

TE WHAKAMINENGA O KĀPITI

“He toa taki tini taku toa,

E hara i te toa taki tahi”

“My strength will only be achieved

Because of the efforts of us all.”

AGENDA

Te Whakaminenga o Kāpiti Tuesday, 18 June 2024

I hereby give notice that a Te Whakaminenga o Kapiti meeting will be held on:

Date: Tuesday, 18 June 2024

Time: 9:30am

**Location: Council Chamber
Ground Floor, 175 Rimu Road
Paraparaumu**

**Hara Adams
Group Manager Iwi Partnerships**

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- 2 WHAKAPĀHA | APOLOGIES
- 3 HE WĀ KŌRERO KI TE MAREA | PUBLIC SPEAKING TIME
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 - 4.1 CONFIRMATION OF MEMBERSHIP

5 TE WHAKAŪ I NGĀ ĀMIKI | CONFIRMATION OF MINUTES

5.1 CONFIRMATION OF MINUTES

Author: Jessica Mackman, Senior Advisor, Democracy Services

Authoriser: Hara Adams, Group Manager Iwi Partnerships

TAUNAKITANGA | RECOMMENDATIONS

That the minutes of Te Whakaminenga o Kapiti meeting of 12 Hakihea 2023 (12 December 2023) be accepted as a true and correct record.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Minutes of Te Whakaminenga o Kapiti 12 December 2023 [↓](#)

TE WHAKAMINENGA O KAPITI MINUTES

12 DECEMBER 2023

**MINUTES OF KAPITI COAST DISTRICT COUNCIL
TE WHAKAMINENGA O KAPITI
HELD AT THE COUNCIL CHAMBER, GROUND FLOOR, 175 RIMU ROAD, PARAPARAUMU
ON TUESDAY, 12 DECEMBER 2023 AT 9.35AM**

PRESENT: Mr André Baker (Ātiawa ki Whakarongotai), Mayor Janet Holborow, Ms Denise Hapeta (Ngā Hapū o Ōtaki), Ms Kim Tahiwai (Ngā Hapū o Ōtaki), Mr Huriwai Paki (Ngāti Toa Rangatira), Cr Martin Halliday

IN ATTENDANCE: Cr Sophie Handford, Cr Rob Kofoed, Cr Kathy Spiers, Cr Nigel Wilson, Mr Darren Edwards, Ms Kris Pervan, Ms Deanna Rudd, Ms Steffi Haefeli, Ms Anna Smith, Ms Jessica Mackman

WHAKAPĀHA | Ms Kirsten Hapeta (Ngā Hapū o Ōtaki), Te Rakauoteora Te Maipi (Koro Don Te Maipi), Ms Hara Adams

APOLOGIES:

LEAVE OF ABSENCE: There were none.

1 KARAKIA

The Chair, André Baker opened the hui and respectfully acknowledged members of the A.R.T. Confederation (Ātiawa ki Whakarongotai, Ngāti Raukawa ki te tonga, Ngāti Toa Rangatira) who had recently passed and their whanau at this time.

The Chair welcomed the rangatira o te Kaunihera o Kapiti, mana whenua, kaiwhiriwhiri and manuhiri in attendance.

2 WHAKAPĀHA | APOLOGIES

The Chair, André Baker noted apologies had been received from Hara Adams, Group Manager Iwi Partnerships, Kirsten Hapeta (Ngā Hapū o Ōtaki) and Te Rakauoteora Te Maipi.

APOLOGY

COMMITTEE RESOLUTION TWOK2023/29

Moved: Ms Denise Hapeta

Seconder: Mr Huriwai Paki

That the apologies received from Hara Adams, Kirsten Hapeta and Te Rakauoteora Te Maipi be accepted.

CARRIED

3 HE WĀ KŌRERO KI TE MAREA | PUBLIC SPEAKING TIME

Chris Webber highlighted the new government's proposed disestablishment of Te Aka Whai Ora (Māori Health Authority) and asked that Council take a proactive role in the health and wellbeing space as a result of this. Mr Webber also noted recent Te Tiriti o Waitangi debate and the need for Council to engage in the discussion constructively.

TE WHAKAMINENGA O KAPITI MINUTES

12 DECEMBER 2023

Mr Webber reiterated an earlier request made to Council advocating for a review of Te Whakaminenga o Kapiti to better understand how the voices of hapu could be heard and requested a meeting on behalf of the Paraparaumu Māori Committee.

Hariata Higgott acknowledged Cr Martin Halliday and Mayor Janet Holborow in assisting to have her art exhibited at Toi Mahara gallery. Ms Higgott requested she be informed of future arts, heritage and culture related kaupapa at Council so she can advocate for local artists.

4 HE TĀPIRITANGA KI TE RĀRANGI TAKE | ADDITIONAL AGENDA ITEMS

The Chair, André Baker acknowledged the elevation of whaea Denise Hapeta to Purutanga Mauri o Te Wānanga o Raukawa which was celebrated at a recent graduation ceremony at the Wānanga. The Chair noted that Piripi Walker was also inducted to the role of Purutanga Mauri and commended both on attaining that position.

Denise Hapeta noted the upcoming celebration of the 30 year partnership of Te Whakaminenga o Kapiti and the review of the Memorandum of Partnership given the significance of the milestone.

The Chair, André Baker requested an update on Budge House which was provided by Kris Pervan, Group Manager Strategy & Growth. Ms Pervan noted that Karl Webber, Ngāti Haumia has met with Ngāti Toa Rangatira who are consulting with Greater Wellington Regional Council (GWRC). GWRC have sought legal advice in relation to the honorary kaitiaki role and where that role should sit. Ms Pervan noted that a formal update was expected from GWRC before the year end and the Chair, with support of members, requested Ms Pervan convey the desire for this to be received.

Huriwai Paki left the hui at 10.10am and returned at 10.15am.

