

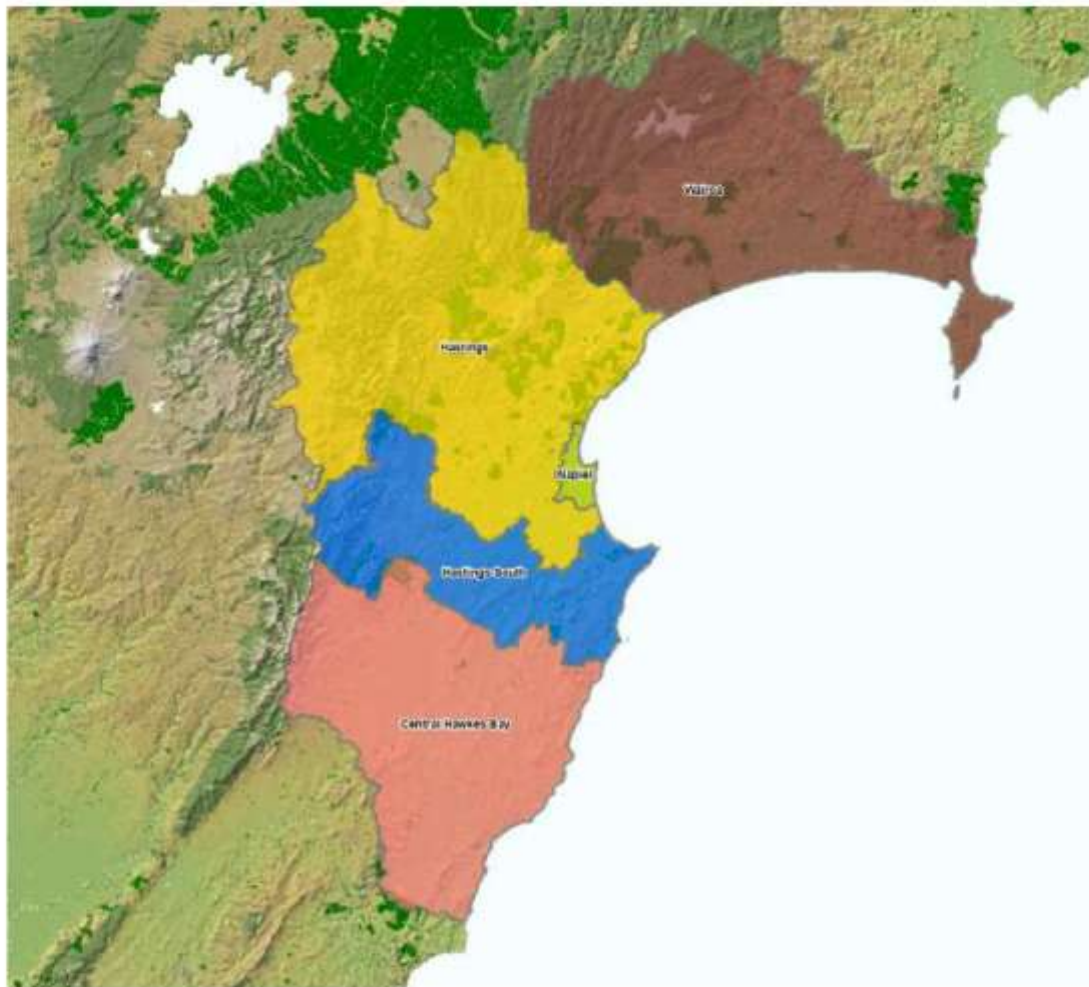


Meeting of the Hawke's Bay Regional Council

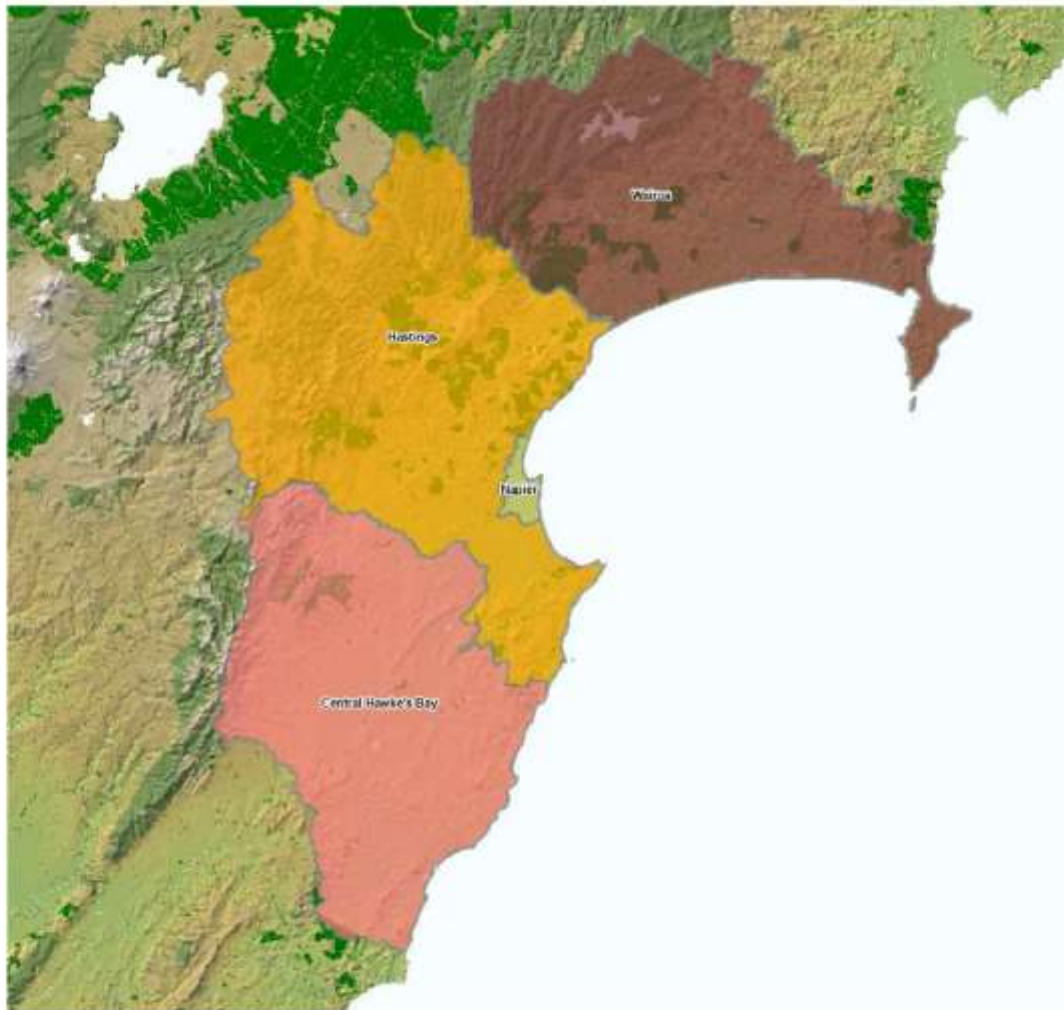
Date: Wednesday 25 July 2012
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Attachments Under Separate Cover

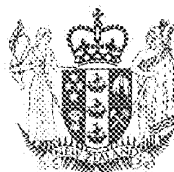
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*Map 1
Proposal 1
5 constituencies*



*Map 2
Proposal 2
Status Quo
4 constituencies*



LOCAL GOVERNMENT COMMISSION

Determination

of the representation arrangements to apply for
the election of the Hawke's Bay Regional Council
to be held on 13 October 2007

Background

1. The Hawke's Bay Regional Council (the Council) elected at the 2004 local election comprises nine councillors. The nine councillors were elected as follows:

Constituencies	Population*	Number of councillors per constituency	Population per councillor	Deviation from the region average population per councillor	Percentage deviation from the region average population per councillor
Wairoa	8,410	1	8,410	-8,201.11	-49.37
Ngaruroro	11,300	1	11,300	-5,311.11	-31.97
Napier	56,400	3	18,800	+2,188.89	+13.18
Hastings	60,200	3	20,067	+3,455.89	+20.80
Central Hawke's Bay	13,190	1	13,190	-3,421.11	-20.60
TOTAL	149,500	9	16,611.11		

*These figures are rounded 2005 population estimates provided by the Government Statistician

2. On 26 July 2006 the Council resolved its initial representation proposal for the 2007 elections under section 191 of the Local Electoral Act 2001 (the Act). The proposal was for five constituencies electing nine councillors as follows:

Constituencies	Population*	Number of councillors per constituency	Population per councillor	Deviation from the region average population per councillor	Percentage deviation from the region average population per councillor
Wairoa	8,410	1	8,410	-8,201.11	-49.37
Tutaekuri	15,670	1	15,670	-941.11	-5.66
Napier	56,400	3	18,800	+2,188.89	+13.18
Hastings	49,920	3	16,640	+28.89	+0.17
Tukituki	19,100	1	19,100	+2,488.89	+14.98
TOTAL	149,500	9	16,611.11		

*These figures are rounded 2005 population estimates provided by the Government Statistician

3. The Commission notes that the Council interpreted the legislation differently from the Commission in respect of the requirement for fair representation under section 19V(2) of the Act. This section requires the population of each constituency divided by the number of councillors for that constituency to be within $\pm 10\%$ of the ratio for the region as a whole. The Council, as it is entitled to do, identified the Wairoa Constituency as a "special case" warranting representation outside the fair representation requirement ($\pm 10\%$ rule). It then removed the proposed member and population of the excepted constituency (i.e. Wairoa) from the calculation required by section 19V(2) to achieve fair representation in the balance of the region. This approach resulted in the proposal complying for the other constituencies with the exception of Tutaekuri Constituency (11.15%).
4. The Commission sought legal advice on interpretation of section 19V(2). The opinion received stated that the Council's approach is not valid. It essentially involved changing the formula under section 19V(2) to avoid possible flow on problems with compliance for the remaining constituencies created by making an exception for Wairoa. Accordingly the analysis of the Council's initial and final proposals, as set out in this determination, differs from that publicly notified by the Council.
5. The Council publicly notified its initial proposal on 29 July 2006 and called for submissions by 31 August 2006. The Council received a total of 138 submissions, 94 of which were generated by cut-outs in local newspapers. These form submissions described the Council's proposed constituencies as undemocratic and outside the legal requirements for equal representation and called for a reduction in the number of councillors to six. Of the remaining 44 submissions:
 - five supported the Council's proposal including the retention of the Wairoa Constituency as a "special community of interest";
 - 22 supported a complying proposal with nine councillors and seeking the inclusion of the Heretaunga Plains rural and coastal areas in the Hastings Constituency; and
 - 17 covered a range of issues including concerns about the proposed constituency names of Tutaekuri and Tukituki.
6. Following the hearing of submissions, the Council, on 27 September 2006, amended its initial proposal. On 7 October 2006 it notified its final proposal as follows:

Constituencies	Population*	Number of councillors per constituency	Population per councillor	Deviation from the region average population per councillor	Percentage deviation from the region average population per councillor
Wairoa	8,410	1	8,410	-8,201.11	-49.37
Napier	56,400	3	18,800	+2,188.89	+13.18
Hastings	66,640	4	16,635	+23.89	+0.14
Central Hawke's Bay	18,150	1	18,150	+1,538.89	+9.26
TOTAL	149,500	9	16,611.11		

*These figures are rounded 2006 population estimates provided by the Government Statistician

7. Again the Council removed the proposed member and population of the Wairoa Constituency before calculating the fair representation requirement for the other three constituencies. On this basis the Napier, Hastings and Central Hawke's Bay Constituencies complied with the +/-10% rule.
8. In notifying its proposal the Council:
 - * described the four proposed constituencies as follows:
 - o Wairoa: the constituency being the same as Wairoa District;
 - o Napier: the constituency being the same as Napier City;
 - o Hastings: the constituency being the area encompassing the proposed Flaxmere, Hastings, Havelock North, Heretaunga and Northern Wards of Hastings District and that part of Hastings District known as Waimarama together with those parts of the Taupo and Rangitikei Districts in the Hawke's Bay Region; and
 - o Central Hawke's Bay: the constituency being the same as Central Hawke's Bay District as well as the proposed Southern Ward of Hastings District excluding the area known as Waimarama;
 - * noted the boundaries for the Hastings and Central Hawke's Bay Constituencies had changed to ensure the final population figures fall within the requirements of section 19V(2) of the Act;
 - * noted it had carefully considered the key factors of community of interest, effective representation of communities of interest and fair representation and concluded that the boundary changes proposed to the Hastings and Central Hawke's Bay Constituencies and the incorporation of a large part of the old Ngauroro Constituency into the Hastings Constituency allow these factors to be met;
 - * noted the representation of the Wairoa Constituency falls well outside the stipulated population parameters but the Council is of the view that:
 - o the factors of community of interest and effective representation of community of interest cannot be met for the Wairoa area of the region as:
 - * this area is a distinct community of interest which should not be compromised; and
 - * the size of the constituency that would exist, should the population requirement be complied with absolutely, would give rise to a constituency encompassing 70% of the total land area of the region which would severely compromise reasonable access of the population to an elected member for this area;
 - o the elected member would be unlikely to effectively represent the views of the electoral subdivision, given the extent and diversity in such a large constituency, and neither would elected members realistically be able to attend public meetings throughout the area and provide reasonable opportunities for constituents to have face-to-face meetings given the size and configuration of the constituency that would be required;

- noted it amended its initial proposal to reflect the concerns of submitters that the proposed constituencies of Tutaekuri and Hastings did not reflect an appropriate community of interest and therefore compromised fair and effective representation of these areas (by combining these constituencies and the Waimarama area into a new Hastings Constituency which reflects a significant portion of Hastings District identified as a community of interest under the 1989 reforms); and
 - noted that in respect of names of constituencies, councillors wish to identify constituencies in the most descriptive way possible and to relate these to territorial authority areas where appropriate.
9. Three appeals/objections were received in response to the Council's final proposal. One appellant, Wayne Taylor, subsequently withdrew his appeal before the hearing. The main concern raised by the other two objectors related to the location of the boundary between the proposed Hastings and Central Hawke's Bay Constituencies.

Hearing

10. The Commission met with the Council and objectors at a hearing held in the Hawke's Bay Regional Council Chambers on 30 January 2007. The Council was represented by Eileen von Dadelzen Chairperson, Andrew Caseley Chief Executive and Carol Gilbertson Electoral Officer. The objectors who appeared at the hearing were Kevin Rose and Ewan McGregor. In addition, the Mayor of Wairoa, Les Probert, and Rex McIntyre, Councillor for Wairoa Constituency, appeared in support of the Council's proposal to retain the Wairoa Constituency as an exception to the +/-10% rule.

