



ORDINARY MEETING

of

Council

AGENDA

Time: 3:00 pm
Date: Wednesday, 1 March 2023
Venue: Waiata House, 27 Lincoln Road,
Masterton

MEMBERSHIP

Mayor Gary Caffell (Chairperson)

Councillor Bex Johnson
Councillor Craig Bowyer
Councillor Brent Goodwin
Councillor David Holmes

Councillor Tom Hullena
Councillor Stella Lennox
Councillor Tim Nelson
Councillor Marama Tuuta

Values

1. **Public interest:** members will serve the best interests of the people within the Masterton district and discharge their duties conscientiously, to the best of their ability.
2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.
3. **Ethical behaviour:** members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
4. **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
5. **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their ethnicity, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of Council staff.
6. **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code, and act in accordance with the trust placed in them by the public.
7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
8. **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which MDC operates, including a regular review and assessment of MDC's collective performance.

These values complement, and work in conjunction with, the principles of section 14 of the LGA 2002; the governance principles of section 39 of the LGA 2002; and our MDC governance principles:

Whakamana Tangata	Respecting the mandate of each member, and ensuring the integrity of the committee as a whole by acknowledging the principle of collective responsibility and decision-making.
Manaakitanga	Recognising and embracing the mana of others.
Rangatiratanga	Demonstrating effective leadership with integrity, humility, honesty and transparency.
Whanaungatanga	Building and sustaining effective and efficient relationships.
Kotahitanga	Working collectively.

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Karakia timatanga

Kia tau ngā manaakitanga a te mea ngaro
ki runga ki tēnā, ki tēnā o tātou

Kia mahea te hua mākihikihi

kia toi te kupu, toi te mana, toi te aroha, toi te Reo
Māori

kia tūturu, ka whakamaua kia tīna! Tīna!

Hui e, Tāiki e!

Let the strength and life force of our
ancestors

Be with each and everyone of us

Freeing our path from obstruction

So that our words spiritual, power, love and
language are upheld

Permanently fixed established and
understood

Forward together

1 CONFLICTS OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2 APOLOGIES

The Chair invites notice from members of:

- leave of absence for future meetings of Masterton District Council
- apologies, including apologies for lateness and early departure from the meeting where leave of absence has not previously been granted.

3 PUBLIC FORUM

- Todd Jenkinson, from the Wairarapa Pūkaha to Kawakawa Alliance.

4 ITEMS NOT ON THE AGENDA

The Chairperson will give notice of items not on the agenda as follows:

Matters requiring urgent attention as determined by resolution of the Council

- The reason why the item is not on the agenda; and
- The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters relating to the general business of Council

No resolution, decision or recommendation may be made in respect of the item except to refer it to a subsequent meeting of Masterton District Council for further discussion.

5 CONFIRMATION OF COUNCIL MINUTES

5.1 MINUTES OF HEARINGS COMMITTEE MEETING HELD ON 22 FEBRUARY 2023

File Number:

Author: Harriet Kennedy, Governance Advisor

Authoriser: David Hopman, Chief Executive

RECOMMENDATION

1. That the Minutes of Hearings Committee Meeting held on 22 February 2023 be received and confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of Hearings Committee Meeting held on 22 February 2023



MINUTES

**Hearings Committee Meeting
Wednesday, 22 February 2023**

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**MINUTES OF MASTERTON DISTRICT COUNCIL
HEARINGS COMMITTEE MEETING
HELD AT THE GREATER WELLINGTON REGIONAL COUNCIL OFFICE, 34 CHAPEL STREET,
MASTERTON
ON WEDNESDAY, 22 FEBRUARY 2023 AT 1:00 PM**

PRESENT: Councillor Craig Bowyer (Chair), Mayor Gary Caffell, Councillors D Holmes and T Hullena, and Iwi Representative Jo Hayes

IN ATTENDANCE: Councillor B Johnson, Councillor S Lennox, Councillor Tim Nelson, Councillor M Tuuta, Chief Executive, Manager Strategy and Governance, Policy Manager, Policy Advisor, Governance Advisor.

1 CONFLICTS OF INTEREST

No conflicts of interest were declared.

2 APOLOGIES

The Chair invites notice from members of apologies, including apologies for lateness and early departure from the meeting.

Moved by Councillor C Bowyer

Seconded by Mayor G Caffell

That the apology from iwi representative Ra Smith for non-attendance be received.

CARRIED

3 REPORTS FOR DECISION

3.1 EASTER SUNDAY SHOP TRADING POLICY DELIBERATIONS

The report:

- providing the Hearings Committee with the submissions received for the Easter Sunday Shop Trading Policy consultation;
- providing an analysis of community submissions and additional supporting information for the Hearings Committee to take into consideration when deliberating on submissions received for the Easter Sunday Shop Trading Policy consultation; and
- seeking agreement from the Hearings Committee to make a recommendation that Council adopts the proposed Easter Sunday Shop Trading Policy.

was presented by the Policy Manager and Policy Advisor.

COMMITTEE RESOLUTION 2023/1

Moved by Councillor C Bowyer

Seconded by Mayor G Caffell

That the Hearings Committee:

1. **notes** the Easter Sunday Shop Trading Policy (the Policy) is due for review under section 5C of the Shop Trading Hours Act 1990 (the Act);
2. **notes** consultation with the community on the Easter Sunday Shop Trading Policy took place between 10 November 2022 and 12 December 2022;
3. **receives** the 32 submissions received for the Easter Sunday Shop Trading Policy consultation (Attachment 1); and
3. **notes** results of the consultation indicated that the community's preference to retain the Policy with no substantive amendments;
4. **notes** that the Hearing was cancelled as there were no submitters who wanted to be heard;
5. **recommends** to Council at its meeting on 1 March 2023 that it:
 - (a) continues the Easter Sunday Shop Trading Policy without amendment; and
 - (b) makes the minor changes to the Easter Sunday Shop Trading Policy (Attachment 2)

CARRIED

The Meeting closed at 1.19pm

The minutes of this meeting were confirmed at the meeting of Council held on 1 March 2023.

.....
CHAIRPERSON

6 COMMITTEE REPORTS

Nil

7 REPORTS FOR DECISION

7.1 WAIRARAPA PŪKAHA TO KAWAKAWA ALLIANCE: PROPOSAL TO RELEASE LONG-TERM PLAN 2018-28 FUNDING

File Number:

Author: Nerissa Aramakutu, Policy Manager

Authoriser: David Hopman, Chief Executive

PURPOSE

The purpose of this report is to seek Council agreement to release funding approved under the 2018-28 Long-Term Plan to Wairarapa Pūkaha to Kawakawa Alliance.

EXECUTIVE SUMMARY

In 2018 Council resolved to approve funding of \$25,000 per annum for Years 1-3 of the 2018-28 Long-Term Plan (LTP 2018-28) in response to a submission by the Wairarapa Catchment Communities/Pūkaha to Palliser (now known as Wairarapa Pūkaha to Kawakawa Alliance) (P2K). The \$75k funding has been raised in prior years and is available to be drawn on.

The funding was subject to P2K identifying projects that will result in a clear benefit for Masterton in alignment with environmental priorities in Council's Wellbeing Strategy *He Hiringa Tangata, He Hiringa Whenua* (Refer Attachment 1 for a copy of Council's LTP 2018-28 response letter to P2K). To date, the funding has been held by Council awaiting a suitable project to apply it to.

The P2K have now submitted a proposal for Council to consider releasing the funding approved under the 2018-28 Long-Term Plan (Refer Attachment 2 for a copy of the proposal).

RECOMMENDATIONS

That Council:

- a) **receives** the funding proposal from P2K;
- b) **notes** that the \$75,000 is set aside within Council's Special Funds & Reserves; and
- c) **agrees** to release the \$75,000 of funding approved under the 2018-28 Long-Term Plan to P2K

CONTEXT

P2K Background

The P2K are a community-led network that were established in 2016 and are broadly modelled on similar bodies around the country such as Source to Sea (S2S) in the Manawatu, Cape to City (C2C) in Hawkes Bay, and others in places such as Taranaki and Nelson.

Their vision is to connect rural and urban Wairarapa communities and mana whenua to collaborate on environmental restoration for a resilient and flourishing Wairarapa.

They bring groups together to increase the health of Wairarapa ecosystems, biodiversity, water and the resilience of its communities and to respond to climate change by promoting community-led large landscape scale environmental restoration. The network includes conservation and environmental groups farmers and mana whenua as well as representatives from the Department of Conservation (DOC), the Greater Wellington Regional Council (GWRC) and the three Wairarapa District Councils.

The P2K operate on the basis of receiving external funding and letting contracts for services. Examples of this include in-kind and funding support from GWRC, funding from DOC, and a grant from the Ministry for Primary Industries (MPI).

Long-Term Plan 2018-28

In 2018, the P2K made a submission to Council requesting \$50,000 per annum for a 3-year period to contribute towards personnel and operating costs for their projects. As a result of the submission received and the LTP 2018-28 decision-making process, Council resolved to approve funding of \$25,000 per annum for Years 1-3 of the 2018-28 Long-Term Plan (LTP 2018-28) to P2K. The funding was subject to P2K identifying projects that will result in a clear benefit for Masterton in alignment with our environmental priorities in Council's Wellbeing Strategy *He Hiringa Tangata, He Hiringa Whenua* (Refer Attachment 1 for a copy of Council's LTP 2018-28 response letter to P2K).

Since 2018, there have been informal discussions about P2K identifying projects that will result in a clear benefit for Masterton in alignment with our environmental priorities in Council's Wellbeing Strategy *He Hiringa Tangata, He Hiringa Whenua*, but nothing formal had been submitted.

A meeting was held with the Mayor and officers on 20 December 2022 to provide an update on planned work for P2K to undertake, including initiatives that could be supported with the funding approved by Council in 2018. Following this meeting, the P2K have submitted a proposal for using this funding over the next two years (Refer Attachment 2 for a copy of the proposal).

P2K FUNDING PROPOSAL

The P2K are asking Council to release the \$75,000 of funding approved under the LTP 2018-28 to support a 2-year Predator-Free Masterton initiative (covers rats, stoats, and possums that prey on birds and destroy local flora etc). It will be modelled off other urban pest-control schemes from across the country (e.g. Predator Free Miramar).

The proposed approach for predator eradication encourages wider community involvement in the restoration and expansion of urban native habitats and a particular emphasis on predator control. This follows the success of such urban pest-control schemes elsewhere in empowering whole neighbourhoods to believe that they can aspire to zero rat, possum and mustelid numbers in their areas through collaborative efforts. Predator Free Miramar is a case in point, but there are now many others with suburbs competing to reach their goals. There is also the Capital Kiwi project where the first 11 of several hundred kiwis were recently released into some 20,000ha - of private land - around Wellington.

In particular, the funding would be used to support project costs of this initiative (e.g. coordinator, project set-up costs and operating and community engagement costs). Further detail is included in the P2K proposal.

ANALYSIS AND ADVICE

Predator-Free Masterton/Predator management in the Masterton urban area

There are other organisations doing predator management but not in the Masterton urban area. The Department of Conservation does pest/predator management on Crown land, and Greater Wellington Regional Council does some pest/predator management in the Masterton District focusing on Key Native Ecosystem (KNE). The KNE programme is designed to protect areas that are important examples of original ecosystems in the Wellington Region that support a wide variety of native plants and animals. These are often not in urban areas and the town communities miss out.

In the Wairarapa, many schools have run trapping programmes supported like groups such as Enviroschools. Currently the Masterton District schools involved in trapping programmes with Enviroschools are Whareama, Mauriceville, Fernridge, Opaki, Douglas Park, St Patricks, St Matthews, Solway College, Wairarapa College, and Chanel College.

