mike Purchas, Bruce MacLaggart, Graeme Avery) | Completed before 31 March 2019 |
| Define long term relationship with Hawke's Bay Regional Sports Park (HBRSP) Trust | HBCFCT and HBRSP to finalise discussions around Heads of Agreement for a potential merger | Mark Aspden | 2018-2019 |
| Synergise with Eastern Institute of Technology (EIT) | Explore ways to further develop the Trust's working relationship with EIT | Chris Collins, Mike Purchas, Graeme Avery, General Manager | 2018-2019 |
| Maintain and further develop collaboration with AUT Millennium | Explore ways to further develop the Trust's working relationship with AUT Millennium | Rick Ellis | 2018-2019 |
| Maintain engagement with local and regional councils and central government | Further engage with territorial local authorities (TLAs), local politicians and Central Government agencies to keep them engaged in the Trust's progress stories and seek their ongoing backing and endorsement | Graeme Avery, Clive Pedley, General Manager | 2018-2019 |
| Develop an iwi/Māori Strategy | Work with local iwi/Māori to support the development of a iwi/Māori specific strategy for the Trust | Wendy Pirie, Chrissie Hape (Ngāi Kahungunu), Val Norton (Community Development for Healthy Weight research study) | 2018-2020 Initial report before 31 November 2018 |

Preparing for opening

| Key elements | Actions required | Responsibility | Timeframe |
|--|--|--|--|
| Finalise funding | Lock down Phase 1 funding and finalise Phase 2 and 3 of funding plan | Graeme Avery, Clive Pedley | 2018-2019 |
| Finalise construction and development | Monitor and manage construction and facility development to ensure completion on time and within budget | Bruce Mactaggart, Mark Aspden | 2018-2019 |
| Recruit General Manager | Initiate and implement an open merit-based process for the employment of a General Manager to oversee operations Initial focus for 2018-2019 will be setting up commercial operations including Community Gym, and supporting the Trust's planning and development | Graeme Avery, Recruitment Committee TBA | Recruitment completed before 30 September 2018 |
| Develop a detailed business plan and operating budgets | Develop a business plan for Trust-governed operations with the aim of maintaining industry expertise across all fields and projects by specifying: <ul style="list-style-type: none"> Operating model Development timeframes Staffing model Service delivery Operating budgets (for adoption by the Trust). | Giles Pearson, Bruce Speedy | Completed before 30 September 2018 |

Operations and marketing

| Key elements | Actions required | Responsibility | Timeframe |
|---|---|------------------|------------------------------------|
| Develop a Branding and Communication Strategy | Develop a Branding and Communication Strategy for the Trust, including <ul style="list-style-type: none"> profiling Trust-led programmes with schools / community groups / ECE centres and other key groups consideration of EIT branding proposal, | Bruce Mactaggart | Completed before 30 September 2018 |
| Develop and implement community initiatives | Further develop and implement the Trust's best evidence community initiatives, in parallel with implementation of the Trust's Branding and Communication Strategy | General Manager | 2019-2020 |
| Maintain the Trust's status, reputation and competitiveness | Ensure funders / customers get the right messaging to maintain competitive advantage for the Trust | General Manager | 2018-2019 |

Monitoring and review

| Key elements | Actions required | Responsibility | Timeframe |
|--------------------------|---|--|------------|
| Monitoring and reporting | Monitor and report on the Trust's plans, budgets, key performance indicators and research projects to support continuous improvement, transparency and accountability | Mark Aspden, Trust Secretary/Administration Assistant | 2018-2019 |
| Strategic Plan review | Review and refresh the Trust's 2018 Strategic Plan | Trust Chair | Early 2019 |



PERFORMANCE AND PROGRESS MONITORING

Monitoring

The monitoring and review aspect of this Strategic Plan comprises regular reporting at Trust meetings on progress against:

- Strategic Plan, Funder-Stakeholder and Partnering Action Plan, Branding and Communication Strategy, Business Plan and hwi/Māori Strategy;
- capital and operational budgets;
- key performance indicators (KPIs) potentially including data collected through an annual community survey (e.g. awareness and satisfaction);
- research project status updates and emerging findings; and
- relevant regional outcome indicators such as data on physical activity and obesity trends.

KPIs will be defined and refined by the Trust over time. An initial KPI framework is shown below as a starting point for the further development of monitoring and reporting systems to track progress. Potential measures and data sources are shown on the next page.

