



Hastings District Council

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OPEN A G E N D A

COUNCIL MEETING

Meeting Date: Thursday, 22 March 2018

Time: 1.00pm

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

Council Members	Chair: Mayor Hazlehurst Councillors Barber, Dixon, Harvey, Heaps, Kerr, Lyons, Nixon, O'Keefe, Poulain, Redstone, Schollum, Travers and Watkins
Officer Responsible	Chief Executive – Mr R McLeod
Council Secretary	Mrs C Hunt (Extn 5634)

HASTINGS DISTRICT COUNCIL

COUNCIL MEETING

THURSDAY, 22 MARCH 2018

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

TIME: 1.00pm

A G E N D A

- 1. Prayer**
- 2. Apologies & Leave of Absence**

At the close of the agenda no apologies had been received.

- 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**

Minutes of the Council Meeting held Thursday 22 February 2018, including minutes while the public were excluded.
(Previously circulated)

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REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: DEMOCRATIC SUPPORT MANAGER
JACKIE EVANS**

SUBJECT: PRESENTATION: CRANFORD HOSPICE

1.0 INTRODUCTION

- 1.1 The purpose of this report is to inform the Council that Mr John Buck, Te Mata Estate will present to Council the proposed new Cranford Hospice at Chesterhope.
- 1.2 Mr Buck has provided the attached background information in regard to this project.

2.0 RECOMMENDATION

That the report of the Democratic Support Manager titled “Presentation: Cranford Hospice” and dated 22 February 2018 be received.

Attachments:

- 1 Proposed New Cranford Hospice

CG-14-1-00657

CG-14-1-00657

John Buck – Council Meeting 22 March 2018

Item 5

PRESENTATION TO HASTINGS DISTRICT COUNCIL

In September 2016, the then owners of Cranford, Presbyterian Support, unexpectedly announced that they wished to give the hospice to the Cranford Foundation, which I chair.

The gift included the land and building at Knight Street in Hastings and the accumulated investments to fund operating costs, and totalled about \$8 million.

The transfer took place on 1st July 2017 and necessitated the forming of an operating arm, the Cranford Trust, which leases the hospice from the Foundation and the DHB approving the change of contract for the Government operating grant to be transferred from PSEC to the Trust.

So, from 1 July 2017, Cranford is an entirely owned and independent entity, on behalf of the community of its geographic area, ie greater Hawke's Bay from Takapau/Porangahau to north of Wairoa.

Discussions with the Fernie Trust re the gift of approximately six hectares of land at Chesterhope have continued to the point where the conveyancing documentation is being prepared. This gift is conditional on our being able to obtain Resource Consent to zone the gifted land for a hospice; to that end, we have worked with John O'Shaughnessy, Murray Arnold and Caleb Sutton, with Caleb being appointed our first point of contact. Following advertising and consultation, we have engaged Feldspar/Halcyon of Dunedin and Napier, Hawke's Bay as project managers, HDT Architects as architects, and Matthew Holder to undertake the Resource Management application.

Hawke's Bay Today have joined us as our principal vehicle for communicating with the public, and once we have Resource Consent, and therefore a title, we can embark on a proper fundraising campaign.

The new Cranford is a 2,400 sqm build; the present Cranford being 1,156 sqm; and provides for ten inpatient rooms rather than eight, and building a facility that is more of a community hub for palliative care and a world leader of its kind.

We have held community meetings with the public, clinicians, Maori and others from Wairoa to Waipukurau, and especially two sessions - one door-to-door, and one at the school with the Pakowhai community who are unanimously in support. We also jointly commissioned and funded a Treasury model business case with the DHB, to test our assumptions and options, and this also involved public consultation, before the DHB gave approval to the option of a new build at Chesterhope.

The accounting for, and administration of, the funding for the new Cranford, will be through Oldershaw & Co., Chartered Accountants of Napier.

So, we need support from Councils, both in funding and the provision of services and need a means of dealing with you on that, via officers and, if necessary, a councillor.

The new Cranford, and the superb site, presents an opportunity to initiate a project that pulls our total community together. It's potentially very exciting.

There is no profit, political motive, or self-aggrandisement in a hospice; it's simply about making Hawke's Bay a better place to live in.

Attachment 1

CG-14-1-00657

John Buck – Council Meeting 22 March 2018

We commend it to you.

The Foundation members are David Martin of Wairoa, Chris Tremain and Ray McKimm from Napier, Alison McEwan from Hastings, John Buck from Havelock North, Debbie Hewitt and Hannah Morrah from Central Hawke's Bay, and the General Manager is David Compton from Taradale.

Item 5

Attachment 1

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: DEMOCRATIC SUPPORT MANAGER
JACKIE EVANS**

SUBJECT: MARAETOTARA TREE TRUST

1.0 INTRODUCTION

- 1.1 The purpose of this report is to inform the Council that Mr Pat Turley, Maraetotara Tree Trust will be making a presentation to the meeting.
- 1.2 The presentation will provide an overview of the Maraetotara Tree Trust which is dedicated to protecting, enhancing and restoring the length of the Maraetotara River.
- 1.3 Finding new avenues for funding was an ongoing challenge for the Trust.

2.0 RECOMMENDATION

That the report of the Democratic Support Manager titled “Maraetotara Tree Trust” dated 22 February 2017 be received.

Attachments:

There are no attachments for this report.

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

FROM: SOCIAL DEVELOPMENT CO-ORDINATOR
JOHN DAWSON

SUBJECT: MARAEKAKAHO COMMUNITY PLAN

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from Council to endorse the Maraekakaho Community Plan 2017-2022.
- 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 support the delivery of good quality local infrastructure and local public services in a cost-effective way appropriate to present and anticipated future circumstances, by working collectively, allowing partners to leverage resources more effectively by working together and ensuring that actions meet identified community needs.
- 1.4 This report concludes by recommending:
- A) That the report of the Social Development Co-ordinator title Maraekakaho Community Plan dated 22/03/2018 be received
 - B) Endorse the Maraekakaho Community Plan 2017-2022, noting that actions within the Plan requiring new Council funding will be requested through the appropriate Council processes and that other funding opportunities will be sourced where appropriate.

2.0 BACKGROUND

- 2.1 Hastings District Council first decided to develop community plans in 2002 as a means for Council to engage with and provide additional support to communities deemed as having particular needs. It also supports councils Social Wellbeing Framework 2010.
- 2.2 This is the first Maraekakaho Community Plan.
- 2.3 The Maraekakaho Community Plan sets a pathway for the Maraekakaho community to move forward to realise its collective aspirations and vision. The key themes are:
- A Connected Maraekakaho Community
 - Enhancement of and Advocacy for River and Waterways

- Development and Maintenance of Community Facilities
- Ensuring Safe and Effective Roothing
- Preservation and Enhancement of History and Heritage
- Development and Maintenance of Community Health and Wellbeing
- Development and Maintenance of Safety and Security
- Development and Maintenance of Emergency Preparedness.

2.4 On 4 December 2017, the Rural Community Board recommended the Maraekakaho Community Plan be endorsed by Council.

3.0 CURRENT SITUATION

- 3.1 A community-elected representative group, Focus MKK, have been tasked with developing the Plan which is based on ongoing feedback and input from the Maraekakaho community, including several meetings with community and specific interest groups.
- 3.2 Focus MKK is seeking Council endorsement for this Plan. Members of the Maraekakaho Community are at today's meeting to present the Plan to Council.

4.0 OPTIONS

- 4.1 There are 2 options for Council to consider:
- Endorse the Maraekakaho Community Plan 2017-2022, noting that actions within the Plan requiring new Council funding will be requested through the appropriate Council processes and that other funding opportunities will be sourced where appropriate.
 - Not endorse the Maraekakaho Community Plan 2017-2022.

5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.1 This report does not trigger the council's significance policy. No further consultation is required for the decisions in this report.
- 5.2 Community planning commenced in August 2016, after receiving community mandate to set up Focus MKK.
- 5.3 Initial discussions focused on identifying the key themes and gaining community engagement through the various Interest Groups that were set up to explore these themes.
- 5.4 Further consultation has been carried out through various mediums including; Face to face consultation with local businesses and organisations, online communication via a MKK Facebook page and the Focus MKK newsletters.
- 5.5 Focus MKK have already engaged with Council in upgrading of pathways and other projects such as a recycling facility and signage.
- 5.6 A draft Maraekakaho Community Plan was made in July 2017; this draft provided the basis of a more robust Plan which is being presented today. The priorities and actions identified in this Plan have been approved by Focus

MKK as being ready for endorsement by Council. All aspects of the Plan have been sounded out with affected stakeholders and organisations.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

Maraekakaho Community Plan 2017-2022

- 6.1 Council endorsement of the Maraekakaho Community Plan 2017-2022 would signal support at a high level for the collaborative approach being taken to the delivery of actions within this community.
- 6.2 Endorsement does not commit Council to allocate funds or other resources to any or all of the actions or ideas noted in the Plan, as this will be done in an integrated way through Council's Long Term Plan and Annual Plan processes. Other funding opportunities will also be investigated.
- 6.3 A decision not to endorse the Maraekakaho Community Plan 2017-2022 could harm relationships with other partners and the community who have contributed to a robust consultation and plan development process.

7.0 PREFERRED OPTION/S AND REASONS

- 7.1 The preferred option for Council is to support the recommendation:
 - A) Endorse the Maraekakaho Community Plan 2017-2022, noting that actions within the Plan requiring new Council funding will be requested through the appropriate Council processes and that other funding opportunities will be sourced where appropriate.

8.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Social Development Co-ordinator title "Maraekakaho Community Plan" dated 22/03/2018 be received.
- B) That Council endorse the Maraekakaho Community Plan 2017-2022, noting that the actions within the Plan requiring new Council funding will be requested through the appropriate Council processes and that the community will source other funding, where appropriate.

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 local public services in a way that is most cost-effective for households and business by:

- i) **Working collaboratively with the Maraekakaho Community and its stakeholders to achieve real outcomes for the Maraekakaho Community and Council.**

Attachments:

1 Maraekakaho Community Plan

COP-10-17-18-1



Background

Maraekakaho is a long-established rural community west of Hastings. In recent years, population growth and changing demands have seen increasing change within the community, with more families entering the community, an increasing school roll, new business development, more diversity and greater environmental awareness.

From initial discussions within the community, it became clear there is a strong desire to improve local facilities, while taking care of the local environment and local people and also ensuring the history and heritage of the area is preserved.



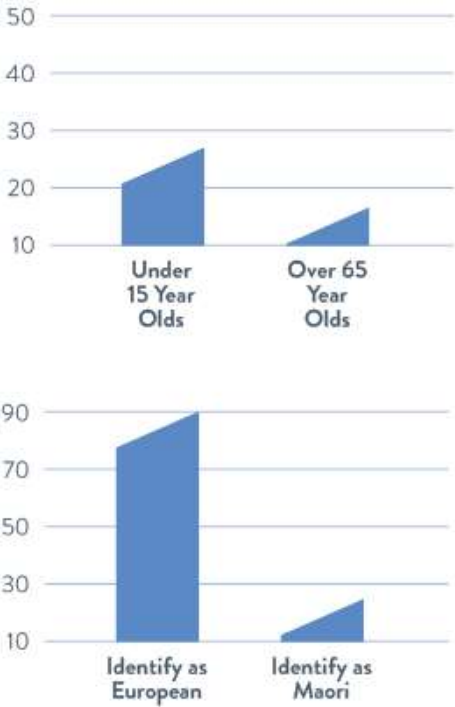
About Maraekakaho

As the census data indicates, the Maraekakaho district remains a rural production powerhouse with varied agricultural, horticultural and forestry industries to the fore, but also has increasing numbers of young families moving to the area and business growth in other sectors such as training, manufacturing, food and accommodation.

Hastings district plan makes specific reference to rural subdivision and “concentrated residential lifestyle development at Maraekakaho”. Recent residential building activity since the 2013 census has accelerated with many new homes built and with further subdivisions progressing, this growth is set to continue.

Our population

- Maraekakaho population 1287*
- This is 12% increase since 2006



*2013 census data
Census data allows people to state more than one ethnic group, so percentages do not add up to 100.



maraekakaho community plan 2017 - 2020 3



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How was this plan developed?

Several meetings and other discussions between local community and other groups (NZTA and local roading, local government, councilors and others) between 2014 and 2016 culminated in a local “mini-election” in which community voted for several members to form an advocacy group to advance local interests. In late 2016, these voted members came together to form Focus Maraekakaho (Focus MKK).

The initial aim was to develop this community plan, in direct consultation with the local Maraekakaho community, then specifically develop local projects in line with this plan and further local community consultation and involvement.

Regular community consultation and feedback has ensured the plan is very much “community-led”. Several meetings have been held over the last 3 years at the local Maraekakaho Hall. Local community has been surveyed with the assistance of local rural delivery contractors, with all households in the area given the opportunity to share their thoughts and aspirations. Newsletters have since been sent to households, Focus MKK had a stand and presence at the local Maraekakaho Country Market Day (March 2017) and a Facebook page was established late 2016. Focus MKK is committed to further community engagement and involvement.

Where to now?

Overleaf are listed eight key areas of interest and current goals of the Maraekakaho community. Interest groups have been formed for each of these areas, which any and all members of the local community are free to join as they wish. The purpose of these interest groups is to pursue, support and assist with specific projects to help achieve the goals for each interest area.

Focus MKK will help coordinate and ensure collaboration and direction for each of the interest groups as we work towards achieving these goals. The intention is to review this community plan, and the interest areas/goals at least annually, to ensure relevance and progress.



Interest Group Objectives



1. Roothing

- Enhance road safety for all users including vehicles, pedestrians, cyclists and horse riders.
- Ensure our roads and their shoulders/berms/walkways connect our community.
- Future proof roading to allow for future community expansion and needs.

2. Connecting the Maraekakaho Community

- Bring our unique rural community together to foster community spirit, build relationships and improve connectedness and enhance community health and well-being.

3. Community Facilities

- Ensure appropriate local facilities are available, accessible, and welcoming for community use.

4. River and Waterways

- Advocate for the Ngaruroro River and local feeder streams.
- Enhance and develop river recreation activities for a broad base of recreation groups.
- Encourage and actively participate in beautification, enhancement, planting and sustainability initiatives with regards local waterways.

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5. History & Heritage

- To preserve and enhance local historic sites and encourage protection and record keeping of local history.

6. Safety and Security

- Maintain current low levels of reported crime and minimise growth in crime and/or antisocial behaviour.

7. Health and Wellbeing

- Increase awareness of and action on:
 - » Mental health
 - » Physical health
 - » Connectedness

8. Emergency Preparedness

- Improve the overall preparedness of our community and ability to respond and recover from emergencies and adverse events.

OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
1. Rooding <ul style="list-style-type: none"> Enhance road safety for all users including vehicles, pedestrians, cyclists and horse riders. Ensure our roads and their shoulders/berms/walkways connect our community. Future proof rooding to allow for future community expansion and needs. 	Improve Kereru Road/SH50 intersection and Whakapirau Road/SH50 intersection.	October 2017	<ul style="list-style-type: none"> Community consultation with agencies involved. 	NZTA HDC Focus/MKK
	Develop Kereru Road entrance to river, safe two-way access for vehicles.	October 2017	<ul style="list-style-type: none"> Move power poles to create a wider entrance. Liaise with bus and trucking companies to create a turning bay where Russell Roads currently operates their gravel quarry. 	HDC Focus/MKK Unison
	Improve road safety on Kereru Road.	Ongoing	<ul style="list-style-type: none"> Collect data on speed of cars. Keep in contact with police regarding provision of speed control measures. Develop signage to reduce speed and improve driver awareness. Expand 50KPH zone to include any foreseeable residential subdivisions. Collaborate with transport companies to encourage safe driving. 	NZTA HDC Police Local drivers including transport companies Focus/MKK

OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
	Improve car park at MKK School/ Hall/ ECC.	Feb 2018	<ul style="list-style-type: none"> Collect data about usage and issues Consult with affected parties about their needs/ wants Consult with roading engineer to create and implement a plan 	MKK school MOE MKK Hall trust HDC Fire Service MKK Early Childhood Centre Focus MKK
	Planting along roadside.	Completion August 2019	<ul style="list-style-type: none"> Plant Kereru Road roadside from west of Bellerby Lane to SH 50 and along SH 50 where appropriate on Kereru Rd. Designed for: <ul style="list-style-type: none"> - beautification - help motorists know they are entering a community - create a sense of identity and community Beautify 50kph signs on Kereru Rd with plantings 	HDC HBRC Focus MKK
	Create a safer section of SH50.	August 2018	<ul style="list-style-type: none"> Reduce speed limit to 80kph from GodsOwn Brewery to the Woolshed 	NZTA Police Focus/MKK
	Create a safer walking/ biking area from the MKK Village down to the river.	August 2022	<ul style="list-style-type: none"> Extend footpaths downhill to War Memorial and upgrade all path surfaces and construction 	HDC Focus/MKK
	Erect threshold signage to mark the entrance to Maraekakaho.	August 2018	<ul style="list-style-type: none"> Design signage using local artists <ul style="list-style-type: none"> - Erect signs near the Woolshed and GodsOwn Brewery (SH 50) and the West side of the Village on Kereru Road 	Focus MKK HDC NZTA Local Community Artists

OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
2. Connecting the Maraekakaho Community Bring our unique rural community together to foster community spirit, build relationships and improve connectedness and enhance community health and well-being	Build a business network to promote and connect local businesses.	Ongoing	<ul style="list-style-type: none"> • Create a business contact list. • Host opportunities for local businesses to come together to share experiences and promote their business. • Listen to local businesses about their needs in the community. • Promote local businesses within the community. 	FocusMKK Local businesses
	Strengthen the social network of MKK.	Ongoing	<ul style="list-style-type: none"> • Host a variety of social events to cater for all in the community. • Hold community meetings where needed. • Communicate with the community in various ways i.e. social media, email, print, meetings. • Create a contact list for the community broken down into neighbourhoods. 	Community FocusMKK
	Create a youth group for the 13 to 18-year-olds of MKK.	Ongoing	<ul style="list-style-type: none"> • Have events aimed at this group to help them stay connected to and have a voice in the community. • Encourage youth new to the community to get to know those who live locally. 	FocusMKK MKK School

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OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
	Encourage all parts of the local community to engage and participate in the community plan and associated activities.	Ongoing	<ul style="list-style-type: none"> • Ensure varied communication channels are used to inform community. • Provide regular opportunities for community feedback and consultation. 	Focus MKK Wider MKK Community HDC Tangata Whenua
	Prepare a “Welcome” leaflet for new residents	March 2018	<ul style="list-style-type: none"> • People selling properties to provide leaflet for new residents. • Neighbourhood Support contact persons to provide leaflet to new residents. 	Real estate agents Neighbourhood support

OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
3. Community Facilities Ensure appropriate local facilities are available, accessible, and welcoming for community use.	Restore MKK Hall to create a community hub.	Exterior painting finished by winter 2018 Engineer advice winter 2019 Renovations completed 2022	<ul style="list-style-type: none"> • Insulate, rebuild, rewire, and earthquake strengthen the hall to bring it up to modern standards while maintaining the original character. • Utilise the hall regularly for community events. 	MKK Hall trust HDC Community grants FocusMKK Community fundraising
	Create a space as a repository for historic information.	August 2020	<ul style="list-style-type: none"> • Find and develop a space suitable to display historical documents relating to the rich history of the MKK area. 	HDC FocusMKK Tangata Whenua
	MKK Church.	Start investigations 2018	<ul style="list-style-type: none"> • Investigate the possibility of using the Maraekakaho Church building for the community. • Continue the monthly services while also expanding the use of the building. 	Presbyterian Church FocusMKK
	Create a recycling depot.	2017	<ul style="list-style-type: none"> • Work with the council to place a recycling facility in the designated position. • Facilitate planting at the depot. • Monitor the depot to ensure it is kept tidy & liaise with HDC if problems arise. 	HDC Russell Roads FocusMKK MKK School
	Build a bus shelter for high school students.	July 2018	<ul style="list-style-type: none"> • Source builders and materials to make a bus shelter at the pick-up point for high school children. 	FocusMKK Sponsors

OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
4. River and Waterways <ul style="list-style-type: none"> Advocate for the Ngaruroro River and local feeder streams. Enhance and develop river recreation activities for a broad base of recreation groups. Encourage and actively participate in beautification, enhancement, planting and sustainability initiatives with regards local waterways. 	Develop picnic areas to encourage greater community river use.	September 17, planting March/April 2018.	<ul style="list-style-type: none"> Plan river use and assist with design Possibly provide heavy equipment as required. Assist with plant supply and planting/ maintenance. Evaluate need/desire for additional picnic area by irrigation canal. 	HBRC HDC Tangata Whenua Local businesses (plant nurseries, earthworks, mulch, other) Focus MKK
	Improve Ngaruroro river access.	Late 2017 through to autumn 2018.	<ul style="list-style-type: none"> Research and implement improved and safe vehicle access to picnic area. Planting alongside river accessway and approaches between Kereru Rd and picnic area. Develop and erect signage at river entrance. 	HBRC HDC Tangata Whenua Local businesses (plant nurseries, earthworks, art for signage etc.) HB Hunt Local landowners Focus MKK

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OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
	Protect the Ngaruroro river environment and that of Maraekakaho Stream and Tributaries.	Start Summer-Autumn 2018 then ongoing	<ul style="list-style-type: none"> • Reduce/mitigate pollution. • Provide incentives and easy methods to remove litter. • Develop riverside riparian planting. • Undertake legacy planting for future generations. • Encourage and assist local landowners to fence and plant riparian strips. 	HBRC Tangata Whenua Local businesses (plant nurseries, earthworks, sponsorship) Local landowners Maraekakaho School TANK Focus MKK
	Develop recreational facilities at the River.	Autumn-Winter 2018 then ongoing	<ul style="list-style-type: none"> • Consult with the community about how they want to use the river and environs. • Prioritise projects and/or reserve areas for diverse users: <ul style="list-style-type: none"> » cyclists » horse riders » walkers » runners » boaties » fishers » hunters » picknickers » swimmers • Extend bike paths. 	Recreational groups HBRC Tangata Whenua Local landowners Fish and Game NZ NZ Jetboating association Focus MKK
	Connect river access to MKK Community and up/down river.	2018-2020	<ul style="list-style-type: none"> • Evaluate possible options for safe pathways connecting the village, school, Gumboots ECC and main Ngaruroro river access. • Also track access both up and down river on HBRC or private land. • Prioritise and develop pathways at the river for safe foot, bicycle and horse access. 	HBRC HDC Tangata Whenua Maraekakaho School Gumboots ECC Local landowners Focus MKK

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OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
5. History & Heritage To preserve and enhance local historic sites and encourage protection and record keeping of local history.	Preserve Local History.	Ongoing	<ul style="list-style-type: none"> Promote Hawke's Bay Knowledge Bank to record personal, family, whanau and iwi and local history. 	THBKB FocusMKK Tangata Whenua
	Erect informative signs at the Maraekakaho War Memorial.	Sign funding approved 2017. Design and installation to follow roading earthworks Summer 2018	<ul style="list-style-type: none"> Local artists contribution to the design of suitable information signage. Local labour to install agreed signage. 	HDC Focus MKK Local community artists
	Preserve the war service Rolls of Honour and the remaining Colonial Library content and display them for the community	2018 completion	<ul style="list-style-type: none"> Rolls of honour have been refurbished with contributions from the community and Ingrid's Picture Framing. Family records to be researched and published. 	MKK Hall Board Local community members FocusMKK
	Encourage preservation and enhancement of the MKK Station Woolshed and the Drivers Hut	Ongoing	<ul style="list-style-type: none"> Provide local history of significant buildings. Investigate ownership and encourage preservation. 	HDC FocusMKK Local community members

