

Thursday, 7 November 2024

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

*Kaupapataka*  
**Agenda**

*Te Rā Hui:*  
Meeting date: **Thursday, 7 November 2024**

*Te Wā:*  
Time: **1:00 PM**

*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](mailto:democracy@hdc.govt.nz)**

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



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Thursday, 7 November 2024

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council**

**Council Meeting**

*Kaupapataka*

# Agenda

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*Tiamana*

**Chair:** Mayor Sandra Hazlehurst

*Mematanga:*

**Membership:**

*Ngā KaiKaunihera*

**Councillors:** Ana Apatu, Marcus Buddo, Alwyn Corban, Malcolm Dixon, Michael Fowler, Damon Harvey, Henry Heke, Kellie Jessup, Tania Kerr (Deputy Mayor), Eileen Lawson, Hana Montaperto-Hendry, Simon Nixon, Wendy Schollum, Heather Te Au-Skipworth and Kevin Watkins

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*Tokamatua:*

**Quorum:**

8 members

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*Apiha Matua*

**Officer Responsible:**

Chief Executive – Nigel Bickle

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*Te Rōpū Manapori me te  
Kāwanatanga*

**Democracy and**

**Governance Services:**

Louise Stettner (Extn 5543)



## *Te Rārangi Take*

# Order of Business

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### 1.0 Opening Prayer – *Karakia Whakatūwheratanga*

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### 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.

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### 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.

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

Minutes of the Council Meeting held Thursday 26 September 2024.  
*(Previously circulated)*

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### 5.0 Hawke's Bay Airport Ltd - Annual Report and Update 7

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### 6.0 Senior Housing Portfolio Annual Rent Review 9

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### 7.0 Joint Waste Assessment and Waste Management and Minimisation Plan (WMMP) 17

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**12.0 Urgent Items – *Ngā Take Whakahihiri***

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**13.0 Recommendation to Exclude the Public from Items 14 and 15 53**

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**14.0 Heretaunga House Sale, Redevelopment and Lease**

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**15.0 Brookvale - Commercial Transaction**

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Thursday, 7 November 2024

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

**Item 5**

*Te Rārangi Take*

# Report to Council

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**Nā:**  
**From: Jess Noiseux, Strategic Financial Advisor**

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**Te Take:**  
**Subject: Hawke's Bay Airport Ltd - Annual Report and Update**

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

- 1.1 The purpose of this Report is to present to Council the Annual Report from the Hawke's Bay Airport Limited (HBAL) for the year ended 30 June 2024. The Annual Report is attached (**Attachment 1**).
- 1.2 Mr. Jon Nichols, a Director of HBAL, will be present at this meeting to speak to the HBAL Annual Report and answer questions.

## **2.0 Background**

- 2.1 The HBAL Company was formed in July 2009 following the acquisition of the assets of the Hawke's Bay Airport Authority. The company is owned 50% Crown, 26% Napier City Council (NCC) and 24% Hastings District Council (HDC).
- 2.2 The Board of HBAL includes four directors – Jon Nichols and Darin Cusack appointed by Hastings and Napier Councils jointly, Wendie Harvey (Chair) and Craig Barrett appointed by the Crown.
- 2.3 The Statement of Intent (SOI) requires that an Annual Report including audited financial statements be provided to shareholders. A six-monthly report is also required to be delivered to shareholders.

## **3.0 Summary**

- 3.1 In 2024 HBAL were impacted by tax legislative changes and had to write back \$3m of building depreciation claimed in prior years. This increased the income tax expense significantly and negatively impacted operations resulting in an operating loss after tax and before revaluations of \$855k compared to last year's reported after-tax profit of \$2.8m.
- 3.2 During 2023 and 2024 the HBAL Board restated the fair value of Property, Plant & Equipment which saw an uplift in 2024 of \$1.3m. This, offset by a small unrealised fair value loss on derivatives had the effect of creating an after-tax profit of \$287k.

- 3.3 Total passenger numbers increased by 2.4% (up from 640k in FY23 to 655k). The slower growth than prior years reflects the normalisation of passenger numbers more in line with pre-Cyclone and pre-Covid levels. Passenger numbers were in line with expectations outlined in the SOI.
- 3.4 Revenue was up 3% on last year, driven by the increase on passenger numbers, and exceeded budget by 4.6%.
- 3.5 Operating costs increased to \$5.7m compared to \$5.1m in the previous year. Increased expenditure was driven by increased insurance and personnel expenditure increases.
- 3.6 Additions to Property, Plant and Equipment were \$4.4m with total assets increasing to \$68.7m. The additions were mainly funded by operating cash flows and existing cash reserves.
- 3.7 Total debt as at 30 June 2024 was \$23m with no change from prior year. In addition, HBAL has capital commitments of \$2.1m in relation to firefighting equipment, airfield power and lighting, and valet carpark extension projects (2022: \$1.28m in relation to firefighting equipment only).
- 3.8 On pages 37–41 of the HBAL Annual Report is the statement of service performance against the Key Performance Indicators set down in the SOI. 23 of 26 objectives set were either completed, achieved or on track for completion.
- 3.9 The Annual Report from HBAL provides some very good commentary on the past year and notes the sustained growth HBAL have maintained even in the current economic conditions. The Board have positioned the company well for 2024/25 and beyond.

#### 4.0 Recommendations - *Ngā Tūtohunga*

- A) That Council receive the report titled Hawke's Bay Airport Ltd - Annual Report and Update dated 7 November 2024.
- B) That Council receive the Hawkes Bay Airport Limited Annual Report for the year ended 30 June 2024.

#### Attachments:

[1](#) ⇨ Hawke's Bay Airport Annual Report to 30 June 2024    EXT-10-9-1-24-98    Volume 2



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Thursday, 7 November 2024

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

*Te Rārangi Take*

# Report to Council

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**Nā:** Joanne Cox, Strategic Policy & Evaluation Advisor  
**From:** Rebekah Dinwoodie, Group Manager: Community Wellbeing & Services  
Rudi Britz, Management Accountant

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*Te Take:* Senior Housing Portfolio Annual Rent Review  
**Subject:**

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## **1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga***

- 1.1 This Report recommends Council increase the rent for Council’s senior housing portfolio (Portfolio) by 5.3% from \$260 per week to \$273.78 per week. This rent increase would take effect from 28 January 2025.
- 1.2 In October 2023 Council approved a ‘Senior Housing Operational Management Policy’. The Policy has an annual rent review (in accordance with the Residential Tenancies Act which allows for one annual rent review). Any recommended changes to rent are brought to Council for a decision.
- 1.3 Council’s Senior Housing Operational Management Policy is attached to this Report.
- 1.4 Council’s Portfolio meets ‘Healthy Homes Standards’, which sets minimum standards for heating, ventilation, moisture ingress and drainage, and draught stopping. The Portfolio was generally built in the 1960’s – 1980s and requires significant ongoing operational and capital expenditure to maintain Healthy Homes Standards.
- 1.5 The Portfolio is forecast in the Council Long-Term Plan (LTP) to operate at a financial deficit (excluding depreciation) of -\$308,584 for the 2025/26 Financial Year. Officers forecast the actual financial deficit to be -\$251,352 if the recommended 5.3% rent increase is resolved by Council.
- 1.6 A 5.3% rent increase for the Portfolio will leave a forecast operational deficit of -\$251,352 for the 2025/26 financial year. Ongoing annual rental increases of 5.3% year on year are forecast to return the Portfolio to a breakeven position in 2033/34.
- 1.7 A 24.9% rent increase would be required to return the Portfolio to an operational breakeven in 2025/26. The 24.9% increase of \$64.74 would take the weekly rent to \$324.74.

## 2.0 Recommendations - Ngā Tūhunga

- A) That Council approve increasing the weekly rent for the Council Senior Housing Units (Portfolio) from \$260 to \$273.78 with effect from 28 January 2025. This equates to a 5.3% increase in rent.
- B) Council notes its Portfolio is forecast in Council's Long-Term Plan to have a Financial Operational Deficit of -\$308,584 for the 2025/26 Council Financial Year. The Chief Executive, subject to Council resolving Recommendation A, forecasts the Portfolio to have an amended Financial Operational deficit of -\$251,352 for the 2025/26 Financial Year.

## 3.0 Background – Te Horopaki

- 3.1 Council owns and operates nine senior housing complexes comprised of 220 individual units located in Hastings, Flaxmere and Havelock North. The oldest complex was built in 1960, and there has been no acquisition or disposal of housing stock since 1986.
- 3.2 There is no central government funding to support Council's Portfolio.
- 3.3 Te Taiwhenua o Heretaunga conducted an audit in September 2024 of the applicants on the Council senior housing waitlist. There are 118 people on the waitlist, identified as still waiting for a rental property.
- 3.4 Historically Council senior housing rents were set very low. Prior to 2022 they ranged from \$115.00 to \$138.00 per week. In 2022 all new tenants were charged \$178.50 with half of all tenants paying that amount in 2023. The current rental rate of a flat \$260.00 for all tenants was set in January 2024.
- 3.5 Council's Revenue and Finance Policy: Senior Housing requires 100% cost recovery of operational expenditure and all debt servicing costs to be made from rental revenue (excluding depreciation), to reflect the individual tenant benefits. The community good component is reflected by depreciation and the opportunity cost of the equity being excluded from the cost recovery ratio.
- 3.6 The rental increase implemented in January 2024, has not generated sufficient revenue to meet the Portfolio's expenditure. Factors that impact this include Council paying the full cost of rates and insurance for the 220 units in the Portfolio. Recent rates increase of, on average, 19% plus increasing insurance costs are the main contributors to the deficit.
- 3.7 The Asset Management Plan for the Portfolio for the next ten years includes re-roofing and repairs, and general maintenance to ensure that they remain fit for purpose. The aging infrastructure is at greater risk of unexpected but necessary structural or underground asset remedial work.
- 3.8 The majority of Portfolio residents are of retirement age and receive national superannuation. The superannuation rate was increased by 4.6% on 1 April 2024.
- 3.9 Tenants are allowed income of 1.4 times the superannuation income being \$37,973 for an individual or \$58,493 for a couple. Council sets an asset threshold for an individual of 7% of the median Hastings house price, being \$42,798.00, and 10% for a couple \$61,140. See Table 1.

**Table 1: HDC Income and Asset Threshold for Senior Housing residents.**

HDC Income and Asset Threshold Formula		
	Individuals	Couples
Superannuation (net)	\$27,124.24	\$41,780.96
HDC income threshold <1.4 times the net Superannuation for singles and couples	\$37,973.94	\$58,493.34
HDC asset threshold (Median House Price in Hastings* – 7% for individual and 10% for couples)	\$42,798.00	\$61,140.00
* <i>OPES Partners REINZ</i>		

3.10 Portfolio tenants may qualify for an accommodation supplement through MSD (Ministry of Social Development). This is a bespoke process where tenants must explain their personal circumstances, and MSD assess their situation.

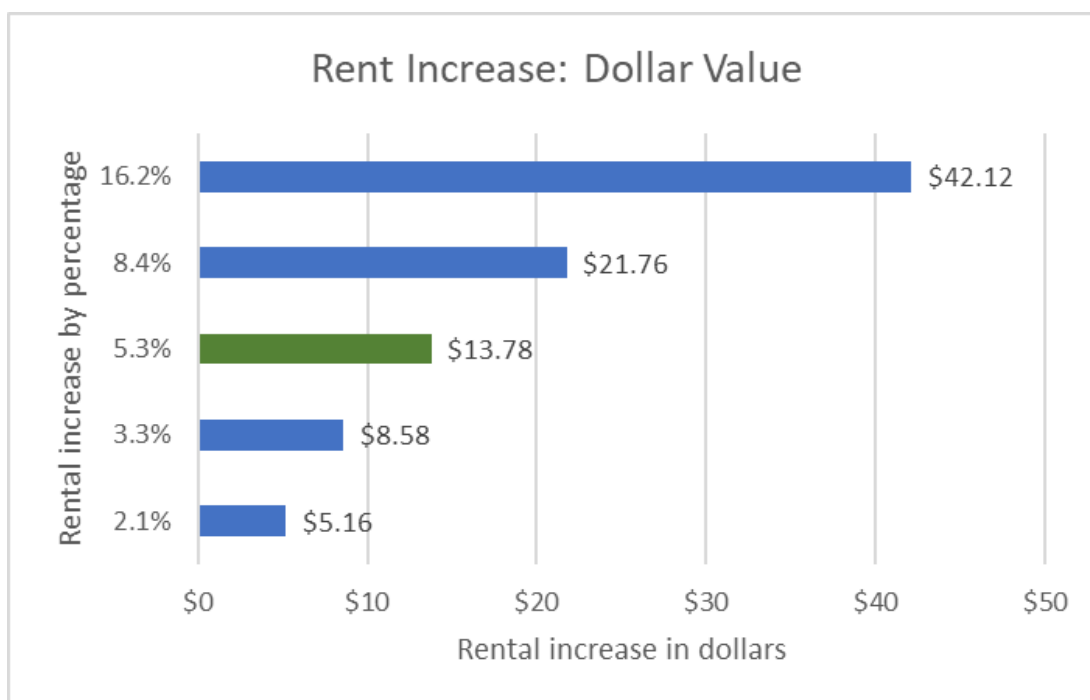
**4.0 Discussion – Te Matapakitanga**

4.1 The status quo is not financially sustainable, due to increasing operational costs (such as insurances, rates, debt servicing), and capital maintenance costs.