Community groups in urban areas, such as Masterton town, often feel left out of predator management as other organisations focus on rural/bush areas, even though our native flora and fauna in the town areas are also under threat from predation. It is also common that predator management in town areas is thought of by residents as someone else's responsibility, such as a Council entity.

The proposed community-based campaign will give agency back to local residents in helping to control predator numbers in their own backyards and streets. The community-based approach aims to bring different groups together and breaks down barriers that would otherwise stop people getting involved. It provides the tools and advice to form a community of practice around local predator management.

It also provides employment to a local facilitator who would engage people in predator control solutions and facilitate the trap library and training. It will fund local trapping infrastructure through a 'trap library' which would allow registered community members (those with appropriate training) to borrow traps. Community members will be required to be registered with the programme for health and safety reasons. P2K would follow similar Health and Safety, and volunteer management planning that groups such as Predator Free Makara and Miramar used. Community members would be able to hire traps from the trap library only if they have gone through training (either facilitated through this project or elsewhere).

The P2K does not currently have any other funding confirmed for this initiative. If Council supports the uplifting of the funding approved as part of the LTP 2018-28, P2K intend to use this to support project costs of this initiative and to leverage off this funding to show the viability and effectiveness of the project, and will apply to other funding sources to continue the momentum of the project beyond the current two-year budget.

Climate change resilience

The P2K proposal is a good example of community-led climate change action. What happens to our ecosystems, both rural and urban, during severe weather events depends on how healthy

those ecosystems are. Forests and urban trees attacked by pests are less able to cope with the increases in severe wind and rainfall that we know climate change is bringing our way. We can build resilience in our local ecosystems by controlling pests. The P2K proposal contributes towards the following actions in the Masterton District Climate Action Plan:

- Action 10 - Support pest-free initiatives (strong native forests are carbon sinks, pests kill forests).
- Action 72 - Council to develop a plan to manage the effects of climate change on local biodiversity.
- Action 73 - Council to ensure existing provisions and relationships to protect and enhance local biodiversity to address potential climate impacts.

OPTIONS CONSIDERED

A summary of the options considered is included in the table below.

Option		Advantages	Disadvantages
1	Approves the release of \$75,000 to P2K for the Predator free Masterton initiative.	<p>Aligns with Council resolution made as part of the LTP 2018-28 submission process.</p> <p>P2K proposal aligns with environmental priorities in Council’s Wellbeing Strategy.</p> <p>The P2K proposal contributes towards the actions in the Masterton District Climate Action Plan.</p> <p>Initiative fills a a gap in terms of pest management in the Masterton urban area.</p> <p>Initiative contributes towards increasing district resilience and takes a community-led climate change action approach.</p>	Funding could be reallocated (original intent of the funding approved was for biodiversity/ environmental projects).
2	Does not approve the release of \$75,000 to P2K for the Predator free Masterton initiative.	<p>Retains the funding to apply to other projects (not yet defined) which may have greater biodiversity benefits.</p> <p>The retained funds will earn a small amount of interest</p>	<p>Initiative is filling a gap in terms of pest management in the Masterton urban area.</p> <p>Lost opportunity to engage with a motivated</p>

		income.	community group to start work on a 'long game' environmental project in our community.
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RECOMMENDED OPTION

Option 1 is recommended. Council had previously made a resolution to support P2K as part of the LTP 2018-28. The funding was subject to P2K identifying projects that will result in a clear benefit for Masterton in alignment with environmental priorities in Council's Wellbeing Strategy. The Predator free Masterton initiative aligns with environmental priorities in Council's Wellbeing Strategy and contributes towards actions in the Masterton District Climate Action Plan. The initiative also fills a gap in terms of pest management in the Masterton urban area.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The Predator free Masterton initiative aligns with environmental priorities in Council's Wellbeing Strategy.

Significance, Engagement and Consultation

Community engagement or consultation is not required as the funding has already been allocated through Council resolution as part of the LTP 2018-2028 decision making process.

Financial Considerations

The \$75k funding has been raised in prior years and is available to be drawn on. There is no budgeted expenditure allowed for in the current financial year but approving the allocation of the funds will not impact the Council's operational budgets. The staging of payments will be spread over more than the current year, so the future payments and use of the reserves can be built into the 2023/24 Annual Plan.

Implications for Māori

Supporting healthy local ecosystems (plants/birds/invertebrates/bats/fish) align with mana whenua biodiversity aspirations.

Communications/Engagement Plan

Council will receive updates from P2K about the initiative to be disseminated to the community and relevant stakeholders.

Environmental/Climate Change Impact and Considerations

The Predator free Masterton contributes towards actions in the Masterton District Climate Action Plan. The P2K proposal is a good example of community-led climate change action. What happens to our ecosystems, both rural and urban, during severe weather events depends on how healthy those ecosystems are. Forests and urban trees attacked by pests are less able to cope with the increases in severe wind and rainfall that we know climate change is bringing our way. We can build resilience in our local ecosystems by controlling pests.

NEXT STEPS

Agree on project progress reporting arrangements in conjunction with P2K and release the \$75k when both parties are happy with those arrangements

ATTACHMENTS

1. **2018-2028 LTP Response to P2K** [↓](#) 
2. **Pukaha to Kawakawa Funding Proposal** [↓](#) 

7.2 ADOPTION OF THE EASTER SUNDAY SHOP TRADING POLICY

File Number:

Author: Nerissa Aramakutu, Policy Manager

Authoriser: David Hopman, Chief Executive

PURPOSE

The purpose of this report is to seek Council adoption of the proposed Easter Sunday Shop Trading Policy (refer Attachment 1)

RECOMMENDATIONS

That Council:

1. **notes** that the Hearings Committee met on 22 February 2023 to deliberate on submissions received for the consultation on the Easter Sunday Shop Trading Policy and make recommendations to Council;
2. **accepts** the Hearings Committee recommendation to adopt the proposed Easter Sunday Shop Trading Policy; and
3. **adopts** the proposed Easter Sunday Shop Trading Policy (refer Attachment 1).

CONTEXT

The Shop Trading Hours Act 1990 (the Act) provides for restricted trading days on Anzac Day morning, Good Friday, Easter Sunday, and Christmas Day.

Section 5A of the Act enables a territorial authority to adopt a local Easter Sunday Shop Trading Policy. In 2017, Masterton District Council (Council) adopted its first Easter Sunday Shop Trading Policy (the Policy).

The Policy allows shops throughout the Masterton District to trade on Easter Sunday if they wish to. All shop employees have the right to refuse to work on Easter Sunday without providing a reason to their employer (section 5H of the Act).

The Policy does not enable shops to open for the sale of alcohol. Alcohol sale and supply is separately regulated under the Sale and Supply of Alcohol Act 2012. Alcohol cannot be sold on Easter Sunday (unless the off-licence holder makes and sells grape wine or fruit or vegetable wine on their premises).

Council can only make provisions for shops opening on Easter Sunday and no other public holiday covered under the Act.

Without a Policy there are set criteria for the types of shops that can open (refer section 4 of the Act). Examples include dairies, service stations, food takeaways, restaurants and cafes, souvenir shops, pharmacies, and garden centres.

In November 2022 Council agreed to consult with the community on the preferred option of continuing the Easter Sunday Shop Trading Policy (the Policy) with no substantive amendments ([report 7.4 refers](#)). Minor changes to the wording were proposed to the Policy but these changes

do not affect an existing right of a person to whom the policy applies. In accordance with section 5B(2) of the Act, consultation took place between 10 November 2022 and 12 December 2022.

At the November 2022 meeting, Council noted that the Hearings Committee would hear submissions and undertake deliberations ahead of making final recommendations to Council. As no submitters wished to be heard there was no hearing so on 22 February 2023 the Hearings Committee met to deliberate on the submissions received for the Easter Sunday Shop Trading Policy consultation and the proposed options for the Policy. The Hearing Committee agreed to recommend to Council that it continues with the Policy.

The minutes of the Hearings Committee Meeting are included with this agenda.

ANALYSIS AND ADVICE

Engagement Summary

During the consultation period the opportunity for the community to have their say was advertised via radio and newspaper advertisements. There was also an online promotion through social media and GoogleAds.

The opportunity to make a submission was sent to most of the main religious groups in Masterton and to the main union representing retail workers in the Masterton district.

Most of the main retailers in the Masterton district were emailed, and Business Wairarapa promoted consultation on the Policy in its newsletter. On 6 December 2022, a Council staff member and Business Wairarapa representative dropped off copies of the Statement of Proposal and submission form to retailers in the CBD. This was well received by local businesses.

Copies of the Statement of Proposal and submission form were available on the website and in hardcopy at the Masterton District Library and Councils Customer Service Centre at 161 Queen Street.

Summary of Submissions

A total of 32 submissions (from 32 submitters) were received during the consultation period. Of these:

- 18 submitters supported the Policy (leave the policy as is – this means all shops will continue to be allowed to open on Easter Sunday in the Masterton district if they choose to).
 - Submitters also noted the importance of workers allowed to choose whether or not they work, without penalty.
- Twelve submitters did not support the Policy (revoke the policy - so only shops permitted by the Act (e.g. pharmacies, dairies and garden centres) will be allowed to open on Easter Sunday).
 - Submitters also noted that some businesses pressure workers to work more hours than what they want to and noted the importance of time off for workers' wellbeing.
- Two submitters indicated that we should make changes to the Policy (make changes to the policy – so shops will only be allowed to open in certain areas of the district).

- There were no submitters that indicated they wanted to speak to their submission. All the submissions received and further details can be found in the 22 February 2023 Hearings Committee Agenda: <https://mstn.govt.nz/meeting/hearings-committee-easter-sunday-shop-trading-policy-review-deliberations/>

Summary of submitters

Submitters' demographics reflected a range of age groups with all age brackets from under 25s to over 75s providing feedback. The largest number of submitters fell into the 65-74 age bracket (8) then the 45-54 age bracket (6). There were 5 or fewer submitters in other age brackets. In addition:

- most submitters identified as NZ European (26) or Pākehā (3) with three respondents identifying as Māori.
- 15 submitters identified as women and 15 identified as men. Two submitters did not respond to this question.
- most submitters did not identify as living with impairments/long term health conditions or as tāngata whaikaha/ disabled (22). Eight did.
- Seven submitters indicated they were a local business.

Other considerations

In addition to the community feedback, we also considered how the Policy may impact certain groups and sectors in our district from other information sources. This information is intended to complement the community feedback provided.

Masterton District Retail Sector

In 2021 11.6 percent of the Masterton District were employed by the Retail Trade sector (Infometrics). It is the fourth highest employment sector in the Masterton District. This includes shops that are already permitted to open on Easter Sunday under Section 4 of the Act¹ that will not be affected by the proposed policy.

There are over 100 retailers (approximately- excluding those covered by the Act) in the Masterton District that would be impacted by this Policy.

Easter Events

The Wairarapa Balloon Festival, which attracts large numbers of visitors from outside the region, is also taking place over Easter weekend in 2023. We expect other community events will take place over the Easter weekend.

Easter as a Day of Significance

Easter Sunday is a recognised day of significance across New Zealand. 35.6% of people in the Wellington Region identified as Christian (Census 2018).

¹¹ Types of shops that are allowed to open, regardless of if a policy is in place, include garden centres, service stations or dairies and pharmacies. A complete description can be found here <https://www.legislation.govt.nz/act/public/1990/0057/latest/DLM212365.html>

Impact of the pandemic

We recognise the ongoing impact of COVID-19 on our community, including the economic impact on certain sectors (retail, tourism) across the Masterton district. This was also conveyed in some submissions.