Kim Tahiwi left the hui at 10.15am and returned at 10.17am.

5 TE WHAKAŪ I NGĀ ĀMIKI | CONFIRMATION OF MINUTES

The Chair, André Baker introduced the item and suggested administrative changes to enhance the preparation of future minutes.

5.1 CONFIRMATION OF MINUTES**COMMITTEE RESOLUTION TWOK2023/30**

Moved: Mr Huriwai Paki

Seconder: Ms Kim Tahiwi

That the minutes of Te Whakaminenga o Kapiti meeting of 31 Whiringa-ā-nuku 2023 (31 October 2023) be accepted as a true and correct record.

CARRIED

6 PŪRONGO | REPORTS

There were no reports scheduled on the agenda.

7 HE KŌRERO HOU MŌ NGĀ IWI | IWI UPDATES

Denise Hapeta noted it had been an active time for Ngā Hapū o Ōtaki and other large entities in Ōtaki and that tangihanga in recent weeks had lead to the need to defer Waitangi Tribunal hearings. Hearings would now be held March, April and May 2024.

Denise Hapeta noted the need to consider the celebration of partnership of Te Whakaminenga o Kapiti and the Memorandum of Partnership (MOP) and whether any changes need to be made to the MOP.

TE WHAKAMINENGA O KAPITI MINUTES

12 DECEMBER 2023

The Chair, André Baker acknowledged those that had recently celebrated tertiary achievements at Te Wānanga o Raukawa.

8 NGĀ WHAKATAUNGA TIRITI - HE TIROHANGA WHĀNUI NŌ IA IWI | TREATY SETTLEMENTS – OVERVIEW FROM EACH IWI

Deferred dates for hearing week 15 to be provided (March 2024, online hearing -)

9 HE KŌRERO HOU MŌ TE KAUNIHERA | COUNCIL UPDATE

9.1 DRAFT CALENDAR OF MEETINGS 2024

Steffi Haefeli, Manager Democracy Services and Deanna Rudd, Manager Iwi Partnerships took the report as read and answered members' questions.

Kim Tahiwi noted the need to include the commemoration of Te Whakaminenga o Kapiti.

The Chair, André Baker thanked Council officers for their efforts and noted his desire to review the dates and progress this take.

Darren Edwards, Chief Executive noted Far North District Council had recently implemented a meeting calendar in line with maramataka and he supported the development of a similar approach.

COMMITTEE RESOLUTION TWOK2023/31

Moved: Ms Kim Tahiwi

Seconder: Mr Huriwai Paki

That Te Whakaminenga o Kapiti notes the content of the update and the temporary proposed meeting schedule for 2024 in attachment 1 of this report - Draft Calendar of Meetings.

CARRIED

9.2 WAITANGI DAY COMMEMORATIONS 2024

Deanna Rudd, Iwi Partnerships Manager provided an update on upcoming Waitangi Day commemorations which will be celebrated 3 February 2024 at Whakarongotai Marae, as agreed. Ms Rudd noted that Council officers are working with Marae Trustees to confirm the programme.

Members discussed the matter and Ms Rudd answered members' questions.

The Chair, André Baker acknowledged the mahi undertaken to date and the need for the A.R.T. Confederation to consider their contribution to the day to protect the significance of Te Tiriti.

Huriwai Paki left the hui at 10.45am.

9.3 MARAE GRANTS

Deanna Rudd, Iwi Partnerships Manager provided an update on the distribution of Marae grants since 2021. Ms Rudd noted that Whakarongotai Marae have completed refurbishment of their ablution blocks and a report would be forthcoming.

Ms Rudd further noted that this year's allocation to Raukawa Marae would be the last that has been approved and Te Whakaminenga o Kapiti would need to discuss future allocations of the fund in the new year.

TE WHAKAMINENGA O KAPITI MINUTES

12 DECEMBER 2023

Ms Rudd answered questions from members and members discussed the matter noting the challenges of insuring Marae. The Chair, André Baker noted that it may be helpful to revisit the Terms of Reference for the fund.

Huriwai Paki returned to the hui at 10.50am.

9.4 MĀORI ECONOMIC DEVELOPMENT GRANTS 2023/24

Deanna Rudd, Iwi Partnerships Manager provided an update on the Māori Economic Development Grants and confirmed that the annual funding round would open shortly. Ms Rudd noted the refresh of the Economic Development Strategy would give direction to the Māori Economic Development Strategy that informs the grant.

Ms Rudd confirmed a report would be brought to Te Whakaminenga o Kapiti in the new year.

9.5 UPDATE ON LONG-TERM PLAN 2024-2034

Chief Executive Darren Edwards provided an update on the Long-term Plan 2024-2034 noting that consultation is currently taking place with elected members and that a draft consultation document would be presented shortly.

The Chief Executive confirmed that an update to the A.R.T. Confederation was imminent and noted his regular engagement with Council's mana whenua partners from Ātiawa ki Whakarongotai Charitable Trust, Ngā Hapū o Ōtaki and Te Rūnanga o Toa Rangatira.

Members discussed the matter and Denise Hapeta noted the success of the Living Building Project at Te Wānanga o Raukawa.

10 TE WHAKAWHITI KŌRERO | CORRESPONDENCE

The Chair, André Baker confirmed there was no correspondence to note.

11 HE TONO ANAMATA MŌ TE RĀRANGI TAKE | FUTURE AGENDA REQUESTS

The Chair, André Baker noted that several take had been captured during the hui for future meetings.

Kim Tahiwi requested an update on older persons' housing and the Chair noted the importance of this matter.

Mayor Janet Holborow proposed that Council officers provide Te Whakaminenga o Kapiti with an overview of current strategy work including older persons housing, health strategy social needs assessment and the implementation of older persons strategy in the new year.

