

Thursday, 19 August 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Council Meeting

Kaupapataka

Agenda

Te Rā Hui:
Meeting date: **Thursday, 19 August 2021**

Te Wā:
Time: **1.00pm**

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

Te Hoapā:
Contact: **Democracy and Governance Services
P: 06 871 5000 | E: democracy@hdc.govt.nz**

Te Āpiha Matua:
Responsible
Officer: **Chief Executive - Nigel Bickle**

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HASTINGS DISTRICT COUNCIL
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TE KAUNIHERA Ā-ROHE O HERETAUNGA

Thursday, 19 August 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Council Meeting

Kaupapataka

Agenda

Tiamana

Chair: Mayor Sandra Hazlehurst

Mematanga:

Membership:

Ngā KaiKaunihera

Councillors: Bayden Barber, Alwyn Corban, Malcolm Dixon, Damon Harvey, Tania Kerr (Deputy Chair), Eileen Lawson, Simon Nixon, Henare O'Keefe, Peleti Oli, Ann Redstone, Wendy Schollum, Sophie Siers, Geraldine Travers and Kevin Watkins

Tokamatua:

Quorum:

8 members

Apiha Matua

Officer Responsible:

Chief Executive – Nigel Bickle

*Te Rōpū Manapori me te
Kāwanatanga*

Democracy and

Governance Services:

Louise Stettner (Extn 5543)

Te Rārangi Take

Order of Business

1.0 Opening Prayer – *Karakia Whakatūwheratanga*

2.0 Apologies & Leave of Absence – *Ngā Whakapāhatanga me te Wehenga ā-Hui*

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

At the close of the agenda no requests for leave of absence had been received.

3.0 Conflict of Interest – *He Ngākau Kōnatunatu*

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 General Counsel or the Manager: Democracy and Governance (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.

4.0 Confirmation of Minutes – *Te Whakamana i Ngā Minitī*

Minutes of the Council Meeting held Tuesday 18 May 2021

(Previously circulated)

Minutes of the Council Meeting held Tuesday 13 July 2021

(Previously circulated)

5.0 Declaration of Reserve Status - Martin Place Landscape Strip

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6.0 Proposed Amendments to Schedule of Appointments to Committees, Subcommittees and other External Organisations

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7.0 Representation Review 2021/22

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8.0	Municipal Building Project and Funding Update	49
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9.0	Minor Items – <i>Ngā Take Iti</i>
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10.0	Urgent Items – <i>Ngā Take Whakahihiri</i>
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11.0	Recommendation to Exclude the Public from Item 12	65
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12.0	Strategic Land Matters
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Thursday, 19 August 2021

Item 5

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā:
From: Colin Hosford, Public Spaces and Building Assets Manager

Te Take:
Subject: Declaration of Reserve Status - Martin Place Landscape Strip

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to obtain a resolution from Council to declare under Section 14 of Reserves Act 1977 (the Act), three parcels of land near Martin Place Havelock North, as a Local Purpose Reserve – Buffer Strip, and to complete the gazettal process. **See attachment 1.**
- 1.2 This report contributes to the purpose of local government by primarily promoting social wellbeing and more specifically through the Council's strategic objective of safe, healthy and liveable communities through the provision of a buffer reserve that helps protects the interface between residential and industrial activities.
- 1.3 This request has arisen from recent and proposed developments in and around Martin Place, whereby issues surrounding the land's status have been raised by the community. Council has already resolved to publicly notify its intention to change the sites' status under the Reserves Act 1977.
- 1.4 With the requisite public notification now complete, to which no submissions were received, the final step is for Council to make its final decision on the vesting and gazettal process.

2.0 Recommendations - *Ngā Tūtohunga*

- A) That Council receive the report titled Declaration of Reserve Status - Martin Place Landscape Strip dated 19 August 2021.
- B) That Council resolves to declare Part Lot 9 & Lot 10 DP 14609 and Lot 2 DP16495 (shown on Attachment 1) as a reserve in accordance with section 14 of the Reserves Act 1977; and be classified as **Local Purpose Reserve – Buffer Strip** in accordance with section 23 of the Reserves Act 1977.
- C) That the Council exercises the delegation given to it by the Minister of Conservation and pursuant to section 14(4) of the Reserves Act 1977 confirms the Council decision to vest

the above land as reserve; and instructs the Chief Executive to proceed with the Gazettal of the subject land on behalf of the Minister of Conservation. Part Lot 9 & Lot 10 DP 14609 and Lot 2 DP16495.

3.0 Background – *Te Horopaki*

- 3.1 At Council's meeting of 26th June 2021, it considered a request to declare three parcels of land at Martin Place Havelock North as a Local Purpose Reserve – Buffer Strip.
- 3.2 In resolving to undertake the proposed vesting and gazettal action, Council noted that the land was originally intended to be a landscaped buffer strip but this intention was never carried forward on the respective land titles nor included in the District Plan.
- 3.3 As per the requirements of Section 14 (1) of the Reserves Act 1977, Council publicly notified its intention to vest the three parcels as a local purpose reserve on June 26th 2021. As no submissions were received within the statutory 20 working days, Council can now resolve the status of the land and complete the formal gazettal process without issue. Hence this report.

4.0 Discussion – *Te Matapakitanga*

- 4.1 As canvassed in an earlier report, some residential neighbours have asked about the status of the buffer reserve as have the current developers of the old Nimon's Depot site, Tumu Timbers. It is very likely that an industrial building will be built in the near future and issues of building construction type and landscape screening are likely to be raised.
- 4.2 In order to enable Council to meet interface challenges in the future, it is prudent to ensure the land has the correct reserves category to enable future buildings to have the correct fire ratings and to allow planting to be undertaken by Council should it be requested by local neighbours.
- 4.3 The process of making the land a Local Purpose Reserve (LPR) from here on in is quite simple. In order to complete the correct categorisation of the buffer strip, Council needs to now resolve to declare the three parcels as **Local Purpose Reserve – Buffer Strip** and to complete the gazettal process, while ensuring all necessary easements and rights are protected.

5.0 Options – *Ngā Kōwhiringa*

Option One - Recommended Option - Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga

- 5.1 This options sees Council resolving to declare, classify and vest Part Lot 9 & Lot 10 DP 14609 and Lot 2 DP16495 as a Local Purpose Reserve – Buffer Strip, under Sections 14 and 23 of the Reserves Act 1977, and to complete the gazettal process.
- 5.2 This will essentially mean that with the completion of the above actions, the land will be appropriately set aside for its original purpose as a buffer strip. It is also noted that the requisite changes to the District Plan's Maps should be undertaken at the time of the next review to ensure the District Plan aligns with the new reserve status.
- 5.3 As there have been no submissions to the public notification process, Council can be confident that the vesting and gazettal process is acceptable to the community and is an appropriate action to take.
- 5.4 Council has delegated authority from the Crown to undertake these actions.

Advantages

- Status of the buffer strip can be confirmed and therefore give certainty to adjoining neighbours.

- The public notification of the proposed vesting has given the community an opportunity to have its say on the proposal.
- Should the vesting and gazettal process carry on unhindered, an omission in the land parcels' tenure and District Plan Zoning can be rectified.
- Issues relating to building code requirements for sites abutting the buffer strip can be resolved.
- Should there be future requests by residents to plant the landscaping strip, it can proceed without obstacle.

Disadvantages

- Any future sale of the strip, though most unlikely, would be made difficult due to it having a reserve status.

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuetanga o nāiane

5.5 This option is to adopt the Status Quo and leave the land under its current status.

Advantages

- Any future sale of the strip would be easier due to it not having a reserve status.

Disadvantages

- Public uncertainty over the status of the land would continue.
- More stringent building code fire rating requirements on sites adjoining the strip.

6.0 Next steps – *Te Anga Whakamua*

- 6.1 By adopting Option 1 as recommended, Council will resolve to declare the three sites as local purpose reserve – buffer strip and that they be gazetted accordingly, on behalf of the Minister of Conservation.
- 6.2 Once these actions are complete, the consequential updating of District Planning Maps can be carried out in future District Plan updates.

Attachments:

1 [1](#) Martin Place Local Purpose Reserve - Buffer Strip 70070#0005

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

[Link to the Council's Community Outcomes](#) – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal promotes the social wellbeing of communities in the present and for the future by creating a reserve that responds to community needs.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

None known:

Sustainability - *Te Toitūtanga*

The creation of a formal buffer reserve will enable Council to create a natural planted buffer to soften the interface between residential and industrial activities as needed.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

The costs to plant the area will be modest and can be considered in future Annual Planning processes.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This report has been assessed under the Council's Significance and Engagement Policy as being of minor significance.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

There has been consultation with the parties interested in the development of the site. As the proposal was publicly notified and no submissions received, Council can feel confident that the wider community was given a clear opportunity to comment on the proposal and as there have been no submissions, there is no particular concern with the formalising of the land to give it reserve status.

Risks

Council has the opportunity to confirm the status of these pieces of land as a buffer strip to give certainty to the community over its future use. This action shows Council is responsive to community needs and willing to put an omission to right.

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
Community support for recognition of an omission and putting it right. More certainty for local land owners on the status of the land.	By not changing its status the use of the land will remain in question and cause community uncertainty.

Rural Community Board – *Te Poari Tuawhenua-ā-Hāpori*

No impact on Rural Community Board.



Thursday, 19 August 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Item 6

Te Rārangi Take

Report to Council

Nā:
From: Louise Stettner, Manager, Democracy & Governance Services

Te Take:
Subject: Proposed Amendments to Schedule of Appointments to Committees, Subcommittees and other External Organisations

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to request that the Council consider proposed amendments to the Schedule of Appointments to Committees, Subcommittees and Other External Organisations.
- 1.2 At its meeting on 4 August 2021, the Hastings District Youth Council recommended the appointment of Youth Council members Louis Gaffaney to the International Advisory Group, and Finley Duncan to the Hastings District Rural Community Board and the Rural Halls Subcommittee.
- 1.3 The Youth Council has also received the resignation of Lenaine Merrylees-Clarke who had been an Alternate appointee to the Great Communities Subcommittee. The Youth Council will nominate a replacement in due course.
- 1.4 At its meeting on 10 December 2019, the Council confirmed the appointments to the Hastings District Licensing Committee, including Councillor Alwyn Corban. However, due to his involvement with the alcohol (wine) industry, Councillor Corban has not been an active member of the Committee. It is therefore recommended that Council remove Councillor Corban from the District Licensing Committee.

2.0 Recommendations – Ngā Tūtohunga

- A) That Council receive the report titled Proposed Amendments to Schedule of Appointments to Committees, Subcommittees and other External Organisations.
- B) That Council approve following appointments:
 Louis Gaffaney as the Youth Council appointee to the International Advisory Group
 Finley Duncan as the Youth Council appointee (non-voting) to the Hastings District Rural Community Board and Rural Halls Subcommittee
- C) That Council note that the Youth Council will nominate an alternate Youth Council appointee (non-voting) on the Great Communities Subcommittee (to replace Lenaine Merrylees-Clarke who has left the area).
- D) That Councillor Alwyn Corban be removed from the District Licensing Committee, and that Council note that a report will come back for Council to consider making further appointments to the District Licensing Committee.
- E) That the 2019-22 Schedule of Appointments to Committees, Subcommittees and other External Organisations and the Hastings District Council Committee and Rural Community Board Register of Delegations 2019 -22 be amended accordingly to reflect the changes outlined in B), C) and D) above.

Attachments:

There are no attachments for this report.

Thursday, 19 August 2021

Item 7

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā: Craig Cameron, Group Manager: Strategy and Development
From: Mr Ross McLeod from Contextus Solutions
Mr Darryl Griffin from electrionz.com

Te Take:
Subject: Representation Review 2021/22

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The Council's decision in May 2021 to introduce Māori Ward/s has triggered the requirement to undertake a Representation Review for the Hastings District ahead of the 2022 triennial local government elections. The Representation Review is the process by which the number of Councillors and basis of their election is determined. The process also determines whether or not there will be Community Boards and, if so, the basis of election of their members.
- 1.2 The Council has undertaken significant work in considering communities of interest in the district, and options for achieving effective and fair representation for those communities and the individuals within them. It has also undertaken preliminary community engagement to gauge community views in relation to representation arrangements. This has enabled narrowing down of the wide range of options and variations available to Council.
- 1.3 Drawing on that preliminary work, this report presents options for Council to consider in respect of an initial proposal for representation arrangements. The introduction of a Māori ward or wards has improved the effective representation of the Māori electoral population. However, the uneven incidence of the Māori electoral population across the existing five ward structure has made the balancing of effective representation and fair representation between the general electoral wards difficult. While the current five ward structure has previously provided for perfect compliance with the +/-10 fair representation requirement, this is no longer the case. The general ward electoral populations and mathematics of +/-10% do not sit well with effective representation of the recognised communities of interest in the district.
- 1.4 Of the options contained herein, Option A is recommended. This option sees a Council of 15 members plus the Mayor. It largely retains the existing five ward general electoral structure, which is regarded as providing effective representation for the identified communities of interest, save for some minor shifting of meshblocks to provide for more effective representation of communities of interest and to assist with fair representation. It introduces a single Māori Ward electing three members, with twelve members elected from the five general wards. It retains the existing Hastings District Rural Community Board covering the area of the Mohaka and Kahurānaki wards, elected via

four electoral subdivisions. The only changes to the Rural Community Board are minor boundary adjustments that reflect changes to the Council ward boundaries.

- 1.5 Option A does not fully comply with the +/-10% fair representation requirement in respect of the General electoral wards for electing Councillors. However, as alluded to in 1.3 above, the uneven impact of the introduction of a Māori ward on the general electoral populations of the accepted five wards structure make it very difficult to find a ward structure and a division of Councillors that provide for effective representation and meet the +/-10% fair representation requirement. In the view of officers and the Council's specialist advisors, a strong argument can be made for relative over-representation for the smaller population rural and plains wards (Kahurānaki, Mohaka, and Heretaunga) in the Hastings context where there are a number of relatively isolated rural communities in large rural wards, and where the more populous urban communities will always enjoy greater numbers of representatives around the Council table. An argument can also be made for Flaxmere to be under-represented to a minor extent, as the alternative that would achieve compliance with the +/-10% requirement would be to merge the Flaxmere ward into the larger Hastings-Havelock North Ward to create a large urban ward. This would mean Flaxmere would lose its distinct representation.
- 1.6 Council is requested to adopt an initial representation proposal for public notification. By law, it must adopt an initial proposal by 31 August 2021. Following this step, the proposal will be publicly notified with public consultation to be open for a calendar month. It is intended that Council will hear any submissions on the proposal and determine a final proposal on 14 October 2021. The final proposal will then be publicly notified, with any appeals and objections sent to the Local Government Commission by 15 January for final determination prior to 10 April 2022. Any aspects of the final proposal that do not comply with the +/-10% fair representation requirement must be treated as an objection and automatically referred to the Local Government Commission.