4.2 Given the condition of the aging units and associated projected operational expenditure, the Portfolio requires sufficient revenue to cover the increasing operational and capital expenditure.

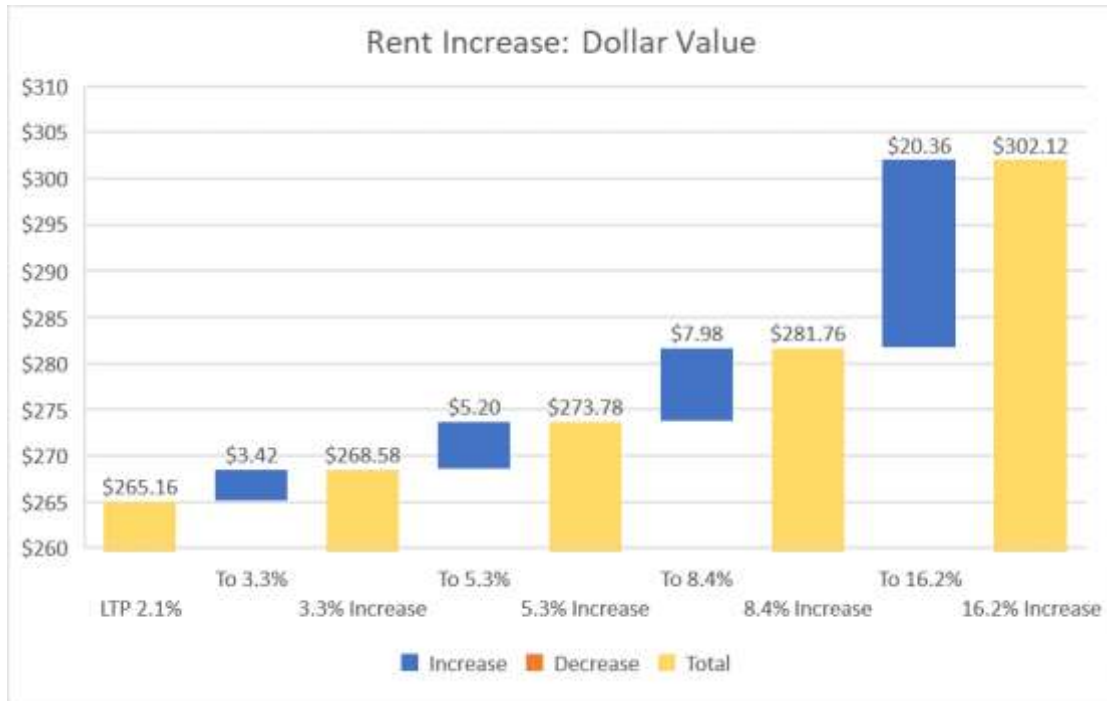
4.3 Figure 2 below demonstrates the dollar amounts for percentage rent increase. The LTP forecasts an increase of 2.1%. The green bar is the recommended option for a 5.3% increase of \$13.78. per week.

**Figure 2: Weekly rental increase by dollar value for 2025/26.**



4.4 Figure 3 below shows rent increase options and the associated new weekly rent.

**Figure 3: Weekly rental increase options for 2025/26.**



4.5 A Council senior housing tenant with no other financial assets, would receive a weekly net income of \$599.85 being \$519.00 (net super) plus \$80.85 (net Accommodation Supplement). A weekly rent of \$273.78 would equate to 46% of their net income.

## 5.0 Financial Implications – Pānga Pūtea

### 5.1 Council Revenue and Finance Policy

5.2 The Revenue and Finance Policy for Senior Housing requires 100% cost recovery of operational expenditure and all debt servicing costs to be made from rental revenue. Currently this is not the case, with the Portfolio returning a deficit of -\$333,783 FY 2022/23 and -\$287,168 in FY 2023/24. The projected deficit for 2024/25 is -\$265,175. It is forecast in Council’s LTP to have a Financial Operating Deficit of -\$308,584 for the 2025/26 Council Financial Year.

### Rent Increase Options

5.3 Based on the five proposed rent increase options in Table 4, the impact on the Portfolio’s position over the next ten years is shown. The 5.3% option will return the Portfolio to surplus in ten years, the 8.4% option in five years, the 16.2% will reach breakeven in 2027/28.

5.4 **Table 4: Debt profile over the next years across the five rent increase options.**

Rent Increase Options	Rationale	Debt - 10-year view	Comply with Revenue and Finance Policy
2.1%	Per LTP	\$6.08m	FALSE
3.3%	CPI	\$3.84m	FALSE
5.3%	Breakeven year 10 LTP	\$0	TRUE
8.4%	Breakeven year 5 LTP	Debt \$0 by year 5 *	TRUE
16.2%	Breakeven year 3 LTP	Debt \$0 by year 3 *	TRUE

\*Rent increases cease in year breakeven was achieved and will still be in surplus in year 10.

5.5 Based on modelling by Council’s Risk Team, the risk of unexpected structural or underground asset remedial work is high, for example for wastewater pipes collapsing. There is a 70 percent risk that actual expenses will exceed the budget in the next 3 years. This chance increases over time as the homes and infrastructure age. There are no financial reserves in the Portfolio.

## 6.0 Options – Ngā Kōwhiringa

Officers note that the percentages shown in the options offered below are to be considered year on year (replicated each year).

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

6.1 5.3% rent increase of \$13.78 for a weekly rent of \$273.78.

#### Advantages

- A 5.3% increase applied (annually) across the ten-year period to 2033/34 will align the rent increase to the Revenue and Financing Policy. Note – Interest payable over the ten-year period is \$357,737.
- This increase will repay all accumulated debt in the Portfolio by 2033/34.

#### Disadvantages

- Possible community and tenant concern with affordability of rents.

### Option Two – Te Kōwhiringa Tuarua

6.2 16.2% rent increase of \$42.12 for a weekly rent of \$302.12.

#### Advantages

- The Portfolio would be breakeven in three years.

#### Disadvantages

- Probable community and tenant concern with affordability of rents.

### Option Three - Te Kōwhiringa Tuatoru

6.3 8.4% rent increase of \$21.76 for a weekly rent of \$281.76.

#### Advantages

- The Portfolio would be breakeven in five years.

#### Disadvantages

- Probable community and tenant concern with affordability of rents.

### Option Four - Te Kōwhiringa Tuawhā

6.4 3.3% rent increase of \$8.58 for a weekly rent of \$268.58 in line with CPI for 2023/24.

#### Advantages

- Less financial burden on Portfolio tenants.

#### Disadvantages

- Council debt will increase to \$3.84m in FY 2033/34. This is not compliant with Councils Revenue and Finance Policy.

### Option Five - Te Kōwhiringa Tuarima

6.5 2.1% rent increase of \$5.16 to \$265.16. per week in line with the Council LTP.

#### Advantages:

- Less financial burden on Portfolio tenants.

Disadvantages:

- Council debt will increase to \$6.08m in FY 2033/34. This is not compliant with Councils Revenue and Finance Policy.

## 7.0 Next steps – *Te Anga Whakamua*

7.1 Subject to Council’s decision, Tenants will be notified of the change as soon as possible (60 days, in accordance with the Residential Tenancies Act 1986) to give as much notice as possible before the increase in rent. The proposed date for the increase in rent is 28 January 2025.

- A letter will be sent to tenants to inform them of the rent increase and the date it will commence. The letter will include contact details for Te Taiwhenua o Heretaunga, who manage the senior housing tenancy contract on behalf of Council. Tenants will be encouraged to contact MSD if they wish to discuss their eligibility for the Accommodation Supplement or can give HDC permission to complete the application on their behalf.
- A follow up letter will be sent 14 days prior to the new rent date being implemented as a reminder to tenants.

### Attachments:

1 <a href="#">↔</a>	Senior Housing Operational Management Policy FINAL 26 Oct 2023	CG-17-1-01269	Volume 2
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## Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

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### 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 and economic wellbeing of communities in the present and for the future.

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### Māori Impact Statement - *Te Tauākī Kaupapa Māori\$260*

There are no known specific implications for Māori.

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### Sustainability - *Te Toitūtanga*

By returning the portfolio to financial sustainability over time, Council can continue offering secure and affordable housing to a vulnerable cohort of our community without needing to increase rates. Tenants will be provided with as much notice as possible to ensure adequate time to apply for any additional financial support from the Ministry of Social Development and Work and Income New Zealand.

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### Financial considerations - *Ngā Whakaarohanga Ahumoni*

Discussed in the Report

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### 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 low to moderate significance.

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

There is ongoing engagement with Tenants to keep them apprised of changes and the reasons for change.

Following the Council decision, tenants will be advised by letter the week following the decision of any change to rental rates that will take effect from 28 January 2024.

Te Taiwhenua o Heretaunga, Ministry of Social Development, and elder support agencies will also be notified of this change.

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### Risks

Opportunity: Manage the sustainability of the Portfolio.

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
<ul style="list-style-type: none"> <li>• A rental increase will support the Portfolio moving towards a surplus in future years.</li> <li>• Increased revenues fund maintenance and improved Portfolio amenity.</li> </ul>	<ul style="list-style-type: none"> <li>• If rental income does not comply with Council's Revenue and Finance Policy, the burden will sit with the ratepayer to help fund financial deficits.</li> </ul>

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

Not Applicable.

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Thursday, 7 November 2024

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

Item 7

*Te Rārangi Take*

# Report to Council

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*Nā:*  
**From: Angela Atkins, Waste Planning Manager**

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*Te Take:* **Joint Waste Assessment and Waste Management and**  
**Subject: Minimisation Plan (WMMP)**

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## **1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga**

- 1.1 This Report presents the Joint Waste Assessment (**Attachment 1**) including the Hawke’s Bay Solid Waste Surveys April 2024 Report (**Attachment 2**) and letter of support from the Medical Officer of Health (**Attachment 3**) for the Council to formally receive the documents. The documents were received by the Joint Waste Futures Project Steering Committee on 7 October 2024. This will allow both Council and Napier City Council (The Councils) to progress with drafting the Joint Waste Management and Minimisation Plan for the period 2025 – 2031.
- 1.2 The Councils are required to review their Waste Management and Minimisation Plan every six years giving regard to the Te Rautaki Para | Waste Strategy (Ministry for The Environment National Waste Strategy provides a high-level road map out to 2050 for waste management in Aotearoa) and The Council’s most recent Waste Assessment. The Councils decide whether the current 2018 Waste Management and Minimisation Plan should be amended or revoked, and a new plan substituted. This process must be completed by 15 September 2025.
- 1.3 The Joint Waste Assessment has been prepared to inform the review process for the Joint Waste Management and Minimisation Plan. The Joint Waste Assessment reflects the requirements of the Te Rautaki Para | Waste Strategy.
- 1.4 This Report, based on the Waste Assessment recommends the current 2018 Waste Management and Minimisation Plan is revoked and work commences on drafting a replacement Waste Management and Minimisation Plan. The current plan will remain active until the replacement plan is adopted.
- 1.5 This Report also recommends that delegation is given to the Joint Waste Futures Project Steering Committee to adopt the final Waste Management and Minimisation Plan after the Special Consultative Procedure (as set out in Section 83 of The Local Government Act 2002) is completed.
- 1.6 A similar Report and Recommendations was being presented to Napier City Council at their Council meeting on 31 October 2024. All Recommendations were resolved as presented.