Out of Scope

Section 5A of the Act outlines what cannot be covered in the Policy. A local Easter Sunday shop trading policy may not:

- permit shops to open only for some purposes; or
- permit only some types of shops in the area to open; or
- specify times at which shops may or may not open; or
- include any other conditions as to the circumstances in which shops in the area may open.

OPTIONS CONSIDERED

A summary of the options is included in the table below.

Option	Advantages	Disadvantages
1	<p>Continue the policy without amendment as recommended by the Hearings Committee. This means all shops will continue to be allowed to open on Easter Sunday in the Masterton district if they choose to.</p> <p>Community supported this option.</p> <p>The whole district, particularly tourist businesses, can benefit from trade. For example, cafes will gain business from visitors to the district for the long Easter weekend.</p> <p>Allowing businesses to remain open on Easter Sunday (if they choose to do so) provides more options for locals and visitors to shop locally.</p> <p>Permitting Easter Sunday shop trading across the whole district take a consistent approach and does not create potential confusion if Council was to consider only permitting parts of the district.</p> <p>Under the Act, workers can choose not to work on Easter Sunday.</p> <p>Shops can still choose to close</p>	<p>Although workers can opt out of working on Easter Sunday, they may feel pressured to work on this day.</p> <p>Not respecting Easter Sunday as an important day in the Christian calendar.</p>

Option	Advantages	Disadvantages
<p>2 Revoke the policy - so only shops permitted by Shop Trading Hours Act 1990 (e.g. pharmacies, dairies and garden centres) will be allowed to open on Easter Sunday.</p>	<p>on Easter Sunday.</p> <p>There was some support from the community for this option.</p> <p>Takes away any pressure on workers to work on Easter Sunday for shops that would have been covered by the Policy.</p> <p>Respecting Easter Sunday as an important day in the Christian calendar.</p>	<p>Only trade that is exempt under the Act such as pharmacies, garden centres, and petrol stations, can open on Easter Sunday.</p> <p>Businesses relying on the tourist trade in the long weekend will be disadvantaged.</p>
<p>3 Amend the policy – so shops will only be allowed to open in certain areas of the district.</p>	<p>There was little community support for this option.</p> <p>Parts of the district identified can benefit from trade, for example cafes gaining visitors to the district for the long Easter weekend.</p>	<p>Would be in contradiction to community submissions.</p> <p>The only areas which can benefit from Easter Sunday Trade are those specified in the policy.</p> <p>It could create confusion about areas that are permitted to open versus those that are not permitted to open.</p> <p>Businesses in areas that are excluded from the policy may feel this is unfair.</p>

RECOMMENDED OPTION

The recommended option by the Hearings Committee is for Council to adopt the Policy, allowing Easter Sunday shop trading across the whole district.

Officers consider the advantages outweigh the disadvantages, and the option aligns with community feedback.

Any Policy would maintain the workers’ rights to refuse to work.

Some minor changes are proposed to the style and formatting of the policy to align with current branding guidelines. In addition, we have updated the ‘Shop Employees’ Right to Refuse Work’ section of the Policy to better align with what is set out in the Act. This is reflected in the Policy at Attachment 1. These minor changes do not alter the substance of the Policy or affect an existing right of a person to whom the policy applies, as provided in section 5B(2) of the Act.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

We have committed to supporting economic development through our Wellbeing Strategy - *He Hiringa Tangata, He Hiringa Whenua* (economically thriving and resilient Masterton) and the Wairarapa Economic Development Strategy (WEDS). Economic development is a key part of our Long-Term Plan 2021-31. Having a thriving and resilient economy is also one of our community outcomes for the Masterton District.

The Local Government Act 2002 states that one of the purposes of councils is to promote the social, economic, environment and cultural well-being of communities, in the present and for the future.

Significance, Engagement and Consultation

Consultation followed the Special Consultative Procedure (SCP) as outlined in the Local Government Act 2002 and Shop Trading Hours Act 1990. The different ways that the community could have their say and present their views on the Statement of Proposal and policy was widely advertised and made available. The consultation period ran from 10 November 2022 to 12 December 2022.

Financial Considerations

Costs associated with reviewing the Policy and community consultation sit within current and planned budgets.

The enforcement of the Policy is through the Ministry for Business, Innovation and Employment (MBIE). There is no ongoing cost to Council associated with this Policy.

Implications for Māori

Māori make up 21.3 percent of the Masterton District population (Census 2018). Māori employers, business owners and employees may be affected by the decision to have a policy in place or not. 9.37 percent of submitters identified as Māori.

Environmental/Climate Change Impact and Considerations

The Policy has no direct impact on Environment and Climate Change. We note that over the Easter break there will be increased traffic in the district.

NEXT STEPS

If Council adopts the Policy it will be published on our website, an email notification will be sent to submitters as well as stakeholders and businesses that were informed of the consultation, and MBIE will be notified.

ATTACHMENTS

- 1. Easter Sunday Shop Trading Policy** [↓](#) 

7.3 DRAFT ANNUAL PLAN 2023/24 AND CONSULTATION APPROACH

File Number:

Author: David Paris, Manager Finance

Authoriser: David Hopman, Chief Executive

PURPOSE

The purpose of this report is to:

1. Update Council on key variations that have been identified between the proposed 2023/24 work programme and associated budget and Year 3 of the 2021-31 Long-Term Plan, and
2. Seek Council decision on the consultation approach and topics for the 2023/24 Annual Plan.

RECOMMENDATIONS

That Council:

1. Notes the following key variances to the work programme for the 2023/24 Annual Plan compared to Year 3 of the 2021-31 Long-Term Plan:
 - a. The scope of the Civic Facility project is being revisited given cost escalation. Engagement will be undertaken, as noted in point 3, to inform a revised scope for the Civic Facility project and then develop options for consultation as part of the 2024-34 Long-Term Plan.
 - b. The estimated cost of replacing the all-weather athletics track at Colin Pugh Sportsbowl, scheduled for 2023/24, has escalated. The replacement will be deferred a year while other options are explored. Consultation on viable options will be undertaken as part of the 2024-34 Long-Term Plan process.
 - c. Completion of the Animal Shelter is now scheduled for 2023/24. Design of the facility to meet animal welfare standards is complete, but cost escalation is anticipated so Council has increased the provision for this project.
 - d. Roading and drainage improvements scheduled for 2023/24 as part of the Millard Avenue urbanisation project will be deferred for consideration in the 2024-34 Long-Term Plan, but water and wastewater extensions in the area will be progressed.
 - e. There have been some delays with the Hood Aerodrome development. Capital works and funding for Hood Aerodrome upgrade project that are not completed in 2022/23 will be carried forward to 2023/24.
2. Confirms Council will undertake consultation on the 2023/24 Annual Plan in accordance with Section 95(2A) of the Local Government Act 2002. Issues identified for consultation are:
 - a. Our approach for reducing the rates impact:
 - (i) More User Pays Fees & Charges (targeted)
 - (ii) Introducing a new e-waste fee

- (iii) Supporting our community to identify alternative funding and reducing Council's Community Grants and Events Fund budgets.
- (iv) Seeking more external funding to deliver Council projects, initiatives and events (wherever possible).
- b. Wairarapa Dark Sky Reserve – see separate report.
- c. Five Town Trails – see separate report
- 3. Notes Council will also use this opportunity to undertake engagement to inform the development of the 2024-34 Long-Term Plan. LTP engagement topics are:
 - a. Informing a revised scope for the Civic Facility project to develop more affordable options – see separate report
 - b. Suggestions to change Levels of Service for our community, in particular options that could be explored to reduce rates in future.
- 4. Agrees to consult on the Speed Management Plan alongside Annual Plan Consultation, noting a separate Statement of Proposal and draft Speed Management Plan will come to Council for adoption on 29 March 2023.
- 5. Notes that the 2023/24 Annual Plan must:
 - a. be adopted and the rates struck by resolution before 30 June 2023 and
 - b. include an overview of changes in costs from year 3 of the Long-Term Plan, along with all other information required under Part 2, Schedule 10 of the Local Government Act 2002.

CONTEXT

Under the Local Government Act 2002, Council must produce a Long-Term Plan (LTP) every three years. For the two years between each LTP (Years 2 and 3 of the LTP) an Annual Plan must be produced. In the third year a new LTP is developed.

The Annual Plan process provides an opportunity to review intended work programmes and associated budgets taking into consideration any new information and/or changing circumstances. According to section 95(5) of the Local Government Act 2002 (the Act), the purpose of the Annual Plan is to:

- a) contain the proposed annual budget and funding impact statement for the year [of the long-term plan] to which the annual plan relates; and
- b) identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and
- c) provide integrated decision making and co-ordination of the resources of the local authority; and
- d) contribute to the accountability of the local authority to the community

Council is legally required to consult on the development of its LTP and must follow the Special Consultative Procedure prescribed in section 83 of the Local Government Act 2003 (LGA). However, consultation on an Annual Plan is only required if significant or material differences are identified compared to what was included in the LTP for that year (Section 95 (2A) of the LGA).

If there are no significant or material differences, and the plan essentially aligns with what was consulted on via the LTP process, no further consultation is required. The Plan can be prepared and adopted in accordance with Section 95.

If significant or material differences are identified, then consultation must be undertaken.

DISCUSSION AND OPTIONS

2023/24 Work Programme

The 2023/24 financial year is Year 3 of the 2021-31 Long-term Plan (LTP). The work programme was developed and consulted on as part of the LTP process. The LTP was adopted on 30 June 2021.

The Year 3 work programme has been reviewed as part of the 2023/24 Annual Plan development process. Key variations to the work programme compared to Year 3 of the LTP include:

- **Civic Facility** - The cost of the project has escalated. Given that, the scope of this project is being revisited. Engagement will be undertaken as part of the Annual Plan consultation process to scope viable options for consultation as part of the 2024-34 Long-Term Plan. A decision on the future of the Civic Facility will be made as part of the 2024-34 LTP process.
- **All-Weather Athletics Track** - The estimated cost of replacing the all-weather athletics track at Colin Pugh Sportsbowl, scheduled for 2023/24, has escalated. The replacement will be deferred a year while other options are explored. Consultation on viable options will be undertaken as part of the 2024-34 Long-Term Plan process. A decision will be made as part of the 2024-34 LTP process.
- **Animal Shelter Redevelopment** – This project was deferred to 2022/23 as part of the 2021/22 Annual Plan process. Completion is now expected in 2023/24. Given the current economic climate and cost escalation across other capital projects, we expect costs to deliver the animal shelter will also have escalated. Given that, we have increased the budget provision to deliver this project. The Animal Shelter redevelopment cannot be deferred or reconsidered as it is necessary to meet Council’s legal and regulatory responsibilities – e.g. health and safety and animal welfare responsibilities. Given the redevelopment must proceed, this is not a decision Council can consult on (see Council’s Significance and Engagement Policy).
- **Millard Avenue Urbanisation** – Roading and associated drainage improvements that were to take place in 2023/24 will be deferred, but the scheduling of water and wastewater improvements will be progressed. The sequencing of this work is important to ensure best outcomes for the project overall, and to ensure cost-efficiency.
- **Hood Aerodrome Development** - There have been some delays with the Hood Aerodrome development. Capital expenditure and funding for Hood Aerodrome improvements that are not completed in 2022/23 will be carried forward to 2023/24. The project as a whole will be reviewed as part of the 2024-34 LTP process.

Associated Budgets and Projected Rates Increase

Associated budgets have been reviewed as part of the 2023/24 Annual Plan process.

The 2021-31 LTP year 3 projected an increase of 6.5% of rates revenue. There have been significant changes to the economic environment that the Council is operating in since 2021. Principally the inflationary environment and higher interest rates. Staff have prepared a first draft

of the budgets for 2023/24. The budget reflects net costs to continue delivering current services, including depreciation, debt repayment and is net of externally sourced funding such as roading subsidies and user charges.