2.0 Recommendations - Ngā Tūtohunga

- A) That the Council Meeting receive the report titled Representation Review 2021/22 dated 19 August 2021

AND EITHER:

OPTION A (Preferred Option)

- B) That the Council, in accordance with Sections 19H and 19J of the Local Electoral Act 2001, determines that for the triennial general election of the Hastings District Council to be held on Saturday 8 October 2022, the following representation arrangements will apply:
- i. Hastings District, as delineated on the plan attached (Appendix 3) to the report described in A) above, be divided into six wards, being five general wards and one Māori ward.
 - ii. Those six wards shall be:

General Wards

 - a. Flaxmere, comprising the area delineated on the plan attached (Appendix 4) to the report described in A) above
 - b. Hastings-Havelock North, comprising the area delineated on the plan attached (Appendix 5) to the report described in A) above
 - c. Heretaunga, comprising the area delineated on the plan attached (Appendix 6) to the report described in A) above

- d. Kahurānaki, comprising the area delineated on the plan attached (Appendix 7) to the report described in A) above
- e. Mohaka, comprising the area delineated on the plan attached (Appendix 8) to the report described in A) above

Māori Wards

- f. Takitimu, comprising the area of the whole of the Hastings District as delineated on the plan attached (Appendix 9) to the report described in A) above.
- iii. The Council will comprise the Mayor, and 15 Councillors elected as follows:
 - a. 1 Councillor elected by the electors of the Flaxmere Ward
 - b. 7 Councillors elected by the electors of the Hastings-Havelock North Ward
 - c. 2 Councillors elected by the electors of the Heretaunga Ward
 - d. 1 Councillor elected by the electors of the Kahurānaki Ward
 - e. 1 Councillor elected by the electors of the Mohaka Ward
 - f. 3 Councillors elected by the electors of the Takitimu Ward.
 - iv. There will be a Hastings District Rural Community as delineated on the plan attached (Appendix 10) to the report described in A) above, comprising the area of the Kahurānaki and Mohaka Wards.
 - v. The community will be subdivided into four for electoral purposes.
 - vi. Those four subdivisions will be:
 - a. Tūtira subdivision, comprising the area delineated on the plan attached (Appendix 11) to the report described in A) above
 - b. Kaweka subdivision, comprising the area delineated on the plan attached (Appendix 12) to the report described in A) above
 - c. Maraekākaho subdivision, comprising the area delineated on the plan attached (Appendix 13) to the report described in A) above
 - d. Poukawa subdivision, comprising the area delineated on the plan attached (Appendix 14) to the report described in A) above.
 - vii. The membership of Hastings District Rural Community Board will be as follows:
 - a. 1 member elected by the electors of the Tūtira subdivision
 - b. 1 member elected by the electors of the Kaweka subdivision
 - c. 1 member elected by the electors of the Maraekākaho subdivision
 - d. 1 member elected by the electors of the Poukawa subdivision
 - e. 3 members of the Council, 1 representing each of the Kahurānaki, Mohaka and Takitimu wards, appointed to the community board by the Council.
- C) That, as required by sections 19T(1)(b) and 19W(c) of the Local Electoral Act 2001, the boundaries of the above wards and communities coincide with the current statistical meshblock areas determined by Statistics New Zealand and used for Parliamentary electoral purposes.
- D) That, as required by sections 19T(1)(a) and 19W(b) of the Local Electoral Act 2001, the six 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:

- i. The five General wards are considered to effectively and fairly represent the current distinct communities of interest that the Council has identified within the Hastings District, namely –
 - a. Flaxmere
 - b. Hastings-Havelock North
 - c. Heretaunga
 - d. Kahurānaki
 - e. Mohaka
 - ii. The Takitimu Māori ward will improve the effective representation of Māori interests within Hastings District, and in particular, those on the Māori electoral roll.
 - iii. The Hastings District Rural Community Board and its four subdivisions set out in B)iv. above provide fair and effective representation of the communities of interest of the large and sparsely populated rural areas of Hastings District.
 - iv. The 15 Councillors will provide for effective representation, good governance of the district and a Council that works effectively.
- E) That in accordance with section 19K of the Local Electoral Act 2001, the Council hereby records that the following changes have been made to the basis of election, membership and ward, constituency, community and subdivision boundaries within the Hastings District for the reasons set out:
- i. The total number of Councillors to be elected is increased by one – the Council considers an additional Councillor will allow a Māori ward to be introduced while still maintaining effective representation across the District. It will also provide sufficient Council members to share the governance workload and provide for good governance.
 - ii. Introduction of the Takitimu Māori Ward – Council has determined to introduce a Māori Ward to improve effective representation for Māori within the District. Based on the total number of Councillors to be elected via wards, a single ward with three Māori Ward Members is introduced on the basis that this will provide for fair and effective representation across the District of those electors who opt to be on the Māori electoral roll when exercising the Māori Electoral Option.
 - iii. The following boundary adjustments to Council general electoral ward boundaries, namely –
 - a. Meshblock **4015648** (Gracelands) – from Heretaunga Ward to Hastings-Havelock North Ward
 - b. Meshblock **4005098** (Summerset Retirement complex) - from Heretaunga Ward to Hastings-Havelock North Ward
 - c. Meshblock **4013349** (Sir James Wattie Retirement Village) – from Heretaunga Ward to Hastings-Havelock North Ward
 - d. Meshblock **1469704** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
 - e. Meshblock **1469708** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward

- f. Meshblock **1473300** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
- g. Meshblock **1473400** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
- h. Meshblock **1473500** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
- i. Meshblock **1473600** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
- j. Meshblock **1462901** (Ngātarawa Road/State Highway 50/Maraekākaho Road Triangle) – from Kahurānaki Ward to Heretaunga Ward
- k. Meshblock **1462902** (Ngātarawa Road/State Highway 50/Maraekākaho Road Triangle) – from Kahurānaki Ward to Heretaunga Ward
- l. Meshblock **1470209** (Ngātarawa Road/State Highway 50/Maraekākaho Road Triangle) – from Kahurānaki Ward to Heretaunga Ward
- m. Meshblock **1470211** (Ngātarawa Road/State Highway 50/Maraekākaho Road Triangle) – from Kahurānaki Ward to Heretaunga Ward
- n. Meshblock **1408402** (Ōmāhu Village) – from Mohaka Ward to Heretaunga Ward
- o. Meshblock **1409100** (Ōmāhu Village) – from Mohaka Ward to Heretaunga Ward,

are made as Council considers they will improve the effective representation of communities of interest (by shifting areas of the district into wards where they share greater commonalities with adjoining areas) and assist in achieving fair representation.

- iv. The following boundary adjustments to Rural Community Board Subdivision boundaries, namely –
 - a. Meshblock **1463602** (Paki Paki) – from Poukawa Subdivision to Maraekākaho Subdivision
 - b. Meshblock **1463700** (Paki Paki) – from Poukawa Subdivision to Maraekākaho Subdivision,

are made as Council considers they will assist in achieving fair representation and continue to provide effective representation of communities of interest.

- v. Representation for the Hastings - Havelock North General ward is reduced from eight members to seven members – given the reduction in Council size and the introduction of a Māori Ward and electoral roll, this reduction is made to achieve fair representation across wards.
- vi. Representation for the Flaxmere General ward is reduced from two members to one member – given the reduction in Council size and the introduction of a Māori Ward and electoral roll (which particularly impacts the number of electors in Flaxmere Ward), this reduction is made to move closer to achieving fair representation across wards.

- F) That as required by section 19M of the Local Electoral Act 2001, public notice of the proposals contained in this resolution be given within 14 days of this resolution.

OR

OPTION B

B) That the Council, in accordance with Sections 19H and 19J of the Local Electoral Act 2001, determines that for the triennial general election of the Hastings District Council to be held on Saturday 8 October 2022, the following representation arrangements will apply:

i. Hastings District, as delineated on the plan attached (Appendix 3) to the report described in A) above, be divided into six wards, being five general wards and one Māori ward.

ii. Those six wards shall be:

General Wards

- a. Flaxmere, comprising the area delineated on the plan attached (Appendix 4) to the report described in A) above
- b. Hastings-Havelock North, comprising the area delineated on the plan attached (Appendix 5) to the report described in A) above
- c. Heretaunga, comprising the area delineated on the plan attached (Appendix 6) to the report described in A) above
- d. Kahurānaki, comprising the area delineated on the plan attached (Appendix 7) to the report described in A) above
- e. Mohaka, comprising the area delineated on the plan attached (Appendix 8) to the report described in A) above

Māori Wards

- f. Takitimu, comprising the area of the whole of the Hastings District as delineated on the plan attached (Appendix 9) to the report described in A) above.

iii. The Council will comprise the Mayor, and 14 Councillors elected as follows:

- a. 1 Councillor elected by the electors of the Flaxmere Ward
- b. 6 Councillors elected by the electors of the Hastings-Havelock North Ward
- c. 2 Councillors elected by the electors of the Heretaunga Ward
- d. 1 Councillor elected by the electors of the Kahurānaki Ward
- e. 1 Councillor elected by the electors of the Mohaka Ward
- f. 3 Councillors elected by the electors of the Takitimu Ward.

iv. There will be a Hastings District Rural Community as delineated on the plan attached (Appendix) to the report described in A) above, comprising the area of the Kahurānaki and Mohaka Wards.

v. The community will be subdivided into four for electoral purposes.

vi. Those four subdivisions will be:

- a. Tūtira subdivision, comprising the area delineated on the plan attached (Appendix 11) to the report described in A) above
- b. Kaweka subdivision, comprising the area delineated on the plan attached (Appendix 12) to the report described in A) above
- c. Maraekākaho subdivision, comprising the area delineated on the plan attached (Appendix 13) to the report described in A) above

- d. Poukawa subdivision, comprising the area delineated on the plan attached (Appendix 14) to the report described in A) above.
- vii. The membership of Hastings District Rural Community Board will be as follows:
 - a. 1 member elected by the electors of the Tūtira subdivision
 - b. 1 member elected by the electors of the Kaweka subdivision
 - c. 1 member elected by the electors of the Maraekākaho subdivision
 - d. 1 member elected by the electors of the Poukawa subdivision
 - e. 3 members of the Council, 1 representing each of the Kahurānaki, Mohaka and Takitimu wards, appointed to the community board by the Council.
- C) That, as required by sections 19T(1)(b) and 19W(c) of the Local Electoral Act 2001, the boundaries of the above wards and communities coincide with the current statistical meshblock areas determined by Statistics New Zealand and used for Parliamentary electoral purposes.
- D) That, as required by sections 19T(1)(a) and 19W(b) of the Local Electoral Act 2001, the six 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:
 - i. The five General wards are considered to adequately and fairly represent the current distinct communities of interest that the Council has identified within the Hastings District, namely:
 - a. Flaxmere
 - b. Hastings-Havelock North
 - c. Heretaunga
 - d. Kahurānaki
 - e. Mohaka
 - ii. The Māori ward will improve the effective representation of Māori interests within Hastings District, and in particular, those on the Māori electoral roll.
 - iii. The Hastings District Rural Community Board and its four subdivisions set out in B)iv. above provide fair and effective representation of the communities of interest of the large and sparsely populated rural areas of Hastings District.
 - iv. The 14 Councillors in total will continue to provide for good governance of the district and a Council that works effectively.
- E) That in accordance with section 19K of the Local Electoral Act 2001, the Council hereby records that the following changes have been made to the basis of election, membership and ward, constituency, community and subdivision boundaries within the Hastings District for the reasons set out:
 - i. Introduction of the Takitimu Māori Ward – Council has determined to introduce a Māori Ward to improve effective representation for Māori within the District. Based on the total number of Councillors to be elected via wards, a single ward with three Māori Ward Members is introduced on the basis that this will provide for fair and effective representation across the District of those electors who opt to be on the Māori electoral roll when exercising the Māori Electoral Option.
 - ii. The following boundary adjustments to Council general electoral ward boundaries, namely –

- a. Meshblock **4015648** (Gracelands) – from Heretaunga Ward to Hastings-Havelock North Ward
- b. Meshblock **4005098** (Summerset Retirement complex) - from Heretaunga Ward to Hastings-Havelock North Ward
- c. Meshblock **4013349** (Sir James Wattie Retirement Village) – from Heretaunga Ward to Hastings-Havelock North Ward
- d. Meshblock **1469704** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
- e. Meshblock **1469708** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
- f. Meshblock **1473300** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
- g. Meshblock **1473400** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
- h. Meshblock **1473500** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
- i. Meshblock **1473600** (Ōmāhu Road) – from Flaxmere Ward to Heretaunga Ward
- j. Meshblock **1462901** (Ngātarawa Road/State Highway 50/Maraekākaho Road Triangle) – from Kahurānaki Ward to Heretaunga Ward
- k. Meshblock **1462902** (Ngātarawa Road/State Highway 50/Maraekākaho Road Triangle) – from Kahurānaki Ward to Heretaunga Ward
- l. Meshblock **1470209** (Ngātarawa Road/State Highway 50/Maraekākaho Road Triangle) – from Kahurānaki Ward to Heretaunga Ward
- m. Meshblock **1470211** (Ngātarawa Road/State Highway 50/Maraekākaho Road Triangle) – from Kahurānaki Ward to Heretaunga Ward
- n. Meshblock **1408402** (Ōmāhu Village) – from Mohaka Ward to Heretaunga Ward
- o. Meshblock **1409100** (Ōmāhu Village) – from Mohaka Ward to Heretaunga Ward,

are made as Council considers they will improve the effective representation of communities of interest (by shifting areas of the district into wards where they share greater commonalities with adjoining areas) and assist in achieving fair representation.

- iii. The following boundary adjustments to Rural Community Board Subdivision boundaries, namely –

- a. Meshblock **1463602** (Paki Paki) – from Poukawa Subdivision to Maraekākaho Subdivision
- b. Meshblock **1463700** (Paki Paki) – from Poukawa Subdivision to Maraekākaho Subdivision,

are made as Council considers they will assist in achieving fair representation and continue to provide effective representation of communities of interest.

- iv. Representation for the Hastings - Havelock North General ward is reduced from eight members to six members – given the introduction of a Māori Ward and the

resulting reallocation in voters from the general electoral roll to the Māori electoral roll, this reduction is made to achieve fair representation across wards.

- v. Representation for the Flaxmere General ward is reduced from two members to one member – given the introduction of a Māori Ward and the resulting reallocation in voters from the general electoral roll to the Māori electoral roll (which particularly impacts the number of electors in Flaxmere Ward), this reduction is made to achieve fair representation across wards.
- F) That as required by section 19M of the Local Electoral Act 2001, public notice of the proposals contained in this resolution be given within 14 days of this resolution.

OR

OPTION C

- B) That the Council, in accordance with Sections 19H and 19J of the Local Electoral Act 2001, determines that for the triennial general election of the Hastings District Council to be held on Saturday 8 October 2022, the following representation arrangements will apply:

- i. Hastings District, as delineated on the plan attached (Appendix 15) to the report described in A) above, be divided into four wards, being three general wards and one Māori ward.
- ii. Those four wards shall be:

General Wards

- a. Flaxmere, comprising the area delineated on the plan attached (Appendix 4) to the report described in A) above
- b. Hastings-Havelock North, comprising the area delineated on the plan attached (Appendix 5) to the report described in A) above
- c. Rural, comprising the area delineated on the plan attached (Appendix 16) to the report described in A) above.

