



# *Hastings District Council*

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**OPEN**

# **A G E N D A**

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## **COUNCIL MEETING**

**Meeting Date: Friday, 9 June 2017**

**Time: 10.00am**

**Venue: Council Chamber  
Ground Floor  
Civic Administration Building  
Lyndon Road East  
Hastings**

<b>Council Members</b>	Chair: Mayor Yule Councillors Barber, Dixon, Harvey, Hazlehurst, Heaps, Kerr, Lyons, Nixon, O'Keefe, Pierce, Poulain, Redstone, Travers and Watkins
<b>Officer Responsible</b>	Chief Executive – Mr R McLeod
<b>Council Secretary</b>	Mrs J Evans (Extn 5018)



# HASTINGS DISTRICT COUNCIL

## COUNCIL MEETING

**FRIDAY, 9 JUNE 2017**

**VENUE:** Council Chamber  
Ground Floor  
Civic Administration Building  
Lyndon Road East  
Hastings

**TIME:** 10.00am

## A G E N D A

**1. Prayer**

**2. Apologies & Leave of Absence**

Apologies from Councillor Pierce and Councillor Kerr have been received.

Leave of Absence had previously been granted to Councillor Barber

**3. Conflict of Interest**

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or Executive Advisor/Manager: Office of the Chief Executive (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

**4. Confirmation of Minutes – There are no minutes to confirm**

<b>5.</b>	<b>Government Inquiry into Havelock North Water and Hastings District Council Water Services Capabilty and Capacity Review</b>	<b>5</b>
<b>6.</b>	<b>Long Term Impacts From Gastro Crisis - Community Assistance Options - Addendum Report</b>	<b>15</b>
<b>7.</b>	<b>Remuneration Authority - Response to Consultation for 1 July 2017 Determination</b>	<b>21</b>
<b>8.</b>	<b>Additional Business Items</b>	
<b>9.</b>	<b>Extraordinary Business Items</b>	

**REPORT TO: COUNCIL**

**MEETING DATE: FRIDAY 9 JUNE 2017**

**FROM: CHIEF EXECUTIVE  
ROSS MCLEOD**

**SUBJECT: GOVERNMENT INQUIRY INTO HAVELOCK NORTH  
WATER AND HASTINGS DISTRICT COUNCIL WATER  
SERVICES CAPABILITY AND CAPACITY REVIEW**

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## **1.0 SUMMARY**

- 1.1 The purpose of this report is to formally advise Council about the Findings of the Government Inquiry into Havelock North Water, and to report to Council on the Water Services Capability and Capacity Review undertaken in response to the water contamination event and associated gastro-outbreak that occurred in Havelock North in August 2016.
- 1.2 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.
- 1.3 The objective of this decision relevant to the purpose of Local Government is to enable Council to formally exercise governance oversight of Council operations and activities in respect of water supply services and infrastructure, and the wider water services area. This is particularly important in this instance as the review being reported has been undertaken to help Council ensure the water services activity is structured, supported and resourced adequately to enable it to undertake its functions and responsibilities, including the supply of safe drinking water, effectively.
- 1.4 This report concludes by recommending:
- A) That the report of the Chief Executive titled "Government Inquiry into Havelock North Water and Hastings District Council Water Services Capability and Capacity Review" dated 9/06/2017 be received.
  - B) That the Hastings District Council Water Services Capability and Capacity Review report be received.

## **2.0 BACKGROUND**

- 2.1 Council is well aware of the circumstances surrounding the water contamination event and outbreak of campylobacteriosis that occurred in August 2016. It is not intended that this be canvassed in detail again here.

- 2.2 In the wake of the event and outbreak, a Government Inquiry into Havelock North Drinking-Water was established. The Stage One report and findings of the Inquiry were released on 10 May 2017.
- 2.3 This report formally presents the key findings of the Inquiry to Council. It also comments on the measures the Council is taking to address findings of fault or failure levelled at the Council by the Inquiry, and to ensure safe drinking water.
- 2.4 The Council conducted its own extensive investigation of the cause of the contamination event. This contributed significantly to establishing the cause of the contamination and outbreak, and to the work of the Inquiry. Alongside this, Council also examined its own records, systems and operational arrangements following the outbreak, and as it assisted and prepared for the Inquiry.
- 2.5 After considering this work, the Chief Executive determined to undertake a number of pieces of work aimed at improving or addressing deficiencies in the Council organisation's arrangements for the management of water supply and wider water operations. These included a legal compliance review, a risk management review, the engagement of international water safety expertise and a review of capability and capacity in the water supply and wider water services teams.
- 2.6 The last of these pieces of work, the review of capability and capacity, is now complete. This report formally presents the review report, and the Chief Executive's intended response to it, to the Council