The first draft resulted in a rates increase of 14.2% being needed. Staff and elected members have scrutinised the work programme and budgets with a view to minimising the rates impact on our community given the difficult economic conditions the community are facing. Cost reductions that do not significantly impact levels of service have been identified. Increases in some user charges above the rate of inflation are proposed in some areas to reduce the rates. Incorporating budget revisions and the proposed changes outlined in this report has reduced the projected average rates increase to 7.9% (after growth in the rating base).

At 7.9%, this is within the limit set in our 2021 Financial Strategy, which is 10.4%. This figure is the Local Government Cost Index (LGCI) of 5.9% plus 4.5% (after growth).

Key drivers for the rates increase reflect our current economic environment and are primarily outside of Council's control. These include:

- **Inflation is higher than was forecast for Year 3 of the 2021-31 LTP**

At the time the 2021-31 LTP was developed, BERL forecast inflation for local government at 2.9% for Year 3. However, as at September 2022 the LGCI was 5.9%. In reality many of the Council's costs have increased by much higher percentages, particularly the costs of pipes and associated fittings.

- **Interest rates on borrowing are higher than were forecast for Year 3 of the 2021-31 LTP**

The LTP forecast average interest rates across Council borrowing at 2.8% for Year 3. However, the average interest rate on Council debt is projected to be 4.8% in 2023/24. This increases the costs for activities where Council has borrowed to fund projects – e.g. the Homebush Wastewater Treatment Plant makes up a significant portion of Council's debt.

- **Insurance costs are expected to increase at least 15% for Year 3 2023/24**

The insurance costs reflect the increasing costs of replacing assets as well as increasing risks of loss. We have built in an expected 15%, but we are mindful of the on-going impact of recent weather events. The insurance claims from Cyclone Gabrielle are likely to adversely impact the cost securing future cover before the renewal of the material damage policies in June 2023.

- **Capital costs are being impacted by inflation and supply challenges**

Supply chain challenges and disruptions associated with COVID-19 are continuing to impact some capital projects, increasing the cost of materials and/or delaying work where materials or labour cannot be sourced. This, combined with inflationary increases and interest rate increases, has escalated the cost of many planned projects, some of which we are now re-scoping (e.g. Civic Facility) or exploring alternative options (e.g. Athletics Track upgrade).

- **Operational budgets are being impacted by inflation and demand drivers**

Inflation has continued to impact operational budgets with many contracted services subject to inflationary escalations. For example, the cost of fuel continues to impact some contracted services such as the transfer of waste and maintenance of our parks and recreation areas. There have also been some cost increases in response to demand drivers such as population growth (e.g. we are receiving increased volumes of materials for recycling, which has associated increased processing costs) and in response to central government policy (e.g. increasing waste

minimisation levies). We have tried to pass on costs in user pays charges wherever possible and within the Revenue and Financing Policy.

- **Increased asset valuations are increasing renewals and depreciation costs**

Depreciation is essentially the amount of money that should be put away each year to maintain (renew) and/or replace an asset. Depreciation costs are based on the replacement cost of the asset divided by the remaining useful life. The intention of this accounting calculation is to ensure there is sufficient funding available when the asset needs to be renewed or replaced.

In the Council context, our network assets include water and wastewater pipes and roads. We look to renew a portion of these assets every year using the depreciation that is funded by revenue. These assets were revalued in June 2022 with values increasing between 25% and 30% over the two years since the previous valuation. The depreciation expense has risen accordingly. Not all depreciation expense on network assets is funded by current revenue as the Council also includes provision for ratepayers to fund debt repayment.

In the current economic environment, the Council has taken the view that we will not pass on the increased depreciation costs that the current inflationary environment has caused. The Council's financial strategy has been to run an accounting surplus on three waters assets and apply that surplus to debt repayment. We propose to reduce the amount of depreciation that is funded and put aside into reserves. After taking account of the funding for debt repayment, the three waters activities will be closer to a breakeven than running a surplus. The 3 waters network renewals programme can be maintained at the levels expected in the LTP, but depreciation reserve funds will be reduced (rather than be maintained or be added to).

There is an element of risk involved - if we don't increase the revenue to match depreciation increases now, we will need higher rates increases in future years and/or borrow more to fund renewals/replacements in future, especially if the costs of renewing these network assets continues to increase at rates much higher than general inflation.

Key Budget Variations

Key budget variances (other than those already noted in association with the work programme and proposed consultation items) identified to date compared to Year 3 of the 2021-31 LTP include:

- **Roading** – the roading budget has increased. This reflects what was allowed for in the LTP, year 3's rates funded programme was forecast to be 8.6% more. This includes the increased rates needed to fund another 1% of the subsidised programme. Waka Kotahi (previously NZTA) subsidy rate drops from 57% to 56% in 2023/24.
- **Roading** - the weather events over 2022 and 2023 have generated significant damage to the road network. There have been major costs incurred responding to those weather events and repairing damage in order to keep the roads open. Increased subsidy rates from Waka Kotahi are expected to cover some of those extra costs, but the Council's Flood Damage Fund has gone into deficit. A provision of a nominal \$500,000 to rebuild those funds back to being positive has been included.
- **Building Consent Fees** – Recent information indicates a downward trend in the number of consents that will be processed in the coming year. Given that, we have revised down our anticipated income from building consents for the 2023/24 Annual Plan. We have reviewed and reduced our operating costs in this area and also propose increasing building fees by 10% to reduce the impact on rates.

- **Insurance** – As noted, the cost of Council’s insurance is expected to increase by at least 15% from a current cost of \$1.02 million.
- **Staffing/Personnel** – total staff numbers are not increasing and savings have been built in to budgets by allowing for a level of staff vacancies carried during the year.
- **Other** – the LTP allowed for several capital projects to have been underway by 2023/24 with the associated debt servicing being allowed for in the rates increase. The Civic Centre, Animal Shelter and Airport projects are all in this category. The level of debt servicing has been adjusted down for these items and offset by increases on other items (as noted above) including the higher cost of debt servicing on existing debt.

2023/24 Levels of Service

Levels of service define what Council has agreed to deliver for our community, and what our community can expect across the range of activities and services that Council provides. This includes things like:

- Opening hours for the Library, Customer Service Centre, Transfer Stations etc.
- Standards for footpaths and roads.
- Maintenance levels for our parks, recreation spaces and public facilities.
- How frequently we do things such as collecting rubbish and recycling, and
- Response times for different types of service requests etc.

Levels of service were reviewed and confirmed as part of the 2021-31 LTP process. They are next scheduled for review as part of the development of the 2024-34 LTP.

The 2023/24 Annual Plan maintains the levels of service that Council committed to in the 2021-31 LTP. Council is committed to a Levels of Service review for the 2024-34 LTP. The review will consider options for service reductions that may result on cost savings, and areas where our community have signalled that they want to see improvements.

A survey to seek community views on potential variations to levels of service was undertaken mid-2022. The survey asked our community to suggest areas where they would like Council to explore reducing service levels (to potentially reduce costs), and areas where they would like to see improvements explored (noting improvements may result in cost increases). Sixty-two people responded.

Areas with the most respondents signalling that they would like Council to explore improvements were:

- Better maintenance/improvements of Roads/Streets/Footpaths (27)
- Improvements that support/enable cycling (6)
- Improved/expanded recycling and waste minimisation services (6)
- Better maintenance of berms/verges/walkways (5)
- Water security/resilience (4)
- More for youth and families (4)
- Expanded library opening hours (4)

Areas with the most respondents signalling that they would like Council to explore reduced levels of service were:

- No reductions were suggested (29)
- Civic Facility (8)
- General and/or non-essential reductions (7)

Council will repeat the survey as part of the 2023/24 Annual Plan consultation process. This will provide an opportunity for those who did not participate last year to share their views. It will also enable us to assess whether there has been any change compared to what respondents signalled last year.

The 2023 Residents Satisfaction Survey will provide further insights as to areas of satisfaction and dissatisfaction for our community across the range of council services.

Any options for levels of service change will be assessed for cost and other implications. There will be an opportunity for Council to test options as part of the LTP engagement phase, scheduled for September 2023.

Viable options will be consulted on as part of the 2024-34 LTP.

Consultation on the 2023/24 Annual Plan

Under the Local Government Act (Section 95 (2A)), Council is required to consult on an Annual Plan if there are significant or material differences compared to what was planned for that year in the LTP.

Changes to the 2023/24 Annual Plan work programme are not assessed as significant or material given most have been deferred or are in the process of being re-assessed and so it is not possible to quantify the significance of the change. That stated, we acknowledge there are significant decisions to be made regarding the future of these projects as part of the 2024-34 Long-Term Plan (LTP).

Overall, the rates increase incorporating the proposed actions to mitigate the impact, is 7.9% which is within the limit set by our Financial Strategy of 10.4%. Given that, the changes identified and proposed are not assessed as being materially different to what was projected for Year 3.

The proposed changes to mitigate the rates impact may not be assessed as significant and/or material in usual circumstances, however we know these are not usual circumstances. We are delivering in challenging times and the proposed changes will have some implications for some sectors of our community. User charges, by their nature, impact directly on the users of those services, rather than spreading costs across the ratepayer base. For these reasons, we believe the most open and transparent approach is to consult on the proposed changes. We want to know what our community think.

Annual Plan Consultation Topics

Our proposal to mitigate the rates impact in the 2023/24 Annual Plan is multi-pronged. In addition to budget reductions that have been made across Council activities, we are proposing the following changes:

• **More user pays fees and charges – estimated to generate \$65K additional revenue**

Council will limit most fees and charges increases to the rate of local government inflation (5.9%); however, we are proposing increases of 10% for the following fees and charges. The combined effect is estimated to generate an additional \$51,000 to off-set rates:

- Building Consent Fees – noting we are projecting a decrease in total income as discussed under budget considerations.
- Building Warrant of Fitness Fees
- Environmental Health Fees and Charges associated with commercial operations – for example, food licences and verification fees, hairdresser and beautician registration fees, alcohol licensing fees. As noted last year, fees and charges in the environmental health area are below the level set in the Revenue and Financing policy.
- Cemetery Fees – to align with increasing costs of providing cemeteries.
- LIM Fees & Resource Consent Fees – to achieve a greater component of user pays revenue for the Planning activity, aligning with the Revenue & Financing Policy.

Senior housing rents will also increase by 6.5% which is an average increase of \$6.50 per week, bringing the average Council senior housing rental (bedsits and one bedroom flats) to \$111 per week. This is still well below market rent, consistent with Council’s policy. In total this increase will generate an additional \$14,000 to off-set rates increases.

In addition, waste disposal fees will need to increase to cover the increasing costs of disposing of the waste, including increased Waste Levy charges. The extent of the increase is to be confirmed.

• **Introducing a new E-waste fee – estimated to generate \$10K additional revenue.**

Currently all e-waste is free to dispose of at the Masterton Transfer Station. We are proposing to introduce new fees as per the table below:

E-Waste (Electronic Waste)		2023/24
Examples		
Small Consumer Electronics	Mobile phones, GPS, digital cameras, mice	No Charge
Small / Medium appliances and small computer items	Speakers, keyboards, docking stations, modems, routers, DVD/VCR/CD players, stereos, microwaves)	\$10.00
TV's / computer monitors/ printers and larger peripherals	TV's, computer monitors, printers, scanners, fax machines	\$20.00
Photocopiers		\$50.00

- **Supporting our community to identify alternative funding, which enables us to reduce funding for community grants and events – saving \$88,000.**

We are proposing we reduce community grants and events budgets by a total of \$88,000. This would be achieved by reducing the community development grants budget from \$140,000 to \$118,000 and reducing the events grants pool from \$80,000 to \$14,000. We will support our community to identify alternative funding opportunities so their projects and initiatives can still proceed.

