

Tuesday, 29 April 2025

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

*Kaupapataka*  
**Agenda**

*Te Rā Hui:*  
Meeting date: **Tuesday, 29 April 2025**

*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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*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 Miniti*

27 March Council Minutes still to be completed.

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### 5.0 Local Water Done Well Consultation 7

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### 6.0 Statement of Proposal - Whakatu West Stormwater Scheme 27

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### 7.0 Review of Regional Structures 33

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**8.0 Proposed Amendments To Schedule Of Meetings** **43**

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**9.0 Minor Items – Ngā Take Iti**

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**10.0 Urgent Items – Ngā Take Whakahihiri**

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**11.0 Recommendation to Exclude the Public from Items 12 and 13** **45**

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**12.0 Appointment of Chair to Hawke’s Bay Museums Trust**

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**13.0 Appointment of Independent Member of the Risk and Assurance Committee**

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Tuesday, 29 April 2025

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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:** Bruce Allan, Deputy Chief Executive  
Craig Thew, Group Manager: Infrastructure  
Jess Noiseux, Strategic Financial Advisor

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*Te Take:* Local Water Done Well Consultation  
**Subject:**

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

- 1.1 The purpose of this report is for Council to approve the options for water service delivery models that will be included in public consultation required under the Local Government (Water Services Preliminary Arrangements) Act 2024 and identify which model will be presented as Councils preferred option in the consultation document.
- 1.2 This report sets out three viable options:
  - In-house Business Unit;
  - Single-Council Owned Water Organisation (HDC CCO); and
  - Multi-owned Water Organisation (Regional CCO).
- 1.3 Officers have undertaken a comprehensive assessment of these options, evaluating factors such as financial sustainability, governance and accountability structures, service delivery capabilities, resilience, capability and capacity, economies of scale and efficiency and Mana Whenua involvement.
- 1.4 Following this analysis, Officers recommend that the Council proceed with public consultation on all three options and identify the Regional CCO model as the preferred option. This reflects the model's potential to deliver long-term resilience, cost effective and efficient water services across the region while remaining agile and flexible enough to meet changing demands through greater operational and financial capabilities.

## 2.0 Recommendations - Ngā Tūtohunga

- A) That Council receive the report titled Local Water Done Well Consultation dated 29 April 2025.
- B) That Council approves that Council consult on the below three delivery models for consultation:
  - i. Option 1 – Internal Business Unit – Modified Status Quo (also referred to as In-House and Council Delivered Service), as required by legislation; and
  - ii. Option 2 – A Single-Council Owned Water Organisation (HDC CCO); and
  - iii. Option 3 – A Regional Hawke’s Bay Multi-owned Water Organisation (Regional CCO).
- C) Agrees to endorse Option 3 – Regional CCO as the preferred delivery model for water services.
- D) That Council approves the draft consultation document attached as Attachment 3 for consultation process subject to any minor amendments required and instructs the Chief Executive to approve the final consultation document.
- E) Council notes that a summary consultation document will be developed, delivered and be available to all residents in the Hastings District with the consultation period commencing 12 May 2025 and the final day for submissions being 15 June 2025.
- F) That Council direct the Chief Executive to prepare advice on the next steps should a Regional CCO be approved following consultation on the basis that any advice will be used to support that decision making process.
- G) Note that the Local Government (Water Services Preliminary Arrangements) Act 2024 requires Council to produce and submit a Water Services Delivery Plan to Central Government by 3 September 2025.
- H) Note that Council is required by Government to:
  - i. Consider and consult with the community on at least two options for future delivery of water services
  - ii. Demonstrate, as part of its water service delivery plan, that it will meet requirements that the delivery of water services will be financially sustainable by 30 June 2028
  - iii. Moving forward, ring-fence revenue for three waters so that it is separate from other Council activities.

## 3.0 Background – Te Horopaki

- 3.1 Hawke’s Bay councils have a long history with water reform, pre-dating the various reform agendas of the last two Governments. Water reform has been considered through multiple reports and Council workshops.
- 3.2 The current Government has repealed the previous Three Waters legislation and developed a replacement model under the Local Water Done Well policy. A summary of the history is attached as **Attachment 1**.

### Local Water Done Well Legislative and Policy Framework

- 3.3 Local Water Done Well is the Government’s plan to address New Zealand’s long-standing water infrastructure challenges. It recognises the importance of local decision making for communities and provides councils with a framework to determine how their water services will be delivered in



the future. There is a strong emphasis on meeting economic, environmental and water quality regulatory requirements.

- 3.4 The Local Government (Water Services Preliminary Arrangements) Act 2024 (“the Act”) was enacted on 2 September 2024. The Local Government (Water Services) Bill (“the Bill”) was introduced in early December 2024 and builds on the foundations set in the Act. The Bill is currently with the Select Committee, so there remains a degree of uncertainty as to the final form of the Bill.
- 3.5 On the assumption these matters will not change, the combined legislation sets minimum requirements for service delivery models that include:
- New economic, environmental and water quality regulations
  - A new planning and accountability framework
  - Financial sustainability objectives
  - New statutory objectives consistent for all water providers
  - Restrictions against privatisation
- 3.6 All Councils are required under this legislation to consider options and determine a preferred water service delivery model. There are five options for new water service delivery entities that can be considered:
- In-house business unit/council-delivered service
  - Single council-owned council-controlled organisation (CCO)
  - A council-controlled organisation (CCO) owned by the Council and one or more of our neighbours
  - Mixed council/consumer trust – a consumer trust established as the majority shareholder with one or more councils owning a minority of shares
  - Consumer trust – council assets would transfer to a consumer-trust owned organisation.
- 3.7 Given previous direction from Council, this paper and recommendations focuses on consideration of the first three options. The other options do not currently have access to enhanced financing from the Local Government Funding Agency (LGFA) and therefore are not considered to be a financially viable option.
- 3.8 Irrespective of the model chosen - there are legislative restrictions against privatisation, the existing responsibilities, commitments and obligations under the Local Government Act (LGA) and Treaty settlement legislation continue to apply, and all revenue, assets, expenses and debt for water services must be separated or ring-fenced from all other Council services. The envisaged legislative regime allows councils to retain control of water infrastructure but requires them to adhere to new investment, borrowing, and pricing rules. A new economic regulator will be put in place to enforce compliance.

#### *Financial sustainability*

- 3.9 The Act requires that water services be delivered in a financially sustainable manner by 30 June 2028. This is defined in the Act as:
- *“...in relation to a territorial authority’s delivery of water services, that—*
  - *(a) the revenue applied to the authority’s delivery of those water services is sufficient to ensure the authority’s long-term investment in delivering water services; and*
  - *(b) the authority is financially able to meet all regulatory standards and requirements for the authority’s delivery of those water services”*

- 3.10 The Department of Internal Affairs (DIA) guidance states that financial sustainability means water services revenue is sufficient to meet the costs of delivering water services. This same 'revenue sufficiency' concept appears in one of the financial principles in the Bill. In addition, it is expected that the costs of delivering water services will include costs associated with meeting all regulatory standards, and long-term investment requirements in water services.
- 3.11 There are three key factors to how financial sustainability will be assessed:
- Revenue sufficiency – is there sufficient revenue to cover the costs (including servicing debt) of water services delivery?
  - Investment sufficiency – is the projected level of investment sufficient to meet levels of service, regulatory requirements and provide for growth?
  - Financing sufficiency – are funding and finance arrangements sufficient to meet investment requirements?
- 3.12 The process to develop a one-off, transitional Water Services Delivery Plan (WSDP) for submission to DIA in September 2025 is designed to get Councils to prepare a full stocktake of their current water assets, investment planning, and growth strategies – and demonstrate how financially sustainable water services provision will be achieved by 30 June 2028 at the latest.
- 3.13 Under Local Water Done Well, the LGFA has committed to Water CCOs being able to utilise debt from the LGFA, if they are financially supported (through a guarantee) by their parent council or councils.
- 3.14 The LGFA is the lowest cost provider of financing to local government and is already utilised by Council. While the LWDW model opens-up borrowing capacity, Council is still concerned over affordability issues with our ratepayer base.
- 3.15 Water organisations will be able to assess, set and collect water services charges from consumers and will be able to use the development contributions regime in the Local Government Act 2002 to charge developers where additional demand or growth is created, maintaining the concept of "Growth pays for Growth". Councils will still be able to use rates, charges and development contributions if they retain delivery of water services.
- 3.16 The LWDW legislation does not specifically embed price harmonisation e.g. where every water user within a regional CCO would move to paying the same cost-per-connection at a point in the future. It is still unknown as to whether the economic regulator will allow for price harmonisation, or specific types of harmonisation options if at all. The current financial modelling has been prepared on the basis that there is no price harmonisation across the participating Hawke's Bay Councils.
- 3.17 The purpose of providing a dedicated lending facility is to support Councils, through a water CCO, in meeting their water infrastructure investment needs. This also enables 'balance sheet separation', which will help reduce Council debt by removing debt related to water services. As a result, Councils may have more capacity to borrow for other activities if needed or avoid placing additional pressure on Council rates.
- 3.18 Council is currently operating to a Financial Strategy adopted as part of the 2024-34 Long Term Plan that paints the picture of a financially constrained council following significant recent investments in 3 Waters infrastructure, the impacts of Cyclone Gabrielle and a forward capital investment programme that heavily invests in further 3 Waters infrastructure as well as enables growth. This existing Financial Strategy will fundamentally change if Council is to move to a Water Services CCO and Council would be expected to revise the Financial Strategy at that point to acknowledge that change. This provides Council with the opportunity to build in whatever financial constraints that it sees necessary to appropriately manage any additional pressures on rates. That will however be a decision that future Councils will consider.
- 3.19 Under the CCO model (single or joint), the LGFA will not 'consolidate' a water services CCO's debt back to its view of the overall Council's debt position. However, LGFA guidance is that credit rating

agencies, which influence the cost of borrowing for Councils from LGFA through the issuance of credit ratings, will treat the debt of a water CCO which is more than 50 percent owned by a single Council back to that Council's balance sheet when it reviews the Council's credit worthiness. This means the parent Council under a Single CCO option may be provided a lower credit rating (and higher resulting finance costs), than under a multi-council CCO option (see below).