## 2.0 Recommendations - Ngā Tūtohunga

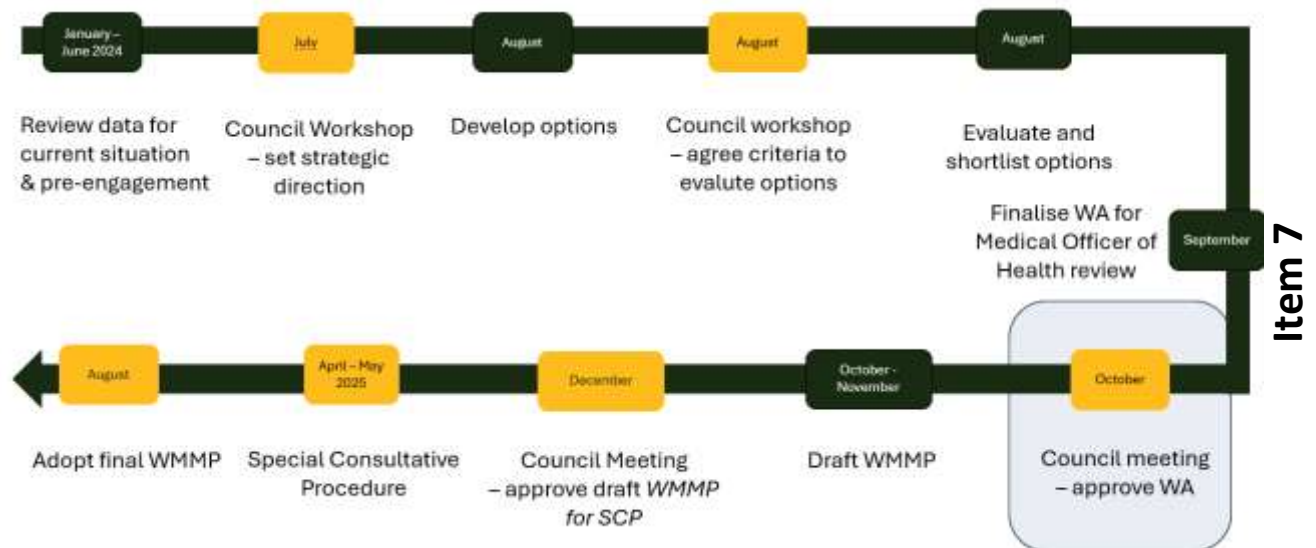
- A) That Council receive the report titled Joint Waste Assessment and Waste Management and Minimisation Plan (WMMP) dated 7 November 2024.
- B) That Council receives the Joint Waste Assessment completed in accordance with Section 51 of the Waste Minimisation Act 2008. (Attachment 1).
- C) That Council receives the feedback from the Medical Officer of Health on the Joint Waste Assessment obtained on 20 September 2024. (Attachment 3).
- D) That Council, (based on the completed Joint Waste Assessment) revokes the Joint Waste Management and Minimisation Plan 2018 -2024 and a new WMMP under section 50(3) of the Waste Minimisation Act 2008 is substituted in its place.
- E) That Council directs the Chief Executive to proceed with preparing a new WMMP in accordance with Section 44 of the Waste Minimisation Act 2008 to substitute for the current 2018-2024 WMMP.
- F) That Council notes that a draft WMMP will be presented to the Joint Waste Futures Project Steering Committee and then Hastings District Council and Napier City Council for approval for public consultation under the Special Consultative Process (Section 83 of The Local Government Act 2002) in December 2024.
- G) That Council notes the Joint Waste Futures Project Steering Committee at its meeting on 7 October 2024 resolved 'That the Committee, based on the completed Joint Waste Assessment agree that the Joint Waste Management and Minimisation Plan 2018 -2024 be revoked, and a new plan substituted under section 50(3) of the Waste Minimisation Act 2008.
- H) That Council delegates the Joint Waste Futures Project Steering Committee to hear submissions on the draft WMMP under the Special Consultative Procedure and adopt the final WMMP after completion of the Special Consultative Procedure.

## 3.0 Background – Te Horopaki

- 3.1 The Waste Minimisation Act 2008 (WMA) gives councils the responsibility to promote effective and efficient waste management and minimisation within their territory. The WMA requires councils to complete a Waste Assessment and review their Waste Management & Minimisation Plan (WMMP) every six years and decide whether it should be amended or revoked, and a new plan substituted.
- 3.2 The original review deadline was 30 August 2024.
- 3.3 The Ministry for the Environment accepted the joint application from The Councils for a review extension under section 33A of the Waste Minimisation Act 2008 (as amended by clause 12 of the Severe Weather Emergency Recovery (Waste Minimisation) Order 2023). (**Attachment 4**)
- 3.4 This means The Councils need to adopt the new WMMP by 15 September 2025.
- 3.5 The Waste Assessment must include comments from the Medical Officer of Health which have been received. (Attachment 3)

3.6 Below is the programme for the review process.

<b>Month(s)</b>	<b>Activity</b>	<b>Status</b>
Oct – Nov 2023	Complete and submit an application for an extension to MfE	Complete Accepted
Oct – Dec 2023	Procure support for the review of the solid waste bylaw, waste assessment and WMMP	Complete
Commence May 2024 - ongoing	Engagement with the community, including; mana whenua, businesses, operators, etc.	Underway & ongoing
June/July 2024	Options analysis using evaluation matrix	Completed (included in the draft Waste Assessment)
August 2024	Waste Assessment completed	Drafted and the subject of this Report
September 2024	Waste Assessment adopted by the Joint Waste Futures Project Steering Committee, Medical Officer of Health endorsement received and decision made on whether or not the WMMP requires reviewing.	Subject of this Report
October 2024	Waste Assessment adopted by both Councils	Work will commence after this Report is received.
October 2024	Work commences on drafting the bylaws and WMMP	Not yet started
December 2024	Drafts adopted for consultation	-
April 2025	Consultation using the Special Consultative Procedure	-
May/June 2025	Hearing of Submissions by the Joint Waste Futures Project Steering Committee	-
July 2025	The Joint Waste Futures Project Steering Committee adopt the WMMP	-



3.7 A Waste Assessment (**Attachment 1**) has been prepared to inform the development of the next WMMP (draft Waste Plan 2025) in accordance with the WMA to achieve the following:

- Review progress against the Waste Plan 2018,
- Reassess future demands for collection, recycling, recovery, treatment, and disposal services across the region,
- Reassess goals, objectives, and targets to support the Waste Plan,
- Develop and assess options to meet future demand and achieve desired outcomes for waste minimisation,
- Review options for waste management and minimisation against a multi-criteria assessment (MCA) to determine preferred options,
- Review options against the direction and requirements of Te Rautaki Para | Waste Strategy.

#### 4.0 Discussion – Te Matapakitanga

4.1 This section of the Report covers the key findings of the Waste Assessment and recommended actions to be included in the new WMMP.

#### 4.2 Partnering with Mana Whenua

4.3 Officers are carrying out an engagement process to achieve the Joint Waste Futures Project Steering Committee’s aspiration of enhancing partnerships with Māori and mana whenua for waste minimisation. This process has been guided by the Māori Partnerships teams of The Councils.

4.4 Officers report on progress re relationship and partnership development to the Māori committees of The Councils.

4.5 Officers have hosted a series of Waste Kaupapa engagements with the Joint Waste Futures Project Steering Committee, Ngā Mānukanuka o Te Iwi (NCC), Heretaunga Takoto Noa Māori Standing Committee (HDC), and Māori and mana whenua representatives to build knowledge of the waste management and minimisation kaupapa. These engagements were held at Te Whare Mukupara and covered the following topics:

- 16 April 2024 - Ōmarunui Landfill, an overview of the engineering approaches, operations and management of the site with Jordarne Wiggins (Te Whānau-ā-Apanui), Mātanga Mukupara - Waste Minimisation Specialist at Council,
- 17 June 2024 - “World of Waste” with Kate Fenwick, Director of Waste-Ed,

- 23 August 2024 - Toitū te Taiao with Jacqui Forbes (Ngāti Tama), Para Kore Kaihautū Matua.

#### 4.6 Early-engagement: Our Waste, Our Resources – have your say.

- 4.7 An early engagement opportunity was provided during May and June 2024 to gather ideas from the community before work commenced on drafting the Waste Assessment and WMMP documents.
- 4.8 The online platform, Social Pinpoint, was used for the early engagement phase to collate all feedback in one central location. This platform received 289 comments.
- 4.9 Officers visited over 100 businesses in June to seek ideas and suggestions for the WMMP pre-engagement process via the online portal. Direct invitations to provide ideas and suggestions were also sent to a wide variety of businesses and organisations, including waste operators, Te Whatu Ora, Sustainable is Attainable members, and others. This feedback was shared with Tonkin & Taylor (consultants) for inclusion in the Joint Waste Assessment and the next stage of the WMMP review process.
- 4.10 A second series of early engagement sessions are to be held in mid-November with several different business and commercial sectors to share the findings of the Waste Assessment. These sessions will provide a further opportunity for the sectors to provide feedback and ideas for inclusion in the draft WMMP.

#### 4.11 Summary of Strategic Context

- 4.12 It has been identified through the Waste Assessment process that Council and Napier City Council (NCC) will need to consider the following impacts as part of the future waste management planning:
- A broader and more holistic focus on the circular economy and emissions reduction as set by the Te Rautaki Para | Waste Strategy.
  - Potential changes in waste legislation and related uncertainty particularly for:
    - Proposed standardisation of kerbside services including food scraps collections
    - Waste disposal levy revenue and territorial authority allocations
    - Reporting and enforcement requirements for waste
    - Implementation of extended producer responsibility and container return schemes.
  - Addressing climate change and in particular:
    - Reducing emissions from waste (organic derived material and landfill gas)
    - Adaptation and resilience planning for waste infrastructure and disaster waste management (especially considering Cyclone Gabrielle in 2023)
    - Impact of the Emissions Trading Scheme on the cost of waste disposal and related sectors (e.g. transport).
  - There are opportunities within the regional economy to drive more circular activity within primary production, food manufacturing and tourism/event sectors, however a challenging economic environment and the Cyclone Gabrielle recovery and rebuild will impact on what investment can be made in improved waste services.
  - While the region has a well-established resource recovery infrastructure network (transfer stations, organics, and paper processing), there are some gaps. Consideration should be given to:
    - Viability, resilience and accessibility of diverted material markets and onshore processing solutions
    - Recovery infrastructure for construction and demolition, organic and reuse materials.

#### 4.13 Te Rautaki Para | Waste Strategy Population-Based Indicators

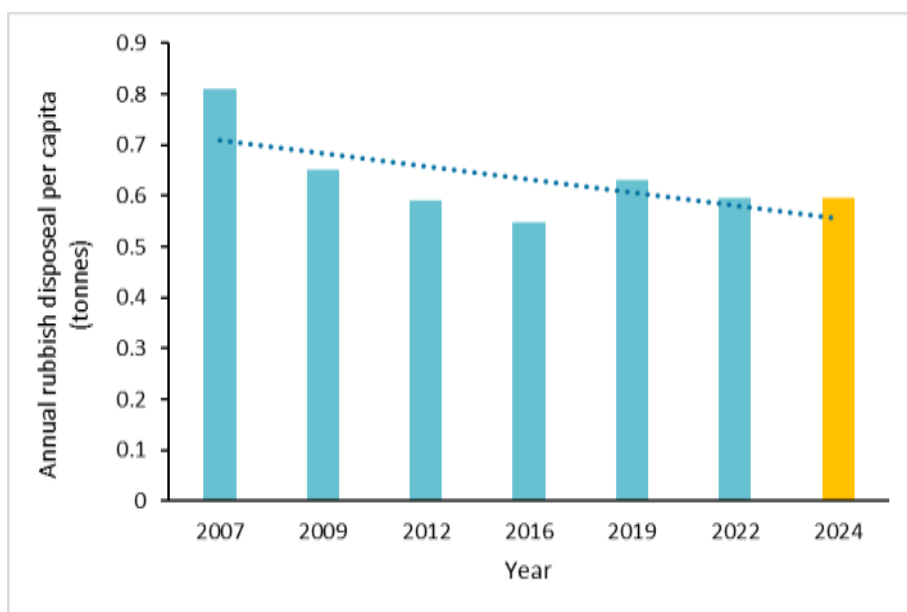
4.14 There are two population-based indicators in the Te rautaki para | Waste Strategy – waste disposal and waste generation.