Matters raised in objections and at the hearing

11. The main arguments presented in support of the retention of the Wairoa Constituency as an exception to the +/-10% rule were:
- it is a large area physically separated from the rest of the region;
 - hills and rivers separate the area from the south, in particular the Waikari Gorge;
 - the geography and roading pattern result in only one main access route to the south (state highway 2);
 - it is a 1.5 hour drive between Napier and Wairoa township;
 - Wairoa has a community of interest distinctly different from the rest of the region including:
 - higher proportions of the population under 15 years or over 65 years and hence a lower proportion of working age population;
 - a Maori population in excess of 60% (the largest proportion of Māori of any local authority in New Zealand);
 - both the Regional Council and the Wairoa District Council have established effective relationships with local Maori including Maori committees, and these support a separate Wairoa Constituency;
 - Wairoa has a socio-economic profile distinctly different from the rest of the region, with all the population in the 4th decile or above of the deprivation

index identified in the 2001 edition of the Atlas Of Socioeconomic Difference (87% in decile 7 or above);

- compliance with the +/-10% rule would result in a northern constituency comprising over 70% of the region which would still be eligible for only one councillor and would severely compromise access to an elected member;
- one councillor would be unable to provide effective representation for the area given its diversity including the nature of Wairoa distinct from the neighbouring rural areas of the Hastings Constituency.

12. The Commission notes that there were submissions on the Council's initial proposal seeking an outcome that complied with the legislation but that there were no appeals/objections to the final proposal on this issue.
13. The main issue raised by the objectors related to the boundary between the proposed Hastings and Central Hawke's Bay Constituencies. Mr Rose said he had discussed the issue with the Hastings District Electoral Officer and proposed an amended boundary increasing the area of the Hastings Constituency that he believed was more appropriate.

Matters for determination

14. The statutory provisions in respect of appeals and objections are contained in sections 19R and 19I of the Act.

19R. Commission to determine appeals and objections

(1) The Commission must—

- (a) Consider the resolutions, submissions, appeals, objections, and information forwarded to it under section 19Q; and
- (b) Subject to sections 19T and 19V in the case of a territorial authority, and to sections 19U and 19V in the case of a regional council, determine,—
 - (i) In the case of a territorial authority that has made a resolution under section 19H, the matters specified in that section;
 - (ii) In the case of a regional council that has made a resolution under section 19I, the matters specified in that section;
 - (iii) In the case of a territorial authority that has made a resolution under section 19J, the matters specified in that section.

(2) For the purposes of making a determination under subsection (1)(b), the Commission—

- (a) May make any enquiries that it considers appropriate; and
- (b) May hold, but is not obliged to hold, meetings with the territorial authority or regional council or any persons who have lodged an appeal or objection and have indicated a desire to be heard by the Commission in relation to that appeal or objection.

(3) The Commission must, before 11 April in the year of a triennial general election, complete the duties it is required to carry out under subsection (1).

- 19I. *Review of representation arrangements for elections of regional councils*
- (1) *A regional council must determine by resolution, and in accordance with this Part,—*
- (a) *the proposed number of constituencies; and*
 - (b) *the proposed name and the proposed boundaries of each constituency; and*
 - (c) *the number of members proposed to be elected by the electors of each constituency.*
- (2) *The determination required by section (1) must be made by the regional council,—*
- (a) *on the first occasion, either in 2003 or in 2006, and*
 - (b) *subsequently, at least once in every period of 6 years after the first determination.*
- (3) *This section must be read in conjunction with section 19ZH and Schedule 1A.*

Consideration by the Commission

Effective and fair representation

15. A review of representation arrangements under the Act is to ensure that:
- the number and boundaries of constituencies will provide effective representation of communities of interest within the region (section 19U); and
 - in determining the number of members to be elected by each constituency, electors of that constituency will receive fair representation (section 19V).
16. For the purpose of achieving fair representation, section 19V(2) of the Act requires that the population of each constituency divided by the number of members to be elected by that constituency produces a figure no more than 10% greater or smaller than the population of the region divided by the total number of elected members. The Act does not define 'effective representation' or 'communities of interest'.
17. The steps in the process for achieving effective and fair representation are not statutorily prescribed. The Commission believes that the following process for determining representation arrangements will achieve a robust outcome that is in accordance with the statutory criteria:
- (a) identify the region's communities of interest;
 - (b) determine the best means of providing effective representation of the communities of interest; and
 - (c) determine fair representation of electors for the region.

Hawke's Bay Region

18. The Council proposed that the region's communities of interest relate primarily to territorial authority areas. This is consistent with section 19U of the Act which provides, among other things, that so far as is practicable, constituency boundaries coincide with the boundaries of one or more territorial authority districts or the boundaries of wards.

19. On this basis, the Council proposed:
- a Wairoa Constituency covering Wairoa District;
 - a Napier Constituency covering Napier City;
 - a Hastings Constituency covering the urban, plains and coastal areas of Hastings District; and
 - a Central Hawke's Bay Constituency covering Central Hawke's Bay District and the balance of Hastings District being of a similar rural land-use type.
20. The Council's final proposal does not comply with the fair representation requirement (+/-10% rule) in respect of the Wairoa and Napier Constituencies.
21. Subsection 19V(3)(b) of the Act provides that where a regional council or the Commission considers that effective representation of communities of interest so requires, constituencies may be defined and members distributed between them in a way that does not comply with the +/-10% rule. Subsection 19V(4) provides that in these circumstances the regional council must refer the matter to the Commission for determination.

Wairoa Constituency

22. We first addressed the issue of the proposed Wairoa Constituency and its non-compliance with the +/-10% rule. After carefully considering the points raised by the Council and also those made by the Mayor of Wairoa and the Wairoa Constituency Councillor, as set out earlier in this determination, we agree that a separate Wairoa Constituency is necessary to ensure effective representation of this community of interest. In summary we agree that:
- Wairoa has a community of interest distinct from the rest of the region, both physically and socio-economically, and this presents particular challenges for community consultation and provision of services;
 - the physical realities of the area give rise to particular issues not experienced elsewhere including hill country erosion, pressure on coastal development, pest management, transport infrastructure biodiversity protection, wetland enhancement, flooding and other natural hazards;
 - effective representation is most unlikely to be achieved by merging Wairoa into another constituency in order to comply with the +/-10% rule as this would result in a very large area (70% of the land area of the region) with few commonalities of interest and still eligible for only one councillor;
 - effective representation would be compromised in terms of both access to a councillor and representation of the diversity of the constituency; and
 - the demands on a councillor servicing an enlarged area would be unreasonable.

Other constituencies

23. Given the decision to make an exception to the +/-10% rule in respect of the Wairoa Constituency, we were then required to address requirements for effective representation of communities of interest and fair representation of electors for the balance of the region. We note firstly the discretion that section 19V(3)(b) of the Act provides the Commission in respect of the

balance of the region. The section provides that constituencies may be defined and membership distributed between them in a way that does not comply with subsection 19V(2).

24. In the absence of other guidance, the Commission believes the principle of fair representation of electors, as defined in the Act by the +/-10% rule, remains an important criterion. It also notes that the requirements for effective representation of communities of interest and other factors, as set out in section 19U of the Act, still apply. These provide, among other things, that the Commission must ensure that the number and boundaries of constituencies will provide effective representation of communities of interest and, so far as is practicable, constituency boundaries coincide with the boundaries of one or more territorial authority districts or the boundaries of wards.
25. Applying these considerations to the other constituencies, we then addressed the proposed Central Hawke's Bay Constituency. We note that the population of Central Hawke's Bay District is not sufficient for it to comprise a separate constituency based on a total of nine regional councillors.
26. We note that the Council appears to have considered from the outset of the review that the current number of councillors (i.e. nine) was appropriate for achieving fair and effective representation and to meet the Council's statutory and other responsibilities. The issue of councillor numbers was raised in the standard form submissions but was not the subject of appeal or objection to the Commission. On this basis, we proceed on the assumption of retention of a total of nine councillors for the region.
27. In respect of the proposed Central Hawke's Bay Constituency, we heard from the Council that the arguments were not strong for an exception to the +/-10% rule. It said the Central Hawke's Bay District had similar land use patterns to bordering areas of Hastings District. Unlike Wairoa, the area was not physically separate or distinct, and travel time to the Hastings urban area was by comparison negligible. Given these points, we consider that a Central Hawke's Bay Constituency comprising the Central Hawke's Bay District plus some or all of the adjacent Southern Ward of Hastings (since renamed the Kahuranaki Ward), in order to comply with the +/-10% rule, is appropriate in light of its proximity coupled with similar land use patterns.
28. We note the tenor of submissions to the Council on its initial proposal, relating to the retention of a Hastings Constituency reflecting the linkages between the different interests of the Hastings District. On this basis the Council's final proposal included an extended Hastings Constituency incorporating the urban, plains and coastal areas of the district along with a large proportion of rural area. The proposed constituency includes the coastal communities of Clive, Haumoana and Te Awanga, as well as Ocean Beach and Waimarama further south. The Waimarama area in the Southern (Kahuranaki) Ward of Hastings District was excluded from the Central Hawke's Bay Constituency given its character in common with coastal areas to the north and distinct from the land use patterns of inland areas of Central Hawke's Bay Constituency.
29. We heard an objection from Kevin Rose seeking a further extension of the Hastings Constituency to include more of Hastings District. Mr Rose contended that the area concerned, including Te Mata Peak, has a strong community of interest with Hastings and Havelock North.

30. The Commission agrees with the intent of Mr Rose's objection based on community of interest considerations. As part of its determination of representation arrangements for Hastings District, we note that the Commission has transferred some of the meshblocks concerned from the current Poukawa Ward to new Heretaunga and Havelock North Wards. On this basis, these particular meshblocks will be included in the Hastings Constituency of Hawke's Bay Region.
31. This leaves a further 15 meshblocks proposed by Mr Rose to be transferred to the Hastings Constituency. The area concerned extends south of Havelock North and is bounded by the Tukituki River to a point just north of Tainui, Middle Road to Kahika, across Kaokaoroa Range to Poukawa, the Palmerston North – Gisborne Railway to PakiPaki, and PakiPaki Road to the junction with Longlands Road West. The topography and hence land use of the area is different from the more inland rural areas of the Kahuranaki Ward of Hastings District which are proposed to be combined with Central Hawke's Bay District to comprise the Central Hawke's Bay Constituency.
32. We determine that this area, comprising 15 meshblocks, be transferred from the Central Hawke's Bay Constituency to the Hastings Constituency.
33. There were no submissions or appeals/objections relating to the placement in the Hastings Constituency of those parts of the Taupo and Rangitikei Districts in the Hawke's Bay Region. The Commission confirms the Council's proposal in this respect.
34. Finally we considered the Napier Constituency which does not comply with the +/-10% rule. In excess of 2,000 people would need to be transferred from this constituency if it were to equate to the region average population per councillor with a minimum of over 500 to be transferred in order to be within a +/-10% variation.
35. Given the numbers involved and the predominantly urban nature of the Napier Constituency, we note that a large segment of the outlying area of Napier City would have to be transferred to the adjoining Hastings Constituency. We also note that the neighbouring parts of the Hastings Community are primarily rural or semi-rural in nature. While it is guided by the principle of fair representation defined in the Act by the +/-10% rule, the Commission considers it is also appropriate to be guided by the requirement to ensure, so far as is practicable, constituency boundaries coincide with territorial authority boundaries. The Commission sees this as important as territorial authorities reflect communities of interest based on the delivery of a wide range of day-to-day services. Territorial authority districts are also areas that electors closely identify with which in turn encourages participation in local government such as by voting or standing as a candidate at local elections.
36. We determine that the proposed Napier Constituency, reflecting Napier City in its entirety, should be retained notwithstanding its deviation (13.28%) from the fair representation requirement.
37. We believe that the above decisions will provide effective representation of the communities of interest of Hawke's Bay Region. They also provide fair representation of electors to the extent that this does not compromise effective representation of communities. The relationship between the our

decisions on constituency boundaries, the number of councillors, and the requirements of section 19V(2) is illustrated in the following table:

Constituencies	Population*	Number of councillors per constituency	Population per councillor	Deviation from the region average population per councillor	Percentage deviation from the region average population per councillor
Wairoa	8,230	1	8,230	-8,425.55	-50.59
Napier	56,600	3	18,866.66	+2,211.11	+13.28
Hastings	68,800	4	17,200	+544.45	+3.27
Central Hawke's Bay	16,300	1	16,300	-355.55	-2.13
TOTAL	149,900	9	16,655.55		

*These figures are rounded 2006 population estimates, being the most up-to-date available, provided by the Government Statistician

Determination

38. Under section 19R of the Local Electoral Act 2001, the Commission determines that for the election of the Hawke's Bay Regional Council to be held on 13 October 2007, the following representation arrangements will apply -

- (1) The Hawke's Bay Region, as delineated on S.O. Plan 10572 deposited with Land Information New Zealand, shall be divided into four constituencies;
- (2) Those four constituencies shall be -
 - (a) the Wairoa Constituency, comprising the area delineated on SO Plan 9853 deposited with Land Information New Zealand;
 - (b) the Napier Constituency, comprising the area delineated on SO Plan 9855 deposited with Land Information New Zealand;
 - (c) the Hastings Constituency, comprising the area delineated on SO Plan 9854 deposited with Land Information New Zealand; and
 - (d) the Central Hawke's Bay Constituency, comprising the area delineated on SO Plan 386532 deposited with Land Information New Zealand;
- (3) The Hawke's Bay Regional Council shall comprise nine councillors elected as follows -
 - (a) one councillor shall be elected by the electors of the Wairoa Constituency;
 - (b) three councillors shall be elected by the electors of the Napier constituency;
 - (c) four councillors shall be elected by the electors of the Hastings Constituency; and
 - (d) one councillor shall be elected by the electors of the Central Hawke's Bay Constituency.

39. As required by section 19U(b) of the Local Electoral Act 2001, the boundaries of the above constituencies comply with the boundaries of current statistical meshblock areas determined by Statistics New Zealand and used for Parliamentary electoral purposes.