Māori Wards

- d. Takitimu, comprising the area of the whole of the Hastings District as delineated on the plan attached (Appendix 9) to the report described in A) above.
- iii. The Council will comprise the Mayor, and 12 Councillors elected as follows:
 - a. 1 Councillor elected by the electors of the Flaxmere Ward
 - b. 6 Councillors elected by the electors of the Hastings-Havelock North Ward
 - c. 3 Councillors elected by the electors of the Rural Ward
 - d. 2 Councillors elected by the electors of the Takitimu Ward.
- iv. There will be a Hastings District Rural Community as delineated on the plan attached (Appendix 17) to the report described in A) above.
- v. The community will be subdivided into four for electoral purposes.
- vi. Those four subdivisions will be:
 - a. Tūtira subdivision, comprising the area delineated on the plan attached (Appendix 11) to the report described in A) above
 - b. Kaweka subdivision, comprising the area delineated on the plan attached (Appendix 18) to the report described in A) above

- c. Maraekākaho subdivision, comprising the area delineated on the plan attached (Appendix 19) to the report described in A) above
 - d. Poukawa subdivision, comprising the area delineated on the plan attached (Appendix 19a) to the report described in A) above.
- vii. The membership of Hastings District Rural Community Board will be as follows:
 - a. 1 member elected by the electors of the Tūtira subdivision
 - b. 1 member elected by the electors of the Kaweka subdivision
 - c. 1 member elected by the electors of the Maraekākaho subdivision
 - d. 1 member elected by the electors of the Poukawa subdivision
 - e. 3 members of the Council, representing the Rural ward, appointed to the community board by the Council.
- viii. There will be a Heretaunga Plains-Coastal Community as delineated on the plan attached (Appendix 20) to the report described in A) above.
- ix. The community will be subdivided into three for electoral purposes.
- x. Those three subdivisions will be:
 - a. Haumoana-Te Awanga subdivision, comprising the area delineated on the plan attached (Appendix 21) to the report described in A) above
 - b. Clive-Whakatū subdivision, comprising the area delineated on the plan attached (Appendix 22) to the report described in A) above
 - c. Plains subdivision, comprising the area delineated on the plan attached (Appendix 23) to the report described in A) above.
- xi. The membership of Heretaunga Plains-Coastal Community Board will be as follows
 - a. 1 member elected by the electors of the Haumoana-Te Awanga subdivision
 - b. 1 member elected by the electors of the Clive-Whakatū subdivision
 - c. 3 members elected by the electors of the Plains subdivision.
 - d. 4 members of the Council, 3 representing the Rural ward and 1 representing the Takitimu ward, appointed to the community board by the Council.
- C) That, as required by sections 19T(1)(b) and 19W(c) of the Local Electoral Act 2001, the boundaries of the above wards and communities coincide with the current statistical meshblock areas determined by Statistics New Zealand and used for Parliamentary electoral purposes.
- D) That, as required by sections 19T(1)(a) and 19W(b) of the Local Electoral Act 2001, the four wards and two communities 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:
 - i. The three General wards are considered to adequately and fairly represent the current distinct communities of interest that the Council has identified within the Hastings District, namely:
 - (a) The rural communities of interest and the coastal/plains villages and plains/horticultural communities of interest that together make up the Rural ward community
 - (b) Flaxmere

(c) Hastings-Havelock North

- ii. The Māori ward will improve the effective representation of Māori interests within Hastings District, and in particular, those on the Māori electoral roll.
 - iii. The Hastings District Rural Community Board and its four subdivisions set out in B)iv. above provide fair and effective representation of the communities of interest of the large and sparsely populated rural areas of Hastings District.
 - iv. The Heretaunga Plains-Coastal Community Board and its three subdivisions set out in B)viii. above provide fair and effective representation of the communities of interest of the relatively large and distinct villages and plains/horticultural communities across the Heretaunga Plains.
 - v. The 12 Councillors, while a reduction in number, will provide for good governance of the district and a Council that works effectively.
- E) That in accordance with section 19K of the Local Electoral Act 2001, the Council hereby records that the following changes have been made to the basis of election, membership and ward, constituency, community and subdivision boundaries within the Hastings District for the reasons set out:
- i. The total number of Councillors to be elected is reduced to twelve – the Council considers that this smaller sized Council will comply with the +/-10% fair representation requirement and will also translate into higher levels of remuneration which may make standing for Council more attractive to a wider range of people in the community, thus potentially providing more diverse representation.
 - ii. Introduction of the Takitimu Māori Ward – Council has determined to introduce a Māori Ward to improve effective representation for Māori within the District. Based on the total number of Councillors to be elected via wards, a single ward with two Māori Ward Members is introduced on the basis that this will provide for fair and effective representation across the District of those electors who opt to be on the Māori electoral roll when exercising the Māori Electoral Option.
 - iii. One Rural ward with three members is created to represent the rural and Heretaunga Plains/Coastal Villages communities of interest (This is a reduction from the four members that formerly represented these areas) – The Council considers that this ward structure will achieve fair representation while still providing effective representation across the enlarged ward.
 - iv. The following boundary adjustments to Council general electoral ward boundaries, namely –
 - a. Meshblock **4015648** (Gracelands) – from Rural Ward (former Heretaunga Ward) to Hastings-Havelock North Ward
 - b. Meshblock **4005098** (Summerset Retirement complex) - from Rural Ward (former Heretaunga Ward) to Hastings-Havelock North Ward
 - c. Meshblock **4013349** (Sir James Wattie Retirement Village) – from Rural Ward (former Heretaunga Ward) to Hastings-Havelock North Ward
 - d. Meshblock **1469704** (Ōmāhu Road) – from Flaxmere Ward to Rural Ward
 - e. Meshblock **1469708** (Ōmāhu Road) – from Flaxmere Ward to Rural Ward
 - f. Meshblock **1473300** (Ōmāhu Road) – from Flaxmere Ward to Rural Ward
 - g. Meshblock **1473400** (Ōmāhu Road) – from Flaxmere Ward to Rural Ward

- h. Meshblock **1473500** (Ōmāhu Road) – from Flaxmere Ward to Rural Ward
 - i. Meshblock **1473600** (Ōmāhu Road) – from Flaxmere Ward to Rural Ward,
- are made as Council considers they will improve the effective representation of communities of interest (by shifting areas of the district into wards where they share greater commonalities with adjoining areas).
- v. Representation for the Hastings - Havelock North General ward is reduced from eight members to six members – given the reduction in Council size and the introduction of a Māori Ward and electoral roll, this reduction is made to achieve fair representation across wards.
 - vi. Representation for the Flaxmere General ward is reduced from two members to one members – given the reduction in Council size and the introduction of a Māori Ward and electoral roll (which particularly impacts the number of electors in Flaxmere Ward), this reduction is made to achieve fair representation across wards.
 - vii. Introduction of the Heretaunga Plains-Coastal Community Board – given the combining of the former Heretaunga Wards with the former Mohaka and Kahurānaki Wards and the resulting reduction in dedicated Councillor representation for the Heretaunga Plains-Coastal area, the Board is introduced to enhance effective representation for the communities of interest in the Heretaunga Plains-Coastal area.
- F) That as required by section 19M of the Local Electoral Act 2001, public notice of the proposals contained in this resolution be given within 14 days of this resolution.

3.0 Background – *Te Horopaki*

- 3.1 Pursuant to the Local Electoral Act 2001, the Council is required to make decisions about its representation arrangements at least once every six years. The last time the Hastings District Council did this was in 2018 for the 2019 elections. The Council decision on 18 May 2021 to introduce Māori Wards into its representation arrangements triggered the requirement to undertake a review this year. The outcome of this review will apply to the 2022 and 2025 local elections unless Council opts to undertake a review ahead of the 2025 election.
- 3.2 The Local Electoral Act 2001 places responsibility for undertaking the Representation Review on the elected Council. The Council must adopt an initial proposal, publicly notify that proposal and consider any public submissions, and determine and notify its final proposal. Once it has completed these steps, any subsequent objections or appeals are considered by the Local Government Commission.
- 3.3 There are seven matters to be determined in this Representation Review. These are:
1. The number of Councillors required for the good governance of the district.
 2. The basis of election for those Councillors – either all via electoral wards or through a combination of ‘at-large’ seats and electoral wards. (Due to the decision to introduce a Māori Ward/s, Council cannot opt to elect all Councillors via ‘at large’ representation arrangements.)
 3. The number and configuration (and names) of General electoral wards including the number of Councillors to be elected from each ward (if more than one ward).
 4. The number and configuration (and names) of Māori electoral wards including the number of Councillors to be elected from each ward (if more than one ward).

5. Whether or not to have a Community Board or Boards, and if so, the number of Boards and their names.
 6. The number of Board Members (elected and appointed) for each Community Board and the basis of election for the Members of each Board (e.g., 'at large', or on the basis of electoral subdivisions).
 7. The configuration (and names) of any electoral subdivisions and the number of members to be elected from each.
- 3.4 It is noted that the decision as to whether or not to have Māori electoral wards is not part of this Representation Review. That decision has already been determined by Council and is out of scope for this Review.
- 3.5 Similarly, the choice of electoral system is not part of this Review. Council has already determined to retain the "First-Past-the Post" electoral system.
- 3.6 It is further noted that the number of Councillors to be elected from a Māori ward or wards is determined by a formula specified in the Local Electoral Act 2001 (clause 2, Schedule 1A). The formula calculates the number of Māori ward members by dividing the Māori electoral population by the total electoral population (i.e., Māori electoral population plus general electoral population), and multiplying that number by the total number of Councillors to be elected from wards. For Hastings district, the following numbers apply:

Number of Councillors elected by ward	Calculated number	Number of Māori ward members (calculation rounded to nearest whole number)
7 elected members	1.30	1 Māori ward member
8 elected members	1.49	1 Māori ward member
9 elected members	1.68	2 Māori ward members
10 elected members	1.86	2 Māori ward members
11 elected members	2.05	2 Māori ward members
12 elected members	2.23	2 Māori ward members
13 elected members	2.42	2 Māori ward members
14 elected members	2.61	3 Māori ward members
15 elected members	2.79	3 Māori ward members
16 elected members	2.98	3 Māori ward members
17 elected members	3.16	3 Māori ward members

4.0 Discussion – *Te Matapakitanga*

Review Process

- 4.1 The Council commenced work on the 2021 Representation Review in May 2021 following its decision to establish a Māori ward or wards. A Council workshop was held to help scope the Review. Following the workshop, staff and advisors began preparation of a first discussion document to canvass the issues to be addressed and the options available to the Council.
- 4.2 A copy of the first discussion document, with options based on the latest population estimates from Statistics New Zealand, is attached as Appendix 1 (Ref CG-05-18-2-21-3).
- 4.3 Councillors worked through the basis for the review and the options available. A workshop session and a Councillor discussion session were held to refine down the number of options to be considered more closely.

- 4.4 A second discussion document was prepared by staff and advisors based on feedback from Councillor workshops and discussions. A copy of second discussion document is attached as Appendix 2 (Ref. CG-05-18-2-21-4).
- 4.5 The Review Process takes place within the framework provided by the Local Electoral Act 2001 and the decision-making requirements of the Local Government Act 2002. The Local Government Commission has developed Guidelines to aid local authorities in the conduct of Representation Reviews.
- 4.6 Based on legislative requirements, the Commission's Guidelines for local authorities undertaking representation reviews identify the following three key factors when considering representation proposals:
- communities of interest
 - effective representation of communities of interest
 - fair representation for electors.
- 4.7 The Guidelines identify three dimensions for recognising communities of interest:
- perceptual: a sense of identity and belonging to a defined area or locality as a result of factors such as distinctive geographical features, local history, demographics, economic and social activities;
 - functional: ability of the area to meet the needs of communities for services such as local schools, shopping areas, community and recreational facilities, employment, transport and communication links;
 - political: ability to represent the interests of local communities which includes non-council structures such as for local iwi and hapū, residents and ratepayer associations and the range of special interest groups.
- 4.8 Importantly, the Commission's Guidelines note that the following factors need to be considered when determining effective representation:
- avoiding arrangements that may create barriers to participation, such as at elections by not recognising residents' familiarity and identity with an area
 - not splitting recognised communities of interest between electoral subdivisions
 - not grouping together two or more communities of interest that share few commonalities of interest
 - accessibility, size and configuration of an area including access to elected members and vice versa.
- 4.9 These provide the Council with a basis for applying local knowledge to its deliberations on the Representation Review, and for considering options outside the +/-10% requirement where there are good grounds for doing so. Examples of where and how the Commission has applied these considerations are included in the discussion below at paragraphs 5.45-5.48.
- 4.10 Communities of interest and the effective representation thereof have been at the forefront of the work done by Council (at officer, advisor and Councillor level) to get to this stage. They are reflected in the discussion below in respect of various options and representation arrangements. Council should continue to give regard to these matters as it deliberates on its initial Representation Review proposal.
- Hastings District Communities of Interest**
- 4.11 Part of the review process involved an analysis of communities of interest. Staff and advisors conducted an analysis of communities and communities of interest across the district and assessed

it alongside previous assessments of communities of interest. Councillors had regard to communities of interest as part of their workshops.

- 4.12 Both the work done by staff and advisors and the discussions among Councillors leads to the conclusion that there are distinct communities of interest within the Hastings District. There is a Rural community of interest that is more distant from urban areas and services and associated with pastoral farming, forestry activity and rural and marae-based settlements. This community of interest is spread over a very large land area – a great majority of the 5,227 square kilometres of the district. The rural area tends to have communities spread along ‘spur’ roads that link back to State Highways and other arterial routes. They relate to each other along these ‘spurs’ and around schools and settlements with interconnecting networks of farming and social activities linking them. They relate in the main to either Napier or Hastings for services/retail but gravitate more toward Hastings for agricultural/farm services and support (e.g., saleyards, agri-business, machinery supply and servicing). While the rural community as a whole cannot be called isolated, at the ends of the ‘spurs’ the communities can be quite isolated with significant travel times on rural, often unsealed, roads. This community of interest is distinct (and sees itself as quite distinct) from the communities involved in horticultural land uses on the Heretaunga Plains area.
- 4.13 The Heretaunga Plains community of interest is associated with horticultural and viticultural activity on highly productive soils, and with plains and coastal villages and marae communities within the Plains area. While there are two identifiable groups within this wider community of interest, the villages sit within the plains context and are shaped by it. As an example, the wineries and vineyards near the Hawke Bay coast have become part of the landscape and tourism appeal of the Cape Coast villages. The wider plains area is home to orchards, vineyards and horticultural farming that relates strongly to the Hastings urban area for services, retail and horticultural support industries.
- 4.14 There is a significant urban population centre in the middle of the Heretaunga Plains spread across Hastings, Havelock North and Flaxmere, with a wide range of services and commercial and industrial activity, much of which is oriented toward the surrounding agricultural and horticultural activity. Within this urban centre, Flaxmere has been seen as a distinctive community of interest with large Māori and Pasifika communities and higher relative levels of socio-economic deprivation.
- 4.15 In the context of the representation review, the current five ward structure (namely Mohaka, Kahurānaki, Heretaunga, Flaxmere and Hastings-Havelock North) is considered to largely reflect and effectively represent the communities of interest that have been identified. Given its geographic spread and the isolation of some areas, the Rural community of interest is considered to be most effectively represented by two wards rather than one. A Rural Community Board has been put in place to provide for an additional layer of representation for these communities. The plains and coastal villages area continue to be seen as having distinct interests to the urban and rural areas that warrant separate representation. Flaxmere is seen as a distinctive urban community of interest that warrants its own representation, with the larger Hastings-Havelock North ward having been previously seen as appropriate for the balance of the urban area.
- 4.16 The representation of the rural areas of the district has an important historical context. Following the formation of the Hastings District Council in 1989 as part of the then Government’s local government amalgamation programme, there was a period of considerable rural community disquiet over Council decision-making, rating and representation. This led to a ‘Rural Revolt’ in the early 1990s in protest at the perceived unfairness in arrangements. In response to the concerns of the rural communities of the district, the Council, its then Chief Executive and rural community leaders negotiated a set of arrangements that successfully addressed rural community concerns.
- 4.17 The Rural Community Board, the separated rating areas, approaches to managing the rural roads programme and representation arrangements were some of the measures to come out of those negotiations. While there have been changes to the ward structure covering the rural area since that time, the changes made have been acceptable to the rural communities of the district.

- 4.18 The Council would want to be mindful that any changes it considers in representation arrangements for rural communities are acceptable to those communities and take account of the relatively recent history of rural representation matters in the district.
- 4.19 Based on analysis and Councillor discussion the existing ward structure is considered to provide effective representation for the communities of interest within the district.

Community Engagement

- 4.20 The Council has conducted engagement with the community to seek their views on representation matters ahead of making its decision on its initial Representation Review proposal. Engagement has been conducted through a variety of means and these, together with feedback elicited from the process, are summarised below.
- 4.21 In addition to engagement with the wider community, the Council has also sought feedback from members of its own advisory committees and the Rural Community Board as follows.

Heretaunga Takoto Noa Māori Standing Committee

- 4.22 Feedback on representation proposals, and in particular the number and structure of Māori ward/s, was sought from the Māori community representatives on Heretaunga Takoto Noa Māori Standing Committee. A workshop discussion was held on 22 July 2021.
- 4.23 Committee members provided feedback on issues pertaining to Māori wards as follows:
- Māori ward options that were considered to have most merit were Option 1 (one ward with three members) or Option 3 (a Flaxmere ward with one member and a ward for the remainder of the District with two members).
 - There was a desire to allow the community to provide some feedback on the ward structure and options before members provided advice to Council.
- 4.24 Committee members also provided consensus feedback in relation to options in the broader Representation Review:
- There was a very strong consensus that options that provided for three Māori ward members were preferred to those that only provided for two.
 - Members were strongly of the view that Option C (12 Councillors including 2 from Māori ward/s) did not provide effective representation to those on the Māori electoral roll and should be rejected by Council.
 - There was some discomfort with options which saw Flaxmere under-represented. It was noted that the community could make submissions on enhancing representation for Flaxmere.