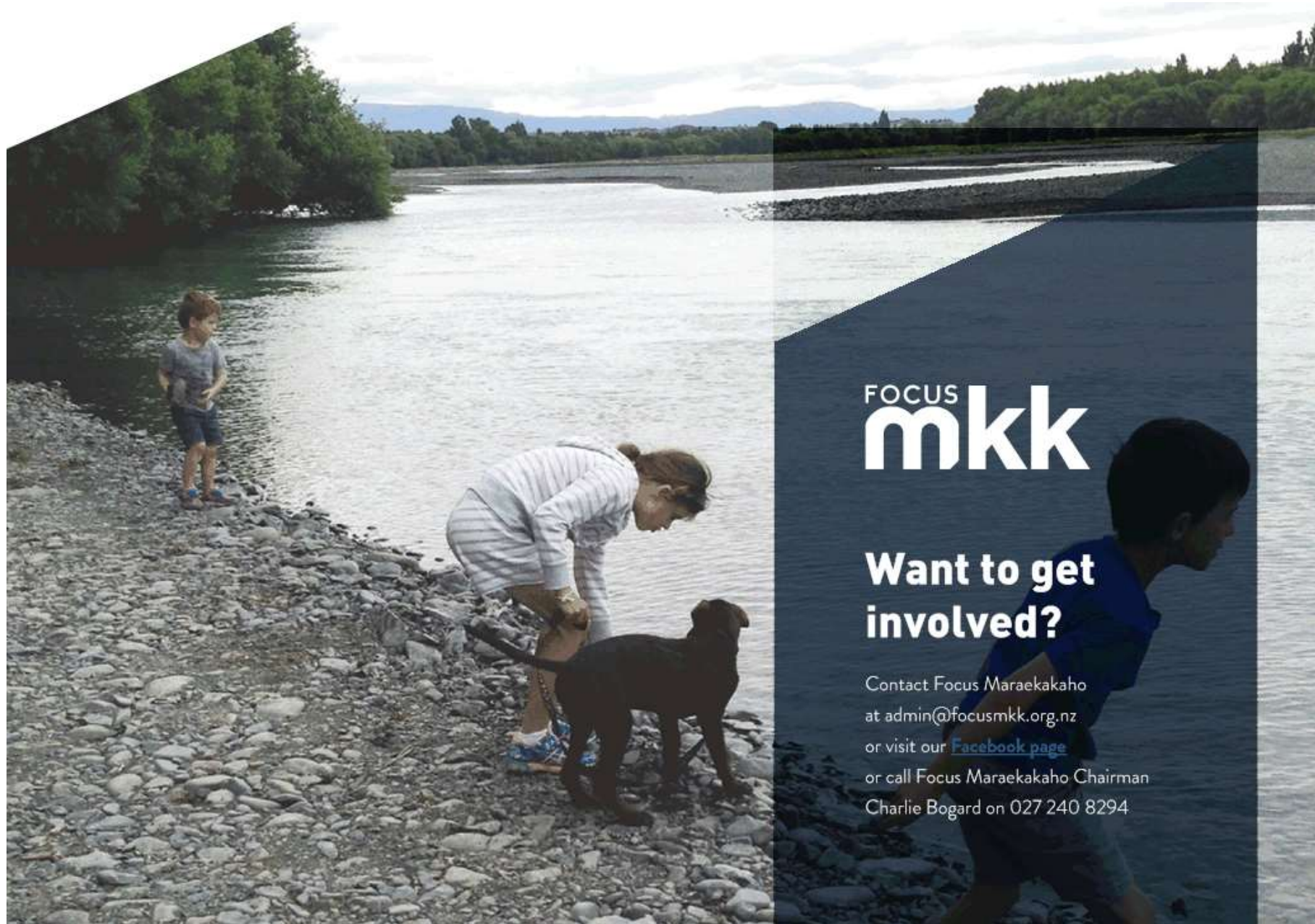
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OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
6. Safety and Security Maintain current low levels of reported crime and minimise growth in crime and/or antisocial behaviour.	Encourage rapid reporting of incidents to Police and community via Facebook pages.	Ongoing	<ul style="list-style-type: none"> Community to become more responsible for their security. Maintain close links with Police Crime Prevention Officer. 	Police Neighbourhood Support
	Expand current Neighbourhood Support network and ensure all new residents know about it.	August 2018	<ul style="list-style-type: none"> Each road/community area to have contact person. Plan how to communicate in an emergency. 	Neighbourhood Support
	Replace old Neighbourhood Watch signs.	June 2018	<ul style="list-style-type: none"> Involvement in erection of signs. Help with raising funds. Provide new strategic sites on private land. New signage to include CCTV cameras operating in this area. 	Neighbourhood Support Police
	Encourage placement of security cameras within the local community.	Ongoing	<ul style="list-style-type: none"> Identify strategic sites for cameras. Individual/group financing of installations. Coordinate camera use and information. 	Police Focus MKK Equipment providers

OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
7. Health and wellbeing Increase awareness of and action on: <ul style="list-style-type: none"> • Mental health • Physical health • Connectedness 	Raise awareness of stress and suicide risk and importance of acting to help/ support sufferers.	Ongoing	<ul style="list-style-type: none"> • Include subject in community meetings where appropriate. • Raise awareness of signs of stress/suicide risk and what to do. 	Rural Support Trust DHB Farming organisations Farm supply companies
	Raise awareness of substance abuse and family violence and importance of action.	Ongoing	<ul style="list-style-type: none"> • Include subject in community meetings where appropriate. • Raise awareness of signs of substance abuse and family violence and what to do. 	Rural Support Trust DHB Police Rural Support Trust HDC
	Provide and promote fitness and wellness activities.	Ongoing	<ul style="list-style-type: none"> • Support MKK Bootcamp. • Facilitate yoga, squash and other wellness activities of interest in the MKK. 	FocusMKK Local fitness programme providers
	Make more use of current community groups and events to develop better connectedness and communication. Develop more community events and groups where appropriate.	Ongoing	<ul style="list-style-type: none"> • Regular meetings for whole community or special interest groups. • Youth group. • Business networking. • MKK Country Market Day. 	Focus MKK Tangata Whenua Civil Defence Team MKK Fire Service School Gumboots Wider community

OBJECTIVE	ACTION	TIMELINE/ MEASURE	COMMUNITY	PARTNERSHIPS
8. Emergency preparedness Improve the overall preparedness of our community and ability to respond and recover from emergencies and adverse events.	Develop Community Resilience Plan.	Community meetings – December 2017 Disaster response plan – June 2018 Wider plan - ongoing	<ul style="list-style-type: none"> Hold series of 2/3 community meetings to look at hazards and risks we face and how we can best respond. 	Hawke's Bay Civil Defence and Emergency Management (HBCDEM) Focus MKK
	Encourage all families to look at their resilience and to prepare emergency plans.	Initial projects initiated by June 2018 then ongoing	<ul style="list-style-type: none"> Develop preparedness and planning projects with community groups and organisations e.g. school, Gumboots, youth group. 	Focus MKK MKK Civil Defence Team Community groups
	Encourage all local businesses to have suitable emergency and continuity plans and share these with each other.	Projects initiated by June 2018 then ongoing	<ul style="list-style-type: none"> Develop preparedness and planning projects with local businesses. 	Focus MKK HBCDEM MKK Civil Defence Team Rural Support Trust Local businesses
	Develop community capability to offer coordinated, effective and safe response to significant natural disasters and emergencies from own resources.	Immediately following completion of initial Community Resilience plan then ongoing	<ul style="list-style-type: none"> Identify local resources (facilities, equipment and skills) available to the community. Establish and train a community response team. 	Focus MKK HBCDEM MKK Civil Defence Team Local businesses Individuals in community

18 maraekakaho community plan 2017 - 2022





FOCUS
mkk



Item 7

Attachment 1

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: PRINCIPAL ADVISOR: DISTRICT DEVELOPMENT
MARK CLEWS**

**SUBJECT: RECOMMENDATIONS OF THE CLIFTON TO TANGOIO
COASTAL HAZARDS STRATEGY JOINT COMMITTEE
FEBRUARY 2018**

1.0 SUMMARY

- 1.1 The purpose of this report is to receive and consider the Clifton to Tangoio Coastal Hazards Strategy - Joint Committee's (the Joint Committee) recommendation, on the final report of the Northern and Southern Cell Assessment Panels.
- 1.2 This issue arises from completion of Stage 3 of the strategy process to develop a long term vision and hazard management strategy for this section of the coast.
- 1.3 The objective of the strategy relevant to the purpose of Local Government is good quality local infrastructure and regulation for the management of coastal hazards in the study area to meet the reasonably foreseeable needs of the community.
- 1.4 This report concludes by recommending that the Council receive the report of the Northern and Southern Cell Assessment Panels, and agree to consider the recommendations and to commence work on issues to be contained in Stage 4 of the Implementation Strategy, including issues of funding.

2.0 BACKGROUND

- 2.1 The coastline between Tangoio and Clifton is defined by a gravel barrier ridge. This ridge acts as a vital defence from the sea, without which large areas of the coast would be regularly inundated. Sea level rise and climate change present an increasing threat to the existing barrier ridge and the coastline over time.
- 2.2 In 2014 a decision was made to form a joint committee made up of representatives of the Hawke's Bay Regional Council, Hastings District Council and Napier City Council together with representatives from Maungaharuru-Tangitu Trust, Mana Ahuriri Incorporated and He Toa Takitini. The committee was set-up to look at coastal hazards over the period 2016-2120 and produce a strategy determining options for managing coastal hazard risks, namely beach erosion, inundation through overtopping and sea level rise.
- 2.3 The Strategy has been progressed in four key stages as shown in **figure 1** below.

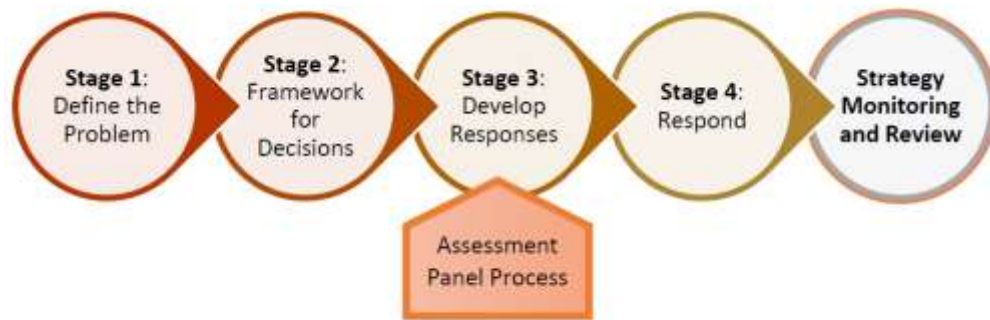
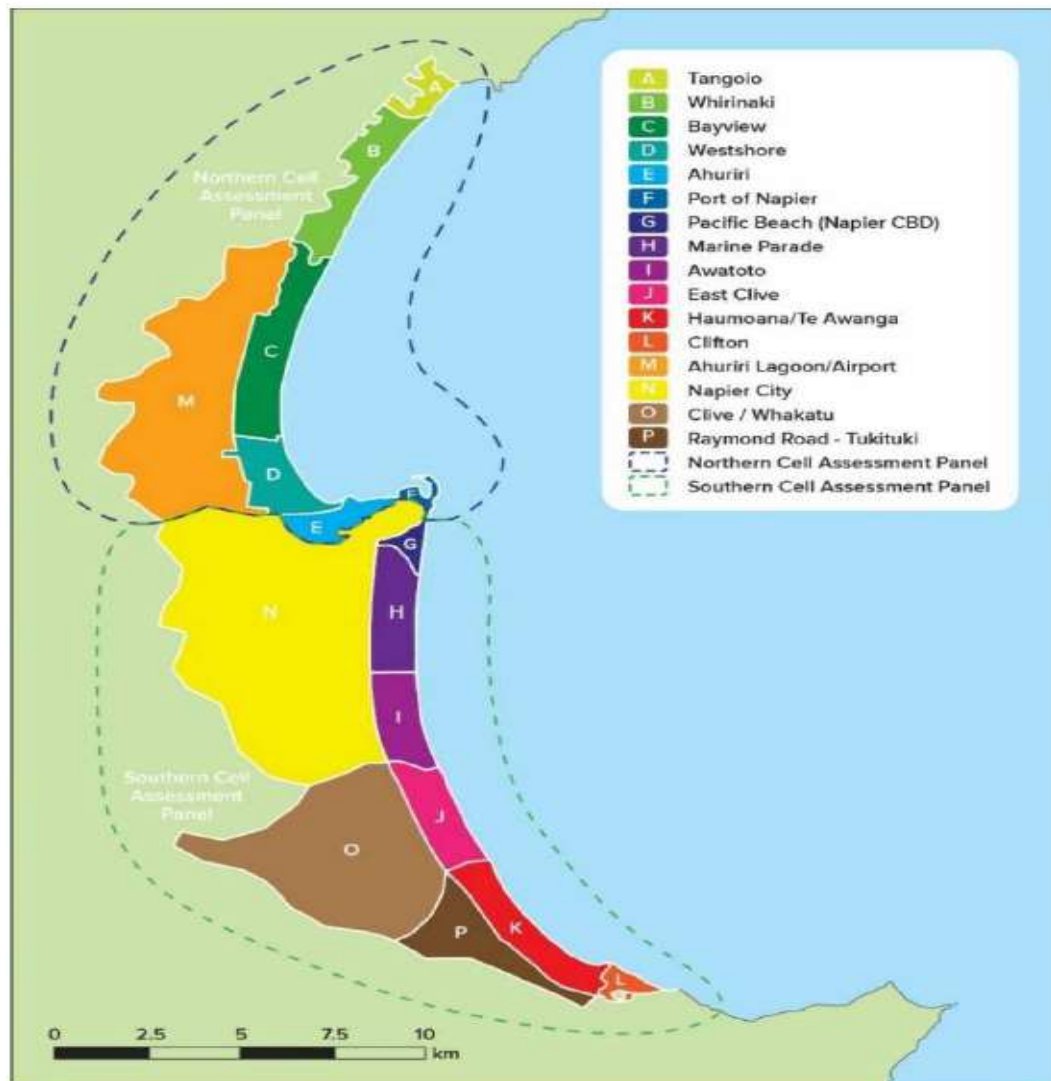


Figure 1: Clifton to Tangoio Coastal Hazard Strategy – Process of Development

- 2.4 Stage 1 Define the Problem - commenced in 2014 with two reports being prepared – “Coastal Hazard Assessment” and “Coastal Risk Assessment”, which estimates the extent and probability of coastal hazards occurring and the likely scale of damage that could be caused to physical assets, people and communities and the environment.
- 2.5 Stage 2 Framework for Decisions - began in May 2016 with a framework developed to support a collaborative decision making forum for a community led response to the issues (rather than the more traditional and previously used ‘top down’ planned approach). The framework combined a multi criteria assessment analysis with an adaptive pathways approach (combined with several other economic, social and cultural considerations) for communities to consider different management strategies, i.e. “the status quo” (do nothing/monitor the situation), “hold the line” (defend) or “managed retreat” (withdrawing, relocation, or abandonment) for specific areas along the coast for the whole of the 100 year timeframe. Both of these stages have previously been reported through to Council in detail at the completion of the respective stages.
- 2.6 Stage 3 Develop the Response - two cell assessment panels (one southern and one northern) were formed with community representatives from Tangoio/Whirinaki, BayView, Westshore/Ahuriri, Marine Parade, Clive/East Clive, Haumoana/TeAwanga/Clifton. Other participants included a representative from the Napier Port, Ahuriri businesses, New Zealand Transport Agency, Department of Conservation, recreational interests, and rural community. Based on a “multi criteria decision making analysis”, these assessment panels were responsible for developing and evaluating response options in Stage 3.
- 2.7 The Assessment Panels commenced their work in January 2017 and were tasked with developing informed recommendations for the Joint Committee’s consideration. The panels have now completed their task in preparing a 100 year Strategy for preferred response options along the coast, focussing at this stage on priority areas (i.e. those areas deemed most at risk in the short term). The Strategy is appended as Attachment A.

Figure 2 Clifton to Tangoio Coast Hazard Assessment Cells

3.0 CURRENT SITUATION

- 3.1 Table 1 below summarises the recommendations, with more detail provided on pages 16-23 of the Strategy. Table 2 below provides a summary of the total costs estimated in range from high to low, including capital, operations and maintenance allowances for the recommended options while pages 64-72 detail the indicative costs for all of the pathways considered.

Table 1 Summary of Recommended Pathways

UNIT E1: AHURIRI – PATHWAY 6				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Status quo	→	Sea wall	→	Sea wall
UNIT E2: PANDORA – PATHWAY 3				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Inundation Protection	→	Inundation Protection	→	Inundation Protection
UNIT D: WESTSHORE – PATHWAY 3				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Renourishment	→	Renourishment + Control Structures	→	Renourishment + Control Structures
UNIT C: BAY VIEW – PATHWAY 3				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Status Quo / Renourishment	→	Renourishment + Control Structures	→	Renourishment + Control Structures
UNIT B: WHIRINAKI – PATHWAY 4				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Status Quo / Renourishment	→	Renourishment + Control Structures	→	Sea wall

UNIT L: CLIFTON – PATHWAY 5				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Sea wall	→	Sea wall	→	Managed Retreat
UNIT K2: TE AWANGA – PATHWAY 3				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Renourishment + Groynes	→	Renourishment + Groynes	→	Renourishment + Groynes
UNIT K1: HAUMOANA – PATHWAY 2				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Renourishment + Groynes	→	Renourishment + Groynes	→	Managed Retreat
UNIT J: CLIVE/EAST CLIVE – PATHWAY 1				
Short term (0 – 20 years)	→	Medium term (20 – 50 years)	→	Long term (50 – 100 years)
Status Quo	→	Renourishment + Groynes	→	Retreat the Line / Managed Retreat

Table 2 Summary of Total costs (Capital, Operations, and Maintenance)

Pathway	Description	ST (0-20)		MT (20-50)		LT (50-100)		TOTAL	
		Low	High	Low	High	Low	High	Low	High
Whirinaki									
4	PW4: SQ/R+RCS+SW	\$ 2,380,200	\$ 5,855,400	\$ 10,048,500	\$ 26,250,000	\$ 20,370,000	\$ 32,707,500	\$ 32,798,700	\$ 64,812,900
Bayview									
3	PW3: SQ/R+RCS+RCS	\$ 2,125,200	\$ 5,560,400	\$ 7,314,000	\$ 21,880,000	\$ 4,590,000	\$ 15,050,000	\$ 14,029,200	\$ 42,490,400
Westshore									
3	PW3: R+RCS+RCS	\$ 10,427,200	\$ 16,098,400	\$ 9,272,000	\$ 23,306,000	\$ 8,451,900	\$ 27,438,500	\$ 28,151,100	\$ 66,843,900
Pandora									
3	PW3: IP+IP+IP	\$ 1,539,560	\$ 2,460,680	\$ 4,519,920	\$ 7,352,820	\$ 8,306,464	\$ 13,473,864	\$ 14,365,944	\$ 23,287,364
Ahuriri									
6	PW6: SQ+SW+SW	\$ 193,200	\$ 380,400	\$ 3,290,000	\$ 6,020,000	\$ 4,756,000	\$ 8,113,450	\$ 8,239,200	\$ 14,513,850
Clive									
1	PW1: SQ+RCS+MR	\$ 986,000	\$ 1,722,000	\$ 4,492,500	\$ 10,952,500	\$ -	\$ -	\$ 5,478,500	\$ 12,674,500
Haumoana									
2	PW2: RCS+RCS+MR	\$ 6,552,000	\$ 19,240,000	\$ 2,250,000	\$ 3,750,000	\$ -	\$ -	\$ 8,802,000	\$ 22,990,000
Te Awanga									
3	PW3: RCS+RCS+RCS	\$ 5,182,000	\$ 12,770,000	\$ 2,250,000	\$ 3,750,000	\$ 7,560,000	\$ 14,940,000	\$ 14,992,000	\$ 31,460,000
Clifton									
5	PW5: SW+SW+MR	\$ 3,850,000	\$ 6,600,000	\$ 525,000	\$ 900,000	\$ -	\$ -	\$ 4,375,000	\$ 7,500,000

¹ Timeframes defined as ST: Short Term (0-20 years), MT: Medium Term (20-50 years), LT: Long Term (50-100 years)

² Pathway selection process detailed in accompanying paper

³ Pathway Description Key:

SQ = Status Quo, R = Renourishment, RCS = Renourishment & control structures, IP = Inundation Protection, SW = Seawall, MR = Managed Retreat

- 3.2 At the meeting of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee on 20 February 2018 (as shown in the draft minutes at Attachment B), the Committee resolved to:
- 1) Receive the Report of the Northern and Southern Cell Assessment Panels.
 - 2) Endorse the recommendations of the Northern and Southern Cell Assessment Panels as presented in their report dated 14 February 2018.
 - 3) Recommend that the Napier City Council, Hastings District Council and Hawke's Bay Regional Council endorse and adopt the recommendations of the Northern and Southern Cell Assessment Panels as presented in their report dated 14 February 2018, and commence Stage 4 (Implementation) of the Clifton to Tangoio Coastal Hazards Strategy 2120.
- 3.3 Partner Council reporting on Stage 3 is expected to be completed by 3 April, 2018. Subject to the outcome of Stage 3 being endorsed, and to confirming timing for reporting back to, and seeking support from, each Tangata Whenua member of the Joint Committee, Stage 4 will be able to commence, subject to partner Council's funding commitments and Long Term Plan processes.
- 3.4 Hastings District Council, along with the other partner Councils, have already committed to including \$100, 000 per year (uninflated) for the next ten years in its draft LTP (assuming confirmation through the LTP processes). This money is intended to cover Stage 4 of the Strategy and includes the planning phase of design and budget refinements, cost sharing and funding options and preparing for implementation. However, this funding, once confirmed, will not be available until the new financial year, 1 July 2018.
- 3.5 The ten years of funding in the LTP is intended to demonstrate leadership and a firm commitment by the partner Councils to facing up to one of the most pressing issues associated with climate change, i.e. sea level rise and its impacts on coastal erosion and inundation.
- 3.6 In the interim, budgeted costs for Stage 3 have been exceeded, leaving insufficient funds in the current financial year to proceed with any significant work in Stage 4. This exceedance has resulted from the need for more Assessment Panel workshops being held than originally intended, and a corresponding increase in inputs from external advisors.
- 3.7 The Partner Council representatives on the Technical Advisory Group consider that a "pause" is necessary, and that engaging further external advice in support of Stage 4 will need to be held over until after 30 June, 2018 and the confirmation of draft LTPs.
- 3.8 In practical terms, this means limited Joint Committee and TAG activity in Stage 4 between April to June 2018. From July onwards, technical expertise is expected to be required and engaged to, among other matters:
- 1) Guide the refinement of the funding approach towards an agreed position between all Partner Councils;
 - 2) Commence implementation planning, particularly around the staging of physical works programmes in accordance with priority; and

- 3) Commence refining high level design and costing information for agreed physical works programmes, as part of detailed design.
- 3.9 In the interim, TAG are expecting to be able to advance work where internal resources can be dedicated in support of it, or where external funding may be available. As an example, funding and expertise may be available through the National Science Challenges programme to support the development of triggers. There are also a range of Assessment Panel supplementary recommendations that, if adopted by the Partner Councils, could be advanced.
- 3.10 Work also continues on developing the funding model and an assessment of the social costs and benefits for key communities. It is important that how funding decisions will be made, and in particular how private versus public costs/benefits are to be apportioned, is decided and tested with the communities that are expected to contribute so that affordability is confirmed before the panel's recommendations can be fully committed to.