THE LOCAL GOVERNMENT COMMISSION

Sue Piper (Chair)

Gwen Bull (Commissioner)

Wynne Raymond (Commissioner)

5 April 2007

1. Executive summary

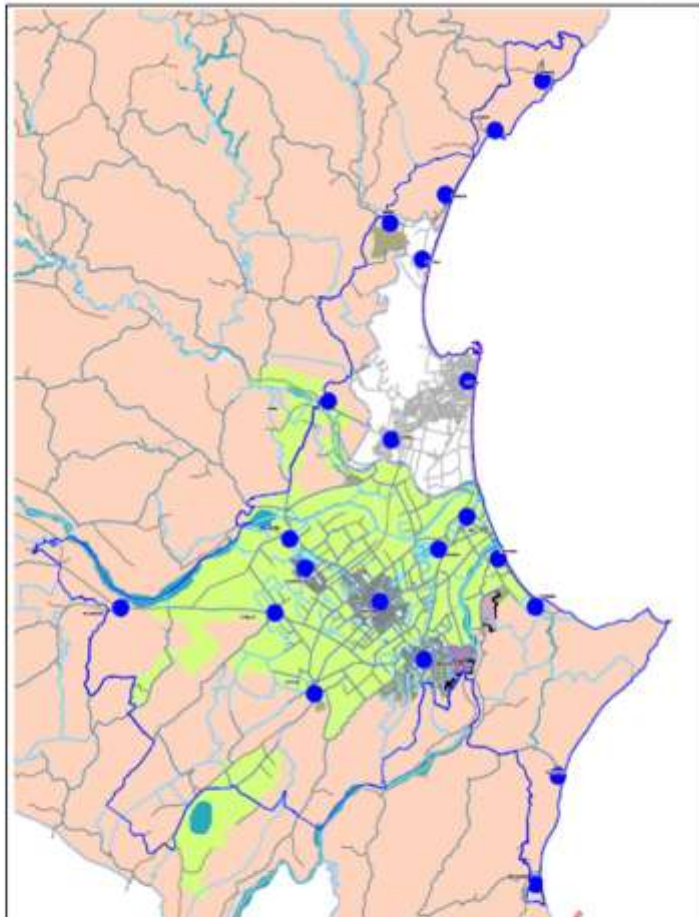
1.1 Introduction

Hawkes Bay Regional Council, New Zealand Transport Agency, Hastings District Council and Napier City Council commissioned GHD to undertake a transport study of the Heretaunga Plains Area, refer Figure 1. This study was to update a similar study undertaken in 2004. The Heretaunga Plains Urban Development Strategic Study was undertaken separately and provided land use growth forecasts for the study area between 2015 and 2045.

The aim of the study is to:

"ensure that people and goods are moved to/from and within the study area with the least cost and for the most benefit to the region's economy while enhancing its social and cultural fabric and environmental condition".

Figure 1 Study area (indicated within the blue line)



In line with the government's clear direction that economic development was the key to all future transport infrastructure investment, the study has placed greater weight on this aspect. This did not mean that other factors were not to be accounted for, such as environmental, societal or cultural values, but that the outcomes of the study were to be framed firstly in economic benefit terms.

Other key requirements of the study were:

- integration of the existing development strategies of Hastings and Napier and future strategy contained in HPUDS into the transportation planning process
- remedying of the known shortcomings of the 2004 model
- developing a method which allows for public transport forecasting
- considering the impact of alternative modes (walking, cycling, light rail and rail) on household travel demand and freight transport (including transport "hubs") on the network
- providing up to date and reliable information for inclusion into a reviewed Regional Land Transport Strategy, due in mid-2012.

1.2 Methodology

The Heretaunga Plains Transport Study was undertaken in three stages.

Stage One was the construction of a four stage transport model. The model estimated the hourly flows from land use data for the morning and evening commuter peaks together with a representative hour during the day. Factors were derived to convert the hourly flows to daily flows. The model generated person trips which was later separated into active and passive trips, with passive being further divided into private and public transport. The mode split was undertaken in a non-conventional way. The division between passive and active was derived based on the distance travelled enabling alternative parameters to be developed for the future for changes in human behaviour. The private and public split was undertaken based on skim matrices for improvements to public transport between specific origin-destination pairs. The model parameters used in the base calibrated model have been used to predict future flows. The model was independently peer reviewed and found to be fit for purpose.

Stage Two consisted of converting the future land use forecasts from the Heretaunga Plains Urban Development Strategic Study to the traffic model zones and forecast years. The study estimated that the 2009 population of the study area of 125,000 would increase to 138,600 in 2045. This increase represents an increase of around 11%. This growth rate is slower than the actual growth in population between 1996 and 2006. The study estimated that around 60% of the new households would be intensification, with around 35% in greenfield areas and the remaining 5% in rural areas in the district by the end of the planning period. The land use study provided site specific forecast information for greenfields development, and with the assistance of Council Officers, the intensification and rural development, this was refined into traffic zones. The Heretaunga Plains Urban Development Strategic Study provided employment data at area unit level which was refined to traffic design level with the assistance of Council Officers to traffic zones.

The main component of the study was **Stage Three** which used the future land use estimates to forecast traffic flows on the road network and determine firstly where there was deficiency in the existing roading network and then assessed alternative roading schemes.

The deficiency analysis was undertaken based on both link flows and intersection delay. With the assistance of the deficiency analysis, 30 alternative network options were developed and assessed using the model.

1.3 Land use patterns

The Heretaunga Plains Urban Development Strategy was developed collaboratively between the Hastings District Council, Napier City Council and Hawke's Bay Regional Council to plan for urban growth on the Plains for the period 2015-2045. Heretaunga Plains Urban Development Strategy takes a long-term view of land-use and infrastructure consisting of the same study area as the Heretaunga Plains Transportation Study.

The settlement patterns determined in Heretaunga Plains Urban Development Strategy comprises of key growth areas that have been identified within Napier City and Hastings District. The settlement pattern out to 2045 is forecast to be an increase in the number of households within a smaller land area than the past. This is to be achieved by focusing development into the growth areas.

The key elements of the settlement pattern are:

- 60% intensification (10 – 20% brownfields i.e. industrial or commercial land which could be redeveloped into residential developments)
- 35% greenfield (i.e. new subdivisions)
- 5% of population in rural areas.

One of the aims of the Heretaunga Plains Urban Development Strategy is to have defined urban areas. This allows for more cost effective and efficient servicing and creates definite boundaries between the urban and rural environments.

Population and household data has been extracted from the New Zealand Census data and is summarised below, along with some key figures from the Heretaunga Plains Urban Development Strategy study.

Table 1 Study area household growth trends

	Population	Household	Cars	Household occupancy	Cars per household	Cars per person	Cars per person over 15
1996	118,410	42,528	60,712	2.78	1.43	0.51	0.67
2001	119,739	43,938	65,940	2.73	1.50	0.55	0.72
2006	124,965	46,149	74,119	2.71	1.61	0.59	0.77
2015*	130,320	50,911		2.58			
2026*	136,644	55,070		2.48			
2045*	138,575	58,925		2.35			

* Source: growth forecasts from Heretaunga Plains Urban Development Strategy

It can be seen from growth trends in household types that have been extracted from the previous 15 year census data that the number of people per household has decreased, the number of cars per household has increased, as has the number of cars per person. The Heretaunga Plains Urban Development Strategy projections shows that the trends in average number of persons per household is expected to continue.

Table 2 Study area employment growth trends

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
HDC	31450	32460	35590	34570	37880	38070	38980	40840	41410	41130
NCC	22160	21410	21980	22790	23330	24220	24490	26080	26170	25950

Summary plots have been prepared which shows the location of households and workplace employment for 2009 and 2046. Separate diagrams have been prepared for Napier and Hastings.

The height of each tower is proportional to the number of households or persons employed are in each zone. The red and green towers denote 2009 and 2046 households respectively while the orange and blue towers denote the 2009 and 2046 employment respectively.

Figure 2 Napier land use summary

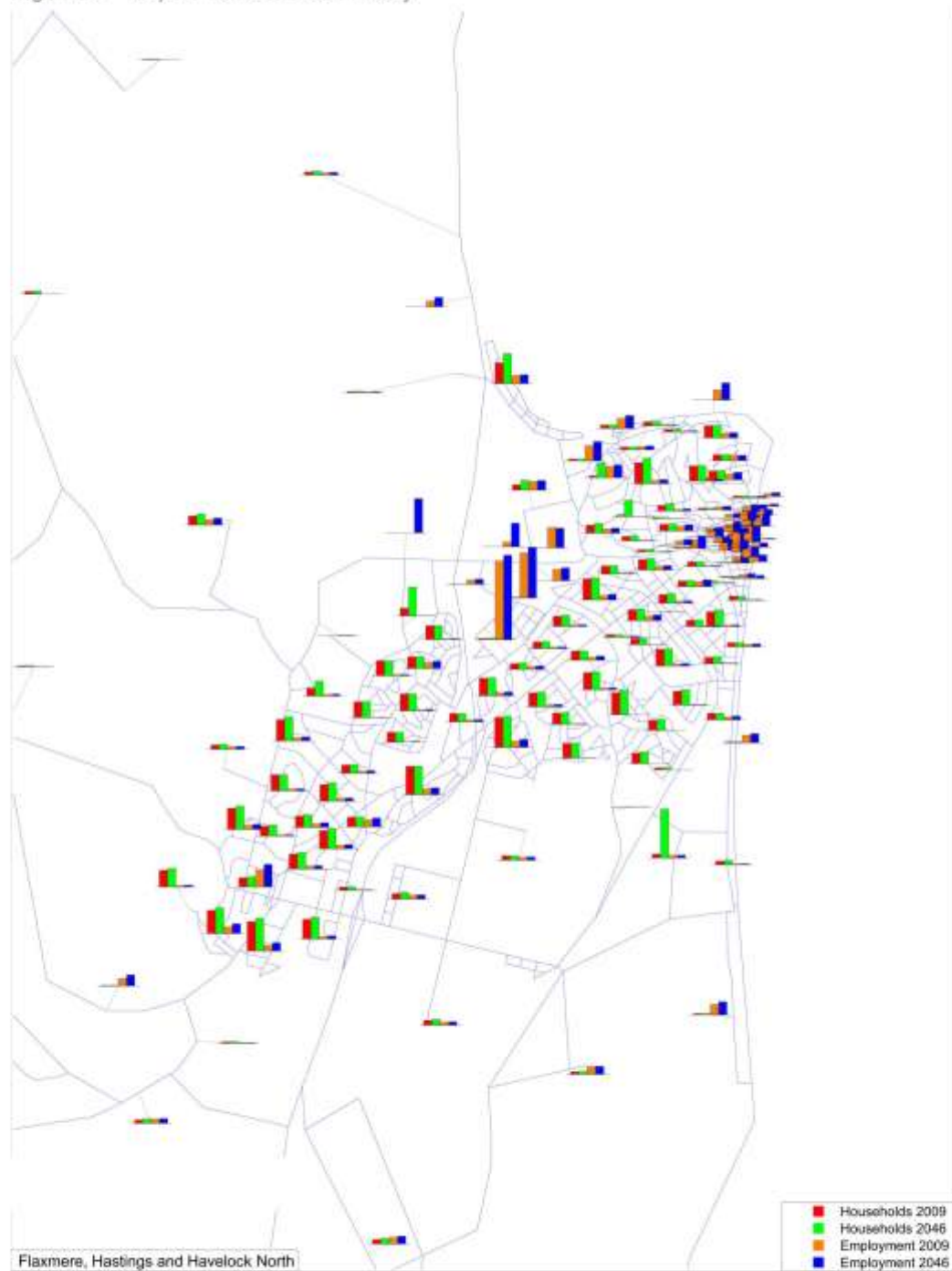
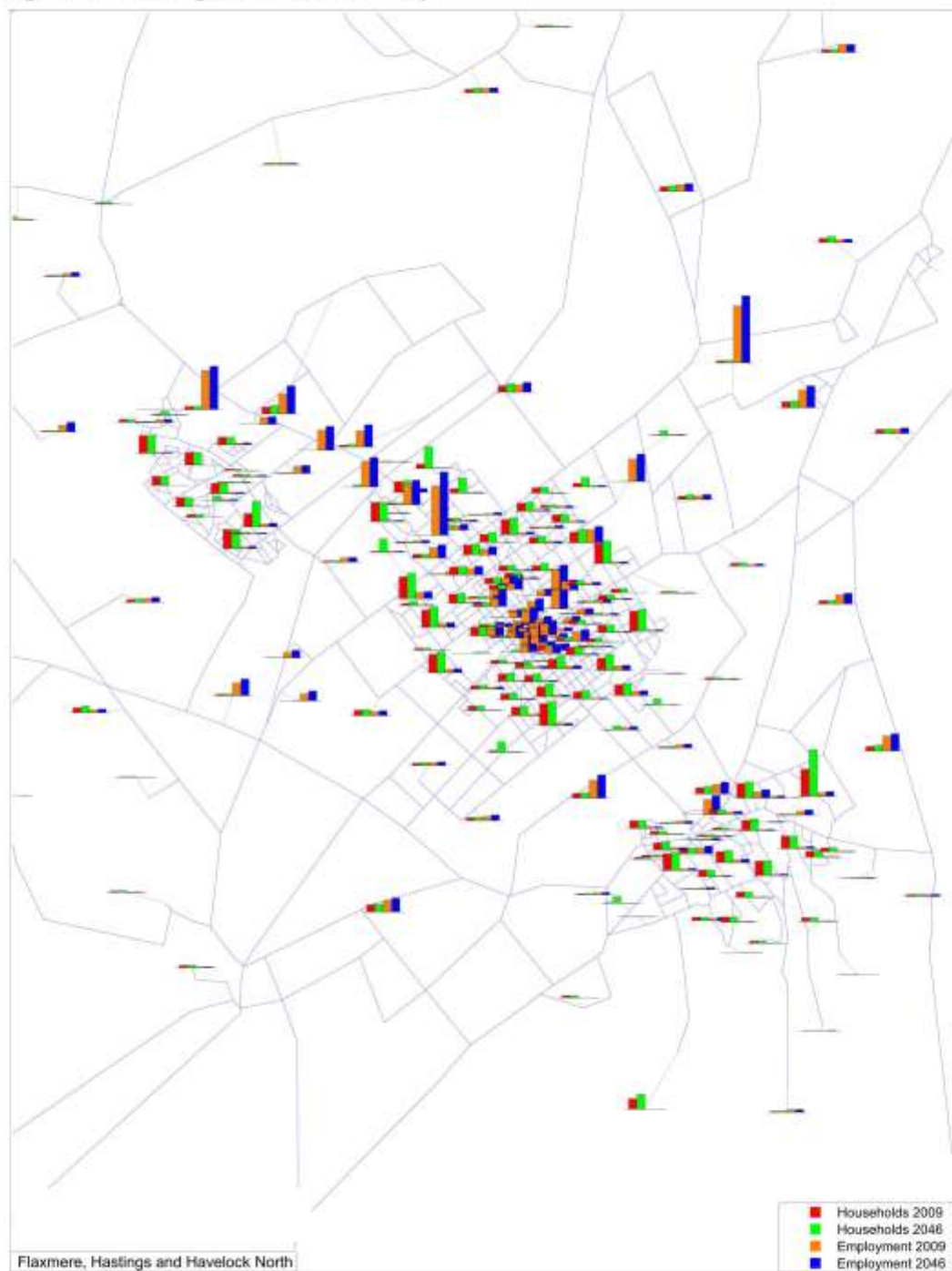


Figure 3 Hastings land use summary



v

1.4 Level of service and network deficiencies

In order to undertake a deficiency analysis, criteria needs to be set based on a set of operating targets for when a roadway needs to be reviewed. This criterion is normally a measure of the relative capacity of a roadway and will vary according to a wide range of influences including the road type, location in the network and the nature of adjoining land uses. Urban roads are limited by the capacity of downstream intersections, whereas the capacity of rural roads is principally determined by alignment and geometries.