### **3.0 GOVERNMENT INQUIRY FINDINGS**

- 3.1 The Government Inquiry released its stage one report on Wednesday 10 May, 2017.
- 3.2 The key findings of the Inquiry are attached to this report as appendix 1. Councillors have previously been provided copies of the report. The report can also be found at <https://www.dia.govt.nz/Government-Inquiry-into-Havelock-North-Drinking-Water>
- 3.3 The findings of the Inquiry address the both cause of the contamination event and gastro outbreak of August 2016, and a range of other non-causal findings of fault and failure.
- 3.4 In terms of causation, the Inquiry found that the most probable cause of the contamination was surface water contaminated with sheep faeces entering the aquifer through an opening in the confining layer, and flowing through the aquifer to Brookvale Bore One.
- 3.5 The science work considered by the Inquiry strongly suggests that the Bore drew the contaminated water into the water supply while operating in its normal operational manner.
- 3.6 The Inquiry also identified a number of failings on the part of a number of parties with responsibilities for the water supply regime. It stated that the

- failings it identified, particularly on the part of the Hawke's Bay Regional Council and the Hastings District Council, did not directly cause the outbreak.
- 3.7 The Inquiry did note that absent those failings a different outcome **may** have occurred. From analysing the report and the science work done, this seems to particularly apply to failings relating aquifer protection and risk management, including catchment risk management.
- 3.8 While the Inquiry also identified failings on the part of the Hawke's Bay Regional Council, the Drinking Water Assessors and MWH, this report focuses on findings of fault or failure levelled at the Hastings District Council.
- 3.9 Particular failings identified by the Inquiry on the part of the Council include:
- failure to adequately investigate and address risks to drinking water safety (particularly following on from the 1998 event).
  - failure, particularly at middle management level, to effectively respond to and escalate instances of contamination and compliance issues and to manage delegated work effectively.
  - maintenance work on bores was not managed properly, and record keeping of this work was inadequate.
  - operational risk management in water has not been robust enough.
  - delays in completing the Water Safety Plan and other compliance and planning work required by the Drinking Water Assessors.
  - failure to take opportunities to work collaboratively with other organisations to advance the work of keeping drinking water safe.
- 3.10 It is clear from the Inquiry's findings and the Council's own work, that aspects of organisational performance relating to water supply dating back to 1998 and previously have been substandard. It is appropriate, as the Chief Executive, with accountability for organisational performance, to record here my apology to the elected Council and the community, on behalf of the organisation and myself, for the failings found within the Council's performance, and for the fact that the contamination event, while not caused by Council, happened on 'our watch'.
- 3.11 In discussing these failings, the elected Council has been crystal clear that it wants all failings and instances of substandard performance fixed, and action taken to ensure no repeat of the contamination event can occur again.
- 3.12 The Chief Executive and the Council have already taken, put in place or commissioned a number of actions to ensure safe drinking water and to address the failings and faults identified through the Inquiry or via the Council's own investigations. These include:
- Brookvale Bores 1 and 2 have been shut down.

- The Hastings/Havelock North water supply has been chlorinated (supplying Hastings, Havelock North, Flaxmere, Pakipaki and Bridge Pa).
- A full water treatment plant has been installed on Brookvale Bore 3, including filters and UV treatment, as well as chlorination.
- The frequency and range of water testing has been increased – E. coli testing daily and protozoa weekly.
- A Joint Working Group with members from the health authorities and the Hastings, Napier and Hawke's Bay Regional Councils has been put together to address and collaborate on drinking water safety matters. This group reports to the Inquiry.
- An international water safety expert has been contracted to advise on and peer review water operations and decision making.
- Catchment planning and protection studies are underway.
- Further age testing of the water has been carried out in the wake of the discovery of 'young' water in parts of the aquifer.
- Funds have been put into the Council's annual budget in preparation for further work on possible new water sources and network enhancements to make the network more resilient.
- A review of legislative compliance is underway with water as a priority area.
- A full revision of Council's risk management framework, policy and key risks has been undertaken involving the full Council and the Risk and Audit Subcommittee. This will drive changes to risk management at the operational level.
- Council is working constructively with the Hawke's Bay Regional Council, who manage the aquifers and regulate the consents we use to draw water for the district supply.
- Council has completed an Emergency Response Plan and a revised Water Safety Plan.
- Installation of UV treatment at the Wilson Road and Frimley bores will occur over the next year.
- Consideration of treatment options at the Eastbourne bores will occur over the next year.
- Investigation into new sources of water from different parts of the aquifer is underway.
- Work on new water infrastructure to enable greater supply volumes is about to be installed under Heretaunga Street (Stortford Lodge to Nelson Street) and Te Mata Road (Karanema Drive to Durham Drive).
- The review of Water Services Capability and Capacity reported below to ensure the concerns of the Government Inquiry are fully



addressed, and to ensure adequate skills, capability, resources and systems are in place.