Table 1: Draft KPI framework

| | | | | |
|----------------|---|-----------------------|--------------------------|-----------------------|
| Our vision | Hawke's Bay's Centre of Excellence in Human Performance | | | |
| Our Mission | Establish and operate a world class sports and recreation hub and community health centre supporting all age groups across the Hawke's Bay region in community health and fitness, school sports development and community sport, along with sports and health science research | | | |
| Our Priorities | Fostering relationships | Preparing for opening | Operations and marketing | Monitoring and review |

Review

This Strategic Plan will be reviewed and refreshed in early 2020, led by the Trust's Chair.



Table 2: Draft KPIs

| Strategic priorities | Indicators/measures | Data source |
|---------------------------|---|--|
| Fostering relationships | MoU agreements formalised | HBCFCT records |
| | Presentations and meetings with TLAs, local politicians and Central Government agencies | HBCFCT records |
| | Quality and quantity of engagement with Iwi/Māori | HBCFCT self-assessment, and feedback from Iwi/Māori key stakeholders |
| Preparing for opening | Funding targets, funding committed, and funding received (for operating and capital expenditure separately) | HBCFCT records |
| | Original construction completion date and current completion date | HBCFCT records |
| Operational and marketing | Number, type, and summary details of community initiatives planned and being delivered | HBCFCT records |
| | Participant numbers, participant ages and engagement levels in community initiatives delivered | HBCFCT records |
| | Volunteer supporter numbers and engagement levels | HBCFCT records |
| | Quality and quantity of stakeholder and community awareness, satisfaction, and engagement with the Trust | HBCFCT self-assessment, feedback from key stakeholders, and annual SurveyMonkey survey (to be developed) |
| Monitoring and review | Description of research projects planned, current implementation status, and emerging findings | HBCFCT records |
| | Regional physical activity levels, including by age and ethnicity | New Zealand Health Survey |
| | Regional obesity levels, including by age and ethnicity | New Zealand Health Survey |



APPENDIX 1: SWOT ANALYSIS

Factors internal to the Trust include:

- Human resources – staff, volunteers, board members, target population
- Physical resources – location, building, equipment
- Financial – grants, funding agencies, other sources of income
- Activities and processes – programmes, systems
- Past experiences – building blocks for learning and success, reputation in the community.

Strengths: factors that give the initiative an advantage

| Strength | Action required (maximise) |
|---|--|
| Relationships with funders | Ongoing relationship management and development |
| No competitors in core areas (for example, sports talent development) | Continue to develop expertise and standing |
| Strong relationships with Regional Sports Organisations (RSOs) and developing relationships with National Sports Organisations (NSOs) | Ongoing relationship management and development |
| Community support (schools, sports groups, DHB, geographic communities, Councils and Ngāi Kahungunu) | Ongoing relationship management and development |
| Evidence based programmes | Become world-leading |
| EIT as research and education partner | Facilitate collaboration |
| Relationship with AUT Millennium (reciprocity of relationship) | Ongoing relationship management and development |
| Relationship with Sport Hawke's Bay (community health and sport delivery) | Evaluate benefits of merging Trusts (a seamless delivery across whole continuum across health and sport) |
| Relationship with HBRSP Trust | Continue to grow and then evaluate benefits of merging Trusts |
| Relationship with High Performance Sport New Zealand (HPSNZ) | Ongoing relationship management and development |



| Strength | Action required (maximise) |
|--|--|
| Credibility – Chair and Trustees | Continue leveraging off work of Chair and Trustees increasingly picking up opportunities |
| Existing programmes with schools and sports groups including Iwi/Māori | Add additional schools, sports groups and staffing to fit + strengthening ongoing relationships. |

Weaknesses: factors of the initiative that are a disadvantage

| Weaknesses | Action required (minimise) |
|--|---|
| Too reliant on the Chair | Succession planning |
| Lack of formal arrangements with partners / stakeholders | Continue to develop and document MoUs and contracts Foster ongoing involvement of key stakeholders in the initiative |
| Lack of operational management | Recruitment of General Manager and transfer of business planning to management team |
| Need to further clarify and communicate the story | Letting the people tell the story |
| Lack of diversity and some skills in trustees | Review Trust composition and succession planning at the appropriate time |



Factors external to the Trust stem from community and societal forces.

- Future trends in sports, recreation health and wellbeing
- The economy – local, national, international
- Funding sources – foundations, donors, policy settings
- Demographics – changes in age, ethnicity and other characteristics of people in the region
- The physical environment
- Policy/legal environment
- Other local, national, or international factors.