4.15 Waste disposal to landfill per capita is a key indicator of overall performance of the waste system and can be used to benchmark against other territorial authorities.

4.16 Since 2007, there has been a decreasing trend in waste per capita for Hastings and Napier communities, however over the period of the last WMMP per capita disposal has increased above 2016 (WMMP baseline) levels and in 2024 was 600 kg per person. This is driven largely by commercial activity, as kerbside waste disposal per capita has shown a stable to decreasing trend over the same period from 227kg in 2009 to 191 kg per person disposed in 2024.

4.17 Waste generation per capita is a new indicator in the Te Rautaki Para | Waste Strategy, measuring the increase in circular activity with the aim that material entering the waste management system (as opposed to waste disposed to landfill) should also decrease as more waste avoidance and reduction through design occurs. Based on data currently available (noting data on diverted material is limited particularly from the commercial sector), the total waste generated within Napier City and Hastings District in 2022/2023 was 808 kg per person, - lower than the national figure of 1055.1 kg per person.

4.18 *Figure 4.1: Annual rubbish disposed to landfill per capita*



#### 4.19 2018 WMMP Progress

4.20 The previous WMMP for Hastings and Napier was prepared in 2018. The WMA requires that each Waste Assessment includes a review of the last WMMP, including an assessment of data, key issues from the last WMMP, any other issues not addressed, and an update on the action plan including progress.

4.21 The 2018 WMMP had a total of 55 actions. Of those actions, 30 have been completed and 13 are on-track or underway. Some of the actions that have been implemented are:

- New kerbside collection services with rubbish bins and rate funded collection services aligned across the Councils.
- Assisted service where feasible for residents with physical restrictions or impairments.
- Inclusion of a RFID chip in kerbside rubbish bins to reward households that produce low amounts of waste and enable data collection for reporting purposes.
- A permanent rural recycling site at Waipatiki.

- Continuing to undertake the three yearly Solid Waste Analysis Protocol (SWAP) surveys.
- Continued support of product stewardship.
- New cell development at Ōmarunui landfill providing local disposal capacity for the next 30 years.
- The Councils jointly fund and operate the annual Hazmobile collections providing free disposal for household hazardous waste.
- Resource consent was granted in 2022 for the development of Area B for Ōmarunui Landfill.
- Development of regional waste branding for education.
- Established a regional C+D waste advisor role and commenced the construction of a C+D drop-off area at Henderson Road RTS.

4.22 Table 4.2: The status of the 55 actions from the Hawkes Bay 2018 WMMP

Status	Number of actions
Completed	30
On-track	13
Limited or no action	10
No longer required	2

4.23 There are still 10 actions with limited progress, partly due to lack of demand or limited engagement with relevant sectors. The main inactions are:

- Investigating options to allow for properties not serviced, to utilise a local drop off facility for waste
- Investigating the location and operation of transfer stations
- Investigating options for diversion of organic waste
- Public place recycling (due to contamination issues)
- Supporting Hawkes’s Bay healthcare establishments
- Rewarding waste minimisation behaviour across the community
- Partnering and building relationships to enable stakeholders
- Reviewing landfill pricing to include material specific pricing
- Monitoring behaviour change.

4.24 Key factors impacting the progress with WMMP actions have included:

- Covid-19 pandemic
- Cyclone Gabrielle response and recovery
- Staff changes.

#### 4.25 Previous WMMP Targets

4.26 The 2018 WMMP for Hastings and Napier had two targets to measure progress with the actions

- 20% total tonnage increase in common recyclables diverted from Ōmarunui Landfill
- 30% total tonnage decrease in organics to Ōmarunui Landfill.

4.27 The performance against these targets is provided in Table 4.3.

4.28 While not quite achieved, the target of increasing common recyclables diverted by 20% did increase by 15% on the 2016/2017 baseline.

4.29 The target of decreasing organics to landfill by 30% by 2024 has not been achieved. In 2022/2023 there was an 8% increase in organics disposed to landfill since the baseline financial year of 2016/2017. This has been due mainly to the increased disposal of special wastes that have no other

alternative disposal option than landfill. When special waste is removed, there has been an 11% reduction.

4.30 The progress towards targets aligns with progress on related actions in these areas as well as reflects the changing environment where The Councils have had little control (i.e. pandemic, cyclone, slow pace of regulated product stewardship, deferment of CRS and commercial sector waste).

4.31 Table 4.3: The 2018 WMMP targets for recyclables and organic materials

Target	By when	Baseline (2016/17)	Target	2022/23	Percentage increase
20% total tonnage increase in common recyclables diverted from Ōmarunui Landfill	2024	9,800	≥ 11,760	11,232	15% increase
30% total tonnage decrease in organics to Ōmarunui Landfill	2024	28,580	≤ 19,150	30,788 Special waste included	8% increase
				25,438 Special waste excluded	11% reduction

#### 4.32 Summary of Current Circular Activity and Gaps

4.33 Te rautaki para | Waste Strategy 2023 provides clear direction for Aotearoa New Zealand to shift to a circular economy with ambitious targets for 2030 in relation to waste and emissions reduction. The pending review of the WMA creates some uncertainty on the future legislative context. Key areas that The Councils need to plan for include:

- Kerbside standardisation including food scraps collections
- Data collection and reporting requirements
- Implications from regulated product stewardship schemes
- Waste disposal levy changes (both an opportunity with increased revenue, but also uncertainty regarding future allocation to territorial authorities)
- Contributing to an effective resource recovery infrastructure network (local and national)
- An increased focus on the importance of behaviour change programmes (local and national)
- Contaminated land and remediation.

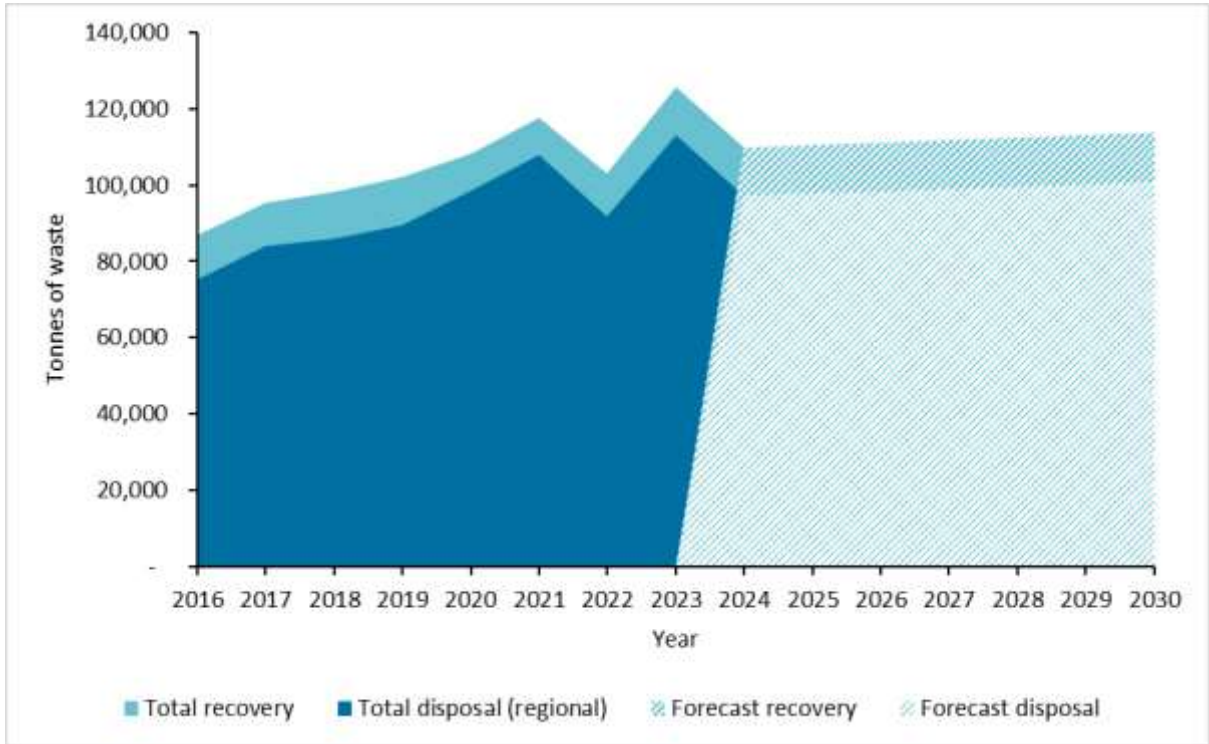
4.34 A review of local waste infrastructure and services indicates that the region is well set up with some waste infrastructure provided from The Councils and the private sector. Current education and behaviour change approaches to support local services are having a positive impact on the community with waste per person remaining stable or decreasing. However, the increasing population across both the Council areas and little progress on commercial waste minimisation actions is leading to an overall increase in waste to landfill each year. There are opportunities to:

- Prioritise services that support more circular activity (i.e. reduction and reuse), supported by education and behaviour change.
- Improve the capture of material for recycling and recovery at the kerbside, transfer stations, and the landfill.
- Review the transfer station infrastructure and network to increase resource recovery.
- Reduce emissions through a focus on key waste streams - organic waste, construction and demolition waste, and commercial waste.



- 4.35 There are key challenges to progress, including:
- Napier City and Hasting District are facing a challenging economic climate and dealing with the impacts of climate change. This has caused financial restraints for The Councils, making the ability to action change challenging
  - Resilience and adaption to climate change will continue to be important with the ongoing recovery from Cyclone Gabrielle
  - A large portion of landfilled waste from the commercial sector, where The Councils have less visibility and direct influence
  - There is also local commercial recovery activity occurring with little data to confirm the effectiveness of current systems and where future opportunities lie. This makes it difficult to effect change to the overall waste system, without collaboration across sectors, and organisations.
- 4.36 The strong food production and manufacturing sector in the region provides an opportunity to build on existing recovery infrastructure (paper/cardboard and organic recovery) to shift into a fully circular system by working with local growers, manufacturers, and processors of paper/cardboard and organic material.
- 4.37 There is an opportunity to partner with mana whenua in the delivery of the next WMMP and into the future of waste minimisation.
- 4.38 Some improvements to data collection are needed to further identify opportunities and priorities. The main data gaps identified were:
- Council data collection is comprehensive but inconsistent between the Councils
  - Diverted materials from the commercial sector including recycling, organics and scrap metal
  - Disposal in class 2-5 landfills (including cleanfills)
  - Effectiveness of education programmes.
- 4.39 Forecast of Future Demand
- 4.40 There are a range of drivers that mean methods and priorities for waste management will continue to evolve. There will be an increasing emphasis on diversion of waste from landfill and recovery of material value. These drivers include:
- Increasing costs of waste disposal to landfill resulting from the waste levy expansion and Emissions Trading Scheme
  - Changes resulting from Te rautaki para | Waste Strategy including potential changes to the WMA, and requirements for territorial authorities
  - The introduction of product stewardship schemes
  - Activities and policy resulting from the second emissions reduction plan
  - Increased commercial sector capacity to recycle and reprocess materials
  - Changes to markets for materials
  - Economic development in the region
  - Export market demand and supply chain resilience
  - Consumption behaviour.
- 4.41 Forward Projections
- 4.42 The forecasted recovery and disposal numbers are based on the 2023 waste per capita value and are then projected with population growth estimates. The projected recovery and disposal numbers are shown in Figure 5.1. The projections show that even if waste per capita remains the same population growth will drive an increase in waste generation for The Councils.