- 3.13 In respect of investigating new water sources as above, age testing results will be of significance in decision making. While Council knows fairly conclusively how young, contaminated surface water got into the aquifer near to the Brookvale Bores, young water being drawn from deeper parts of the aquifer through, for instance, the Wilson Road and Frimley bores is somewhat more puzzling. This is particularly the case as the bores have been operating for some decades drawing similar volumes of water to what they are now. Possible changes in the aquifer system from occurrences such as increased overall abstraction from the aquifer need to be investigated. Council continues to work with GNS Science to investigate water age, and will also be seeking to consider age test results with the Hawke's Bay Regional Council.

#### **4.0 WATER SERVICES CAPABILITY AND CAPACITY REVIEW**

- 4.1 After considering the information arising from Council's own investigations into the contamination event and the Inquiry hearings, the Chief Executive commissioned a Water Services Capability and Capacity Review. This was designed to assist Council and the Chief Executive to ensure Council was optimally resources and equipped to provide safe drinking water to the community.
- 4.2 Based on the information available, the Chief Executive was clear that there were a number of aspects of the Council's water supply and wider water services operation and team arrangements that needed to be examined. These included the capability (the right resources) and capacity (sufficient resources) within the team, the adequacy of systems and processes, team culture and relationships with others.
- 4.3 The review team appointed to conduct the review comprised Bruce Robertson, independent consultant with expertise in risk management and assurance (and formerly Assistant Auditor General for Local Government), Ross Waugh, independent asset management consultant, and Neil Taylor, former Chief Executive of Napier City Council and Executive Project Advisor to the Chief Executive.
- 4.4 The review team conducted an extensive review exercise including interviews with staff and stakeholders, a review of systems and processes, and consideration of Inquiry transcripts and, subsequently, the Inquiry Stage One report.
- 4.5 The review report was being finalised at the time of printing of the agenda and will be circulated to Councillors separately. It will be publicly available at or before the Council meeting of 9 June 2017.
- 4.6 The Chief Executive had been briefed on the Review report prior to the printing of the agenda. It is clear that the Review team will recommend a comprehensive overhaul of the Water Services Team to enable Council to be assured about its ability to deliver safe drinking water to the community, to enable Council to operate effectively in the post-Inquiry "new operating

environment” for drinking water and to restore community trust and confidence in Council’s water supply.

- 4.7 It is also clear that the Review Team will be recommending a comprehensive change programme that includes enhanced, and in some cases new, systems, processes and documentation, increased levels of resourcing, greater technical and management support for the water services team and management, measures to change and improve team culture, structural change based on functions and outcomes and appropriate monitoring and testing regimes. These are recommendations that the Chief Executive is very receptive to.

## **5.0 OPTIONS**

- 5.1 Options for implementation of the Review Team recommendations will be considered by the Chief Executive. The actions the Chief Executive intends to take in response to the findings will be signalled to Council via a supplementary agenda paper that will accompany the Review Team’s report. It is likely that the Council will be asked to provide comment on and endorse the Chief Executive’s plan of action, particularly where recommendations and actions relate to resourcing.

## **6.0 SIGNIFICANCE AND ENGAGEMENT**

- 6.1 This matter is of primary importance for Council and its community. However, it does not in itself trigger the community engagement provisions of the Significance and Engagement Policy. The activities provided for under water services are included in the Council’s Long Term Plan, and increased resourcing was provided for in the draft 2017/2018 Annual Plan. Further, the 2018 – 2028 Long Term Plan, which will be prepared and consulted on over the next 12 months provide the Council with the opportunity to engage with the community on matters where that is appropriate, including further additional resources if required.
- 6.2 The views of the community on the matters canvassed in this report are reasonably well known due in part to the consultation undertaken through the Annual Plan process and other community interaction. It is clear that the community views water as a key service, and wants Council to prioritise investment and organisational effort in ensuring safe drinking water and making sure there can be no repeat of the contamination event of 2016.

## **7.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 7.1 Commentary on implementation of the Review findings and recommendations will be provided with the Review report, via a supplementary agenda paper, when it is available to Council.

## **8.0 PREFERRED OPTION/S AND REASONS**

- 8.1 Council should receive the report. There are likely to be further recommendations for the Council to consider accompanying the full review report.