- 3.20 For a multi-council, or Regional CCO where no council owns a majority of the organisation, both LGFA and Standard & Poors (Council's current rating agency) will treat the debt of the water CCO separately to the parent Council. Credit rating agencies are expected to recognise the water CCO as a contingent liability for the shareholding councils but assess the Council's stand-alone debt position without the water debt held by the Regional CCO.
- 3.21 If a council decides to maintain In-House delivery of water services through a new business unit, their existing water debt will remain on the council's books, despite the ring-fencing provisions in the LWDW legislation. This will mean considerably less debt headroom for councils against their LGFA limits from both an LGFA and credit rating agency perspective.
- 3.22 LGFA has issued guidance on how it will assess its lending to Water CCOs. This will not be controlled by a specific net debt/revenue limit (which is currently applied to generic LGFA lending to councils). Rather, a combination of cashflow covenants will apply:
- A Funds from Operation (FFO) to Gross Debt ratio of between 8% and 12%
  - A Funds from Operation (FFO) to Cash Interest Coverage of between 1.5 times and 2.0 times.
  - Water CCOs will have up to five years to comply with the covenants.
  - Water CCOs will be able to recognise a percentage of development contributions as operational revenue for the purposes of determining the above covenants.
- 3.23 LGFA stresses that the covenants it has published are just for guidance; negotiations will still be held with Councils and Water CCOs. However, Hawke's Bay Councils have received confirmation from LGFA that an 8% FFO/Gross Debt ratio would apply to a Regional CCO.
- 3.24 Ahead of the LGFA releasing these covenants, previous guidance was that it would lend up to an equivalent of 500% net debt/revenue to water CCOs. In the absence of more specific guidance before an LGFA announcement on 20 December 2024, this ratio was being applied in modelling (for Hawke's Bay Councils and others across the country) as a 'control' on debt from 2028, which in turn required pricing to be lifted in the model to keep debt positions down. Removing a net debt/revenue limit from the CCO pricing models has allowed for smoother price increases in the initial years of new water services delivery models, compared to earlier analysis.

#### *Water Service Delivery Plans*

- 3.25 Council must submit a WSDP by 3 September 2025, which explicitly shows its preferred proposed water services delivery model. The WSDP must include:
- The proposed water services delivery model
  - Whether to transfer (or not) Councils water services and/or assets
  - Financial separation of its water services from the rest of Council activities
  - Demonstrations that financial sustainability will be achieved by 30 June 2028. The plan must be adopted and certified as being correct by the Chief Executive, before being submitted to Government.
- 3.26 The WSDP must be accompanied by an Implementation Plan for the preferred delivery model and submitted to the Secretary of Local Government (Secretary) - via DIA, by 3 September 2025. The WSDP is then either:
- Accepted by the Secretary, who can only accept a WSDP if it complies with the Act (as above)

- Not accepted by the Secretary, who may make a recommendation to the Minister of Local Government (the Minister)

3.27 In the event that a joint arrangement (or multi-council CCO) is preferred by more than one council, the Act provides for the preparation of a joint WSDP, which must satisfy the requirements of section 13 (as above), and section 14 of the Act. The additional content for a joint WSDP includes:

- The identity of all councils who will be parties to the arrangement;
- Explanation of what services will be provided to the councils involved;
- The form of the arrangement (i.e. a CCO or another type of entity/arrangement);
- Information about the ownership, governance and control structures.

3.28 The Minister has the power to appoint a Crown Facilitator and/or Water Services Specialist if a council or group of councils, are failing in delivering or implementing a WSDP. This includes not meeting an accepted measure of financial sufficiency. A council can also request the appointment of a Crown Facilitator and/or Water Services Specialist.

*Planning and accountability framework*

3.29 The Government is also proposing a new planning and accountability framework for water services. The framework is intended to improve transparency and accountability for future delivery of water services.

3.30 There are three documents (set out below) that form the framework within which each water service provider's strategic and investment priorities, and performance settings, will be developed, explained and reported.

- A **statement of expectations** is prepared by shareholders and issued to the water organisation they own, relating to a period of at least ten financial years. It will inform and guide the decisions and actions of the organisation's board. Water organisations must give effect to these statements.

It will set out:

- the shareholders' expectations of the water organisation
- the shareholders' strategic priorities and direction for the water organisation
- the outcomes the shareholders expect the water organisation to achieve by delivering water services, and
- requirements relating to the Councils resource management planning and land-use planning.

The bill also includes a range of matters that shareholders may choose to include in a statement of expectations, including (but not limited to):

- How the shareholders require the water organisation to conduct its relationships with the shareholders, the shareholders' communities, hapū, iwi, and other Māori organisations, consumers (i.e. residents), and any other specified consumers.
- Performance indicators and measures that the shareholders may use to monitor the water organisation.
- A requirement that the water organisation act in accordance with an obligation that a shareholder may have (including with hapū, iwi or other Māori organisation) and undertake a specified obligation on behalf of a shareholder.
- A requirement to undertake community or consumer engagement and the contents of that engagement.

- Expectations in relation to collaborating with shareholders and other parties when providing water services.
- A requirement that part or all of the water organisation’s water services strategy must be independently reviewed (e.g. audited).

- **A water services strategy (prepared by water service providers)**

A water services strategy is prepared by water service providers every three years and supported by an annual budget in the other years.

This document will set out how the provider is proposing to perform, respond to local expectations and priorities, and meet statutory objectives and regulatory requirements for water. It will include financial forecasting information over 10 years, and infrastructure and investment information over 30+ years. Strategies prepared by water organisations will respond to matters in the statement of expectations. Prices and charges will be set in accordance with the proposals in the strategy. An annual budget will also be prepared for each financial year, consistent with the provider’s intended approach to funding, revenue, and pricing.

- **A water services annual report (prepared by water service providers)**

- A water services annual report is prepared by water services providers every year, reporting on the provider’s actual performance against the expectations and proposals in the above documents. It will include financial reporting and must be audited by the Auditor-General.

- 3.31 Under the options where a water organisation is responsible for providing water services instead of a council, the council will not include information about water services in its long-term plan, infrastructure strategy, or annual report.
- 3.32 Where the water organisation is a single Council water CCO then that Council is the 100% and only Shareholder of that water CCO. It is simpler for the water CCO to give effect to all the requirements of that Council as outlined in the statement of expectations (SOE), through the Water Services Strategy with progress reported through the Water Services Annual report.
- 3.33 If the Water organisations is a multi-council water CCO the same core documents must be prepared however the requirements of Hastings District Council in this case are one of 4 sets of requirements. Legislation outlines ways that water CCO ownership arrangements and rights and obligations can be set out through the water CCO constitution and Shareholder Agreement. Each council will also prepare a transfer agreement setting out matters being transferred to the water CCO. The Council SOE would be negotiated by the Councils based on the rights and obligations in the Shareholders Agreement.
- 3.34 The Local Government Water services bill states that a water organisation must “give effect to a statement of expectations provided by the shareholders of the water organisation”. This is a strict requirement, which leaves limited discretion to a water organisation to depart from the content of the SOE.

*Consultation requirements*

- 3.35 The Act specifies that consultation is mandatory on the Council’s proposed model or arrangement for its water service delivery, but optional on the balance of the WSDP.
- 3.36 However, a streamlined consultation is outlined in the Act, simplifying the process to assist with the preparation, consultation and adoption of a WSDP. This consultation process replaces the Part 6 of the LGA provisions.
- 3.37 The Act also specifies the information that must be provided about the proposed delivery model during consultation. These include:
- Specifying the proposed model or arrangements for delivering water services and the reasons for it.

- An analysis of the advantages and disadvantages of at least two options that have been considered; one of these is expected to be a status quo approach and the other a water services CCO. Council may decide to include analysis of additional options and should include in the consultation material any other options that have been identified as reasonably practicable by the Council.
- Potential impacts of proceeding or not proceeding with the proposal, including on rates, debt, levels of service, and any charges for water services.
- For a joint model, the implications for communities and accountability arrangements for communities throughout the joint service area.

3.38 While the Act provides for a streamlined approach to consultation, Council is proposing to take a thorough approach to this consultation given the significance to the communities affected, with a consultation that is more reflective of a Special Consultative Process as provided for in the LGA.

#### **Stocktake Across the Country**

3.39 At the time of drafting this report – 11 April 2025, the below summarises the number of councils around the country who have identified a preferred option and started their consultation process:

3.40 32 North Island councils have stated a preferred option and started their consultation process, with 11 councils – including four Hawke’s Bay TAs, yet to confirm their approach publicly. Of the councils who have stated a preferred option, the breakdown of this is:

- Joint Council CCO - 26
- Single Council CCO - 0
- In-House Model – 6

3.41 Note that the four Hawke’s Bay Councils will be formally declaring their preferred options for consultation at the end of April with Wairoa DC potentially being a little later.

3.42 12 South Island councils have stated a preferred option and started their consultation process, with 12 councils yet to confirm their approach publicly. Of the councils who have stated a preferred option, the breakdown of this is:

- Joint Council CCO - 4
- Single Council CCO - 2
- In-House Model – 6

## **4.0 Discussion – *Te Matapakitanga***

4.1 The decision regarding the future delivery of water services is a significant one, with long-term implications for financial sustainability, service quality, resilience, and governance. Council must carefully consider all options to ensure that the model chosen as the preferred option best meets the needs of the community, supports regional collaboration, and aligns with the central government’s expectations for the sector.

4.2 In order to assess the options, key financial and non-financial criteria were developed as a basis for evaluation.

#### **Financial Criteria**

4.3 The below financial criteria were developed by council officers across the four Hawke’s Bay Territorial Authority (TA) Councils as part of the financial modelling process to assess and compare potential water services delivery model options. (The expectation is that all options will meet the financial sustainability requirements set out in the legislation under the LWDW framework, therefore this requirement is excluded from the criteria.)