- **Seeking more external funding for Council projects and initiatives, including Council run events – reducing the events budget will save \$22,000.**

We have reduced the Council events budget by \$22,000. We still plan to deliver events for our community but will seek external funding where possible to add to the Council funding. We are also committed to exploring external funding opportunities for other Council projects and initiatives too.

We will ask our community whether they support Council's overall approach to mitigating the rates impact, as well as seeking their thoughts on each of the proposed approaches listed above.

There are also some new opportunities that we propose seeking community feedback on before we commit to them. These include the Wairarapa Dark Sky proposal and the Five Towns Trails project, both discussed in separate reports.

Consultation on the 2023/24 Annual Plan also presents an opportunity for Council to seek feedback that will help shape our 2024-34 LTP. We are proposing to seek community views on a revised scope for the Civic Facility (see separate report) and on potential changes to Levels of Service (as discussed under the Levels of Service heading above). As noted, the level of service review provides an opportunity for Council to explore cost savings to off-set future rate impacts. It also provides an opportunity to consider improvements where our community indicate they may be needed.

In accordance with the Local Government Act 2002:

- 1) Consultation must be undertaken in accordance with the principles of consultation in s82 of the LGA, including the development of a consultation document.
- 2) Consultation must be open for a minimum of one month and must offer an opportunity to be heard, generally by way of a formal hearing.

Following the close of consultation there will be a hearing. Council will then deliberate and make a decision on Annual Plan matters.

Simultaneous Consultation – Speed Management Plan

Council has the responsibility for setting speed limits and maintaining all the public roads in the district apart from State Highways, which are under Waka Kotahi's control. We understand the importance in talking to the community about proposed changes to speed limits to help maximise support and compliance.

As part of fulfilling our responsibilities, the Council must create a Speed Management Plan that sets out our approach for managing speed and safety in the district, including speed limit

changes and engineering improvements. The Masterton District Speed Management Plan, once certified, will be added to a Speed Management Plan for the Wellington Region.

Council must consult with the public on the proposed changes under the Speed Management Plan before it is finalised and certified. It is proposed that the Speed Management Plan consultation takes place alongside the Annual Plan consultation.

A Statement of Proposal and the draft Speed Management Plan will be developed for Council adoption alongside the Annual Plan consultation document.

Options Considered

Our review of the work programme and associated budgets for 2023/24 has identified some variations from what was planned for Year 3 of the LTP, as discussed in this report. While we know there will be significant and/or material implications in future, final decisions on these matters are part of the 2024-34 LTP process rather than decisions for this annual plan.

The proposed changes to mitigate the rates impact are not assessed as significant or material. Even without incorporating the changes Council is proposing, the rates increase is within the limit set by our Financial Strategy. Despite that, we know we are delivering in challenging times, and we want to know what our community think of these proposed changes which will help off-set the rates impact.

The changes proposed are not anticipated to impact levels of service in the 2023/24 year but will have some implications for some sectors of our community.

Given the points noted above, Consultation is recommended.

Option	Advantages	Disadvantages
1 Annual Plan Consultation (recommended)	<ul style="list-style-type: none"> This would enable Council to discuss the annual plan with our community. This provides an opportunity for our community to provide feedback on the proposed changes to mitigate the rates impact. This also enables Council to seek community views on new opportunities and to seek feedback that will help shape the LTP. Council will have insight into the views and preferences of the community before making final decisions on the Annual Plan. 	<ul style="list-style-type: none"> Costs associated with consultation – e.g. collateral, promotion and any costs associated with face to face engagement activity. Opportunity cost in relation to staff and elected member time to support community consultation activity.

Option		Advantages	Disadvantages
2	Do Not Consult on the Annual Plan	<ul style="list-style-type: none"> Some cost benefits but LTP engagement and consultation on the Speed Management Plan would still need to proceed. No other advantages identified. 	<ul style="list-style-type: none"> Risk of making decisions that the community do not support. LTP engagement would still need to proceed.

Option 1 is recommended for the following reasons:

- Proceeding with consultation at this point in time will enable Council to test proposed changes and new opportunities with our community and seek feedback that will help shape our 2024-34 LTP.

With option 1, we will proceed with developing a Consultation Document and plan for undertaking consultation. The timeline for that is included below:

Date	Activity/Milestone
Wed 29 March 2023	Consultation Document adopted for consultation
Fri 31 March – Mon 1 May 2023	Consultation period
Wed 17 May – Thur 18 May 2023	Hearings
Wed 7 June 2023	Deliberations
Wed 28 June 2023	Council adopts final 2023/24 Annual Plan.

SUPPORTING INFORMATION

Strategic, Policy and Legislative Implications

The 2023/24 Annual Plan is Year 3 of the 2021-31 Long-Term Plan. There is a legal requirement to consult on an Annual Plan if there are significant or material differences between that Annual Plan and the same financial year in the Long-Term Plan.

For the 2023/24 Annual Plan no significant and material differences have been identified, however we know we are delivering in challenging times and that significant decisions will need to be made as part of the 2024-34 LTP process.

Under Council's delegations, the Council holds the authority to decide whether or not to consult on the Annual Plan.

Consultation if undertaken must comply with Section 82 of the Local Government Act. This includes the development of a consultation document with viable options for consideration and a hearings process.

Significance, Engagement and Consultation

Differences that have been identified through the 2023/24 Annual Plan process have been assessed against Council's Significance and Engagement Policy and are not considered significant in the current year, however we know there will be significant decisions to be made as part of the 2024-34 LTP.

Council has proposed mitigations to reduce the rates. These mitigations are not assessed as significant or material given they are not expected to impact levels of service and relate to cost recovery for user pays services.

The overall average rates impact is within the limit set in our Financial Strategy. Given that, changes are not assessed as material.

However, we know we are delivering in challenging times, and we know these changes will have some implications for some sectors of our community.

Consultation is recommended.

Financial Implications

The Annual Plan will set the work programme and budgets for the 2023/24 year. It is also the basis on which the Council sets the revenue it collects from rates.

There will be financial and opportunity costs associated with consultation. For the 2021-31 LTP combined staff time supporting face to face engagements exceeded 100 hours.

Treaty Considerations/Implications for Māori

The recommendation to consult would include appropriate engagement and communications with iwi, mana whenua and our Māori communities.

Environmental/Climate Change Impact and Considerations

No direct environmental impacts/considerations have been identified relating to the decision to consult on the 2023/24 Annual Plan.

ATTACHMENTS

Nil

7.4 DRAFT ANNUAL PLAN 2023/24 CONSULTATION: DARK SKY RESERVE

File Number:

Author: Karen Yates, Manager Strategy and Governance

Authoriser: David Hopman, Chief Executive

PURPOSE

The purpose of this report is to seek Council agreement regarding the options on the Dark Sky Reserve for inclusion in the 2023/24 Annual Plan Consultation Document.

RECOMMENDATIONS

That Council approves the following preferred and alternative options for inclusion in the Annual Plan 2023/24 Consultation Document on Masterton beginning the work to join the existing Dark Sky Reserve in Carterton and South Wairarapa:

1. **[Preferred]** Masterton District Council to commence the initial work to join the existing Dark Sky Reserve in Carterton and South Wairarapa, with \$20,000 being set aside from existing economic development budgets to support this work. External funding opportunities and volunteer contributions will also be explored.
2. **[Alternative]** Masterton District Council does not undertake any work to join the existing Dark Sky Reserve in Carterton and South Wairarapa

CONTEXT

What is a Dark Sky Reserve

A dark sky reserve is public or private land where the quality of starry nights and the nocturnal environment are exceptional, and those qualities are specifically protected for cultural, natural, educational, scientific or public purposed.

There are currently 21 International Dark Sky Reserves in the world. There are two in New Zealand, one in the Aoraki-Mackenzie region, and the other in Wairarapa covering Carterton and South Wairarapa.

Wairarapa Dark Sky Reserve

In January 2023 the Wairarapa Dark Sky Association achieved international dark sky reserve status from the International Dark Sky Association (IDA) for Carterton and South Wairarapa.

The reserve covers an area of 3,665 square kilometres. It is made up of a core zone of quality sky and natural darkness in Aorangi Forest Park, with the surrounding area supporting the core's preservation through minimising light pollution. The Wairarapa Dark Sky Reserve is the largest in New Zealand and one of the largest in the world.

It is expected that the Dark Sky Reserve certification could substantially boost economic, social and cultural growth in the Wairarapa:

- Economic: an independent report found that within 10 years Wairarapa could expect 115 extra tourism jobs, an additional \$190 million tourist dollars, and up to 280,000 more guest nights. The Wairarapa Dark Sky Reserve is part of the Wellington Regional Economic Development Plan (REDP) and Wairarapa Economic Development Strategy (WEDS).
- Environmental – the night sky continues to become less visible as cities and towns grow larger and brighter. More than half of New Zealanders cannot view the Milky Way due to light pollution. Plants and animals depend on daily rhythms of light and dark.
- Health – darkness at night-time supports human health and the sleep-wake cycle.
- Social – the dark sky reserve protects views of the night sky and supports education about historic uses for stars. Local universities and schools will be able to utilise the proposed dark sky reserve to support astronomy related courses and the science curriculum.

Opportunity for Masterton

When the Wairarapa Dark Sky Association commenced the Dark Sky Reserve work in the region, Carterton and South Wairarapa were prioritised as they have less light pollution meaning it would be easier to get certification.

Now that certification has been completed, the opportunity exists to undertake the work to have Masterton added to the Wairarapa Dark Sky Reserve. If Masterton was to be added, it would be one of the largest towns in a dark sky reserve area. Given our position as the largest town in the region, there would also be a number of opportunities for our hospitality business to leverage off dark sky status.

Work to be undertaken

As Masterton is part of the Wairarapa Combined District Plan (WCDP), there are already rules in place to better manage light pollution in the district. These rules currently only apply to Carterton and South Wairarapa, As part of the WCDP review, it has been proposed that the rules be applied to Masterton to ensure consistency across the district.

To formally become part of the Wairarapa Dark Sky Reserve, Masterton would need to be accredited by the IDA. The Wairarapa Dark Sky Association has advised that the following work would need to be undertaken to allow Masterton to apply for an extension of the existing dark sky reserve:

1. Development of a Lighting Management Plan (LMP) which focuses on reducing the levels of artificial light and sets parameters on the types of lighting that should be used and when they should be used.
2. Completion of a lighting inventory to inform the LMP, which is estimated to be roughly two months of full-time equivalent work. This would involve travelling across the settlements of the district at night, taking light readings and photos. We would need to obtain a spectrophotometer to take measurements, but there may be an opportunity for the three Wairarapa District Council's to share the cost of this purchase.
3. Taking dark sky measurements. This would involve setting up 4-5 TESS meters across the district to collect data. Once set up these would collect data to be analysed. TESS meters cost approximately \$450 excluding GST.
4. Drafting the application for the extension of the dark sky reserve. This would involve analysing the darkness data and the lighting inventory information, liaising with the IDA,

and mapping areas. The Wairarapa Dark Sky Association have indicated that they could assist with this process.

5. There needs to be evidence of community buy-in and support from businesses as part of any application. This would involve a coordinator working with local businesses on a couple of demonstration lighting improvement projects, organisation of public education and events, and meeting with local community groups.

It is proposed that \$20,000 is set aside from existing economic development budgets to fund this work. External funding opportunities will be explored, as well as opportunities for utilising the expertise of the Wairarapa Dark Sky Association and other local experts.