**9.0 RECOMMENDATIONS AND REASONS**

- A) That the report of the Chief Executive titled “Government Inquiry into Havelock North Water and Hastings District Council Water Services Capability and Capacity Review” dated 9/06/2017 be received.**
- B) That the Hastings District Council Water Services Capability and Capacity Review be received.**

**With the reasons for this decision being that the objective of the decision will contribute to meeting the current and future needs of communities for good quality local infrastructure and local public services in a way that is most cost-effective for households and business by:**

- i) enabling Council to formally exercise governance oversight of Council operations and activities in respect of safe water supply services and infrastructure, and the wider water services area.**

**Attachments:**

- 1 Water Review June 9 2017 findings attachment CG-14-1-00303

## Government Inquiry into Havelock North Drinking Water

## Key Findings

- [1] The Inquiry has made the following key findings:
- (a) Contaminated drinking water was the source of the campylobacter bacterium that caused the gastrointestinal illness campylobacteriosis among Havelock North residents in August 2016. Sheep faeces were the likely source of the campylobacter.
  - (b) It is highly likely that heavy rain inundated paddocks neighbouring Brookvale Road causing contaminated water to flow into a pond about 90 metres from Brookvale Road bore 1. On 5 and 6 August 2016, water in the pond entered the aquifer and flowed across to Brookvale Road bore 1 where the bore pump drew contaminated water through the bore and into the reticulation system.
  - (c) Contamination may also have occurred when water from neighbouring paddocks entered roadside drains adjacent to Brookvale Road bores 1 and/or 2 and then entered the bore chambers. If sufficient water had entered the chambers, it could have risen to a level where it overtopped the bore head cable holes and, because the cable seals were loose, travelled down the cables into the water supply. This scenario is regarded as much less likely than travel from the pond to the bore via the aquifer, as described above.
  - (d) The failings, most notably by the Regional Council and the District Council, did not directly cause the outbreak, although a different outcome may have occurred in their absence.
  - (e) The Regional Council failed to meet its responsibilities, as set out in the Resource Management Act 1991 ("RMA"), to act as guardian of the aquifers under the Heretaunga Plains. Protection of the water source, in this case the aquifer, was the first and a critical step in the multi-barrier approach to ensuring safe drinking water.
  - (f) The Regional Council's knowledge and awareness of aquifer and catchment contamination risks near Brookvale Road fell below required standards. It failed to take specific and effective steps to assess the risks of contamination to the Te Mata aquifer near Brookvale Road and the attendant risks to drinking water-safety. This included through its resource consent processes; its management of the many uncapped or disused bores in the vicinity; its State of the Environment and resource consent monitoring work; and its liaison with the District Council.
  - (g) The Regional Council imposed a generic condition on the water take permits it granted to the District Council, related to the safe and serviceable state of the

**Government Inquiry into Havelock North Drinking Water**

- Brookvale Road bores. This condition failed to meet the necessary standard. It then failed adequately to monitor compliance with the conditions of the permits.
- (h) The District Council did not embrace or implement the high standard of care required of a public drinking-water supplier, particularly in light of its experience of a similar outbreak in 1998, and the significant history of transgressions (positive E.coli test results). As a consequence, it made key omissions, including in its assessment of risks to the drinking water supply, and it breached the Drinking-water Standards.
  - (i) The District Council's failings applied especially to its mid-level managers, who delegated tasks but did not adequately supervise or ensure their implementation. This caused unacceptable delays to the preparation of a Water Safety Plan, which was fundamental in addressing the risks of an outbreak of this nature.
  - (j) The District Council did not properly manage the maintenance of plant equipment or keep records of that work; and it carried out little or no supervision of necessary follow-up work. Specifically, it was slow to obtain a report on bore head security, a key plank in source water security, and it did not promptly carry out recommended improvements.
  - (k) There was a critical lack of collaboration and liaison between the Regional Council and the District Council. The strained nature of this relationship, together with an absence of regular and meaningful cooperation, resulted in a number of missed opportunities that may have prevented the outbreak.
  - (l) The DWAs were too hands-off in applying the Drinking-water Standards. They should have been stricter in ensuring the District Council complied with its responsibilities, such as having an Emergency Response Plan and meeting the responsibilities of its Water Safety Plans.
  - (m) The DWAs failed to press the District Council sufficiently about the lack of risk assessment, analysis of key aquifer catchment risks, including the link between the Brookvale Road bores and the nearby pond, and a meaningful working relationship between it and the Regional Council. They also failed to require a deeper and more holistic investigation into the unusually high rate of transgressions in the Havelock North and Hastings reticulation systems.
  - (n) Contingency planning by the District Council was lacking. The District Council had no Contingency Plan (referred to in various contexts also as an Emergency Response Plan), draft boil water notices, or communications plans at the ready.