12 CLOSING KARAKIA

The Chair, André Baker acknowledged all in their efforts, achievements and engagements across the year and thanked all for their time, patience and perseverance in providing input. The Chair also acknowledged those who were no longer with us who had contributed.

Members and Councillors provided closing comments and the Chair closed the hui with karakia.

Te Whakaminenga o Kapiti closed at 11.29am.

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TE WHAKAMINENGA O KAPITI MINUTES

12 DECEMBER 2023

HEAMANA | CHAIRPERSON – ANDRÉ BAKER

Unconfirmed

6 PŪRONGO | REPORTS

6.1 KĀPITI COAST AFFORDABLE HOUSING TRUST: TRUSTEE APPOINTMENT

Kaituhi | Author: **Stephen Cross, Housing Programme Manager**

Kaiwhakamana | Authoriser: **Kris Pervan, Group Manager Strategy & Growth**

TE PŪTAKE | PURPOSE

- 1 This paper confirms the appointment of a Te Whakaminenga O Kāpiti representative to the Kāpiti Coast Affordable Housing Trust Board Appointment Panel and appointment of Te Whakaminenga O Kāpiti Trustee on the Kāpiti Coast Affordable Housing Trust.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not required.

TE TUKU HAEPAPA | DELEGATION

- 3 Te Whakaminenga O Kāpiti has authority to make this decision.

TAUNAKITANGA | RECOMMENDATIONS

That Te Whakaminenga o Kāpiti:

- A. **Note** that on 29 February 2024, the Kapiti Coast District Council Committee:
 - A.1 Resolved to establish an independent housing trust, which included approving in principle the Trust Deed and Relationship Framework Agreement.
 - A.2 Agreed to the placeholder name of the Trust as the 'Kāpiti Coast Affordable Housing Trust'.
 - A.3 The Trust Deed specifies the appointment process for a maximum of seven Trustees including one Council appointed Trustee, one Trustee appointed by Te Whakaminenga o Kāpiti and three to five independent trustees appointed by a Board Appointment Panel.
- B. **Note** that Iwi representatives of Te Whakaminenga o Kāpiti met and discussed a process for the appointment of a Trustee as follows:
 - B.1 Appointment of a representative on the Board Appointment Panel.
 - B.2 Confirmation of the individual to be appointed for the role of Trustee for the Kāpiti Coast Affordable Housing Trust.
- C. **Confirm** the appointment of:
 - C.1 Rawiri Faulkner of Ngāti Toa Rangatira to the Kāpiti Coast Affordable Housing Trust Appointment Panel only.
 - C.2 Kim Tahiwī of Ngā Hapū o Ōtaki as Te Whakaminenga o Kāpiti appointed Trustee to the Kāpiti Coast Affordable Housing Trust.
- D. **Note** that Kim Tahiwī will assume the role following the appointment of Independent Trustees by the Board Appointments Panel.

TŪĀPAPA | BACKGROUND

- 4 At the Council meeting on 29 February 2024, Council approved in principle the Trust Deed to establish an independent housing trust in Kāpiti and a draft Relationship Framework Agreement between the Council and the Trust.

- 5 The Trust Deed outlines the makeup of the Trust Board and the selection process to appoint Trustees. This includes the appointment of a trustee by Te Whakaminenga o Kāpiti. See appendix 1 for copies of the Trust Deed and Relationship Framework Agreement.
- 6 The rationale for the establishment of the Kāpiti Coast Affordable Housing Trust is to create an entity focused on providing permanent affordable housing opportunities for whānau and communities in Kāpiti Coast. The advantages of forming the housing trust include:
 - 6.1 The ability to hold land, transferred to it by Council or acquired on its own, for the purpose of delivering affordable or social housing. The Trust can utilise this land to create affordable housing solutions in partnership with iwi, community housing providers and other organisations.
 - 6.2 Access to a wider range of funding sources, particularly if it is registered as, or partnered with, a Community Housing Provider.
 - 6.3 Ability to consider and offer a wider range of housing services and tenure models, such as affordable rentals, rent-to-own and leasehold options.
 - 6.4 A singular focus and ability to attract assistance from suitable qualified trustees and staff, with the resources and expertise to develop and deliver housing projects.
- 7 The Trust Deed states the Trust will engage with local whānau, hapū and iwi, where appropriate, to ensure their needs are understood and recognised, and that housing for mana whenua is provided for through the Trust's housing development projects.

HE KŌRERORERO | DISCUSSION

- 8 Te Whakaminenga o Kāpiti were briefed on 26 March 2024 on the proposed size and composition of the Board and the processes for appointment, which are based on regulatory standards set by Community Housing Regulatory Authority "CHRA" and on our understanding of the way CHRA applies those standards. Even if the Trust does not progress to become a Community Housing Provider (CHP), it is useful to use the standards created by CHRA as they are considered to represent best practice.
- 9 Decisions about the size and composition of the Board considered how the Trust may change and grow over time, and therefore how its governance may need to adapt to ensure it is fit-for-purpose and that the entity is well-run.
- 10 The Trust Deed allows for a range in the number of Trustees, rather than a fixed number, to provide flexibility. It is proposed that the Trust Board is always comprised of a minimum of five Trustees, with a maximum of seven Trustees in order to provide capacity to bring in extra expertise if required.
- 11 The Trust Board is comprised as follows:
 - 11.1 **Council-Appointed Trustee:** One Council-Appointed Trustee, to be appointed by Council in accordance with the Council's Recruitment and Selection Policy, in accordance with the requirement of the Local Government Act.
 - 11.2 **Māori Trustee:** One Māori Trustee to be appointed by Te Whakaminenga o Kāpiti.
 - 11.3 **Independent Trustees:** A minimum of three and a maximum of five Independent Trustees.
- 12 Experience of other similar trusts has strongly supported the use of skills-based recruitment for all Trustees. This is to help ensure the board is comprised of suitably qualified people with the range of skills, expertise and experience required for good governance of a housing trust.
- 13 The Trust Deed lists in section 4.3 (b) of Schedule 2 the skills and experience that need to be always represented on the Board, these include: social tenancy management, property development, strategy development and business planning, financial management and literacy, and legal and risk management. These also cover the key areas of expertise that CHRA requires in a CHP Board.