Level of Service (LOS) is one of the more common criterion applied to characterise operational conditions within a traffic stream and their perception by motorists and passengers. Six LOS are defined with A representing the highest level, and F the worst. As traffic volumes increase, the LOS decreases. For most design or planning purposes, service flow rates D or C are usually used.

These have been used within the traffic model to develop a series of LOS plots for the do minimum network in 2009, 2026 and 2046. The plots are colour coded to highlight deficient locations on the network, both now and in the future. The results of the deficiency analysis are then used to help define a series of network improvement options for further evaluation.

The resulting LOS plots for the existing and future do minimum network are shown in the figures overleaf. Plots are included for 2009, 2026 and 2046 and are shown for the evening (PM) peak periods. Morning (AM) peak periods show similar results, often with mirrored directional LOS deficiencies.

The 2009 plots highlight existing areas of concerns at (LOS D or E):

2009 level of service summary

Hastings

- Omaha Road (both lanes) between Stortford Lodge to Henderson Road
- Karamu Road (both lanes) between Elwood Road and St Aubyn Street
- St Aubyn Street (both lanes) between Market Street and Karamu Road
- Heretaunga Street (both lanes) between Hastings Street and Windsor Avenue
- Pakowhai Road (eastbound) between Farndon Road to Elwood Road
- Havelock Road (both lanes) for the entire length
- Various short sections of road within the Hastings CBD

Napier

- Kennedy Road (both lanes) between Riverbend Road and the CBD
- Kennedy Road (southbound) between Guppy Road and Taradale Road
- Hyderabad Road (both lanes) between Taradale Road and Georges Drive
- Prebensen Drive (eastbound) between the Expressway and Hyderabad Road, Westbound between Hyderabad Road and Ford Road
- Gloucester Street (both lanes) between Howard Street and Meeanee Road
- Lee Road (both lanes)
- Expressway (both lanes) between Kennedy Road and Meeanee Road

Intercity routes

- Expressway (both lanes) from Pakowhai Road to the Tutaekuri Bridge
- Expressway (northbound) from Omaha Road to Pakowhai Road
- Expressway (both lanes) between Kennedy Road and Meeanee Road

2026 level of service summary

In 2026 there is continued deterioration of LOS on key routes:

- Expressway (northbound) between Evenden Road to Pakowhai Road (changes from LOS D to E)
- Havelock Road (Eastbound) between Windsor Avenue and Havelock North (changes from LOS D to E)
- Heretaunga Street (eastbound) between Windsor Avenue and Willowpark Road (changes from LOS D to E)
- Prebensen Drive (westbound) between Hyderabad Road and Expressway (balance moves from LOS D to E)
- Omaha Road (both directions) between Stortford Lodge and Henderson Road (balance moves from LOS D to E)
- SH2 (both directions) between Awatoto Road and Clive, and between Ruahapia Road to Elwood Road (changes to LOS D).

2046 Level of Service Summary

In 2046, the same areas on the network continue to be under pressure being either at or over capacity.

1.5 Stakeholders

As part of the study, stakeholder engagement was undertaken with a number of key stakeholder organisations, including transport/road infrastructure providers, regulatory service providers, land transport interest groups and major industry groups. These included representatives from district and regional councils, New Zealand Transport Agency, the Port of Napier, Heinz-Watties, Pan Pac, Kiwi Rail, NZ Police, bus operators and other key industries and producers. Methods included consultation letters with questionnaires and one-on-one phone or face to face interviews where important stakeholders were identified.

Stakeholders were canvassed for their opinion on a number of issues including:

- Important issues facing their industry relating to the transport network
- Issues affecting the transport network in the future (2015 – 2045)
- Aspects of the transport network performing well/not performing well at present
- Any suggested improvements to the transport network.

Key themes and comments generated from the stakeholder questionnaire included the following:

- **Access to the Port of Napier:** Stakeholders recognised that Marine Parade was an important residential and tourist corridor, and that there was a corresponding need to move heavy vehicles accessing the Port to the Napier-Hastings Expressway.
- **Network capacity issues with Vehicle Dimensions and Mass changes:** Local Councils and representatives of major industry organisations see parts of the roading network and particularly bridges as being the weak link in the ability to increase Vehicle Dimensions and Mass.
- **Increase in freight quantities/heavy traffic:** Freight quantities are expected to increase by up to 75% over the study period, contributing to a change in the mix of traffic using the road network as explained below.
- **Declining fossil fuels & rising travel costs:** The worldwide decline in fossil fuel availability and its impact on the Heretaunga Plains region was identified by several stakeholders, along with the need to investigate alternative transport modes due to increasing costs.

- **Increasing mode share of public & active transport modes:** Given the reliance on private vehicles in the Heretaunga Plains region and rising travel costs, many stakeholders saw an urgent need to an increase in mode share for both public transport, such as buses, and active transport, including walking and cycling. This was seen to have important flow on benefits for the health and wellbeing of residents, as well as traffic flow.

Overall, stakeholders were generally supportive of the transport study. Their comments were taken on board where possible in the consideration of the different options.

Figure 4 Level of service 2009 PM Peak



Figure 5 Level of service 2026 PM Peak



Figure 6 Level of service 2046 PM Peak



Key:
Grey Level of service A and B defined as unaffected/reasonable freedom
Green Level of service C defined as comfort and convenience declines
Blue Level of service D defined as all drivers markedly restricted
Red Level of service E and above defined as near capacity, little of no freedom

1.6 Option summary

The Request for Tender specified the investigation of a set list of projects and any projects that were identified during the deficiency analysis. The deficiency analysis process did not highlight any additional projects for investigation over and above the specified list.

The improvement options identified in the Request for Tender were tested within the transport model in a preliminary sift exercise. The elimination was based on preliminary benefit cost ratio calculations based on network wide travel statistics.

The purpose of this exercise was to identify a list of network options for subsequent detailed assessment. A lot of the focus was therefore on eliminating those options that would clearly not be feasible and have limited impact on addressing identified network deficiencies.

On this basis, the following options were rejected from further analysis:

- **Option 2 Taradale Interchange** (Cost \$24.6 M, benefit cost ratio 0.6). The replacement of the roundabout with northbound facing ramps results in higher vehicle operating costs as vehicles detour to longer alternative routes. These dis-benefits outweigh the benefits.
- **Option 6 Willowbank** (Cost \$2.8 M, benefit cost ratio 1.8). This link is provided for future land development in the area and it is considered that it should be funded from development contributions. It does not provide benefits to the wider community.
- **Option 7 Bay View** (cost \$3.0 M, benefit cost ratio 2.2). A strategic model is not the best tool for assessing the merits of passing lanes. The benefit cost ratio is therefore low. These projects have had additional investigation undertaken outside of this study that indicates fundable benefit cost ratios for these passing lanes.
- **Option 8 Kennedy-Meeanee** (Cost \$6.3 M, benefit cost ratio 1.5). Widening the Expressway between Kennedy Road and Meeanee Road results in induced traffic. Some of the new trips are longer trips due to the change in distribution.
- **Option 13 Omaha Interchange** (Cost \$27.4 M, benefit cost ratio 0.1). A grade separated interchange by itself does not warrant a BCR and is not cost effective for easing congestion at this location.
- **Option 14 Ahuriri Corridor** (Cost \$3.6 M, benefit cost ratio 1.4). While the length of four laning is only 1.2 km, the cost is high due to the property issues and number of intersections that require modifications. Consequently the benefit cost ratio is low.
- **Option 27 Flaxmere Link** (Cost \$20.1 M, benefit cost ratio 0.5). The Flaxmere link does not receive enough benefits from the wider community to merit further investigation

Through this process the options were reduced to 20, being 12 main options with sub options or alternative alignments. The schemes that had further evaluation are detailed below

Project	Option(s) – Map Ref
Kennedy Road widening	1
Awatoto Expressway Corridor	4
Prebensen Drive four laning	5
Expressway options	9, 10, 12
Hastings north-eastern connector	18, 19
Hastings Southern Arterial	20, 21
Whakatu Arterial Link	22, 23, 24
Havelock Road	25, 26
Karamu Gateway	28
Public transport intervention	n/a

x

Project	Option(s) – Map Ref
Passenger transport intervention: Havelock Road	n/a
Freight distribution	n/a

The 12 remaining schemes have been assessed in more detail. In particular each scheme has reviewed the effects on both traffic flow and level of service, the crash history of relevant roads, the environmental effects and a more detailed economic evaluation.

Preliminary Feasibility studies have been prepared for each scheme.

Figure 7 Selected projects



1.7 Accessibility mapping

NZTA commissioned Abley Consultants to build an accessibility mapping model for the Heretaunga plains area. Accessibility relates to ease of access, while mobility relates to ease of movement; whether by private motor vehicle, public transport, walking or cycling, which makes it an aspect of accessibility. Personal

accessibility is defined as the ability or ease with which activities, either economic or social, can be reached or utilised. It is a fundamental basis of economic and social interaction, whether for work, education, health, shopping, recreation or other purposes, and is a function of the spatial distribution of activities – their size, quality, character and their ease of reach. As a planning goal, the assessment of accessibility allows for the evaluation of trade-offs between land use, transport and social needs. It focuses attention on the level of service of the 'system' as a whole, rather than on aspects of the transport system only. This differs from traditional transport planning, which tends to focus on improvements to the transport system that facilitate mobility, without considering the access needs that drive travel behaviour. The model identifies the locations of key social activities, such as schools, medical practitioners and retail outlets.

The relative accessibility between different residential areas and alternative destinations is provided for both active and passive modes of transport. The model utilises the existing bus routes, so it is able to determine the relative accessibility to alternative locations based on non car modes.

Walking accessibility takes into consideration the difficulty in crossing the road and therefore there was an interaction between the Accessibility Mapping Model and the Heretaunga plains Transport Model so that traffic flows from the transport model were used in the mapping tool.

The resulting maps were able to identify which areas had less accessibility to key social activities in the region. Not surprisingly, the residential locations furthest from the public transport routes and in newer suburbs with fewer facilities had less accessibility to destinations.

The results of the mapping were not used in a technical manner but were have been considered in the option assessments.

1.8 Freight and heavy vehicles

The Port of Napier is the single largest generator of intra-regional freight movements, accounting for approximately 10% of the total freight movements within the region. The Port is located in the north-east of the Napier urban area and handles over three million tonnes of goods each year. The major commodities handled by the Port are produce from the rural sectors, particularly forestry, bound for national or international export. Fertiliser accounts for the majority of imports at the Port. The Port is projected to grow substantially over the coming years, 86% by 2026, as a result of the continued growth in the rural sector and the national promotion of shipping as a transport mode. This will result in a significant increase in the movements of heavy commercial vehicles to and from the Port.

To support the largest generations of freight traffic – key industries and the Port of Napier – the following roads have been identified as strategically important:

- State Highway 2B, 50 and Hastings to Napier Expressway
- State Highway 2 North and South
- State Highway 5
- Napier-Taihape Road
- Prebensen Drive, Napier
- Pakowhai Road between Evenden Road and the Expressway
- Ruahapia Road

Several of the roads identified above all outside the geographic area of the Heretaunga Plains Transportation Study but are inter regional links that feed into the region and connect to local freight arterials.

Cognisance of the importance of freight and the associated heavy commercial vehicles has been taken into account through the study. Key to this is the challenging of balancing increased freight movements, and the associated economic benefits, with the need to meet environmental and social needs. The need to provide

efficient and defined corridors for freight movement that reduces the negative impacts on the community form part of the backbone of the study and the strategic recommendations.

More extensive analysis has been undertaken on the potential, and sought after (by the industry) High Productivity Motor Vehicle routes. The key routes related to this are Prebensen Drive, the Pakowhai/Expressway connection and the Whakatu Arterial Link.

1.9 Public transport

Public transport in the Hawke's Bay is managed by the Hawke's Bay Regional Council. It is a relatively simple system based around buses operating within and between Napier and Hastings. The shift from car users to public transport is dependent on the trip purpose, the frequency of the system and the walking distance to the final destination.

The model has been used to assess the effects of improving the public transport system such that a bus passes within 400m of each origin or destination location every 15 minutes; this distance and schedule are internationally recognised as providing the level of service that is required to encourage a shift to public transport. It is estimated that the Council's public transport budget would have to increase from around \$2 million per year to \$20 million per year to provide this level of service.

The assessment estimates that the overall traffic volumes on the road network would reduce by around 5-7%, with an overall benefit cost ratio of 2.4. Whilst the reductions in traffic volumes do not appear significant in a region of flat growth these reductions could reduce the need for roading widening projects. It is also likely that key routes would achieve greater reductions than the network wide reductions.

Moving directly to this scenario is not feasible due to funding restrictions, and any move to encourage use of public transport requires a suite of travel demand measures (e.g. parking strategies, bus priority systems) to be successful. Public transport in provincial New Zealand has negative perceptions for many people which need to be overcome; however with increased costs of living and the right suite of strategies a trial is warranted.

There are key routes such as Havelock to Hastings and Taradale to Napier that stand out as candidates for trials. Hastings District Council has adopted a strategy for the Havelock-Hastings corridor that lends itself to such and trial and they have also developed a travel demand strategy that supports this.

1.10 Light Rail

Havelock Road is an important strategic regional arterial link that connects Havelock North to the Hastings urban area. Currently, Havelock Road experiences high levels of congestion during peak periods, a situation that traffic modelling predicts will deteriorate further through to the year 2026. The existing bus service runs at hourly intervals.

Both a tram and a light rail system have been investigated as alternative forms of public transport.

The estimated cost was approximately \$31 million to implement the scheme. That figure did not include rolling stock and other associated capital costs which took the total to around \$43 million. Running costs were estimated to be around \$420,000 per annum. Fare revenue was estimated at around \$252,000 per annum (an average fare of \$2.15) on the basis of 40,000 commuter trips per annum being made. Consequently the benefit cost ratio was assessed as 0.33 which is considered economically ineffective.

Such schemes should be revisited in the long term if the uptake on improved bus services is significant and likely to make light rail economically viable. Hastings District Councils strategy for the Havelock-Hastings corridor provides for this to occur.