4.0 Options

- 4.1 The options available to Council are as follows:
 - 1) To adopt the report and endorse the recommendations, including commencing Stage 4.
 - 2) To adopt the report and endorse the recommendations in principle subject to funding arrangements, including commencing Stage 4.
 - 3) Receive the report but not endorse the recommendations and not commence Stage 4.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 The Coastal Hazards Strategy is a significant body of work that has been based on a community led collaborative planning process. The assessment panel process has been a form of consultation in its own right and during their process two open evenings were held to consult with the wider coastal communities of interest (and anyone else interested). Pages 39-40 detail the main public feedback forums.
- 5.2 In addition, a range of direct communications have occurred with Iwi (including the 7 marae in the project area and the relevant Taiwhenua, Post-Settlement Governance Entities and Ngāti Kahungunu Incorporated). Regular newsletters have also kept the wider public informed of the process at key milestones and a dedicated website (<https://www.hbcoast.co.nz/>) has invited interested parties to become involved.
- 5.3 Nevertheless the strategy has significant implications for the way in which the coastal environment will be managed over many decades and the costs over the hundred year life of the strategy run into potential several hundred million dollars across the region, all of which will necessitate further ongoing consultative processes.
- 5.4 The strategy will inevitably require changes to the Regional Policy statement

and Regional Coastal Plan which will require consultation and [potential environmental court appeals under the resource management act as will be the case with potential numerous resource consents to implement some of the works being anticipated by the strategy. Not the least however, will be the consultation needed to secure funding through the Long Term Plans and Thirty Year Infrastructure Plans.

- 5.5 Council will need to be satisfied that the level of community consultation thus far is sufficient to endorse the recommendations of the Joint Committee. Adoption of the strategy will then trigger significant further work which will entail the further consultation referred to above, but against the somewhat limiting backdrop of Council having agreed that the strategy recommendations are fundamentally the right ones to follow.

6.0 ASSESSMENT OF PREFERRED OPTION/S AND REASONS

Management Approach

- 6.1 Before adopting the recommendations and agreeing to initiate Stage 4 Council will want to be satisfied that the strategy approach is the right one to follow in terms of each of the pathways, at least for the short to medium term. It is noteworthy that the Pathways approach does allow some flexibility to change approach, sooner or later, depending upon how sea level rise impacts manifests themselves in reality over time. In addition it is noted that while the total estimated strategy implementation costs over 100 years at \$131m -287m are significant and possibly daunting, the short term (20 year) costs are in the order of \$52m and focus in general at the less invasive end of the range of management interventions, rather than harder engineering option, or pre-emptive retreat which tends to lock in these approaches, rather than fostering adaptive management over time.
- 6.1 It is also worth noting that the cost of doing nothing is estimated to run into the 100's of millions of dollars. While the effects of erosion of land and physical assets is one of the more visible impacts of sea level rise the stage 1 work clearly showed that recurrent inundation by storm surge overtopping of the beach barrier was likely to affect far more members of the community and inflict greater financial losses than the erosion aspect. With sea level rise and increased storminess associated with climate change, these impacts are likely to be felt further inland and at a greater frequency.
- 6.2 Accordingly the management response recommended tended to focus on options that more effectively addressed this issue, rather than necessarily protecting properties closer to the coastline by employing harder engineering solutions such as seawalls. In addition the costs of managed relocation of large sections of the community and the existing public assets inland, tended to be significantly greater than the management options available to mitigate the risk, at least in the short to medium term. Further, inundation from storm surge is not easily tracked and predicted, so relocation options potentially need to happen well in advance of actual events. Unlike erosion, once relocation has occurred there is little flexibility to change pathway, resulting in unnecessary option lock in.
- 6.3 As a general summary and therefore with some exceptions, the recommended solutions for the most part recommend less "engineered"

options that attempt to capitalise on natural processes by trapping gravels and sands, to stabilise and build back the cost away from infrastructure and private assets. This reduces the impact of storm surge, but minimises option lock in and promotes more adaptive management. While these approaches will also provide some protection from erosion for some properties closer to the shore line, those properties are still likely to experience damaging storm surge effects. With the coastline moving further away however, they will potentially be able to prove harder protections on their own properties without causing significant erosion affects further along the coast, which is an issue where the coastline is located at present.

Financial

- 6.4 While the Council may agree with the overall management approach, affordability will still be a major issue in the final outcomes for the community. The more immediate financial implications have been discussed above, but while some preliminary discussions have occurred between the partner Councils regarding the development of a funding model to implement the recommended pathways, some key questions remain open.
- 6.5 This includes the mechanism(s) for collecting and funding works over the longer timeframes associated with climate change and sea level rise being agreed with the relevant parties given the challenges for funding.
- 6.6 These include, among other things:
 - The share of responsibilities between Councils for collecting rates in support of the physical work programmes identified by the Strategy;
 - The share of responsibilities between Councils for seeking resource consents and implementing works;
 - The detailed functioning of a 'Contributory Fund', particularly how targeted rates will be applied (i.e. whether rates collected from a specific coastal community are only spent in that community or whether there is an opportunity for a more general fund);
 - Communities to make some appropriate contribution for future works to reflect intergenerational responsibilities.
 - The public / private benefit assessment for each physical works programme, and the resulting apportionment of costs.
 - Visibility for communities / stakeholders into the organisation whose purpose is to fund coastal hazards adaptation.
 - Funding that is put aside for future responses to be ring fenced and immune to claw back as far as possible.
 - A funding framework that is durable and able to survive through future successive political cycles over a long time frame.

- 6.7 Stage 4 will need to resolve these issues in order for the Strategy to deliver the preferred physical solutions for each of the priority areas of the coast.

Policy Framework

- 6.8 One body of work that will arise from Stage 4 will be a need to review all relevant provisions of both regional and district plans to ensure there is a policy framework that supports the preferred pathways while maintaining appropriate consenting requirements through normal resource management planning processes. Regional policy statements, regional plans and district plans must however, give effect to the National Coastal Policy Statement 2010 (NZCPS) and therefore by implication, so must the recommendation of the strategy.
- 6.9 The NZCPS states policies in order to achieve the purpose of the Resource Management Act in relation to the coastal environment. It recognises that activities in the coastal environment are susceptible to the effects of natural hazards such as coastal erosion and tsunami, and those associated with climate change and requires Councils to identify and prioritise areas in the coastal environment that are potentially affected. Councils must take into account the nature of the coastal hazard risk and how it might change over at least a 100-year timeframe, including the expected effects of climate change; and its effects on storm frequency, intensity and surges; and coastal sediment dynamics.
- 6.10 The NCPS recognises that the coastal environment includes areas at risk from coastal hazards including physical resources, built facilities, and infrastructure, that have modified the coastal environment. It promotes a precautionary approach to the use and management of coastal resources potentially vulnerable to effects from climate change, so that avoidable social and economic loss and harm to communities does not occur.
- 6.11 In doing so it however, promotes locating new development away from areas prone to such risks and encourages redevelopment, or change in land use, and the location of infrastructure away from areas of hazard risk where practicable, including managed retreat by relocation or removal of existing structures or their abandonment in extreme circumstances.
- 6.12 It also discourages hard protection structures and promotes the use of alternatives to them, including natural defences and allowing natural adjustments for coastal processes, natural defences, ecosystems, habitat and species are to occur. Where appropriate for the protection, restoration or enhancement of natural defences that protect coastal land uses are also promoted.
- 6.13 However, it also recognises that the extent and characteristics of the coastal environment vary from region to region and locality to locality; and the issues that arise may have different effects in different localities and range of options for reducing coastal hazard risk that should be assessed relative to the option of “do-nothing”. This should include identifying and planning for transition mechanisms and timeframes for moving to more sustainable approaches. Where hard protection structures are considered to be necessary, the form and location of any structures need to be designed to minimise adverse

effects on the coastal environment.

- 6.14 The recommended strategy attempts to meet the objectives and policies of the NCPS as outlined above, and by and large adopts an adaptive pathway approach where the interventions tend to be based around capitalising on natural processes and protecting the natural defence system represented by the gravel beach barrier rather than hard defence structures per se. However, that is not able to be achieved in all cases and some hard defence structures are recommended, but ultimately these may need to give way to managed retreat in some cases, e.g. Clifton

Risk

- 6.15 The biggest risk associated with climate change is not acting. The NZ Coastal Policy statement requires Councils to plan for coastal erosion and inundation using a 100 year time frame. The three partner Councils have been proactive in developing a Strategy that meets legislative requirements, current best practice and the aspirations of the potentially most affected communities. The pathways approach is also intended to manage the risk around uncertainty by delaying more expensive and less flexible interventions until future stages.

Preferred Option

- 6.16 The preferred option is for Council to receive the report and agree to consider the recommendations of the Joint Committee. Council should also agree to commencing work on the issues to be contained in the Stage 4 implementation plan, including issues of funding.
- 6.17 In recommending this approach it is acknowledged that considerable funds have been spent by the three Councils so far, and an enormous amount of community time has invested in developing the recommendations. The Joint Committee has overseen a robust community led planning process for developing a Coastal Hazard Strategy to meet the needs of the community for the next 100 years and the Community Panels have done good work drawing together proposals for addressing coastal hazards. Stage 4 will likewise involve considerable investment in time and money from the three Councils and with the input of the community, which should not be committed to without solid support and backing from three Councils for the outcomes being recommended in the Assessment Panel report.
- 6.18 Having said that it is also acknowledged that this has been and is a complex problem to solve, with potential solutions intended to span many decades with very substantial ongoing cost implications for the whole community and in particular those affected communities that will need to bear a substantial proportion of those costs. Officers are conscious therefore that Councillors will want to satisfy themselves that the recommendations are the most appropriate way of dealing with the hazards in the long term. Although there have been some workshops and progress reports along the development the way, there has not yet been sufficient opportunity for Councillors to fully debate the merits of the recommendations, or to seek further information and analysis to give them the level of comfort they may need in order to fully commit to the recommended strategy at this time. Officers consider that this is necessary if the strategy is to have the longevity desired of it and in view of

the necessary consultation required with the affected and broader communities who will be expected to fund the implementation.

- 6.19 The implementation phase is critical in order to deliver the preferred pathways necessary to making the community resilient to the potential impacts associated with coastal erosion and inundation in the face of climate change and sea level rise. For that phase to proceed, there needs to be some reasonable endorsement of the management approaches recommended, in order that the nature of the costs can be better estimated and benefit apportionment agreed upon as a basis for assessing affordability and assigning funding responsibilities. Accordingly consideration of the recommendations should ideally take place before the end of the financial year if momentum is not to be lost in terms of commencing stage 4.

7.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Principal Advisor: District Development titled “Recommendations of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee February 2018” dated 22/03/2018 be received.**
- B) That the Council receive the report of the Northern and Southern Cell Assessment Panels, and agree to consider the recommendations contained therein.**
- C) That the Council agree to commence work on issues to be contained in Stage 4 of the Implementation Strategy, including issues of funding.**
- D) With the reason 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 regulatory functions for the management of coastal hazards in the study area in a way that is most cost-effective for households and business by considering a long term adaptive pathway approach for each of the coastal areas at risk from climate change and sea level rise over the next 100 years.**

Attachments:

- | | | | |
|---|--|------------------|--------------|
| 1 | Clifton to Tangoio Coast Hazards Strategy Assessment Panel Report FINAL 28.2.18. signed copy as Adopted by the Joint Committee | STR-14-07-18-531 | Separate Doc |
| 2 | Clifton to Tangoio Coastal Hazards Strategy Joint Committee Minutes 20 February 2018 - Draft Minutes of Clifton to Tangoio Coastal Hazards Strategy Joint Committee - 20 February 2018 | STR-14-07-18-529 | Separate Doc |

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: MANAGER STRATEGIC FINANCE
BRENT CHAMBERLAIN**

**SUBJECT: HAWKE'S BAY AIRPORT LIMITED HALF YEAR REPORT
AND 2018/19 STATEMENT OF INTENT**

1.0 SUMMARY

- 1.1 The purpose of this report is to inform the Council of the results of the Hawke's Bay Airport Limited (HBAL) for the six months ended 31 December 2017 and to present the draft HBAL 2018/19 Statement of Intent for consideration.
- 1.2 This issue arises from the receipt of the half yearly report for the six months ended 31 December 2017 and the draft 2018/19 Statement of Intent (SOI) from HBAL. Tony Porter (Chairman) and Stuart Ainslie (Chief Executive Officer) from HBAL will be in attendance at the Council meeting.
- 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 This report concludes by recommending that the Half Year report for the six months to 31 December 2017 and the draft 2018/19 Statement of Intent be received with any comments passed onto the HBAL Board for consideration.

2.0 BACKGROUND

- 2.1 HBAL is a joint venture between the Crown (50%), Napier City (26%) and Hastings District (24%).
- 2.2 The Council's share of HBAL is considered to be a Strategic Asset in Council's Significance Land Engagement Policy.
- 2.3 HBAL is required to report to its shareholding partners every 6 months.
- 2.4 The Local Government Act requires all Council Controlled Organisations to prepare a Statement of Intent. A draft is required to be provided by 1 March each year for comment with the final Statement of Intent to be completed by 30 June each year. Clause 3 of Schedule 8 of the Local Government Act 2002 outlines the Board's responsibilities upon receiving comments from the shareholders:

3) **Completion of statements of intent**

The board must –

- a) *Consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and*
- b) *Deliver the completed statement of intent to the shareholders on or before 30 June each year.*

2.5 Clause 9 of Schedule 8 of the Local Government Act outlines the contents of a Council Controlled Organisation's Statement of Intent for which HBAL must comply.

3.0 **CURRENT SITUATION**

Half Year Accounts

- 3.1 **Attached as Attachment 1** is a copy of the report to shareholders for the half year ended 31 December 2017.
- 3.2 HBAL has reported a half year after tax profit of \$933,430 which is above budget (\$659,233) but below last year's half year result of \$990,240. The result reflects a 10.3% (\$314,463) increase in revenue on last year. Operating expenses were \$372,166 or 36.7% above the same period last year due to the increased cost of the Airport's Rescue Fire Service (CAA regulation changes driving this), and higher remuneration costs due to new business growth support roles.
- 3.3 Passenger numbers at 354,565 are 8.6% up on last year.

Statement of Intent

- 3.4 HBAL has prepared a draft 2018/19 Statement of Intent which is attached as **Attachment 2**. The draft Statement of Intent is for the year ended 30 June 2019 and includes financial forecasts for the following two years. The draft SOI includes capital expenditure of \$18.14m over the next three years with investment concentrated on the Terminal (\$14.25m), security (\$1.6m) and roading and car parking (\$1.35m).
- 3.5 HBAL are forecasting a 4.4% increase in total revenue on the 2017/18 budget with increases in total revenue of 3.5% and 4.3% in 2019/20 and 2020/21 respectively, driven by continued growth in passenger numbers, landing charges and rental and other income.
- 3.6 The 2018/19 Net Profit before tax is budgeted to be \$399,622 below the 2018/19 result forecast in the previous year's Statement of Intent (that is year two's of the Statement of Intent). This is on the back of lower revenue targets. The revised budget shows an expected Net Profit before tax of \$1.8m.
- 3.7 The 2018/19 Statement of Intent includes the provision of distributions to shareholders by way of dividends of up to 40% of net profit. Dividends forecast for year 1 of the SOI amount to \$529,000 with the HDC share of this potentially being \$126,960. Taking into account this forecast and previous

distributions a dividend of \$100,000 has been factored into year 1 of Council's 2018-28 Long Term Plan. This is considered conservative as this income is not certain and will require HBAL Directors to satisfy all relevant solvency tests at that time.

- 3.8 HBAL have updated their key objectives which include specific financial targets, delivery of capital projects, all with the end goal of optimising shareholder value and returns, diversifying the revenue base, championing a positive customer experience, managing business risk, being a good employer, and a good steward of the environment.
- 3.9 The HBAL's Nature and Scope of its activities is consistent with prior years is presented through the Company's Mission Statement, Vision Statement and Values. HBAL also provides more information on the Company's Strategy over the period of the Statement of Intent.
- 3.10 The HBAL 2018/19 Statement of Intent satisfies the requirements set out in Schedule 8 of the Local Government Act 2002.

4.0 OPTIONS

- 4.1 Council can receive the HBAL six monthly report.
- 4.2 Council can receive the draft 2018/19 HBAL Statement of Intent.
- 4.3 Council can also request directors of HBAL to consider changes to the Statement of Intent if it wishes. The directors of HBAL would then need to consider the request alongside the feedback from the other 2 shareholders and decide if a change is appropriate.
- 4.4 If HBAL decided that it did not wish to make the changes requested by Council as its shareholder, Council has recourse through Schedule 8 (5) of the Local Government Act. Council can by resolution, require the board to modify the statement of intent if Council deemed it necessary. However given HDC's minority shareholding in HBAL, it would need majority shareholder consensus to enforce this option.

5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.1 While Council's share in HBAL is considered a strategic asset, the issues for discussion are not significant in terms of Council's Significance and Engagement Policy and no consultation is required.

6.0 PREFERRED OPTION/S AND REASONS

- 6.1 The preferred option is for the Half Year report to 31 December 2017 and the draft Statement of Intent to be received with any suggested changes to the Statement of Intent passed onto the HBAL Board.
- 6.2 The half year report provides a solid financial result for HBAL despite regulation enforced cost increases. HBAL continues to have a strong balance sheet to enable distributions to its shareholders and to also enable continued investment in the business.
- 6.3 The Statement of Intent presented by HBAL satisfies all the requirements as set out in Schedule 8 of the Local Government Act and also clearly sets out the nature and scope of the HBAL activities and its performance targets.

7.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Manager Strategic Finance titled “Hawke's Bay Airport Limited Half Year Report and 2018/19 Statement of Intent” be received.**
- B) That the Hawke's Bay Airport Limited Half Year report to 31 December 2017 be received.**
- C) That the 2018/19 Draft Statement of Intent of Hawke's Bay Airport Limited be received with any feedback provided to the Hawke's Bay Airport Ltd board.**

Attachments:

- | | | |
|---|---|------------------|
| 1 | Hawkes Bay Airport Interim Report 31-12-17 | EXT-10-9-1-18-44 |
| 2 | HB Airport Ltd - Draft Statement of Intent 30 June 2019 | EXT-10-9-1-18-45 |

HAWKE'S BAY AIRPORT LIMITED INTERIM REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017



Hawke's Bay Airport Limited Directory

Directors

Tony Porter (Chairman)
Sarah Park (Chair of the Audit and
Finance Committee)
Wendie Harvey
Taine Randell

Chief Executive

Nick Story (November 2017)

Chief Financial Officer

Jeanette Yule (appointed September 2017)

Operations Manager

Olivia Pierre (resigned October 2017)
Gareth Mentzer (appointed January 2018)

Infrastructure Manager

Graham Eagles

Commercial Manager

Dean Smith

Registered Office

Terminal Building
Hawke's Bay Airport
111 Main North Road
PO Box 721
NAPIER 4140

Bankers

ANZ Bank New Zealand Ltd

Solicitors

Willis Legal

Auditors

Staples Rodway Hawke's Bay
Partnership on behalf of the Auditor General

HAWKE'S BAY AIRPORT LTD
PO Box 721, Napier 4140
admin@hawkesbay-airport.co.nz
www.hawkesbay-airport.co.nz

Hawke's Bay Airport Limited

Report to Shareholders

for the Half Year ending 31 December 2017

We report against our Statement of Intent targets which include continued growth in Passenger Numbers, Revenue and Profitability and other activities in accordance with our stated strategic framework.

Financial Performance Highlights

- Total passenger movements for the half year were 354,565 which represents an 8.6% increase on the same period last year, and 19,531 passengers over the budgeted amount for the period. Total Revenue for the period of \$3.37m was 7.8% above budget and 10.3% ahead of the same period the year prior.
- The primary drivers of revenue growth were airside revenue up 6.1%, due to an increase in scheduled landings, and an increase in car parking revenue. The increase in car park revenue correlates to passenger growth plus the full 6-month impact of the 1 November 2016 pricing increase.
- Total expenditure for the half year was 36.7% ahead of the same period last year and reflects a significant increase in the cost of the Airport's Rescue Fire Service resulting from increased service requirements required by the Company and the Civil Aviation Authority (CAA). Remuneration costs increased due to the creation of new roles to support business growth.
- As a consequence of the above factors, EBITDA for the half year at \$1.987m was 17.4% above budget, and slightly behind the same period in the prior year.
- Profit after Tax for the period at \$0.93m was \$0.274m (41.6%) above budget, this was bolstered by interest cost savings of \$0.15m resulting from the delayed start of the terminal redevelopment project.
- Our balance sheet remains strong. Bank borrowings of \$0.8m as at 31 December 2017 were below the level at 31 December 2016. The airport continued to invest in its infrastructure, in line with its strategic plan, with total capital investment of \$1.9m for the half year.
- Return on Equity of 6.4% is in line with budget.
- A record fully imputed dividend of \$0.687m was paid during the period, representing 40% of FY2017 Net Profit after Tax.

1. Performance Highlights & Other Activity

1.1 Terminal Development Project and supporting Infrastructure

Following a competitive tender process and post tender negotiation, Arrow International were appointed main contractor to redevelop the terminal building. A letter of intent was signed in October with the construction contract being finalised and executed in December 2017. The delay in appointing a main contractor was largely due to the airport company accommodating additional tenant requested design changes which needed to be properly documented before the final contract value could be negotiated.

Following consultation with both the airport's tenants and the main contractor a revised staging plan has been developed - the objectives being to minimise operational disruption, preserve customer experience and offer savings to the project. The enabling works for the project commenced in February with construction starting in March. Completion is now anticipated in November 2019.

1.2 SH2 / Watchman Road / Airport Access

Enabled by a project funding partnership between Hawke's Bay Airport Ltd, Napier City Council and NZTA the construction of the above intersection improvements commenced during the period. The final connection of the Airport Link Road to State Highway 2 remains on track and scheduled for completion in August 2018. Additional works will be required by the airport company to integrate the Airport Link Road into the existing airport internal roads, the design of these works is underway and construction is scheduled to commence in the second half of 2018.

1.3 Personnel

Following a brave battle with cancer our HBAL CEO Nick Story passed away on 17th November 2017. Nick was a considered a great strategic thinker and a strong leader and was very well respected in the business community. Nick's passing was felt deeply by the HBAL board and team.

Appointments to the role of CFO and a replacement Operation Manager were made during the period. Jeanette Yule was appointed to the newly created CFO role. Jeanette is a senior executive with a background in financial services, most recently with ANZ in Australasia. Gareth Mentzer replaced Olivia Pierre as Operations Manager. Gareth has spent the last 15 years in a variety of operations and management roles, most recently as business manager for AWF in Hastings. We wish to thank Olivia for her dedication and achievements during her time with the Company.

1.4 Noise Contours – Private Plan Change Submission

To ensure the Airport can continue to accommodate growth, the Airport is seeking to update its current noise contours in the Napier City Council District Plan. Following public consultation, the proposed plan change was lodged with the Napier City Council in December.

2. New Business Development

2.1 Business Park Land - Private Plan Change Submission

We finalised our proposed changes to the Napier City Council District Plan to enable a broader range of permitted land use activities on the business park. Once approved, these changes will serve to broaden the commercial scope and viability of the park development as well as facilitating additional regional economic growth.

2.2 New Tenancies

Agreement was reached during the period with Thrifty Rental Cars to lease a previously vacant bay in the existing car valet facility. Some modest enabling works were required prior to the building being fit-for-purpose - construction of these started in December with Thrifty's tenancy expected to commence in February 2018.

3. Financial Reports

Our unaudited Interim Financial Results to 31 December 2017 are included in this report. It includes a statement of service performance, more detailed analysis of the Company's financial performance compared to its Statement of Intent objectives (Budget), as well as a Summary of Financial Performance, Statement of Movements in Equity, Summary of Financial Position, Statement of Cash Flows, Accounting Policies and Notes to the Accounts.

4. Looking Forward

4.1 With an 8.6% increase in passenger numbers compared to last year, we continue to track ahead of our long-term average growth rate of passenger numbers of 3%. The Company is forecasting to complete the year with a 5% increase in passenger numbers compared to last year, which exceeds our budgeted figure by 2%. Looking ahead to FY19 and FY20 we expect to see our passenger growth rate start to track down closer to the long-term average.

4.2 While we have had a significant increase in operating costs YTD compared to same period last year, the increase in these additional costs was forecast with total expenditure year-to-date being 3.5% below budget. The Company forecasts to retain some of those savings through to year end.