Rural Community Board

- 4.25 The Rural Community Board held an online workshop on 19 July 2021 to consider the Representation Review. Board Members provided consensus feedback on issues pertaining to the Community Board as follows:
- There is a clearly distinct rural community of interest that exists within the Hastings District. This community of interest is quite distinct from those associated with the urban areas of the District and the Heretaunga Plains.
 - The Rural Community Board provides effective representation on behalf of the rural communities of Hastings District and should remain in place.
 - The size of the Board and the structure of the current electoral subdivisions are appropriate.
- 4.26 Board members also provided consensus feedback in relation to options in the broader Representation Review:

- The current representation system works well in the rural areas. Councillors elected are strongly connected with their communities and the ratio of candidates to Council positions is usually at least as strong as for urban wards.
- There were differences in being a rural ward Councillor as compared with Councillors representing urban or near-urban wards. The connection networks were different in nature (e.g. dog trials).
- Either of options A and B were seen as acceptable in terms of providing effective representation to the rural communities of interest.
- A strong argument can be made for a degree of over-representation for rural areas in the Hastings District context given the large land area of the rural wards, the relatively large travel distances and relative isolation of some areas, combined with the fact that Councillors elected from urban areas will always be greater in number than those from rural wards.
- Members were very strongly of the view that Option C (12 Councillors with 3 Councillors elected from a combined Rural-Plains-Coastal Ward) did not provide effective representation for the rural community of interest.
- Under option C, all 3 ward Councillors could possibly be elected from the Plains and coastal village areas leaving no representation from the rural areas. This would not be an acceptable outcome.

Youth Council

- 4.27 A presentation on the Representation Review was made to the Youth Council at its meeting held on Wednesday 4 August 2021.
- 4.28 Youth Council members asked a number of questions in relation to Representation Review matters. No specific feedback or direction was provided from the meeting for Council's consideration.

Public engagement

- 4.29 An engagement programme to seek community views on representation matters was conducted ahead of Council considering a report on its initial proposal. This programme did not present concrete options but rather asked for community views and perspectives ahead of Council determining its initial proposal. While this allowed community members to provide open feedback not influenced by options, it also meant the respondents were not facing the same legal and mathematical realities that Council would face in its deliberations.
- 4.30 The programme and the feedback from it are described as follows.
- 4.31 The Council promoted the engagement programme through a range of mechanisms. It used paid social media advertising across four platforms, full page ads in *Hawke's Bay Today*, *Hastings Leader* and iwi publication *Tihei Kahungunu*, radio advertising across More FM, The Breeze, The Hits and Newstalk ZB, and digital advertising on *Baybuzz* online. This paid promotional activity was supported by media releases, scheduled social media posts including a Facebook video targeting youth and rural audiences, an information pack on our website, mailchimps, *My Hastings* e-newsletter, and digital outreach from the Communities team, Youth Council and *Tihei Kahungunu*.
- 4.32 The central tool in the engagement programme was a community survey commissioned through the Citizens' Panel run by independent supplier PublicVoice. The survey was available online and at our Customer Service Centre, libraries and Flaxmere Community Centre. It was heavily promoted via the above listed mechanisms.
- 4.33 A public meeting was held on Monday 2 August 2021 to provide information to the public in support of the engagement programme. About 32 members of the public attended this meeting, and approximately 700 viewers watched the livestream on Facebook Live. Mr Darryl Griffin, a

consultant and expert advisor on representation reviews from Electionz.com, gave a presentation on the Representation Review, the legal framework for it and the issues to be addressed.

- 4.34 Some 403 responses were received to the survey although not every respondent answered each question. As is common with these tools, the self-selected survey response group was not a fully representative sample of the community. Some 47.9% of the response group were 65+, with a further 20% in the 55-64 age bracket. Of respondents completing the ethnicity question, 83.6% identified as NZ European or New Zealander with 19% Māori and 7% identifying as “other”. Just under a third (32%) of respondents to the location of residence question lived in Havelock North, with 12.2 % from Flaxmere. Some 8.9% stated they lived in parts of the rural wards with 15.5% living in parts of the Heretaunga Ward. Some 50.8% of respondents identified as men, 48.6% as women and 1.2% as non-binary.
- 4.35 A paper copy of the survey questionnaire together with a report on demographics and feedback are attached as Appendix A and Appendix B (Volume 3). Further information will be made available to Councillors when it becomes available from the independent service provider.
- 4.36 There was a mixture of feedback from within the response group. There was over 60% support for the same size of Council. Just over half the response group (53.6%) felt all parts of the district were represented equally. At the same time, 55% thought a combination of ward and at-large representation would be preferable to election solely by ward. Within comments associated with this question, some favoured at-large election completely (not an option with Māori wards in place) while others seemed more focused on the large number of Councillors in the Hastings-Havelock North ward and a perceived lack of accountability associated with that. Others thought that with smaller wards having less Councillors it would be preferred if they could vote for at-large Councillors as well.
- 4.37 Further feedback in respect of wards was just as varied with suggestions of separating Havelock North and Hastings, merging Flaxmere with Hastings and Havelock North, having a single Rural ward for the rural area, separating the Plains villages from the horticultural areas and merging the horticultural areas of the Plains in with the rural wards.
- 4.38 Off a small sample size, a small majority (38 persons versus 28) of responses favoured multiple Māori wards over a single Māori ward. This was a different outcome to the feedback received via the Hui-a-Iwi which is outlined below.
- 4.39 There is support for retention of the Rural Community Board.
- 4.40 Aside from the survey, as part of the engagement programme, a Hui-a-Iwi meeting to engage members of the Māori community was held on 4 August 2021, hosted by Te Taiwhenua o Heretaunga with support from Te Taiwhenua o Te Whanganui a Orotū and members of the Heretaunga Takoto Noa Māori Standing Committee. In excess of twenty community members attended. The Hui provided clear, specific guidance on three issues of greatest interest to those present as follows:
 - There was a very strong consensus that the Council should be made up of at least 14 Councillors elected from wards, thereby resulting in three Māori ward Councillors. The Hui was clear that a set of arrangements that resulted in only two Māori ward Councillors would not be viewed as acceptable by the Māori electoral population or the wider Māori community.
 - There was a strong consensus that there should be a single Māori ward covering the entire district and electing three Councillors.
 - There was a strong consensus that the name of the single Māori ward should be the Takitimu Ward.
- 4.41 The ward structure and name suggested have been incorporated into the options assessed below, however Council could opt for an alternative structure if it thought there were grounds to do so.

Wards and Electoral Population Estimates

- 4.42 The introduction of Māori Ward/s means that for the purpose of electing Councillors from wards, the electoral roll is divided into a Māori electoral roll and a General electoral roll. This has the following impact on the electoral populations across the current five ward structure.

Ward	District Population	Current No. of Councillors per Ward	Current Population per Councillor	General Electoral Population	Māori Electoral Population
Hastings – Havelock North	50,110	8	6,264	42,800	7,310
Flaxmere	12,250	2	6,125	6,880	5,370
Heretaunga	12,410	2	6,205	10,500	1,910
Mohaka	6,570	1	6,570	5,940	630
Kahurānaki	6,640	1	6,640	5,490	1,150
Totals	87,980	14	Avg 6,284	71,610	16,370

- 4.43 As can be seen from the above table, the incidence of the Māori electoral population does not fall evenly across the wards. This has implications for population per Councillor ratios across the general electoral wards, and for achieving compliance with the +/-10% fair representation 'rule' if the existing structure is to be retained.
- 4.44 This is important when trying to balance effective representation of communities of interest with good governance and the fair representation requirement. While Councillors have asked for an option that departs from the current five general ward structure to be looked at, as outlined above, the current structure is widely considered to reflect and effectively represent the identified communities of interest in the district. It is also well understood by the community.
- 4.45 The Average General Population per Councillor (APPC) relative to ward size is important in balancing the various factors. If it was decided to retain 14 Councillors elected in the same numbers from the five existing General wards with the addition of three Māori ward Councillors (meaning 17 Councillors plus the Mayor in total), the average General electoral population per Councillor would be 5,114. Flaxmere, with an APPC of 3,440 would be well outside the +/-10% rule and significantly over-represented (-32.73%). Mohaka would be under-represented (+16.15%).
- 4.46 With 12 Councillors from general wards (Option A below) the APPC is 5,968 and (on current boundaries) Flaxmere with one Councillor is under-represented, Heretaunga slightly over-represented. With 11 Councillors from general wards (Option B below) the APPC is 6,510 – (again, on current boundaries) Flaxmere is compliant, but Heretaunga is over-represented by a greater margin and Kahurānaki is also over-represented.
- 4.47 As can be seen, it is not straight forward finding a Council size, and in particular a quantum of Councillors elected by ward, that produces an APPC that complies with +/-10% within the current ward structure. But the current ward structure is highly valued in that it is seen as providing effective representation of communities of interest.
- 4.48 A focus on strict compliance with the +/-10% rule can lead to sub-optimal outcomes. In undertaking this exercise, the Council needs to balance carefully the factors of good governance, communities of interest and their effective representation, and fair representation. It may not be possible to arrive at a solution that is perfect or fully compliant with the +/-10% 'rule' while still providing for effective representation of communities of interest.

Māori Electoral Wards

- 4.49 As noted above, discussions with those with an interest in Māori representation have led to the initial proposal options below incorporating a single Māori ward covering the entire district.

- 4.50 This option is considered to provide effective representation for the electors on the Māori electoral roll. One argument heard in support of this option is that it provides electors the opportunity to assess and vote for the three candidates they think will best serve the community. There are no issues with the +/-10% rule.
- 4.51 Several representation options for a Māori ward or wards were considered. The principal alternative that complied with fair representation requirement and was considered to provide effective representation was a two-ward structure with a Flaxmere (Pāharakeke) Ward coinciding with the boundaries of the Flaxmere general electoral ward and a ward for the balance of the district.
- 4.52 In terms of population estimates and fair representation the two Māori ward structure (based on the revised boundary adjustments) works out as follows:

Māori Ward Three Councillors, Two Ward Option	Māori Electoral Population	No. Councillors per Ward	Population per Councillor	Deviation from Māori Wards average population per Councillor	% deviation from Māori Wards average population per Councillor
Hastings – Havelock North/ Rural/Heretaunga Plains Māori Ward	11,027	2	5,514	57	1.05%
Flaxmere (Pāharakeke) Māori Ward	5,343	1	5343	-114	-2.09%
Totals	16,370	3	5,457		

- 4.53 This option would provide for effective representation of the Flaxmere Māori electoral population and falls within the +/-10% fair representation requirement. It is favourable for those who consider that the Flaxmere Māori electoral population is a distinct community of interest, similar to the Flaxmere general ward, that would be represented more effectively by its own electoral representation.
- 4.54 However, the Hui-a-Iwi provided clear direction that a single ward model was preferred. This model has been incorporated into the options assessed below.

Appointments to Community Boards

- 4.55 The Council also needs to consider appointments to the Rural Community Board and any other Boards it decides are to be established.
- 4.56 The Council is able to make appointments to community boards such that it appoints less than half of the membership of the board. Appointees must be members of the Council and must represent a ward in which the community (or part thereof) is situated.
- 4.57 In the case of the Rural Community Board, assuming it is retained with four elected members, the Council is able to appoint up to three Councillors to the Board. Under options A and B below, in addition to the two rural wards that comprise the rural community area, the community would also be located within the Takitimu Māori Ward. The Council could choose to appoint one Councillor from the Takitimu Ward to the Rural Community Board.
- 4.58 This would make sense. Electors on the Māori electoral roll are part of the Rural Community Board electorate. They vote for elected community board members in their particular subdivision but would no longer vote in a general rural ward. Appointing a Takitimu Ward Councillor to the Board would assist in attaining parity of representation between the general and Māori electoral rolls.

- 4.59 The situation would be more difficult under option C below. The Rural ward (combined Kahurānaki, Mohaka and Heretaunga) proposed in that option would have three Councillors. If there remained four elected members of the Board, the Council would still only be able to appoint three Councillors to the Board. It would need to choose, as part of the representation review, whether to appoint all three Rural Ward Councillors to the Board or appoint two Rural Ward Councillors and one from the Takitimu Ward.
- 4.60 In relation to the Heretaunga Plains-Coastal Community Board proposed as part of option C, as it is proposed to have five elected members, the Council would be able to appoint up to four Councillors. This would mean it could appoint three Rural Ward Councillors and one Councillor from the Takitimu Ward.

Boundary Adjustments/Meshblocks

- 4.61 The Council has examined the boundaries for the current ward structure using general electoral wards population estimates to consider whether there are meshblocks that could be shifted to provide more effective representation of communities of interests and/or assist in achieving or moving closer to compliance with the +/-10% fair representation requirement.
- 4.62 A number of meshblocks in the Heretaunga Ward around Hastings and Havelock North are urban in nature or have been urbanised since the last Representation Review. These are:
- Meshblock **4015648** – Gracelands, corner Pakowhai Road and Lyndhurst Road, Hastings (general ward population estimate - **100**)
 - Meshblock **4005098** – Summerset Retirement complex, Ada Street, Hastings (general ward population estimate - **226**)
 - Meshblock **4013349** – Sir James Wattie Retirement Village, Te Aute Road, Havelock North (general ward population estimate - **10**). Note: the population estimate is lower than the current population due to the estimates being dated 30 June 2020.
- 4.63 Councillors viewed these meshblocks as urban and having strong commonalities of interest with other urban dwellers in the Hastings-Havelock North Ward. Councillors asked for options for an initial proposal to shift these meshblocks into the Hastings-Havelock North Ward.
- 4.64 There were a number of predominantly industrial meshblocks along Ōmāhu Road currently in the Flaxmere ward that were not seen as having a commonality with the Flaxmere residential community. This was reinforced by the other side of Ōmāhu Road being in the Heretaunga Ward. While not 'population rich', the movement of these meshblocks to the Heretaunga ward also helps address fair representation concerns. The meshblocks in questions are:
- Meshblock **1469704** – (general ward population estimate - **16**)
 - Meshblock **1469708** – (general ward population estimate - **19**)
 - Meshblock **1473300** – (general ward population estimate - **0**)
 - Meshblock **1473400** – (general ward population estimate - **0**)
 - Meshblock **1473500** – (general ward population estimate - **0**)
 - Meshblock **1473600** – (general ward population estimate - **40**)
- 4.65 Councillors viewed these meshblocks as having stronger commonalities of interest with areas in the Heretaunga Ward than with the Flaxmere Ward. Councillors asked for options for an initial proposal to shift these meshblocks into the Heretaunga Ward.
- 4.66 The meshblocks in the area known as the 'Ngātarawa Triangle', largely bounded by State Highway 50, Ngātarawa Road and Maraekākaho Road are parts of the Heretaunga Plains that are predominantly used for viticultural and horticultural purposes but are currently in the Kahurānaki Ward. The meshblocks in question are:

- Meshblock **1462901** – (general ward population estimate – **125**)
 - Meshblock **1462902** – (general ward population estimate – **33**)
 - Meshblock **1470209** – (general ward population estimate – **42**)
 - Meshblock **1470211** – (general ward population estimate – **15**)
- 4.67 This area was identified as an area with strong commonalities with other vineyard and horticultural land uses on the Heretaunga Plains. These commonalities were viewed as stronger than those with the predominant rural land uses in the Kahurānaki Ward. Councillors asked for options for an initial proposal to shift these meshblocks into the Heretaunga Ward.
- 4.68 The Ōmāhu Village area was another that Councillors examined. Currently, the village is divided over the Heretaunga and Mohaka wards. The meshblocks in question are:
- Meshblock **1408402** – (general ward population estimate – **53**)
 - Meshblock **1409100** – (general ward population estimate – **83**)
- 4.69 Councillors felt that the Ōmāhu Village meshblocks on either side of the ward boundary had strong commonalities with each other and were most effectively represented as part of the Heretaunga ward. This was also seen as assisting to achieve fair representation. Councillors asked for options for an initial proposal to shift these meshblocks into the Heretaunga ward.
- 4.70 Councillors assessed other meshblocks on the border between the Mohaka and Heretaunga Wards to see where they were most effectively represented. However, no consensus was reached that other meshblocks should be transferred.
- 4.71 The option exists for Council to make further boundary adjustments should it feel there are good effective or fair representation grounds for doing so.
- 4.72 It is noted that the boundary adjustments outlined in paragraphs 4.65 and 4.67 above only apply to Options A and B discussed in Section 5 below (they are proposed to apply to the boundaries of Heretaunga, Kahurānaki and Mohaka General electoral wards, the Rural Community Board and the Kaweka and Maraekākaho Subdivisions). With the larger Rural Ward proposed in Option C, the Heretaunga, Kahurānaki and Mohaka Wards cease to exist making those meshblock transfers redundant. Under Option C, the boundaries of the Rural Community Board and the Kaweka and Maraekākaho Subdivisions remain the same as at present.
- 4.73 It is also noted that the population estimates listed in relation to the above meshblock transfers are General electoral population estimates. In terms of impacts on the Rural Community Board and its subdivisions the population estimates will also include the Māori electoral population for each meshblock.
- 4.74 In order to provide for fair representation between the subdivisions of the Rural Community Board, staff and advisors recommend a boundary adjustment between the Maraekākaho and Poukawa Subdivisions for Options A and B involving the transfer of the following meshblocks:
- Meshblock **1463602** (Paki Paki) – from Poukawa Subdivision to Maraekākaho Subdivision (total electoral population estimate – 56)
 - Meshblock **1463700** (Paki Paki) – from Poukawa Subdivision to Maraekākaho Subdivision (total electoral population estimate – 155).
- 4.75 Staff and advisors are satisfied that this shift of meshblocks at the boundary does not detract from the effective representation of communities of interest and in some ways may enhance it.
- 4.76 The boundary adjustment set out in paragraph 4.74 applies only to Options A and B. It is not required in Option C as currently configured.