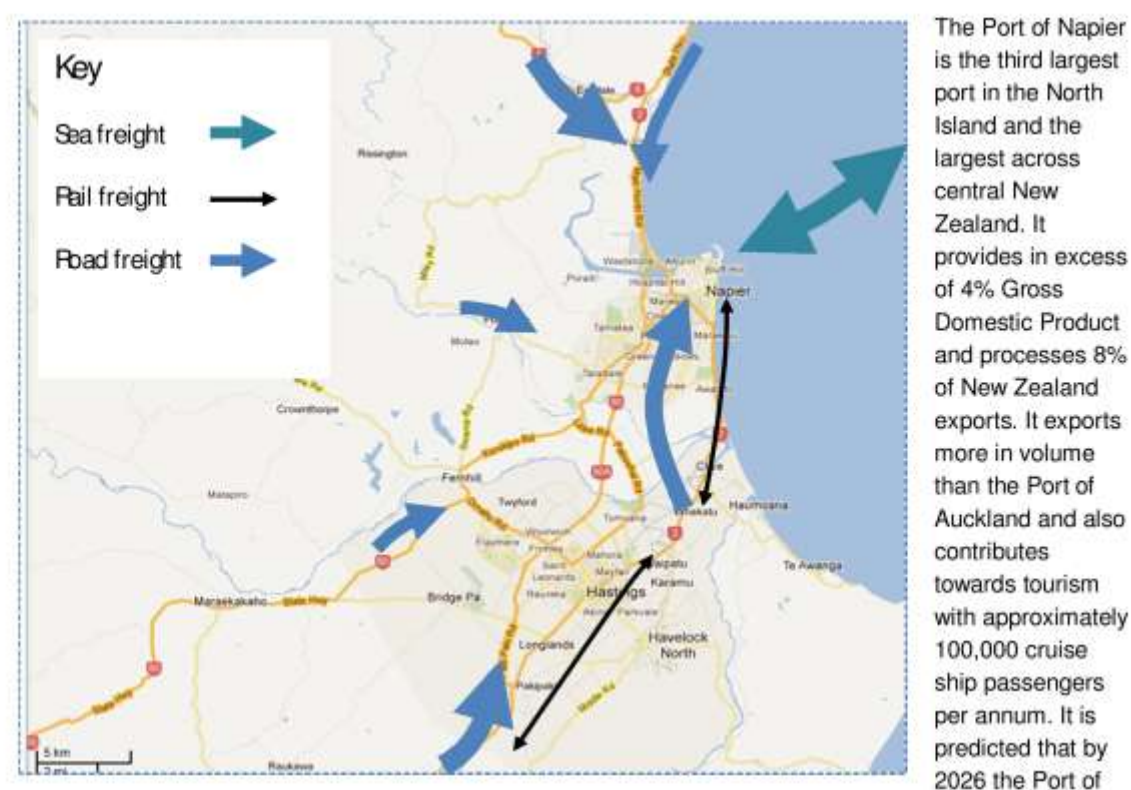
Based on the results of the Havelock Road investigation no detailed assessment was undertaken on the Kennedy Road light rail scheme which formed part of the initial project list as the capital costs would be

significantly higher than those for Havelock Road with similar passenger numbers which would make the option not economically viable.

1.11 Freight Distribution Centre

To enable efficient freight logistics and distribution, Freight Distribution Centre's are being promoted in various transport strategy studies and to a reasonable extent being implemented in various parts of the world. A Freight Distribution Centre is essentially an intermediary facility that provides for the transshipment of goods between an origin and a destination assisting with transport logistics. Centres can store goods until such time as they are required at their destination or until it becomes economical to transport them further.

Figure 8 Freight movements within the region



Napier will handle 5.1 m tonnes of goods per year, an increase of 86% over current volumes.

Two alternative sites were investigated for a Freight Distribution Centre; one on Prebensen Drive and one in the Whakatu area.

Consultation with the Port of Napier indicates that logistically the Whakatu site is preferred. The key reasons for this are:

- The Port currently owns land in the Whakatu area for this purpose
- The proximity to key exporters such as Heinz-Watties and various packhouses, including the largest coolstore complex in the southern hemisphere
- The Whakatu industrial area is zoned for industrial growth, especially wet industry
- Proximity to the rail corridor

1. The Freight Distribution Centre would not provide an instant or full move of freight from road to rail. However the percentage of movements by rail, currently around 30%, would stay relative as the Port grows hence reducing the number of road based freight movements in the future.
2. There are two key issues that will constrain the Ports ability to utilise rail more, namely the Farndon Overbridge restricting their ability to have double stacked rail cars and gaining maximum efficiencies around the operation of the rail link from Whakatu to the Port.
3. The investigation shows there were some benefits in establishing such a centre but there were also some potential notable drawbacks and costs relating to rail crossings. Three rail crossings would require grade separation with costs in the order of \$5 – 10 million per site (Taradale Road, Prebensen Drive and Tennyson Street), several other sites required improvements in the order of \$250,000 per site.
4. No definitive conclusion is made other than the Whakatu site should be investigated further by the Port if the use of such sites were commercially viable.
5. However it is recommended that the study partners work with the Port towards obtaining operational rights or efficiencies for the rail link from Whakatu to the Port in association with Kiwi Rail and investigate solutions to the Farndon Overbridge restriction.

1.12 Option prioritisation and staging

The benefit cost ratios for alternative construction years for the selected projects is shown in Table 18.

Projects were assessed in combination with the Study Technical Management Group based on the benefit cost ratio, first year rate of return, wider economic benefits, effectiveness and their strategic fit. Cognisance was also given to the Regional funding; Regional funding can be used for specific projects within a region if agreed upon by all stakeholders. The Hawke's Bay Region has Regional funding allocated that needs to be committed by 2015.

A series of projects have been assessed using the Heretaunga Plains Transportation Study model (2009). Some of the options have been discounted due to the benefit cost ratio being too low or the project does not have any benefits to road users.

There are funding and economic pressures behind the prioritising of alternative projects. Consideration has been given to all of these and in agreement with Study Technical Management Group the three top ranked projects Whakatu Arterial (WA), Pakowhai Interchange (PA) and Prebensen Drive Four laning (PR) were all assessed with alternative orders of construction, assuming the construction occurred in 2012, 2016 and 2020. The resulting benefit cost ratios are provided Table 4. It should be noted that the benefit cost ratios are less than those previously reported as the projects that are built later do not have their full 30 years of benefits as the 30 year benefit stream occurs from 2012. It should also be noted that the Prebensen Drive/Hyderabad Road capacity improvements project which has been investigated separately is aligned to the three top ranked projects.

Table 3 Preliminary BCRs for alternative construction years

	Option	Construction cost	2012	2016	2021	2026
1	Kennedy Road	7,776,300	3.2	3.8	4.5	5.4
4	Awatoto	8,372,000	1.4	1.7	2.1	2.6
5	Prebensen Drive	10,482,000	4.6	5.4	6.6	7.9
9	Meeanee-Pakowhai	33,852,000	1.4	1.5	1.5	1.6
10	Meeanee-Evenden	58,835,000	0.9	1.0	1.1	1.1
12	Meeanee-Omahu	65,772,000	0.9	0.9	1.0	1.1
18	Northern Arterial A	9,428,000	4.7	5.0	5.2	5.4

	Option	Construction cost	2012	2016	2021	2026
19	Northern Arterial B	6,091,000	3.7	4.0	4.4	4.9
20	Southern Arterial A	19,343,000	4.4	4.7	5.2	5.7
21	Southern Arterial B	18,804,000	1.3	1.5	1.6	1.8
22	Whakatu Arterial East C	15,342,000	4.2	4.5	4.9	5.4
23	Whakatu Arterial East B	12,821,000	4.7	5.2	5.7	6.4
24	Whakatu Arterial East A	14,310,000	4.8	5.1	5.6	6.2
25	Havelock A	27,435,000	1.9	2.1	2.3	2.6
26	Havelock B	29,675,000	1.5	1.6	1.7	1.8
28	Karamu Gateway	25,318,000	0.7	0.7	0.8	0.9
40	Pakowhai Interchange	14,460,000	2.9	3.0	3.2	3.3
46	Pakowhai Intersection Roundabout	4,000,000	7.4	7.8	8.3	8.8

When undertaking the analysis for staging works, and in particular economic analysis, a decision needs to be made for the order of construction. Generally this is undertaken based on the benefit cost ratio or the first year rate of return of the stand-alone project. Once a construction year has been decided, the project becomes the do minimum for comparison of the next project. While generally the projects to be assessed are mutually exclusive, some projects will aid congestion relief for other projects, hence the benefit cost ratio may reduce with the construction of the second project.

Two benefit cost ratios have been provided for each staging option. The first is if a full grade separated interchange is constructed at Pakowhai, the second is if an at grade rural roundabout, similar to the other roundabouts on the expressway is constructed. While the grade separated interchange is economically beneficial, the roundabout option is more fundable from the available R-funds for the region.

Table 4 Staging of Whakatu Arterial (WA), Pakowhai Interchange (PA) and Prebensen Drive (PR)

2012	2016	2020		BCR – Grade Separated	BCR – Roundabout
WA	PA	PR		3.7	4.7
WA	PR	PA		3.7	4.4
PA	PR	WA		3.3	4.6
PA	WA	PR		3.5	4.9
PR	WA	PA		3.5	4.2
PR	PA	WA		3.3	4.3

As can be seen by the results the order of staging results in similar magnitude of package benefit cost ratio and given the study being at a strategic level and project feasibility report level of reporting, the staging order of the three top ranked projects has little impact on the overall economic analysis of the package combined.

The resulting BCR's ranged from 4.2 to 4.9, with the preferred staging sequence being Pakowhai Roundabout followed by Whakatu Arterial Link and then Prebensen Drive widening.

Further analysis was undertaken to assess the staging of the Southern Arterial (SA), North Eastern Connector (NC) and Havelock Road Corridor Options (HR) with WA-PA-PR as the base scenario. The following benefit cost ratios assume that the additional option will be constructed in 2024. Again only a 30 year benefit stream has been used from the time of the first construction costs.

Table 5 Staging of Southern Arterial (SA), North Eastern Connector (NC) and Havelock Road Corridor (HR)

2012	2016	2020	2024	BCR – Grade Separated	BCR – Roundabout
WA	PA	PR	SA	3.7	4.6
WA	PA	PR	NC	3.7	5.4

2012	2016	2020	2024	BCR – Grade Separated	BCR - Roundabout
WA	PA	PR	HR	3.3	3.6

The Havelock Road Corridor Option tested uses the high cost option as the low cost option requires the extensive removal of parking. Further investigation is required to assess a more socially acceptable option.

The North Eastern Connector ranks ahead of the Southern Arterial.

1.13 Recommendations and strategic programme

The study provides forecasts and scenarios over a 34 year timeframe. This is based on current information and trends which could change over time as society, the environment and the economy all adapt to technology and global influences.

Therefore the recommendations and the implementation of these are based on short term (2012 – 2017), medium term (2018 – 2026) and long term (2027 – 2046) periods. It is important that this study and the strategic programme outlined below are treated as a live document that adapts to such changes. The recommendations also include those aimed at improving the level at which future models and studies can be used for decision making. These include improved traffic counting programmes and household interview surveys or origin-destination surveys to obtain a better understanding of Hawke's Bays travel patterns which are unique due to the 'Twin City' layout of the Heretaunga Plains.

The study provides a strategic overview and as a result also recommends areas that require further investigation before a preferred option can be decided. Given the short peak on many routes that are under pressure it is recommended that further investigation be undertaken into travel demand and lane management systems rather than leap to the hard engineering solution of widening the carriageway in every situation.

The recommendations are designed to achieve the following results in order of priority:

1. To support economic growth whilst providing a safe network which meets environmental and communities expectations
2. To maximise value for money
3. Move the region towards more sustainable transport
4. To implement initiatives in a staged manner based on timely reviews and investigations

Short term (2012 – 2017)

1. Whakatu Arterial Link – Investigate, design and construct
2. Expressway/Pakowhai – Investigate, design and construct at grade solution with future proofing for grade separation.
3. Prebensen Drive – Complete design. Construct 4 laning and Ford Road extension. The Prebensen Drive / Hyderabad Road capacity improvements project should be linked to the construction of Prebensen Drive.
4. Freight Distribution Centre - Continue to investigate the Freight Distribution Centre, in particular the feasibility of The Port of Napier being able to operate the rail link from Whakatu to the Port.
5. Havelock Road Public Transport Intervention – Consider trial of improved public transport system including connections within Havelock North and travel demand initiatives.
6. Kennedy Road Widening – Investigate options for achieving additional capacity on Kennedy Road i.e. lane management systems (2+1 tidal lanes) and travel demand measures.
7. North Eastern Connector – Undertake detailed investigation for the Expressway – Karamu Road section.

8. Havelock Road – Implement HDC's travel demand initiative and corridor plan.
9. Implement a more robust traffic counting programme to assist future studies.

Medium Term (2018 – 2026)

1. Undertake household and origin destination surveys to assist future studies.
2. Havelock Road – Monitor and review the impact of public transport trial and travel demand measures. Continue to implement HDC's corridor plan.
3. Public transport intervention – Results of Havelock North trial are reviewed and if positive consideration should be given to rolling out more enhanced services to areas such as Taradale and Flaxmere.
4. St Aubyn Street Corridor - Undertake corridor study to consider capacity improvements and alternatives such as clearways, lane management systems and travel demand.
5. Bay View Passing Lanes – Design and construct.
6. Awatoto Expressway Corridor – Undertake corridor study and investigation.
7. North Eastern Connector – Design and construct from Pakowhai Road to Karamu Road.
8. Southern Arterial – Undertake detailed investigation on completion of Whakatu Arterial Link and Expressway/Pakowhai intersection improvements.
9. Karamu Gateway – Undertake corridor study to consider capacity improvements such as clearways, lane management systems and travel demand.
10. Expressway/Pakowhai – Review performance of at grade solution and investigate and design and construct grade separated solution if required.
11. Expressway Corridor – Undertake investigation options for increased capacity or lane management systems.

Long term (2027 – 2046)

1. Expressway/Pakowhai – Implement grade separated solution if an at grade solution has reached capacity and not been constructed in the medium term.
2. Havelock Road – continue to implement HDC's corridor plan.
3. St Aubyn Street Corridor – Implement preferred solution from corridor study.
4. Awatoto Expressway - Implement preferred solution from corridor study.
5. Southern Arterial – Design and construct if required with on completion of other network improvements.
6. Karamu Gateway – Implement preferred solution from corridor study.
7. Expressway Corridor – Implement options for increased capacity or lane management systems. Investigate Tutaekuri Bridge duplications.

26 July 2012

SUBMISSION OF THE HAWKE'S BAY REGIONAL COUNCIL TO THE LOCAL GOVERNMENT AND ENVIRONMENT SELECT COMMITTEE

on the

LOCAL GOVERNMENT ACT 2002 AMENDMENT BILL

1. INTRODUCTION

The following submission by the Hawke's Bay Regional Council has been prepared in response to the *Local Government Act 2002 Amendment Bill 2012* ("the Bill"). Councillors formally considered the submission at a meeting on 25 July 2012.