4.3 A review of the company's existing strategic framework was undertaken during the period with a realignment of the business's Vision, Mission, Values and Strategic Imperatives confirmed. These will inform the development of the Company's business plans and will be summarised in the 2018/19 Statement of Intent.

4.4 Following an extensive recruitment process the board are very satisfied to advise that an offer has been made to a preferred candidate to fill the role vacated by Nick Story. The board confirm that shareholders will be advised ahead of any public announcement in relation to this appointment.

4.5 Further to the onboarding and induction of our new CEO into the business, the terminal redevelopment, construction of the new entranceway and the integration of these projects into the airports existing infrastructure will be the primary focus for the company over the coming period. There will also be a continued commitment to participate in consultation on the proposed revisions to the Napier City Council district plan in relation to both the airport's noise contours and the zoning of the business park – both of which are considered key strategic enablers for future growth of the airport business.



Tony Porter
Chairman, Hawke's Bay Airport Limited
[Enclosed: Statement of Service Performance and an Financial Statements for the Half Year Ending 31 December 2017]

Accounting Policies

For the period ending 31 December 2017

Significant accounting policies

Reporting Entity

Hawke's Bay Airport Limited is a company incorporated in New Zealand under the Companies Act 1993 and is owned by the Crown: 50%, Napier City Council: 26%, Hastings District Council: 24%.

The company is domiciled in New Zealand and its principal place of business is 111 Main North Road, Westshore, Napier. The company operates the Hawke's Bay Airport.

Hawke's Bay Airport Limited is defined as a Council-controlled organisation pursuant to Part 5 of the Local Government Act 2002.

The financial statements have been prepared as required by the Local Government Act 2002 and in accordance with all applicable financial reporting standards and other generally accepted accounting practices in New Zealand. They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to profit oriented entities. They also comply with International Financial Reporting Standards.

Measurement Base

The financial statements have been prepared on a going concern basis in accordance with historical cost concepts as modified by the revaluation of certain assets and liabilities as identified in specific accounting policies below.

Presentation Currency

These Financial Statements are presented in New Zealand dollars (\$), which is the functional currency of the company, rounded to the nearest dollar.

Critical Accounting Estimates, Assumptions and Judgements

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management has exercised its judgment on the impairment assessment of Investment Property, and in the assessment of the recoverable amounts of Capital Work in Progress.

Accounting Policies

For the period ending 31 December 2017

Particular accounting policies

1 Revenues

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of Goods and Services Tax (if applicable), returns, rebates and discounts. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the company's activities. Revenues consist mainly of landing charges, car parking fees, terminal and leased land rentals and concessions. Lease income is recognised on a straight line basis over the term of the lease.

2 Trade and Other Receivables

Trade and other receivables are stated at net realisable value after provision for doubtful debts.

3 Taxation

Income tax expense

Income tax on profits for the period comprises current tax, deferred tax and any adjustment for tax payable in previous periods. Income tax is recognised in profit or loss as tax expense except when it relates to items credited directly to equity, in which case it is recorded in other comprehensive income.

Current tax

Current tax is the expected tax payable on the income for the period based on tax rates and tax laws which are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax arises by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the equivalent amounts used for tax purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the assets or liabilities giving rise to them are realised or settled.

Deferred tax assets, including those related to the tax effect of income tax losses available to be carried forward are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be realised. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Cash Flow Statement

The following definitions have been used for the preparation of the Statement of Cash Flows:

Cash and Cash equivalents: Cash and cash equivalents are cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Operating activities: Transactions and other events that are not investing or financing activities.

Investing activities: Activities relating to the acquisition, holding and disposal of non-current assets and of investments, such as securities, not falling within the definition of cash.

Financing activities: Activities which result in changes in the size and composition of the capital structure of the Company, both equity and debt not falling within the definition of cash.

Accounting Policies

For the period ending 31 December 2017

Particular accounting policies (continued)

5 Valuation of Property, Plant and Equipment

Property, Plant and Equipment

In the 2015 property plant and equipment was revalued from their original cost when the assets were acquired from the Hawke's Bay Airport Authority on 1 July 2009.

The change in accounting policy was adopted so that the net book value of the assets at 30 June 2015 fairly reflects the underlying value of the Company's assets.

The revaluations were completed by independent valuers who have assessed the fair value of the assets. Any revaluation increment was credited to the revaluation reserve and included in other comprehensive income, except to the extent that it reversed a previous decrease of the same asset previously recognised within net profit in the statement of comprehensive income, in which case the increase is recognised within net profit in the statement of comprehensive income.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement, and the depreciation based on the original cost is transferred from the revaluation reserve to retained earnings.

Property, plant and equipment comprises airfield and other infrastructure, car parks, buildings and equipment.

Assets under construction

The cost of assets under construction is recorded at incurred cost as at balance date.

Disposal of property plant and equipment

When an item of plant property and equipment is disposed of any gain or loss is recognised in the profit or loss calculated at the difference between the sale price and the carrying value of the asset.

Cyclical maintenance upgrades

Significant expenditure involving renewal of runway surface components is capitalised and subject to depreciation at the appropriate rates.

6 Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, including transaction costs. Costs include all expenditure relating to infrastructure development and construction. Investment property is depreciated using the cost model allowed under NZ IAS 40. Investment properties include all aspects of the business park development adjacent to the airport.

Accounting Policies

For the period ending 31 December 2017

Particular accounting policies (continued)

7 Depreciation

Depreciation is charged on a straight-line basis to write off the cost or value of property, plant and equipment and investment property over their expected economic lives.

The principal depreciation rates are as follows:

Airfield Infrastructure: Base	0.71% to 5.56%
Surface	6.67% to 10.00%
Business Park Infrastructure	0.00% to 10.00%
Buildings	2.50% to 10.00%
Plant & Equipment	2.90% to 40.00%
Car Park & Roading	1.67% to 5.00%
Fencing	5.00% to 15.00%
Lighting	4.00% to 10.00%
Furniture & Fittings	10.00%
Office Equipment	30.00%

8 Intangibles

Intangibles comprise computer software that is not an integral part of the related hardware. This software has either been purchased or developed internally and is initially recorded at cost. Subsequent costs are included in the software's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The costs of maintaining the software are charged to profit or loss. Software is amortised over three years using the straight line method.

9 Financial Instruments Recognition and Measurement

Financial instruments are initially measured at fair value plus transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are stated at amortised cost using the effective interest rate method less accumulated impairment losses. Trade and other receivables and cash and cash equivalents listed in the Company's statement of financial position are classified as loans and receivables.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation. Trade and other payables, employee benefits and borrowings are classified as financial liabilities.

10 Impairment Testing Of Assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Accounting Policies

For the period ending 31 December 2017

Particular accounting policies (continued)

11 GST

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

12 Leases

The Company only has operating leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Operating lease payments are recognised as an expense on a straight line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that leases incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis.

13 Changes in Accounting Policies

There have been no changes in accounting policies in the reported periods.

14 NZ IFRS Issued But Not Yet Effective

The following new standards, amendments to standards and interpretations have been issued, but are not yet effective and have not been adopted early:

- NZ IFRS 9 Financial instruments is effective for annual periods beginning on or after 1 January 2018. NZ IFRS 9 is part of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard introduces amended requirements for classifying and measuring financial assets and liabilities. The Company has completed a high level assessment of the impact of this new standard but does not expect it to have a material impact on the financial performance of the business.

This standard will be applied by the Company in the financial statements for the year ending 30 June 2019.
- NZ IFRS 15 Revenue addresses recognition of revenue from contracts with customers. It replaces the current revenue recognition guidance in IAS 18 Revenue and IAS 11 Construction contracts and is applicable to all entities with revenue. It sets out a five step model for revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company has completed a high level assessment of this new standard. Due to the non-complex nature of the landing fees, lease income and other revenue earned, the Company does not consider that NZ IFRS15 will have a material impact from the current revenue recognition policy.

This standard will be applied by the Company in the financial statements for the year ending 30 June 2019.
- NZ IFRS 16 Leases NZ IFRS 16, 'Leases', replaces the current guidance in NZ IAS 17. Under NZ IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Included is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting for leases under NZ IFRS 16 is almost the same as NZ IAS 17. The standard is effective for accounting periods beginning on or after 1 January 2019.

The Company has completed a high level assessment and notes that in respect of the lease agreements where the company is a lessee (this mainly relates to the lease of additional land at the end of the runway), this will result in these assets being added to the balance sheet with a corresponding liability being recognised.

This standard will be applied by the Company in the financial statements for the year ending 30 June 2020.

Hawke's Bay Airport Ltd - Statement of Service Performance - Half Year Results FY2017/18

Activity	Outcome		Commentary
Operate a Successful Business	Achieve Financial Targets		As per financials
Appropriate Infrastructure	Effect CAPEX investments		
Health and Safety Focus	Continue to work towards zero harm		
Progress Terminal Redevelopment	Project Complete		Main contractor appointed
Strengthen Rescue Fire Station	Project Complete		Completed
New Airport Entranceway	Project Complete		Works on schedule
Business Park Re-Zoned	Project Complete		Submission lodged
Key Customer Relationships	Meetings with key customers		
Consolidate waste and recycling management	Bi-annual audit of consumption		Scheduled to commence within next 3 months
Review Strategic Plan	Current, Refreshed Strategic Plan		

KEY		Meets or exceeds target
		Within 10% of target
		10% or more below target

Hawkes's Bay Airport Ltd
For The Six Months Ended 31 December 2017

Financial Performance vs SOI Objectives

	THIS YEAR				LAST YEAR			BUDGET Budget FY 2017/18
	HY Actual HY 2017/18	HY Budget FY 2017/18	Variance \$	Variance %	HY Actual HY 2016/17	Variance \$	Variance %	
Passenger Numbers	354,565	335,034	19,531	5.8%	326,489	28,076	8.6%	669,500
FINANCIAL PERFORMANCE (\$)								
Revenue								
Airside	1,825,383	1,719,884	105,499	6.1%	1,736,111	89,272	5.1%	3,384,252
Landside	1,402,367	1,238,795	163,572	13.2%	1,181,617	220,750	18.7%	2,629,566
Business Park	144,892	169,470	- 24,578	-14.5%	140,450	4,442	3.2%	338,940
TOTAL REVENUE	3,372,642	3,128,149	244,493	7.8%	3,058,179	314,463	10.3%	6,352,758
Operating Expenses	1,386,084	1,436,268	- 50,184	-3.5%	1,013,918	372,166	36.7%	2,872,536
EBITDA	1,986,558	1,691,881	294,677	17.4%	2,044,261	- 57,703	-2.8%	3,480,222
Depreciation & Amortisation	664,600	608,738	55,862	9.2%	640,251	24,349	3.8%	1,309,489
Interest Income	351	20,965	- 20,614	-98.3%	1,316	- 965	-73.3%	51,456
Interest Paid (charged to P&L)	23,554	172,448	- 148,894	-86.3%	25,756	- 2,202	-8.5%	482,512
Profit before Tax	1,298,755	931,660	367,095	39.4%	1,379,570	- 80,815	-5.9%	1,739,274
Tax	365,326	272,427	92,899	34.1%	389,330	- 24,004	-6.2%	483,226
PROFIT AFTER TAX	933,430	659,233	274,197	41.6%	990,240	- 56,810	-5.7%	1,256,048
FINANCIAL POSITION (\$)								
Total Assets	36,877,004	44,944,182	- 8,067,178		35,860,283	1,016,721		50,595,642
Debt	792,281	9,650,212	- 8,857,931		900,000	- 107,719		15,154,853
Shareholders Funds	29,571,914	29,524,401	47,513		28,466,588	1,105,326		30,066,454
CASHFLOW SUMMARY (\$)								
Net Operating Cashflow	1,166,585	1,104,000	62,585		1,712,588	- 546,004		2,292,000
Capital Expenditure	1,882,082	5,620,000	- 3,737,918		1,457,702	424,381		11,240,000
Dividend	651,737	497,000	154,737		562,000	89,737		497,000
FINANCIAL METRICS								
Return on Equity	6.4%	4.5%			7.1%	-0.7%		4.3%
Net Gearing Ratio	0.0%	4.9%			3.1%	-3.1%		4.9%
Shareholders Funds/Total Net Assets	80.2%	65.6%			79.4%	0.8%		59.4%

Hawkes's Bay Airport Ltd
For The Six Months Ended 31 December 2017

Summary of Financial Performance

	HBAL Unaudited 6 months to 31-Dec-17	HBAL Unaudited 6 months to 31-Dec-16	HBAL Audited Year to 30-Jun-17
Airside	1,825,383	1,736,111	3,812,114
Landside	1,402,367	1,181,618	2,000,818
Business Park	144,892	140,450	299,903
Total revenue	3,372,642	3,058,179	6,112,835
Operating Expenses	(1,386,084)	(1,013,918)	-2,249,918
Operating profit before financing costs and depreciation	1,986,558	2,044,261	3,862,917
Depreciation	(664,600)	(640,251)	(1,302,797)
Finance Income	351	1,316	2,747
Finance expense	(23,554)	(25,756)	(44,350)
Profit before income tax	1,298,755	1,379,570	2,518,517
Income tax	(365,326)	(389,330)	(800,907)
Profit for the period	933,430	990,240	1,717,610
Deferred Tax on Revaluation	-	-	96,262
Total Comprehensive Income	933,430	990,240	1,813,872

The accompanying notes form an integral part of these financial statements

Hawkes's Bay Airport Ltd
For The Six Months Ended 31 December 2017

Statement of Movements in Equity

	HBAL Unaudited 6 months to 31-Dec-17	HBAL Unaudited 6 months to 31-Dec-16	HBAL Audited Year to 30-Jun-17
Equity at beginning of year	29,290,221	28,038,350	28,038,350
Profit for period	933,430	990,240	1,717,609
Revaluation of property, plant & equipment	-	-	96,262
Distributions to Shareholders	(651,737)	(562,000)	(562,000)
Closing equity	29,571,914	28,466,590	29,290,221

The accompanying notes form an integral part of these financial statements

Hawkes's Bay Airport Ltd
For The Six Months Ended 31 December 2017

Summary of Financial Position

	HBAL Unaudited 6 months to 31-Dec-17	HBAL Unaudited 6 months to 31-Dec-16	HBAL Audited Year to 30-Jun-17
Assets			
Property, plant and equipment	31,511,155	30,371,821	30,611,704
Investment property	4,586,182	4,648,201	4,627,960
Intangibles	2,032	4,960	3,364
Total non-current assets	36,099,369	35,024,982	35,243,028
Trade and other receivables	657,021	627,661	615,320
Cash and cash equivalents	120,614	207,642	695,568
Total current assets	777,635	835,303	1,310,888
Total Assets	36,877,004	35,860,285	36,553,916
Equity			
Issued capital	13,789,155	13,789,155	13,789,155
Retained earnings	6,810,614	5,457,756	6,528,922
Revaluation reserve	8,972,145	9,219,677	8,972,144
Total equity	29,571,914	28,466,588	29,290,221
Liabilities			
Deferred tax liability	3,895,849	3,903,091	3,806,233
Rentals in advance	1,222,038	1,307,006	1,264,506
Interest bearing loans and borrowings	792,281	900,000	0
Total non-current liabilities	5,910,168	6,110,097	5,070,739
Trade and other payables	1,383,833	1,245,527	2,097,358
Employee benefits	11,089	38,073	95,599
Total current liabilities	1,394,922	1,283,600	2,192,957
Total liabilities	7,305,090	7,393,697	7,263,695
Total equity and liabilities	36,877,004	35,860,285	36,553,916

The accompanying notes form an integral part of these financial statements

Hawkes's Bay Airport Ltd
For The Six Months Ended 31 December 2017

Statement of Cash Flows

	HBAL Unaudited 6 months to 31-Dec-17	HBAL Unaudited 6 months to 31-Dec-16	HBAL Audited Year to 30-Jun-17
Cash flows from operating activities			
Cash was provided from:			
Revenues	3,014,695	2,734,877	6,066,889
Interest received	351	1,316	2,747
Goods & Service Tax (Net)	(148,303)	(120,443)	(32,486)
	<u>2,866,743</u>	<u>2,615,750</u>	<u>6,037,150</u>
Cash was disbursed to:			
Suppliers and employees	(1,091,749)	(641,406)	(2,017,948)
Interest paid	(23,554)	(25,756)	(44,994)
Income tax paid	(584,856)	(236,000)	(236,000)
	<u>(1,700,159)</u>	<u>(903,162)</u>	<u>(2,298,942)</u>
Net cash flows from operating activities	<u>1,166,585</u>	<u>1,712,588</u>	<u>3,738,208</u>
Cash flows from investing activities			
Cash was disbursed to:			
Capital works	(1,882,082)	(1,457,702)	(2,095,395)
	<u>(1,882,082)</u>	<u>(1,457,702)</u>	<u>(2,095,395)</u>
Net cash flows from investing activities	<u>(1,882,082)</u>	<u>(1,457,702)</u>	<u>(2,095,395)</u>
Cash flows from financing activities			
Cash was disbursed to:			
Dividends paid	(651,737)	(562,000)	(562,000)
Debt drawdown/(repayment)	792,281	-	(900,000)
	<u>140,544</u>	<u>(562,000)</u>	<u>(1,462,000)</u>
Net cash flows from financing activities	<u>140,544</u>	<u>(562,000)</u>	<u>(1,462,000)</u>
Net increase/(decrease) in cash held	<u>(574,954)</u>	<u>(307,113)</u>	<u>180,813</u>
Add opening cash brought forward	695,568	514,755	514,755
Closing cash carried forward	<u>120,614</u>	<u>207,642</u>	<u>695,568</u>

The accompanying notes form an integral part of these financial statements

1. PROPERTY, PLANT AND EQUIPMENT

	Historical cost 30/06/17	Revaluation 30/06/17	Balance 30/06/17	Additions	Depreciation	Disposals	Balance 31/12/17
Cost or Valuation	\$	\$	\$	\$	\$	\$	\$
Land and Land Improvements	2,344,515	3,222,847	5,567,362	-	-	-	5,567,362
Airport Infrastructure & Buildings	17,800,119	6,377,774	24,177,893	148,813	-	-	24,326,706
Other	1,180,724	-	1,180,724	7,373	-	-	1,188,097
Capital Work in Progress	2,552,998	-	2,552,998	1,378,134	-	(64,744)	3,866,387
	23,878,356	9,600,621	33,478,976	1,534,320	-	(64,744)	34,948,552
Accumulated Depreciation	\$	\$	\$	\$	\$	\$	\$
Land and Land Improvements	32,374	(29,413)	2,961	-	873	-	3,834
Airport Infrastructure & Buildings	4,285,322	(2,254,493)	2,030,829	-	501,670	-	2,532,499
Other	833,481	-	833,481	-	67,584	-	901,065
Capital Work in Progress	-	-	-	-	-	-	-
	5,151,177	(2,283,906)	2,867,272	-	570,126	-	3,437,397
Net Book Value	\$	\$	\$	\$	\$	\$	\$
Land and Land Improvements	2,312,141	3,252,260	5,564,401	-	(873)	-	5,563,528
Airport Infrastructure & Buildings	13,514,797	8,632,267	22,147,064	148,813	(501,670)	-	21,794,207
Other	347,243	-	347,243	7,373	(67,584)	-	287,032
Capital Work in Progress	2,552,998	-	2,552,998	1,378,134	-	(64,744)	3,866,387
	18,727,179	11,884,527	30,611,705	1,534,320	(570,126)	(64,744)	31,511,155

2. INVESTMENT PROPERTY

	Balance 30/06/17	Additions	Depreciation	Disposals	Balance 31/12/17
Cost	\$	\$	\$	\$	\$
Land and land improvements	2,977,203	-	-	-	2,977,203
Business Park Infrastructure and Buildings	2,835,906	38,997	-	-	2,874,903
Capital Work in Progress	118,387	40,517	-	(28,463)	130,441
	5,931,496	79,514	-	(28,463)	5,852,106
Accumulated Depreciation	\$	\$	\$	\$	\$
Land and land improvements	228,887	-	13,515	-	242,402
Business Park Infrastructure and Buildings	378,249	-	79,314	-	457,563
Capital Work in Progress	-	-	-	-	-
	607,136	-	92,829	-	699,965
Net Book Value	\$	\$	\$	\$	\$
Land and land improvements	2,748,316	-	(13,515)	-	2,734,801
Business Park Infrastructure and Buildings	2,457,657	38,997	(79,314)	-	2,417,340
Capital Work in Progress	118,387	40,517	-	(28,463)	130,441
	5,324,360	79,514	(92,829)	(28,463)	5,282,582
Less Provision for Impairment	(696,400)	-	-	-	(696,400)
	4,627,960	79,514	(92,829)	(28,463)	4,586,182

Hawke's Bay Airport Limited

Statement of Intent

For the year ended 30 June 2019 and the two following years.

Governance

Governance sits with the Board of Directors of Hawke's Bay Airport Ltd, which is responsible for the strategic and overall direction of the organisation. Directors are appointed by the company's shareholders; the Napier City Council (26%), Hastings District Council (24%) and the Crown (50%).

The Board has four Directors, two of whom are appointed by the Napier City Council and the Hastings District Council and two who are appointed by the Crown. The Board meets regularly with Management to review the company's performance and provides quarterly, half yearly and annual business performance reports to shareholders.

Nature and Scope of Activities

Vision

New Zealand's leading regional airport where people and commerce thrive.

Mission

To enable air transport services in and out of Hawke's Bay now and in the future.

Values

- We are customer focused
- We are commercially driven
- We are committed to safety
- We plan for the future
- We act as a socially and environmentally responsible corporate citizen.
- We care about our people

Strategy

Hawke's Bay Airport will work towards achieving its Vision by pursuing the following Six Strategic Imperatives:

1. Optimise shareholder value and returns
2. Diversify the HBAL revenue base
3. Champion a positive customer experience inside and outside the terminal
4. Continually improve the management of all business risks
5. To be an employer of choice focused on the development of our people
6. To improve our impact on the environment

1. Key Objectives: Business Plan FY 2018/19

Strategic Imperative	Activity and Outcome	Target Date
Optimise shareholder value and returns	Achieve Financial and Operational Targets as per SOI	30/06/2019
	New Landing Charge Agreements in place by 30 June 2018 to take effect 1/7/18	01/07/2018
Diversify the HBAL revenue base	Business Park rezone	30/06/2019
	Increased share of revenue of non-regulated commercial activities	30/06/2019
Champion a positive customer experience inside and outside the terminal	Ensure appropriate infrastructure with investment in:	
	<i>Terminal Redevelopment</i>	
	- Complete Stage 1 (Northern extension)	30/11/2018
	- Commence Stage 2-3 (refurb of existing building including baggage handling system and upgraded CCTV/security contracts)	31/10/2018
	<i>New Entranceway Project</i>	
	- Practical completion of intersection upgrade to improve safety and access to the Airport from the HB Expressway/SH2	31/08/2018
	<i>Apron Extension</i>	
	- Complete design of Apron extension to guarantee level of service to airline operators and enable future airside business development	31/12/2018
	Conduct Annual Customer Survey	01/08/18
	Apron and Users Meetings	Monthly
	Meetings with key customers and stakeholders that build trust and enable continuous improvement	Ongoing
Continually improve the management of all business risks	SMS Implementation plan and gap analysis complete	30/07/2018
	Successful implementation and adoption of SMS	30/11/2019
	Independent board evaluation	30/03/2019
	Quarterly internal QA audits	<10 days of QTR end
	Twice yearly key risk review	June/ Dec
To be an employer of choice focused on the development of our people	Establish and consolidate new team with new CEO	
	Good working relationships established across Management team and with Board	Ongoing
To improve our impact on the environment	Conduct waste audit to establish current benchmark	15/07/2018
	Implement terminal recycling trial	30/07/2018

2. Financial Performance Targets

	FY2018/19	FY2019/20	FY2020/21
Passenger Numbers	705,598	726,766	748,569
FINANCIAL PERFORMANCE (\$)			
Airport Revenue (note 1)	3,473,520	3,577,524	3,684,503
Landside Revenue (note 2)	2,831,921	2,958,878	3,137,314
Business Park Revenue	328,181	328,873	338,037
Group Revenue	6,633,623	6,865,275	7,159,855
Operating Expenses	3,238,013	3,343,311	3,460,160
EBITDA	3,395,609	3,521,964	3,699,694
Depreciation & Amortisation	1,260,656	1,559,975	1,651,079
EBIT	2,134,954	1,961,988	2,048,615
Interest Income	0	0	0
Interest Paid (interest charged to P&L)	297,697	635,103	720,012
Profit before Tax	1,837,257	1,326,885	1,328,603
Tax	514,330	371,558	372,073
Profit after Tax	1,322,926	955,327	956,530
FINANCIAL POSITION (\$)			
Net Debt	10,636,000	14,698,000	14,033,000
Total Assets (note 3)	48,608,000	52,819,000	52,460,000
Shareholders Funds (note 4)	31,144,000	31,570,000	32,145,000
CASHFLOW SUMMARY (\$)			
Operating Cashflow	2,831,000	2,246,000	2,312,000
Capital Expenditure	11,040,000	5,844,000	1,264,000
Dividend	529,000	382,000	383,000
FINANCIAL METRICS			
Return on Equity	4.3%	3.1%	3.0%
Net Gearing Ratio	22.2%	29.1%	27.6
Shareholders Funds/Total Assets	64%	60%	61%

Note 1: Airside Revenue includes aircraft landing and parking charges

Note 2: Landside Revenue includes car parking, rents, concessions, advertising and other income

Note 3: Total Assets is the total of all current and non-current assets

Note 4: Shareholders Funds is the total of share capital and retained earnings

3. Capital Expenditure

HBAL continues to invest in its infrastructure in line with passenger growth, Civil Aviation security requirements and identified opportunities to grow its non-aeronautical revenue base such as its Business Park. Budgeted capital expenditure is summarised in the table below. From time to time, HBAL may consider additional capital expenditure programmes if supported by a robust business case and the provision of debt funding.

