

Thursday, 25 June 2026

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

Kaupapataka

Supplementary Attachment

(Mayoral Report)

Te Rā Hui:
Meeting date: **Thursday, 25 June 2026**

Te Wā:
Time: **1.00pm**

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

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MAYOR'S OFFICE

Mayor's Report - June 2026

This month has brought difficult decisions, genuine progress and several important conversations about Hastings' future.

Affordability remains one of the strongest concerns I hear from residents and businesses. At the same time, Council is dealing with major government reforms, pressure on our local economy, and the need to keep investing in the infrastructure and services Hastings depends on.

These issues are closely connected. Decisions about rates, jobs, housing, energy and local government reform all shape the long-term strength of our district.

2026/27 Annual Plan

Affordability has remained a consistent priority throughout this term and continues to shape Council's decisions.

Rates sit alongside groceries, power, insurance, fuel, rent and mortgages in household and business budgets. No one welcomes an increase, and Council must keep challenging its own costs, priorities and assumptions.

Year 3 of the consulted on and adopted 2024-2034 Long Term Plan forecast a 10 per cent average rates increase and an \$8.4 million operating shortfall to be funded through borrowing.

By the time Council consulted on the Annual Plan, the proposed average increase had been reduced to 5.9 per cent and the forecast operating shortfall had been reduced to \$4.8 million.

Following consultation, Council agreed to retain the proposed 5.9 per cent average rates increase and that the forecast \$4.8 million of borrowing for operational costs should be avoided.

That will require continued discipline and some difficult decisions about levels of service, facilities and functions in the coming months.

Reducing costs cannot be about shifting today's problems into the future. Deferring essential work, weakening resilience or failing to maintain assets can leave ratepayers facing much larger bills later.

Where significant changes to services, facilities or community assets are being considered, the community must understand what is proposed and what the consequences would be.

The Annual Plan has not yet been formally adopted. After feedback from our community, Council has agreed to undertake a further two-week consultation on commercial and industrial differentials after the independent district revaluation, received on 4 May 2026 following delays outside Council's control, resulted in significant changes for many businesses.

Commercial and industrial land values generally increased while residential land values generally decreased. This shifted a greater share of the district's overall rates requirement towards commercial and industrial properties.

The revaluation does not increase the total amount Council collects. It changes how that amount is shared between properties and sectors.

Further consultation is the right thing to do, given the impact on business. It is open to all ratepayers because any reduction in commercial and industrial differentials would transfer costs elsewhere, mainly to residential ratepayers.

There are no easy answers. Council must continue to hold down costs, protect core services, keep investing in essential infrastructure, meet legislative requirements and make sure the community has a say before major changes are made.

Simplifying Local Government

The Government's Simplifying Local Government programme is another major issue before Council.

This is not business as usual. Government has made it clear that it expects changes to local government structures, and councils have been given a short timeframe to decide whether to participate in the voluntary Head Start pathway.

I have been clear that Hastings must not sit back and wait for decisions to be made elsewhere. Our district's voice, services, communities and identity need to be strongly represented as options are developed and tested.

I have been working with mayors and council leaders from across Hawke's Bay so our region is part of that process and understands what any proposed changes could mean locally.

Council sought early public feedback this month and received 670 responses.

The early message is that people are less interested in structures than in results. Their priorities include:

- well-maintained infrastructure and facilities
- affordable rates and costs
- good planning for housing
- transport and growth
- support for jobs, growers and local businesses.

People appear open to change where there is a clear benefit, but they also want Hastings' local voice protected and services to remain accessible, responsive and easy to reach.

They want costs, savings and risks explained honestly.

They also want input. Further public feedback is expected as regional options develop, followed by more focused consultation before any final proposal is confirmed.

Wider Government Reform Programme

Simplifying Local Government is only one part of a much wider reform programme.

Councils are also responding to changes affecting:

- water services
- resource management and planning
- infrastructure funding
- building regulation
- the future structure of local government.

Taken together, this work requires considerable governance attention, staff time, specialist advice and systems work.

Much of it was not anticipated when current budgets and work programmes were developed. That is placing additional pressure on staff capacity and creating costs that were not originally budgeted for.

My focus is on making sure Hastings has a strong voice, that reforms are properly understood, and that Council continues delivering the everyday services and infrastructure residents rely on.

The pace of change is demanding, but Hastings cannot afford to be absent from decisions that may reshape how our district is governed and how services are delivered.

Hawke's Bay Energy Summit

This month the Hawke's Bay Chamber of Commerce hosted the Hawke's Bay Energy Summit at Toitoti.

It was a timely and practical discussion for our region.

Energy affects whether businesses can operate, invest and employ. It also has a direct effect on food processing, manufacturing, cool storage and the overall cost of doing business.

The summit reinforced what we have already been hearing from growers, processors and manufacturers. Energy security and affordability are increasingly influencing confidence and investment decisions.

For some high-heat processing and manufacturing operations, electrification alone may not be technically or commercially viable.