5.0 Options – Ngā Kōwhiringa

- 5.1 Through its workshop and discussion document process, Councillors identified three options that they wished to consider more closely. These are set out below.
- 5.2 It is noted that the numbers used here and elsewhere in this report are based on the latest applicable releases of Statistics New Zealand Population Estimates dated 30 June 2020 which are based on the 2018 Census. The population estimates used were provided at district and electoral ward rather than meshblock level. This means some meshblock level populations have had to be estimated by Council to underpin boundary adjustments. The population estimates used by Council are required to be certified by the Government Statistician which may result in minor changes to some of the numbers used.

Option A - Te Kōwhiringa Tuatahi (Preferred Option)

- 5.3 The proposal in Option A sees a Council made up of the Mayor elected at large and 15 Councillors, elected from the existing five general electoral ward structure (with some boundary adjustments as described in paragraphs 4.60-4.68 above) and a single Māori electoral ward covering the whole district. The existing Rural Community Board is retained, elected from a slightly modified form of the existing subdivision structure.
- 5.4 In terms of population estimates and fair representation, Option A works out as follows:

Option A	Population	No. of Councillors per Ward	Population per Councillor	Deviation from average General population per Councillor	% deviation from average General population per Councillor
Hastings-Havelock North	43,136	7	6,162	194	3.25%
Flaxmere	6,805	1	6,805	837	14.02%
Heretaunga	10,590	2	5,295	-673	-11.28%
Mohaka	5,804	1	5,804	-164	-2.75%
Kahurānaki	5,275	1	5,275	-693	-11.61%
Total General	71,610	12	5,968		
Takitimu Māori Ward	16,370#	3	5,457^		
Totals	87,980#	15			

difference is in rounding ^indicative purposes only

- 5.5 With the boundary adjustments outlined above (paragraphs 3.65-3.76), the Rural Community Board subdivision structure works out as follows:

Rural Community Board

Subdivisions	Population	No. of Members per Subdivision	Population per Board Member	Deviation from District Average population per Board Member	% deviation from District Average population per Board Member
Tūtira	3,090	1	3,090	-59	-1.87%
Kaweka	3,227	1	3,227	78	2.48%
Maraekākaho	2,900	1	2,900	-249	-7.91%
Poukawa	3,379	1	3,379	230	7.30%
Totals	12,596	4	Avg 3,149		

- 5.6 In terms of the Council, the proposal uses the existing five General Ward structure that is generally regarded as representing communities of interest effectively. This, together with the Rural Community Board, ensures effective representation for the rural communities of the district.
- 5.7 The size of the Council, at 16 in total including the Mayor, is one member larger than the current Council. It is not a radical departure from the current Council size, which is generally regarded as effective in providing good governance for the district. It is also not an entirely new size for the Council – for a period up until the 2007 election, the Council comprised of 15 Councillors and the Mayor.
- 5.8 Given the boundary changes discussed at paragraphs 3.60 to 3.68 above, there are however three areas in the proposed ward arrangements that do not comply with the +/-10% rule. The Heretaunga Ward, at a -11.28% deviation below the average general population per Councillor, is over-represented although not by a large margin. Likewise, the Kahurānaki Ward, at a 11.61% deviation, is marginally over-represented. The Flaxmere Ward, at a 14.02% deviation above the average general population per Councillor, is under-represented.
- 5.9 There is a reasonably strong case that can be made for the Kahurānaki and Heretaunga Wards to be over-represented to a small degree. The Heretaunga Ward comprises an identifiable set of communities of interest, based around horticultural and viticultural land-use, lifestyle blocks and plains and coastal villages, that have been grouped together for electoral purposes for a significant period. It is a relatively large geographic ward compared to the urban areas which create more travel for Councillors. Given the sound communities of interest rationale underpinning the current ward structure, it seems preferable that the Heretaunga Ward is slightly over-represented rather than significantly under-represented as would be the case if the number of Councillors representing it was reduced to one. There is little danger in over-representation skewing representation around the Council table to the detriment of the larger urban population centres. Under this option, urban wards would be represented by eight Councillors (not including Māori ward Councillors), while the Heretaunga Ward would be represented by two Councillors.
- 5.10 The Kahurānaki Ward is a small (by population) rural ward covering a very large area that stretches from the top of the Ruahine Range to the Pacific Ocean at Waimārama and Ocean Beach. It contains areas of relative isolation served by rural roads, and is represented by only one Councillor. That Councillor would sit around a Council table with at least eight Councillors elected by urban interests (not including Māori Ward members). It is difficult to see such an arrangement as creating unfair representation. To merge it with the Mohaka Ward would balance the under- and over-representation of the two wards, but would create a very large ward with a greater possibility of representation not being well spread.
- 5.11 The relative under-representation of Flaxmere may present an issue in terms of gaining Local Government Commission approval of a proposal with wards outside of the +/-10% fair

representation requirement. One way to address this would be to merge Flaxmere with the larger urban ward (Hastings-Havelock North). However, Flaxmere is regarded as a strongly identifiable community of interest, with large Māori and Pasifika communities, higher relative levels of socio-economic deprivation and less commercial and community services than the other urban areas of the district. Both Council and the Flaxmere community have seen value, in effective representation terms, in it having its own voice around the Council table ensuring that the distinct issues of Flaxmere are represented.

- 5.12 Adding a Councillor to the Flaxmere Ward, does not really help the situation as Flaxmere then becomes very significantly over-represented.
- 5.13 With a Māori electoral population of 5,343, Flaxmere will exert significant influence within the Takitimu Māori ward.
- 5.14 The fact of non-compliance with the +/-10% requirement does not mean that an option cannot be pursued or indeed approved by the Local Government Commission. The requirement for strict compliance with +/-10% has been relaxed in recent years. There are examples from the last two cycles of representation reviews that have seen the Local Government Commission approve representation arrangements outside the +/-10% requirement. Some of these examples and their implications for the Hastings District Representation Review are discussed below at paragraphs 5.45-5.58.
- 5.15 It is noted that if there was to be a separate Pāharakeke (Flaxmere) Māori electoral ward, it may go some way to resolving any concerns of this nature by providing additional dedicated representation to Flaxmere (restoring it to two Councillors out of 15 overall). However, the proposal preferred currently for the structure of Māori ward arrangements, based on feedback from the Hui-a-lwi engagement meeting held, does not include a separate Pāharakeke (Flaxmere) Māori electoral ward.

Option B – Te Kōwhiringa Tuarua

- 5.16 The proposal in Option B sees a Council made up of the Mayor and 14 Councillors, elected from the existing five general electoral ward structure (with some boundary adjustments as described in paragraphs 4.60-4.68 above) and a single Māori electoral ward covering the whole district. The existing Rural Community Board is retained, elected from a slightly modified form of the existing subdivision structure.
- 5.17 In terms of population estimates and fair representation, Option B works out as follows:

Option B	Population	No. of Councillors per Ward	Population per Councillor	Deviation from average General population per Councillor	% deviation from average General population per Councillor
Hastings- Havelock North	43,136	6	7,189	679	10.43%
Flaxmere	6,805	1	6,805	295	4.53%
Heretaunga	10,590	2	5,295	-1,215	-18.66%
Mohaka	5,804	1	5,804	-706	-10.85%
Kahurānaki	5,275	1	5,275	-1,235	-18.97%
Total General	71,610	11	6,510		
Takitimu Māori Ward	16,370#	3	5,457^		
Totals	87,980#	14			

difference is in rounding

^indicative purposes only

- 5.18 The proposal uses the existing five General ward structure that is generally regarded as representing communities of interest effectively. The Rural Community Board is as per Option A above. Under this option it again provides for, in addition to the rural ward arrangements proposed, effective representation of the district's rural communities of interest.
- 5.19 Under this option, four of the wards do not fit within the +/-10% requirement. The Heretaunga Ward, at a -18.66% deviation below the average general population per Councillor, is over-represented. The Kahurānaki Ward, at -18.97% deviation below the average general population per Councillor, is also over-represented. The Mohaka Ward, at -10.85% deviation below the average general population per Councillor, is marginally over-represented. The Hastings- Havelock North Ward, at a 10.43% deviation above the average general population per Councillor, is marginally under-represented.
- 5.20 As noted above, a case can be made for the rural and Heretanga wards to be over-represented. The Kahurānaki Ward is a small (by population) rural ward covering a very large area that stretches from the top of the Ruahine Range to the Pacific Ocean at Waimārama and Ocean Beach. It contains areas of relative isolation served by rural roads, and is represented by only one Councillor. That Councillor would sit around a Council table with at least seven Councillors elected by urban interests (not including Māori Ward members). It is again difficult to see such an arrangement as creating unfair representation.
- 5.21 The Heretaunga Ward also comprises an identifiable set of communities of interest, based around horticultural and viticultural land-use, lifestyle blocks and plains and coastal villages, that have been grouped together for electoral purposes for a significant period. A good argument can be made to support some level of over-representation in this ward in the context this sound communities of interest rationale underpinning the current ward structure, given that such an outcome would seem preferable to significant under-representation (as would be the case if the number of Councillors representing the ward was reduced to one) or merger of the ward with the urban wards or the rural wards. In the alternative, changing the ward structure by adding urban meshblocks seems to diminish the effective representation provided by the current model. Both this approach and a merger into either urban or rural wards would seem to combine communities of interest that share few commonalities of interest.
- 5.22 Again, it is noted that there is little danger in over-representation skewing representation around the Council table to the detriment of the larger urban population centres. Under this option, urban wards would be represented by seven Councillors (not including Māori ward Councillors), while the Heretaunga ward would be represented by two Councillors.
- 5.23 As noted above, the fact of non-compliance with the +/-10% requirement does not mean that an option cannot be pursued or indeed approved by the Local Government Commission. The requirement for strict compliance with +/-10% has been relaxed and there are examples from the last two cycles of representation reviews that have seen the Local Government Commission approve representation arrangements outside the +/-10% requirement. Some of these examples and their implications for the Hastings District Representation Review are discussed below in paragraphs 5.43-5.56.
- 5.24 However, a level of over-representation close to -20% for the Heretaunga and Kahurānaki Wards, together with the other marginally non-compliant wards that result from this option, makes this option less attractive than Option A. Option A is much closer to compliance with the +/-10% requirement. In the view of staff and advisors, it is likely to be easier to gain approval for Option A.

Option C - Te Kōwhiringa Tuatoru

- 5.25 The proposal in Option C sees a Council made up of the Mayor and 12 Councillors, elected from three general electoral wards and a single Māori electoral ward covering the whole district. The existing Rural Community Board is retained, elected from the existing four subdivision structure. In addition, in order to address the potential reduction in dedicated Council level representation for

the Heretaunga Plains area, a Plains-Coastal Community Board is proposed to be elected from three subdivisions.

5.26 In terms of population estimates and fair representation, Option C works out as follows:

Option C	Population	No. of Councillors per Ward	Population per Councillor	Deviation from Average General population per Councillor	% deviation from Average General population per Councillor
Hastings-Havelock North	43,136	6	7,189	28	0.39%
Flaxmere	6,805	1	6,805	-356	-4.97%
Rural Ward (Heretaunga/Mohaka/Kahurānaki)	21,669	3	7,223	62	0.87%
Total General	71,610	10	7,161		
Māori Wards	16,370#	2	8,185^		
Totals	87,980#	12			

difference is in rounding

^indicative purposes only

5.27 The Rural Community Board subdivision structure works out as follows:

Rural Community Board

Subdivisions	Population	No. of Members per Subdivision	Population per Board Member	Deviation from District Average population per Board Member	% deviation from District Average population per Board Member
Tūtira	3,090	1	3,090	-210	-6.36%
Kaweka	3,470	1	3,470	170	5.15%
Maraekākaho	3,050	1	3,050	-250	-7.58%
Poukawa	3,590	1	3,590	290	8.79%
Totals	13,200	4	Avg 3,300		

5.28 The arrangements for the Rural Community Board are unchanged from the existing arrangements.

5.29 The Plains-Coastal Community Board subdivision structure works out as follows:

Plains - Coastal Community Board

Subdivisions	Population	No. of Members per Subdivision	Population per Board Member	Deviation from Average population per Board Member	% deviation from Average population per Board Member
Plains	7211	3	2404	-29	-1.19%
Clive-Whakatū	2701	1	2701	268	11.01%
Haumoana/Te Awanga	2252	1	2252	-181	-7.44%
Totals	12,164	5	Avg 2,433		

- 5.30 The Clive-Whakatū Subdivision would be marginally under-represented.
- 5.31 In respect of the Plains-Coastal Community Board, this could operate in a similar manner to the Rural Community Board. However, a couple of matters should be noted.
- 5.32 Firstly, there do not appear to be as many distinctive and easily separable issues in the plains and coastal areas as there are in the rural areas (e.g., Separate Rating Areas, Rural Roding programme). In terms of what a new Board would do, while there do not appear to be as many distinctive and easily separable issues, a Board could provide oversight and prioritisation advice on parks and infrastructure issues within the ward, and advice into plains planning matters (excluding resource consents). There would need to be care that such input did not create confusion and conflicting direction in respect of Council's asset management strategies.
- 5.33 Secondly, the introduction of community boards usually follows on from strong community demand. It is noted that the Rural Community Board, when introduced, was a very thoroughly thought through mechanism that emerged from deeply held rural community concerns over fairness and effective representation following the 1989 local government amalgamations. There does not, at this stage, appear to be the same level of community demand for a Plains-Coastal Community Board. The Council needs to weigh whether introducing a Board in the absence of strong community demand is a good idea.
- 5.34 It is accepted however, that were the enlarged Rural ward associated with this option to be introduced, it may well stimulate community demand for a Community Board, particularly given the potential for a reduction in dedicated Councillor representation.
- 5.35 It is noted that an additional Board would lead to some additional cost. These costs would be fully met by the ratepayers in the area of the Board, unless the Council were to delegate significant additional responsibilities to the Board, in which case a proportion of Board costs would be met from the Elected Member remuneration pool.
- 5.36 Turning to the broader option (Option C), all wards comply with the +/-10% fair representation requirement.
- 5.37 There are a number of areas of critique of this option in terms of effective representation. Firstly, questions arise as to whether one 'Rural' ward combining the Heretaunga, Kahurānaki and Mohaka Wards provides effective representation of communities of interest. The proposed ward would be geographically extensive, covering all of the District aside from the urban areas of Flaxmere and Hastings and Havelock North. It would take roughly two hours to drive from one end of the proposed ward to the other on State Highways, without taking account of the remoteness of some areas and the extra travel time that goes with the rural roads (many of which are unsealed) that cover most of the proposed ward. This would create a very large 'beat' for Councillors to effectively cover, albeit with three Councillors proposed.
- 5.38 In addition to this, it is questionable whether the communities of interest across the Heretaunga and Mohaka and Kahurānaki Wards are similar enough to be effectively served via a single ward. While all of the previous wards making up the proposed ward are non-urban, there are not obvious commonalities between the Heretaunga Ward area and the two rural wards. The issues facing the Mohaka and Kahurānaki Ward areas, which can be categorised as the core rural area, tend to be distinctive – rural roading issues alongside a range of rural community resilience and service issues. Heretaunga Ward issues tend to be more varied, with a combination of coastal and plains villages infrastructure and services issues, plains land-use issues and plains-urban interface issues. The experience of working with these areas is that they are quite different communities of interest with different sets of issues. Whether a single ward would provide effective representation and focus on each of these communities of interest and their issues is something that must be considered when looking at this option.
- 5.39 Alongside this question of focus is one of numbers. Approximately half the electors would come from the Heretaunga area of the proposed ward, half from the vast rural areas. This could mean

that all of the Councillors elected might come from the Heretaunga communities of interest and none from the core rural areas, or vice versa. This would not be considered an ideal outcome in terms of effective representation and could lead to the diversity of representation around the Council table being reduced.