	FY2018/19	FY2019/20	FY2020/21
	\$	\$	\$
Terminal	9,355,000	4,900,000	-
Roading Development	1,350,000	-	-
Car Parking	130,000	-	-
Business Park	-	65,000	-
Airfield Infrastructure	143,000	22,000	422,000
Buildings	32,000	12,000	22,000
Security Fencing		800,000	805,000
Land Development			-
Office Equipment	5,000	35,000	5,000
Plant and Equipment	22,000	10,000	10,000
Vehicles	3,000		-
	11,040,000	5,844,000	1,264,000

4. Accounting Policies

The accounting policies adopted by HBAL are consistent with New Zealand's International Financial Reporting Standards and generally accepted New Zealand accounting practices. The policies are included within HBAL's Annual Report that is available on the Company's website; www.hawkesbay-airport.co.nz/about/company/annual-report

5. Distributions

Despite the scale of development and associated demands on capital for the period covered by this statement it is anticipated that dividends averaging 40% of Net Profit After Tax will continue to be paid to shareholders.

6. Information to be provided to Shareholders

Shareholders will receive:

- An annual report including audited financial statements within 3 months of balance date.
- A 6-monthly report including non-audited financial statements within 2 months of balance date.
- A Quarterly Report within 2 months of the end of each quarter.
- A Statement of Intent submitted for shareholders' consideration in accordance with the Local Government Act 2002

- Other interim financial reports as agreed with the shareholders
- Reports on matters of material interest to shareholders. Shareholders will continue to be kept informed of key developments, consistent with the Crown's 'No Surprises' policy.

7. Acquisition Procedures

The acquisition of any interest in a company or organisation will only be considered when it is consistent with the long-term commercial objectives of the company. Any material acquisition will be the subject of consultation with shareholders, however none are contemplated in the planning period.

Major transactions as defined by the Companies Act 1993 will require shareholder approval. None are contemplated in the planning period.

8. Compensation Sought from Local Body Shareholders

At the request of the shareholders the company may undertake activities that are not consistent with normal commercial objectives.

The company may seek, in these circumstances, a specific subsidy to meet the full commercial cost of providing such activities, however none are contemplated in the planning period.

9. Estimate of Commercial Value

The value of Shareholders investment in the company as at 31 December 2017 is \$29,571,914.

The non-current assets owned by HBAL were revalued at 30 June 2015 to their current market value resulting in an uplift in value of \$9.5 million (net of the deferred tax impact). The individual assets and liabilities included on the balance sheet at 30 June 2017 are not considered by the Directors or Management to be materially different from the current market value.

HBAL will continue to undertake a revaluation approach to its assets on a regular cycle of every 3 [three] years or when there has been a significant change in the market, to consider the gap between current book values of the assets and liabilities versus the commercial value of the business. In line with this policy, it is anticipated that a revaluation of HBAL's assets will take place post completion of the new Terminal Building and construction of associated new infrastructure.



Tony M Porter
Chairman
Hawke's Bay Airport limited
28 February, 2018

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

FROM: COMMUNITY SAFETY MANAGER
JOHN PAYNE

SUBJECT: DOG CONTROL FEES

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from Council on the Dog Control fees to apply from 1 July 2018
- 1.2 Fees are set by resolution for the registration and control of dogs under the Dog Control Act 1996. Council is required to publicly notify the fees at least once during the month preceding the commencement of the new registration year (June)
- 1.3 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 the efficient and effective regulation under the Dog Control Act 1996 that, as far as practicable, is cost effective to households and businesses.
- 1.5 This report concludes by recommending no changes to the current funding policy or dog registration fees in order to maintain fees at a reasonable level and to stay closely aligned with Napier City Council.

2.0 BACKGROUND

- 2.1 Dog Control fees are set under Section 37 of the Dog Control Act 1996 by Council resolution, there being no requirement for the proposed fees to pass through a public consultation process. However, the fees need to be set in advance of the expiry of the registration year (June 30th) to give dog owners sufficient time to apply for registration for the coming year.
- 2.2 In practise, this means that the dog registration fee setting process has to be completed ahead of the Annual Plan process.
- 2.3 Council currently uses a fee structure based on dog control requirements at 74% private and 26% public benefit.
- 2.4 The registration fees for dogs under the Selected Owner Policy (SOP), which recognises responsible dog ownership, and fees for Rural Dogs, are set at lower levels than the fees for Urban Dog Owners not under the SOP scheme.

- 2.5 All known dog owners contribute through their fees to a fair share of the cost of operating the dog control service. Fine recoveries, application fees and impound fees help to offset the remaining costs.
- 2.6 Registered dogs found at large are returned to their owners without costs for first time offenders. Whilst this is considered good customer service there has been a reduction in impound fees recovered.
- 2.7 Unclaimed dogs with suitable temperaments and low potential risk are adopted out. Dogs are neutered, micro-chipped, vet checked, registered and dewormed prior to release. The adoption fee \$250 does not fully meet costs and the registration income cross subsidises this activity.
- 2.8 Should any dog fail to be registered by 31 July, a penalty of an additional 50% of the registration fee is applied. Dog Owners keeping an unregistered dog after the 1st of August are issued with an infringement notice in addition to the penalty registration fee. Infringement notices may be waived in accordance with Policy or under exceptional circumstances in any particular case.
- 2.9 There remains an increased focus on dangerous, menacing, roaming and unregistered dogs.
- 2.10 There is a target to achieve 100% registration compliance of known dogs. There is a target to achieve 80% release rate of impounded dogs (claimed by the owner, returned home and adopted out)
- 2.11 Animal Control Officers will be making site visits across the district to determine why known dogs haven't been re-registered.

3.0 CURRENT SITUATION

- 3.1 There are about **13,000** dogs on the Council database. There is still about a 5% dog population increase each year since July 2014 (10,700)
- 3.2 There are currently 4 categories of dog registration fee:

Urban, Urban Selected Owner Policy (SOP), Rural/Working and Special

The "special" class covers disability assist and special purpose dogs. Disability assist dogs are registered to Auckland Council by the parent charity (for example Guide dogs), while special purpose dogs (which includes Police dogs and drug dogs) are registered with this Council as Special dogs.

Table 1. The proportion in each category:

Urban	Rural	SOP	Special	Total
3,446	6,464	3,043	16	12,969
27%	50%	23%	0.1%	

Table 2. The current fees

	Current Fees	
	On/Before 31 July	On/After 1 August (late payment)
Urban	\$110.00	\$165.00
SOP	\$73.50	\$110.00
Rural	\$48.00	\$72.00

- 3.3 The methodology was discussed with the Rural Community Board and agreed to be a fair evaluation and distribution of fees.

4.0 OPTIONS

- 4.1 Option A is to recommend no change to the fees as set out in table 3 and supported by the Rural Community Board.
- 4.2 Option B is for Council to adopt a different fee.

5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The setting of Dog Control fees is not significant in terms of Council's Significance and Engagement Policy. It is a statutory process that needs to be undertaken.
- 5.2 There is no requirement to consult on the setting of dog control fees. There is a requirement to publically notify the fees at least one month prior to the start of the registration year.
- 5.3 There is a full communications plan for the dog registration process. This involves dispatching invoices to all known dog owners in the district. The fee are advertised in the month preceding the commencement of the new registration year (June). Information is also posted on Councils website.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 **Option A:** - Status quo
- 6.2 The assessment that has been undertaken to determine the fee structure identifies that there is a small public good component to registration and a greater public good component to regulation. This equates to a 73% private and 27% public benefit.
- 6.3 The fundamental elements of the dog control activity:
- A) Registration of dogs each year, maintenance of the register and public education within schools, community groups and commercial organisations.
 - B) Regulation, which includes pursuing non-registration when it occurs, dog pound operations, dealing with roaming, dangerous and menacing dogs, complaint investigations, general ranging duties, and public education within schools, community groups and commercial organisations.
- 6.4 The fee calculation model provides that all registered dogs contribute equally

to the registration component (the base fee) irrespective of their category. The remaining costs (regulation) must then be covered by the percentages that have been established in the formula, reflecting the activity cost relative to the dog registration category.

Rural/Working Dogs	5%
SOP Dogs	20%
Non-SOP Urban Dogs	75%

Table 3.

	Proposed Registration Fees	
	Registration Fee	Fee if paid after 31 July (late payment)
Urban	\$110.00	\$165.00
SOP	\$73.50	\$110.00
Rural	\$48.00	\$72.00

6.5 Option B:

6.6 Lower fees would create a budget shortfall

6.7 Higher fees would likely cause public dissatisfaction and lead to more non-compliance. It would also increase the gap between Napier and Hastings.

7.0 PREFERRED OPTION/S AND REASONS

7.1 Option A: - to recommend to Council the status quo.

7.2 This option will be sufficient to meet budget.

8.0 RECOMMENDATIONS AND REASONS

A) That the report of the Community Safety Manager titled "Dog Control Fees" dated 22/03/2018 be received.

B) That the following dog control fees be set from 1 July 2018:

	Dog Registration Fees	
	Registration Fee	Fee if paid after 31 July
Urban Fee	\$110.00	\$165.00
SOP Fee	\$73.50	\$110.00
Rural/Working	\$48.00	\$72.00
Special Purpose	Nil	Nil

All fees are inclusive of GST.

C) That the following other fees and charges for Animal Management remain unchanged:

First Impounding	\$85.00
Second Impounding	\$100.00
Third and subsequent Impounding	\$150.00
Sustenance, per day	\$8.00
Micro-chipping	\$42.00
Relinquishment Fee	\$20.00
Replacement Tag	\$5.00

D) Fees set pursuant to the Local Government Act 2002

More than 2 dog application	\$25.00
Selected Owner Policy application	\$25.00

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

Ensuring that fees and charges reflect the costs of providing a dog control programme that is resourced at a level that meets compliance and enforcement obligations under the Dog Control Act 1996 and Councils Dog Control Bylaw.

Attachments:

There are no attachments for this report.

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: PERSONAL ASSISTANT TO THE MAYOR
FAYE MURRAY**

**SUBJECT: GRANT TO SUPPORT TONGAN HAWKE'S BAY
COMMUNITY FOR VICTIMS OF CYCLONE GITA IN TONGA**

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from the Council on whether to donate \$10,000 to the Tongan Hawke's Bay Community for assistance with shipping costs to send supplies to Tonga following the devastation of Cyclone Gita
- 1.2 This request relates to the following higher level community outcomes:
 - Social and Cultural Wellbeing: Supportive, Caring and inclusive Communities.
- 1.3 This report concludes by recommending that a \$10,000 donation is made to the Tongan Hawke's Bay Community.

2.0 BACKGROUND

- 2.1 Cyclone Gita hit Tonga on 12 February 2018 as a category four cyclone with winds of up to 278 km/h. The record breaking storm ripped roofs off homes, caused widespread flooding, and water and electricity shortages.
- 2.2 Hastings District has a significant Tongan community, many of whom have family and friends in Tonga who need immediate help with basic supplies to sustain them during their recovery, including building supplies etc. This community is keen to assist affected residents in their homeland.

3.0 CURRENT SITUATION

- 3.1 Council has in the past donated money to disaster funds in neighbouring countries. This has included \$10,000 donated to the New Zealand Red Cross for the Samoa Earthquake and Tsunami Appeal in October 2009, and \$10,000 donated to the New Zealand Red Cross for the Victorian Bushfire Relief Fund to help those hit by bush fires in Victoria, Australia. It has also previously supported local communities to send materials to affected Island communities.
- 3.2 Council could consider donating \$10,000 to the Tongan Hawke's Bay Community to assist in the costs involved with sourcing shipping containers to transport the supplies to Tonga.
- 3.3 There is no budget for this type of expenditure. It will have to be recorded as unbudgeted expenditure that will come off any end of year surplus. It will be recorded as a cost under leadership and have a new project code created.

4.0 OPTIONS

- 4.1 (1) To donate \$10,000 to the Tongan Hawke's Bay Community.
- 4.2 (2) To donate another sum of money.
- 4.3 (3) Not to make a donation at all.

5.0 ASSESSMENT OF OPTIONS

- 5.1 Options 1 and 2 signify to our significant Pacific Island Community that we share in their sorrow and grief, and wish to offer support to alleviate the effects of the cyclone in Tonga. They would be consistent with support Council has provided in the wake of similar disasters in the past.

6.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Personal Assistant to the Mayor titled "Grant to Support Tongan Hawke's Bay Community for Victims of Cyclone Gita in Tonga"**
- B) That Council make a grant of \$10,000 to provide assistance with shipping costs to the Tongan Hawke's Bay Community to send supplies to Tonga following the devastation of Cyclone Gita.**

Attachments:

There are no attachments for this report.

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: STRATEGY MANAGER
LEX VERHOEVEN**

**SUBJECT: ADOPTION OF LONG TERM PLAN 2018/28 FOR
COMMUNITY CONSULTATION**

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from the Council to adopt the Draft Long Term Plan 2018/28 for community consultation.
- 1.2 This issue arises from the legislative requirement to have in place a Long Term Plan to take effect from 1 July 2018.
- 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 meet the section (93) legislative requirement within the Local Government Act 2002 in respect of long term planning.
- 1.5 This is an administrative matter and legal requirement. The report concludes by recommending that the Long Term Plan Supporting Information, Draft Development Contributions Policy and Consultation Document is adopted for community consultation.

2.0 BACKGROUND

- 2.1 Since June 2017 the Council has worked through the process of considering the key matters that impact on the Long Term Plan and putting together a budget that fits within the financial parameters of the Financial Strategy.
- 2.2 At the Council meeting of 22 February 2018 the Council gave guidance on the last remaining matters that impact on the plan, particularly in regard to the parking and aquatic facility proposals for the Regional Sports Park, and the design concepts for the Hastings inner city. Those decisions are incorporated in the Long Term Plan documentation for adoption.
- 2.3 The Council were also advised of the ongoing work being undertaken to liaise with landowners in the Irongate Industrial Zone regarding uptake commitment and the consequential impact of this on the development contribution levy. An update on this forms part of this report.
- 2.4 The last few weeks has been focused on the audit process which is required to be undertaken by law on all long term plans. That process also includes a

“Hot Review” by the auditor general office to ensure consistency across the country.

- 2.5 The proposed Consultation Document was circulated to Councillors for comment (recognising that much of the content has been audited and is required to fulfil legislative requirements).
- 2.6 The Long Term Plan is structured around the Council’s strategic framework as follows:



3.0 CURRENT SITUATION

- 3.1 The Long Term Plan has met the necessary statutory requirements, and at the time of preparing this report the Council is awaiting final audit clearance to release the plan for community consultation. A copy of the audit clearance will be available at the Council meeting.
- 3.2 The Long Term Plan consists of 2 sets of documents as follows:
- (1) Consultation Document – covers the key matters and is targeted at, and distributed to as much of the community as is practicable.
 - (2) Supporting Information – contains the underlying information upon which the consultation document is based. This information is more technical in nature and the Council has discretion as to how to make this information available. For ease of access the approach taken has been to package all relevant material in one volume which is available in hard copy and via the Council’s website. Other publications also available as part of the supporting information are the Development Contributions Policy (containing minor amendments) and the Water Strategy.
- 3.3 Development Contributions Policy – Officers have been continually working on the committed uptake rate in the Irongate Industrial Zone to enable the development contribution levy to be set below \$9 p/m². Following ongoing discussion with landowners, and further refinement of costs, officers have confidence that the development contribution levy can be set at \$8.57 p/m². This is based on current uptake commitment of 38 hectares, with further enquiry ongoing. On this basis the Draft Development Contributions Policy attached has been updated to \$8.57 p/m² excluding GST with additional notes to outline that should further land owners express commitment to pay development contributions prior to 30 June 2018, the policy rate will be revised prior to Council adoption in June 2018.

4.0 SIGNIFICANCE AND ENGAGEMENT

- 4.1 The Local Government Act 2002 and the Councils Significance and Engagement Policy outline the community consultation requirements for this process. Those requirements have been satisfied.
- 4.2 The Council's Citizen Panel will also be used to gauge general preferences to the proposals within the Consultation Document, to supplement the feedback from the Consultation feedback form and the formal submissions received.
- 4.3 The formal submission process is scheduled to take place from 7 April to 11 May 2018, with hearings set down for 5th, 6th and 11th June 2018.

5.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Strategy Manager titled "Adoption of Long Term Plan 2018/28 for Community Consultation" dated 22/03/2018 be received.**

That Council resolves to:

- B) Delegate to the Chief Executive any inconsequential updates recommended from the audit process.**
- C) Adopt the Supporting Information (Volume One) to the Long Term Plan 2018-2028 and Consultation Document in accordance with section 93G of the Local Government Act 2002.**
- D) Adopt the Water Strategy as part of the supporting information to the Long Term Plan and Consultation Document in accordance with section 93G of the Local Government Act 2002.**
- E) Adopt the Draft Development Contributions Policy in accordance with section 102(1) of the Local Government Act 2002.**
- F) Adopt the Consultation Document in accordance with section 93A of the Local Government Act 2002**

With the reasons for this decision being that in accordance with the principles set out in sections 76-77 of the Local Government Act 2002 it is now appropriate to seek community views in relation to the proposals within the Long Term Plan.

Attachments:

- | | | |
|---|--|------------------|
| 1 | Supporting Information to the Long Term Plan | Separate Doc |
| 2 | Water Strategy | WAT-20-20-18-525 |
| 3 | Draft Development Contributions Policy | CP-03-04-18-244 |
| 4 | Consultation Document | Separate Doc |

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: GROUP MANAGER: ASSET MANAGEMENT
CRAIG THEW**

**SUBJECT: SUMMARY OF RECOMMENDATIONS OF THE HASTINGS
DISTRICT RURAL COMMUNITY BOARD MEETING HELD 5
MARCH 2018**

1.0 SUMMARY

- 1.1 The purpose of this report is to advise that the recommendations from the Hastings District Rural Community Board held on 5 March 2018 require ratification by Council.
- 1.2 The relevant Hastings District Rural Community Board recommendations to be ratified are set out below.

2.0 RECOMMENDATION

- A) That the report of the Group Manager: Asset Management titled “Summary of Recommendations of the Hastings District Rural Community Board Meeting held 5 March 2018” be received.
- B) The following recommendations of the Hastings District Rural Community Board meeting held 22 March 2018 be ratified:

“7. REPRESENTATION REVIEW 2018

- A) *That the report of Democratic Support Manager titled “Representation Review 2018” dated 5/03/2018 be received.*
- B) *That it be noted that feedback by the community at rural meetings held in 2017 was that they strongly supported the retention of the Hastings District Rural Community Board.*
- C) *That the boundaries of the Rural Community Board be aligned with the proposed meshblock boundary changes for Kahuranaki ward because the proposed boundary changes are logical and reflect the rural communities of interest.*

9. DOG CONTROL FEES

- A) *That the report of the Community Safety Manager titled “Dog Control Fees” dated 5/03/2018 be received.*

B) That the Hastings District Rural Community Board support the existing fee calculation model

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

- i) Ensuring that fees and charges reflect the costs of providing a dog control programme that is resourced at a level that meets compliance and enforcement obligations under the Dog Control Act 1996 and Councils Dog Control Bylaw.***

Attachments:

There are no attachments for this report.

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: GROUP MANAGER: PLANNING & REGULATORY
JOHN O'SHAUGHNESSY
ENVIRONMENTAL POLICY MANAGER
ROWAN WALLIS**

**SUBJECT: DISTRICT PLAN REVIEW WORKING PARTY ROLLING
REVIEW**

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from the Council on the appointment of Councillors to form the Councillor Working Party for the rolling review of the Hastings District Plan.
- 1.2 A Councillor Working Party was operational in the previous term of Council and it worked well with the Council officers involved in the drafting of material for the review of the District Plan.
- 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 includes the promotion of the social, economic, environmental and cultural wellbeing of communities. The Council seeks to meet this obligation and the achievement of community outcomes through the strategic objectives set out in the 2009-2019 Long Term Council Community Plan. The matters raised in this report relate to those elements of the strategic objectives identified in the following table.

Strategic Objectives	Achieved By
<ul style="list-style-type: none"> Protection of the productive capacity of land resources 	District Plan provisions protecting the most productive land from urban encroachment
<ul style="list-style-type: none"> Sustainable management of natural and physical resources through integrated land use management 	District Plan provisions seeking to maximize efficiencies and benefits from the spatial location of different land uses
<ul style="list-style-type: none"> Mitigation of adverse impacts on people, land and water 	District Plan provisions seeking to avoid, remedy or mitigate adverse effects on the environment
<ul style="list-style-type: none"> Housing options supporting more compact communities 	Implementation of HPUDS through the District Plan
<ul style="list-style-type: none"> Sustainable relationships with Maori 	Recognition of RMA obligation through the District Plan including the protection of waahi tapu, provision for papakainga housing development and the recognition of kaitiakitanga
<ul style="list-style-type: none"> A vibrant CBD 	District Plan provisions seeking to protect the infrastructural investment, sense of place and heritage values of the CBD
<ul style="list-style-type: none"> Neighbourhoods designed for safe walking and cycling 	Subdivision requirements that require regard to be given to passive transport modes

- 1.4 This report concludes by recommending the formation of a new District Plan Review Working Party consisting of a core team, with relevant Councillors being added when required.