The Hawke's Bay Regional Council is a member of *Local Government New Zealand* and supports the majority of points contained in the submission lodged by *Local Government New Zealand*.

2. LOCAL GOVERNMENT IN NEW ZEALAND

Local government is a cornerstone of the democracy on which New Zealand's unwritten constitution is based. Local government has become significantly independent of central government and this independence has arisen in two main ways:

- The Local Government Act places an obligation on each local authority to be directly accountable through the annual planning process to its own community for the ways in which it will allocate resources. This has been accompanied by a selective reduction in central government oversight of essentially policy matters. There remains, however, oversight of local government's stewardship roles through an external audit of its management and environmental activities; and
- There has been a steady withdrawal, over a number of years, of central government financial assistance and subsidies to local government. Present local government funding is about 90 per cent locally sourced. The balance comprises mainly financial assistance from central government for land transport.

Local government has responsibilities and delivers functions under a raft of legislation. Under some of this legislation local government acts as the main implementers of the legislation (e.g the Resource Management Act) and in some as agents of central government (e.g. liquor licensing). Reform over the past two decades has seen an emphasis on outcomes and outputs (instead of on inputs), and the legal requirement on councils to achieve the separation of policy and service delivery. The intention behind this is to bring about greater public accountability and transparency

in their conduct and to reduce conflicts of interest between their policy/regulatory and service delivery functions and between trading and non-trading activities.

The Local Government Act 2002 Amendment Bill is changing fundamentally the relationship between central and local government and its provisions are providing a challenge to democracy as it is understood within New Zealand. As drafted it will change the purpose and accountabilities of local government.

Parliament is elected to deal with issues relevant to New Zealand and its people as a nation. Local government is an essential component of democracy as it enables democratic local decision-making about local issues and services, and is focused on local needs and priorities. Managing diverse preferences requires that institutional structures reflect the principle of subsidiarity. Subsidiarity is an organising principle that says that matters ought to be handled by the smallest, lowest or least centralised competent authority. It is the idea that a central authority should have a subsidiary function, performing only those tasks which cannot be performed effectively at a more immediate or local level.

The amendments proposed by the Bill reduce the capacity for local voters to determine their own requirements and parameters and to evaluate the subsequent performance of their local authority. In particular the provisions around the purpose of local government, an intervention framework, and fiscal responsibility see the power for central government to intervene in the operations of local government increase substantially.

The principal concern of this Council is that these provisions lack justification for the wholesale changes being proposed – this concern is further analysed in commentary on the Regulatory Impact Statement. The proposed changes could have consequences beyond those intended by the government and our submission offers a number of changes which we believe will assist the Committee and will enhance the intent and application of the legislation over the longer-term.

3. BETTER LOCAL GOVERNMENT

The 'Better Local Government' announcements in March identified eight areas that the government saw as being in need of reform:

- Refocusing the purpose of local government
- The introduction of fiscal responsibility requirements
- The introduction of an assistance and intervention framework
- The streamlining of council reorganisation procedures
- The development of a framework for central and local government regulatory roles
- The establishment of a local government efficiency task force
- Reviewing the use of development contributions
- Examining the efficiency of local government infrastructure provisions

This Bill covers the first four of these areas, with the remaining four to be considered as part of "Phase 2" of the reforms. In Council's view the order of these Phases needs to be reversed. The Efficiency Taskforce and the Productivity Commission need to have the opportunity to complete their reports prior to the introduction of the reform legislation.

The Efficiency Task Force has been appointed and its Terms of Reference developed. The Task Force is expected to report back by October 2012. Similarly the Infrastructure Taskforce has been tasked with identifying how good quality infrastructure to support a growing economy can be delivered at the least cost. Finally as part of Phase 2 the work of the Productivity Commission is underway and will examine the balance of functions allocated to local government by central government and ways to improve regulatory performance in the sector. This is to be followed by a non-statutory framework for guiding decisions on which functions should be undertaken by central and local government.

Hawke's Bay Regional Council is strongly of the view that, for the sake of efficiency and effectiveness for both sectors, these "Phase 2" reports should be completed, analysed and the required changes identified as the first stage of achieving the government's desired goal of improving the operation of local government in New Zealand. The proposals contained in the current Bill could then be assessed to determine if and how they would further assist operational improvements.

It is our submission, therefore, that the current Bill be placed on "on hold" at least until the findings of the Efficiency Taskforce, Productivity Commission and Infrastructure Taskforce are reported back. This would then allow an analysis of these findings to support, enhance, amend or delete the proposals in the current Bill to deliver a comprehensive review. It is expected that this would delay the reform agenda by no more than six months.

4. REGULATORY IMPACT STATEMENT

Of considerable concern to the Hawke's Bay Regional Council is the inescapable lack of confidence in the level of analysis that went in to the Bill, engendered by the Regulatory Impact Statement that accompanies it. We are aware of many of the political drivers that have lead to the hasty development of this Bill but have never before read a Regulatory Impact Statement that is quite so open and honest about the absence of evidence to support the proposals in the Bill.

Department of Internal Affairs senior officials state:

"There is limited evidence to inform the development of these proposals and the timeframe within which these proposals have been developed has restricted the ability to assess multiple options. The problem analysis and option assessment rely on assumptions that are not, or are only partially, tested."

and

"The short timeframe for formatting and drafting the legislation creates some risk that interventions could be incorrectly aligned, and/or require subsequent amendment to address unforeseen circumstances."

While we doubt that these statements will dissuade the government from its agenda we wish to express our fundamental concern at the costs to communities of hastily written and implemented legislation that also undermines the democratic process. There was no consultation on the formulation of the Better Local Government Bill. When these factors are put together with a reform work programme that should be reversed we seek a **suspension** of the Bill until more time and much greater consideration by both sectors can be given to these matters as a total package.

5. SPECIFIC ISSUES IN THE BILL

5.1 *Purpose of Local Government*

Hawke's Bay Regional Council questions the need for changes to the local government purpose statement. The current purpose focuses on the four wellbeings that, collectively, contribute to community wellbeing. It gives councils the 'power of general competence' to undertake activities that meet the purpose statement. This purpose statement has been in place since the passing of the Local Government Act 2002. The new Bill changes that to "meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses."

We do not believe there is any rationale for removing all references to the wellbeings throughout the Act. We support the retention of the 'Power of General Competence.' The wellbeings provide an effective framework for determining how to best address community interests and needs, and for prioritising investment decisions. They do, in fact, underpin the rationale for local government.

We submit that the proposed replacement purpose brings a number of uncertainties that are not clarified in any of the official documentation accompanying the Bill. For example:

- What are 'local public services' and what are not?
- How do you judge 'good quality'?
- Would councils be able to support a future Rugby World Cup or similar, noting the government's strong encouragement for councils to support the 2011 RWC?
- Is the construction of a water storage dam to improve the water flows within a major river catchment as well as enhancing irrigation potential in that catchment for the benefit of the regional economy classed as 'local' infrastructure?
- The Super Gold Card for public transport is a central government funded initiative with increasing requirements of local funding – presumably this would not be classified as a "local" public service and councils would opt out.

Across local government the implementation of Government initiatives and standards has been a key driver in the increasing cost of doing business. While there is a perception that local government is choosing to undertake a range of non-core activities some of this has been driven by the agendas of various governments. For example the implementation of the National Environment Standard for Air Quality has led to this Council becoming involved in clean heat and insulation programmes to comply with the standards set by EECA, in addition to its RMA requirements.

In addition to the uncertainties around which activities might come under the proposed definition and which might not, there is the potential need to prove that a service has been delivered not merely cost effectively but "most" cost effectively. The term "most cost effective" does not provide explicitly for the wider consideration of the value derived from the investment or expenditure decision. Cost effectiveness within the context of three year local government cycles does not ensure long-term sustainability or the best environmental outcomes.

Cost effectiveness is a very important element to be taken into account when an expenditure decision is made, but is not the only one. The concept of value includes not only cost effectiveness

but also the opportunities for households and businesses to derive additional benefits on the back of infrastructure/services.

We support the request by Greater Wellington Regional Council in its submission that the term “most cost effective” be replaced with the more appropriate term: “in a way that provides the best value for households and businesses.” A focus on cost-effectiveness, rather than a broader consideration of value, may lead councils to make short term decisions involving deferral of maintenance on the grounds that this is the most cost-effective options for households and businesses during the course of the plan. These decisions could have negative implications if deferred maintenance or asset replacement generates significant additional and possibly unnecessary cost for future generations to meet.

Within the Regulatory Impact Statement’s criticism of the present purpose examples such as NCEA pass rates and investment in V8 car races as “non-core spending” are cited as evidence that councils are operating outside their “core activities”. The NCEA reference appears to refer to the recently adopted Auckland spatial plan. Central government designed the spatial plan mechanism with the intent that it be a comprehensive focussed document that drew together central and local government investment intentions and agreed on joint priorities. Auckland Council has no intention of engaging in front-line delivery of education services as a result of this plan.

The V8 commentary in the Regulatory Impact Statement is also interesting. While berating Hamilton City Council for being involved in such an event the Government has now announced a \$2.2M contribution towards the facilities required to host the event at Pukekohe, **subject to contributions from** V8 Supercars and Auckland Tourism, Events and Economic Development (ATEED) – a Council Controlled Organisation under **Auckland Council**. This is sending confusing messages to the local government sector. As was the request from the Minister of Finance in 2009 for local government to kick-start the economy through spending on infrastructure and the deeming of the Rugby World Cup as a “core service” for local government.

What is the real message from central government in relation to the role of local government? We ask that it be consistent.

The reality of local government is that its purpose is to respond to the needs and aspirations of the communities it services. This is evidenced by the quantity and diversity of submissions made to Councils in Ten-Year and Annual Plan processes. An essential role that the community perceives is advocacy – where does that fit in with the purpose’s definitions?

As the Regulatory Impact Statement says: **“There is no clear quantitative evidence to suggest that the Local Government Act 2002 has resulted in a proliferation of new activities, or that local government is undertaking a wider group of functions.”**

5.2 Fiscal Responsibility

We agree that any organisation can improve. In the local government sector improvements have been achieved year on year and, in every Long-Term Plan cycle, the sector finds savings and efficiencies. The financial management framework emphasises the accountability of council to its community through:

- The adoption of an audited long-term plan every three years, which contains financial statements for the next ten years
- The adoption of annual plans in the intervening years
- The adoption of audited annual reports.

The Bill is proposing that parameters and benchmarks be set by local government by way of regulation. This appears to be developed on the premise that local councils are perceived to have insufficient incentives to reduce and constrain expenditure and keep rates and debt to minimum levels. Certainly media commentary on movements in rates and council debt are directed towards the allegations that these are “increasing too fast”.

The Regulatory Impact Statement (RIS) is particularly light on evidence in this area. It cites several examples of territorial authorities that have incurred financial management issues resulting in very high debt levels or not meeting statutory timeframes for annual plans and reports.

What it does not acknowledge is that:

- The 2010 amendments to the LGA requiring councils to adopt a financial strategy have only just come in to effect and it is way too early to ascertain their effects. It is worth noting that the Auditor-General has noted that the sector is generally planning to reduce debt levels in the 2012-22 Long-Term Plans. The examples cited in the RIS arose before this package of amendments was introduced and cannot be cited as evidence that the current framework does not provide adequate controls.
- The basis of much local authority expenditure is for investing in the future (and not just the here and now). Local authorities provide assets that have long service lives (50, 80, 100 years) meaning that both present and future generations get to enjoy the benefits of the assets. One of the core principles of government finance is intergenerational equity. Local authorities achieve this by borrowing part of the cost of the asset. A decision not to borrow or to borrow “too little” assumes that today’s ratepayers should subsidise the consumption of tomorrow’s ratepayers.
- The Government established the Local Government Funding Agency largely to assist councils with the cost of borrowing. At the 2009 Jobs Summit the local government sector was criticised for its lack of debt (“lazy balance sheets” was a term used at the summit) but also given the unambiguous message that councils should be increasing their infrastructural investment to “help communities through the recession.”

It is our view that the imposition of Government benchmarks is premature and heavy-handed. It would be preferable to allow for the sector to establish a central set of benchmarks as a self-regulatory mechanism in the first instance. If it is agreed at some point in the future that these are not working then this issue could be revisited.

As outlined earlier in our submission this is another example of a poorly thought-out tool to fix a problem that has not yet been determined or defined.

5.3 *Intervention and Assistance*

As drafted the Bill confers significant powers on the Minister of Local Government to intervene in local government if he or she considers that there is a “problem”. The major omission from the Bill is that there is no definition of what constitutes a “problem”. Councils become effectively accountable in the first instance to the Minister of Local Government, rather than to their own electorates.

The “Better Local Government” reforms stated that: “New Zealand cannot afford to let some councils underperform, mismanage important decisions, or worse, risk failure. There is too much at stake.” Accordingly the Bill “provides a graduated mechanism for Crown assistance and intervention in the affairs of local authorities, enabling central government to provide assistance to struggling councils before the situation becomes critical”. Disappointingly this fails to recognise that councils have been operating successfully for most of the country’s history.

These intervention powers are predicated in the existence of a “problem” which is defined in the bill as any of the following:

- Matters or circumstances relating to management or governance detracting from a council’s ability to give effect to its purpose
- The consequences of a state of emergency
- A failure to demonstrate prudent management of its revenues, expenses, assets, liabilities, investments or general financial dealings in terms of any parameters or benchmarks.

The Hawke’s Bay Regional Council has little issue with either of the first two criteria. Our concern is with the third, a failure to meet defined parameters or benchmarks. With the involvement several times each year by the Office of Auditor General (OAG) in each council’s financial affairs we can conceive of no circumstances where a council that is managing its finances imprudently would not have had this picked up by the OAG.

The new framework provides six Ministerial powers: three ‘powers to assist’ and three ‘powers to intervene’. These powers form a spectrum ranging from minimal intrusion at one end to maximum intervention at the other. As we have noted in our earlier comments the significant issue here is that these proposals make councils effectively accountable in the first instance to the Minister rather than to their own electorate.

Hawke’s Bay Regional Council supports in principle the introduction of lower level interventions not currently available to the Minister (provision of information upon request, appointment of Crown Reviewer, appointment of Crown Observer). Our concern, however, is over how the Minister will determine if a problem exists. We suggest that a role is considered for the Controller and Auditor-

General to provide impartial advice to the Minister to better form a view on whether a problem exists in a local authority, and to assist in determining the nature of any intervention to address the problem. This will allow for sufficient pre-investigation of a problem, and remove the likelihood of a repetitive complainant initiating a full Ministerial review. We believe it would also be helpful for these provisions to be extended to identify the circumstances where it would be more appropriate for the Ombudsman or the Parliamentary Commissioner for the Environment to provide the required impartial advice to the Minister.