- 5.40 Another area of concern with this option relates to overall Councillor numbers and good governance. There is a reasonable level of agreement through community feedback and Councillor sentiment to the effect that 14-15 Councillors was the optimal number for the good governance of the District. This proposal departs from that viewpoint.
- 5.41 This option was among those canvassed with Rural Community Board members and Māori community members of the Heretaunga Takoto Noa Māori Standing Committee. Both groups have expressed strong views regarding this option. As noted above, the Rural Community Board has expressed a strong view that the enlarged Rural ward contained in this option does not provide effective representation for the rural community of interest. They were concerned that such a structure could result in all Councillor from the ward being drawn from the Heretaunga Plains area rather than the rural areas. They were also concerned that Councillors coming from the Heretaunga Plains area would not have strong links into rural community networks.
- 5.42 The Māori community members of the Heretaunga Takoto Noa Māori Standing Committee expressed the view that having supported Council to opt to introduce a Māori ward or wards, the Māori community expected to see a set of representation arrangements that provided for three Māori ward Councillors. They strongly expressed the view that a Council of 12 Councillors with only two Councillors from Māori ward/s would water down Māori representation and would not provide effective representation to those on the Māori electoral roll. They felt the option should be rejected by Council on that basis.
- 5.43 This sentiment was echoed at the Hui-a-lwi engagement meeting.
- 5.44 While Option C complies with the +/-10 % fair representation requirement, it appears to cause significant disquiet among some of the district's communities of interest in terms of effective representation. It appears to be sub-optimal in terms of effective representation.

Decisions from other Representation Reviews and Overall Analysis of Options

- 5.45 As noted above, given the incidence of the spread of the Māori electoral population across the existing general wards, it has been extremely difficult to find a set of representation arrangements that meet the +/-10% fair representation guideline, while at the same time providing for effective representation.
- 5.46 As also noted above, the fact of non-compliance with the +/-10% requirement does not mean that an option cannot be pursued by Council or indeed approved by the Local Government Commission. There is no longer a requirement for strict compliance with +/-10%. There are examples from the last two cycles of representation reviews that have seen the Local Government Commission approve representation arrangements outside the +/-10% requirement.
- 5.47 Where the Commission believes that ward, subdivision or, in the case of regional councils, constituency boundaries achieve effective representation of communities of interest, they have approved representation arrangements that do not comply with the +/-10% requirement. They have declined to combine wards or constituencies or alter boundaries to achieve compliance with the +/-10% requirement where they see such an approach would undermine effective representation. In the case of Kapiti Coast District Council at its 2015/16 Review, the Commission approved arrangements that saw the Ōtaki Ward over-represented at -17.07% and the Waikanae Ward under-represented at +20.42%. There were alternative arrangements already in place that were within +/-10%, however these did not reflect clear communities of interest. The non-compliant proposal that Council put before the Commission had been largely supported through the submission process on the basis that it did recognise actual communities of interest (areas and

communities that related to Waikanae rather than Ōtaki) and did provide effective representation for those communities.

- 5.48 Similarly, in respect of the Matamata-Piako District Council and its 2018/19 Review, the Commission approved a set of arrangements where the Te Aroha Ward was non-compliant (over-represented at -13.11%). The Commission declined to shift ward boundaries to adjust the electoral populations within each ward to achieve compliance. It did so on the basis that the District did have clear communities of interest centred around each of the three main towns and that shifting the ward boundaries would split those communities of interest – essentially shifting people who shared in a community of interest with one of the towns into a ward centred around a different town.
- 5.49 Under-representation arrangements have been approved for wards in the Southland District (2018/19 Representation Review), significantly the Waihopai Toetoe ward at +23.58%. An initial proposal that achieved compliance with the +/-10% requirement (except for Stewart Island/Rakiura) was changed as it was seen not to reflect or effectively represent communities of interest. It was seen as preferable to have standalone representation for a distinct community of interest with a level of under-representation than it was to lose effective representation in order to achieve compliance with the +/-10% requirement. Similar decisions have been made with respect to the Kapiti Coast Constituency of the Wellington Regional Council.
- 5.50 As an example of over-representation in rural wards gaining approval, the Commission approved over-representation for the Marlborough Sounds ward at -21.65% (Marlborough District Council, 2015/16 Representation Review) on the basis that parts of the ward were isolated or relatively isolated. The Commission recognised that while all of a ward might not be isolated, specific areas of it could be. They found that isolation was not a definite or precise matter and needed to be considered in the context of the ward in question. In the case of the Marlborough Sounds ward, over-representation was approved for the ward due to isolation of parts of it even though it was accepted that not all of the ward was isolated. A similar decision has been made with respect to the Golden Bay Ward in the Tasman District Council.
- 5.51 So, what do these precedent decisions in relation to other local authorities mean in the context of the Hastings District?
- 5.52 To start with, it means that if the Council thinks that there are strong communities of interest and effective representation reasons for doing so, it can promulgate a proposal that contains arrangements outside of the +/-10% requirement.
- 5.53 Based on the work Council has undertaken and the preceding analysis, there seems to be strong justification and support for the existing ward structure. It is viewed as recognising distinct communities of interest within the district and as providing effective representation of them. This is particularly the case in the rural areas, on the Heretaunga Plains and in relation to Flaxmere.
- 5.54 The existing ward structure complied with the +/-10% requirement at the last three elections. It is only the introduction of a Māori Ward (which itself improves effective representation) and the related uneven distribution of the Māori electoral population across those ward areas that renders the structure non-compliant.
- 5.55 Council has looked at a multitude of representation options and variations as part of this Review process. It has not been able to arrive at a proposal that retains the existing ward structure (which is valued for providing effective representation of communities of interest) and complies with the +/-10% requirement. A compliant option that it is considering has attracted a degree of dissatisfaction from rural and Māori voices that are part of the Council's wider governance structure for failing to provide effective representation of communities of interest.
- 5.56 These observations lead to the conclusion that the Council would be justified in putting forward a proposal that contained arrangements outside of the +/-10% requirement. The question then becomes, which one of the options it is considering should it put forward as its initial proposal.

- 5.57 Both of the options provide effective representation for established communities of interest. Both options have pros and cons relative to each other in terms of fair representation. In the view of the staff and advisors, it would be open to Council to choose either option as its initial proposal. On balance however, the project team would recommend Option A as the preferred option.
- 5.58 Fair representation should be looked at within the context of the Hastings District. While the Local Government Commission has approved departures from the +/-10% requirement in excess of 20% in other places, a departure of close to 20% would be significant in the Hastings context when there are other options that seem to provide effective representation at closer to compliance. Option B produces a greater number of variations from +/-10% than option A. While the Council needs to reach its own conclusion as to what the most appropriate proposal is, the principles expressed and prior decisions made by the Commission provide a useful guide as to the matters Council should take into consideration.

6.0 Next steps – *Te Anga Whakamua*

- 6.1 Council now needs to adopt an initial proposal for public notification.
- 6.2 The next steps in the process are as follows:

Process Step	Date
Council meeting to determine Initial Proposal (this meeting)	19 August 2021
Advertise – public notice within 14 days of decision	23 August
At least 1 month for submissions – close submissions	24 September
Within 6 weeks of close of submissions	
- Hearings	14 October 2021 (further dates will be used if needed)
- Deliberations	14 October 2021
- Council meeting to determine Final Proposal	14 October 2021
- Advertisement – Public notice (6 weeks)	Target date 19 October 2021
Appeals and objections – at least 1 calendar month	19 November 2021
Forward appeals & objections (and any non-compliant +/- 10% proposals) to Local Government Commission	by 15 January 2022

- 6.3 The Local Government Commission must determine any matters before it prior to 10 April 2022. It often holds its own hearings to hear objections or appeals.

Attachments:

1	Appendix A – HDC 2021 Representation Review Survey	CG-16-2-00769	Volume 3
2	Appendix B – 2021 Representation Review Pre-Engagement Survey Results - Dashboard	CG-16-2-00747	Volume 3
1⇒	HDC Representation Review - 1st Discussion Document - June/July 2021	CG-05-18-2-21-3	Volume 2
2⇒	HDC Representation Review - 2nd Discussion Document July 2021	CG-05-18-2-21-4	Volume 2
3⇒	Appendix 3 - District Map with Wards (Options A and B)	CG-16-2-00748	Volume 1
4⇒	Appendix 4 - Flaxmere Ward (General Ward)	CG-16-2-00749	Volume 1

5⇒	Appendix 5 - Hastings-Havelock North Ward (General Ward)	CG-16-2-00750	Volume 1
6⇒	Appendix 6 - Heretaunga Ward (General Ward)	CG-16-2-00751	Volume 1
7⇒	Appendix 7 - Kahuranaki Ward (General Ward)	CG-16-2-00752	Volume 1
8⇒	Appendix 8 - Mohaka Ward (General Ward)	CG-16-2-00753	Volume 1
9⇒	Appendix 9 - Takitimu Ward (Maori Ward)	CG-16-2-00754	Volume 1
10⇒	Appendix 10 - Rural Community Board	CG-16-2-00755	Volume 1
11⇒	Appendix 11 - Tutira Rural Community Board Subdivision	CG-16-2-00756	Volume 1
12⇒	Appendix 12 - Kaweka Rural Community Board Subdivision	CG-16-2-00757	Volume 1
13⇒	Appendix 13 - Maraekakaho Rural Community Board Subdivision	CG-16-2-00758	Volume 1
14⇒	Appendix 14 - Poukawa Rural Community Board Subdivision	CG-16-2-00759	Volume 1
15⇒	Appendix 15 - District Map with Wards (Option C)	CG-16-2-00760	Volume 1
16⇒	Appendix 16 - Rural Ward (General Ward) (Option C)	CG-16-2-00761	Volume 1
17⇒	Appendix 17 - Rural Community Boards (Option C)	CG-16-2-00762	Volume 1
18⇒	Appendix 18 - Kaweka Rural Community Board Subdivision (Option C)	CG-16-2-00763	Volume 1
19⇒	Appendix 19 - Maraekakaho Rural Community Board Subdivision (Option C)	CG-16-2-00764	Volume 1
20⇒	Appendix 19a - Poukawa Rural Community Board Subdivision (Option C)	CG-16-2-00775	Volume 1
21⇒	Appendix 20 - Heretaunga Plains-Coastal Community Board Subdivisions (Option C)	CG-16-2-00765	Volume 1
22⇒	Appendix 21 - Haumoana-Te Awanga Community Board Subdivision	CG-16-2-00766	Volume 1
23⇒	Appendix 22 - Clive-Whakatu Community Board Subdivision (Option C)	CG-16-2-00767	Volume 1
24⇒	Appendix 23 - Plains Community Board Subdivision (Option C)	CG-16-2-00768	Volume 1

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future. This report is central to democratic local decision-making. It relates to the representation arrangements on the basis of which the Hastings District communities will elect their Council representatives and Community Board members.

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal promotes the overall wellbeing of communities in the present and for the future by allowing Council and the community to consider the democratic representation arrangements via which communities will elect their Council and Community Board representatives.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

The report contains options for the basis on which Māori electoral wards will be established. This is the first occasion that Māori electoral wards have been part of the Hastings District representation arrangements. The introduction of Māori electoral wards will ensure direct elected Māori representation around the Council table. Members of the Māori community strongly supported the establishment of Māori electoral wards, and the views of Māori on what form a Māori electoral ward or wards should take have been sought through the preliminary community engagement process.

Sustainability - *Te Toitūtanga*

The Representation Review process contribute to sustainability by enabling the community to have a say on the basis by which Councillors, who govern the District, the community's assets and the Council organisation, are elected.:

Financial considerations - *Ngā Whakaarohanga Ahumoni*

The Representation Review process is a legal requirement that is provided for within Council's budget and work programme. There are no unexpected financial costs or risks associated with this process.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of moderate significance. Notwithstanding this rating, there is significant community engagement as part of the Representation Review process. Pre-engagement with the community has been carried out to ascertain community views on Council representation arrangements and options. Following on from the Council's decision in response to this report, the Representation Review process involves public notification, submissions and hearings as a statutory requirement under the Local Electoral Act 2001. In addition, the Act also provides for appeals and objections in respect of the final proposal determined by Council to be made to the Local Government Commission.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

Pre-engagement with the community has been carried out to ascertain community views on Council representation arrangements and options. Specific engagement has been undertaken with members of the Rural Community Board, members of Heretaunga Takoto Noa Māori Standing Committee and the Youth Council. Social media and media advertising, supported by an information brochure and questionnaire, access to detailed discussion documents and a public meeting enabled public engagement ahead of Council decision making on the initial Representation proposal. Following on from the Council's decision in response to this report, the Representation Review process will involve public notification, submissions and hearings as a statutory requirement under the Local Electoral Act 2001. In addition, the Act also provides for appeals and objections in respect of the final proposal determined by Council to be made to the Local Government Commission.:

Risks

Opportunity: Opportunity: Representation arrangements are put in place that provide for good governance and effective representation for communities of interest within the Hastings District.:

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
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<p>Carrying out the review enables Council to:</p> <ul style="list-style-type: none"> • Set in place a representation system that provides for good governance and effective representation of communities of interest and individuals in Hastings District 	<p>Risks involved include:</p> <ul style="list-style-type: none"> • Decisions on representation system erode effective representation and community confidence in Council. Council will manage this through community engagement and through careful deliberation on options and community feedback. • Local Government Commission substitutes alternative set of arrangements for those favoured by Council and community. Council will manage this risk by careful consideration of community feedback and submissions and by taking account of communities of interest and effective and fair representation requirements in its deliberations. • Council does not meet legislative requirements. Council will manage this risk through effective project management.
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Rural Community Board – Te Poari Tuawhenua-ā-Hapori

The Representation Review process will determine the continuation of the Rural Community Board and the representation arrangements for it. Preliminary engagement has been carried out with Board members, and rural communities of interest have been/will be able to participate in the various public engagement processes.

Thursday, 19 August 2021

Item 8

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā: Bruce Allan, Group Manager: Corporate
From: Megan Peacock-Coyle, Manager: Toitū Hawke's Bay Arts and Events Centre
Rachel Stuart, Public Spaces Planning Manager

Te Take:
Subject: Municipal Building Project and Funding Update

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to obtain a decision from Council authorising the reallocation of funding to enable the completion of the Municipal Building with complete fit-outs for the conference and events spaces, the commercial kitchen on the first floor and the new Hastings Information and Ticketing Centre.
- 1.2 Also being requested is the reallocation of funding to enable an upgrade of the streetscape for the Heretaunga Street East 300 block. This will require additional funds and a change in timing to allow the whole East 300 block to be upgraded as one project and therefore be completed prior to the reopening of the Municipal Building by 30 April 2022.
- 1.3 The streetscape upgrade proposal arises from the City Centre Revitalisation Plan which aligns with the strategy of Council to revitalise the city centre, and encourage further investment and employment opportunities in Hastings. This is closely aligned with Council's vision for this area of the city centre to be an entertainment and cultural precinct.
- 1.4 The fit out requirements align with the Toitū Vision as articulated in its Strategic Plan which is to be **"the most vibrant and significant arts, culture and events facility in New Zealand"**.
- 1.5 It is important that the Municipal Building is appropriately fitted out. Council will have spent circa \$40m on the Toitū precinct at its completion and this report and recommendations are about providing the appropriate finishing to the redevelopment, enabling Council to make the most out of the investments made to date. A significant element of the fit-out funding request is the ability for the fit-out to create a positive return on investment.
- 1.6 The funding reallocation requested enables the above-mentioned works and comes from a provision within Council's Building Renewal Reserve where funds are set aside for future building renewal works. In prior years, Council has been setting aside funding for key renewals within the Municipal Building, including items such as the roof, lift, rewiring and replacement fire systems. All of these

items and others have been undertaken as part of the strengthening and redevelopment works. The value of works assigned to the Building Renewal Reserve for these works amounts to \$2.3m.