2.0 BACKGROUND

- 2.1 A total of 47 appeals were received to the Proposed Hastings District Plan. This includes a later appeal by Golden Oaks as this hearing was held by Commissioners after the others were heard by the Hearings Committee. It also includes appeals on later Plan variations 1 (Omahu), 2 (Irongate) and 3 (Howard Street).
- 2.2 To date 40 appeals have been resolved, either through withdrawal, consent orders which have been lodged by parties and signed off by the Environment Court or through pending consent documents. Three (3) appeals have been placed on hold by the Environment Court, and are due to:
- The Minister issued a direction for the Streamlined Planning Process on 28 February 2018. The notification of the Iona Variation is to occur by 6 April 2018. The appellant has advised that they are likely to withdraw the appeal following notification of the variation.
 - Structure planning work is carried out at Brookvale by the appellant in consultation with Council staff (Bourke appeal). Mediation will resume once the structure planning work has been completed; and
 - Matters that do not involve Council (Haupori Appeal).
- 2.3 The Environment Court Hearing for MTT commenced on 6 March 2018. It has been adjourned to hear the evidence of one more witness who sustained an injury just prior to the hearing and was unable to appear before the Court.
- 2.4 A further Court hearing is to take place on the Federated Farmers appeal which relates to the prohibition of GMO's in the Proposed Plan. The Council is currently preparing evidence which is due on 3 April 2018. There is no date set by the Court for the Hearing at present.
- 2.5 It is anticipated that further appeals update reports will be provided once Environment Court hearings have been held.
- 2.6 Changes required to the Proposed Plan as a result of signed consent orders will be incorporated into E-Plan (online version of the District Plan) and for later adoption as part of the new Operative District Plan once all appeals have been settled.

3.0 ANTICIPATED WORKSTREAM

- 3.1 With the completion of the Variations and the resolution of the appeals on the Proposed District Plan close to being achieved the future workstream for the Environmental Policy Team has been considered by Council. This should be considered in the context of the intention to undertake a rolling review of the district plan, rather than complete it in 'one hit' within the ten year timeframe.
- 3.2 Projects being undertaken by other departments have identified some areas in the Proposed District Plan that require attention. An example is the work that is being done by the Economic Development Team to enliven the Central

Commercial area of the City. One of the identified methods is to encourage people to live within the city centre. While the Proposed District Plan does provide for this as a permitted activity there are some standards that must be met that are currently seen as hindering such development. One of the obstacles is a rule that requires on-site carparking for each inner city dwelling unit and also provides for residential living in areas with designated retail frontage. There is a body of work required to look at how the plan might assist in incentivising inner city living and this could inform the CBD strategy which is being progressed.

- 3.3 Other departmental workstreams that will involve the Policy team are those around issues of providing for the accommodation needs of the growing RSE Workforce and assisting in developing a Council Policy on Affordable Housing.
- 3.4 In addition to the changes that are required as a result of project work other changes to the Proposed District Plan have been identified as being required as a result of appeals on the Proposed District Plan. These include the need to provide better differentiation between the Light industrial zone performance standards and those of the general industrial zones, and the need for a better process for identifying and protecting wāhi taonga.
- 3.5 All of these future workstreams would benefit from the input of Councillors through the Councillor Working Party.

4.0 COUNCILLOR WORKING PARTY

- 4.1 The Councillor Working Party's role will be to assist staff, particularly with identifying issues, and guide the community consultation process as well as future progress of the District Plan review. Councillors are familiar with land use matters affecting the wider community of Hastings and their input including political steer, will assist in identifying any areas of concern as well as opportunities for the review.
- 4.2 To ensure consistent representation it is recommended that this Working Party should include a core membership comprising; A Rural, Plains, and Urban Councillor together with the Chairperson of the Planning and Regulatory Committee. This will mean that the composition of the Working Party will change as different sections of the Plan are being undertaken.
- 4.3 The establishment of a Councillor Working Party for the District Plan Rolling Review is required to ensure political input and direction into the informal consultation and plan preparation process prior to the statutory process. It should be noted however that any decisions on the final content of the Plan or variations, will be made by Council, either in the form of the Hearings Committee or full Council. The Working Party's role is therefore one of guidance and direction and it will not have delegation to make decisions on final content.

5.0 OPTIONS

Option 1

Workshop with full Council on District Plan Policy

Option 2

Form a District Plan Review Working Party comprising Councillors, Rural Community Board and Maori Joint Committee membership.

6.0 SIGNIFICANCE AND CONSULTATION

- 6.1 The issue of significance has been considered in terms of Council's Significance Policy and in particular the thresholds and criteria contained within this policy. The decisions required in this report do not trigger the requirements of Council's policy on significance and consultation.

7.0 ASSESSMENT OF OPTIONS (Including Financial Implications)

- 7.1 The full Council option would not support the integrated approach encouraged under the LTCCP and would be less efficient as the alternative would require the need for more full Council workshops to provide the necessary political guidance and direction.
- 7.2 The forming and use of a District Plan Working Party would improve efficiency in terms of providing political direction and guidance to the District Plan Review, in comparison to reliance on full Council workshops. This approach was used for the review of the Proposed District Plan and proved most successful. The range of Councillors and other members provided for full representation of views on issues. The Working Party gained a good working knowledge of the Plan and were able to understand.
- 7.3 With regards to the composition of the Working Party an approach involving a core team for continuity is recommended. Adding additional Councillors (or other members) to the Core Team with a specific interest in the topic under discussion is also recommended so as to enable Councillors to provide direction and be involved with regard to district plan issues affecting their ward. It is also recommended that in addition to Councillors that the Rural Community Board Chair and a Joint Maori Committee member also be invited to join the core team.
- 7.4 The proposed District Plan Working Party has been discussed with the Mayor specifically around fields of activity, membership, quorum and delegated powers. The Councillors listed in recommendation D) below have completed the appropriate Making Good Decisions RMA course and their appointment is supported by the Mayor. Looking towards the future and considering workloads across Council, Councillor Schollum has indicated an interest to undertake the RMA training and also be available for the Working Party and Hearings. Councillor Kevin Watkins has completed the Making Good Decisions RMA training and is available in a backup role for hearings due to his other responsibilities with Works & Assets.

The Mayor has also indicated that if other Councillors wish to undertake Making Good Decisions training, that they contact the Group Manager: Planning & Regulatory.

8.0 PREFERRED OPTION

- 8.1 The formation of a District Plan Working Party is the preferred option. It would have a core of 7 members, 5 Councillors, consisting of the Chairs of the Hearing and Planning & Regulatory Committees, Councillors, the Chair of the Rural Community Board and a member of the Maori Joint Committee.

9.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Group Manager: Planning & Regulatory titled "District Plan Review Working Party Rolling Review" dated 22/03/2018 be received.
- B) That the District Plan Working Party shall consist of a core team consisting of:
- A core group of 7 members, 5 Councillors, consisting of the Chairs of the Hearing and Planning & Regulatory Committees, Councillors, the Chair of the Rural Community Board and a member of the Maori Joint Committee.
- C) That the Core Team have delegation to invite additional members to Working Party meetings with an interest in, or ward representation, relevant to the topic under discussion.
- D) That the 'District Plan Review Working Party' be added to the 'Committees & Rural Community Board Delegations Register' as an 'Other Committee' with the following details:

Fields of Activity

Providing direction to Council officers with regard to the drafting of the District Plan (or sections thereof) and consultation on discussion documents and drafts.

Membership

A core group of 7 members, 5 Councillors, consisting of the Chairs of the Hearing and Planning & Regulatory Committees, Councillors, the Chair of the Rural Community Board and a member of the Maori Joint Committee.

Core Members suggested are:

1. George Lyons (Chair)
2. Rod Heaps
3. Tania Kerr
4. Bayden Barber
5. Ann Redstone
6. Peter Kay
7. Maori Joint Committee member

Note:

Wendy Schollum is undertaking training and will be available to this Committee once this has been completed.

Quorum

4 Councillor Members.

Delegated Powers

Recommendations to Council on matters within the Field of Activity for the Working Party.

- E) That the Council's Schedule of Appointments and Delegations Register (CG-08-9-16-245) for 2016-2019 be updated accordingly.**

Attachments:

There are no attachments for this report.

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: DEMOCRATIC SUPPORT MANAGER
JACKIE EVANS**

**SUBJECT: COUNCILLOR APPOINTMENT TO THE TE MATA PARK
TRUST BOARD**

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from the Council to replace Councillor George Lyons with Councillor Wendy Schollum on the Te Mata Park Trust
- 1.2 This issue arises from a request from Councillor George Lyons to stand down from the Te Mata Park Trust Board.
- 1.3 Te Mata Park was set up in 1927 by the Chambers family as a public park and public recreation ground. A Trust known as the Te Mata Park Trust Board was established to own the park. The Trust Deed defines the governance structure to oversee the strategic and operational activities of the park and sets limits on what the Trust may do and how it may act. The membership of the Trust Board is the male descendent of the Chambers family, and *‘six residents of Hastings District, appointed by resolution of the Hastings District Council, two at least of which six appointees shall be councillors of the said Council.’*
- 1.4 Councillors Malcolm Dixon and George Lyons were appointed by Council in October 2016 to the Te Mata Park Trust Board.
- 1.5 This report concludes by recommending that Councillor Wendy Schollum be appointed the board to replace Councillor Lyons

2.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Democratic Support Manager titled “Councillor Appointment to the Te Mata Park Trust Board” dated 22/03/2018 be received.
- B) That the resignation of Councillor George Lyons from the Te Mata park Trust Board be accepted
- C) That Councillor Wendy Schollum be appointed as a member of the Te Mata Park Trust Board effective from the date of this meeting.
- D) That the Council Schedule of Appointments (CG-08-9-16-245) for the 2016-19 triennium be updated accordingly.

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: DEMOCRATIC SUPPORT MANAGER
JACKIE EVANS**

SUBJECT: REPRESENTATION REVIEW

1.0 SUMMARY

- 1.1 The purpose of this report is for the Council to resolve upon its representation arrangements for the Hastings District for the local government elections to be held in October 2019.
- 1.2 This report will cover Council resolutions, the legislation provisions, the Local Government Commission Guidelines and the process and considerations of the Representation Review Subcommittee established by the Council.
- 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 report concludes by recommending that the information be received and puts to the Council for consideration recommendations on representation arrangements for the 2019 local government elections.

2.0 BACKGROUND

- 2.1 The Council must conduct a complete review of representation (including community boards) and finish that review before 31 August 2018 to meet the statutory deadlines for the 2019 elections.
- 2.2 The Council last reviewed its representation, including community boards, prior to the 2013 elections. Under the Local Electoral Act 2001, the Council is required to review its representation only every second election, but may review it every election if it so wishes.
- 2.3 On 28 September 2017 the Council resolved to consider all the relevant issues under the Local Electoral Act and instructed the Chief Executive to develop a proposal or proposals for consideration by the Council. Council indicated that it wished to be involved at each stage through workshops and regular reports to Council
- 2.4 The review has proceeded under the provisions of the Local Electoral Act 2001 ("the Act").

2.5 The Act establishes the following principles:

- (a) *“Fair and effective representation for individuals and communities.*
- (b) *All qualified persons have a reasonable and equal opportunity to –*
 - (i) *cast an informed vote:*
 - (ii) *nominate 1 or more candidates:*
 - (iii) *accept nominations as a candidate:*
- (c) *Public confidence in, and public understanding of, local electoral processes through:*
 - (i) *the provision of a regular election cycle:*
 - (ii) *the provision of elections that are managed independently from the elected body:*
 - (iii) *protection of the freedom of choice of voters and the secrecy of the vote:*
 - (iv) *the provision of transparent electoral systems and voting methods and the adoption of procedures that produce certainty in electoral outcomes:*
 - (v) *the provision of impartial mechanisms for resolving disputed elections and polls”.*

Preconsultation

- 2.6 A workshop was held on 6 September 2017, which set out the scope of the representation review, and stressed the importance of council and community engagement in the development of the proposals. Officers have worked in accordance with the guidelines for representation reviews prepared by the Local Government Commission. These guidelines are very detailed and cover a large number of matters including the desirability of pre-consultation.
- 2.7 The workshop held on 6 September also considered the scope of the pre-consultation which included current satisfaction levels with the number of Councillors, views on representation arrangements, ward structure and communities of interest, community boards and the level of support for Maori Wards from 2022.
- 2.8 The Council commissioned its pre-consultation through the Citizen’s Panel and advertised through facebook and the Council’s webpage for 6 weeks from 29 September – 16 November 2018. 353 responses were received and the results of the pre-consultation were presented to all Councillors at full Council on 14 December 2017.
- 2.9 The purpose of the consultation was to gather information on:
 - Level of satisfaction with current arrangements

- What distinct communities make up Hastings District
- Equality of current representation arrangements (are there areas which are under or over represented)
- Ward or At Large representatives (or a mixture)?
- Overall number of Councillors
- Community Boards (whether or not to have them, number and composition)
- Views on the introduction of Maori wards from 2022.

2.10 The headline results were:

- 80% of the respondents are satisfied or very satisfied with the Council's current representation arrangements
- Geo location is the most important factor for 'communities of interest'
- Only 26% of respondents thought that all parts of the District were **NOT** equally represented.
- 43% of respondents favoured councillors to be elected by ward, whilst 35% favoured a mix of ward and at large. Only 16% favoured at large councillor election.
- 70% of respondents wanted no change to ward boundaries.
- General satisfaction with the current representation arrangements - 62% of respondents felt that the current size of the Council was about right, with 76% of respondents opting for 10 - 14 Councillors.
- 41% of respondents favoured community boards – 32% against.
- 75% of respondents were not in favour of the introduction of Maori wards from 2022.

2.11 The survey was self-selected and cannot be regarded as completely representative of the whole community. However, it does provide an indication that there is general satisfaction with the current size and representation arrangements of the Council.

2.12 In addition 5 consultation meetings were held in the rural community. At these meetings there was unanimous support for the retention of the Rural Community Board.

Guidelines for undertaking a Representation Review

2.13 The guidelines identify the three key factors "that must be carefully considered by local authorities when determining their representation proposals", namely:

- communities of interest
- effective representation of communities of interest

- fair representation of electors
- 2.12 The term “communities of interest” is not defined in the Local Electoral Act. However, the guidelines to assist local authorities in undertaking representation reviews identify three dimensions for recognising communities of interest:
- perceptual: a sense of belonging to an area or locality
 - functional: the ability to meet the community’s requirement for services
 - political: the ability to represent the interests and reconcile conflicts of the community.
- 2.13 The guidelines also note, with respect to the review, that “communities of interest may alter over time. Local authorities need to give careful attention to identifying current communities of interest.”
- 2.14 Achievement of effective representation requires consideration of the identified communities of interest and the extent that these are geographically distinct and warrant specific representation.
- 2.15 The fundamental determinant of “fair representation” is population equality. The Act states that for territorial authorities ward populations and the populations of subdivisions of a community must not vary by more than plus or minus 10% in terms of the population per councillor (“the plus/minus 10% rule”).
- 2.16 The guidelines summarise the **best practice** process for representation reviews, and suggest a 6-step process:
- Step 1 – Identify criteria for assessing need for review after three years.
 - Step 2 – Consider preliminary consultation.
 - Step 3 – Identify communities of interest.
 - Step 4 – Determine effective representation for identified communities of interest of the district.
 - Step 5 – Consider fairness of representation for electors of wards.
 - Step 6 – Consider communities and community boards.
- 2.17 The practical outcomes that need to emerge from the process of the review were:
- the number of councillors (between 5 and 29 excluding the Mayor)
 - whether the councillors would be elected “at large” or in wards or a combination of those two

- the names and boundaries of any wards
- if wards were used, the number of councillors per ward
- whether would be any communities and community boards
- the detailed representation arrangements for each community board (names, boundaries, number of members and any subdivisions of the community)

3.0 CURRENT SITUATION

- 3.1 Following formal consideration of the pre-consultation by Council on 14 December 2017 it was resolved:

That following Council's community pre-consultation, the preference is for the status quo and that minor work be undertaken on mesh blocks, as needed, to be presented to Council for consideration by the end of March 2018.

- 3.1 Statistics New Zealand has provided the Council with 2017 population estimates to mesh block level. These are the most up to date figures available until the release of the 2018 census data which will not be available until after the deadline for completion of this representation review.
- 3.2 The latest 2017 population estimates for Hastings District broken down to meshblock level on the current ward structure is as follows:

Ward	Population	Number of councillors per ward	Population per councillor	Deviation from district average population per councillor	Percentage deviation from district average population per councillor
Hastings-Havelock North	44,230	8	5,529	-175	-3.07%
Flaxmere	11,020	2	5,510	-194	-3.39%
Heretaunga	12,670	2	6,335	631	11.07%
Mohaka	5,700	1	5,700	-4	-0.06%
Kahuranaki	6,230	1	6,230	526	9.23%
Totals	79,850	14	5,704		

With the exception of Heretaunga, under the current boundaries all the wards remain within the +/-10% rule. The population growth in Heretaunga and Kahuranaki is due in part to greenfield development, and rural residential development on the fringes of Hastings and Havelock North. These communities tend to identify with the urban centres as their communities of interest. During the recent byelection, several comments were received from

electors in these areas querying why they did not have an opportunity to vote for Hastings Havelock ward.

Hastings/Havelock North

- 3.5 As part of the assessment of options, consideration has been given to the 2012 Representation Review determination by the Local Government Commission to combine Havelock North Ward to Hastings Ward as one ward with two distinct and separate parts as the only viable choice to retain distinct urban and rural communities of interest. Whilst it was an unusual approach which had not been adopted elsewhere it is not precluded in the Local Electoral Act. The determination stated that as Hastings and Havelock North were only minutes apart on a high quality road, such an approach was appropriate given the commonality of their urban communities of interest.
- 3.6 In order to achieve fair representation, Havelock North cannot be seen as to be separate ward with the current overall numbers of councillors. See table below:

Ward	Population	Population after Ward adjustment	Number of councillors per ward	Population per councillor	Deviation from district average population per councillor	Percentage deviation from district average population per councillor
Hastings	31,290	32,640	6	5,440	-264	-4.62%
Havelock North	12,940	13,320	2	6,660	956	16.77%
Flaxmere	11,020	11,020	2	5,510	-194	-3.39%
Heretaunga	12,670	11,220	2	5,610	-94	-1.64%
Mohaka	5,700	5,700	1	5,700	-4	-0.06%
Kahuranaki	6,230	5,950	1	5,950	246	4.32%
Totals	79,850	79,850	14	5,704		

- 3.7 Another alternative explored was to create one continuous boundary for Hastings Havelock North Ward (**see Attachment 5**) It is a statistical possibility with the current overall numbers of councillors (14) to achieve fair representation – see table below:-

Ward	Population	Population after Ward adjustment	Number of councillors per ward	Population per councillor	Deviation from district average population per councillor	Percentage deviation from district average population per councillor
Hastings- Havelock North	44,230	46,490	8	5,811	108	1.89%
Flaxmere	11,020	11,020	2	5,510	-194	-3.39%
Heretaunga	12,670	10,660	2	5,330	-374	-6.55%
Mohaka	5,700	5,700	1	5,700	-4	-0.06%
Kahuranaki	6,230	5,980	1	5,980	276	4.85%
Totals	79,850	79,850	14	5,704		

However, this boundary configuration is not recommended because of the impact on Heretaunga ward, the integrity of the greenbelt surrounding the urban areas and maintaining rural communities of interest.

- 3.7 This representation arrangements approved for the 2013 election have worked effectively over the past five years, with the 8 urban councillors representing the Hastings Havelock North ward working collectively. This has been particularly evident both during and following the Havelock North water contamination event, where strong community leadership and community engagement have been essential to rebuild civic confidence.

Flaxmere

- 3.8 The special character of Flaxmere strongly identifies as a community of interest separate to the urban areas of Hastings and Havelock North. Flaxmere has a deprivation index score of 10 - the most deprived level on the index. Some indicative statistics from the 2013 census are set out in the table below:-

	Flaxmere	Hastings
Median Income <15 years	\$19,500	\$26,500
Home Ownership	53.4%	66.4%
Unemployment Rate	12.9%	6.9%

Rural Wards and the Rural Community Boards

- 3.9 The motto on Hastings District Council coat of arms is *Urbis et Ruris Concordia* - Town and Country in Harmony. The rural ward councillors covering the extremely large and sparsely populated areas of the District are supported by the four elected members of the Rural Community Board.
- 3.10 With regard to community boards, the work of the Rural Community Board in representing the extensive rural areas of the District has been very successful, and this is evident by the community support expressed at consultation meetings. The pre-consultation exercise did not reveal a public appetite for the creation of more community boards in the urban areas. The

creation of urban community boards was considered in detail and rejected by the Local Government Commission in 2013 because there was no evidence that the community had sought these boards. It is the officer view that this situation remains unchanged.

- 3.11 The table below shows the current representation arrangements for the Rural Community Board. The ward members for Kahuraniki and Mohaka wards are also members of the community board.

Subdivision	Population	Deviation from population average	Percentage deviation
Tutira	2,730	-253	-8.50%
Kaweka	2,970	-13	-0.40%
Maraekakaho	2,870	-113	-3.80%
Poukawa	3,360	377	12.60%
Totals	11,930	Average = 2983	

- 3.12 The Poukawa subdivision did not comply with the fair representation rule of +/- 10% rule, but was endorsed in 2012 by the Local Government Commission on the basis that the Community Board was seen to be working well.
- 3.13 In its assessment of options available, there has been a focus on community engagement and the ability of the Council to be fully responsive to community concerns. It was considered that this could best be achieved by maintaining the status quo and continuing to work at ward and Rural Community Board level with local communities on the current and proposed community plans and local initiatives identified in the Long Term Plan.

4.0 OPTIONS

- 4.1 Option 1 is set out below:-

Ward	Population	Population after Ward adjustment	Number of councillors per ward	Population per councillor	Deviation from district average population per councillor	Percentage deviation from district average population per councillor
Hastings-Havelock North	44,230	45,990	8	5,749	45	0.79%
Flaxmere	11,020	11,020	2	5,510	-194	-3.39%
Heretaunga	12,670	11,160	2	5,580	-124	-2.17%
Mohaka	5,700	5,700	1	5,700	-4	-0.06%
Kahuranaki	6,230	5,980	1	5,980	276	4.85%
Totals	79,850	79,850	14	5,704		

- 4.2 **Attachment 1** shows the proposed meshblock changes to Hastings Havelock North Ward, **Attachment 2** shows the proposed boundary changes to Hastings from Heretaunga, and **Attachment 3** shows the changes proposed to Havelock North from Heretaunga and Kahuraniki as detailed below:

Lyndhurst (Meshblock 1471202) – Heretaunga to Hastings Havelock North (+850)

Lyndhurst is a green field currently under development with the potential for over 300 residential units. It is currently within Heretaunga ward and on the outskirts of Hastings.

Williams Street (Meshblock 1471401) – Heretaunga to Hastings Havelock North (+500)

Northwood is another greenfield site which is in the process of being developed for residential dwellings and further extends the urban limit of Hastings City. 220 residential units are proposed for this area

Howard Street (Meshblock 1472900) - Heretaunga to Hastings Havelock North (+60)

Howard Street is a development on the edge of Hastings between Hastings and Havelock North – It is envisaged that there will be in the region of 260 residential units in this area.

Iona – (Meshblocks 1465506 and 1465601) Heretaunga to Havelock North (+100)

These meshblocks are also earmarked for residential development of 320 units which better identifies with the urban area of Havelock North.

Te Mata Hills – Kahuraniki to Hastings Havelock North (+250)

- 4.3 There has been a significant amount of rural residential development in this meshblock, and it is considered that the community of interest identifies with Havelock North rather than the rural settlements of Kahuraniki ward.

Rural Community Board (Attachment 4)

- 4.4 It is proposed to recommend that the Rural Community Board be retained and the Poukawa boundary be amended in line with the boundary changes proposed to Kahuraniki and Hastings Havelock North Ward. (See map at **Attachment 5**). This proposal brings Poukawa into the fair representation rule of +/- 10%.

The proposed representation model for the Rural Community Board is set out below:-

Subdivision	Population	Deviation from population average	Percentage deviation
Tutira	2,730	-190	-6.5%
Kaweka	2,970	50	1.7%
Maraekakaho	2,870	-50	-1.7%
Poukawa	3,110	190	6.5%
Totals	11,680	Average = 2920	

4.5 The option has been developed from the resolution of Council on 14 December 2017. The Rural Community Board was consulted on 5 March 2018 on the proposals outlined above, welcomed the proposed retention of the Rural Community Board and approved the proposed boundary changes to Poukawa subdivision which reflected the community of interest of the area.

4.6 Option 2 - Retain status quo.

5.0 SIGNIFICANCE AND ENGAGEMENT

5.1 Pre-consultation with the wider Hastings community has already taken place. The Council must resolve its representation arrangements by 31st August 2018.