- 14 Alongside these skills, the following expertise would be beneficial to have represented on the Trust's Board. These are listed at 1.1 *Interpretation* in the Trust Deed:
- Experience in community, social or affordable housing;
 - experience in management or governance in any or all of tenancy management, property development, asset management and social services;
 - experience in the operation and implementation of government funding programmes;
 - an empathy with the communities in locations where the Trust intends to provide community, social and/or affordable housing;
 - an understanding of the Charitable Purposes;
 - financial management experience
 - governance experience in either not-for-profit or business organisations;
 - legal experience in either not-for-profit or business organisations;
 - experience in strategy development, policy development, risk management or organisational change;
 - experience in operations or service delivery;
 - knowledge and understanding of Te Tiriti o Waitangi, Te Ao Māori and tikanga Māori;
 - financial literacy relevant to the financial and economic issues related to the Trust.

He take | Issues

Appointment and removal processes for Trustees

- 15 The Trust Deed specifies the appointment process for the Independent Trustees and the Chair. This appointment process is described in Schedule 2 of the Trust Deed.
- 16 The Trust Deed ensures that each appointing party (i.e. Council, Te Whakaminenga o Kāpiti and the Board Appointment Panel) has the right to remove their appointed Trustees at any point. The Trust Deed also provides other ways in which a Trustee may be removed from being a Trustee (including, for example, if they resign or fail to fulfil their Trustee duties).

Ngā kōwhiringa | Options

- 17 Iwi representatives of Te Whakaminenga o Kāpiti have met and discussed a process that involves the appointment of a representative to the Board Appointments Panel to work alongside the Council appointed Trustee and the specialist recruitment consultant to select Independent Trustees.
- 18 Rawiri Faulkner of Ngāti Toa Rangatira has been nominated as Te Whakaminenga o Kāpiti representative to the Kāpiti Coast Affordable Housing Trust Board Appointments Panel.
- 19 A separate nomination has been made for the appointment of Kim Tahiwī as a Trustee of the Kāpiti Coast Affordable Housing Trust by Te Whakaminenga o Kāpiti. Kim will assume the role following the appointment of Independent Trustees by the Board Appointments Panel.

Kōwhiringa Options	Hua Benefits	Tūraru Risks
<p>Option A: (Recommended option)</p> <ul style="list-style-type: none"> At this meeting of Te Whakaminenga o Kāpiti confirm the appointment of Rawiri Faulkner as a member of the Kāpiti Coast Affordable Housing Trust Board Appointment Panel. At this meeting of Te Whakaminenga o Kāpiti confirm the appointment of Kim Tahiwī as Te Whakaminenga o Kāpiti appointed Trustee to the Kāpiti Coast Affordable Housing Trust. Kim will assume the role following the appointment of Independent Trustees by the Board Appointments Panel. 	<p>Parallel process with the appointment of the Council Trustee.</p> <p>Enables appointment process of independent trustees to proceed.</p> <p>Ensures the skills and experience of the Trustee nominated by Te Whakaminenga o Kāpiti factor in to the wider consideration of skills and experience across the full board.</p>	<p>Insufficient time to identify all potential Trustees.</p>
<p>Option B:</p> <ul style="list-style-type: none"> Do not appoint identified nominees to the Panel and Trust. 	<p>Additional time to identify other qualified candidates.</p>	<p>Delay in process of appointing Independent Trustees and therefore establishment of the Trust.</p>

Mana whenua

- 20 To support the implementation of the Housing Strategy, Te Urunga Whakakāinga, a Kapiti Place-Based Housing Steering Group, with representation from Te Rūnanga O Toa Rangātira, Ngā Hapū o Ōtaki and Āti Awa ki Whakarongotai Charitable Trust and central government (including the Ministry for Housing and Urban Development, Kāinga Ora, and Te Puni Kokiri) has been formed.
- 21 Council staff have also proactively worked with Ngā Hapū o Ōtaki, Ngāti Toa Rangitira, and Āti Awa ki Whakarongotai Charitable Trust to understand their aspirations and current activity to support provision of housing in their communities.
- 22 These discussions confirmed that there was a strong willingness to partner, and that iwi and hapu were already well advanced in their thinking about the delivery of social and affordable housing.
- 23 The inclusion of specific principles, objectives and actions related to Māori housing within the Housing Strategy ensure that Council takes a supportive role in helping to deliver Māori housing solutions.
- 24 Initial feedback on the preferred option for an affordable housing entity was sought from Ngā Hapū o Ōtaki, Āti Awa ki Whakarongotai Charitable Trust, and Ngāti Toa Rangitira and has been incorporated into the establishment of the trust as proposed.

Panonitanga Āhuarangi me te Taiao | Climate change and Environment

- 25 The resilience and sustainability objective within the Housing Strategy considers that new homes meet or exceed Climate/Carbon measurements and Healthy Homes benchmarks. This will be built into the affordable housing trust approach when delivery of housing is

considered. Climate impact will be considered through greater housing options, a variety of transport connections, and ensuring that development considers natural hazard constraints.

Ahumoni me ngā rawa | Financial and resourcing

- 26 The Relationship Framework Agreement outlines support services that Council will provide to the Trust. These include an annual operating grant, and in-kind support such IT and administrative services on a transitional basis.
- 27 There is sufficient funding in Council's Housing budget to support the establishment of the Trust.

Tūraru ā-Ture me te Whakahaere | Legal and Organisational Risk

- 28 Legal advice was sought for the preparation of the Trust Deed and Relationship Framework Agreement.
- 29 Further legal advice will be sought as Council considers transferring further assets / funding to the Trust following trust establishment.