- **Average cost of delivering water services annually through to FY34**

This models the average cost per connected property for drinking water, wastewater, and stormwater services each year through to 2034 – the tenth year of current LTPs.

- **Council balance sheet and debt position**

This measures council’s debt position under each shortlisted delivery option against the limits imposed by itself or by regulators/LGFA. In-House and Council CCO options include three water’s debt, while the regional option assumes three water’s debt shifts off balance sheet. All other Council operations are modelled to continue ‘as is’, i.e. any headroom created is not assumed to be spent elsewhere.

**Non-financial Criteria**

4.4 Alongside the financial criteria, non-financial criteria were developed to assess the different delivery models. These criteria were developed with the legislative requirements in mind, as well as to align with the shared principles the region has agreed on to guide the decisions on water service delivery.

4.5 The shared principles were first developed for the Morrison Low work. These were re-tested with councils, mana whenua and other stakeholders in Hawke’s Bay in September 2024, where they were updated to reflect the current circumstances. Note, the re-testing of the shared principles was done prior to the Bill being introduced. The term “affordable” should be interchanged with “cost effective way of delivering to the new water standards and economic regulation”.

4.6 Agreed Principles:

- To deliver water services in a way that is affordable, effective and allows for equitable access
- To deliver water services that are safe, resilient and balance cost-effectiveness with high standard
- To deliver water services through a model that enables a meaningful role for Māori through governance and outcome-setting
- To deliver water services through a model that has the value of water at the centre in addressing both current and future needs
- To deliver water services in a way that supports our urban and rural communities ensuring targeted solutions that develop local capabilities for effective support and service delivery
- To deliver water services that builds enduring capability and capacity
- To deliver water services informed by meaningful community engagement and collaboration

4.7 The above principles were then used to develop a set of agreed non-financial criteria to assess options against, alongside any financial modelling:

Criteria	Explanation and Measures
Service provision	<ul style="list-style-type: none"> <li>• The extent to which a delivery model would be able to provide and maintain levels of service across water networks, including supporting equitable access to water services, and ensuring safe and environmentally sustainable outcomes.</li> <li>• The ability to identify and manage risks in alignment with industry best practices.</li> </ul>

<b>Resilience</b>	<ul style="list-style-type: none"> <li>• The extent to which a delivery model would support resilience, from both a financial and operational perspective, including the ability to support and respond to climate adaptation and emergencies.</li> <li>• The ability to respond to increasing demand and managing that demand effectively.</li> </ul>
<b>Capital delivery and asset management</b>	<ul style="list-style-type: none"> <li>• Ability to deliver the capital programme and improve asset management maturity.</li> </ul>
<b>Capability and capacity</b>	<ul style="list-style-type: none"> <li>• Ability to build sustainable regional capability in three water development and operations.</li> <li>• Ability to build a long-term stable pipeline of work at scale and build regional supplier capacity and capability.</li> </ul>
<b>Scale and opportunities for efficiency</b>	<ul style="list-style-type: none"> <li>• Ability to lower unit cost of infrastructure through standardisation and modular approach to infrastructure development and operations.</li> </ul>
<b>Mana whenua involvement</b>	<ul style="list-style-type: none"> <li>• The extent to which each option is designed to reflect the priorities of, and agreed outcomes for, mana whenua.</li> </ul>
<b>Community influence and engagement</b>	<ul style="list-style-type: none"> <li>• The extent to which each option enables the ability for communities to engage with water decision-making.</li> </ul>

### Financial Modelling

- 4.8 Hawke’s Bay councils have undertaken financial scenario modelling and analysis to understand the implications of the new requirements and what these would mean for the different delivery models.
- 4.9 Initial indicative modelling was undertaken over the second half of 2024 to understand the financial sustainability of each council’s water services under different LWDW delivery options. This assessed whether each water service delivery option could be financially sustainable, where water services revenue and costs are ‘ring-fenced’ and meet the financial sustainability criteria of the new Local Water Done Well requirements. A number of financial outcomes were modelled across a 10-year period and assessed, including indicative costs for delivering water to a property connected to all three waters under the delivery models allowed for under Local Water Done Well. Resulting Council debt and financial positions were also modelled and assessed to determine how they might be affected by the characteristics of different delivery models.
- 4.10 The financial modelling presented in the report and included as **Attachment 2**, has been updated from the initial indicative modelling. It has utilised further guidance from the DIA, the LGFA, where most New Zealand Councils source their borrowing from - and the legislative requirements under Local Water Done Well to determine a set of inputs and assumptions for the modelling. The latest Long-Term Plan or updated Annual Plan data of each council was inputted to create a set of central scenarios for each delivery option, for each council.



- 4.11 The data includes financial information from each council, like asset valuation, depreciation, funding approach and financing costs - as well as their key statistics like their population size, number of connected and non-connected properties, and the length and age of the reticulated network.
- 4.12 This provides for a clear, standardised and comparable assessment of what each delivery model would look like for each council across key metrics like debt and cost per connection for a property with all three waters. It builds off modelling carried out for the region previously.
- 4.13 These inputs and assumptions are detailed further in Table 6 of **Attachment 2**. Further information on the metrics is detailed in Table 4 of **Attachment 2**.
- 4.14 Financial modelling can only provide indicative projections at a point in time but provides a useful guide for the direction for costs and Council debt under the different delivery models being analysed. The analysis is based on several assumptions about how the new economic regulation regime will be applied by the Commerce Commission, as well as final financial assessments by entities including the LGFA and credit rating agencies. Establishment and ongoing costs have been estimated using previous analysis and benchmarking.
- 4.15 However, it does not consider detailed implementation arrangements, such as organisational design (e.g. which particular staff from each council shift to a joint entity) or commercial agreements (e.g. whether contracts will be entered into with different construction firms). If councils agree to progress the development of a regional CCO, then further work would be undertaken on detailed operational design, including shareholding splits between the shareholding councils. The modelling assumes no one Council holds a majority stake in a Regional CCO.
- 4.16 **Consultation Process**
- 4.17 As detailed in the background section of this report, it is proposed that the consultation process will, at a minimum, be aligned with the consultation processes outlined in the Act, but with three options presented rather than the minimum of two.
- 4.18 The draft primary consultation document is attached as **Attachment 3**. This is the full consultation document as required under the Act. As at today this report remains in draft pending Council's decisions. It is premised on a preferred Option 1, per the recommendation, however a plan is in place to amend the document should the decision differ from the recommendation. Once finalised this full consultation document will be available on-line, with hard copies from Hastings Libraries and Council's Customer Services Centre.
- 4.19 A summary document (essentially a shortened version of the main document with simplified messaging) is being prepared, again subject to Council's decisions. It will be delivered to letterboxes across Hastings. It will be circulated to councillors ahead of publication.
- 4.20 Key messages:  
There are three options for Hastings – Council's preferred option is a regional Council Controlled Organisation (CCO) with Napier, Wairoa and Central Hawke's Bay: Have your say!
- The regional option:
- is the most cost-effective for residents and ratepayers
  - ring-fences income and costs to individual council areas (at least initially), so Hastings residents and ratepayers pay only for their area
- 4.21 The audiences are all Hastings residents and non-resident ratepayers, (including but not limited to: mana whenua, youth, hard to reach, businesses, staff and governance); the channels are very broad (as befits the importance of the consultation), including static and digital billboards, all relevant internal and external digital advertising and social media options, email lists, in-person engagement opportunities, including via Waiaroha, Heretaunga St shop, e live, and an on-request presentation to organisations). **NB: The RRA is responsible for marketing via print, radio, Google ads and bus backs.**

## OPTIONS ANALYSIS

### *Financial Sustainability and Cost to Ratepayer*

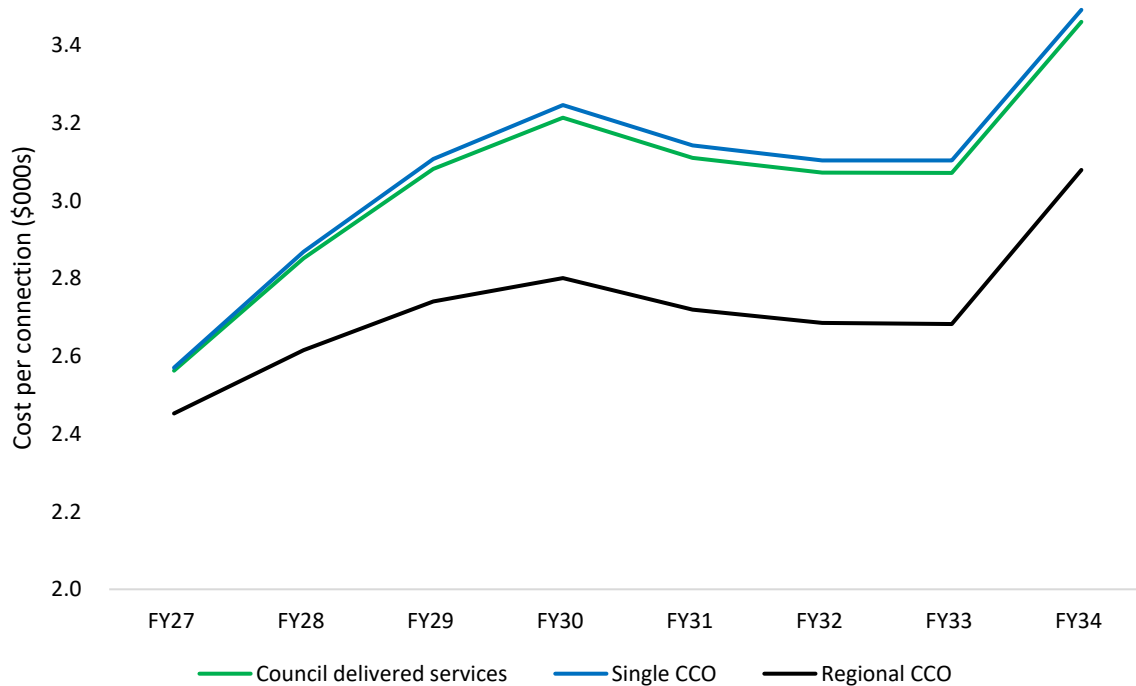
- 4.22 One of the primary benefits of the Regional CCO model is the improved financial sustainability it offers through operating and cost efficiencies. While costs are likely to be ring-fenced between councils to ensure financial independence, the Regional CCO allows for greater coordination and collaboration in the delivery of water services, which leads to reduced operational costs and enhanced efficiency.
- 4.23 For instance, by leveraging shared expertise, resources, and bulk purchasing power, the Regional CCO is expected to achieve lower per-unit costs for services and infrastructure compared to each council operating independently. These efficiencies can be achieved in areas such as procurement, maintenance, staffing, and technology investments. The result is a more cost-effective delivery model for water services, even while financial risks and liabilities remain distinct for each council.
- 4.24 **Regardless of the model chosen, the status quo for water charges is no longer viable.** Current water charges, as set in the latest Long-Term Plan (LTP), will not be sufficient to meet the financial requirements imposed by new regulatory and legislative changes. Councils will need to increase charges to consumers to meet debt covenant ratios and ensure compliance with mandatory financial sustainability measures. This increase in charges is necessary to ensure that councils remain financially stable and able to fund water services in line with the new requirements.
- 4.25 The cost per connection under each model, as per modelling data in **Attachment 2** is:

Average cost per connection (\$000s)

Model	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
In-house	\$2.6	\$2.9	\$3.1	\$3.2	\$3.1	\$3.1	\$3.1	\$3.5
Single CCO	\$2.6	\$2.9	\$3.1	\$3.3	\$3.1	\$3.1	\$3.1	\$3.5
Regional CCO	\$2.5	\$2.6	\$2.7	\$2.8	\$2.7	\$2.7	\$2.7	\$3.1

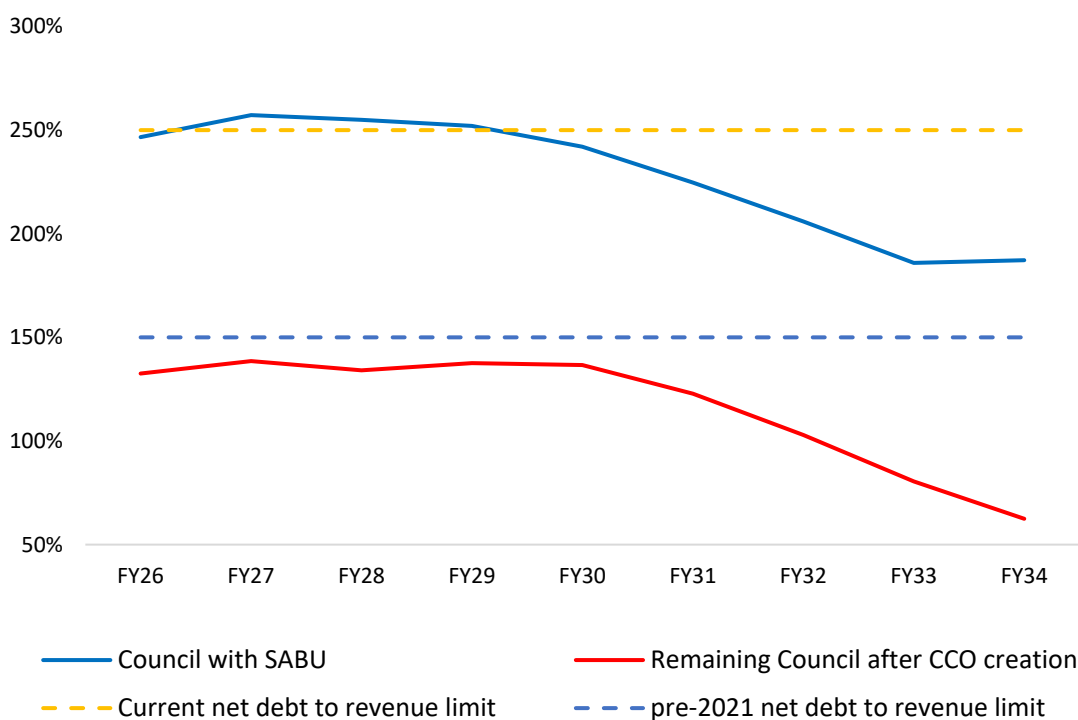
The graph below, which compares the current average connection costs outlined in the table above for each model based on the latest financial modelling.

Average cost per connection (\$000s)



- 4.26 As previously outlined, retaining the management of three waters as Council delivered services would significantly constrain the Council’s debt headroom, bringing it close to the existing internal policy debt limit. Debt required to fund the necessary three waters investments and meet the new financial requirements imposed by the regulatory framework, would consume the majority of Council’s borrowing headroom providing very little capacity to debt fund other Council infrastructure investments, whether they be roading or community infrastructure related.
- 4.27 Establishing either an HDC CCO or a Regional CCO would align the Council’s net debt-to-revenue ratio more closely with pre-Cyclone Gabrielle levels and provide increased financial headroom to respond to future emergencies or make allowances for other Council activity requirements.
- 4.28 The graph below illustrates the impact on Council’s net debt to revenue ratio under each scenario. It compares the position where three waters remain in-house with the improved debt position resulting from the establishment of a CCO, which would remove three waters-related debt from the Council’s balance sheet.

Council net debt to revenue %



\*This is based on Council’s internal net debt to revenue calculation where one off Cyclone Recovery revenue is excluded

Non-financial Criteria analysis

- 4.29 In addition to financial sustainability, Councillors have asked for an assessment of each delivery model against a wider set of non-financial criteria. These criteria reflect the strategic priorities for Council, including service quality, resilience, capability building, and partnership with mana whenua. This section outlines how each model performs against these factors.

Service Quality and Equitable Outcomes

- 4.30 The Regional CCO model provides the greatest potential to maintain and enhance service levels across the water networks. By leveraging shared systems, resources, and regional oversight, this model supports consistent, high-quality service delivery and improved access to safe and reliable water services. It also enables more equitable service outcomes across the region through coordinated planning and prioritisation. Importantly, while regional collaboration allows for smarter investment decisions, each council retains financial independence; ensuring that funding remains ring-fenced and that no council is required to subsidise the capital works of another.
- 4.31 A single council-owned CCO would provide more operational flexibility than the in-house model, with a governance structure that could support longer-term planning and service improvements. However, it lacks the ability to coordinate service levels or share capabilities across a wider area, limiting its capacity to uplift underperforming parts of the network or respond to disparities in service outcomes.
- 4.32 The in-house model provides direct control but is the least likely to deliver consistent, long-term service quality improvements. As regulatory requirements increase and expectations around environmental and health outcomes rise, the limitations of a single-council model – particularly around access to skilled staff and funding – may constrain the ability to maintain service levels or respond proactively to issues.

### **Resilience, capital delivery and asset management**

- 4.33 Water infrastructure requires substantial, long-term investment, and resilience is critical to ensuring reliable and sustainable service delivery. This Council is facing significant financial constraints, with its limited debt headroom, and managing the risks associated with water service delivery will potentially be a challenge. The council's indebtedness means that there is limited flexibility in its finances to invest in water infrastructure without compromising other essential services and projects across the community.
- 4.34 Given these financial constraints, prioritising water services due to regulatory changes, such as compliance with national water standards or the need to upgrade aging infrastructure, could divert funding away from other vital council activities. Essential areas like community facilities and transportation may suffer as a result, with projects being delayed or scaled back in favour of addressing immediate water infrastructure needs. This creates a difficult balancing act, particularly when the council is required to address pressing regulatory requirements within water services but also has obligations to ensure the ongoing well-being and development of the wider community.
- 4.35 The Regional CCO model offers a flexible and agile solution to this issue by enabling councils to collaborate and achieve operational and cost efficiencies. Through regional cooperation, councils can share expertise, resources, and services, leading to reduced operational costs without compromising their financial independence. Financial risks associated with water infrastructure investments, such as compliance costs and major capital projects, remain ring-fenced between councils but can be managed more effectively through shared approaches. This allows each council to continue meeting its water service obligations while minimizing the impact on other essential areas, ensuring that other activities and capital projects are not negatively affected by the demands of water infrastructure investment.
- 4.36 Moreover, the Regional CCO model provides greater access to expertise and investment, which means that the Regional CCO can participate in larger, more cost-effective projects that improve overall service delivery. These projects can be developed at a regional level, where economies of scale and joint investment can lead to more efficient, resilient water systems that serve the needs of multiple communities. With shared resources, the council can focus on ensuring that its water services meet regulatory requirements, while still having the capacity to fund and prioritize other critical areas.
- 4.37 In contrast, remaining with the in-house business unit or a single council-owned CCO would place more pressure on the council's financial situation, making it harder to balance the competing demands of water infrastructure investment and other community services. Without the support of regional collaboration, the council would face more significant challenges in prioritising water services without impacting other areas of service delivery. The Regional CCO model mitigates these concerns by ensuring a more equitable distribution of costs, risks, and resources across all participating councils, enabling a more sustainable and resilient approach to both water services and broader community needs.

### **Capability and Capacity**

- 4.38 The Regional CCO model enhances the ability to attract and retain high-quality technical expertise, which is critical for the effective management of water services. By pooling resources across multiple councils, the Regional CCO can better access specialised knowledge, technology, and skilled personnel. This is increasingly important given the growing complexity of water management, including the challenges of climate change, evolving regulatory requirements, and increasing public expectations.
- 4.39 Beyond internal capability, the Regional CCO model also supports the development of a stronger and more sustainable supplier market. By coordinating investment across councils, the model enables the establishment of long-term, visible procurement pipelines that give contractors and suppliers confidence to invest in workforce growth, training, and innovation. This leads to better market competition, improved delivery capability, and more consistent service outcomes across the

region. The scale of this model also supports standardised procurement practices and modular delivery approaches, which can lower unit infrastructure costs and improve delivery efficiency over time.