**Government Inquiry into Havelock North Drinking Water**

- (o) Consultancy firm MWH New Zealand Ltd ("MWH"), a technical adviser to the District Council, failed competently to assess and report on the security of the bore heads of Brookvale Road bores 1 and 2.

**REPORT TO: COUNCIL**

**MEETING DATE: FRIDAY 9 JUNE 2017**

**FROM: TEAM LEADER STRATEGY & PROJECTS  
LOUISE STETTNER**

**SUBJECT: LONG TERM IMPACTS FROM GASTRO CRISIS -  
COMMUNITY ASSISTANCE OPTIONS - ADDENDUM  
REPORT**

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## **1.0 SUMMARY**

- 1.1 The purpose of this report is to obtain a decision from Council on the preferred option for providing financial assistance to help those who continue to be badly affected by illness or medical conditions following on from the Havelock North water contamination event in August 2016.
- 1.2 This report arises from information that continues to come to light that a number of those affected by the Havelock North water contamination event are still being affected.

The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.

- 1.3 The objective of this decision relevant to the purpose of Local Government is to provide local public services which help meet the needs of young and old, people in need, visitors, and locals, businesses and households.
- 1.4 This report concludes that officers have met with organisations and await Council's decision on this matter.

## **2.0 BACKGROUND**

- 2.1 On 12 August 2016 the Hawke's Bay District Health Board and the Council became aware of a widespread outbreak of gastroenteritis in Havelock North. A large proportion of the community were sick with confirmed or suspected cases of campylobacter. This outbreak of illness had a significant impact on businesses and households in Havelock North. It was subsequently identified that the Havelock North water supply was contaminated.
- 2.2 Council has made a number of financial assistance contributions to the Havelock North community following the contamination event including the Havelock North Business Recovery package which cost approximately \$160,000 and saw financial assistance contributions made to 37 businesses. This was explicitly labelled as assistance rather than compensation as causation and liability issues were still an unresolved issue.

- 2.3 Financial support was also made available to the Havelock North Business Association with Central Government contributing \$100,000 and Council an additional \$10,000.
- 2.4 Council has also remitted one quarter of the Water Supply Targeted Rate from the second instalment of rates payable, amounting to \$57 per water connection. The full extent of the rates remission for one instalment's worth of the targeted water rate has been calculated across 5,904 separately used or inhabited parts (SUIPs) and amounted to \$339,948 including GST (\$295,607 excluding GST).
- 2.5 During the water contamination event the Council worked closely with the Ministry of Social Development to refer on those people with immediate and essential financial needs as a result of the gastro outbreak. Work and Income paid out \$26,167.35 in payments and emergency grants to people affected. A total of 97 payments were made during the period 12 August 2016 to 30 September 2016. The majority of payments were for loss of income. The Hastings District Council also worked with the Hawke's Bay District Health Board during this time; with respect to health related messages and information.
- 2.6 Since the event, the Mayor and other Council representatives have had contact with hitherto healthy people in the community affected by the gastro outbreak who are now suffering significant ongoing health impacts. To date Council has provided no direct financial assistance to affected individuals.
- 2.7 On 23 February 2017 Council directed that Council officers' work with the Hawke's Bay District Health Board, ACC and the Ministry of Social Development to explore existing avenues for financial assistance for those who continue to be affected by illness or medical conditions following on from the August contamination event.
- 2.8 On 10 May 2017 the findings of a Government Inquiry into the contamination event that affected Havelock North's water supply in August 2016 were released. While the Inquiry was clear that Hastings District Council did not cause the contamination to occur; deficiencies in Council's water supply operations were identified for improvement.

### **3.0 CURRENT SITUATION**

- 3.1 Discussions with staff from the Hawke's Bay District Health Board and the Ministry of Social Development have been undertaken; these discussions focussed on: the extent of people being affected by longer term health impacts from the water contamination; what assistance is currently available for those people and what processes could be utilised to provide assistance. These discussions are summarised below.
- 3.2 It is not possible to provide exact numbers of people that continue to be affected by long term impacts from the water contamination event however the following information is relevant:
- 900 confirmed cases of campylobacter
  - An estimated 5,000+ people sick