OPTIONS CONSIDERED

A summary of the options considered is included in the table below.

Option	Advantages	Disadvantages
1 Masterton District Council to commence the initial work to join the existing Dark Sky Reserve in Carterton in South Wairarapa, with \$20,000 being set aside from existing economic development budgets to support this work. External funding opportunities and volunteer contributions will also be explored.	<ul style="list-style-type: none"> - Able to leverage off the Dark Sky Reserve work of the two other councils. - A number of opportunities provided by the work, particularly economic. - Dark Sky Reserve named as a project in both the REDP and WEDS. 	<ul style="list-style-type: none"> - There may be some impacts on businesses and households due to lighting rules. - The \$20,000 set aside will not be able to be used on other projects.
2 Masterton District Council not to undertake any work to join the existing Dark Sky Reserve in Carterton and South Wairarapa.	<ul style="list-style-type: none"> - No impact on businesses and households with changed lighting rules. - No money spent on the project. 	<ul style="list-style-type: none"> - Unable to leverage off the Dark Sky Reserve work of the other two councils. - May miss the opportunities provided by Dark Sky Reserve. - Not contributing to a project named in the REDP and WEDS.

RECOMMENDED OPTION

Option 1 is recommended. This would allow Masterton to leverage off the work already undertaken and utilise the opportunities provided by the Dark Sky Reserve. While this would utilise economic development funding the Dark Sky Reserve is part of the two key economic development

strategies for the region. We will also explore both external funding opportunities and the use of volunteers to reduce the amount of council funding that is necessary.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The Dark Sky Reserve is a priority project under both the WREDP and WEDS .

The lighting rules to support the Dark Sky Reserve are already covered in the WCDP. It is proposed that these rules be extended to cover Masterton as part of the WCDP review.

Significance, Engagement and Consultation

Initial consultation took place as part of the development of the WEDS. Consultation as part of the 2023/24 Annual Plan process will provide another opportunity to seek the public's view on the Dark Sky Reserve.

As the project rolls out more comprehensive consultation will need to take place with impacted stakeholders.

Financial Considerations

The \$20,000 to fund the initial work will be drawn from existing economic development budgets. We will also explore external funding opportunities and the use of volunteers to complete work.

Communications/Engagement Plan

Communications and engagement on the proposal will be carried out via the 2023/24 Annual Plan process, which will start the discussion with the wider community on Masterton becoming part of the Wairarapa Dark Sky Reserve.

Implications for Māori

We will engage with iwi, hapū and marae to ascertain their level of support for this proposal. Dark Sky Reserve status for Masterton could provide new development and economic opportunities for iwi and marae.

Environmental/Climate Change Impact and Considerations

There are likely to be positive environmental impacts on plants and animals from the Dark Sky Reserve as a result of less light pollution.

The potential increase in tourist numbers would likely lead to more transport emissions. Planning will be needed to enable tourists to access the opportunities offered by the Dark Sky Reserve through low emissions transport options.

NEXT STEPS

If Council agree to the recommended option, the Dark Sky Reserve will be included as part of the 2023/24 Annual Plan consultation.

ATTACHMENTS

Nil

7.5 DRAFT ANNUAL PLAN 2023/24 CONSULTATION: WAIRARAPA FIVE TOWNS TRAIL NETWORK

File Number:

Author: Corin Haines, Manager Community Facilities and Activities

Authoriser: David Hopman, Chief Executive

PURPOSE

The purpose of this report is to:

- seek Council approval to consult on funding the establishment of a new Charitable Trust to deliver the Wairarapa Five Towns Trail Network as part of the 2023/24 Annual Plan process; and
- consider the legal form and funding mechanisms required to deliver the Wairarapa Five Towns Trail Network.

RECOMMENDATIONS

That Council:

1. **Agrees** to support the establishment of a new Charitable Trust as the preferred legal entity to deliver the Wairarapa Five Towns Trail Network;
2. **Agrees** to fund base operational expenditure of \$9,209.00 in 2022/23 to support the development costs of establishing a new Charitable Trust as the preferred legal entity to deliver the Wairarapa Five Towns Trail Network;
3. **Approves** for inclusion in the 2023/24 Annual Plan Consultation Document to fund base operational expenditure of \$27,624.00 in 2023/24 to support the establishment of the new Charitable Trust in partnership with Carterton District Council, South Wairarapa District Council and Greater Wellington Regional Council;
4. **Delegates** authority to the Chief Executive to work with Carterton District Council, South Wairarapa District Council, Greater Wellington Regional Council, Iwi and community stakeholders to prepare Wairarapa Five Towns Trail Trust documentation, based on the principles in Attachment 2; and
5. **Notes** that as part of developing the 2024-34 Long-Term Plan, an additional report will be submitted to Council for consideration that details the proposed governance structure, draft Trust Deed, draft Memorandum of Understanding, draft Funding Agreement and proposed forecast long-term operating costs for the new Charitable Trust to deliver the Wairarapa Five Towns Trail Network.

CONTEXT

The Wairarapa Five Towns Trail Network (WFFTN) is an ambitious project to develop almost 200km of recreational trails for walking and cycling, linking our five Wairarapa Towns – Masterton, Carterton, Greytown, Featherston and Martinborough.

The goal is to grow community well-being and wealth through developing outstanding trail-based experiences and connections and provide for improved liveability for our residents.

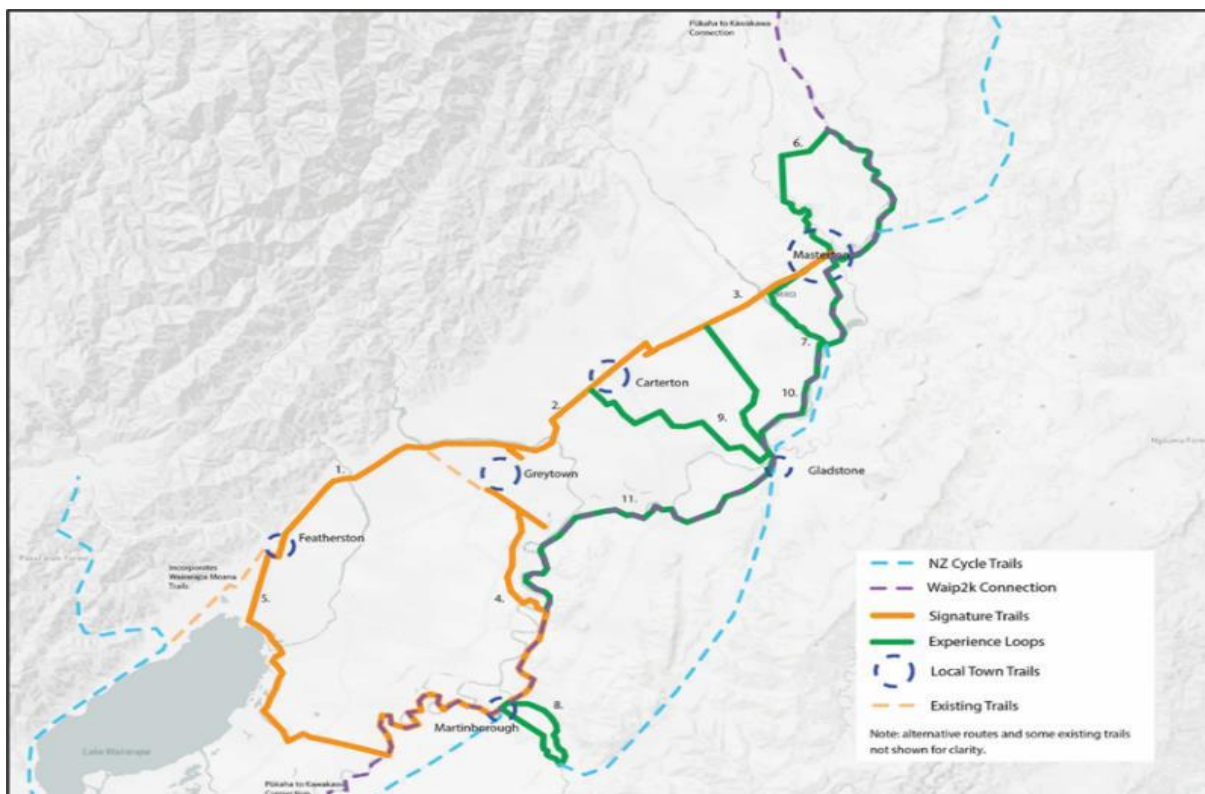
The project has been running for several years, with the concept being community driven through the original Five Towns Trail Trust, who aligned the project with both the Wellington Regional Trails for the Future Report 2017 (WRT Framework) and the Wairarapa Economic Development Strategy 2018 and 2022 (WEDS).

The Wairarapa Five Towns Trail Master Plan (Master Plan) was developed following targeted community engagement including stakeholder interviews and a series of workshops, while considering approved trail-based plans from each of the three Wairarapa Districts Councils (for example, the Masterton District Council Rural Trails Network Plan 2017).

The Master Plan is designed to showcase the Wairarapa and its strengths and bring connection to our region.

The WFTTN has been included as one of the regional economic development initiatives in the Wellington Regional Economic Development Plan 2022 (REDP), and one of our cycling trails and tours experiences in the Wairarapa Destination Management Plan 2021. The WFTTN is identified as a way to connect our existing parks and recreational trails network in the Masterton District Council Parks and Open Spaces Strategy 2021(POSS) and contributes towards cycling actions in the Masterton District Council's Climate Action Plan 2022 (CAP).

The WFTTN is illustrated below:



The WFTTN is made up of three key parts: Signature Trails, Experienced Loops and Trails and Local Trails. The full plan is available here: www.fivetownstrail.co.nz website.

A high level initial economic benefit assessment was completed as part of the development of the Master Plan. Spending in the Wairarapa as a result of the WFTTN is estimated to increase from

\$21 million a year in its early stages, with nearly one hundred jobs generated. These numbers are expected to increase as the WFTTN expands.

In October 2021 the three Wairarapa District Councils formally received the Master Plan and it was officially launched on 20 October 2021. As part of formally receiving the Master Plan, each of the three Wairarapa District Councils delegated authority to their Chief Executives to work with the other two Wairarapa District Councils, Greater Wellington Regional Council, and the Wairarapa Trails Action Group (WTAG) to research a suitable legal entity and funding options that could deliver the WFTTN.

ANALYSIS AND ADVICE

Trails Research

Over the last 10-15 years New Zealand has seen a significant number of recreation and cycling trail groups develop, mostly under the umbrella of the Ngā Haerenga NZ Cycle Trail. This includes the Hauraki Rail Trail, Hawkes Bay Trails, and Queenstown Trail.

Locally the Greytown Trails Trust (GTT) has also been very successful. Local trails usage data from the GTT shows cycle trail patronage at over 31,000 users from December 2021 to October 2022, and over 7,000 users using the new Tauherenikau section from August – October 2022. These are significant user numbers from a district population of 11,100 and a regional population at approximately 45,000.

As trails develop, their governance models evolve and change over time to adapt to changing community needs and progress from new trail development to existing trail management. Given this rich recent history, it's been possible for trail-based communities to learn from each other and help understand what works, and what is best practice. Appendix 1 provides a table outlining some of the successful trail groups throughout New Zealand.

Research undertaken by the WFTTN project team indicates that the following key elements are important to achieving successful outcomes for a trail's entity:

- An independent governance entity. A dedicated group established to govern, set strategy and lead trail development with a clear mandate from key stakeholders.
- Supportive local government environment. The majority of the above trails receive some level of ongoing funding support from their local council, usually for trail management and /or maintenance.
- Iwi representation. Important but especially where there is a particular interest in the trail / route.
- Clearly defined roles and responsibilities between trail partners, the governance entity, and funding providers.
- Ongoing funding separated into capital funding for trail construction and operational funding for trail management and maintenance.
- A dedicated trail management team. Committed and experienced people to design route options, obtain approvals, build partnerships, fund, build and maintain the trails.