Opportunities: external factors that the initiative could take advantage of

| Opportunity | Action required (optimise) |
|---|--|
| Much strengthened link into Central Government | Formal engagement with the Ministries of Health, Education and Social Development. |
| Getting clarity and structures around current and prospective stakeholder relationships | Formulation, delivery and documentation of a stakeholder/partner plan |
| Ensuring programmes are targeted to community needs | Evidence-based service delivery programmes based on defined needs and community consultation – with primary focus on commercially viable programmes |
| Research studies to support a future healthcare delivery system more based on wellness rather than sickness | Ensure our 'Changing Lives' research studies deliver successful outcomes |
| Explore a bold vision at the appropriate time | Selected stakeholder vision development big picture workshop |
| Marine sport centre in Napier and look at other regional hubs | Evaluate and develop for the future |
| Introduction of the Trust's research projects into ECE/ schools curriculum | Ensure success of the research pilot study – keeping schools engaged and informed. Getting greater insights into what they need – in particular, Community of Learning (COL) meetings and Principals Association |
| Relationship with Iwi/Māori | Outreach programme through a separate Iwi/Māori strategy and staff |



| Opportunity | Action required (optimise) |
|---|---|
| Develop a strategy around branding and communication to fit the different user groups and how we wish to be perceived | General Manager/Management Team to develop for commercial and research programmes |

Threats: external factors that could cause trouble for the initiative

| Threat | Action required (eliminate) |
|---|---|
| Change in Government policy | Try to influence the change in policy – coordinate between AUT Millennium and HBCFCT |
| Potential competing facilities and programmes | Continue to deliver the best and most cost-effective programmes / added value and satellite physical footprint in other geographical areas |
| Napier competing facilities | Strengthen Napier involvement in HBRSP facility but evaluate satellite service provision in Napier, especially for Hawke's Bay Rugby Football Union (HBRFU) |
| Satellites (Wairoa and CHB) feeling disenfranchised | To continue develop and strengthen relationships – formalise commitment? |
| Raising capital for successive stages in development programme | Graeme Avery, Clive Pedley and Council / Central Government supporters |
| Confusion with other groups especially Sport HB operating in the community health and sport space | Communicate clearly and simply that we operate in a different part of the community health and sport continuum (or merge Trusts) Maintain close working relationship and alignment with Sport HB |

From: [Wufoo](#)
To: [Thrive](#)
Subject: Annual Plan 2019/20 Consultation - Feedback [#17]
Date: Tuesday, 26 March 2019 5:14:48 PM

| | |
|---|---|
| Submitters Name | Bruce Stern |
| Postal Address | <input type="checkbox"/> 1 Morgan Mews Feilding , Manawatu 4702 New Zealand |
| Day Phone Number | 063237173 |
| Mobile Phone Number | 0272761391 |
| Night Phone Number | 063237173 |
| Email | bcstern@xtra.co.nz |
| Do you wish to present your comments to council in person at a hearing? | No |

Please note that your submission (including any personal information supplied) will be made available to Councillors and the public. Submissions Close on 12 April 2019 at 5pm

1. Tell us what you think about the proposal that Council give a \$250,000 suspensory loan to Water Holding CHB to keep the prospect of water storage alive in Central Hawke's Bay.

I am a Registered Surveyor, now retired, with a professional interest in the behavior of water in all its forms. For many years I have thought about the way in which this precious resource is used, and indeed largely wasted. We should have all the water we need; but when the rain comes the rivers flood, and their waters rush unimpeded to the sea. I have long wondered what can be done to retain some of this surplus so that it can be used in the dry periods, and have followed the progress of the Ruataniwha dam proposal. However I am not convinced that a high dam is the best option, and note that it is now unlikely to be built to its original design. If the intention is to harvest the flood flow, perhaps all that is needed is a low-level dam (little more than a weir) so that water can be drawn off when river levels are higher than normal. This then requires the storage to consist of a number of down-stream ponds separate from the river. This will give individual farms and commercial users their own sources to be accessed as required. In addition, the river itself would be little affected, and there would be no impact on the conservation estate, which proved to be a major obstacle.

Of course it remains to be seen whether this concept is practical with respect to Central Hawkes Bay, but it seems to me that this is the principle which should be explored. And there would be sites where the water could be supplemented by run-off from local catchments.

I realize these comments are only of a general nature, but if the concept is feasible I would certainly support the proposed loan to enable further progress to be made.