- The number of people that suffer Reactive Arthritis is estimated to be 10% of those that had campylobacter. Symptoms from Reactive Arthritis are now likely to be gone or diminishing
  - Other issues can include kidney problems; bowel conditions and increased frailty among older people (although it can be difficult to provide a definitive link).
- 3.3 In regards to people who are suffering hardship, what assistance might be available was also discussed; this is summarised below.
- 3.4 The Hawke's Bay District Health Board provide free medical care; although there are costs associated with General Practitioner services.
- 3.5 Hastings District Council continues to liaise periodically with the Ministry of Social Development. Individuals who staff are aware of who continue to be impacted by the gastro outbreak are encouraged to make contact with Work and Income to ensure that they can be assessed and provided with any financial assistance that they may be entitled to.
- 3.6 Recently the Emergency Management Welfare Team has reviewed records from the water contamination event and have confirmed that all people (where relevant) were referred to the Ministry of Social Development for assessment of their entitlements.
- 3.7 With respect to the Ministry of Social Development, financial assistance is available for people who meet eligibility criteria. This includes a range of main benefits, extra help and one off payments. Here are some scenarios (note these are not real cases) which help show the breadth of assistance available:
- Tom is unable to work full time because of a health condition. Tom may qualify for Job Seeker Support with a medical deferral. If Tom was permanently and severely restricted in his ability to work he may qualify for the Supported Living Payment. Tom may also receive Disability Allowance to assist with extra medical costs. Accommodation Supplement is available for help with his rent. Temporary Additional Support is a weekly payment which could also help Tom if he can't meet his essential living costs from what he earns. Tom would qualify for a Community Services Card.
  - Hine and John have two children. The family's annual income is less than \$49,081.76. Hine has extra costs due to a medical condition or disability, including regular visits to the doctor and hospital, medicines, extra heating, special foods. Hine may qualify for Disability Allowance. Hine and John may also receive Accommodation Supplement and Temporary Additional Support. They also qualify for a Community Services Card.
  - Sione and Tala have had extra essential travel costs to attend medical appointments which left them short for food. They earn less than \$810.15 a week. They may qualify for a Special Needs Grant for food. They also qualify for a Community Services Card.
- 3.8 While ACC did not take part in these discussions, it is understood that they have sought legal advice on whether those that have suffered long term

health impacts caused by the water contamination are eligible for support from ACC.

#### **4.0 OPTIONS**

##### **4.1 Option 1**

4.2 Council allows support to continue to be provided by existing government agencies (Hawke's Bay District Health Board; Ministry of Social Development and possibly ACC).

##### **4.3 Option 2**

4.4 Establish a fund with a budget provision of up to \$100,000 for those people suffering long term health impacts from the gastro outbreak. It is envisaged that the model would be similar to that used by the Havelock North Business Recovery Package; which incorporated a panel decision-making process.

4.5 It is considered that the process would include a referral from the applicant's General Practitioner; following a consultation. A panel would assess applications using a model similar to that used by ACC. Membership of the Panel would include a medical practitioner and community representation.

4.6 In order to progress this model it is recommended that the Chief Executive be delegated authority to set criteria for the fund in conjunction with appropriate agencies. It will be important to work with and include the Hawke's Bay Regional Council in discussions.

#### **5.0 SIGNIFICANCE AND ENGAGEMENT**

5.1 While this contamination event has been an extremely significant event for the people of Havelock North and the wider Hastings District, the request to establish a fund to help those with ongoing health impacts up to the sum of \$100,000 is not considered significant in terms of the Significance and Engagement Policy and further consultation is not required.

#### **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

##### **6.1 Option 1**

Given that the Government Inquiry found that the water contamination was not caused by the Hastings District Council it would be open for Council to adopt this option and rely upon other relevant agencies to provide support in accordance with their policies. It is noted that Council has already provided assistance to the Havelock North community for the water contamination through the water rates rebates and business assistance funding.

6.2 There is a risk that the establishment of an assistance fund could result in a floodgate of applications and provide further stress for those who have been impacted.

6.3 There is a risk that Council could be criticised if they do not establish assistance for individuals in the community suffering long term impacts given that it has provided economic assistance for businesses.

##### **6.4 Option 2**

- 6.5 While Hastings District Council did not cause the water contamination there were a number of inadequacies identified. Council has apologised for the water contamination and acknowledged the failings found by the Inquiry. An assistance fund could provide meaningful help and acknowledge the unique circumstances of those that have suffered long term impacts from the gastro outbreak. Due to the lack of causation, such a fund would be assistance rather than compensation.
- 6.6 Criteria for the fund would need to be carefully developed to target those that the fund seeks to benefit. While the applicants would need to demonstrate their eligibility Council would want a simple process for applicants to go through.
- 6.7 While inclusion of a medical practitioner on the assessment panel may be a cost associated with the assistance fund it is considered necessary to provide medical expertise to undertake the required assessment required.
- 6.8 While there are agencies that provide a number of services to those suffering long term impacts from the gastro outbreak; inevitably there will be gaps or the support provided will not fully address the medical conditions experienced. The development of an assistance fund would need to be clear that the intention is not to provide compensation; but assistance. Notwithstanding this an assistance fund would be a way for Council to acknowledge those people that continue to suffer health impacts from the gastro outbreak. Applicants' expectations would need to be carefully managed to avoid further disappointment or aggravation.