- 1.7 This report therefore seeks Council approval to allocate these reserve funds to the works for which they were intended and therefore release previously approved funding to cover the costs associated with the fit-out of this facility, the streetscape upgrades and additional fees associated with the build process. It also seeks approval to bring forward \$220,000 from 2023/24 City Centre Revitalisation budget to enable both Stages 1 & 2 of the Heretaunga Street East 300 block to be completed prior to the reopening of the Municipal Building.
- 1.8 The following table is a summary of the expenditure to be incurred and the funding available:

Summary	
General Municipal Building Fit-out	\$ 612,000
Kitchen Fit-out	\$ 200,000
Outdoor Lighting	\$ 115,000
Sound Proofing Opera House	\$ 119,000
Tenancy upgrades	\$ 130,000
Hastings Information Centre Fit-out	\$ 250,000
Project Contingency	\$ 100,000
	\$ 1,526,000
Streetscape upgrades	\$ 800,000
Total works	\$ 2,326,000
Fees adjustment	\$ 600,000
Total cost	\$ 2,926,000
Funding reconciliation:	
2021/22 Toitohi capex budget	\$ 117,000
2022/23 Toitohi capex budget	\$ 190,000
Municipal Building project allocation for streetscape	\$ 35,000
2021/22 City Centre Revitalisation budget	\$ 200,000
2023/24 City Centre Revitalisation budget	\$ 220,000
Renewal funding allocated to Project Works	\$ 2,164,000
	\$ 2,926,000

A. Recommendations - Ngā Tūtohunga

- B. That the Council Meeting receive the report titled Municipal Building Project and Funding Update dated 19 August 2021.
- C. That the Council approve the following expenditures:
- Streetscape Upgrades for Heretaunga Street up to the value of \$800,000
 - Municipal Building general fit-out up to the value of \$612,000
 - Commercial first floor kitchen fit-out up to the value of \$200,000

- iv. Soundproofing Opera House up to the value of \$119,000, noting that some of this work will only be undertaken if additional soundproofing is required.
 - v. Tenancy upgrades up to the value of \$130,000
 - vi. Hastings Information and ticketing centre fit-out up to the value of \$250,000
 - vii. Exterior Lighting up to the value of \$115,000
 - viii. Contingency up to the value of \$100,000
 - ix. Fees budget, increased by up to \$600,000
- D. Officers are instructed to manage the capital spend detailed in C above to ensure the total approved spend of \$2.926m is not overspent, however have Council approval to reallocate funding within the items detailed should certain deliverables go over budget.
- E. That Council agrees to bring forward \$220,000 from the 2023/24 City Centre Revitalisation budget to 2021/22 to enable the completion of both stages 1 & 2 of the Heretaunga Street East 300 block and the portion of Hastings Street outside the Municipal Building prior to the completion of the Municipal Building redevelopment works.
- F. That existing Toitū capital expenditure budgets are utilised for the appropriate Municipal Building fit-outs.
- G. That \$2.164m of funding from the Building Renewal Reserve be reallocated to the elements of the project redevelopment and strengthening works, enabling existing approved funding for the Municipal Building to be reallocated to the fit-out and completion of the Municipal Building and Streetscape upgrades.

2.0 Background – Te Horopaki

- 2.1 Work on the upgrade and strengthening of the Municipal Buildings is programmed for completion in April 2022.
- 2.2 On 15 September 2020, Council resolved:
- A) That the Council receives the report titled Municipal Building Development Stage 2.**
 - B) That the Council approves the commencement of Stage 2 of the Municipal Building redevelopment project at a total estimated cost of \$9.25m.**
 - C) That Council allocates an additional \$5.5m of unbudgeted loan funding to the Municipal Building project to ensure the completion of this project is achieved in the most cost effective and timely manner.**
 - D) That Council instructs Officers to make final funding applications to external funding agencies.**
- 2.3 The resolution on 15 September 2020 addressed the known contractual requirements for Gemco Construction to deliver the balance of the project. Outside of the scope of that funding request was the extent to which the fit-out of this facility could be delivered by tenants and existing contractual arrangements. Also outside of the scope of the resolution was any major street upgrade other than making good on the damage done to the existing streetscape through the construction and lockdown period.

- 2.4 Council adopted the Hawke's Bay Opera House Arts and Events Precinct Strategic Plan 2019-2021 (Prior to the name Toitū being adopted) in April 2019. The Strategic Plan noted the following about the Municipal Building:

"The Municipal Building is acknowledged as the key to unlocking the full potential of the Precinct. It has elements that can enhance the experience of Theatre and Plaza users, integrate with the wider cultural and commercial centre of Hastings City and provide opportunities for community and arts and culture groups. Within the Municipal Building there is the chance to create flexible and adaptable spaces that meet the needs of many users and encourage collaboration, adding to a rich and diverse offering."



Le Jeu & Ulrich in the Assembly Room in September 2011 as part of a Rugby World Cup event.

- 2.5 The Strategic Plan identified 10 Success Criteria or priorities that help inform the strategic framework:
- | | |
|---|---|
| 1. Heritage buildings to be retained and enhanced | 6. Operational sustainability |
| 2. Performing arts – enhancing and showcasing | 7. Maximising external funding |
| 3. Events and conference spaces | 8. Enhancing user experiences – hospitality, events etc |
| 4. Pathways for youth – performing arts, hospitality, event management etc. | 9. CBD integration – CBD revitalisation |
| 5. Showcasing Ngāti Kahungunu / Takitimu | 10. Flexible and adaptable spaces |
- 2.6 It is these success criteria or priorities that all the decision making with the Municipal Building has been assessed against.
- 2.7 With strengthening works now complete, Gemco Construction have been working well on completion of Stage 2 of the redevelopment. The construction phase of the project is currently progressing to a 30 April 2022 completion date and is currently being delivered to budget. Officers are working with future tenants to align their opening dates with the project completion.
- 2.8 The strengthening works have required the removal of the kitchen and servery area next to the Assembly Room, therefore requiring a replacement facility on the first floor to ensure sufficient

catering can be provided for the large events which the Municipal Building can accommodate. There had been some thought as to the existing caterer through the catering contract picking up this cost, however, it is now recommended that this is a cost that Council incurs and this will be detailed more later in the report.

3.0 Discussion – *Te Matapakitanga*

3.1 The following commentary will cover off eight items for discussion and funding:

- i. Streetscape Upgrades
- ii. Municipal Building general fit-out
- iii. Commercial kitchen fit-out – first floor
- iv. Soundproofing Opera House
- v. Tenancy upgrades
- vi. Hastings Information and ticketing centre fit-out
- vii. Exterior Lighting
- viii. Fees budget

3.2 A summary of the costs associated with each of the items listed above and the associated funding is detailed below. Each of the items are detailed further in the report. It should also be noted that a \$100,000 fit-out contingency has been included to cover unexpected cost increases and/or additional fit-out requirements.

Summary	
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	\$ 2,926,390

Proposed Streetscape Works – Heretaunga Street East 300 block

- 3.3 Adopted in 2019, the Hastings City Centre Revitalisation Plan (the Plan) has seen the successful rollout of improved streetscapes, green spaces and hospitality spaces within the City Centre.
- 3.4 The Plan recognises the important role that street enhancements and hospitality areas play in adding vibrancy to the city centre. Together with a number of other Council initiatives, it is the intention that these projects contribute to further positive improvement of the amenity and investment in the city centre.
- 3.5 While the Plan supports 23 projects throughout the city centre, the initial focus has been on the delivery of the east side enhancements, with a vision of it becoming ‘the hospitality, entertainment and retail precinct, full of people, energy and activity, day and night’.
- 3.6 The enhancement of the Heretaunga Street East 300 block, and the focus of this section of the report, relates to two of these 23 projects: 2c ‘Heretaunga Street East Pocket Park’, and 2d ‘Heretaunga Street East 300 Hospitality Spaces’.
- 3.7 Heretaunga Street East 300 is part of the main retail corridor; a 50km/hr two-way traffic street, with wide traffic corridor and parking on both sides. While public and pedestrian areas are functional, they are currently used simply as thoroughfares with their design contributing little to the vibrancy, functionality or pedestrian accessibility of the city.
- 3.8 More significantly, this is the gateway to our city centre; the welcome point; and the link from the newly upgraded cultural precinct to the hospitality area in the East 200 block; as well as the Hastings City Art Gallery and the Hastings Memorial Library.
- 3.9 This block also has significant cultural importance, being the location of the Makirikiri Stream and former pa site. The proximity to the proposed new taonga storage and display facility elevates this narrative opportunity further. Officers are working on a cultural narrative for this block that will be incorporated into the design and guide the commissioning of any art or sculptural elements.

Stage 1 Street Upgrade – Municipal Building Frontage

- 3.10 \$200,000 is included in the City Centre Revitalisation Plan this financial year for a modest upgrade and extension to the main entrance threshold to the Heretaunga Street entrance to the Municipal Building.
- 3.11 As the design for the internal configuration of the Municipal Building progressed, the desire for additional outdoor dining space for new hospitality tenancies and parallel parking for loading was identified.
- 3.12 The proposed Concept Plan (Illustration 1) therefore includes the following enhanced design considerations:
 - kerb extension to provide a widened pavement area;
 - three new paved parallel carparks outside the main entrance;
 - public seating outside the entrance to the Municipal Building;
 - creation of four new outdoor dining areas that can be licensed for use by adjacent hospitality tenancies; and
 - extension of the use of granite pavers around the full extent of the Heretaunga Street frontage of the Municipal Buildings to provide consistency of streetscape materials and provide a visual link as well as recognising the higher amenity and heritage value of these buildings.



- 3.13 It is considered that these enhanced streetscape works will strongly celebrate the Municipal Building by giving its entrance greater prominence, provide functional loading zones and deliver the added advantage of providing outdoor dining areas for adjoining tenancies.
- 3.14 Officers are also working on a Walk of Fame in the paving directly adjacent to the buildings, to recognise the Waiata Māori Music Awards that started at the Opera House in 2008. The awards event aims to develop and promote the diversity of all Māori music to showcase and celebrate its excellence, to recognise the unique vision of Māori composers and musicians. The Walk of Fame will honour this unique Hastings event, the only one in New Zealand, and celebrate the Iconic Māori Music Composer from each year in a plaque.

Stage 2 Street Upgrade – Heretaunga Street East 300 (including pocket park)

- 3.15 The investment in the Heretaunga Street East 200 block (assisted by Waka Kotahi funding) has significantly enhanced the amenity and vibrancy of this block; and in doing so has highlighted a desire to enhance the East 300 block to the same or higher degree. This is especially relevant given the level of investment in the buildings, and in recognition of this block being the gateway to the city centre.
- 3.16 Stage 2 works therefore propose the upgrade of the full East 300 block, to include:
- New paved raised pedestrian thresholds at the Hastings Street and Warren Street intersections, to denote 'entry' and to slow traffic;
 - Two additional snakelights to provide opportunity to string across street Christmas decorations in this block (as in East 100 and East 200 blocks); and
 - Roundabout enhancements (and potential artwork).
- 3.17 With regard to trees, there are currently six olive trees in this block – two of which, directly outside the Municipal Buildings, are now in poor condition. The upgrade of this block provides Council with the opportunity to consider the replacement of the olive trees to a tree more suitable to the environment, particularly given the creation of outdoor dining areas, and the impact the dropping fruit has on the condition of these paved areas. The trees are dislodging pavement in some areas given they are not located in tree pits. Any change would be consistent with the tree palette currently being used in the city centre, such as the rata tree which have proven to be a suitable tree for the environment (Karamu Road), being a native evergreen, beautiful flowering display over Christmas with no leaf or fruit drop.
- 3.18 On the corner of Warren and Heretaunga Street East, there is a wide portion of footpath which is effectively a large space of empty paving which is significantly underused with limited facilities and amenity. It is currently used as a thoroughfare with its design contributing little to the vibrancy of the

city. This space is of a good size and orientation, so offers an ideal opportunity for a public space that could be used to pause, rest and socialise. It is proposed that planters of the same design as those in Landmarks Square, with edges suitable for sitting on be installed, together with entry planter boxes to replicate that opposite at the entrance to the East 200 block. Part of this land is owned by Wallace Development who support the proposed enhancement works.

Street Upgrade cost and budget summary

- 3.19 The estimated cost to complete Stage 1 is \$350,000 and Stage 2 \$450,000, with a total cost of \$800,000. The City Centre fund includes \$200,000 in Year 1 for Stage 1 works; and \$220,000 in Year 3 for Stage 2 works. The following table details the proposed expenditure and existing budgets:

Stage 1	\$350,000	
Stage 2	\$450,000	
Total East 300 Block	\$800,000	
Funding:		
City Centre Revitalisation	\$200,000	2021/22 – stage 1
	\$220,000	2023/24 – stage 2
Construction budget	\$35,000	Make good post construction
	\$455,000	Budget shortfall therefore \$345,000

- 3.20 Officers recommend that Council consider allocating funds to enable the completion of both Stages 1 and 2 together; with a completion date to coincide with the opening of the Municipal Building in April 2022. This provides Council with the opportunity for reduced city centre disruption and significant time and cost savings by combining proposed future enhancement works with current works, by delivering all works under a single contract at the same time. If the Stage 2 works were to stay as originally proposed in the Long Term Plan, this would have a negative impact on the Municipal Building activities within two years of reopening.

Municipal Building general fit-out

- 3.21 To enable the Municipal Building to function as required and contribute to Toitū being recognised as a leading conference and events venue, there is a significant fit-out required with a substantial portion to be spent on audio-visual and lighting as detailed below.

General Municipal Building Fit-out	
Bar ware	\$ 21,000
Lighting	\$ 159,000
Furniture	\$ 90,000
Audio Visual	\$ 222,000
Signage (including digital signage)	\$ 120,000
	\$ 612,000

- 3.22 Previous experience from the reopening of the Opera House and Functions on Hastings has informed the fit-out requirements for the Municipal Building. With the former fit-out being budget constrained, it has meant the Toitū staff have had to move equipment between the facilities and hire in more than is optimal, therefore impacting on staff time and reduced net revenue with only the cost of hiring equipment being recovered with no margin achieved.
- 3.23 Council does have a choice on the extent of the fit-out that is delivered for project completion and the reopening of the Municipal Building. A scaled-down option would have a reduced fit-out with the Toitū staff hiring in more equipment for events. This option is inefficient, would cost more to those hiring the venue, would impact on the facility's ability to generate revenue and ultimately impact on the amount of rate funding required to operate these facilities. There is also a risk that equipment is not available for hire when required.

Purchase vs Hire Equipment Rationale

- 3.24 Toitoti is expanding its venue portfolio significantly with the reopening of the Municipal Building. When an events venue purchases equipment for renewals or capability expansion, the investment is targeted at a specific area of capability. In the context of the Municipal Building, there is a broad range of need requiring a larger level of investment.
- 3.25 Operational capability is a key sales feature when competing for events. A venue that owns and manages its own resources has many more tools to create relationships and offers its clients a level of control which is highly valued within the events market. A venue that relies on externally hired resources must pass on the cost of hire and then place a margin on that cost to create revenue. This creates a significant risk of being outbid by competition and once this weakness is exposed, competitors will likely leverage it against the venue at every opportunity.
- 3.26 Advance bookings for the Municipal Building are strengthening monthly. Faster returns on investment from purchased equipment are achievable if the venue opens with a full range of equipment. The benefits of this investment will compound as the first (or foundation) clients in the Municipal Building will receive higher levels of service at lower cost. These clients then book repeat business and generate more business through word of mouth. The increased business levels will move the equipment hire revenue from cost recovery to net profit faster, allowing Toitoti to achieve higher returns year on year and set aside funds for this equipment's replacement, thus enabling Toitoti to maintain a stock of equipment that is current and best practice.
- 3.27 Key equipment purchased for Functions on Hastings and the Opera House cost \$52,500 and, since opening, has generated a return on that investment of \$48,500. If the same equipment was required to be hired externally, that hireage cost to Toitoti would have been \$60,100 with no ability to generate a margin from that hireage and ultimately costing the users of the facility more.
- 3.28 This clearly demonstrates the high cost of hiring equipment externally, the quantifiable return on investment from purchasing equipment, and the disadvantage a venue that hires rather than owns its own equipment would face in the events market.