- 4.40 While a single council-owned CCO could offer a degree of operational flexibility, it would not benefit from the same breadth of expertise or ability to support a region-wide industry pipeline. Similarly, the in-house business unit—while providing full operational control—may face significant challenges in accessing the technical innovation and procurement scale needed to future-proof the service. These models are less able to influence the market at scale, limiting their ability to drive down infrastructure unit costs through standardisation and modular delivery approaches.
- 4.41 Smaller entities also face greater challenges in retaining top-tier staff. Limited scale, resources, and advancement opportunities mean that skilled personnel may be drawn to larger regional or national organisations. This can impact service quality, continuity, and institutional knowledge retention. The Regional CCO model, by offering broader career pathways, coordinated training initiatives, and access to a larger talent pool, improves the ability to both attract and retain high-performing staff while also building sustainable capability within the wider water sector.

#### **Mana Whenua involvement**

- 4.42 A core consideration in the selection of a delivery model is the extent to which it reflects the priorities of and supports enduring relationships with mana whenua. Each model presents different opportunities and limitations in enabling effective collaboration, influence, and shared outcomes in the governance and delivery of water services.
- 4.43 The Regional CCO model provides the strongest platform for embedding Te Tiriti o Waitangi partnerships in a meaningful and consistent way across the region. It enables a consolidated and coordinated approach to engagement and co-governance with mana whenua, which can help build stronger, more enduring relationships. The scale of the entity allows for dedicated capability to support partnership development, culturally grounded planning, and an outcomes framework that align with mana whenua aspirations. It also supports the creation of region-wide mechanisms that enable mana whenua voices to be reflected in strategic decision-making, investment planning, and service delivery standards.
- 4.44 The HDC CCO model may allow for greater flexibility in how mana whenua relationships are structured locally, but it may lack the resourcing and system maturity to consistently deliver on those relationships at a strategic level. Engagement may also be less consistent across the region, particularly where water networks and iwi/hapū interests span multiple boundaries.
- 4.45 The in-house business unit maintains direct council control, which could support existing local partnerships and enable place-based responses. However, it may have less capacity to invest in dedicated iwi relationship management, capability development, or co-designed initiatives than a Regional CCO. There is also a risk that resource constraints could limit the ability to respond meaningfully to mana whenua aspirations in water planning and delivery.
- 4.46 Overall, while each model can be structured to uphold Te Tiriti commitments, the Regional CCO provides the greatest opportunity to invest in partnership capability, embed cultural values into regional water management, and support mana whenua in shaping long-term outcomes for water.

## **5.0 Options – Ngā Kōwhiringa**

- 5.1 The Local Government (Water Services) Bill requires that all reasonably practicable options for delivering water services be included in the public consultation. In this case, the options are:
- In-house Business Unit
  - Single Council-Owned Council-Controlled Organisation
  - Multiple Council-Owned Regional Council-Controlled Organisation

- 5.2 The consultation document must present each of these models objectively, with a clear explanation of their respective implications. In addition, the Council must identify one of these models as its preferred option for consultation. This report presents three possible options for Council's decision on which model to identify as preferred.
- 5.3 A detailed analysis of the three water service delivery models is included as **Attachment 3** and in section 4.0 above.

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

- 5.4 Under this option, Council would consult on all three models but indicate that it prefers a Regional CCO model.

**Advantages:**

- Creates opportunities for operating and cost efficiencies while maintaining financial ringfencing.
- Improves ability to attract and retain specialist staff within a larger, more resilient entity.
- Offers more agile and flexible responses to regulatory and operational challenges.
- Reduces pressure on Council's debt capacity, supporting other council activities and capital works.
- Aligns well with national expectations for scale, resilience, and service capability.
- Governance and accountability risks are mitigated through shareholder agreements, water strategies, letters of shareholder expectations, and structured reporting mechanisms.

**Disadvantages:**

- Requires compromise and coordination with other councils on governance and prioritisation
- Perceived reduction in local control over service delivery decisions
- May involve longer establishment timeframes due to multi-party arrangements

- 5.5 This option presents the Regional CCO model as the most likely to deliver long-term sustainability, efficiency, and service quality, while also addressing current financial constraints.

**Option Two – Te Kōwhiringa Tuarua**

- 5.6 Under this option, Council would consult on all three models but indicate that it prefers a Single Council-Owned CCO model.

**Advantages:**

- Maintains full ownership and strategic control over service delivery
- Provides operational independence and commercial flexibility compared to in-house delivery
- More adaptable to performance-focused service delivery and contractual management

**Disadvantages:**

- Limited access to efficiency gains from shared services or regional expertise
- Higher exposure to staffing challenges, including risk of staff migration to larger regional entities
- Places full financial and governance burden on a single council
- May not fully align with national expectations around regional coordination or resilience

- Does not alleviate debt headroom pressure to the same extent as a regional model

**Option Three – Te Kōwhiringa Tuatoru**

5.7 Under this option, Council would consult on all three models but indicate that it prefers an In-House Business Unit model.

**Advantages:**

- Maximum direct control over operations, staffing, and service priorities
- Maintains status quo governance and organisational familiarity
- No establishment time or external negotiations required

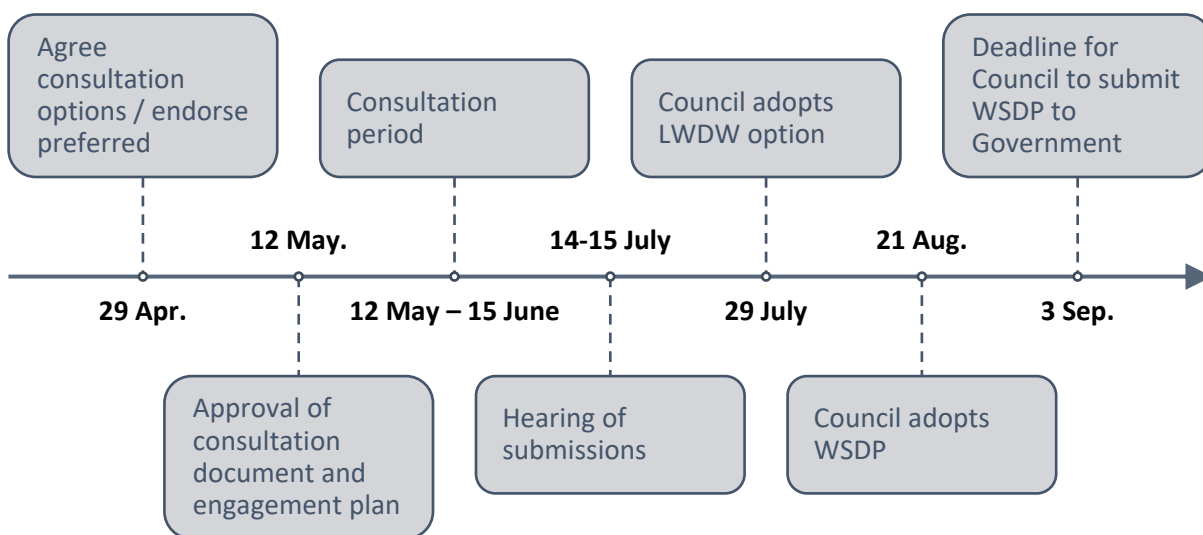
**Disadvantages:**

- Poor alignment with national policy direction toward scale and capability
- Limited resilience and flexibility to respond to increasing regulatory demands
- High risk of losing skilled staff to larger regional entities
- Significantly constrained by Council’s existing debt limits, which may impact other Council services or investments
- Does not benefit from cost efficiencies or shared risk management
- Less likely to meet future compliance, financial sustainability, and service quality expectations

**6.0 Next steps – Te Anga Whakamua**

6.1 Key next steps will include Officers finalising the consultation material based on today’s recommendations. Subject to recommendation D being approved by Council, the Chief Executive will then approve the final consultation document for publication on 12 May 2025.

**Summary of key dates and milestones:**



6.2 The meeting dates above for the hearing of submissions and Council decision making in July are indicative and subject to change and Council decisions.

6.3 During the consultation process, officers will prepare advice on the next steps should a Regional CCO be approved following consultation on the basis that any advice will be used to support that decision making process.



**Attachments:**

1	Summary of Water Reform History	CG-17-1-01530	Under Separate Cover
2	Modelling and Criteria Assessment	CG-17-1-01531	Under Separate Cover
3	Draft Consultation Document - Local Water Done Well	CG-17-1-01532	Under Separate Cover

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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 well beings of communities in the present and for the future.

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

Engagement with mana whenua and opportunities for embedding Te Tiriti o Waitangi partnerships have been assessed in the report with the Regional CCO approach providing the greatest opportunity to invest in partnership capability, embed cultural values into regional water management, and support mana whenua in shaping long-term outcomes for water.

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### Sustainability - *Te Toitūtanga*

The Local Water Done Well reform with the overlay of the economic and environmental regulators will drive improved sustainability practices in both a financial and environmental sense.

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### Financial considerations - *Ngā Whakaarohanga Ahumoni*

The financial considerations for each option have been canvassed in the report.

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### Significance and Engagement - *Te Hiranga me te Tūhonotanga*

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of high significance or of great importance.

Public consultation is required before these decisions are taken, as legislated in the Act. This will be undertaken in line with the streamlined approach provided for in the Act, though it is recommended

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that Council consult on the three models/options, rather than just two, given the significant level of financial modelling and analysis that has been undertaken for Hawke's Bay.

While the ultimate decision around water service delivery for the district will involve strategic assets, have implications for Council's purpose and obligations and will include financial costs for Council and the community; the decisions required from this meeting and report are not the final decision-making juncture.

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

The consultation process is outlined in the report. There will be a comprehensive consultation process with the community on the options presented and in line with the requirements of the Act.

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### **Risks**

A significant amount of work has been undertaken to assess the options available to Council. The consultation process recommended to Council exceeds the requirements set out in the Act and the Bill currently before Parliament and as such the risks associated with the decisions required from this report have been managed. The community will have an opportunity to voice their opinions regarding what is being proposed and recommended and as such it is the next steps that will require further risk assessments and mitigations.

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

The Rural Community Board have not been directly consulted with on this process noting that the major impacts of this reform and options is on the urban communities where the three water services are supplied.