4.43 Figure 5.1: Projections of waste disposal and recovery out to 2030

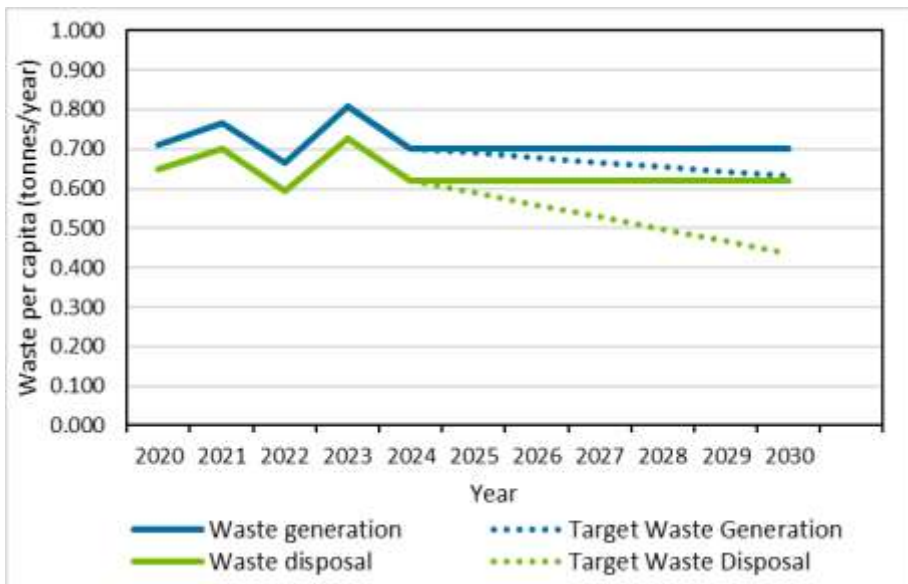


4.44 Te rautaki para | Waste Strategy targets

4.45 Te rautaki para | Waste Strategy sets three national targets to be achieved by 2030 (Ministry for the Environment, 2023). This includes:

- Waste generation: reduce the amount of material entering the waste management system, by 10% per person.
- Waste disposal: reduce the amount of material that needs final disposal, by 30% per person.
- Waste emissions: reduce the biogenic methane emissions from waste, by at least 30%.

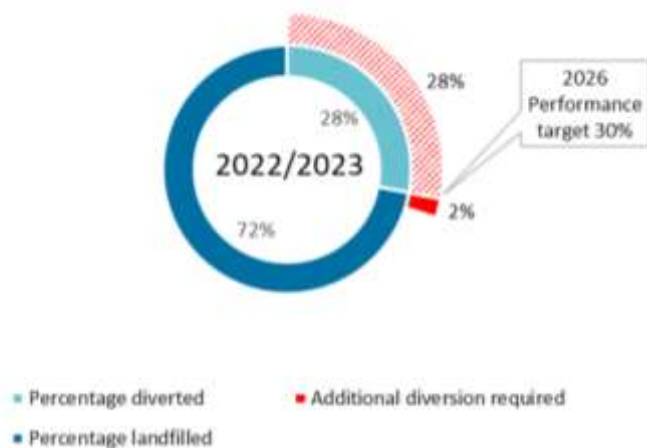
4.46 Figure 5.2: Waste disposal and generation, and target reduction based on national targets



4.47 Kerbside Standards

4.48 The Government has proposed minimum performance standards for kerbside collection that need to be met by The Councils over the next six years. The 2026 performance target is 30% recovery of material at the kerbside. Currently, 28% of the Councils' kerbside waste is diverted (Figure 5.3), close to the minimum standard.

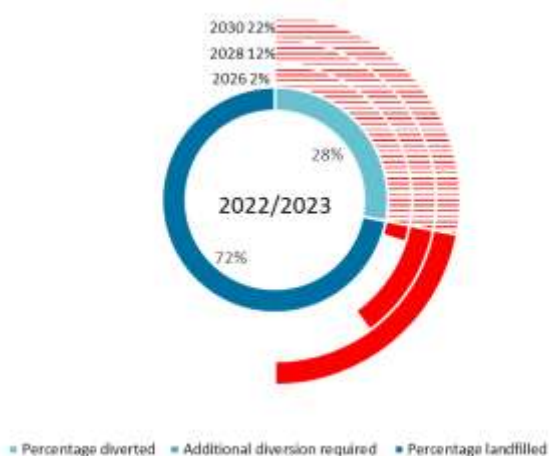
4.49 *Figure 5.3: Kerbside diversion rate for the councils in comparison to the 2026 minimum diversion standards*



4.50 If commercial residential kerbside collections are included, the diversion is 18%, leaving 12% more to be diverted to reach the proposed minimum standards. It is likely that a portion of the commercially collected waste is business rather than residential waste (and therefore not included in the performance standard). The portion of commercial collections and the level of diversion that is occurring is unknown. This highlights a common theme throughout the Waste Assessment that the Councils have less influence over commercial waste.

4.51 There are further diversion rates required by 2028 and 2030 that The Councils would need to meet under the proposed minimum standards (Figure 5.5). Under the 2028 standard, 40% of material would have to be diverted and 50% by 2030. The 2028 and 2030 targets will require a plan to recover more materials such as organic waste and better capture of recycling.

4.52 *Figure 5.5: The percentage of material diverted in 2023 and the required diversion to reach the 2026, 2028 and 2030 proposed kerbside standards*



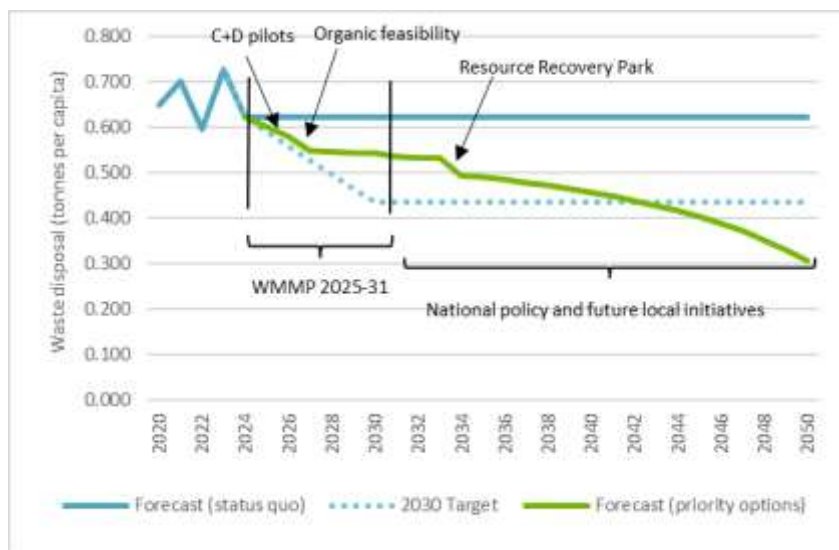
- 4.53 The introduction of some regulated product stewardship schemes (i.e. plastic packaging) or a container return scheme may also impact on the ability of councils to achieve these minimum standards.
- 4.54 Joint Waste Futures Project Steering Committee Responsibility
- 4.55 The Joint Waste Futures Project Steering Committee have responsibility for setting the direction for waste activities and overseeing the implementation of the WMMP. As mentioned earlier in this section, the Joint Waste Futures Project Steering Committee has an aspiration to enhance partnerships with Māori and mana whenua for a partnered future. Like the outcomes sought through partnership, the partnership itself should be collaboratively determined between mana whenua and The Councils. While initial steps are taken to strengthen relationships with mana whenua and create a foundation for a future of genuine partnership, the Joint Waste Futures Project Steering Committee has proceeded to establish a strategic framework that reflects the Committee’s views and captures their dream of a partnered future.
- 4.56 Based on the key drivers, and information provided through the analysis of the current waste situation, a vision and goals have been discussed with the Joint Waste Futures Project Steering Committee over two workshops with Council Officers. The strategic framework from the existing WMMP was discussed alongside that of Te Rautaki Para | Waste Strategy. The vision and goals were updated reflecting the local context and aligning with Te Rautaki Para.



- 4.57 Options Assessment Process
- 4.58 To make progress towards the vision and goals, actions and/or opportunities have been identified and could be implemented in several ways. These options are presented in Part 3, Section 7 of the Waste Assessment and will be carried forward to the draft WMMP.
- 4.59 Longer Range Forecast
- 4.60 The Te Rautaki Para | Waste Strategy envisions a low waste, low emissions circular economy by 2050 and provides a high-level roadmap to achieve this. Over the next 26 years or four Waste Management and Minimisation Plans, a significant reduction in waste needs to be achieved. To make progress,

action is needed at the national, regional, and local level. Figure 7.5 shows how this could eventuate based on the current national work programme alongside local actions.

4.61 *Figure 7.5: Forecast waste reduction to 2050 with priority actions and current national work programme*



4.62 Statement of Proposal

4.63 Within a Waste Assessment, The Councils must:

- Include a Statement of their Proposal for meeting the forecast demands including proposals for new or replacement infrastructure.
- A statement about the extent to which the proposals will:
  - Ensure that public health is adequately protected.
  - Promote effective and efficient waste management and minimisation.

4.64 The Waste Assessment summarises the priority options The Councils propose for meeting and managing the forecast demands on waste in the district (subject to consultation). These options have been aligned to the strategic framework including goals and objectives.

4.65 The current waste minimisation services and activities provide a good foundation and will continue to be delivered and built on to ensure:

- The Councils are set up to respond to future national policy changes.
- Improved data collection and reporting to enhance planning and transparency.
- Councils can tackle specific waste streams and improve the capture of materials.
- Support and increase the focus on circular economy activities.

4.66 Councils' Intended Role in Meeting the Forecast Demand

4.67 The Councils currently provide waste services in the district via contracts for kerbside collection (to those in eligible areas), transfer station, rural recycling stations and landfill disposal services supported by education and behaviour change programmes. This ensures public health is adequately protected by providing facilities for the safe recovery and disposal of waste. The Councils also provide information on specific disposal options and educational resources to encourage recovery and waste minimisation.

4.68 The Councils cannot progress towards a circular economy alone. The proposed vision focuses on ensuring systems are set up to enable successful recovery of waste and change in mindset towards consumption and the generation of waste. Over the next six years, through the proposed objectives the Councils will continue to improve the delivery of waste services and facilities including a focus on supporting and enabling the community to contribute through:

- Developing partnerships and collaboration with mana whenua, industry, and community groups.
- Enabling investment in infrastructure and services that will transition the community to a more circular economy with associated increased resource recovery.
- Developing effective behaviour change and education programmes.
- Providing leadership to industry, the community, and residents.
- Ensuring Council owned services and facilities are consistent across the Councils through ongoing collaboration.

4.69 Medical Officer of Health comments

4.70 Section 51 of the Waste Minimisation Act 2008 sets out the requirements for conducting a Waste Assessment. It states that the Council, in making the assessment, must consult the Medical Officer of Health.

4.71 The Medical Officer of Health was provided with a draft copy of the Waste Assessment. Their response is included as an appendix to the Waste Assessment (**Attachment 3**).

4.72 The Medical Officer of Health noted:

4.73 *As Medical Officer of Health, I support the approach that has been taken in the development of this assessment, and in particular want to acknowledge the willingness to include a Health NZ representative through its development stages.*

4.74 *I also support and commend:*

- *The recognition of the importance of partnership with mana whenua and the need to embrace indigenous knowledge and solutions in how we interact with and protect Te Taiao. This is especially important given the pervasive health inequities experienced by Māori and the interconnected nature between the health of Te Taiao and human health.*
- *The need to focus on transitioning to a circular economy model of waste minimisation and management. This is consistent with international health-centred frameworks such as the United Nations Sustainable Development Goals (SDG) which include a call for sustainable consumption and production patterns (SDG 12), and a focus on reducing mortality from environmental pollution (SDG 3.9).*
- *The emphasis on the need to reduce greenhouse gas emissions which will have health co-benefits by contributing to reduced climate change impacts.*
- *The community pre-engagement which has shown a clear community mandate for a focus on waste minimisation, a circular waste economy and recycling.*
- *The ongoing prioritisation of activities which centre on community engagement, education and capacity building, including targeted behaviour change programmes hosted at Te Whare Mukupara.*
- *The overall strategic framework outlined in the assessment which will form the foundations for the joint Hastings and Napier WMMP.*

4.75 The Medical Officer of Health recommendations are:

4.76 *Within the assessment and subsequent WMMP:*

- *Consider strengthening the direct focus on improving and protecting public health, including an explicit focus on considering health equity. For example, a health focus could easily be incorporated into the overall strategic vision (p. 82) as well as the evaluation criteria used for prioritisation of activities (p. 124).*
- *Implementation of the waste hierarchy framework (Figure 1.3, p. 4) includes actions to “reduce, rethink, and redesign” waste out of the system. Priority should be placed on products which create waste that is directly hazardous to human health or that creates environmental pollution which indirectly impacts on human health.*

- *Ensure actions centred around educational activities maximise public health benefit by working alongside other public education and capacity building programmes – for example, there are synergies with educational opportunities to support whānau and communities to make healthy and sustainable food choices.*

- 4.77 *Health NZ looks forward to the journey towards strengthened waste minimisation and management within our communities, and the positive outcomes we can all create together.*
- 4.78 Delegation to Joint Waste Futures Project Steering Committee
- 4.79 This Report recommends Council delegates responsibility and authority to the Joint Waste Futures Project Steering Committee to adopt the final Waste Management and Minimisation Plan (WMMP) after the Special Consultation Period.
- 4.80 This recommendation is also being made to Napier City Council.
- 4.81 The Joint Waste Futures Project Steering Committee has equal representation from both Hastings District and Napier City Councils. The Hastings District Council Councillors are; Councillor Apatu (deputy chair), Councillor Monteperto-Hendry and Councillor Nixon. The Napier City Councillors are: Councillor Browne (chair), Councillor McGrath and Councillor Tareha. This Committee already has the delegation to receive and hear the submissions from the consultation.
- 4.82 Council will be involved in the development of WMMP, with a workshop scheduled for mid-November. The final draft will be presented to Council for adoption prior to the public consultation.
- 4.83 Several engagement sessions are being undertaken with different sectors of our community and due to this, Officers are not expecting the final document to differ much from the draft that will be presented to Council for adoption.
- 4.84 This recommendation seeks to reduce the risk of the Joint Waste Futures Project Steering Committee completing the consultation process, finalising the WMMP document and then recommending the final version separately to each Council, who then may make changes, which are not aligned with previous work or the other Council.
- 4.85 Under Schedule 7, Part 1, Section 32 of the Local Government Act 2002, Council can make this delegation to the Joint Waste Futures Project Steering Committee for the purpose of effectiveness and efficiency in the conduct of Councils business. NCC will also need to make this delegation.