Ngā pānga ki ngā kaupapa here | Policy impact

- 30 The community outcome '*our people have access to suitable quality housing in Kāpiti so that they can live and thrive*' was included in the Long-Term Plan 2021-41 due to the strong concern about the growing local housing issues and to guide Council's response to the district's challenges and opportunities.
- 31 The Kāpiti District Council Housing Strategy was approved by the Strategy and Operations Committee on 12 May 2022.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

Te mahere tūhono | Engagement planning

- 32 Clear communication of the drivers and intent of establishing the Kāpiti Coast Affordable Housing Trust is important. There may be a perception in the community that the move to establish a Trust could be a way of Council of absolving itself of responsibility in responding to growing housing need.
- 33 A Communications Plan has been developed to support communications with the community and key stakeholders about the establishment of the housing trust.

Whakatairanga | Publicity

- 34 Council will use its established communications channels to inform the community of the key stages of the establishment of the Trust and the rationale for the decision to establish the Trust.

NGĀ ĀPITI HANGA | ATTACHMENTS

- 1. Trust Deed [↓](#)
- 2. Relationship Framework Agreement [↓](#)

Dated

2024

**TRUST DEED FOR THE [INSERT NAME
OF TRUST]**

BETWEEN

KĀPITI COAST DISTRICT COUNCIL
Settlor

AND

[NAMES OF TRUSTEES]
Trustees

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TRUST DEED dated the day of 2023

PARTIES

- (1) KĀPITI COAST DISTRICT COUNCIL (the **Settlor**)
- (2) **NAME OF COUNCIL-APPOINTED TRUSTEE**, [Title], of [Location]
NAME OF MĀORI TRUSTEE, [Title], of [Location]
NAME OF INDEPENDENT TRUSTEE, [Title], of [Location]
NAME OF INDEPENDENT TRUSTEE, [Title], of [Location]
NAME OF INDEPENDENT TRUSTEE, [Title], of [Location] (**Original Trustees**)

INTRODUCTION

- A. The Settlor wishes to establish a charitable trust to be known as the **[name]** for the Charitable Purposes set out in this Trust Deed.
- B. The Settlor gifts \$10.00 (**Initial Gift**) to the Trustees to settle the Trust. It is anticipated that further money, property, and investments may, from time to time, be paid or transferred to the Trust.
- D. The Settlor and the Original Trustees have agreed to enter into this Trust Deed specifying the terms of the Trust.

1. INTERPRETATION

- 1.1 **Defined Terms:** In this Trust Deed, unless the context otherwise requires:

Act means the Trusts Act 2019;

Associated Person means a person who is an associated person of any Trustee for the purposes of the exemptions from income tax for a tax charity as set out in the Income Tax Act 2007;

Board means the board of Trustees of the Trust;

Board Appointments Panel means the panel of persons specified in clause 3.3 of Schedule 2;

Charitable Purposes means the purposes of the Trust as set out in clause 4.1;

Community Housing Provider means a “community housing provider” as defined in section 2 of the Public and Community Housing Management Act 1992;

Conflict Transaction has the meaning given in clause 17.1;

Council-Appointed Trustee means a Trustee that is appointed by the Settlor in accordance with clause 4.1(a) of Schedule 2;

Council-Controlled Organisation means an entity that is a “council-controlled organisation” pursuant to section 6 of the Local Government Act 2002;

Council Organisation means an entity that is a “council organisation pursuant to section 6 of the Local Government Act 2002;

Council Officer means an employee of, or contractor to, the Settlor;

Elected Member means a person elected as a councillor of the Settlor;

Financial Year means each 12-month period ending on 30 June;

Income Related Rent Subsidy or **IRRS** means the subsidy paid by the Ministry of Housing and Urban Development to Registered Community Housing Providers pursuant to a reimbursement agreement or tailored agreement under the Public and Community Housing Management Act 1992 to cover the difference between rent paid by public housing tenants and the market rent for the property;

Independent Trustee means a Trustee that is not associated with the Settlor (including as an Elected Member or Council Officer) or any of the Māori Trustee Appointing Parties and is appointed by the Board Appointments Panel in accordance with clause 4.1(c) of Schedule 2;

Kapiti Coast District means the district of the Kapiti Coast District Council as constituted by the Local Government (Wellington Region) Reorganisation Order 1989, Gazette 1989, page 2491

Local Authority means “local authority” as defined in section 5 of the Local Government Act 2002;

Māori Trustee means a Trustee that is appointed by Te Whakaminenga o Kāpiti in accordance with clause 4.1(b) of Schedule 2;

Registered Community Housing Provider means a “registered community housing provider” as defined in section 2 of the Public and Community Housing Management Act 1992;

Settlor Representatives means persons, who are not Trustees, that are chosen by the Settlor to attend Board meetings;

Special Majority means a majority of 75% of the votes of Trustees entitled to vote and voting on a decision of the Trust;

Subsidies means any subsidies, payments or financial accommodation provided by the Crown to Registered Community Housing Providers or community housing providers to assist such providers with the provision of public, social or community housing, including the payment of IRRS;

Te Whakaminenga o Kāpiti means the independent advisory forum for the partnership between mana whenua and Kapiti Coast District Council, where mana whenua means each of:

- (a) Ngāti Raukawa ki te Tonga;
- (b) Ngāti Toarangatira; and
- (c) Te Ātiawa ki Whakarongotai;.