5.2 The Council's decision then goes out for formal consultation through a public submission process.

5.3 There is a period of at least one month for submissions.

5.4 The Council must, within six weeks of the closing date, consider all submissions received, hearing those who have asked to be heard. The Council can amend its representation proposal after hearing submissions.

5.5 If there are no submissions on the initial proposal, that becomes the final proposal and is not subject to the Local Government Commission's jurisdiction.

5.6 Where submissions have been made, the Council's final proposal (whether amended or not) can be appealed by submitters and goes to the Local Government Commission for determination.

5.7 In addition, where the Council's final proposal is changed from the initial proposal, there is a further one month for objections, and the proposal, submissions and objections go to the Local Government Commission for determination.

5.8 The Local Government Commission will determine the Council's representation arrangements where there have been any submissions, appeals or objections and will probably hold a hearing in Hastings. The

Commission must issue its determination on Hastings District representation arrangements on or before 10th April 2019.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Best practice for the undertaking of representation review is set out in paragraph 2.16 above. The options must be evidence based, involve preconsultation, focus on communities of interest, community engagement effective and fair representation. The proposal developed above has incorporated all these factors.
- 6.2 Option 1 has been developed to meet the current and future needs of the District, and reflects the pre-consultation findings which indicated a relatively high level of satisfaction with current representation arrangements.
- 6.3 Option 2 is not recommended because it does not recognise the changing communities interest arising from greenfield development on the outskirts of Hastings and Havelock North. In addition, the 2017 population estimates for Heretaunga Ward and Poukawa subdivision exceed the +/- 10% rule fair representation rule.
- 6.4 As the changes proposed do not change the overall number of Councillor or Community Board there are no financial implications for governance or remuneration.

7.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Democratic Support Manager titled "Representation Review" dated 22/03/2018 be received.**
- B) That the Hastings District Council establish the following representation arrangements for the triennial election of the Hastings District Council to be held on Saturday 12 October 2019:**
 - 1) That Hastings District as delineated on the plan attached (Attachments 6 and 7) to the report in (A) above be divided into five wards.**
 - 2) That those five wards shall be –**
 - a) Flaxmere**
 - b) Hastings/Havelock North**
 - c) Heretaunga**
 - d) Mohaka**
 - e) Kahuraniki**
 - 3) That the Council comprise the Mayor and fourteen Councillors elected as follows:**
 - a) Eight councillors elected by the electors of the Hastings/Havelock North Ward.**
 - b) Two councillors elected by the electors of the Flaxmere**

- Ward.
 - d) Two councillors elected by the electors of the Heretaunga Ward.
 - e) One councillor elected by the electors of the Kahuraniki Ward.
 - f) One councillor elected By the electors of Mohaka Ward.
- 4) That there be a Hastings District Rural Community as delineated on the plans (Attachment 8) to the report in (A) above comprising the area of the Rural Ward.
- 5) That the Hastings District Rural Community Board be subdivided into four for electoral purposes as indicated on the plan (Attachment 8) to the report at A) above.
- 6) That those four subdivisions be –
 - a) The Tutira Subdivision
 - b) The Kaweka Subdivision
 - c) The Maraekakaho Subdivision
 - d) The Poukawa Subdivision
- 7) That, as required by section 19T(b) and 19W(c) of the Local Electoral Act 2001, the boundaries of the above wards, communities and subdivisions coincide with the boundaries of current statistical meshblock areas determined by Statistics New Zealand.
- 8) That, as the ward boundaries coincide with community boundaries, the requirements of section 19T(c) of the Local Electoral Act 2001 are accordingly met.
- 9) That, as required by sections 19T(a) and 19W(b) of the Local Electoral Act 2001, the five wards and one community being created and the number of members of each ward and community and subdivision will provide effective representation of communities of interest within Hastings District because:
 - a) The five wards represent the current significant and distinct communities of interest that the Council has identified within Hastings District, namely –
 - Hastings/Havelock North
 - Flaxmere
 - Heretaunga Plains
 - Kahuraniki
 - Mohaka
 - b) The Rural Community Board and its four subdivisions outlined in 6) above provides fair and effective

representation of the communities of interest of the vast and sparsely populated land area of Hastings District.

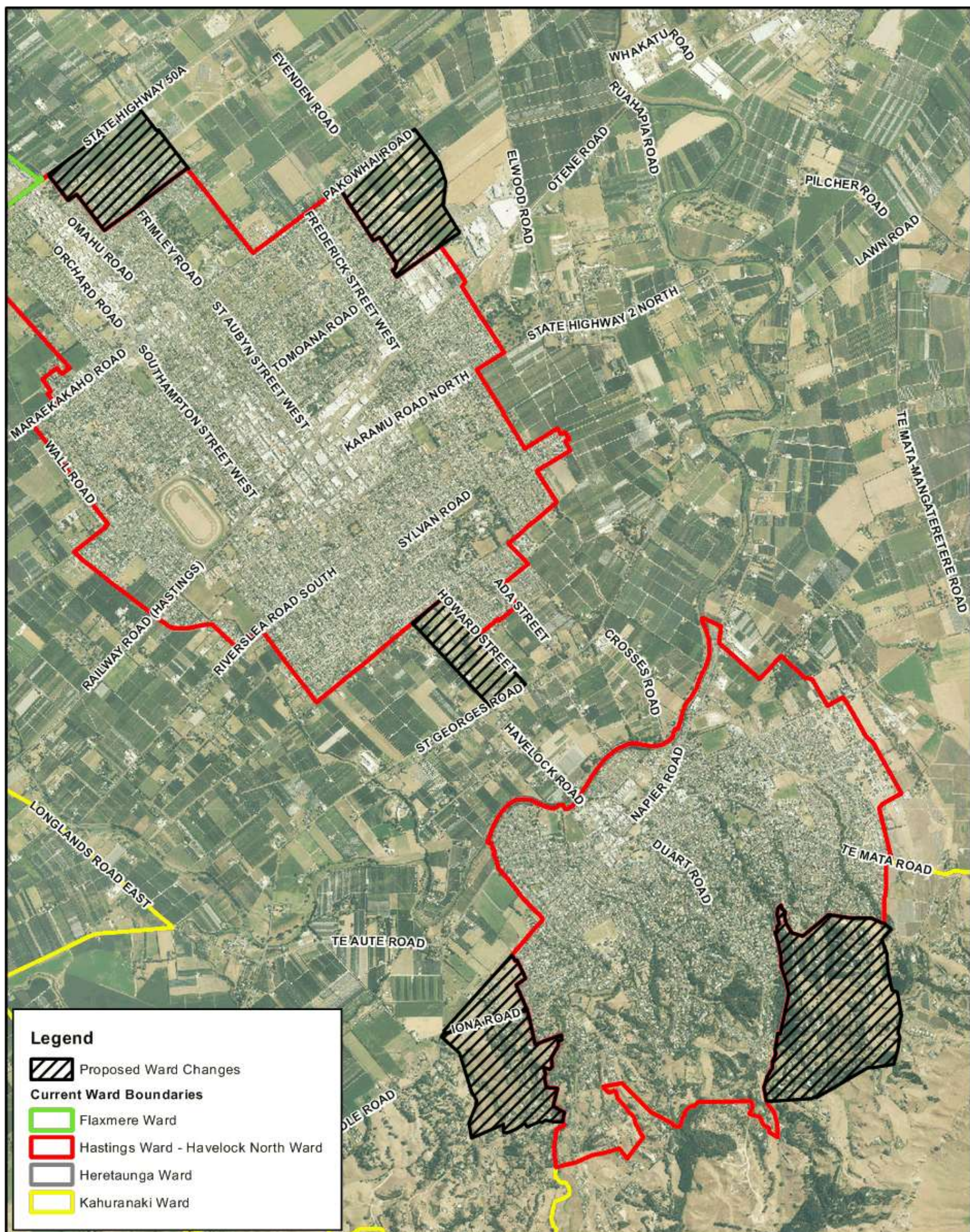
- c) The retention of the number of councillors at fourteen will provide continuity and enable Council to continue to work effectively.**

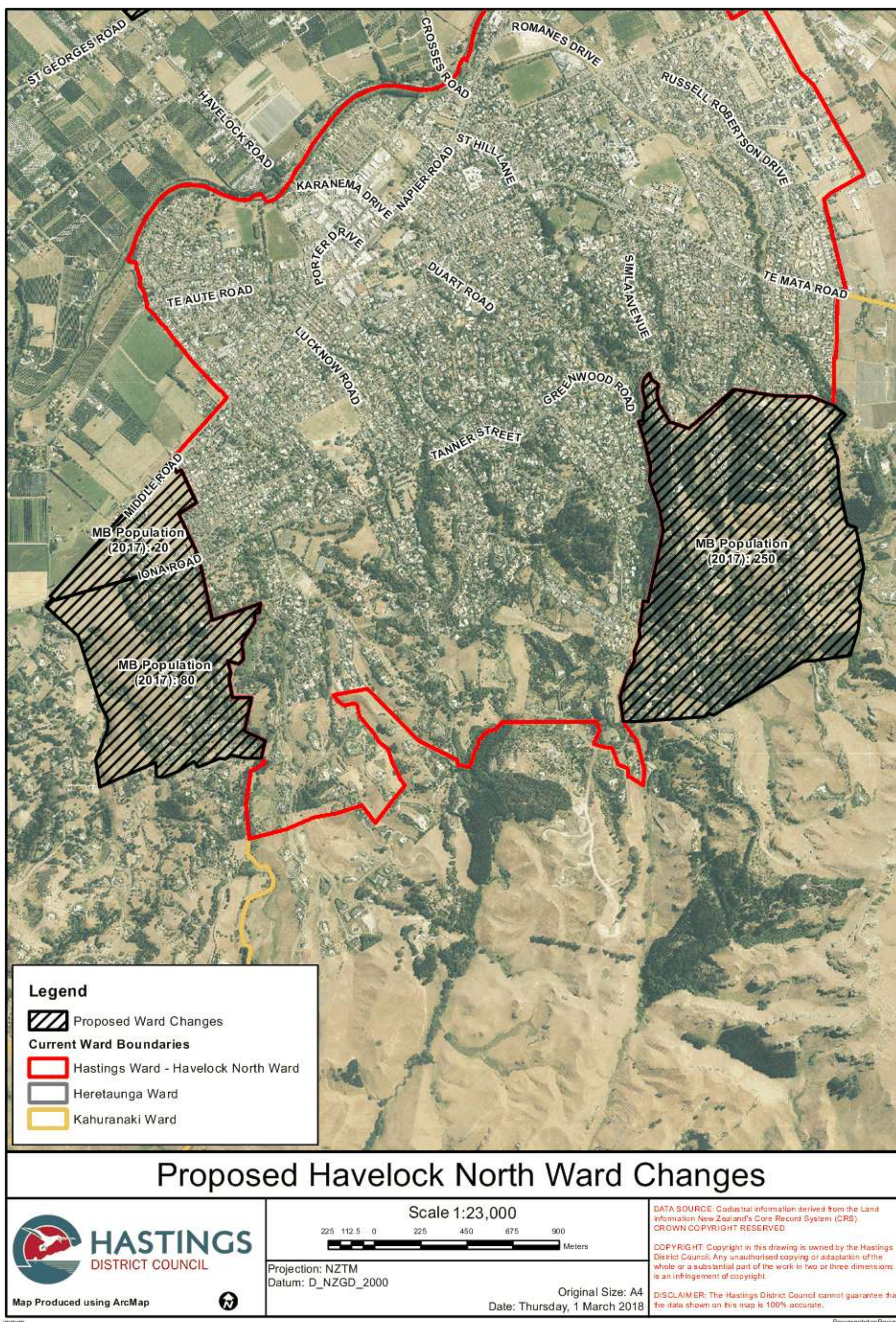
With the reasons for this decision being that the objective of the decision will contribute to meeting the current and future needs of communities for performance of regulatory functions in a way that is most cost-effective for households and business by:

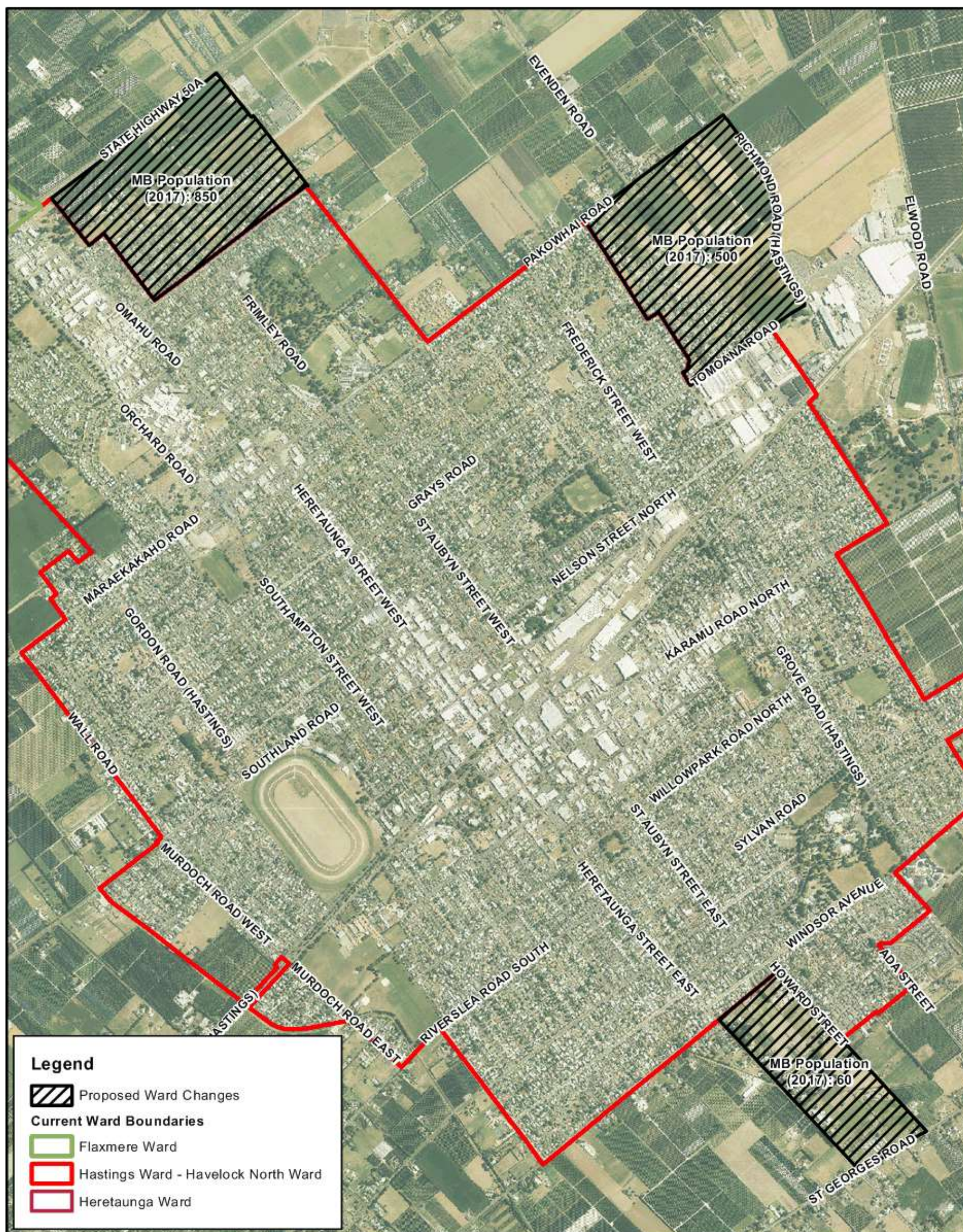
- i) Ensuring that representation and governance arrangements are proportionate, fair, effective and reflect the communities of interest within the district**

Attachments:

1	Proposed Ward Adjustments	CG-05-16-18-17
2	Proposed Havelock Changes	CG-05-16-18-18
3	Proposed Hastings Changes	CG-05-16-18-19
4	Proposed Poukawa Boundary Change	CG-05-16-18-16
5	Joining Hastings Havelock North	CG-05-16-18-21
6	Detailed Hastings District Ward Boundaries by Mesh block	CG-05-16-18-24
7	Entire Hastings District Ward Boundaries	CG-05-16-18-23
8	Rural Community Board Subdivision Boundaries by meshblock	CG-05-16-18-22







Proposed Hastings Ward Changes



Scale 1:24,000
230 115 0 230 460 690 920
Meters

Projection: NZTM
Datum: D_NZGD_2000

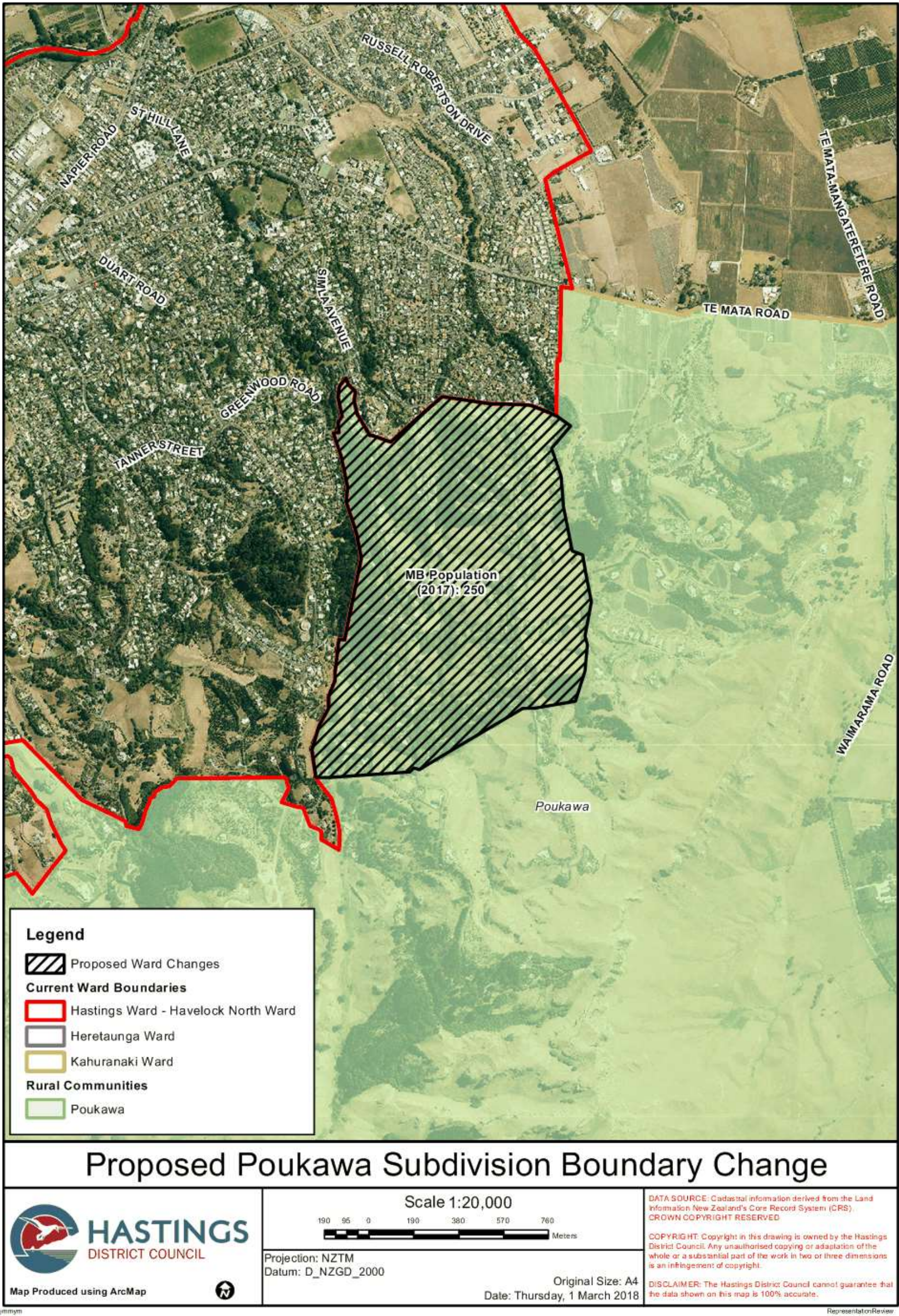
Original Size: A4
Date: Thursday, 1 March 2018

DATA SOURCE: Cadastral information derived from the Land Information New Zealand's Core Record System (CRS).
CROWN COPYRIGHT RESERVED

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DISCLAIMER: The Hastings District Council cannot guarantee that the data shown on this map is 100% accurate.