## 5.0 Options – Ngā Kōwhiringa

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

- 5.1 **Receive the Waste Assessment documents (including the Hawke’s Bay Solid Waste Surveys, April 2024) and letter of support from the Medical Officer of Health (Appendices 1, 2 & 3) as recommended by the Joint Waste Futures Project Steering Committee to revoke and replace the current WMMP.**
- Delegate authority to the Joint Waste Futures Project Steering Committee to adopt the Joint WMMP after public consultation.**
- 5.2 Progress has been made against the issues that were identified in the 2018 WMMP, including the improvements to kerbside collection services in 2020. There are still areas that require more work, such as reducing the organic waste disposed of to landfill which has been again identified as a significant issue in this recent Waste Assessment. Changes to waste legislation outlined in the national Waste Strategy indicate Council will need to revise plans for waste minimisation.

- 5.3 Preparing a replacement WMMP is an appropriate response to the findings of the 2024 Waste Assessment. It provides the Councils with the opportunity to revise and improve the actions in the current WMMP and sets out a course of actions for the next six years to improve waste minimisation outcomes for our region and cities.
- 5.4 This option can be funded by Council's existing and planned waste management budgets which are funded by the waste levy, targeted rates, and general rates.

#### Advantages

- Aligns with the recommendation from the Joint Waste Futures Project Steering Committee.
- Supports planning for the Te Rautaki Para | Waste Strategy targets for 2030 in relation to waste and emissions reduction and proposed minimum performance standards for kerbside collection that need to be met by the councils over the next six years.
- Meets the Councils' responsibilities under the Waste Minimisation Act 2008 to minimise waste in the region and ensure each Council can still receive their allocated waste disposal levy funds to carry out projects, initiatives and actions documented in the WMMP. Combined the waste disposal levy payments are estimated to be approximately \$2.4 million for this financial year.
- It focuses further on waste-related climate emissions, as also required by the National Emissions Reduction Plan.
- Will enable the Councils to meet drivers of increasing emphasis on diversion of waste from landfill and recovery of material value.
- Reduce the risk of the Joint Waste Futures Project Steering Committee completing the consultation process, finalising the WMMP document and then recommending the final version separately to each Council, who then may make changes, which aren't in line with previous work or the other Council.

#### Disadvantages

- None noted.

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

#### 5.5 Continue to deliver the 2018 WMMP:

- This will not provide opportunities to extend into new priority waste areas identified in the Waste Assessment.

#### Advantages

- Will have a lighter resourcing requirement, however the work is already planned and budgeted for.

#### Disadvantages

- Goes against the recommendation from the Joint Waste Futures Project Steering Committee.
- Does not align to the priorities and targets set by the Te Rautaki Para | Waste Strategy.
- Does not fully meet the Council's responsibilities under the Waste Minimisation Act 2008 to minimise waste in the region.
- Could jeopardise the Councils receipt of their proportion of the waste disposal levy to fund activities and initiatives in the plan. Combined the waste disposal levy payments are estimated to be approximately \$2.4 million for this financial year and increasing.

Option Three – As per Option

#### 5.6 Waste Assessment adopted, and no Delegated authority to the Joint Waste Futures Project Steering Committee to adopt the Joint WMMP after public consultation.

#### Advantages



- As per Option 1.

#### Disadvantages

- Risk of the Joint Waste Futures Project Steering Committee completing the consultation process, finalising the WMMP document and then recommending the final version separately to each Council, who then may make changes, which aren't in line with previous work or the other Council.

## 6.0 Next steps – *Te Anga Whakamua*

### 6.1 Subject to Council resolving the recommendations:

- preparation of a draft Joint Waste Management and Minimisation Plan which will be presented to the Joint Waste Futures Project Steering Committee and both Councils in December 2024 for approval to proceed to public consultation in early 2025. The draft WMMP will be presented to a full Hastings District Council meeting and a Sustainable Napier Committee meeting.
- draft WMMP 2025 made publicly available for consultation, likely to occur concurrently with the Annual Plan 2025-2026 process. Public able to provide feedback (and request to be heard by the Committee).
- collation and analysis of submissions in April/May 2025.
- hearings and deliberations from late June 2025.
- final draft waste plan 2025 presented to this Joint Waste Futures Project Steering Committee for formal adoption in July/August 2025.

### 6.2 Once approved, the Waste Management and Minimisation Plan 2025 will form the basis of Hastings District Council and Napier City Council's work on waste for the next six years. Monitoring and reporting frameworks will ensure transparency.

### Attachments:

1⇒	2024 Waste Assessment Report	SW-29-2-24-133	Volume 1
2⇒	Hawke's Bay Solid Waste Analysis Protocol (SWAP) Survey 2024 Report	SW-29-2-24-125	Volume 2
3⇒	Medical Officer of Health Letter of Support - September 2024	SW-29-2-24-132	Volume 2
4⇒	WMMP review extension approval from MfE	SW-29-2-23-100	Volume 2

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## Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

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### 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.

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

This proposal promotes waste management services for the wellbeing of communities in the present and for the future.

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### **Māori Impact Statement - Te Tauākī Kaupapa Māori**

The vision captures the aspiration of the committee for a partnered future and further alignment with the broader and more holistic values of te ao Māori. Working with mana whenua to embed te ao Māori into our way of working, to operationalise waste management and minimisation, responds to Council's legislative requirements including recognition of te Tiriti o Waitangi, and strengthens environmental, social and cultural outcomes that benefit the whole community.

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### **Sustainability - Te Toitūtanga**

The Waste Assessment and Joint Waste Management and Minimisation Plan aligns with many sustainability objectives across the Councils and communities, including the Emission Reduction Plan, associated budgets and the Council Eco District Strategy.

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### **Financial considerations - Ngā Whakaarohanga Ahumoni**

Funding for Council's waste services comes from a mixture of:

- commercial revenue
  - targeted and general rates
  - revenue from the waste levy (this is a \$60 per tonne waste levy, rising \$5 each year to \$75 per tonne from 1 July 2027, administered by the Ministry for the Environment, 50 per cent of which is distributed to territorial authorities, amounting to \$1,382,133 for Hastings District Council and \$1,055,526 to Napier City Council in 2023/24).
- 

### **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.

All WMMPs are subject to the requirements of the Local Government Act's Special Consultative Procedure. A requirement set out in the WMA Part 4, Section 44 and Section 50(3) outlines consultation requirements for preparing new WMMPs.

Significant changes arising from the WMMP review will need to be incorporated into each Council's LTP(s) or Annual Plan depending on timeframes.

The public consultation methodology and program will be co-developed by Hastings District and Napier City Councils marketing and communication teams. It is the intention of Council officers to provide engaging face-to-face consultation alongside the more traditional digital media and mail submissions.

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

Full community consultation will be undertaken in early 2025 using the Special Consultative Process.

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**Risks**

The overall risk appetite for this project (based on the Risk Register) is conservative. The Risk Register is reviewed regularly at the project team meetings.

Opportunity: Update the Joint Waste Management and Minimisation Plan to meet legislative obligations and drive community behaviour.

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
<p>The expected benefits from the project include; mana whenua partnership, increased waste levy funding, greater commercial waste diversion and better outcomes from updated bylaws.</p>	<p>The high project risks are:                      Limited staff capacity - concerns over staff capacity to meet deadlines and deliver engagement opportunities.                      Failure to meet government targets - this risk is rated high based on the waste assessment finding that not meeting government targets for kerbside collections could lead to a loss of waste levy funding.</p>

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

No direct impact at this stage.



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Thursday, 7 November 2024

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

*Te Rārangi Take*

# Report to Council

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**Nā:** Graham Watson, Chief Financial Officer  
**From:** Craig Thew, Group Manager: Asset Management

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*Te Take:* Local Waters Done Well Update - Stage Gate 1  
**Subject:**

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## **1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga**

- 1.1 The purpose of this report is to recommend that Council endorse the continuation of the joint Hawke’s Bay Water Services work by moving to the development of a Business Case.
- 1.2 Business Case development follows the initial financial modelling undertaken to date, and will evaluate Hawke’s Bay water services delivery options (within council, Council Controlled Organisation (CCO) or multi-council CCO), summarising key financial and non-financial impacts for each council and its ratepayers.
- 1.3 The Business Case will also provide a consistent basis for councils to make an informed decision on a preferred delivery model, ahead of the required public consultation.

## **2.0 Recommendations - Ngā Tūtohunga**

- A) That Council receive the report titled Local Waters Done Well Update - Stage Gate 1 dated 7 November 2024.
- B) That Council note the policy and legislative requirements under central Government’s Local Water Done Well framework for the future of water service delivery.
- C) That Council note the initial scenario modelling work undertaken to date.
- D) That Council endorse the process to progress with the development of a Business Case, analysing the new delivery options under Local Water Done Well framework.

### 3.0 Background – *Te Horopaki*

#### Local Water Done Well requirements

- 3.1 Central Government has set out clear policy and legislative requirements on councils relating to the delivery of local water infrastructure and services under its Local Water Done Well (LWDW) framework. This framework and requirements emerge from a widely held view that there has been historic underinvestment in water infrastructure, and that increased levels of investment are required.
- 3.2 In February 2024, the Government repealed the previous Government’s water services legislation and restored continued council ownership and control of water services.
- 3.3 In September 2024, the Government passed transitional legislation for the LWDW framework. This includes requiring councils (either individually or collectively) to develop Water Services Delivery Plans (WSDPs) by September 2025. In these Plans, against the context of new Government regulation and requirements, councils must include an assessment of their water infrastructure, how much they need to invest, and how they plan to finance and deliver these investments through their preferred water service delivery model. Information must cover not less than 10 consecutive financial years from 2024/25.
- 3.4 In December 2024, the final Government bill for Local Water Done Well is expected to be introduced, which will include:
- An expanded range of water service delivery models for councils to choose from (e.g. internal business unit, single-council CCO, multi-council CCO). Regardless of the model chosen, all water service providers will have to meet clear minimum standards, including meeting regulatory standards and financial sustainability requirements, such as ringfencing of water services revenues for the delivery of water services.
  - The ability to access new financing options and increased borrowing capacity for water CCOs established under LWDW. This is important because many councils will need to increase borrowing in order to make the necessary investments to bring water infrastructure up to the standards that will be required under LWDW.
  - A new economic regulation regime, implemented by the Commerce Commission, setting requirements for investment sufficiency and ensuring that revenue collected by local water service providers through rates or water charges is being spent on the level of water infrastructure required.
  - A new planning and accountability framework, which will mean water planning is lifted out of LTPs and placed into a more stringent, regulated regime.
- 3.5 The overarching purpose of the Government’s changes is for councils – individually or jointly – to publicly demonstrate their intention and commitment to deliver water services in ways that are financially sustainable, meet regulatory quality standards for water network infrastructure and water quality, and unlock opportunities for growth.
- 3.6 This means all councils across the country must change and adapt their provision of water services to meet the new requirements. Financial modelling and analysis of LWDW policy indicates it is highly likely that status quo levels of investment planning and operations will not meet new requirements and standards.