Finally as the Bill is drafted the Minister would be able to appoint any person they wish to a Crown Review Team, or as an Observer, Manager or Commissioner. We suggest that this discretion may be too wide and that experience in particular skill sets, such as financial management, law, asset management or local governance, should be prescribed for these appointments.

5.4 *Employment and Remuneration policy*

The Bill provides for a local authority to adopt a single policy relating to employee staffing levels and employee remuneration. Specifying staff numbers is quite a blunt instrument to control inputs as consultants may be used instead to meet council expectations.

It is worth noting for the Select Committee's consideration that in 1993 remuneration costs for local authorities accounted for 29% of their expenditure while in the year to June 2010 it was 23% of local authority expenditure. The tools already exist for Councils through Long-Term and Annual plan budget setting processes to set a limit on spending on remuneration. These plans are subject to public consultation (unlike the proposed employment and remuneration policy).

As issues relating to staff numbers may be quite distinct from that of employee remuneration we suggest that this provision, should it be adopted, be amended to provide for the ability of councils to adopt separate policies on these matters.

The proposed changes would require the Chief Executive, when negotiating the terms of employment of staff of the local authority, to act in accordance with any remuneration and employment policy adopted by the Council. This could inadvertently lead to unions considering that employee staffing levels are part of any collective agreement negotiations.

5.5 *Mayoral powers*

Hawke's Bay Regional Council does not oppose the provisions which generally align the roles and powers of Mayors with those of the Mayor of Auckland. We recognise that the power to appoint deputies and committee chairs, as well as to establish committees, would not be appropriate for Chairs of regional councils who are elected to the Chair position by the other elected representatives on the council.

However for the avoidance of any future uncertainty we consider that leadership provisions similar to that being given to Mayors under section 41A(1) be extended to regional council chairs.

5.6 Reorganisation

The problem definition that this section of the Bill seeks to address continues the theme of other parts of the Bill in undermining local democratic choices. It contends that the current process makes it difficult for communities and other local government stakeholders to seek alternative arrangements unless they secure the support of their council as well as other affected councils, or have the time and resources necessary to generate a petition that meets statutory requirements. Proposals that are accepted then face a relatively long and complex process with no guarantee of success (Regulatory Impact Statement).

The reorganisation procedure outlined in the Bill appears to go to the other extreme to make reorganisation proposals a foregone conclusion with little broad community support required across the entire affected areas. It may well lead to hostile takeovers, the swamping of less populous authorities and asset grabs (such as may well occur in the instance of the well managed and financially prudent regional councils, such as Hawke's Bay).

The Regulatory Impact Statement states that to address problems with the status quo a new system should seek to "confirm significant community support for change in each affected territorial authority." The Bill however talks about any body or group with an interest in the governance of an area may apply for reorganisation. They will have to demonstrate to the Commission that their application has "significant community support". While the term "significant community support" is defined nowhere is it clear what will be considered "the community" for these purposes. This is critical. For example, would a group with, say, 1000 members in a region of, say, 150,000 be classed as a 'community'?

It is the view of this Council that the relationship between the Minister of Local Government and the Local Government Commission should be once-removed in order to avoid any perceptions of pre-determination of proposal outcomes. We do not believe that the Minister should be able to prioritise or set timelines for consideration of reorganisation proposals by the Local Government Commission.

The provisions relating to a poll in any reorganisation proposal are fundamentally flawed. As drafted they require that a poll may be demanded by a petition of 10% or more of electors in the affected area and this petition must be submitted within 40 working days of the Commission's final proposal.

In the view of the Hawke's Bay Regional Council a poll of persons in an affected area on a reorganisation proposal must be compulsory. This is a basic democratic right.

In the absence of certainty around a test of "significant community support" a mandatory poll is the only democratic means of determining the views of the entire affected area.

The minimum safeguard for local democracy should be that 10% of electors in any of the affected areas could instigate a poll. Similarly 50+% support in a poll in any of the affected districts should

entitle that community to either defeat the proposal or enable the community to stand aside from the reorganisation.

In Clause 27 of the Schedule dealing with reorganisation proposals it states that an affected local authority is prohibited from advertising in support or against a proposal when a poll is being held, whereas any lobby group that is not a local authority is not banned from advertising. This can, and should, be seen as a significant erosion of the rights of citizens to obtain information and should be struck out in its entirety.

For a proposal to succeed the Local Government Commission must be satisfied that the reorganisation will promote efficiencies, productivity improvements and simplified regulation. These are supported. What is missing from the Bill in this list of criteria, however, is any consideration of whether or not a reorganisation proposal will promote better democratic processes or community engagement. Democracy is not necessarily the most efficient form of administration but it is what our earlier generations fought for.

5.7 Summary of Requested Changes to the Bill

Clause	Suggested Amendment
All	Suspend the progress of the Bill until reports are considered from the Efficiency Task Force, the Infrastructure Taskforce and the Productivity Commission
Alternatively	
7	<p>Delete Clause 7</p> <p>Or</p> <p>Replace clause 7(1) with “to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that provides the bet value for households and businesses”</p>
14	Delete proposed section 31A in its entirety to remove the potential for perception of pre-determination of reorganisation applications.
16	<p>Insert a new proposed section 41B as follows:</p> <p>41B Role of regional council chairperson</p> <p>The role of a chairperson is to provide leadership to_</p> <p>(a) Other members of the regional council; and</p> <p>(b) the people in the district of the regional council</p>
17	Amend clause 17 (2) to refer only to remuneration policy.
22	Delete Clause 22 in its entirety
24	Amend Clause 36A to read:

	<p>“A local authority may adopt a policy or separate policies in relation to –</p> <p>(a) Employee staffing levels; and</p> <p>(b) the remuneration of employees</p>
Schedule 1	<p>Amend Clause 7 to:</p> <p>Define “community”</p> <p>Quantify “significant community support”</p>
Schedule 1	<p>Amend Clause 8 (1) (b) as follows:</p> <p>“Facilitating, in the affected local authority or local authorities:</p> <p>..</p> <p>..</p> <p>..</p> <p>(iv) enhanced democratic processes and community engagement.”</p>
Schedule 1	<p>Delete Clause 21 in its entirety.</p> <p>Replace with provisions that require that when a final proposal has been issued the Local Government Commission <u>must</u> conduct a poll to determine whether or not the final proposal is to proceed.</p> <p>Make consequential amendments to Clause 22</p>
Schedule 1	<p>Amend Clause 25 as follows:</p> <p>“(1) If more than 50% of the valid votes cast <u>in each affected area</u> in the poll are for a final proposal, the Commission must prepare a reorganisation scheme to give effect to its proposal”</p>
Schedule 1	Delete Clause 27 in its entirety

The Hawke’s Bay Regional Council wishes to be heard in relation to this submission.

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Insert following as a new chapter in Section 3 of the Regional Resource Management Plan

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3.x Integrated Land Use and Freshwater Management

ISSUE

ISS LW 1 Maintaining and enhancing water quality, aquatic ecosystems, surface water flows, and aquifer levels while enabling economic and social growth to occur requires the balancing of multiple, and often competing, values.

OBJECTIVE

OBJ LW 1 The management of fresh water and land use and development in a manner which:

1. identifies outstanding freshwater bodies in Hawke's Bay region and protects the water quality of those outstanding freshwater bodies;
2. recognises that land use and freshwater quality will impact on the coastal environment;
3. safeguards the life-supporting capacity and ecosystems of fresh water with a priority for indigenous species;
4. recognises the significant national and regional value of fresh water for human drinking and animal drinking uses;
5. recognises wairuatanga and mauri of fresh water bodies in accordance with objectives and policies in Chapter 3.14 of this Plan;
6. recognises the differing demands and pressures on freshwater resources within catchments across the Hawke's Bay region, and where significant conflict exists between competing values, provides clear priorities for the protection or use of those freshwater resources.

Principal reasons and explanation

Objective LW1 (and associated policies) assist HBRC to give effect to the 2011 National Policy Statement for Freshwater Management. These RPS provisions only partly implement the NPS for Freshwater Management. Regional plan policies and methods (including rules) also assist in giving effect to the NPS for Freshwater Management.

In Hawke's Bay, the issues and pressures on land and water resources vary throughout the region. As a result, the urgency for clarity around water allocation and to maintain or improve water quality also varies. These catchment differences have influenced HBRC's decision to prioritise catchments where the issues, pressures and conflicts are most pressing.

As well as different pressures in different catchments, freshwater values in Hawke's Bay also vary spatially. In addition to the national values of fresh water identified in the NPSFM's Preamble, HBRC has undertaken a process to assess freshwater values in Hawke's Bay. This included beginning with a Regional Water Symposium in 2010, followed by a collaborative stakeholder process to develop the Hawke's Bay Regional Land and Water Management Strategy and a second Land and Water Symposium in 2011. This process helped Council to understand how to prioritise and strengthen policy options and management decisions for the different catchments. HBRC has also applied the River Values Assessment System (RiVAS) to assess values of rivers in the region. RiVAS, developed by Lincoln University, provides a standardised method that can be applied to multiple river values. It helps to identify which rivers are most highly rated for each value and has been applied in several regions throughout the country. The results of the RiVAS assessments for Hawke's Bay reinforced the values identified at the symposiums and by the stakeholder reference group.

The predominant view of Maori in Hawke's Bay is that water is the essential ingredient of life: a priceless treasure left by ancestors for the life-sustaining use of their descendants. This Plan sets out iwi environmental management principles (see Chapter 1.6), matters of significance to iwi/hapu (see Chapter 3.14) and commentary about the Maori dimension to resource management (see Schedule 1).

[add text here]

Attachment 1

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POLICIES**POL LW1 Outstanding freshwater bodies**

1. To apply the criteria set out in Appendix 'A' to identify outstanding freshwater bodies in the Hawke's Bay region.
2. To protect the water quality of the following Outstanding Freshwater Bodies in the region:
 - a) Lake Waikareiti
 - b) Lake Waikaremoana
 - c) Mohaka River catchment above 'Willowflat'
 - d) Ngaruroro River, Taruarau River and their tributaries above Whanawhana cableway.
3. In relation to an Outstanding Freshwater Body identified in Policy LW1.2, to manage activities discharging contaminants, or taking, using, damming or diverting water, and land use activities in a manner which avoids any adverse effects that are more than minor on the water quality of the Outstanding Freshwater Body.

Principal reasons and explanation

The 2011 National Policy Statement for Freshwater Management expects regional councils to protect the quality of outstanding freshwater bodies (Objective A2). NPS Implementation Guidance notes indicate that Objective A2 recognises there are a small number of outstanding water bodies across New Zealand that should be protected.

In terms of criteria for identifying what are 'outstanding freshwater bodies', criteria for Water Conservation Orders as described in the RMA is a useful starting point for developing criteria. S199 RMA states that the purpose of a water conservation order is to recognise and sustain:

Outstanding amenity or intrinsic values which are afforded by waters in their natural state

Where waters are no longer in their natural state, the amenity or intrinsic values of those waters which in themselves warrant protection because they are considered outstanding.

S199 also states that a Water Conservation Order may provide for the preservation as far as possible in its natural state of any water body that is considered to be outstanding, or may provide for protection of characteristics considered to be outstanding such as:

as an aquatic habitat; a fishery; for its wild, scenic or other natural characteristics; scientific or ecological values; recreational, historical, spiritual or cultural purposes.

Decisions on water conservation orders have applied a comparative test whereby "... to qualify as outstanding, a characteristic would need to be quite out of the ordinary on a national [or regional] basis."

Hawke's Bay is backed by a set of mountain ranges, covered in natural indigenous vegetation and drained by many headwater tributaries which could be considered to be in its natural state.

While it is a useful starting point, it does not automatically mean all freshwater bodies draining 'natural state' areas should be considered 'outstanding' by virtue of being in a natural state. Such values can still be managed at a catchment level. However, on a regional context, one water body might be considered of higher value than the rest by virtue of other characteristics such as size, superior water quality, wild or scenic characteristics.

[add text here]

POL LW2 Catchment-based approach – integrated management

To adopt a whole-of-catchment approach to managing fresh water and land use and development within each catchment area, which:

- a) acknowledges maori values and uses of the catchment in accordance with tikanga Maori
- b) recognises the inter-connected nature of natural resources within the catchment area, including the coastal environment
- c) protects water quality of outstanding freshwater bodies identified in Policy LW1
- d) promotes collaboration and information sharing between relevant management agencies, iwi and other stakeholders

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- e) takes a long term planning horizon of at least 50 years
- f) ensures the timely use and adaptation of statutory and non-statutory measures to respond to any significant changes in resource use activities or the state of the environment
- g) aims to meet the differing demand and pressures on freshwater resources to the extent possible
- h) allows reasonable transition times and pathways to meet any new water quantity limits or new water quality limits
- i) enables large-scale community water storage infrastructure which can provide increased security for water users in water-scarce catchments while avoiding, remedying or mitigating adverse effects on freshwater values.

Principal reasons and explanation

Catchment-based resource management is promoted in Policy LW2 and is consistent with Objective C1 of the 2011 National Policy Statement for Freshwater Management. Policy LW2 provides a 'default' planning approach for all catchments and catchment areas across the region, irrespective of the catchment area's values being identified in Policy LW3. Many of the principles and considerations for catchment-based planning have emerged from the 2011 Hawke's Bay Land and Water Management Strategy.

[add text here]

POL LW3 Prioritising values

1. Subject to Objective LW1.1 to 1.5, recognise and give priority to maintaining and enhancing the primary values and uses of freshwater bodies shown in Table 1 for the following catchment areas¹ whilst avoiding significant adverse effects on the secondary values and uses:
 - a) Heretaunga Catchment Area;
 - b) Mohaka Catchment Area; and
 - c) Tukituki Catchment Area.
2. Subject to Objective 1.1 to 1.5, manage the freshwater bodies listed in Policy LW3.1 in a manner that:
 - a) recognises and gives priority to maintaining and enhancing primary values and uses identified in Table 1; and
 - b) avoids, as far as is reasonably practicable, significant adverse effects on secondary values and uses identified in Table 1; and
 - c) uses a catchment-based process to evaluate and determine the appropriate balance between any conflicting primary values and uses in Table 1.

Catchment Area	Primary Value(s) and Uses – in no priority order	Secondary Value(s) and Uses – in no priority order
Heretaunga Catchment Area	<ul style="list-style-type: none"> • Industrial and commercial water supply • Natural character in sub-catchments upstream of Whanawhana cableway • Urban water supply for cities and townships • Water use associated with maintaining or enhancing land-based primary production 	<ul style="list-style-type: none"> • Amenity for contact recreation in lower Ngaruroro River and Tutaekuri River • Native fish habitat • Recreational trout angling • Trout habitat

¹ A map illustrating the indicative location of these Catchment Areas is set out in Appendix 'B'.