Trust means the trust evidenced by this Trust Deed;

Trust Deed means this Trust Deed and any deed of variation or replacement;

Trust Fund means the Initial Gift, all money, investments or other property paid or given to or acquired or agreed to be acquired by the Trustees, and additions and accretions to the Trust Fund and any part of the Trust Fund after this Trust Deed has been signed with the intention that it be held by the Trustees subject to the trusts and other provisions set out in this Trust Deed;

Trustee Skills and Experience means the following:

- (a) experience in community, social or affordable housing;

- (b) experience in management or governance in any or all of tenancy management, property development, asset management and social services;
- (c) experience in the operation and implementation of government funding programmes;
- (d) an empathy with the communities in the locations where the Trust intends to provide community, social and/or affordable housing;
- (e) an understanding of the Charitable Purposes;
- (f) financial management experience;
- (g) governance experience in either not-for-profit or business organisations;
- (h) legal experience in either not-for-profit or business organisations;
- (i) experience in strategy development, policy development, risk management or organisational change;
- (j) experience in operations or service delivery;
- (k) knowledge and understanding of Te Tiriti o Waitangi, Te Ao Māori and tikanga Māori;
- (l) financial literacy relevant to the financial and economic issues related to the Trust; and
- (m) any other attributes deemed necessary or desirable; and

Trustees means the trustees for the time being of the Trust.

1.2 **Construction:** In this Trust Deed, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) a reference to parties is a reference to the parties to this Trust Deed, including their successors, permitted assignees and permitted transferees;
- (c) a reference to persons includes a reference to human beings and any form of legal personality, incorporated or unincorporated;
- (d) whenever the words includes or including (or any similar expression) are used, they are deemed to be followed by the words “without limitation”;
- (e) headings are included for the purpose of ease of reference only and are not to have any effect on construction and interpretation;
- (f) a clause is a reference to the clauses of this Trust Deed;
- (g) a schedule is a reference to a schedule of this Trust Deed;
- (h) a reference to documentation includes:
 - (i) a reference to that document as varied, supplemented, novated or substituted from time to time; and
 - (ii) a reference to that documentation in any form, whether paper based or in electronic form encoded on or as part of any form of media; and
- (i) legislation includes amendments to and re-enactments of that legislation.

2. NAME OF TRUST

- 2.1 The name of the Trust is the **[name]**.
- 2.2 The Trustees may by deed, and only with the consent of the Settlor, change the name of the Trust at any time.

3. TRUST FUND AND DECLARATION

- 3.1 The Settlor directs and the Trustees acknowledge and declare that they hold the Trust Fund upon trust for the Charitable Purposes and on the trusts set forth in this Trust Deed.
- 3.2 The Trustees shall be at liberty to receive and accept from any source, gifts or grants of monies, investments or other property for the Charitable Purposes or for any specific purpose that falls within the Charitable Purposes. The receipt of the secretary, treasurer or other person or persons appearing to the Trustees to be authorised to give receipts on behalf of the recipient of any payment made under the terms of this deed, shall be a complete discharge to the Trustees for that payment.

4. CHARITABLE PURPOSES

- 4.1 The Trust is established to relieve poverty and benefit the people of the Kāpiti Coast District by providing community housing, social housing, public housing, older persons' housing, affordable housing or any other similar housing in the Kāpiti Coast District, which may include the Trustees carrying out (without limitation) any of the following activities:
- (a) acquiring, developing and leasing community housing, social housing, public housing, affordable housing, older persons' housing or any other similar housing;
 - (b) providing associated housing services;
 - (c) carrying out any other activities that may assist or support community housing, social housing, public housing, affordable housing, older persons' housing or any other similar housing schemes;
 - (d) engaging with local, and central government authorities and other social agencies to assist with the provision of housing in the Kāpiti Coast District;
 - (e) engaging and working with existing Community Housing Providers, iwi and other housing providers in the Kāpiti Coast District;
 - (f) advising, educating and supporting households facing housing stress through hosting seminars, workshops and any other means deemed appropriate by the Trustees that help households with their housing needs;
 - (g) becoming a Registered Community Housing Provider.
- 4.2 In carrying out the Charitable Purposes, the Trustees shall, to the extent deemed appropriate:
- (a) focus on benefitting those who qualify for community housing, social housing, public housing, affordable housing, older persons' housing or any other similar housing due to their financial position and income;
 - (b) have due regard to the following:

- (i) te Tiriti o Waitangi;
- (ii) Tikanga Māori;
- (iii) Te Ao Māori; and
- (iv) principles, including (but not limited to):
 - (1) manaakitanga, inclusivity and collaboration with mana whenua;
 - (2) recognition and respect for sacred kinship networks that extend to our natural environment;
 - (3) balance during processes, engagements and interactions;
 - (4) honesty and transparency;
 - (5) solutions that bring success through aroha and kotahitanga; and
 - (6) humility and service to promote care and safety to others;
- (c) engage with local whānau, hapū and iwi, where appropriate, to ensure their needs are understood and recognised, and housing for mana whenua is provided for through the Trust's housing development projects.

5. REGISTRATION AND STATUS

- 5.1 As soon as reasonably practicable and as a matter of priority, following the date of execution of this Trust Deed, the Trustees shall apply:
- (a) to be registered as a charitable entity under the Charities Act 2005;
 - (b) to be incorporated as a board pursuant to the Charitable Trusts Act 1957; and
 - (c) a donee organisation recorded on the Inland Revenue register of donee organisations.
- 5.2 The Trustees may apply to become a Registered Community Housing Provider in accordance with the Public and Community Housing Management Act 1992 to be eligible for Subsidies.
- 5.3 The Trustees shall do all things reasonably necessary, desirable and/or expedient to successfully make the applications referred to in clause 5.1 and to maintain each relevant status, including by complying with all requirements of all applicable legislation, regulations, eligibility criteria and performance standards, and shall not carry out any activity that would result in each relevant status being revoked or suspended.
- 5.4 If the Trust becomes a Registered Community Housing Provider, the Trustees shall ensure that the Trust:
- (a) maintains that status; and
 - (b) establishes and maintains the capacity to meet the performance standards set out in the Public and Community Housing Management (Community Housing Provider) Regulations 2014, and any other relevant requirements specified in legislation.