### 4.0 Hawke’s Bay Water Work

- 4.1 In mid-2024, Hawke’s Bay Councils (Central Hawke’s Bay District, Hastings District, Napier City and Wairoa District) agreed to a Terms of Reference to establish a coordinated, regional approach to LWDW. The focus of this joint work is to enable each Council to navigate the LWDW requirements, including to take a decision on the best service delivery model.

- 4.2 Prior to the previous Government's Three Waters reforms, councils had worked together to review the current and potential three waters service delivery options for the region. Out of this work, a joint asset-owning CCO Hawke's Bay Water model was the recommended option. This earlier work has been used as a starting point, with a focus on updating the approach to align with the emerging LWDW policy framework.
- 4.3 To meet the new Government requirements, councils must determine future water service arrangements. This means:
- Understanding the current state of water infrastructure and services.
  - Understanding the level of investment to be required under LWDW.
  - Understanding whether each council can sustainably and affordably deliver that investment.
  - Exploring whether there is a better service delivery option available to ensure sustainability and affordability of delivery.
- 4.4 The Government's guidance to councils on LWDW implementation is that during this stage of the process, the focus for councils should be on better understanding financial sustainability requirements and consideration of joint arrangements for water services delivery.
- 4.5 This is the point in the process that Hawke's Bay Councils are at, and is the preparation work needed ahead of public consultation and final council decisions on the future delivery of water services.
- 4.6 To support Hawke's Bay Councils with this stage of the process, PwC has undertaken initial scenario modelling to better understand the financial sustainability of the Councils' water services under the new LWDW requirements and what that might look like under different delivery arrangements.
- 4.7 This work is necessary now to enable Councils to meet Water Service Delivery Plan requirements in 2025. However, the full context for the work is not yet clear as Government policy work and legislation is still being developed. Undertaking more detailed Business Case work over the remainder of 2024 will give Councils the necessary time to consult on the options available to them early next year, in time to deliver and approve single or joint WSDP to Government in the legislated deadline of 3 September 2025.

## 5.0 Modelling Assumptions

- 5.1 Initial financial modelling has assessed each Council's water services delivery on its own (with options for in-house delivered services and a single-council Water Services CCO (WSCCO)) as well as through a joint regional WSCCO, which includes Napier, Central Hawke's Bay, Hastings, and Wairoa Councils.
- 5.2 Earlier work undertaken by Morrison Low on a regional water services entity has been used as a starting point for LWDW modelling. However, LWDW introduces a number of new considerations including new financing arrangements and financial sustainability requirements that need to be incorporated.
- 5.3 Guidance provided by the Department of Internal Affairs (DIA) to councils on the water services delivery models available under LWDW, the potential financing arrangements for these delivery models, and definitions for key financial sustainability indicators have been used as the basis for assessing each option.
- 5.4 The purpose of the initial modelling is to provide an indication of whether water services delivery under each model would likely be financially sustainable under baseline forecasts, and if not, what the potential financial and investment requirements and impacts would be to achieve financial sustainability utilising LWDW financing arrangements.

- 5.5 The approach to water services regulation has a material impact on financial outcomes. Initial financial modelling has utilised information currently available on investment requirements and economic regulation at this stage in the reform’s implementation.
- 5.6 There will be an opportunity to continue to develop and refine financial modelling assumptions as required through the Business Case process, prior to public consultation and decision making.

	Hastings District Council delivered services	Hastings WSCCO	Hawke’s Bay Regional WSCCO
Baseline forecast	Hastings 2024-34 Long-term Plan forecasts		2024-34 Long-term Plan and 2024-27 3-year Plan forecasts*
Water services included	Water supply, Wastewater and Stormwater		
Entity establishment	N/A	FY26	FY26
Borrowing	Hastings District Council borrows up to 280% under LGFA foundation covenant (with a current internal limit of 250%)	WSCCO borrows from LGFA at up to 500% of operating revenues.	WSCCO borrows from LGFA at up to 500% of operating revenues.
Water services delivery efficiencies	None assumed	None assumed	Capital delivery and operating cost efficiencies grow at 1% per annum from FY26 - 34 (9% relative to baseline by FY34).
Basis for water services pricing	Baseline forecast adjusted to achieve 10% Funds from Operations (FFO) / Net Debt ratio for 3 waters (from 1 July 2028 onwards).		Baseline forecasts adjusted to: <ul style="list-style-type: none"> <li>● Achieve 10% FFO / Net Debt ratio after capital delivery and operating cost efficiencies.</li> <li>● Regional harmonisation of the average cost per connected property over a 15-year time horizon (by FY40)**.</li> </ul>

\*A 10-year forecast to FY34 was provided by all Councils.

\*\*Pricing harmonisation assumes each district’s operating revenue / pricing is adjusted to achieve 10% FFO / Net Debt by 1 July 2028 with regional harmonisation on an average cost per connected property basis occurring linearly over a 15-year time horizon (by FY40).

## 6.0 Initial Modeling Results

- 6.1 Initial modelling results suggest that relative to Hastings LTP baseline, all options may require additional revenue and investment in water services to be financially sustainable from 1 July 2028.
- 6.2 The Hastings District Council delivered services and Hastings WSCCO options are expected to have higher pricing outcomes, relative to Hastings current LTP baseline forecast, to ensure water services are financially sustainable.
- 6.3 A Multi-Council WSCCO may also require higher water services pricing over the short-medium term relative to the LTP baseline. By FY34, water services pricing under a Multi-Council WSCCO option is expected to be comparable to Hastings LTP baseline, and lower than Hastings only options. Longer-term, assumptions around Hastings investment requirements and Multi-Council WSCCO efficiencies will materially impact price outcomes relative to Hastings only options.
- 6.4 The business case process will further develop key modelling assumptions that impact financial sustainability and pricing to support community consultation on service delivery options.
- 6.5 It is noted that financial modelling to date does not paint a full picture of the various options. LTP projections are not reflective of the investment and revenue requirements that Councils/water



entities will face under the LWDW regulatory regime. Even current Council Asset Management Plan data paints a need for higher investment than that provided for in the LTP.

		Hastings District Council delivered services	Hastings WSCCO	Hawke's Bay Multi-Council WSCCO
<b>Baseline forecasts</b>				
<b>Financial sustainability requirements</b>	<b>Investment sufficiency</b>	Hastings is planning renewals investment above its forecast depreciation. The Business Case process will further assess investment sufficiency (for all councils).		In totality, may require some additional investment to meet sufficiency requirements.
	<b>Financing sufficiency</b>	Under baseline pricing assumptions, Hastings is likely to require more revenue for water services to be financially sustainable.		Insufficient revenue to meet financing sufficiency requirements under baseline forecasts.
<b>Indicative impacts to achieve financial sustainability (utilising LWDW financing arrangements)</b>				
<b>Indicative pricing impact (relative to LTP baseline)</b>		Likely higher <u>over all</u> timeframes (short-term and long-term) compared to the LTP baseline.		Potential for lower pricing (relative to other options) as benefits of regional WSCCO are realised.
<b>Credit rating considerations</b>		Revenues and debt on balance sheet. Potential to impact credit rating.		Contingent liability (credit rating impact depends on WSCCO revenue / debt).

## 7.0 Multi-Council CCO

7.1 While the LWDW Policy framework presents a number of options which for Hastings would include two Hastings centric options, the multi-Council CCO option is one of the core options of LWDW and is designed to benefit from scale and enable efficiencies. Given the new central Government requirements and settings, it offers numerous benefits for the Hawke's Bay community, including:

- **Greater efficiency and standardisation:** Improving the coordination of resources, optimising service delivery and reducing costs for consumers relative to other options.
- **Relief from financial burdens:** Water-related revenues and debt becoming off-balance sheet for shareholding councils effectively shifts the rates burden, freeing up financial capacity for Council's, enabling investment capacity for other non-water related activities.
- **Improved Capital Delivery:** A multi-council WSCCO is likely to bring additional procurement and capital delivery capabilities, leading to more effective execution of water infrastructure projects.
- **Increased Resilience:** Enhanced resilience in three waters service provision is crucial for managing risks associated with climate change and natural hazards, facilitated by coordinated planning and resource allocation.
- **Enhanced Funding and Investment:** Improved access to funding and financing tools ensures necessary upgrades to water and wastewater systems, reducing pressure on rates and accelerating critical infrastructure projects.
- **Improved Water Quality and Services:** Increased investment through a WSCCO translates into improved water quality and service, ensuring the Hawke's Bay region has equitable access to affordable three waters services.
- **Futureproofing:** The multi-council WSCCO is designed to be adaptable, future-proofing our water services for regional collaboration and increased efficiency in the future.

- **Decision-making and strategy:** Operational and financial decisions, consistent with a Statement of Expectations from shareholding councils and statutory objectives, will be the responsibility of a Board comprised of independent and professional directors. Councils would agree how to appoint and remove directors, for example through a shareholder council. The CCO would be responsible for preparing a Water Services Strategy in consultation with shareholding councils.

## 8.0 Council-decision making next steps

- 8.1 This paper represents the first decision-making Stage Gate for Councillors, and is the opportunity for each Council to formally endorse proceeding through the Business Case process, as set out in the Hawke's Bay Water Terms of Reference.
- 8.2 On the basis that Council endorses this process, PwC will work with Council staff and the Regional Recovery Agency (RRA) (as project managers) to complete an indicative Business Case.
- 8.3 Further detail on the indicative Business Case is set out in Section 9 below.

## 9.0 Business Case Development

- 9.1 To reach a decision around delivery options and approach to the Water Services Delivery Plan (WSDP), a more detailed indicative Business Case is required, analysing the new delivery options under LWDW.
- 9.2 Key pieces of work that will be progressed as part of the Business Case include:
- Evaluation of Hawke's Bay water services delivery options (council-delivered services, council WSCCO or Multi-Council WSCCO), summarising key financial and non-financial impacts for each council and ratepayers.
  - Refining and finalising modelling assumptions as required for each service delivery option, including water investment requirements, revenue requirements, efficiencies, and other impacts such as potential stranded overheads (costs that would remain with councils under some options).
  - Provide a consistent basis for councillors to make an informed decision on a preferred scenario, and a common information source for Councils to develop proposals for public consultation.
- 9.3 The purpose of the Business Case is not to develop detailed implementation arrangements for each of the options (e.g. organisational design or commercial arrangements). Following public consultation and council decision-making, further work will be required to further develop the preferred service delivery option as part of preparing the WSDP.

## 10.0 Communications and engagement plan

- 10.1 The LWDW Communications and Engagement Group, with representatives from each Council, is developing a strategy for public consultation with the intention of being able to commence in early 2025, if agreed by councils.
- 10.2 The proposed approach to consultation is to combine efforts and use a 'regional' voice where appropriate, while also taking into account the existing relationships and unique ways in which each council consults its communities on significant issues.
- 10.3 This combined approach would see one co-branded consultation document outlining the proposed joint approach to water services delivery, with an overall summary on each of the counter-factuals for each council. High level marketing would be co-branded (e.g. PRs, radio and regional print advertising), while promotion through each council's 'owned' channels would be targeted (e.g. social media, direct mail, etc.).

- 10.4 Mana whenua involvement and engagement is being supported by Ms Keriana Brooking from PwC.
- 10.5 Once preferred options have been identified, it is anticipated that each council will consult with their respective mana whenua bodies at a local level and will focus on discussing and reaching an understanding with mana whenua on the nature of involvement with the options being explored. This will occur prior to public consultation commencing.

### 11.0 Options – Ngā Kōwhiringa

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

#### 11.1 Progress to development of a Business Case

Advantages

- Council is required to undertake the necessary due diligence to support the decision making, consultation and ultimately the delivery of an approved water services delivery plan. The development of a Business Case secures more analysis and information to support that future decision making.
- The development of the Business Case regionally continues the joint collaboration with the regions Councils with the investigation of a Joint WSCCO option included in the option analysis.

Disadvantages

- While the development of a Business Case will come at a cost, this level of due diligence for decision making is required under the LWDW framework, therefore there are no disadvantages noted.

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

#### 11.2 Do not progress to development of a Business Case

Council will not be in a position to make informed decisions on its future delivery of water services without the development of a Business Case. The three options presented in this report are the logical options for future consideration in preparation for consultation with the community and ultimately the preparation of an approved Water Services Delivery Plan. Without a Business Case Council will not be in a position to comply with legal requirements set out within the LWDW Framework.