Wairarapa Five Towns Trail Entity Options

The WFTTN Master Plan needs to move from the master planning stage and into delivery mode. The research undertaken by the WFTTN project team provides a good basis to understand what the next stage of development looks like on the WFTTN journey. This will require corralling expertise in trail planning, grant and funding coordination, engineering and contract management, community development and relationship management.

From the research conducted to date, three potential legal entity options to deliver the WFTTN have been identified. These are:

- a. **Incorporated Society** - An Incorporated Society is primarily a voluntary organisation comprising individuals who are intent on a shared purpose and requiring limited liability and perpetual succession.
- b. **Council Controlled Organisation** - A Council Controlled Organisation is focused on a singular purpose or group of similar purposes. CCOs are often arranged in a commercial manner to achieve the stated goals with efficiency and transparency.
- c. **Charitable Trust** - A Charitable Trust combines a structured legal form with a charitable purpose, minimising taxation issues and providing security in the permanency of the entity.

Officers sought a legal opinion on the above three potential legal entity options, and their applicability to deliver the WFTTN (Refer Attachment 1). A key issue was the ability of the preferred entity to be able to attract external capital funding for the construction of the WFTTN, given this has been initially estimated at \$32m. When considering entity options, some of the issues discussed as part of the legal opinion included:

- Who will own the physical infrastructure of the trails network?
- Who would any easements be in favour of?
- Who will control that infrastructure?
- Who will fund the capital investment to construct the trails infrastructure?
- Who will fund the operational costs of the entity?
- How many governors should be on the entity?
- Who and how will the governors be appointed?

Based on the research and best practice, responses to the above questions are included as Attachment 2 to this Report.

Funding a new Wairarapa Five Towns Trail Entity

The legal advice was that the best option for the delivery of the WFTTN is a Charitable Trust (Refer Attachment 1) and would have the best chance of successfully obtaining grant funding for the forecast capital costs of trail development. This is estimated to be up to \$32m across the Wairarapa. Securing grant funding for capital investment is critical to the implementation of the WFTTN, as it is unlikely the three Wairarapa District Councils would be able to fund this development.

Assuming the capital costs of the WFTTN can be sourced externally, a decision will need to be made as to whether the operational costs of the proposed legal entity (herein referred to as the Five Towns Trail Trust or FTT Trust) will be funded by the three Wairarapa District Councils. Some external grant funding is available for operational costs. However, this is usually very limited funding, and is highly contested. Grants for operational costs could be used to fund some costs of the FTT Trust, but they are unlikely to provide the entity with secure ongoing funding, given these are variable, annual, and not guaranteed. Considering the benefits derived from the implementation of the WFTTN will be enjoyed by both visitors and locals alike, it is recommended that the three Wairarapa District Councils and GWRC join together and fund the governance and operational costs of the proposed FTT Trust. Capital costs would remain solely funded via Grants.

Officers have not been able to finalise the share of operational funding across the Councils at this point. If all four Councils agree, operational funding is proposed to be shared as follows:

- GWRC - 30.00%
- MDC – 23.33%
- CDC – 23.33%
- SWDC – 23.33%

Where only the three Wairarapa District Councils contribute towards funding operational costs the proposed funding would be shared as follows:

- GWRC - 0%
- MDC – 33.33%
- CDC – 33.33%
- SWDC – 33.33%

Once the FTT Trust is fully operational, high level estimate costs may range from \$200k to \$350k per year which equates to \$116,666.66 per council. This cost is based on a three-way split and assumes total costs are at the maximum of \$350k p.a.

Given the impact this proposal will have on rates, as well as the community benefits that will be derived across all of the Wairarapa, it is proposed any long-term decision around funding FTT Trust operational costs is deferred until the 2024-34 Long-Term Plan consultation. In the intervening time it is proposed that consultation be undertaken as part of the 2023/24 Annual Plan to ascertain community support for Council to fund the establishment of the FTT Trust and its required initial base operational funding.

Project costs to continue progressing the Trust Deed and corresponding documents (listed in the recommendations section of this Report) through to the 2024-34 Long-Term Plan consultation are forecast to be \$110,500 (2022/23 - \$27,600 & 2023/24 - \$82,900). It is proposed that subject to consultation that this is shared equally between the three Wairarapa District Councils, meaning an ongoing commitment of \$36,833 each over the next 16-month period (\$9,209 22/23 and \$27,624 (23/24).

Wairarapa Five Towns Trail Network – how we work together

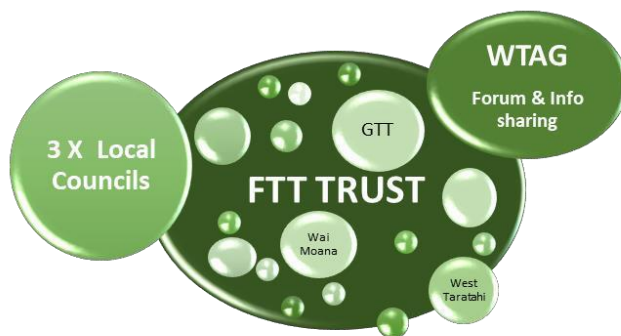
There are trail groups and organisations established and working in the Wairarapa which are relevant to the WFFTN. In summary, Wairarapa has:

- Territorial Authorities – The three Wairarapa District Councils and GWRC actively support the WFFTN project and providing for local trails through parks, reserves and open spaces.
- The Wairarapa Trails Action Group (WTAG). WTAG functions as a co-ordination group. It has no formal or statutory powers.
- Section based groups - Section based groups focus on planning, designing, building and maintaining “their” section or geographical area of the trail network.

Going forward, it is proposed that:

Territorial Authorities	<ul style="list-style-type: none"> • Once a new entity is established, the three Wairarapa District Councils will own the physical infrastructure and easements of the WFFTN within their district boundaries. • In addition to this, the three Wairarapa District Councils would have a Memorandum of Understanding (MOU) with the WFFTN entity for the management of these trails assets. • The four (or three) Councils are also key stakeholders and project partners supporting the proposed FTT Trust through leadership, appointments to governance positions, asset ownership and funding.
The Wairarapa Trails Action Group (WTAG)	Given the success of Wairarapa Trail Action Group (WTAG) overseeing the development of the Master Plan, it could continue under the proposed model as a Trails Forum for the sharing of information across the various stakeholders.
Section based groups	<ul style="list-style-type: none"> • The section-based groups would focus on their particular section of the network. • These community-led groups are not expected to be under the control of the proposed FTT Trust delivery entity. Section-based groups range in terms of legal structure and maturity. Some are well structured charitable trusts like Greytown Trails Trust (GTT) or Wairarapa Moana Trails Trust, while others are informal residents’ groups like Gladstone or West Taratahi. • The FTT Trust needs to cater for more section-based community led groups to help deliver the WFFTN.

The new FTT Trust would be responsible for delivering the WFFTN Masterplan vision. This would involve overall coordination, connections, consistency, quality, priorities, capital funding, maintenance, as well as supporting Wairarapa and Wellington Tourism entities with marketing, promotions and communications. Combining the research and adding the existing trails groups into a visual representation, the proposed future for the WFFTN could look like the graphic below:



OPTIONS CONSIDERED

A summary of the options considered is included in the table below:

Option	Advantages	Disadvantages
<p>1 Agrees to support the establishment of a new Charitable Trust as the preferred legal entity to deliver the Wairarapa Five Towns Trail Network.</p> <p>Agrees to fund base operational expenditure in 2022/23 to support the development costs of establishing a new Charitable Trust as the preferred legal entity to deliver the Wairarapa Five Towns Trail Network.</p> <p>Approves for inclusion in the draft 2023/24 Annual Plan Consultation Document:</p> <p>a. agreement to fund base operational expenditure in 2023/24 to support the establishment of the new Charitable Trust in partnership with Carterton District Council, South Wairarapa District Council and Greater Wellington Regional Council.</p> <p>Delegates authority to the Chief Executive to work with Carterton</p>	<ul style="list-style-type: none"> • Certainty of funding in 2022/23. • Gives our community an opportunity to have their say on further supporting this project leading up to the 2024-34 Long-Term Plan. 	<ul style="list-style-type: none"> • Commits council to the potential for ongoing maintenance expenditure on trails in the Masterton District link to the Five Towns Trail Network.

<p>2 Does not agree to support the establishment of a new Charitable Trust as the preferred legal entity to deliver the Wairarapa Five Towns Trail Network.</p> <p>Does not agree to fund base operational expenditure in 2022/23 to support the development costs of establishing of a new Charitable Trust as the preferred legal entity to deliver the Wairarapa Five Towns Trail Network;</p> <p>Does not approve for inclusion in the draft 2023/24 Annual Plan Consultation Document:</p> <p>a. agreement to fund base operational expenditure in 2023/24 to support the establishment of the new Charitable Trust in partnership with Carterton District Council, South Wairarapa District Council and Greater Wellington Regional Council.</p> <p>Does not delegate authority to the Chief Executive to work with Carterton District Council, South Wairarapa District Council, Greater Wellington Regional Council, Iwi and community stakeholders to prepare draft Five Towns Trail Trust documentation.</p>	<p>Removes any rates impact for the ratepayers of Masterton District Council for the setup of the Five Towns Trail network.</p>	<p>Removes Masterton District Council's support for the Five Towns Trail Network.</p> <p>Removes funding from the setup of the Five Towns Trail network establishment and may affect its ability to succeed.</p>

RECOMMENDED OPTION

Option 1 is recommended. It gives our community an opportunity to have their say on further supporting this project leading up to the 2024-34 Long-Term Plan. It will also give this project certainty of funding in 2022/23.

If the recommendations in this Report are approved, the following work will be progressed:

- Subject to consultation through the Masterton District Council Annual Plan 2023/24 development of a new Charitable Trust as the preferred legal entity to deliver the Wairarapa Five Towns Trail Network ; and

- Subject to consultation through the Masterton District Council Annual Plan 2023/24 agreement in principle to consult on long term funding of the new Charitable Trust in the 2024-35 Long-Term Plan consultation.
- Prepare a draft FTT Trust Deed
- Prepare a draft shared Memorandum of Understanding (MOU) between the FTT Trust and Councils covering:
 - Role of the Trust
 - Role of Councils
 - Role of Iwi
 - Terms of Reference
 - Appointments of Governors / Trustees
 - Asset ownership (both physical and intangible assets)
 - Asset management and maintenance
 - Community engagement
 - Partnership support with Regional Tourism Agencies / community stakeholders
- Prepare a draft Funding Agreement between the FTT Trust and Councils covering:
 - Funding scope – inclusions and exclusions
 - Funding split
 - Term
 - Inflation benchmarks
 - Prepare a business case for the FTT Trust's permanent establishment for
 - inclusion in the Long-Term Plan 2024 – 2034 consultation.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The WFTTN has been included as one of the regional economic development initiatives in the Wellington Regional Economic Development Plan 2022 (REDP), and one of our cycling trails and tours experiences in the Wairarapa Destination Management Plan 2021. The WFTTN is identified as a way to connect our existing parks and recreational trails network in the Masterton District Council Parks and Open Spaces Strategy 2021(POSS) and contributes towards cycling actions in the Masterton District Council's Climate Action Plan 2022 (CAP).

Significance, Engagement and Consultation

If a decision is made to confirm the FTTN Trust as the preferred legal entity for delivering the Five Towns Trail Network is assessed as significant as it implies council support for the ongoing costs of the entity and inclusion in the 2024-35 Long-Term Plan.