- 5.5 The Trustees shall endeavour to ensure that no action is carried out that would result in the Trust becoming a Council-Controlled Organisation or subsidiary of the Settlor or any other Local Authority.

6. BOARD OF TRUSTEES

- 6.1 The Board shall conduct the business and activities of the Trust so as to achieve the Charitable Purposes.

- 6.2 Schedule 2 sets out provisions in relation to the following:

- (a) the number of Trustees;
- (b) the composition of the Board;
- (c) the appointment and removal of Trustees;
- (d) the appointment and composition of the Board Appointments Panel;
- (e) the terms of appointment for Trustees; and
- (f) the appointment of a chairperson,

and will bind the Trustees both before and after their incorporation as a board under the Charitable Trusts Act 1957.

- 6.3 Subject to the terms of this Trust Deed, the Trustees may by deed, amend the provisions relating to the composition of the Board and the appointment and removal of Council-Appointed Trustees specified in Schedule 2 only with the consent of the Settlor.

7. TRUSTEE DUTIES

- 7.1 In addition to the mandatory and default duties specified below, the Trustees shall:

- (a) develop and maintain a working relationship with the Settlor and iwi, and with other community, social, public and affordable housing providers in the Kāpiti Coast District; and
- (b) consult with the Settlor on a regular basis to ensure that the Trustees are aware of the Settlor's views and policies relating to community housing, provided that the Trustees shall not be bound to promote any views and/or policies of the Settlor.

- 7.2 The Trustees must comply with the mandatory duties set out in sections 23 to 27 of the Act as follows:

- (a) know the terms of the Trust;
- (b) act in accordance with the terms of the Trust;
- (c) act honestly and in good faith;
- (d) act to further the Charitable Purposes; and
- (e) exercise their Trustee powers for a proper purpose.

- 7.3 The Trustees must comply with the default duties set out in sections 29-36 of the Act, save as to any modification contained in this deed.

- 7.4 The duties contained in sections 36 (duty of impartiality) and 38 (duty to act unanimously) of the Act are excluded and shall not apply to the Trustees.

8. TRUSTEES' GENERAL DUTY OF CARE

- 8.1 Notwithstanding section 29 of the Act, it is hereby declared that the care and skill to be exercised by the Trustees when administering the Trust shall, at all times, be the care and skill that is reasonable in the circumstances, without having regard to:

- (a) any special knowledge or experience that a Trustee has or holds themselves out as having; and
- (b) if a Trustee acts as a trustee in the course of a business or profession, any special knowledge or experience that is reasonable to expect of a person acting in the course of that kind of business or profession.

- 8.2 Clause 8.1 represents a modification of section 29 (general duty of care) of the Act.

9. TRUSTEE POWERS AND DISCRETIONS

- 9.1 In addition to all the powers, authorities and discretions vested in the Trustees by law, the Trustees shall have all the powers of an absolute owner of property and shall have the widest possible powers and discretions to achieve the Charitable Purposes, subject to the terms of this Trust Deed and any direction to the contrary in any instrument evidencing or conferring a gift accepted by the Trustees, provided that such direction is not inconsistent with the charitable nature of the Trust.
- 9.2 The Trustees may appoint, from time to time, any committee, sub-committee, focus group or adjunct as they may from time to time think expedient for carrying out the Purposes. The Trustees may appoint a member of any such committee, sub-committee, focus group or adjunct to exercise or perform, on behalf of the Trustees, specified powers or functions in relation to the Trust or to make specified decisions in relation to the Trust Fund subject always to the restrictions contained in section 67(2) of the Act.
- 9.3 Without prejudice to the generality of clause 9.1, or to any of the Trustees' express or implied powers, the Trustees shall also have the powers set out in Schedule 1 and may exercise them either alone or with any other person(s).
- 9.4 Subject to the provisions of this Trust Deed, including clause 9.5, all powers and discretions of the Trustees may be exercised by the Trustees in their absolute discretion on such terms as the Trustees think fit.
- 9.5 In the exercise of the Trustees' powers and discretions the Trustees shall:
- (a) observe the duties set out in clause 7; and
 - (b) not breach, and shall further, the Charitable Purposes.

10. APPLICATION OF INCOME

- 10.1 The Trustees may at any time pay, apply or appropriate, or decide to pay, apply or appropriate as much of the income arising from the Trust Fund in a Financial Year as they think fit towards one or

more of the Charitable Purposes, provided that where there is more than one Charitable Purpose, the Trustees need not treat each Charitable Purpose equally.

- 10.2 The Trustees, by written resolution, may appropriate any investments for one or more of the Purposes of the Trust in anticipation of a payment or application under clause 11.1.
- 10.3 In any Income Year, the Trustees may appropriate all or part of the income derived or to be derived from the Trust Fund during that Income Year even though, at the time of appropriation, they have not received the income being appropriated.
- 10.4 If the Trustees appropriate any income for any purpose of the Trust the recipient of that income shall take an absolute and indefeasible interest in that income as from the date on which it is appropriated.
- 10.5 The Trustees need not distribute all of the income arising from the Trust Fund in an Income Year, but may retain or decide to retain all or part of that income to establish or augment any reserve fund, which may be used at any later time for any purpose for which income arising from the Trust Fund may be used.
- 10.6 Any payment or application pursuant to clause 10.1:
- (a) shall be after the payment or provision for costs or expenses arising or expected to arise out of the Trust's activities; and
 - (b) take account of any trust or obligation that may be impressed upon a part of the Trust Fund.

11. APPLICATION OF CAPITAL

- 11.1 At any time, the Trustees may, or may decide to pay, apply or appropriate as much of the capital of the Trust Fund as they think fit for or towards one or more of the Charitable Purposes of the Trust provided that where there is more than one Charitable Purpose, the Trustees need not treat each Charitable Purpose equally. Any payment, application or appropriation of capital may be made either in addition to or in place of any payment, application or appropriation of income.