## **7.0 PREFERRED OPTION AND REASONS**

- 7.1 Officers have met with key organisations and presented their findings to Council. Officers await Councils decision on this matter.

## **8.0 RECOMMENDATIONS AND REASONS**

- A) That the report of the Team Leader Strategy & Projects titled "Long Term Impacts From Gastro Crisis - Community Assistance Options - Addendum Report" dated 9/06/2017 be received.**
- B) That Council consider one of the following options**
- a. Option 1 - Do nothing and allow support to be provided by existing agencies; or**
  - b. Option 2 – Establish a fund with a budget provision of up to \$100,000 to assist those people suffering long term health impacts caused by the Havelock North water contamination event in August 2016**

- C) If Council agree to Option 2 – delegate authority to the Chief Executive to set criteria in conjunction with appropriate agencies to be used to allocate any Council funding**

**Attachments:**

There are no attachments for this report.

**REPORT TO: COUNCIL**

**MEETING DATE: FRIDAY 9 JUNE 2017**

**FROM: DEMOCRATIC SUPPORT MANAGER  
JACKIE EVANS**

**SUBJECT: REMUNERATION AUTHORITY - RESPONSE TO  
CONSULTATION FOR 1 JULY 2017 DETERMINATION**

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## **1.0 SUMMARY**

- 1.1 The purpose of this report is to obtain a decision from the Council on a response to a consultation document from the Remuneration Authority on a local government review for the forthcoming determination on 1 July 2017.
- 1.2 This issue arises from a request from the Remuneration Authority to seek the views of local government on proposals regarding remuneration arrangements for elected councillors, chairs and members to take effect from 1 July 2017.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.
- 1.4 The objective of this decision relevant to the purpose of Local Government is to ensure that remuneration arrangements for elected members of territorial authorities and equitable and reasonable
- 1.5 This report concludes by recommending that the comments in Attachment 1 are submitted to the Remuneration Authority as this Council's response to the proposals.

## **2.0 BACKGROUND**

- 2.1 Following the receipt of the consultation document from the Remuneration Authority, a workshop to consider the proposals in Part 2 of the document was held on 23 May and the complete consultation document was presented to Council on 25 May 2017. It was resolved to consider the proposals set out in part 2 of the document (which related to changes to be made with effect from 1 July 2017) at this Council meeting in order to meet the submission deadline of 19 June 2017.
- 2.2 It was also resolved to establish a working party to consider the longer term proposals in part 3 of the consultation document which require a response by mid October 2017.
- 2.3 Based on the workshop held on 23 May, a response to part 2 of the consultation has been prepared and is appended to this report (Attachment 1)

**3.0 SIGNIFICANCE AND ENGAGEMENT**

3.1 Although elected representatives' remuneration is a matter of interest to the community, this matter does not trigger an assessment in terms of the Council's Significance and Engagement Policy

**4.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

4.1 The Council is asked to consider and comment on the attached draft consultation response

**5.0 RECOMMENDATIONS AND REASONS**

A) That the report of the Democratic Support Manager titled "Remuneration Authority - Response to Consultation for 1 July 2017 Determination" dated 9/06/2017 be received.

B) That the consultation response appended at attachment 1 be approved as this Council's response to Part 2 of the Remuneration Authority's Consultation Document: Local Government Review

With the reasons for this decision being that the objective of the decision will contribute to meeting the current and future needs of communities (performance of regulatory functions) in a way that is most cost-effective for households and business by:

i) ensuring that the elected representatives are remunerated appropriately

**Attachments:**

- 1 Response to Consultation Document from the Remuneration Authority CG-14-1-00270

## Response to Consultation Document from the Remuneration Authority

### Part Two – Proposed Immediate Changes (2017 Determination)

Hastings District Council gave consideration to Part Two of the Remuneration Authority Consultation Document: Local Government Review at a workshop meeting held on 23 May 2017. Set out below are the responses to the questions raised on the proposals within Part 2 of the consultation document.