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Catchment Area	Primary Value(s) and Uses – in no priority order	Secondary Value(s) and Uses – in no priority order
Mohaka Catchment Area	<ul style="list-style-type: none"> • Amenity for water-based recreation between State Highway 5 bridge and Willowflat • Long-fin eel habitat and passage • Recreational trout angling in Mohaka River and tributaries upstream of State Highway 5 bridge • Scenic characteristics of Mokonui and Te Hoe gorges 	<ul style="list-style-type: none"> • Aggregate supply and extraction in Mohaka River below railway viaduct • Native fish habitat below Willowflat • Water use associated with maintaining or enhancing land-based primary production • Water use for renewable electricity generation
Tukituki Catchment Area	<ul style="list-style-type: none"> • Industrial and commercial water supply • Native fish and trout habitat • Urban water supply for towns and settlements • Water use associated with maintaining or enhancing land-based primary production 	<ul style="list-style-type: none"> • Amenity for contact recreation in lower Tukituki River. • Recreational trout angling in: <ul style="list-style-type: none"> ◦ middle Tukituki River and tributaries between SH50 and Tapairu Road; and ◦ middle Waipawa River and tributaries between SH50 and SH2. • Water use for renewable electricity generation in upper Tukituki River tributaries.

Principal reasons and explanation

Policy LW3 prioritises values of freshwater in three catchment areas where significant conflict exists between competing values. Clearer prioritised values in 'hotspot' catchments where significant conflicts exist was an action arising from the 2011 Hawke's Bay Land and Water Management Strategy. In relation to the remaining catchment areas across the region, Policy LW3 does not pre-define any priorities, thus enabling catchment-based regional plan changes for those areas to assess values and prioritise those values accordingly.

The primary and secondary values in Table 1 are identified to apply to the catchment overall, or to sub-catchments where stated. This recognises that not all values are necessarily equally across every part of the catchment area, and that some values in parts of the catchment area can be managed in a way to ensure, overall, the waterbody's value(s) is appropriately managed.

[Refer also:

- *OBJ1, OBJ2 and OBJ3 in Chapter 2.3 (Plan objectives);*
- *Objectives and policies in Chapter 3.4 (Scarcity of indigenous vegetation and wetlands);*
- *Objectives and policies in Chapter 3.8 (Groundwater quality);*
- *Objectives and policies in Chapter 3.9 (Groundwater quantity);*
- *Objectives and policies in Chapter 3.10 (Surface water resources); and*
- *Objectives and policies in Chapter 3.14 (Recognition of matters of significance to iwi/hapu)].*

[add text here]

Methods

The policies in this Chapter will be given effect through methods in the Regional Resource Management Plan and the Regional Coastal Environment Plan where relevant. The following are additional methods being used or to be used to implement policies in this Chapter:-

- Advocacy...
- Monitoring and review...
- Cross boundary liaison and collaboration...
- Land and water strategies...
- Indigenous biodiversity strategies...
- Provision of information and services...
- Preparation and review of objectives, policies and methods (including rules) in regional plans...

[Refer also methods in Chapter 4 (Non-regulatory methods), Policy 15, Policy 23, Policy 34 and Policy 45]

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Anticipated Environmental Results

Anticipated Environmental Results	Indicator(s)	Data Source(s)
Protection of water quality in outstanding freshwater bodies	[add text here]	[add text here]
Protection of the significant values of wetlands	[add text here]	[add text here]
Life-supporting capacity and ecosystems of freshwater bodies, particularly indigenous species, is safeguarded	[add text here]	[add text here]
Land and water management is tailored and prioritised to address the key values and pressures of each catchment	[add text here]	[add text here]

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Insertions to other chapters in Part 3 (RPS) of HB Regional Resource Management Plan

NOTE: In the following section, new text is represented in underlined italics and text to be deleted is struckout.

→ **Insert new Objective and associated explanation into Chapter 3.2 (Sustainable management of coastal resources) to read:**

OBJ 4A *Protection of the following outstanding areas of natural ecosystems and biological importance within the Coastal Environment:*

a) Ahuriri Estuary

b) Maungawhio Lagoon

c) Porangahau Estuary

d) Whakaki Lagoon, Ngamotu Lagoon, Ohuia Lagoon, Wairau Lagoon and Te Paeroa Lagoon.

→ **Insert following as explanation of new Objective 4A into Chapter 3.2:**

Objective 4A assists in giving effect to Objective 1 of the 2010 NZ Coastal Policy Statement. Objective 4A also closely mirrors similar provisions relating to freshwater bodies (eg: Objective LW1 and Policy LW1) in relation to protection of 'outstanding' freshwater bodies that are not within the coastal environment. OBJ 4A recognises that a small number of outstanding coastal areas are the ultimate receiving environments from freshwater flows from catchments and also contaminants derived from land use activities.

→ **Amend Objective 15 and insert new Objective into Chapter 3.4 (Scarcity of indigenous vegetation and wetlands) as follows:**

OBJ 15 The preservation and enhancement of remaining areas of significant indigenous vegetation, and significant habitats of indigenous fauna ~~and ecologically significant wetlands.~~

OBJ 15A *The management of fresh water and land use and development in a manner which protects significant values of wetlands.*

→ **Insert following as explanation of new Objective 15A into Chapter 3.4:**

Objective 15A assists in giving effect to Objectives A1 and B4 of the 2011 National Policy Statement for Freshwater Management. Objective 15A also closely mirrors similar provisions relating to freshwater bodies (eg: Objective LW1 and Policy LW1) in relation to protection of 'outstanding' freshwater bodies.

→ **Amend Policy 4 and insert a new policy into Chapter 3.4 (Scarcity of indigenous vegetation and wetlands) as follows:**

POL 4A *To use non-regulatory methods, as set out in Chapter 4 and in Policy 4(a) to (d) below, in support of regulatory methods for protecting significant values of wetlands.*

POL 4 To use non-regulatory methods, as set out in Chapter 4, as the primary means for achieving the preservation and enhancement of remaining areas of significant indigenous vegetation ~~and ecologically significant wetlands~~, in particular: ...

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- (b) **Works and services** - Providing works and services, or financial support, for the preservation of remaining ecologically significant indigenous wetlands at a level of funding as established in the HBRC's Annual Plan, subject to a management plan or statutory covenant being established for each wetland receiving assistance. Priority for Council's works and service-related projects will be given to the following wetlands⁴ (see Figure 4): ...

[plus consequentially amend footnote 4 to read:

⁴ Priority wetlands for works and services - Note that some of these wetland areas are located within the coastal marine area (and therefore fall under the provisions of the Regional Coastal Plan rather than this Plan). However, the full list of priority wetlands for works and services has been included for the sake of completeness.

→ Insert following as new part of explanation for Policy 4A and Policy 4:

These non-regulatory methods will assist HBRC in protecting the significant values of wetlands in accordance with Objective A2(B) of the 2011 National Policy Statement for Freshwater Management. These methods will complement regional rules that are included elsewhere in this Plan and the Regional Coastal Environment Plan.

→ Amend definition of 'wetland' in Chapter 9 as follows and consequentially delete footnotes² stating similar elsewhere in Plan:

Wetland includes permanently or intermittently wet areas, shallow water, and land water margins that support a natural ecosystem of plants and animals that are adapted to wet conditions. For the purposes of this Plan, a wetland is not:

- a) wet pasture land
- b) artificial wetlands used for wastewater or stormwater treatment
- c) farm dams and detention dams
- d) land drainage canals and drains
- e) reservoirs for fire fighting, domestic or municipal water supply
- f) temporary ponded rainfall
- g) artificial wetlands created for beautification purposes.

Delete Objective 21 and amend Objective 22 in Chapter 3.8 (Groundwater quality) as follows:

~~OBJ 21~~ — ~~No degradation of existing groundwater quality in the Heretaunga Plains and Ruataniwha Plains aquifer systems.~~

OBJ 22 Subject to Objective LW1, the The maintenance or enhancement of groundwater quality in the Heretaunga Plains and Ruataniwha Plains aquifer systems and in unconfined or semi-confined productive aquifers in order that ~~it is~~ they are suitable for human consumption and irrigation without treatment, or after treatment where this is necessary because of the natural water quality.

→ Amend Policy 16 by adding the following to bulleted list of activities:

- the use of production land

→ Amend Policy 17(a) to read:

- (a) to ensure that all activities, particularly discharges of contaminants onto or into land and land use activities generally, comply with the environmental guidelines for groundwater quality, and the associated implementation approach, set out in Policies 75 and 76.

² Examples of such footnotes are those associated with Chapter 3.4.7 and Rule 10(g).

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→ Insert new policy and associated explanation and reasons into Chapter 3.8 (Groundwater quality) to read:

POL 20A Production land use in specified catchment areas

To manage the use of production land in specified catchments so that:

- (a) the discharge of nitrogen to land, and thereafter to groundwater and surface water, does not cause catchment area or sub-catchment area limits for nitrogen set out in regional plans to be exceeded;
- (b) the discharge of animal faecal matter to land, and thereafter to groundwater and surface water, does not cause human consumption and irrigation guidelines for water quality set out in regional plans to be exceeded;
- (c) any monitored exceedence of soluble reactive phosphorous limits set out in Policy 71 of this Plan is used to target and prioritise the Regional Council's non-regulatory methods.

Explanation and Reasons

Policy 20A makes it clear that HBRC will manage production land use activities leaching nitrogen and faecal coliform bacteria to groundwater and surface water under section 9 of the RMA in order to ensure that groundwater and surface water values identified in specified catchment areas are maintained or enhanced where necessary. Phosphorous leaching and run-off will be managed by non-regulatory methods as it is primarily caused by soil loss and cannot be practicably controlled by way of permitted activity conditions or consent conditions.

→ Amend Anticipated Environmental Result in Chapter 3.8 (Groundwater quality) to read:

Anticipated Environmental Result	Indicator	Data Source
No degradation of existing groundwater quality in confined productive aquifers <u>beyond a level suitable for human consumption and irrigation without treatment</u>	Nitrate levels <u>E.coli levels</u> Pesticides and herbicides	Ministry of Health Council monitoring

→ Amend Issue statement in Chapter 3.10 (Surface water resources) to read:

The potential degradation of the values and uses of rivers, lakes and wetlands in Hawke's Bay as a result of:

- (a) The taking, use, damming and diversion of water, which may adversely affect aquatic ecosystems and existing lawfully established resource users, especially during droughts.
- (b) ~~Non-point source discharges~~ Production land use activities and stock access to water bodies, which cause contamination of rivers, lakes and wetlands, and degrade their margins.
- (c) Point source discharges to water bodies which cause contamination of rivers, lakes and wetlands.

→ Amend Objective 25 in Chapter 3.10 (Surface water resources) to read:

OBJ 25 Subject to Objective LW1, the ~~The~~ maintenance of the water quantity of rivers and lakes in order that it is suitable for sustaining identified aquatic ecosystems in catchments ~~as a whole~~, and ensuring resource availability for a variety of purposes across the region, while recognising the impact caused by climatic fluctuations in Hawke's Bay.

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→ Amend Objective 27 in Chapter 3.10 (Surface water resources) to read:

OBJ 27 Subject to Objective LW1, the ~~The~~ maintenance or enhancement of the water quality of rivers, lakes and wetlands in order that it is suitable for sustaining or improving identified aquatic ecosystems in catchments ~~as a whole~~, and for other freshwater values identified by the community including contact recreation purposes where appropriate.

→ Insert new objective into Chapter 3.10 (Surface water resources) to read:

OBJ 27A Subject to Objective LW1, the maintenance or enhancement of remnant indigenous riparian vegetation on the margins of rivers, lakes and wetlands in order to:

- (a) maintain biological diversity; and
- (b) maintain and enhance water quality and aquatic ecosystems.

→ Amend Policy 47 in Chapter 3.10 (Surface water resources) to read:

POL 47 Subject to Objective LW1, to ~~To~~ manage activities affecting the quality of water in rivers and lakes in accordance with Objectives 25 and 27 and the environmental guidelines and implementation approaches set out in Chapter 5 of this Plan.

→ Insert new policy into Chapter 3.10 (Surface water resources) to read:

POL 47A Decision-making criteria - Land-based disposal of contaminants

Subject to Objective LW1, promote land-based disposal of wastewater, solid waste and other waste products so that:

- a) the adverse effects of contaminants entering surface waterbodies or coastal water are avoided as far as practicable; and
- b) any disposal of wastewater, solid waste or other waste products to a surface waterbody or coastal water occurs only when it is the best practicable option.

→ Amend Objective 29 in Chapter 3.11 (River bed gravel extraction) to read:

OBJ 29 Subject to Objective LW1, the ~~The~~ facilitation of gravel extraction from areas where it is desirable to extract excess gravel for river management purposes and the minimisation of flood risk, or to maintain or protect the functional integrity of existing structures, whilst ensuring that any adverse effects of gravel extraction activities are avoided, remedied or mitigated.

→ Amend Objective 30 in Chapter 3.11 (River bed gravel extraction) to read:

OBJ 30 Subject to Objective LW1, the ~~The~~ maintenance of the use and values of the beds of rivers and the avoidance of any significant adverse effects on the river bed resulting from the extraction of gravel.

→ Amend Policy 50(b) in Chapter 3.10 (Surface water resources) to read:

POL 50 To assess the availability of river bed gravel by:

- (a) ...
- (b) ensuring that as far as practicable, long term gravel extraction is undertaken at a level consistent with maintaining the rivers close to their design profiles, while maintaining compatibility with other resource management and environmental values, particularly those values and uses identified in Objective LW1 and Policy LW3.

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→ Amend Policy 53 in Chapter 3.10 (Surface water resources) to read:

POL 53 In considering consent applications for the extraction of river bed gravel, to have regard to the following criteria, subject to Objective LW1: ...

[add text here]

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Appendix A – Criteria for Outstanding Freshwater Bodies in Hawke's Bay region

A.1 An outstanding freshwater body is one having:

A.1.1 **Superior water quality where impacts of human activities are absent or minimal**

[add text here]

A.1.2 **Outstanding value as an aquatic habitat**

[add text here]

A.1.3 **Outstanding fishery value**

[add text here]

A.1.4 **Outstanding wild, scenic or other natural characteristics**

[add text here]

A.1.5 **Outstanding scientific or ecological values**

[add text here]

A.1.6 **Outstanding recreational, historic, spiritual or cultural purposes**

[add text here]

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Appendix B – Indicative locations of 'Catchment Areas' in Hawke's Bay region

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