Kitchen fit-out

- 3.29 The strengthening works have required the removal of the kitchen and servery area next to the Assembly Room, therefore requiring a replacement facility on the first floor to ensure sufficient catering can be provided for the large events which the Municipal Building can accommodate. Consideration had been given to the existing caterer through the catering contract picking up this cost, however, given the short term left on the catering contract before this is retendered, it is now recommended that this is a cost that Council incurs. A Council-equipped commercial kitchen in the Municipal Building will provide many more opportunities for facility hirers and give Council more options when the current catering contract is retendered in late 2022.
- 3.30 In the year prior to closure, the Hawke's Bay Opera House hired venues for events requiring catering 176 times. Eighty five percent of hires were within the Municipal Building. The Assembly and Shakespeare rooms hosted seventy percent of these. The events hosted in the Assembly were large complex occasions, often for hundreds of attendees. The events hosted in the Shakespeare room were mid-sized meetings and events. The Assembly and Shakespeare rooms provided strong revenue streams from venue hire, technical equipment hire and catering commission.
- 3.31 Without the close proximity of a fully equipped catering kitchen to these venues, 105 events could not have been successfully delivered, and the subsequent revenue would not have been generated. Catering commission over the 2012/2013 financial year totalled \$63,889. The cost of constructing a commercial kitchen in the Municipal Building is \$200,000. Catering commission will recover the cost of investment in three years. Coupled with revenue from venue and technical equipment hire via events requiring catering, the cost recovery for the kitchen investment can be achieved inside two years.

- 3.32 Should the Municipal Building relaunch without catering capability, the venue will not win the rights to host these major events. Conferences would be the most severely affected event type. The current caterer owns the equipment within the production kitchen alongside Functions on Hastings. Should the incumbent caterer not win the contract tender in 2022, this equipment will either need to be replaced by HDC or supplied by a new caterer. It is uncertain whether a Hawke's Bay based caterer would have the financial resources or appetite during a global pandemic to fit out one large new kitchen, let alone two kitchens. This may result in the need to source a caterer from outside the region which would see local money leave the region.
- 3.33 Toitotoi's kaupapa of 'access for all' is difficult to achieve under the exclusive caterer model. The challenges are compounded by the fact that Toitotoi has no leverage because the equipment in the only commercial kitchen at Toitotoi is not owned by HDC. A commercial kitchen owned by HDC in the Municipal Building would allow Toitotoi to remove many of these challenges. Leveraging the opportunity to fully realise 'access for all' by removing catering barriers to community access is linked entirely to ownership of a fully equipped commercial kitchen. It has been 15 years since the exclusive catering contract structure was emplaced. A new caterer would require multiple rights of renewal to recover their investment and return a profit. If action is not taken now to secure leverage to negotiate community catering access, it is likely to be 15 more years before another opportunity to mitigate this issue is presented.

Soundproofing of the Opera House

- 3.34 With construction underway in the Municipal Building, concerns were raised regarding the impact of noise generated from the activities in the Municipal Building, and in particular the laneway, on shows in the Opera House. An acoustic engineer was engaged (Marshall Day) and a series of recommendations has been made. A number of the recommendations have been addressed including additional acoustic treatments on the piano and dimmer rooms backstage. A further \$105,000 has been identified for new acoustic fire doors and further and more substantial treatments to the dimmer room. It is expected that this additional work will be undertaken, if required, at a later date should further soundproofing be required.

Tenancy Upgrades

- 3.35 Commitments have been made through the lease negotiations to ensure the commercial tenancy spaces are appropriately serviced to enable full hospitality offerings to be undertaken. This required an extension to the scope of the originally contracted work with Gemco Construction, at a cost of \$130,000, which has enabled these spaces to be tenanted for the purposes that were envisaged.

Hastings Information and Ticketing fit-out

- 3.36 Council has approved the relocation of the of the Hastings i-SITE to the Municipal Building and a vision is being established along the lines of..."*An urban hub in the newly opened Municipal Building, where visitors and locals can access a variety of services and information and tailored advice from passionate and knowledgeable staff to help them have the best possible experience in Hastings City and District. Providing all the essentials for visitors and locals alike such as information and ticketing for travel, upcoming shows, events, tourism experiences, the Hastings Information Centre will go beyond a typical "information centre". This urban hub in the Heart of Hastings will also offer a concierge service onsite and online, interactive experiences, quality retail, product demonstrations from our food and beverage vendors, free Wi-Fi and a space that invites guests to relax and discover more about what's on offer in Hastings.*"
- 3.37 Objectives have been set for the new centre with the following:
1. Drives **greater visitor experience** and tourism spend through its role as a hub for promotion of local offerings across events and tourism linkages including accommodation, activities (free & paid), cultural experiences, tours, hospitality and retail.
 2. Attractive, interactive and informative space for community and visitors that **showcases the 'Hastings' identity**.

3. Integrates seamlessly with the wider Toitoti facility and events offering, **enhancing the Toitoti event experience.**
 4. Delivers a **high standard of customer experience and local knowledge** across all facets of service delivery.
 5. **Drives a positive return on investment** across the combined values of direct revenue streams, tourism spend and Hastings' reputation.
- 3.38 Having the relocated i-SITE in the Municipal Building creates a number of opportunities for this service to be provided in a more experiential way, providing a much-improved service to locals and visitors alike. To enable this, an investment in the fit-out of this space has been assessed as approximately \$250,000. This will provide the investment required to embrace the necessary digital equipment to tell the stories and provide the information in a modern and interactive manner. It is important that there is an appropriate level of investment in fitting out the new Information Centre and telling the Hastings / Heretaunga story.

Exterior Lighting

- 3.39 At Council meetings on 24 June and 13 July 2021, Councillors gave officers direction to investigate the necessary investments required to appropriately light the exterior of the Municipal Building.
- 3.40 Officers have investigated different lighting options including the installation of new RGBA LED IP rated lights with a controller to operate. Installing RGBA LED lights around the whole complex will enable the entire facility to be activated to suit what is happening at that time. It is expected that such an installation would cost of \$115,000. Examples of such an installation are shown below:



- 3.41 An installation as outlined above is also the safest option as it does not require staff to access the roof to change lights and the longevity of LED lights means maintenance is not onerous.
- 3.42 Installing LED lighting for the exterior will provide the opportunity to really showcase the features of this stunning building. This item has not previously been included in the programme of works and its inclusion at this stage will be at Council's discretion.
- 3.43 Should Council approve this expenditure, officers will further explore the design of this lighting feature.

Professional Service Fees Adjustment

- 3.44 In the report to Council in September 2020 there was a miscalculation on the amount of funding required to cover the professional service fees (engineers, architects, Project management etc.), there has also been an increased level of support required to re-engineer solutions to enable some of the tenanted areas to be fit for purpose. An additional \$600,000 of funding is sought to meet this miscalculation and increased requirement in this area.

- 3.45 Like other items raised in this report, this additional cost can be met through the allocation of Building Renewals funding to the capital project, allowing Council to reallocate previously approved funding to meet these costs.

Significance and Engagement

- 3.46 The allocation of additional funds to this project outside of an Annual Plan or Long Term Plan consultative programme is considered significant when it exceeds either of the following thresholds:
- It incurs operational expenditure exceeding 5.0% of the Council's consolidated annual operating budget for that year;
 - Incurs new capital expenditure on any one proposal in the first three years of the Council's plan, exceeding 10% of Council's consolidated annual capital budget for that year.
- 3.47 In this instance, if Council was to approve the full allocation of \$2.9m, \$762,000 is funding from budgets currently available and \$2.164m is a reallocation of funding set aside in the Building Reserve for the purpose of renewing assets that have been renewed through the construction project.
- 3.48 That allocation of funding would directly impact on the Building Renewal Reserve and incur direct financing costs (interest only) of approximately \$54,000 per annum for Council as internal reserve funds currently offset external borrowing requirements while they are held.
- 3.49 The impact on operational budgets and capital programmes is such that Council could allocate the necessary \$2.164m of additional funding to complete this project and do so within the parameters set down in the Significance and Engagement Policy, it is in the mid-range set down for capital expenditure.
- 3.50 There are also non-financial criteria within the Significance and Engagement Policy that need to be considered and assessed. Having reviewed those criteria contained in section 2.0 of the policy, it is considered that this decision does not constitute a degree of significance that necessitates further community engagement and that the level of prior participation from the community in respect of this project (as outlined in the Consultation – internal or external section), reaffirms the assessment of significance in respect of this decision (having also considered the provisions of section 3.0 of the Policy).

Funding

- 3.51 This report seeks funding allocations that include the utilisation of \$542,000 of existing budgets, requests that \$220,000 of 2023/24 streetscape upgrade budgets be bought forward to 2021/22, and requests that \$2.16m of the Building Renewal Reserve be allocated to works already undertaken through the Municipal Building redevelopment works, therefore enabling the reallocation of previously approved funding to ensure the complete and appropriate fit-out of the facility is achieved and the streetscapes are upgraded as requested.
- 3.52 Some of the works proposed can be undertaken during the next financial year (2022/23) to ensure that it is aligned with capital budgets within the Toitoto cost centre. The following table is a repeat of the table presented on paragraph 3.2 and details the work to be undertaken and the funding allocations requested.

Summary	
General Municipal Building Fit-out	\$ 612,000
Kitchen Fit-out	\$ 200,000
Outdoor Lighting	\$ 115,000
Sound Proofing Opera House	\$ 119,000
Tenancy upgrades	\$ 130,000
Hastings Information Centre Fit-out	\$ 250,000
Project Contingency	\$ 100,000
	\$ 1,526,000
Streetscape upgrades	\$ 800,000
Total works	\$ 2,326,000
Fees adjustment	\$ 600,000
Total cost	\$ 2,926,000
Funding reconciliation:	
2021/22 Toitoto capex budget	\$ 117,000
2022/23 Toitoto capex budget	\$ 190,000
Municipal Building project allocation for streetscape	\$ 35,000
2021/22 City Centre Revitalisation budget	\$ 200,000
2023/24 City Centre Revitalisation budget	\$ 220,000
Renewal funding allocated to Project Works	\$ 2,164,000
	\$ 2,926,000

- 3.53 The construction project continues to maintain a contingency for this work and while stage 2 started with a \$900,000 contingency that has now been reduced to \$415,000 due to unforeseen variations like the removal of asbestos and the repair of the Shakespeare Room plaster ceiling. There is 9 months to go to project completion and this remaining contingency will need to be held for true contingencies if they arise.

4.0 Options – Ngā Kōwhiringa

Option One - Recommended Option - Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga

- 4.1 The recommended option is Option One, that Council resolve to approve the funding reallocation to enable expenditure of up to \$2.926m to fund the extensive fit-out requirements of the Municipal Building including a commercial kitchen and the new Hastings Information and Ticketing Centre, the proposed streetscape upgrades for Heretaunga Street East 300 Block and adjustments to funding requirements for project associated fees.
- 4.2 The funding reallocation is through the transfer of Building Renewal funding previously associated to this building, It is recommended that this funding be allocated to the elements of the redevelopment project that they were intended for, freeing up capacity within previously approved funding for the elements outlined in this report.

Advantages

- With regard to the enhancement of the streetscape, allocation of funds to enable the completion of both Stages 1 and 2 together; with a completion date to coincide with the

opening of the Municipal Buildings in April 2022 will provide Council with the opportunity for reduced city centre disruption and significant time and cost savings by combining proposed future enhancement works with current works by delivering all works under a single contract at the same time.

- With regard to the general fit-out of the Municipal Building, providing such a level of fit-out will enable the facility to be fully utilised and allow the Toitū management to offer these facilities and the associated services at a more cost effective level. The report details the benefit to Council of purchasing this level of fit-out, especially with regard to Audio Visual and lighting where it can generate positive cash returns vs a hire as required option.
- With regard to the fit-out of the first floor commercial kitchen, if Council takes the initiative with the option of doing it themselves, it enables the Toitū management to generate more flexibility with how this space is utilised and put Council in a stronger position when the catering contract is up for renewal in late 2022.
- The proposed expenditure and allocation of funds from the Building Renewal Reserve allows for the complete fit-out of the Municipal Building along with commitments made regarding professional services fees and tenancy upgrades. It ensures the Municipal Building will open with all the necessary equipment and street upgrades to ensure its success.

Disadvantages

- Allocating the funds from the Building Renewal Reserve will put pressure on this reserve for future building renewals, however these funds have been set aside for this purpose and the Reserve was previously benefiting from having this work included in the capital upgrades.

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuatanga o nāiane

- 4.3 Option Two is not the preferred option and would require Council to reduce the level of expenditure to be incurred over the areas identified in this report.
- 4.4 Such an approach would mean considerable compromises would have to be made on the final fit-out and presentation of the building and could affect the level of activity that this facility could generate. Council has consistently stated that the outcomes from the significant investment in this facility must include a large amount of activity, both commercial and community orientated. Pulling back on the last components of the fit-out could impact on the Toitū management's ability to achieve those outcomes.

5.0 Next steps – *Te Anga Whakamua*

- 5.1 If Council resolves to proceed with Stages 1 and 2 for the streetscape upgrade, Officers will commence detailed design with the aim to commence work in November, to ensure that all construction works are complete by April 2022.
- 5.2 If Council approves the requested funding allocations, then officers will begin to place the necessary orders and work through the procurement activities to ensure all equipment and upgrades are delivered within the project delivery period.
- 5.3 A project team has been established following Council guidance on the new Hastings Information and Ticketing Centre and is working towards having an operational facility by 30 April 2022.

Attachments:

There are no attachments for this report.

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This report contributes to the purpose of local government by primarily promoting economic, social and cultural wellbeing and more specifically through the Council's strategic objective of inner city revitalisation and aims of reinforcing the city centre as a key destination, recognise and celebrate the character, history and culture of the area, improve accessibility and connectivity and create vibrant, distinctive, functional and usable spaces that attract people.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

The project will take into account the cultural significance of the area and buildings to mana whenua, and incorporate the Te Aranga Design Principles. The redevelopment of the Hastings Information and Ticketing Centre will set a baseline experience and context for cultural tourism and there will be engagement with mana whenua on the development of this project.

Sustainability - *Te Toitūtanga*

This proposal creates a strong, vibrant, compact and resilient city centre with a strong sense of place, making it a sustainable city centre of choice for residents and visitors, today and in the future.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

The financial considerations are detailed in the report, in particular paragraphs 3.51 to 3.53.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision has been assessed under the Council's Significance and Engagement Policy and that assessment has been detailed in paragraphs 3.46 to 3.50.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

With regard to the streetscape upgrade, the Hastings City Centre Revitalisation Plan was consulted widely with the public, interested parties and business and landlords in the city centre prior to its adoption in 2019. The upgrade and enhancement of Heretaunga Street East 300 is consistent with the aims and objectives of the Plan, and identified projects. The projects and vision were also more recently supported in the continuation of funding and programme as part of the 2021-31 Long Term Plan.

The fit-out and balance of works for the Municipal Building is part of a larger project that has had significant consultation with the community.

Risks

Opportunity: The proposal presents significant opportunity for Council to complement the upgrade and strengthening of the Municipal Building with an enhanced area of outdoor dining areas for the new tenancies; and enhancement of the wider streetscape of Heretaunga Street East 300 to reflect the cultural significance of this gateway to the city centre.

In the current construction market, there are cost escalation and supply chain risks with the delivery of what has been proposed in this report. Officers will be proactively ordering materials well in advance of project completion to mitigate these risks.

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

This report is considered to have no significance to the Rural Community Board.

HASTINGS DISTRICT COUNCIL

COUNCIL MEETING

THURSDAY, 19 AUGUST 2021

Item 11

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:

12 Strategic Land Matters

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:

<i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>	<i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>	<i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>
12 Strategic Land Matters	Section 7 (2) (i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). To protect ongoing and/or future 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.