That means options such as biomass and biogas need to be part of the conversation, especially in a region with significant forestry, horticultural and organic waste streams.

There is a need for better regional coordination between businesses, energy providers, investors and government agencies.

Council is not an energy provider and does not control national energy settings, but we have a clear role in helping to bring the right people together, advocate for Hawke's Bay and make sure the region's needs are understood.

Hawke's Bay is a major food-producing region and Hastings is an important centre for processing, manufacturing and logistics. Reliable and affordable energy is essential to the future of those sectors.

Grower Support

The planned closure of McCain's Hastings plant and the end of the frozen vegetable line at Heinz Wattie's continue to create uncertainty for workers, growers, local businesses and supply chains.

When changes of this scale threaten jobs and regional economic activity, local government has a responsibility to understand what is happening, bring people together and speak up for the community.

Since the announcements, I have continued working closely alongside Central Hawke's Bay Mayor Will Foley, growers and industry leaders to advocate for Hawke's Bay and explore possible pathways forward.

The immediate focus is on testing whether large-scale vegetable processing can be retained in the region before that capability is lost.

An important step this month was Government support for the first stage of an independent grower-led feasibility study.

The proposal came from growers, who have put considerable time, energy and determination into exploring whether there is a workable future for the sector. Mayor Foley and I have worked alongside them to ensure it has been heard at a national level, taken seriously and given a fair opportunity to be tested.

Government's contribution to the first stage is welcome. It allows the initial work to begin, but it is only a start. More support will be needed as the study progresses and the scale of the opportunity becomes clearer.

This issue is bigger than one factory. It affects food security, domestic manufacturing, regional resilience and the future of one of New Zealand's most productive growing areas.

Heinz Wattie's remains a significant Hastings employer and continues other production locally. Council will maintain constructive engagement with Wattie's, McCain, growers, industry and Government.

While Council cannot require an international company to keep a plant open, we can advocate, support practical options and ensure local growers and workers are not overlooked in decisions that affect their future.

Te Pā Harakeke Elder Housing

The opening of Te Pā Harakeke in Flaxmere was a highlight this month.

The development provides 39 warm, safe and affordable homes for older residents in a setting that supports independence, connection and wellbeing.

Council has provided housing for older people since the 1970s because some residents cannot afford, or cannot easily access, suitable homes through the private market.

Te Pā Harakeke includes one- and two-bedroom homes, shared green spaces and communal gardens. It is close to the Flaxmere town centre, shops, services and public transport.

The development has been delivered in partnership with Te Tūāpapa Kura Kāinga -Ministry of Housing and Urban Development through the Affordable Housing Fund.

Rents are set at 80 per cent of median market rent, and the development has broader eligibility criteria than Council's existing senior housing portfolio.

A secure home supports health, independence and connection to community. Te Pā Harakeke will make a real and lasting difference to the people who live there.



Wendy Schollum
Mayor
Koromatua
Te Kaunihera-ā-rohe o Heretaunga

Key Community Events

Date	Event
3 May	Hastings Ethnic Safety Forum
4 May	Official Opening – HB Creative Fibre Biannual Exhibition “Four Seasons – Fabulous Fibre through the Year”
5 May	Simplifying Local Government Announcement
6 May	Youth Council
7 May	Focus on Business breakfast with Brooke Roberts, Co-founder and Co-CEO of Sharesies
8 May	Te Awhi Rito – Blessing, Flaxmere
8 May	Opening of HB Interschool Chess Tournament
8 May	Age Concern speaking engagement
8 May	Tour – Flaxmere Woolworths construction site
9 April	Citizenship Ceremony
10 May	HB Youth Orchestra – Mothers’ Day Concert
11 May	Rotuma Language Week
13 & 19 May	Mahora School visit to Chambers
13 May	Visit to Family VIP Services Office
14 May	Federated Farmers HB AGM *
15 May	Maniora Gala & Awards Night *
15 May	Hastings High School Old Girls Netball Club 100 year “Super Soiree” *
16 May	Hawke’s Bay Marathon medal presentations *
17 May	Official Opening – HB Special Olympics Swim Carnival
21 May	U3A - guest speaker

21 May	Citizenship Ceremony
22 May	Stopbank completion karakia, Waiohiki Marae
28 May	Hastings Karamu Rotary Club – guest speaker
28 May	EIT 50 th anniversary celebration *
3 June	Woodford House Shine Programme – mentor
4 June	Business Association's commercial & industrial rates meeting
5 June	Official Opening - Te Pā Harakeke
6 June	Cancer Society Relay for Life
6 June	HB Orchestral Society Annual General Meeting
8 June	Peak Combined Friendship Club of Havelock North – guest speaker
9 June	Hawke's Bay Energy Summit
13 June	Volunteering Hawke's Bay 20 th Anniversary & Excellence Awards
16 June	U3A – guest speaker
16 June	Joint Building & Development Forum
17 June	The Big Sing *

* Event attended by a Councillor as alternate for Mayor