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Tuesday, 29 April 2025

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

*Te Rārangi Take*

# Report to Council

**Nā:** Lex Verhoeven, Strategy Manager  
**From:** Steve Cave, 3 Waters Manager

*Te Take:* Statement of Proposal - Whakatu West Stormwater Scheme  
**Subject:** Statement of Proposal - Whakatu West Stormwater Scheme

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

- 1.1 This proposal seeks to establish a new stormwater solution in the Whakatu West Industrial area and to recover the cost predominantly from landowners deemed to be in the serviceable area of benefit.
- 1.2 This formal proposal follows numerous conversations with landowners on this matter noting not all landowners were able to be contacted or responded to contact attempts. Its purpose is to seek to establish a higher level of service to future flooding events, particularly as storm events become more frequent and intense. The infrastructure solution consists of a pump station, detention area and new discharge pipe into the Clive River.
- 1.3 The forecast cost of the scheme is \$6.3m and if the proposal is adopted after consultation, the remaining \$5.7m of funding required would be funded by a targeted rate set on properties in the scheme area, repaid over a 10-year period.
- 1.4 The scheme would require a resource consent from the Hawke's Bay Regional Council and Hastings District Council. That consent will involve undertaking engagement with appropriate Mana Whenua and the Whakatu community.
- 1.5 A full Statement of Proposal in accordance with the Local Government Act 2002 will be circulated separately for Council adoption.

## 2.0 Recommendations - *Ngā Tūtohunga*

- A) That Council receive the report titled Statement of Proposal - Whakatu West Stormwater Scheme dated 29 April 2025.
- B) That Council adopt the Statement of Proposal for community consultation in accordance with the relevant provisions of the Local Government Act 2002. That the Council circulate the proposal directly to impacted property owners and encourage their involvement in the consultation process recognising their status as affected parties.

- C) That Council delegate to the Chief Executive to make any necessary corrections and additions to the Statement of Proposal prior to its distribution.

### 3.0 Background – *Te Horopaki*

- 3.1 The Whakatū Industrial Area comprises the land primarily between Anderson Road, the Karamu Stream and the Clive River. Prior to development in the area, land drainage was provided through the Works and Graeme Drains and administered by the Hawke’s Bay Regional Council. The capacity provided through these drains was adequate for land drainage but not for industrial development where prolonged ponding of water and the risk of inundation were not acceptable.
- 3.2 In 2006 a Whakatū Industrial Area stormwater scheme was established after a period of engagement and consultation. This scheme saw the construction of a 1650mm diameter gravity pipeline along an alignment to replace the then existing Works Drain in 2007. A series of piped reticulation and swale drains were constructed to convey stormwater (roof, hardstand and overland flow) to the pipeline with discharge to the Clive River.
- 3.3 With the then new pipeline in place the stormwater drainage, operating as a gravity system, provided sufficient capacity to cater for a 1 in 5 year storm event (this being the standard design).
- 3.4 Limitations of the gravity system were acknowledged at the time. It was identified that the outlet of the gravity pipe could be affected by water levels in the Clive River. If the river is in flood then a flap gate on the outlet of the gravity pipe will close, there will be no stormwater discharge from Whakatu Industrial Area and flooding will result (as it does now) until the Clive River drops.
- 3.5 It was further acknowledged that a pumped solution would increase benefit derived from the gravity system due to being able to continue to operate when Karamu stream levels rise above the gravity outlet. This option was considered in 2006 however it significantly increased the cost above that of the gravity system alone and as a result the pumped solution did not progress. It was identified that a pumped solution be revisited at a later date.

### 4.0 Discussion – *Te Matapakitanga*

- 4.1 Following a number of discussions and consideration of concepts officers have now completed a level of due diligence and have progressed detailed design on a pumped stormwater solution developing a proposal for a new stormwater scheme with a pump station and detention areas, that will provide for a 1:50 year storm event.
- 4.2 The new scheme area is defined from rain on grid modelling data and is based on the catchment that collects stormwater in a 1:50 storm event.
- 4.3 Landowner meetings were held on 24<sup>th</sup> March and 7<sup>th</sup> April to outline the proposal and address various landowners’ queries. An overview of the funding strategy was also given.
- 4.4 The proposed rating strategy centres on a simple catchment approach whereby all properties contributing stormwater into the collecting catchment would be rated for the scheme based on the land area of their property. The Statement of Proposal seeks landowner views on this approach.
- 4.5 **Capital Plan & Funding considerations**
- 4.6 The Whakatu Stormwater project has not been provided for in Council’s capital plan or LTP’s of the past, as it’s been considered a project in need of a funding solution before its given that status.
- 4.7 The decision for Council in the context of Councils overall capital plan “is can it be accommodated” if a funding solution is determined. The impact for Council will be limited to the project consuming some of Council’s debt head room, as the capital cost and debt servicing will be funded from landowners.

4.8 Alternatively, if Council can continue to refine its capital plan and forecast a capital spend less than that in the LTP for the 2025/26 year, then there may be no overall impact. Officers are continuing to build that capital plan picture, but in the context of a \$5.7m project within an overall capital plan of \$147m (excluding Cyclone Recovery spend) are comfortable for the project to proceed to formal consultation. A final decision on the project will be made in June at which point officers will have more certainty as to the potential underspend on the current year's programme.

#### 4.9 **Consenting**

4.10 To proceed to construction a variation to the existing stormwater consent for the Whakatu Industrial Area (relating to the increase in outlets to the Karamu Stream) as well as additional consenting under the Regional Plan to undertake physical works in or adjacent to watercourses, the diversion of water, incidental discharges of sediment associated with these activities, and for earthworks under the District Plan exceeding permitted cut/fill volumes and being within a wahi tapu area will be required.

4.11 To date no consenting barriers have been raised by the potential scheme members on consenting matters during the two meetings held. If approval from Council to proceed to formal engagement is given, it would be advantageous to the engagement process and construction timeline to commence the resource consent application preparation at that time. Additionally, this will enable early formal consultation with mana whenua to proceed. The benefit of this approach is early identification of any as yet unidentified consenting related matters and as well should a decision be made to proceed with the scheme, critical path items could be ordered soon after striking of a targeted rate.

### 5.0 **Options – Ngā Kōwhiringa**

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

#### **Adopt the Statement of Proposal for consultation.**

5.1 Council Officers have held two landowner information sessions on the proposal along with various communication with individual property owners, including site visits in some instances. It is recommended that a formal proposal is put to landowners, including a preference form to enable Council to fully understand landowner views on the proposal prior to Council decision making in June 2025.

#### Advantages

- Will enable landowners to have their say on a proposal that has been developed to provide the best long-term solution to potential flooding issues in the area in the future.

#### Disadvantages

- The cost of the scheme will place a significant financial commitment on landowners. However, undertaking the consultative process as recommended, will enable individual property owners to make their own value and investment judgements. Council will need to consider the feedback it receives as part of its decision-making process.

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

#### **Do not adopt the Statement of Proposal for consultation**

5.2 The status quo would see Council not adopting the Statement of Proposal for consultation.

#### Advantages

- No clear advantages of this option have been identified.

#### Disadvantages

- It would not give landowners the opportunity to have their say on a proposal that impacts their future. It would not bring the work done to date and investment made by Council in the

investigation and design phase to a conclusion. This matter would be left waiting for another day and for future Council consideration.

## 6.0 Next steps – *Te Anga Whakamua*

- 6.1 Should the Statement of Proposal be adopted by Council for consultation then a consultative process in accordance with the Local Government Act 2002 would commence. This will include the proposal being circulated directly to impacted landowners, being available on Council’s website for wider community feedback and landowner meetings held during May 2025. Feedback to the proposal would be considered by Council in June and a final decision made at that time.

### 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 the Economic and Environmental wellbeing of communities in the present and for the future.

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

The proposed consenting process via the Hawke’s Bay Regional Council will take into account the views of Maori.

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### Sustainability - *Te Toitūtanga*

The proposed consenting process via the Hawke’s Bay Regional Council will address the environmental considerations related to this stormwater solution proposal.

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### Financial considerations - *Ngā Whakaarohanga Ahumoni*

The financial considerations are outlined in the Statement of Proposal and properties affected by the proposal have been separately identified.

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### Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision if adopted requires adherence to the Local Government Act Special Consultative Procedure. That procedure is proposed to be followed which also aligns with the requirements of Council’s Significance and Engagement Policy.

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

Consultation will meet the Local Government Act requirements in respect of the Special Consultative Procedure.

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**Risks**

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

Not Applicable.

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Tuesday, 29 April 2025

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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: Gus Charteris, Interim Group Manager: Strategy**

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*Te Take:*  
**Subject: Review of Regional Structures**

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

- 1.1 In October 2024, the Matariki Governance Group (MGG) agreed to undertake a piece of work on the future structure and architecture required for the region to deliver on its priorities.
- 1.2 The backdrop and rationale for this review was the changing operating environment influenced by central Government reforms and future ‘Regional Deals’; the constrained fiscal environment Hawke’s Bay Councils find themselves in post-Cyclone Gabrielle; the Hawke’s Bay Regional Council (HBRC) decision to conclude funding for HB Tourism on 30 June 2025; expiration of the central Government funding for the HB Regional Recovery Agency (RRA) from March 2026; the three-year funding agreement for the Hawke’s Bay Regional Economic Development Agency (HBREDA) expiring at the end of the 2024/25 fiscal year; and the fact that for the past two years the region has operated with two parallel regional development agencies – HBREDA and the RRA.
- 1.3 This ‘*Review of Regional Structures*’ has included consideration of:
  - Current and future priority areas of work where it potentially makes sense to take a regional approach, across Councils and PSGEs<sup>1</sup>, and other regional entities.
  - How this work can be best delivered, and what this might mean for current regional structures and delivery agents HBREDA and the RRA.
  - The cost implications of delivery options; and
  - Local Government requirements relating to accountability and transparency (for example, the role of elected members in decision making, Local Government Act responsibilities and associated delegations).