### 12.0 Next steps – Te Anga Whakamua

- 12.1 Should Council endorse the approach to develop the water services Business Case, PwC with the support of the RRA as project managers will continue with the development of the Business Case. Should any of the four Hawke’s Bay Councils not proceed with this process a re-evaluation of this approach will need to be considered.

#### Attachments:

There are no attachments for this report.

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## Summary of Considerations - He Whakarāpopoto Whakaarohanga

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### **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 all the wellbeing's for communities in the present and for the future.

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### **Māori Impact Statement** - *Te Tauākī Kaupapa Māori*

The Report notes that mana whenua are to be actively engaged through the next step of developing the Business Case and beyond with the establishment of the water services delivery model that is ultimately decided upon.

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### **Sustainability** - *Te Toitūtanga*

The overarching purpose of the Government's LWDW changes is for councils – individually or jointly – to publicly demonstrate their intention and commitment to deliver water services in ways that are financially sustainable, meet regulatory quality standards for water network infrastructure and water quality, and unlock opportunities for growth.

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### **Financial Considerations** - *Ngā Whakaarohanga Ahumoni*

The Business Case development is being funded through the funds identified in the agreed Terms of Reference signed off by the four Hawke's Bay Councils which has identified an agreed allocation from each Council, largely utilising funding previously allocated by the previous Government for the purposes of supporting the 3 Waters reform transition.

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### **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 low significance. The next steps following the Business Case preparation will be assessed as being of high significance and will require comprehensive consultation with the community.

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

No consultation has been had with the community to-date. Consultation will follow the development of the Business Case.

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### **Risks**

The Business Case will explore the opportunities and risks of delivery options under Local Water Done Well Framework.

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

N/A

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Thursday, 7 November 2024

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

Item 9

*Te Rārangi Take*

# Report to Council

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**Nā:**  
**From:** Mark Clews, Principal Advisor: District Development

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**Te Take:** Clifton to Tangoio Coastal Hazards Joint Committee Meeting  
**Subject:** Summary

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

1.1 The purpose of this report is to provide an update on the Clifton to Tangoio Coastal Hazard Strategy Joint Committee meetings held on 5<sup>th</sup> July and 8<sup>th</sup> August 2024. As required by the Joint Committee's Terms of Reference, the project manager's summary notes (in the form of a report to the Hawke's Bay Regional Council) and the unconfirmed meeting minutes are attached (**Attachments 1,2,3, and 4**). Below is a summary of the highlights.

### **July**

- A high-level assessment of Te Awanga community promoted Ecoreef protection concluded that the proposal could complement the Strategy.
- The Joint Committee requested that the Strategy consultation not be delayed beyond March 2025.
- A presentation was given on the nature and impact of the late June weather.
- A workshop to review and provide feedback on the funding model and principles.

### **August**

- The Joint Committee received and considered the final proposed Clifton to Tangoio Coastal Hazards Strategy document and passed a resolution recommending the Strategy to Hawkes Bay Regional Council (HBRC) with some minor wording changes.
- The resolution effectively concludes the work of the Joint Committee, with the Strategy now passed to HBRC in accordance with the terms set out in the Memorandum of Transition signed by the Councils in 2022.

- Noted that a presentation to the Finance and Expenditure Committee was given on 29 July 2024 in support of the Joint Committee’s submission on the Inquiry into Climate Adaptation.

1.2 The next meeting of the Joint Committee is booked for 8 November 2024; however, this meeting may not be required, given the HBRC discussions following receipt of the Joint Committee’s recommendations on 28 August. At that meeting the HBRC received the Joint Committee’s recommendations and instructed its Chief Executive to provide advice on the pathway to implementation, considering all of HBRC’s priorities.

HBRC held a workshop on 25 September to familiarise themselves with the detail of the Strategy and funding model as prelude to commencing this work.

## 2.0 Recommendations - Ngā Tūtohunga

That Council receive the report titled Clifton to Tangoio Coastal Hazards Joint Committee Meeting Summary dated 7 November 2024.

### Attachments:

1 <a href="#">↔</a>	Clifton to Tangoio Coastal Hazards Strategy Joint Cmmmittee Meeting Summary 5 July 2024	STR-14-07-24-827	Volume 2
2 <a href="#">↔</a>	Minutes of Clifton to Tangoio Coastal Hazards Strategy Joint Committee - Friday, 5 July 2024	STR-14-07-24-826	Volume 2
3 <a href="#">↔</a>	Clifton to Tangoio Coastal Hazards Strategy Joint Committee Meeting Summary 9 August 2024	STR-14-07-24-828	Volume 2
4 <a href="#">↔</a>	Clifton to Tangoio Coastal Hazards Strategy Joint Committee Minutes 9 August 2024	STR-14-07-24-865	Volume 2



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Thursday, 7 November 2024

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

*Te Rārangi Take*

# Report to Council

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

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*Te Take:*  
Subject: **Schedule of Council Meetings for 2025**

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

- 1.1 The purpose of this report is to obtain a decision from the Council on the proposed schedule of Council and Committee meetings for 2025 and recommends the adoption of the 2025 Meeting Schedule appended to this report (**Attachment 1**).
- 1.2 Although staff attempt to meet the needs of the Council it is inevitable that the schedule will need to be amended from time to time and these amendments will be notified to elected members as they arise.
- 1.3 While the schedule serves to give elected members notice of the upcoming meetings there is still a requirement under the Local Government Official Information and Meetings Act 1987 for the public to be advised on a regular basis of the meetings scheduled for the next month.
- 1.4 The schedule includes the meetings of all Committee and Council meetings so that members can plan; ensure that meeting days are secured and not later taken up by other meetings. Where scheduled meetings are not required, cancellations will be advised to members as early as possible.
- 1.5 Officers have developed the draft schedule of meetings for 2025 for consideration, considering the 2024 meeting frequency, analysis of work programmes and agendas of the Committees, and feedback from the Lead Team with the following noted:
  - Council and Committee meetings are concentrated on Tuesdays and Thursdays.
  - Whole of Council Committees will generally commence at 9am and Council meetings at 1pm.
  - Development and adoption of the Annual Plan by Council in June.
  - Quarterly reporting to the Performance and Monitoring Committee.

**2.0 Recommendations - Ngā Tūtohunga**

- A) That Council receive the report titled Schedule of Council Meetings for 2025 dated 7 November 2024.
- B) That Council adopt the Schedule of Council meetings for 2025 (**Attachment 1**).

**Attachments:**

1  2025 Council Meeting Schedule CG-17-1-01268

2025 Hastings District Council Meetings Schedule - January to December 2025 as at 31/10/24 - CG-08-1-24-281

January		February		March		April		May		June		July		August		September		October		November		December	
1	We		1	Sa		1	Tu	CD	1	Th	CL	1	Su		1	Fr		1	Mo		1	Mo	
2	Th	N/Y Day	2	Su		2	We		2	Fr		2	Mo	King's Birthday	2	Sa		2	Tu	CD	2	Th	
3	Fr	N/Y Hol	3	Mo		3	Th		3	Sa		3	Tu	CD	3	Su		3	We		3	Fr	
4	Sa		4	Tu	CD	4	Tu	CD	4	Fr		4	We		4	Mo		4	Th	CL	4	Sa	
5	Su		5	We		5	Sa		5	Mo		5	Th	DD	5	Sa		5	Tu	CD	5	Su	JWF Landfill
6	Mo		6	Th	Waitangi Day	6	Th		6	Tu	CD	6	Fr	RA	6	Su		6	We		6	Mo	
7	Tu		7	Fr		7	Mo		7	We		7	Sa		7	Mo		7	Th	CL	7	Tu	
8	We		8	Sa		8	Tu		8	Th	P & M*	8	Su		8	Tu		8	Fr	JWF (Adopt WMMP)	8	We	RCB
9	Th		9	Su		9	Th		9	Fr	DPB	9	Mo	RCB	9	We		9	Sa		9	Th	CL (Adopt AR)*
10	Fr		10	Mo		10	Th		10	Sa		10	Tu	CL (A/P)*	10	Th		10	Su		10	Fr	DPB
11	Sa		11	Tu		11	Fr	DD	11	Su		11	We		11	Fr		11	Mo		11	Sa	Election Day
12	Su		12	We		12	Sa		12	Mo		12	Th	CL (A/P)*	12	Sa		12	Tu		12	Su	
13	Mo		13	Th	CL	13	Th		13	Su		13	Fr	JWF Landfill	13	Su		13	We		13	Mo	
14	Tu		14	Fr		14	Mo		14	We		14	Sa		14	Mo		14	Th		14	Tu	
15	We		15	Sa		15	Tu		15	Th		15	Su		15	Tu		15	Fr		15	Mo	
16	Th		16	Su		16	We		16	Fr		16	Mo		16	We		16	Sa		16	Tu	
17	Fr		17	Mo		17	Th		17	Sa		17	Tu		17	Th	CL	17	We		17	Fr	
18	Sa		18	Tu		18	Fr	Good Friday	18	Su		18	We		18	Mo		18	Th	P & M*	18	Tu	
19	Su		19	We	HTNMSC (Wananga)	19	We	HTNMSC	19	Mo		19	Th		19	Sa		19	Tu	S & R	19	Fr	Landfill
20	Mo		20	Th		20	Th	P & M*	20	Su		20	Fr	Matariki	20	Su		20	Sa		20	Mo	
21	Tu		21	Fr		21	Fr	JWF Landfill	21	Mo	Easter Mon	21	We		21	Sa		21	Th		21	Su	
22	We		22	Sa		22	Sa		22	Tu		22	Th		22	Su		22	Fr		22	Mo	
23	Th		23	Su		23	Su		23	We		23	Fr		23	Mo		23	Tu		23	Th	
24	Fr		24	Mo	RCB	24	Mo		24	Th		24	Sa		24	Tu	S & R	24	Th	P & M*	24	Su	
25	Sa		25	Tu	RA	25	Tu		25	Fr	ANZAC Day	25	Su		25	Fr		25	Mo	RCB	25	Th	
26	Su		26	We	HB Crematorium Committee	26	We		26	Sa		26	Mo		26	Th	CL (Adopt AP/Rates)*	26	Sa		26	Tu	DD
27	Mo		27	Th	S & R	27	Th	CL	27	Su		27	Fr		27	Su		27	We		27	Mo	Labour Day
28	Tu	RETREAT	28	Fr		28	Fr		28	Mo	RCB	28	We		28	Sa		28	Th		28	Tu	
29	We		29	Sa		29	Sa		29	Tu	S & R	29	Th		29	Su		29	Fr	RA	29	Mo	
30	Th		30	Su		30	Su		30	Fr	JWF Hearing	30	Mo		30	We	HTNMSC	30	Sa		30	Th	
31	Fr		31	Mo		31	Mo		31	Sa		31	Th		31	Su		31	Fr		31	We	NY Eve

Statutory and School Holidays  
CI - Council \*required dates  
S & R - Strategy & Recovery  
CD - Civic Development  
No Meetings  
School Hols  
Nap/Has Futures Dev Strat Int Ctt  
DD - District Development  
ER - Environmental Resilience  
RA - Risk & Assurance  
Flaxmere-Futures  
TWWJC  
RCB - Rural Community Board  
PM - Performance & Monitoring  
Māori (Heretaunga Takoto Noa Māori)  
Omarunui Landfill  
HB Crematorium Committee  
Community Wellbeing  
Jnt Waste - Joint Waste Futures Steering Committee  
DPB - District Plan and Bylaws Subcommittee  
\* SET DATES



# HASTINGS DISTRICT COUNCIL

## COUNCIL MEETING

THURSDAY, 7 NOVEMBER 2024

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### 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:

**14 Heretaunga House Sale, Redevelopment and Lease**

**15 Brookvale - Commercial Transaction**

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:

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<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>
<b>14 Heretaunga House Sale, Redevelopment and Lease</b>	<b>Section 7 (2) (h)</b> The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. <b>Section 7 (2) (i)</b> 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). Protect Council's position in commercial negotiations.	<b>Section 48(1)(a)(i)</b> 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.

Item ERROR! REFERENCE SOURCE NOT FOUND.

**15 Brookvale - Commercial Transaction**

**Section 7 (2) (h)**

The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

**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).  
Report about land transaction and associated negotiations for essential public works..

**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.

**Item ERROR! REFERENCE SOURCE NOT FOUND.**