Financial Considerations

The decision to fund base operational expenditure of \$9,209.00 in 2022/23 to support the development costs of establishing a new Charitable Trust as the preferred legal entity to deliver the Wairarapa Five Towns Trail Network and include for consultation in the 23/24 Annual Plan to fund base operational expenditure of \$27,624.00 in 2023/24 to support the establishment of the new Charitable Trust has a minimal initial financial impact of \$36,833. However, the decision to confirm the Trust as the preferred legal entity has significant potential ongoing costs over the 10 years of the 2024-35 Long-Term Plan.

Implications for Iwi/Māori

There are implications for Iwi/Māori including where the WFTTN crosses onto land owned by Iwi/Māori/Māori land trusts or is part of any local treaty settlements.

Communications/Engagement Plan

Communications and engagement will be covered in the 2023/24 draft Annual Plan Consultation Document and supporting information.

Environmental/Climate Change Impact and Considerations

One of the key principles included in the master plan is Sustainability. The proposed charitable trails trust should exemplify sustainable management practices including the use of material, energy efficiency in building and toilet operations.

Greenhouse gas emissions for transport in the Wairarapa region increased by 41% between 2001 and 2019. The WFTTN will provide a safe, reliable and sustainable alternative to internal combustion engine to commute between towns. This is especially important with the significant uptake of electric bicycles and scooters that has occurred over the past few years.

Providing a 'zero-carbon' alternative to regular commuting has many positive outcomes:

- reduce greenhouse gas emissions,
- reduce the risk of accidents due to less vehicles on the road,
- increase air quality (less pollution),
- increased well-being.

The WFTTN will encourage more people to use the trails to commute, which will mean less cars are on the roads (and therefore less emissions).

The WFTTN contributes towards cycling actions in the Masterton District Council's Climate Action Plan 2022 (CAP).

NEXT STEPS

Next steps will involve confirming content for the 2023/24 draft Annual Plan Consultation Document and undertaking community consultation. In parallel to this, an additional report will be developed for Council consideration that details the proposed governance structure, draft Trust Deed, draft Memorandum of Understanding, draft Funding Agreement and proposed forecast long-term operating costs for the new Charitable Trust to deliver the WFTTN. For further detail, refer to the Recommended Option section of this Report.

ATTACHMENTS

1. Legal Opinion from WCM Legal re governance structures [↓](#) 
2. Officer recommendations on key questions [↓](#) 

7.6 DRAFT ANNUAL PLAN 2023/24 CONSULTATION: CIVIC FACILITY

File Number:

Author: Karen Yates, Manager Strategy and Governance

Authoriser: David Hopman, Chief Executive

PURPOSE

The purpose of this report is to seek Council agreement to consult the community as part of the 2023/24 Annual Plan consultation process to inform a revised scope for the Civic Facility project. Noting that a decision on the Civic Facility will be made as part of the 2024-34 Long-Term Plan process

RECOMMENDATIONS

That Council:

1. **Receives** this Report;
2. **Notes** that a Civic Facility project plan is progressing that builds on the recommendations presented by the independent Working Group to Council on 14 December 2022; and
3. **Agrees** to consult the community to inform a revised scope for the Civic Facility as part of the 2023/24 Annual Plan consultation process including:
 - a. objectives for the Civic Facility;
 - b. support for features that could be included in a Civic Facility;
 - c. support for features that could be included in a library;
 - d. support for locations that utilise Council's existing land and assets.
4. **Notes** that further consultation will be undertaken, and a decision on the Civic Facility will be made, as part of the 2024-34 Long-Term Plan process.

CONTEXT

Background

Masterton District Council approved the development of a new Civic Facility through the adoption of the Long-Term Plan 2021–31 (LTP). The Civic Facility was estimated to cost \$30.8 million (plus a 30% contingency) and would include the following features:

- 27m x 27m flexiform theatre that would seat 500 people for a variety of performances, events, small conferences and gatherings
- Foyer that can act as an exhibition space
- Suitable kitchen facilities to support the event space
- Meeting rooms
- Library and archives
- Information hub that would include some council services, i-site, box office etc.

On 23 May 2022, Council was advised that the estimated cost of the project was \$57.14 million, with a recommended contingency of \$14.2 million. This would increase the total cost to \$71.3 million. The revised estimate (including the contingency provision) is an 85% increase on the \$30.8 million budget included in the LTP. Council considered that this was unaffordable and agreed to pause all design and build work, undertake a review of information considered and decisions made on the project, and undertake complementary work on the project ahead of the new Council coming into office in October 2022.

Council appointed an independent Working Group in July 2022 to review the project to date and make recommendations on the next steps. The Working Group reported back to the new Council on 14 December 2022.

Officers are progressing a project plan, building on the recommendations from the Working Group, which will be reported to the next Council meeting.

2024-34 LTP Consultation

The Civic Facility scope that was budgeted for in the 2021-31 LTP cannot be delivered for the budgeted amount. Significant or material changes to the scope of the project or to the budgeted amount must be given effect through the 2024-34 LTP. This will be consulted on in March/April 2024. During 2023, the Council will gauge community support and refine options to enable a final decision on the Civic Facility to be made as part of the 2024-34 LTP.

2023/24 Annual Plan Consultation

Officers recommend that Council utilises the 2023/24 Annual Plan consultation process to seek feedback from the community to inform the development of options for a Civic Facility with a revised scope. An option (or options) for a revised scope would then be consulted on as part of the 2024-34 LTP process, along with any other options identified, including not progressing with a Civic Facility. A final decision on the Civic Facility will be made as part of the 2024-34 LTP.

For now, as part of the 2022/23 Annual Plan consultation process, feedback would be sought on the following:

- Council's objectives for the Civic Facility, which are:
 - Meets the needs of the Masterton community
 - Utilises Green Building design concepts for efficiency and environmental benefit
 - Embraces our Māori culture and multi-cultural community
 - Better utilises existing Council owned land and assets
 - Multi-purpose
 - Well utilised for future generations
 - Financially sustainable and affordable for the community to use
 - Is well located and complements the surrounding community facilities.

- Support for features that could be included in a Civic Facility, including a theatre space, exhibition space, meeting rooms, library, customer services etc

- Support for features that could be included in a library, including a quiet space, youth space, technology space etc
- Support for locations that utilise Council’s existing land and assets, including the District Building & Town Hall site, Recreation Centre site, library site and Waiata House.

Other considerations

Note that the scope of the Civic Facility proposed in the 2021-31 LTP includes a new library and archives. A provision of \$5.3m had been made in the 2018-28 LTP for extension of the library, noting the balance of funding was expected to be sought from external sources. Since then, the archive has had to relocate and ideally needs a permanent home with the library. The library upgrade work would still need to be undertaken, either as part of a Civic Facility, or separately, depending on the preferred option. In addition, if the District Building & Town Hall site is not the preferred location for a Civic Facility, the earthquake risk of the Town Hall still needs to be addressed by 26 February 2026² either through remediation or demolition

OPTIONS CONSIDERED

A summary of the options considered is included in the table below.

Option	Advantages	Disadvantages
1 Consult the community during the 2023/24 Annual Plan consultation process to inform development of options for a Civic Facility with a revised scope.	<p>The community’s views on features and location are considered when developing options, enabling democratic decision-making and improving transparency.</p> <p>Enables options to be refined over time according to community views.</p> <p>Reduces the risk of developing options that are not consistent with the community’s views.</p>	<p>Costs for consultation including officer time and engagement materials.</p> <p>Risks consultation fatigue on a long-standing project.</p> <p>Perception that Council is not “getting on with it”.</p>
2 Do not consult the community during the 2023/24 Annual Plan process. Develop options for consultation in the 2024-34 LTP.	No extra costs for consultation.	<p>Some form of engagement would still be required. If this is not aligned with the Annual Plan, there will be a duplication of effort to engage on the Civic Facility at another time.</p> <p>If no engagement or consultation was undertaken, risks include developing</p>

² <https://epbr.building.govt.nz/register/view/1bcf9dfd-3c3b-4f7e-9d6a-1d73f4105c12>

Option	Advantages	Disadvantages
		<p>options that are not consistent with the community's views which may result in reputational risk, increased costs for redundant work and prolonged completion time for the Civic Facility.</p> <p>Lack of community visibility of the project.</p>

RECOMMENDED OPTION

Option 1 is recommended. The 2023/24 Annual Plan consultation process provides an opportunity to check in with the community on their views to help Council further refine options on the Civic Facility as we commence planning for the 2024-34 LTP this year. It reduces the risk of developing options that are not consistent with the community's views. Aligning with the Annual Plan consultation process creates efficiencies and reduces the need to duplicate effort in relation to consultation.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The Civic Facility is a key strategic project for the Council and aligns with Council's aspirations for the social, cultural and economic wellbeing of the community. There is high community interest in the project. The decision-making process, community consultation, planning and budget setting are governed by the Local Government Act 2002 (LGA). Council's Procurement Policy applies to all procurement activities relating to the project, including the design and build of the Civic Facility. Following complaints earlier in the process there is likely to be a high level of scrutiny of the project by the community, the Office of the Ombudsman and the Office of the Auditor-General.

Significance, Engagement and Consultation

The construction of a new Civic Facility is a significant decision as it would result in a new strategic asset for Council. The provision of a Civic Facility has been consulted on with the community and the scope and budget has been included in the LTP 2021–31. The level of significance has been assessed as high as there will be a high level of community interest, a substantial effect on residential rates and on Council's reputation. Consulting with the community on the Civic Facility as part of the 2023/24 Annual Plan consultation has the benefits and disadvantages identified in the options considered section in this Report.

Financial Considerations

Financial considerations associated with the decision to consult on options to inform decisions on the Civic Facility include officer time and costs for engagement materials. \$300,000 has been budgeted in this financial year to progress the project, of which \$59,797 has been spent including costs for design advice by Architectus to July 2023 and the Civic Facility Working Group. No allocation of internal project management time is included in this YTD figure yet. Further costs expected through to consultation on the final options as part of the LTP include updating the

market demand and financial analysis, developing an events plan, developing options with concept designs and costing options using quantity surveyors.

Implications for Māori

Embracing our Māori culture and multi-cultural community is an objective for a Civic Facility. Council and the Civic Facility Working Group have benefitted from mana whenua membership and guidance. While this decision does not give rise to or affect Treaty/Tiriti obligations, the Local Government Act 2002 has specific requirements to ensure the views of Māori are considered as part of Council decision making. Council will work closely with iwi, hapū, and marae about their aspirations for Council facilities.

Communications/Engagement Plan

A communications plan will be developed for the 2023/24 Annual Plan consultation with key messages developed for the Civic Facility project. The 2023/24 Annual Plan Consultation Document will be approved by Council at the meeting on Wednesday 29 March 2023. Consultation will open on Friday 31 March 2023 for one month. The consultation will be promoted through social media, digital, print and radio advertising.

Environmental/Climate Change Impact and Considerations

One of the objectives for a new Civic Facility is that it “utilises Green Building design concepts for efficiency and environmental benefit” and there is a strong commitment from Council to explore all possible options to deliver a building that is sustainable and efficient, now and for the future. We will test the objectives with the community through the 2023/24 Annual Plan consultation.

NEXT STEPS

If the recommendations in this Report are approved, officers will prepare content for the 2023/24 Annual Plan consultation document and implement the Consultation Communications and Engagement Plan. Officers will also update the market demand and financial analysis, commission an events plan and refine options design, in consultation with the Council.

ATTACHMENTS

Nil

8 REPORTS FOR INFORMATION

Nil

9 PUBLIC EXCLUDED

Nil