2. Do you agree with the changes to the Revenue & Financing Policy? Yes

3. Do you support the establishment of the Disaster Relief Fund Trust? No comment here

4. Do you have any feedback on the Draft Environmental Strategy? No comment here

Any other suggestions? Thank you for the opportunity to comment

From: [Tony and Joanna Cunningham](#)
To: [Thrive](#)
Subject: Written Feedback
Date: Tuesday, 26 March 2019 7:48:12 PM

I don't think funds should be channeled to Water Holdings CHB Ltd. The Makaroro River is unsuitable for a dam for many reasons but especially because of the amount of gravel in carries while in flood in relation to the total annual flow. Land owners need to plan and fund their own water storage/supply as individuals or in groups. After all climate change will most likely make the region more drought prone and so over time it would be wise to turn away from producing water dependent commodities and head towards developing ways to use the land in ways that requires less water. We need to adopt and be sustainable.

Thanks you for considering my comments.

Regards,
Tony Cunningham.

Leigh Collecutt

From: Wufoo <no-reply@wufoo.com>
Sent: Thursday, 28 March 2019 6:40 PM
To: Thrive
Subject: Annual Plan 2019/20 Consultation - Feedback [#19]

Submitters Andrew Renton-Green
Name

Postal 
Address 234 Mangarara Road RD2 Otane
4277
New Zealand

Day Phone 06 858 4120
Number

Mobile Phone 027 622 5275
Number

Email aprentongreen@gmail.com

Do you wish No
to present
your
comments to
council in
person at a
hearing?

Please note that your submission (including any personal information supplied) will be made available to Councillors and the public. Submissions Close on 12 April 2019 at 5pm

1. Tell us what you think about the proposal that Council give a \$250,000 suspensory loan to Water Holding CHB to keep the prospect of water storage alive in Central Hawke's Bay.

I believe that this proposition should be agreed to.

Many parts of CHB are in a drought areas. 90% of our winter and spring rainfall in the catchment ends up in the sea. To

dam the various water courses in the District and conserve this resource for agricultural, horticultural, and urban requirements is something that is so sensible I fail to understand the opposition to the proposals so far, Any water conservation and reticulation initiatives should be fast tracked and implemented without delay. Our region will grow and prosper with the provision of this essential natural resource. To delay implementation will stifle the present growth and enterprise in the District.

2. Do you Yes
agree with the
changes to
the Revenue
& Financing
Policy?

3. Do you Yes
support the
establishment
of the
Disaster
Relief Fund
Trust?

4. Do you Some of the data on which the proposals are based is questionable as they come from a pre–destined
have any political positions.
feedback on
the Draft
Environmental
Strategy?

Leigh Collecutt

From: Wufoo <no-reply@wufoo.com>
Sent: Friday, 29 March 2019 9:29 PM
To: Thrive
Subject: Annual Plan 2019/20 Consultation - Feedback [#20]

Submitters Name Sarah von Dadelszen

Postal Address



615 Hinerangi Road R D 1
Waipukurau 4281
New Zealand

Mobile Phone Number 0273364760

Email hinerangistn@xtra.co.nz

Do you wish to present your comments to council in person at a hearing? No

Please note that your submission (including any personal information supplied) will be made available to Councillors and the public. This is an excellent idea. The initiative is one that will benefit the entire community and we should embrace the opportunity to assist this group in moving ahead with it. I fully support the councils proposal.

Submissions Close on 12 April 2019 at 5pm

1. Tell us what you think about the proposal that Council give a \$250,000 suspensory loan to Water Holding CHB to keep the prospect of water storage alive in Central Hawke's Bay.

Leigh Collecutt

From: Wufoo <no-reply@wufoo.com>
Sent: Sunday, 31 March 2019 1:03 PM
To: Thrive
Subject: Annual Plan 2019/20 Consultation - Feedback [#21]

Submitters George Harper

Name

Postal



Address 4 Richmond Lane
Waipawa, Hawke's Bay 4210
New Zealand

Day Phone 068577073

Number

Mobile 0273785954

Phone

Number

Email georgeharper25@gmail.com

Do you No

wish to

present

your

comments

to council

in person

at a

hearing?

Please note that your submission (including any personal information supplied) will be made available to Councillors and the public. Submissions Close on 12 April 2019 at 5pm

1. Tell us what you think about the proposal that Council give a \$250,000 suspensory loan to Water Holding CHB to keep the prospect of water storage alive in Central Hawke's Bay.