Representation/Review





Map Produced using ArcMap



Projection: NZTM
Datum: D_NZGD_2000

Joining Hastings and Havelock

Scale 1:18,000

180 90 0 180 360 540 720
Meters

Date: Thursday, 1 March 2018

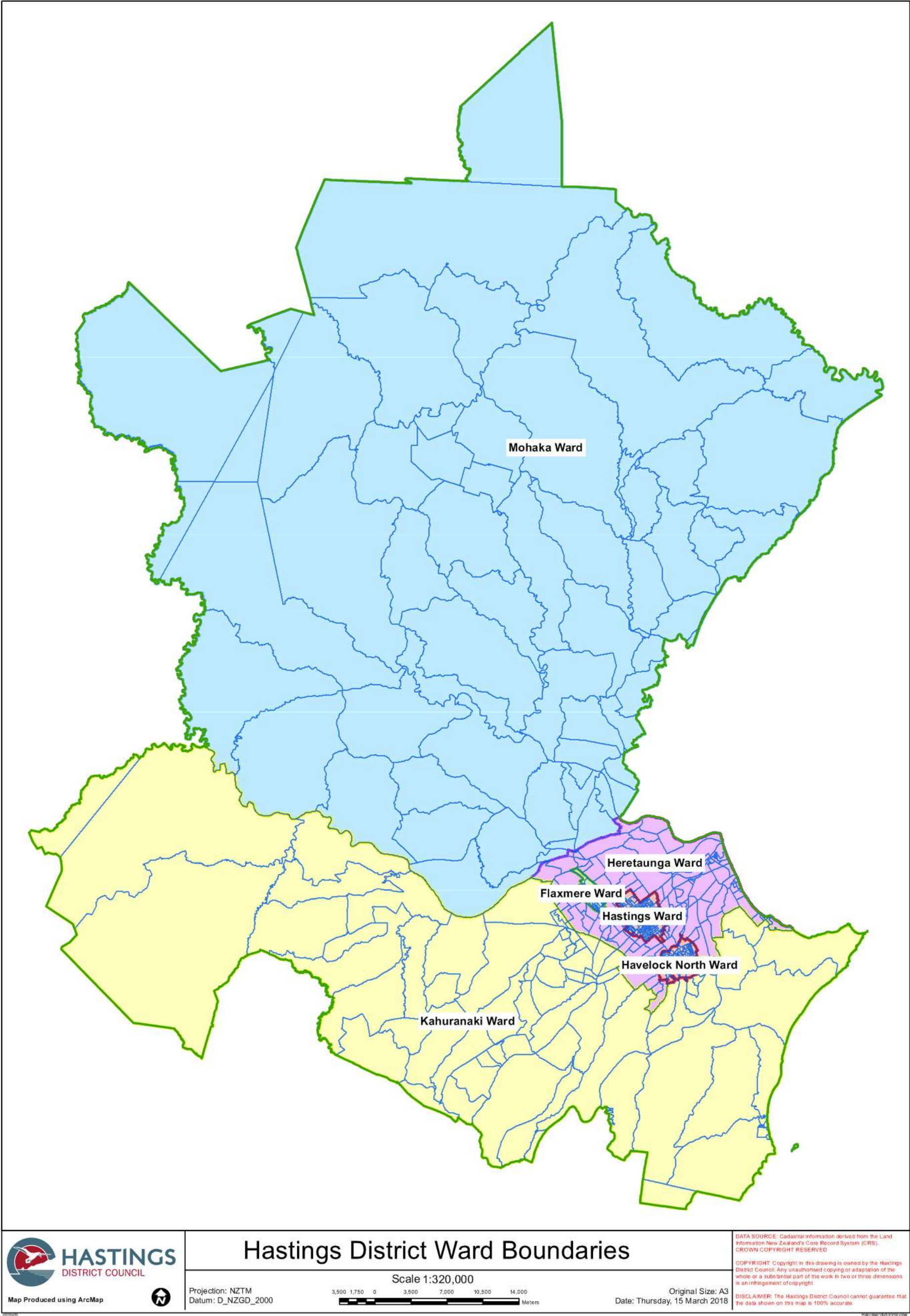
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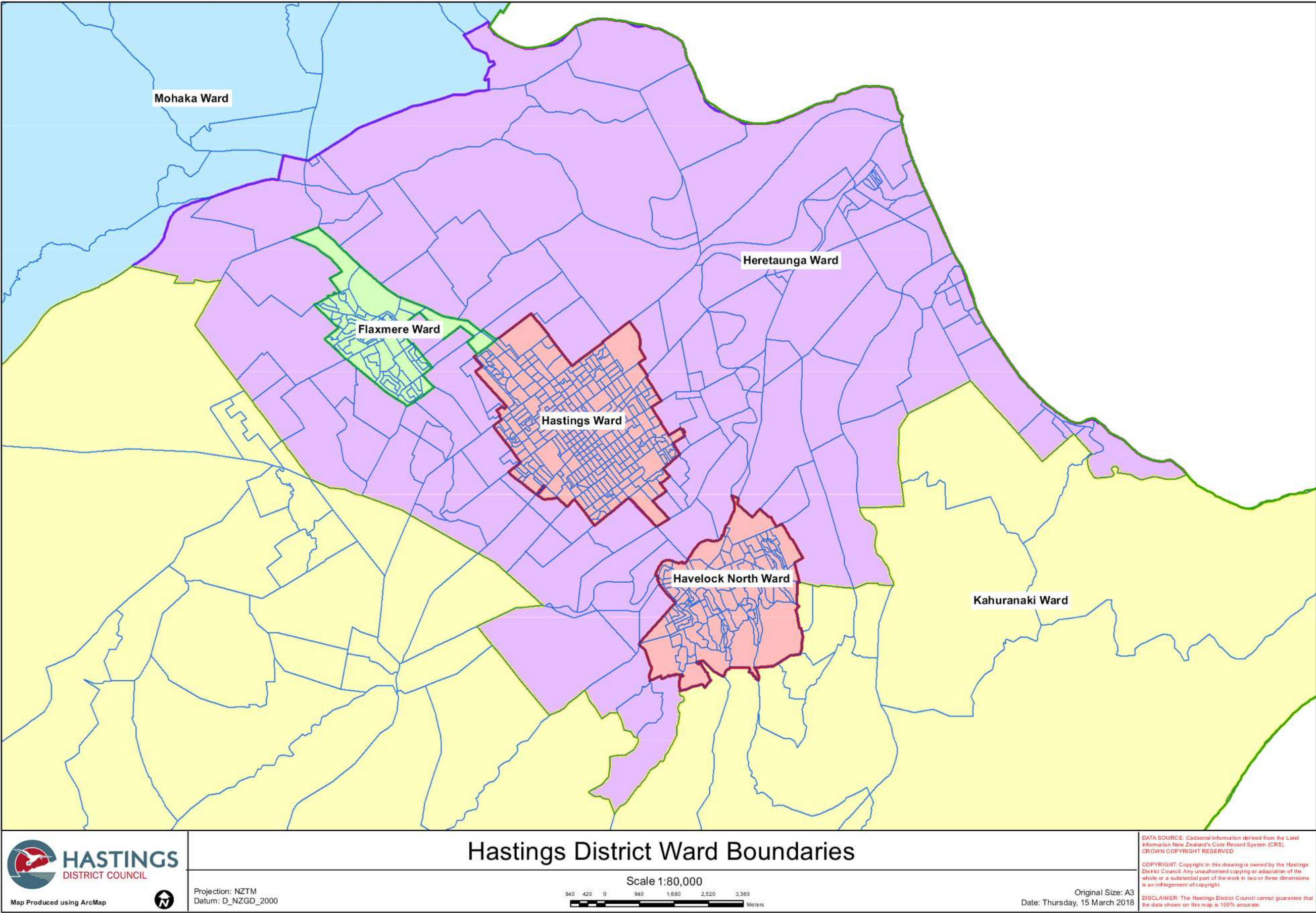
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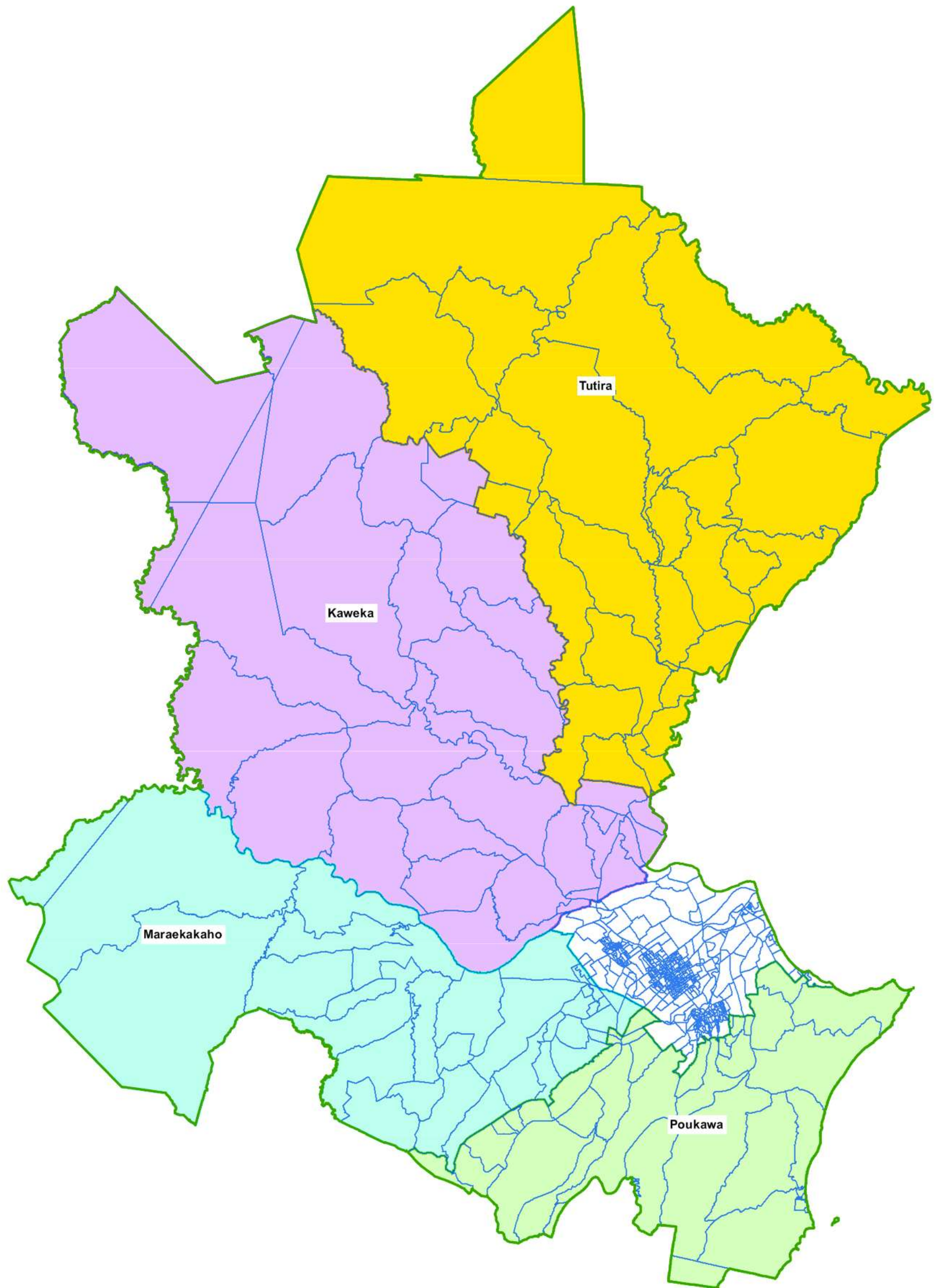
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Representation/Review







REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: DEMOCRATIC SUPPORT MANAGER
JACKIE EVANS**

**SUBJECT: 2018 LOCAL GOVERNMENT NEW ZEALAND ANNUAL
GENERAL MEETING, CONFERENCE REMIT PROCESS**

1.0 SUMMARY

- 1.1 The purpose of this report is to advise on the process for submitting proposed remits for consideration at the Local Government New Zealand (LGNZ) Annual General Meeting (AGM)
- 1.2 The conference and AGM will be held in Christchurch from Sunday 15 July (AGM) and conference opening) until Tuesday 17 July 2017. At the Council meeting on 22 February 2017, it was agreed that the Mayor, Deputy Mayor and Councillors Travers and Schollum attend the meeting.
- 1.3 This report concludes by recommending that the Council consider whether it would wish to submit any remits to the AGM

2.0 BACKGROUND

- 2.1 The conference and AGM will be held in Christchurch from Sunday 15 July (AGM) and conference opening) until Tuesday 18 July 2017. At the Council meeting on 22 February 2018, it was agreed that the Mayor, Deputy Mayor and Councillors Travers and Schollum attend the conference.

3.0 CURRENT SITUATION

- 3.1 As part of the conference, all Councils have been invited to submit proposed remits for the LGNZ AGM to be held on Sunday 15 July 2017. The deadline for submission has been announced as 21 May 2018 to enable the LGNZ remit screening committee to assess the remits against specific criteria. Proposed remits should only relate internal governance and constitution of Local Government New Zealand, and relate to "issues of the moment". The application form and Remit Process is attached. Remits must have formal support from at least one done or sector group meeting, or 5 councils, prior to their being submitted,
- 3.2 At the last meeting of the Council, members were asked to give to consideration to issues which could be submitted as remits
- 3.3 In 2017 the Council gathered support for one remit on a policy on the supply of sugar sweetened beverages.

4.0 OPTIONS

- 4.1 All councillors have been asked to consider possible topics suitable for remits to put forward for support and possible consideration, and the following have been suggested:-

Limit fireworks for public displays only.

Lobby government to strengthen product stewardship (return of plastic packaging and plastic containers) and to mandate an alternative to plastic food packaging. This is to better support those that are currently effective in this area of waste minimisation and further invest in Research and Development, especially in other options and markets for waste plastics.

By elections currently caused by newly elected mayor (where the mayor is a sitting councillor) should be determined by 'next on the list' and not trigger another by election.

Revisit remit previously proposed to make the decision around Māori wards to be treated same as general wards (i.e. no poll for referendum)

- 4.2 The Council is asked to consider putting forward remits for consideration at the Local Government New Zealand Annual General Meeting in Christchurch on 15 July 2018.

5.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Democratic Support Manager titled "2018 Local Government New Zealand Annual General Meeting, Conference Remit Process" dated 22/03/2018 be received.**
- B) That Council discuss any remits which they might wish the Council to put forward for consideration at the 2017 Local Government New Zealand Annual General Meeting.**

Attachments:

- 1 Remit Process Memo
- 2 Remit Process Application 2018

CG-14-1-00651
CG-14-1-00652

MEMORANDUM

**We are.
LGNZ.**

Item 17

Date: 6 March 2018
To: Mayors, Chairs and Chief Executives
From: Malcolm Alexander, Chief Executive, Local Government New Zealand
Subject: 2018 Annual General Meeting Remit Process

We invite member authorities wishing to submit proposed remits for consideration at the Local Government New Zealand Annual General Meeting (AGM) to be held on **Sunday 15 July 2018** in Christchurch, to do so no later than **5pm, Monday 21 May 2018**. Notice is being provided now to allow members of zones and sectors to gain the required support necessary for their remit (see point 3 below). The supporting councils do not have to come from the proposing council's zone or sector.

Proposed remits should be sent with the attached form. The full remit policy can be downloaded from the [LGNZ website](#).

Remit policy

Proposed remits, other than those relating to the internal governance and constitution of Local Government New Zealand, should address only major strategic "issues of the moment". They should have a national focus articulating a major interest or concern at the national political level.

The criteria for considering remits were reviewed in March 1999 and National Council adopted the following Remits Screening Policy:

1. Remits must be relevant to local government as a whole rather than exclusively relevant to a single zone or sector group or an individual council;
2. Remits should be of a major policy nature (constitutional and substantive policy) rather than matters that can be dealt with by administrative action;
3. Remits must have formal support from at least one zone or sector group meeting, or five councils, prior to their being submitted, in order for the proposer to assess support and clarity of the proposal;
4. Remits defeated at the AGM in two successive years will not be permitted to go forward;
5. Remits will be assessed to determine whether the matters raised can be actioned by alternative, and equally valid, means to achieve the desired outcome;
6. Remits that deal with issues or matters currently being actioned by Local Government New Zealand may also be declined on the grounds that the matters raised are "in-hand". This does not include remits that deal with the same issue but from a different point of view; and
7. Remits must be accompanied by background information and research to show that the matter warrants consideration by delegates. Such background should demonstrate the:
 - nature of the issue;
 - background to it being raised;

Attachment 1

MEMORANDUM

**We are.
LGNZ.**

Item 17

- issue's relationship, if any, to the current Local Government New Zealand Business Plan and its objectives;
- level of work, if any, already undertaken on the issue by the proposer, and outcomes to date;
- resolution, outcome and comments of any zone or sector meetings which have discussed the issue; and
- suggested actions that could be taken by Local Government New Zealand should the remit be adopted.

Remit process

Local Government New Zealand will take the following steps to finalise remits for the 2017 AGM:

- all proposed remits and accompanying information must be forwarded to Local Government New Zealand no later than **5pm, Monday 21 May 2018**, to allow time for the remits committee to properly assess remits;
- a remit screening committee (comprising the President, Vice President and Chief Executive) will review and assess proposed remits against the criteria described in the above policy;
- prior to their assessment meeting, the remit screening committee will receive analysis from the Local Government New Zealand staff on each remit assessing each remit against the criteria outlined in the above policy;
- proposed remits that fail to meet specified criteria will be informed as soon as practicable of the committee's decision, alternative actions available, and the reasons behind the decision;
- proposers whose remits meet the criteria will be contacted as soon as practicable to arrange the logistics of presenting the remit to the AGM; and
- all accepted remits will be posted to the Local Government New Zealand website at least one month prior to the AGM.

To ensure quality preparation for members' consideration at the AGM, the committee will not consider or take forward proposed remits that do not meet this policy, or are received after **5pm, Monday 21 May 2018**.

General

Remits discussed at the AGM will be presented in the AGM Business Papers that will be distributed to delegates not later than two weeks before the AGM, as required by the Rules.

Should you require further clarification of the requirements regarding the remit process please contact Leanne Brockelbank on 04 924 1212 or leanne.brockelbank@lgnz.co.nz.

Attachment 1

CG-14-1-00652

**We are.
LGNZ.****Annual General Meeting 2018****Remit application**

Council Proposing Remit:	
Contact Name:	
Phone:	
Email:	
Fax:	
Remit passed by: (Zone/Sector meeting and/or list five councils as per policy)	
Remit:	

Background information and research:

Please attach separately and include:

- nature of the issue;
- background to its being raised;
- new or confirming existing policy;
- how the issue relates to objectives in the current Work Programme;
- what work or action on the issue has been done on it, and the outcome;
- any existing relevant legislation, policy or practice;
- outcome of any prior discussion at a Zone or Sector meeting;
- evidence of support from Zone/Sector meeting or five councils; and
- suggested course of action envisaged.

Please forward to: Local Government New Zealand
 Leanne Brockelbank, Deputy Chief Executive Operations
 PO Box 1214, Wellington 6140
leanne.brockelbank@lgnz.co.nz

No later than 5pm, Monday 21 May 2018.

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: DEMOCRATIC SUPPORT MANAGER
JACKIE EVANS**

**SUBJECT: REQUESTS RECEIVED UNDER THE LOCAL
GOVERNMENT OFFICIAL INFORMATION AND MEETINGS
ACT (LGOIMA) MONTHLY UPDATE**

1.0 SUMMARY

- 1.1 The purpose of this report is to inform the Council of the number of requests under the local Government official Information Act (LGOIMA) 1987 received in January and February..
- 1.2 This issue arises from the provision of accurate reporting information to enable effective governance
- 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 the Council is meeting its legislative obligations
- 1.5 This report concludes by recommending that the report be noted.

2.0 BACKGROUND

- 2.1 The LGOIMA allows people to request official information held by local government agencies. It contains rules for how such requests should be handled, and provides a right to complain to the Ombudsman in certain situations. The LGOIMA also has provisions governing the conduct of meetings.

Principle of Availability

- 2.2 The principle of availability underpins the whole of the LGOIMA. The Act explicitly states that:

*The question whether any official information is to be made available ... shall be determined, except where this Act otherwise expressly requires, in accordance with the purposes of this Act and **the principle that the information shall be made available unless there is good reason for withholding it.***

Purpose of the Act

2.3 The key purposes of the LGOIMA are to:

- progressively increase the availability of official information held by agencies, and promote the open and public transaction of business at meetings, in order to:
 - enable more effective public participation in decision making; and
 - promote the accountability of members and officials;
 and so enhance respect for the law and promote good local government; and
- protect official information and the deliberations of local authorities to the extent consistent with the public interest and the preservation of personal privacy.

2.4 City, district and regional councils, council controlled organisations and community boards are subject to LGOIMA and official information means any information held by an agency subject to the LGOIMA.

2.5 It is not limited to documentary material, and includes material held in any format such as:

- written documents, reports, memoranda, letters, notes, emails and draft documents;
- non-written documentary information, such as material stored on or generated by computers, including databases, video or tape recordings;
- information which is known to an agency, but which has not yet been recorded in writing or otherwise (including knowledge of a particular matter held by an officer, employee or member of an agency in their official capacity);
- documents and manuals which set out the policies, principles, rules or guidelines for decision making by an agency;
- the reasons for any decisions that have been made about a person.

2.6 It does not matter where the information originated, or where it is currently located, as long as it is held by the agency. For example, the information could have been created by a third party and sent to the agency. The information could be held in the memory of an employee of the agency.

What does a LGOIMA request look like?

2.7 There is no set way in which a request must be made. A LGOIMA request is made in any case when a person asks an agency for access to specified official information. In particular:

- a request can be made in any form and communicated by any means, including orally;
- the requester does not need to refer to the LGOIMA; and
- the request can be made to any person in the agency.

- 2.8 The Council deals with in excess of 14,000 service requests on average each month from written requests, telephone calls and face to face contact. The LGOIMA requests dealt with in this report are specific requests for information logged under formal LGOIMA procedure, which sometimes require collation of information from different sources and/or an assessment about the release of the information requested.

Key Timeframes

- 2.9 An agency must make a decision and communicate it to the requester 'as soon as reasonably practicable' and **no later than** 20 working days after the day on which the request was received.
- 2.10 The agency's primary legal obligation is to notify the requester of the decision on the request 'as soon as reasonably practicable' and without undue delay. The reference to 20 working days is not the de facto goal but the maximum unless it is extended appropriately in accordance with the Act. Failure to comply with time limit may be the subject of a complaint to the ombudsman.
- 2.11 The Act provides for timeframes and extensions as there is a recognition that organisations have their own work programmes and that official information requests should not unduly interfere with that programme.

3.0 CURRENT SITUATION

- 3.1 Council has requested that official information requests be notified via a monthly report.

4.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Democratic Support Manager titled "Requests Received under the Local Government Official Information and Meetings Act (LGOIMA) Monthly Update" dated 22/03/2018 be received.
- B) That the LGOIMA requests received in December 2017 as set out in Attachment 1 (IRB-2-01-18-1153) of the report in (A) above be noted.

Attachments:

- 1 LGOIMA - LGOIMA - Cumulative Monthly Report to Council - March 2018 IRB-2-01-18-1200

IRB-2-01-18-1200

LGOIMA – Monthly report to Council – November/December 2017

	Requests Received	Responses to requests	Responses with information fully released	Responses with information partially withheld	Responses with information fully withheld	Average number of working days to respond	Requests resulting in a complaint to Ombudsman
1 – 31 January	14	13	9	4	0	10.3	
1 - 28 February	7	5	4	1	0	6.6	

Requests - received since those last reported to Council

Month	From	Subject	Total
From 20-January	Julie Ann Maitland The Data Factory	Food License Data	4
	Nicki Harper Hawke's Bay Today	Correspondence from the Mayor's Office – Te Mata Track	
	Tom Belford Bay Buzz	All correspondence – re resource consent Te Mata Track	
	Garrick Wright-McNaughton Taxpayers' Union	HDC Maori Joint Committee	

IRB-2-01-18-1200

Month	From	Subject	Total
From 1 – 28 February	Leanne Bell	Dog Attack – Gordon Road	7
	Nicki Harper Hawke's Bay Today	List of businesses receiving financial support following HN Contamination event	
	Elizabeth Nash	Acoustic Review of Heinz Watties	
	Dawson Bliss	Dog Registration Information	
	Matthew Lawson Lawson Robinson	Proposed Service Corridor Ikanui Road	
	Jennifer Foote	Russell Roads – Maraekakaho Quarry	
	Ruairi Cahill- Fleury	2016 Elections Ballot Order	
		Not closed	

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 22 MARCH 2018

**FROM: DEMOCRATIC SUPPORT MANAGER
JACKIE EVANS**

SUBJECT: UPDATED 2018 MEETING SCHEDULE CHANGES

1.0 SUMMARY

- 1.1 The purpose of this report is to consider amendments to the schedule of Council and Committee Meetings for the 2018 Meeting Calendar which was adopted by Council 30 November 2017.
- 1.2 This report recommends that the 2018 Meeting Schedule as amended below be adopted.

2.0 BACKGROUND

- 2.1 The Local Government Act 2002, Schedule 7, Clause 19 states:
- (4) *A local authority must hold meetings at the times and places that it appoints”.*
- (5) *If a local authority adopts a schedule of meetings-*
- a) *The schedule-*
- i) *may cover any future period that the local authority considers appropriate, and*
- ii) *may be amended*
- 2.2 Although a local authority must hold the ordinary meetings appointed, it is competent for the authority at a meeting to amend the schedule of dates, times and number of meetings to enable the business of the Council to be managed in an effective way.
- 2.3 The following additional meeting is proposed to be included in the 2018 meeting schedule:

Committee	Date	Time	Venue
Temporary Road Closures Hearing (Targa Rally)	19 April 2018	10.00am	Council Chamber

- 2.4 Councillors will be kept informed of specific changes on a day to day basis through the centralised calendar system.

3.0 RECOMMENDATIONS AND REASONS

A) That the report of the Democratic Support Manager titled “Updated 2018 Meeting Schedule Changes” dated 22/03/2018 be received.

B) That the 2018 Meeting Schedule be amended as follows:-

Committee	Date	Time	Venue
Temporary Road Closures Hearing (Targa Rally)	19 April 2018	10.00am	Council Chamber

Attachments:

There are no attachments for this report.

HASTINGS DISTRICT COUNCIL

COUNCIL MEETING

THURSDAY, 22 MARCH 2018

RECOMMENDATION TO EXCLUDE THE PUBLIC

SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

THAT the public now be excluded from the following part of the meeting, namely:

23. **Pakowhai/Farndon Road Safety Improvements as a Variation to CON2015045 Whakatu Arterial Link Physical Works**
24. **CON2017086 Rural Pavement and Corridor Management Contract**

The general subject of the matter to be considered while the public is excluded, the reason for passing this Resolution in relation to the matter and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this Resolution is as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION
23. Pakowhai/Farndon Road Safety Improvements as a Variation to CON2015045 Whakatu Arterial Link Physical Works	Section 7 (2) (h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. To enable Council to continue negotiations.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.
24. CON2017086 Rural Pavement and Corridor Management Contract	Section 7 (2) (h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. To enable Council to undertake negotiations.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.