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<sup>1</sup> Mana Ahuriri Trust; Ngāti Pāhauwera Development Trust; Tamatea Pōkai Whenua; Maungaharuru-Tangitū Trust; Hineuru Iwi Trust; Tātau Tātau o Te Wairoa; Ngāti Kahungunu Iwi Incorporated.

- 1.4 On Friday 11 April 2025, MGG received the 'Review of Regional Structures: Final Recommendation Report' (see Appendix A), and subsequently made the following key decisions:
- Retain MGG as the key regional partnership forum between Hawke's Bay councils and PSGEs, with a sharpened focus on strategic leadership and oversight of shared regional priorities.
  - Strengthen governance, accountability, and transparency disciplines, including updating MGG's terms of reference, formalising its relationship with councils, and improving visibility and reporting on progress against regional priorities.
  - Transition to a refreshed regional delivery entity using the existing legal structure of HBREDA, which will incorporate key functions from the RRA.
  - Focus funding on a small set of agreed shared priorities, within the existing Council funding proved for HBREDA. MGG and the refreshed delivery entity will continue seeking additional central Government and private-sector investment.
  - Retain HB Tourism as a separate, focused delivery agency with its own funding and governance, recognising its specialist capability and co-investment from industry.
- 1.5 MGG is named as the shareholder representative in the HBREDA constitution and so has the authority to make these decisions. The key decisions and areas of engagement for councils (and PSGEs) will be related to the following:
- Contributing to the development, and endorsement, of the "regional priorities" approach and Letters of Expectation that will guide the delivery, monitoring, and evaluation of regional priorities and outcomes we want for our communities.
  - Agreement to ongoing funding for HBREDA based on the "regional priorities" approach and strengthened accountability disciplines that meet local government legislative requirements.
  - Confirming and agreeing the Terms of Reference of MGG and any delegations provided by Councils.
- 1.6 Looking ahead there is an expectation there will be a more interactive relationship between MGG and the governing bodies of MGG members. This will involve more structured updates and reporting from the Mayor to the Council. Officers also recommend that Council adopts the actions recommended to create fit-for purpose internal processes to support the Mayor as the Council's MGG representative. For Council this includes directing the Chief Executive to:
- Nominate the Group Manager, Strategy, as the senior council officer responsible for MGG. This role would support the Mayor and Chief Executive to participate effectively in MGG discussions and for sharing and disseminating MGG-related information (e.g. papers supporting MGG discussion and minutes) to support coordination and alignment of, and with, identified shared regional priorities.
  - Create a regular (e.g. annual) process to consider key regional priorities from Council's perspective. This information would be used to inform MGG consideration of shared regional priorities.
  - Create an annual process to consider Council feedback on the Letter of Expectation for HBREDA.
  - Build, with MGG and HBREDA, an efficient and comprehensive reporting process whereby Council is provided with performance and outcome reporting on the activities delegated to MGG and/or HBREDA so Council can execute its responsibilities under the Local Government Act (LGA).

1.7 To support a smooth transition, MGG has accepted the resignations of the current HBREDA Board (the HBREDA Board has also accepted the resignation of the Chief Executive) and has acknowledged their significant contribution to building a strong foundation for regional delivery. The next steps include:

- Appointment of interim independent directors for HBREDA to work with the RRA board to oversee the transition.
- A coordinated process between the boards of HBREDA and RRA to clarify regional priorities, which will be the focus of delivery efforts from 1 April 2026 (once HBREDA and RRA functions have been merged into the single refreshed delivery entity).
- Recruitment of executive leadership and delivery capability to deliver the work programmes supporting identified shared regional priorities.

## 2.0 Recommendations - *Ngā Tūtohunga*

- A) That Council receive the report titled Review of Regional Structures dated 29 April 2025.
- B) That Council note that the Matariki Governance Group (MGG), in its capacity as shareholder representative, has accepted the recommendations of the *'Review of Regional Structures, Recommendation Report'*, dated 14 April 2025.
- C) That Council note that the key decisions and areas of engagement for Council will be related to the following:
  - i. Contributing to the development, and endorsement, of the 'regional priorities' approach and Letters of Expectation that will guide the delivery, monitoring, and evaluation of regional priorities and outcomes we want for our communities.
  - ii. Agreement to ongoing funding for HBREDA based on the "regional priorities" approach and strengthened accountability disciplines that meet local government legislative requirements.
  - iii. Confirming and agreeing the Terms of Reference of MGG and any delegations provided by Councils.
- D) That Council direct the Chief Executive to create fit-for purpose internal processes to support the Mayor as the Council's MGG representative. This includes:
  - i. Supporting the Mayor, as Council's MGG representative, to provide more structured updates and reporting on MGG and the delivery of regional priorities to Council.
  - ii. Nominating the Group Manager, Strategy, as the senior council officer responsible for MGG. This role will support the Mayor and Chief Executive to participate effectively in MGG discussions and for sharing and disseminating MGG-related information (e.g. papers supporting MGG discussion and minutes) to support coordination and alignment of, and with, identified shared regional priorities.
  - iii. Creating a regular (e.g. annual) process to consider key regional priorities from Council's perspective. This information would be used to inform MGG consideration of shared regional priorities.
  - iv. Creating an annual process to consider Council feedback on the Letter of Expectation for HBREDA.
  - v. Building, with MGG and HBREDA an efficient and comprehensive reporting process whereby Council is provided with performance and outcome reporting on the

activities delegated to MGG and/or HBREDA so Council can execute its responsibilities under the Local Government Act (LGA).

### 3.0 Background – *Te Horopaki*

- 3.1 The Matariki Governance Group (MGG) is Hawke’s regional leadership forum made up of the region’s Mayors, Regional Council Chair, and Chairs of Post-Settlement Governance Entities (PSGEs). The model is based on a partnership between local government and mana whenua. Its shared vision is that “every household and every whānau is actively engaged in, contributing to, and benefiting from a thriving Hawke’s Bay economy”. This vision sits at the heart of the rationale for regional prioritisation, coordination, alignment, advocacy and delivery, guided by MGG.
- 3.2 In October 2024, MGG agreed to undertake a piece of work on the future structure and architecture required for the region to deliver on its priorities. The review, completed in March 2025, was undertaken against the backdrop of significant changes to government policy and funding mechanisms, increasing financial pressures on councils, and the upcoming end of central Government funding for the RRA in March 2026.
- 3.3 In undertaking the review MGG noted that “MGG members, both individually and collectively, need strong, simple, and coordinated functions and advocacy at a regional level to achieve their shared desired outcomes for the region. This must provide a transparent and well-supported governance and delivery platform for the future, with the capability to deliver a clear value proposition for all entities involved, as well as for the region’s population as a whole”.
- 3.4 The review included consideration of an architecture that reflects the relationships built up and capabilities of current delivery agents, namely HBREDA, RRA, and HB Tourism. HBREDA has built up key relationships with Hawke’s Bay businesses, particularly as it developed and delivered its recent analysis of, and opportunities for, the Hawke’s Bay economy. The RRA has built up technical and delivery capability across existing regional priority and policy areas including housing, water and transport infrastructure, the planning system, central Government engagement and influence, partnership with mana whenua, and facilitating joint work between Councils, PSGEs and other stakeholders. HB Tourism is a well-respected Regional Tourism Organisation (RTO) that has delivered for the region and its members. HB Tourism has focused on its primary role as a marketing and promotion agency which helps to generate the demand that will support business investment into products and services.

### 4.0 Discussion – *Te Matapakitanga*

- 4.1 The recommendations that have been accepted by MGG will ensure the region has effective governance and delivery of its regional priorities, clearer accountability, better alignment with legislative requirements, and more efficient use of constrained public funding. Importantly, the refreshed focus strengthens the region’s ability to partner with central Government—particularly through initiatives like the City and Regional Deals framework.
- 4.2 The recommendations below were made following a process to understand current state and the opportunities and constraints presenting for MGG and the delivery of work relevant to MGG’s role and purpose; the development of possible options and assessment criteria; and evaluation of the options against (unweighted) criteria.
- 4.3 There are two key aspects to the recommendations and actions in the ‘*Review of Regional Structures, Recommendation Report*’: 1) governance of MGG, and 2) how to deliver work on regional priorities.
- 4.4 The **preferred governance option is an enhancement of the status quo**. This involves stronger governance, accountability, and transparency disciplines and processes to meet local government

legislative requirements and to support a sustained and committed focus on shared regional priorities. MGG would still not be able to contract directly with central Government or third parties; it would have to use HBREDA or a member organisation that was a legal entity. This option would continue to leverage the capability of independent directors to support regional governance through the HBREDA Board. Note, 'independence' here relates to not being employees of MGG member organisations and harnessing specific director level capability. It does not relate to independence to make delivery decisions which are not consistent with funder objectives and guidance. This aspect is governed by the Letter of Expectations and this part of the process does need to be tightened to ensure there is clear alignment between funder objectives and delivery efforts.

- 4.5 The **preferred delivery option is a refreshed regional delivery entity that would utilise the existing legal structure and form of HBREDA**. This refreshed regional delivery entity would have the executive and delivery capability required to deliver agreed shared regional priorities. The regional delivery entity will comprise a mix of functions and capabilities from across HBREDA and HBRRA, including advocacy, convening, policy/analytical and commissioning capability, to ensure that a focussed set of regional priorities can be prioritised.
- 4.6 The recommendations and the recommended actions to support the key recommendations from the *'Review of Regional Structures, Recommendation Report'* are provided below. The actions include specific steps to support a transition, so a refreshed HBREDA is able to take forward delivery of regional priorities from 1 April 2026 (once central Government funding from the RRA expires on 31 March 2026).