I am strongly opposed to this proposal on various grounds:-

This group of individuals have already purchased, at very little cost many millions of research paid for by the rate payers of Hawkes Bay. I feel that the rate payers have already contributed enough to what is essentially a scheme that will financially benefit a handful of people. In the current climate of "user pays" it is unacceptable that they should expect a further rate-payers contribution. There is no mention of security offered by the recipients to back this loan. On environmental grounds it flies in the face of scientific and public sentiment. To pay for any scheme users must increase production. This will inevitably mean more fertilizer and therefore more dissolved inorganic nitrogen leeching into our aquifers and waterways. Both these systems are fragile and already overloaded. We should look at the unacceptable situation that has developed on the Canterbury plains and learn from them rather than repeat their mistakes.

Leigh Collecutt

From: Wufoo <no-reply@wufoo.com>
Sent: Monday, 1 April 2019 2:07 PM
To: Thrive
Subject: Annual Plan 2019/20 Consultation - Feedback [#22]

Submitters Name Tony

Do you wish to present your comments to
council in person at a hearing? No

From: Wufoo <no-reply@wufoo.com>
Sent: Monday, 1 April 2019 2:10 PM
To: Thrive
Subject: Annual Plan 2019/20 Consultation - Feedback [#23]

Submitters Name Tony Robson

Postal Address 
86 Tamumu Road RD1
Waipawa 4271

Mobile Phone Number 0275120876

Email tonyrobson88@icloud.com

Do you wish to present your comments to council in person at a hearing? No

Please note that your submission (including any personal information supplied) will be made available to Councillors and the public. Council should not be giving loans to private companies, I do not support this .
Submissions Close on 12 April 2019 at 5pm

1. Tell us what you think about the proposal that Council give a \$250,000 suspensory loan to Water Holding CHB to keep the prospect of water storage alive in Central Hawke's Bay.

2. Do you agree with the changes to the Revenue & Financing Policy? What changes ? The document is not clear enough about what exactly the changes are .

Leigh Collecutt

From: Wufoo <no-reply@wufoo.com>
Sent: Wednesday, 3 April 2019 10:56 AM
To: Thrive
Subject: Annual Plan 2019/20 Consultation - Feedback [#24]

Submitters Martin Lord
Name

Postal 
Address 4/75 Kyle Road PO Box 142
Waipukurau, Please select a Country 4242
New Zealand

Day Phone 068588899
Number

Night Phone 068588899
Number

Email lordmartin@xtra.co.nz

Do you wish No
to present
your
comments to
council in
person at a
hearing?

Please note I have no issue with this, although I would question what the point of their proposals are as the idea of
that your building the main dam has been quashed by environmentalists over the legalities of swapping DOC
submission land. Is building smaller dams really going to have any affect at times of low rainfall?
(including
any personal
information
supplied) will
be made
available to

Councillors
and the
public.
Submissions
Close on 12
April 2019 at
5pm

1. Tell us
what you
think about
the proposal
that Council
give a
\$250,000
suspensory
loan to Water
Holding CHB
to keep the
prospect of
water storage
alive in
Central
Hawke's Bay.

2. Do you agree with the changes to the Revenue & Financing Policy?

No.

The Council statement that the rates rise proposed for 2019 is only 4.36% is either a blatant lie, or someone's misjudgement based on childhood kindergarten arithmetic! The 4.36% quoted is derived from the average of the proposed percentage change for 2019/2020 for the different property description types in each region. This is not the average of the rate rise for the district. To produce the average rate rise for the district from these figures you would have to work out the number of properties in each category. For example; the 19.5% reduction for beach properties at Blackhead would be vastly outweighed by the number of properties affected by a 10% increase in the low value residential properties in Waipukurau.

From the Council annual plan financial supporting information, above, the estimated income from rates up to July 2019 is \$19,772,000. The proposed income from rates for the 2019/2020 year is \$23,647,000. This is a 19.60% increase in rates across the district ($23,647 - 19,772 / 19,772$).

The Council is using the rate revaluation as a tool to vastly increase the rates across the district. The vast majority of properties have increased in value across the district, but this increase is roughly the same proportionally for each property, with some small variation. In that case the rates bill for each property should be proportionally the same as last year.

Even though there are supposedly some properties that are getting a rates reduction I have yet to meet anyone that has one.

Based in a rural area, we get none of the services that people in town get, we have no sewerage, no storm water, no street lights, the verges are never cut, but yet you are increasing our rates by a higher proportion than people in town based on the fact that our properties have increased in value.

From the Council annual plan financial supporting information the forecast for the annual plan is a requirement of \$20,646,000 from rates and yet the amount sort for the 2019/2020 from rates is \$23,646,594, which is suddenly an extra \$2,000,000.

3. Do you Yes.
support the
establishment
of the
Disaster
Relief Fund
Trust?