#### 1. RMA PLAN HEARINGS

- **Do you agree that elected members who are sitting on plan hearings under the RMA should be remunerated in the same way as elected members who are sitting on resource consent hearings?**
- **Do you agree that elected members who chair such hearings should be remunerated for time spent writing up decisions?**

1.1. Hastings District Council is in full agreement with the proposal to remunerate members who sit on hearings under the RMA in the same way as Resource Consent Hearings. The training requirement for Hearings is essential to sit on Hearing Committees, it is ongoing and over and above the level of training required for other Council meetings. During the 10 year review of the District Plan from July 2014 – July 2015, members of the HDC Hearings Committee had a significant additional workload which was not recognised in the remuneration arrangements.

1.2 The Council also supports the remuneration of elected members for preparation time and time spent writing up decisions (although it was noted that officers write up decisions when an elected members chairs an RMA hearing). It was considered that there should be rules on time limits around the length of time permitted for meeting preparation and writing up decisions

#### 2 LEAVE OF ABSENCE FOR ELECTED MEMBERS AND ACTING MAYOR/CHAIR PAYMENTS

- **Do you agree that there should be a provision for elected members to be granted up to six months leave of absence without pay?**
- **Do you agree that additional remuneration can be made to the deputy mayor or chair to act in the role under the circumstances outlined?**
- **If you disagree, please state why?**
- **Are there any conditions that should apply**

2.1 Hastings District Council recognises that in some special circumstances it may be appropriate to grant a period of unpaid leave. It was agreed that the period must be longer than a single cycle of council meetings (4 weeks in the case of HDC), and limited to 3 months with the ability to grant a further extension for exceptional circumstances. A six month period was considered too long within the context of a three year term of office, especially given the potential of further 3 month delay for a by-election in the event of a subsequent resignation. This especially applied to leadership positions.

2.1 It was considered on balance that 50% of the remuneration of the higher office should be payable to those Councillors covering the duties and responsibilities of the absent role.

### 3 APPROACH TO EXPENSES POLICY

- Do you agree that the Remuneration Authority should supply a prototype expenses policy that will cover all Councils and that Councils should be able to adopt any or all of it to the upper limit of it to the upper limit of the metrics within the policy
- Do you agree that each council's auditor should review their policy and also the application of the policy

3.1 Hastings District Council notes that some councils have developed their own local policies and should be able to retain them if they so wish. It was suggested that the word "*model or template*" replace the word "prototype" and the final three words in the first bullet point 'within the policy' be deleted and replaced with "*provided*" as the metrics do not form part of the policy.

3.2 There was no objection to council auditors reviewing the policy. In fact this already happens at Hastings District Council.

### 4 PROVISION OF AND ALLOWANCES FOR INFORMATION AND COMMUNICATION TECHNOLOGY AND SERVICES

- Do you agree that it should be common policy for councils to provide the following ICT for all elected members:
  - tablet or laptop
  - mobile phone
  - monitor and keyboard
  - printer
  - internet connection
- Do you agree that exemptions to this policy would be limited to exceptional purposes
- Do you agree that a proportion of the ongoing cost of the use of home internet and personal mobile phones should be reimbursed as outlined above?
- If you disagree with either of these proposals, please give reasons and outline your alternatives.
- Do you agree with the unusual circumstances provision?

4.1 It was agreed that the Council can procure equipment, internet and mobile service plans at favourable prices which would be beneficial for Councillor use. However, having to have more than one mobile phone would not be acceptable. It was noted that council provision of mobile phone could cause difficulties in the following cases:-



- “Double hatted” Councillors (those who hold more than one elected office or directorships)
- During the election period when council resources are not permitted for campaign purposes

4.2 Hastings District Council considers that it should be option for councillors to use Council ICT hardware, but exemptions should not be limited – elected members should be able to choose the option that best suits their particular circumstances.

4.3 It was agreed that 75% reimbursement for mobile phones and internet use was at the correct level

## 5 TRAVEL TIME ALLOWANCE

- **Do you agree that the current policy on travel time allowance should be continued?**
- **If not, please state reasons.**

5.1 It was agreed that this provision remain unchanged.

## 6 MILEAGE CLAIMS

- **Do you agree with the proposed change to the current 5000 km rule?**
- **If not, what should it be and why?**

6.1 Hastings District Council strongly feels that the 5000km rule disproportionately disadvantages rural councillors. Based on the annual mileage claims from rural elected members it is recommended that the threshold should be increased to 7000 km.

- **Do you agree with the proposal to retain the 30 km rule in its current form?**
- **If not, what should this rule be?**

6.2 Hastings District Council agrees that this be retained and welcomes the common sense approach suggested.

The above comments have been authorised by Council on 9 June 2017 for submission to the Remuneration Authority on Part 2 of the Consultation Document; Local Government Review.