### Recommendations

- a) Retain Matariki Governance Group (MGG) as the key regional partnership mechanism between Post-Settlement Governance Entities (PSGEs), and the five Hawke's Bay Councils and focus MGG membership on the elected Hawke's Bay Chairs and/or Mayors of PSGEs and Councils.
- b) Focus MGG's role and function on identified shared regional priorities and holding HBREDA (and other delivery agents if contracted) to account for achieving desired outcomes that contribute to the Matariki vision that "every household and every whānau is actively engaged in, contributing to, and benefiting from a thriving Hawke's Bay economy".
- c) Strengthen governance, accountability, and transparency disciplines of MGG, HBREDA, and Council funders to ensure they meet local government legislative requirements and to support a sustained focus on shared regional priorities that are consistent with the Matariki vision.
- d) Utilise the existing legal form and shareholding structure of HBREDA to deliver agreed shared regional priorities on behalf of MGG and run an open recruitment process to establish the governance, executive, and management capability required to deliver agreed shared regional priorities. A refreshed HBREDA would ideally comprise a mix of functions and capabilities from across HBREDA and the HB Regional Recovery Agency (RRA). This includes advocacy, convening, policy/analytical and commissioning capability as well as senior-level expertise with regional mana, able to bring a focus to regional needs across economic and social strategy and the ability to engage effectively with decision-makers (in particular central Government).
- e) Focus available local government funding on a small set of agreed shared regional priorities and activities and continue to seek opportunities for external funding from central Government and the private sector for specific projects of interest.
- f) Retain HB Tourism as a separate delivery agency with separate funding.

### Recommended actions to support the key recommendations

- g) Governance, accountability, and transparency disciplines
- h) Retain the existing non-legal status of MGG for the time being, noting that creating a MGG legal entity could be an option for the future if recommended governance, accountability, and transparency enhancements are not enough.
- i) Update the MGG Terms of Reference to provide greater clarity on MGG's role and purpose, MGG membership, the role of the chair and appointment process for chair/s, meeting attendance and use of alternates, how agendas are set (including how matters that are not identified as shared regional priorities are dealt with by MGG), record keeping, and reporting (including how member organisations receive updates following each MGG meeting).
- j) Formalise the relationship between MGG and the Hawke's Bay Councils, including associated delegations to MGG, in the next triennial agreement between Hawke's Bay Councils.
- k) MGG to communicate annually to MGG member organisations the agreed shared regional priorities and how the delivery of these priorities and the achievement of outcomes sought will be measured, monitored, and reported to MGG member organisations and stakeholders.
- l) MGG and delivery agents to strengthen the transparency of information by increasing public visibility of the work of MGG and delivery agents, including through refreshed communications such as updating the Matariki website and including regular reporting on delivery against MGG priority areas. A process for making MGG papers available to the public (where appropriate) should be considered in the transition process.
- m) MGG member organisations to create fit-for purpose internal processes to support Chair and Mayor MGG representatives. This could include:
  - The nomination of key people to help share MGG-related information (e.g. papers supporting MGG discussion and minutes) to support coordination and alignment of, and with, identified shared regional priorities.
  - A regular (e.g. annual) process to consider key regional priorities from the member organisation perspective. This information could be used to inform MGG consideration of shared regional priorities.
  - An annual process to consider member organisation feedback on the Letter of Expectation for HBREDA.
  - Building, with MGG and HBREDA an efficient and comprehensive reporting process whereby member organisations are provided with performance and outcome reporting on the activities delegated to MGG and/or HBREDA so Councils can execute their responsibilities under the Local Government Act (LGA).
- n) The three Councils funding HB Tourism should follow the same setting of Letter of Expectations and reporting processes that will be strengthened for HBREDA. These processes would not involve MGG, but a tightening of these processes would improve accountability.

#### Transition plan and next steps

- o) MGG to direct the MGG co-Chairs to provide a letter to the HBREDA Board acknowledging the Board and CEO resignations and clarifying the expectations of shareholders until the departure of the Board and CEO on Friday 13 June 2025. The letter of expectations would confirm that the existing priorities and programmes of work for HBREDA (as reported to MGG), should continue and that no new discretionary work be initiated.
- p) MGG to direct the MGG co-Chairs to establish and run processes to appoint an Interim Independent Director or Directors for HBREDA and necessary contracting resource as quickly as possible. The Interim Independent Director/s and contracting resource would be funded from the HBREDA budget and would support MGG to develop and run an open market

- process to establish the governance, executive, and management capability required for HBREDA to lead the delivery of shared regional priorities from 1 April 2026.
- q) MGG to engage the Board Chairs of HBREDA and the RRA and to lead a transition of both agencies to ensure the governance, executive and staffing of the refreshed HBREDA is fit-for-purpose to undertake the delivery of shared regional priorities from 1 April 2026.
  - r) MGG to ensure the transition process, MGG co-Chairs, and HBREDA and RRA Board Chairs are well-supported with capability that has the requisite skills and expertise to guide effective implementation of this important change process.
  - s) MGG to direct the Board Chairs of HBREDA and the RRA to lead a process to support MGG to clarify and establish regional priorities/the regional strategy for HBREDA. This work needs to take place as soon as possible as these priorities and accompanying work programmes will guide the capability required for a refreshed HBREDA.
  - t) Councils to confirm the funding that is currently being made available to HBREDA (\$1.706m for the 24/25 Financial Year) would continue to be made available to the refreshed HBREDA for the 25/26 Financial Year. This information is required as soon as possible as it will guide the level of resourcing to support delivery of regional priorities.
  - u) MGG to create updated Letter of Expectations for HBREDA for year beginning 1 April 2026 based on identified shared regional priorities and available Council funding.
  - v) Ensure the wind-down of RRA work as central Government funding comes to an end is conducted in such a way that it can be continued as seamlessly as possible if it is determined to be a shared regional priority, or contribute to priorities, under the new structure.

## 5.0 Options – Ngā Kōwhiringa

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

- 5.1 Council directs the Chief Executive to create fit-for purpose internal processes to support the Mayor as the Council’s MGG representative.

#### Advantages

- Supports the review recommendations relating to effective governance and improving accountability and transparency.
- Provides Councillors with more visibility and oversight on work on regional priorities and the use of ratepayer funding.

#### Disadvantages

- Will require the use of slightly more governance and staff time.

### Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuatanga o nāianeī

- 5.2 Council does not direct the Chief Executive to create fit-for purpose internal processes to support the Mayor as the Council’s MGG representative.

#### Advantages

- Would not require the use of more governance and staff time.

#### Disadvantages

- Does not support the review recommendations relating to effective governance and improving accountability and transparency.
- Does not provide Councillors with more visibility and oversight on work on regional priorities and the use of ratepayer funding.

## 6.0 Next steps – *Te Anga Whakamua*

- 6.1 To support a smooth transition, MGG has accepted the resignations of the current HBREDA Board (the HBREDA Board has also accepted the resignation of the Chief Executive) and has acknowledged their significant contribution to building a strong foundation for regional delivery.
- 6.2 The next steps include:
- Appointment of interim independent directors for HBREDA to work with the RRA board to oversee the transition.
  - A coordinated process between the boards of HBREDA and RRA to clarify regional priorities, which will be the focus of delivery efforts from 1 April 2026 (once HBREDA and RRA functions have been merged into the single refreshed delivery entity).
  - Recruitment of executive leadership and delivery capability to deliver the work programmes supporting identified shared regional priorities.

### Attachments:

1 <a href="#">↔</a>	FINAL Recommendation Report - Review of Regional Structures	CG-17-1-01529	Under Separate Cover
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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*

This proposal promotes the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

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

The Matariki Governance Group model is based on a partnership between Local Government and Post-Settlement Governance Entities.

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### Sustainability - *Te Toitūtanga*

Sustainability related matters may well be identified as regional priorities.

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### Financial considerations - *Ngā Whakaarohanga Ahumoni*

These will be considered in the context of funding agreements for regional delivery entities – HBREDA and HB Tourism.

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### Significance and Engagement - *Te Hiranga me te Tūhonotanga*

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

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

Wide consultation and engagement with Matariki Governance Group members has been undertaken as part of the Review of Regional Structures.

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Tuesday, 29 April 2025

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

*Te Rārangi Take*

# Report to Council

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

*Te Take:*  
Subject: **Proposed Amendments To Schedule Of Meetings**

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

1.1 The purpose of this Report is to consider amendments to the schedule of Council and Committee Meetings for the 2024 Meetings Calendar which was adopted by Council on 7 November 2024.

1.2 The Local Government Act 2002, Schedule 7, Clause 19 states:

*“A local authority must hold meetings at the times and places that it appoints”.*

*If a local authority adopts a schedule of meetings-*

*a) The schedule-*

*i) may cover any future period that the local authority considers appropriate, and*

*ii) may be amended.*

*Although a local authority must hold the ordinary meetings appointed, it is competent for the authority at a meeting to amend the schedule of dates, times and number of meetings to enable the business of the Council to be managed in an effective way.*

1.3 It is proposed that the meeting schedule be amended as outlined in the Recommendations of this Report.

## **2.0 Recommendations - Ngā Tūtohunga**

A) That Council receive the report titled Proposed Amendments To Schedule Of Meetings dated 29 April 2025.

B) That Council adopt changes to the 2025 Schedule of Meetings as follows:

Thursday 15 May, 1pm to Tuesday 27 May, 9am Council Chamber	Postponed	Strategy and Recovery Committee
Tuesday 24 June, 9am to Tuesday 15 July, 9am Council Chamber	Postponed	Strategy and Recovery Committee
Tuesday 19 August, 9am Council Chamber	Cancelled	Strategy and Recovery Committee
Thursday 22 May, 11am Council Chamber	New Meeting	Civic Development Subcommittee
Tuesday, 2 September, 10.30am Landmarks Room	New Meeting	HB Crematorium Committee

**Attachments:**

There are no attachments for this report.

# HASTINGS DISTRICT COUNCIL

## COUNCIL MEETING

TUESDAY, 29 APRIL 2025

Item 11

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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:

- 12 Appointment of Chair to Hawke’s Bay Museums Trust**
- 13 Appointment of Independent Member of the Risk and Assurance Committee**

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>12 Appointment of Chair to Hawke’s Bay Museums Trust</b>	<b>Section 7 (2) (a)</b> The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. To protect the privacy of individuals being recommended for appointment.	<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.
<b>13 Appointment of Independent Member of the Risk and Assurance Committee</b>	<b>Section 7 (2) (a)</b> The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. To protect the privacy of the individual being recommended.	<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.