12. INVESTMENT OF THE TRUST FUND

- 12.1 The Trustees may invest the Trust Fund and the income from it in any form of investment, and vary any such investment from time to time. Where, for the time being, there is more than one person acting as a trustee of the Trust Fund, and one or more, but not all, of them is or are engaged in a profession, employment or business which is or includes acting as a trustee or investing money on behalf of others, then in exercising any power of investment, that trustee or those trustees (as the case may be) shall not be required to exercise the care, diligence and skill that a prudent person engaged in that profession, employment or business would exercise in managing the affairs of others. Rather, that trustee or those trustees (as the case may be) shall be required only to exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. This clause represents a modification of sections 29 (general duty of care) and 30 (duty to invest prudently) of the Act.
- 12.2 The Trustees may retain any investments coming into the Trustees' hands as part of the Trust Fund for as long as the Trustees think proper, even if they are not investments which could be properly

made by a trustee. This clause represents a modification of sections 29 (general duty of care) and 30 (duty to invest prudently) of the Act.

- 12.3 The Trustees may hold any part of the Trust Fund uninvested and in any currency for as long as the Trustees think fit without being liable for any loss due to devaluation or any foreign exchange or other governmental restriction except in circumstances where that loss was sustained as a result of that Trustee dishonesty, wilful misconduct or gross negligence. This clause represents a modification of sections 29 (general duty of care) and 30 (duty to invest prudently) of the Act.
- 12.4 The Trustees may have regard to the factors set out in section 59 of the Act when exercising the power to invest.

13. EXECUTION OF DOCUMENTS

- 13.1 If the Trustees become incorporated as a board under the Charitable Trusts Act 1957, they shall have custody of the common seal, and from time to time by resolution they may adopt any seal they think fit. The common seal must not be affixed to any document unless the Trustees have already authorised its use on that document. When a document is to be sealed on the prior authority of the Trustees the seal must be affixed to the document in the presence of two Trustees who must sign the document.
- 13.2 Contracts may be made on behalf of the Board as follows:
- (a) a contract which if made by private persons would be by law required to be by deed may be made on behalf of the Board in writing under the common seal, attested to by at least 2 of the Trustees; and
 - (b) a contract which if made between private persons would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the board in writing signed by a Trustee acting under its express authority.

14. KEEPING RECORDS

- 14.1 The Trustees shall maintain full and accurate records of the activities of the Trust and comply with the requirements of sections 45-48 of the Act. The records may be in hard copy or electronic format.
- 14.2 The Trustees shall ensure that adequate arrangements are in place for the continuous retention of documents and records relating to the Trust such as:
- (a) the Trust Deed and deeds effecting Trustee changes;
 - (b) correspondence and records on implementation of the Charitable Purposes;
 - (c) minutes of Trustee meetings; and
 - (d) records of title, accounting, payroll and investment records, contracts in writing and other records created in the course of conduct of the activities of the Trust.
- 14.3 The Trustees may arrange for the retention of the records in electronic format.
- 14.4 Each Trustee:

- (a) shall retain a copy of the Trust Deed; and
 - (b) in the event of ceasing to be a Trustee, hand over to a continuing Trustee all documents and records relating to the Trust.
- 14.5 The Trustees shall appoint an auditor to audit the activities of the Trust. The appointed auditor will continue as the auditor until removed by resolution of the Trustees.

15. LIMITATION OF LIABILITY AND INDEMNITY

- 15.1 Subject to clause 15.4 The Trustees are fully indemnified by and out of the Trust Fund for any loss or liability incurred in the exercise or attempted exercise of any trust, power, authority or discretion vested in the Trustees of the Trust, to the extent the Trust has sufficient funds. The indemnity includes, in particular, any liability to satisfy all costs and expenses arising out of conduct of the activities of the Trust. The Trustees shall have a lien on and may use monies forming part of the Trust Fund in pursuance of the indemnity contained in this clause 15.1.
- 15.2 The Board may effect insurance for a Trustee or employees of the Trust in respect of any liability referred to in clause 15.1 and will meet all costs associated with such insurance.
- 15.3 The indemnity conferred by clause 15.1 may extend to any loss or liability arising after a person has ceased to be a Trustee.
- 15.4 The indemnity conferred by clause 15.1 does not extend to a loss or liability that is attributable to a Trustee's dishonesty, wilful misconduct or gross negligence.
- 15.5 The Trustees are not liable to account to the Trust in its own right for:
- (a) the consequence of any act or omission or for any loss; and
 - (b) any loss or cost caused by a special trust adviser or an attorney, delegate, manager, agent or employee engaged by the Trustees, despite any rule of law or equity to the contrary.
- 15.6 The exclusion from liability set out in clause 15.5 does not apply where the consequence or loss is attributable to a Trustee's dishonesty, wilful misconduct or gross negligence.
- 15.7 If there is more than one Trustee, no Trustee is bound to take any proceeding against a co-Trustee for any alleged breach of trust by the co-Trustee.

16. NO PRIVATE PECUNIARY PROFIT

- 16.1 Despite any other provision in this Trust Deed but subject to clauses 4 and 16.5, neither the Trustees nor an Associated Person shall receive any form of private pecuniary profit from the Trust.
- 16.2 In the conduct of the activities of the Trust:
- (a) any income, benefit or advantage shall be applied to promote the Charitable Purposes;
 - (b) the Trustees and an Associated Person shall not receive any form of private income, benefit or advantage from the activities of the Trust, nor influence receipt of the same; and
 - (c) any payment to a Trustee or an Associated Person for goods or services that help promote the Charitable Purposes must be reasonable and commensurate with payments that would be made between unrelated parties.

- 16.3 The effects of this clause 16 must be retained in any other Trust Deed evidencing or continuing the Trust.
- 16.4 Notwithstanding this clause 16, the Trustees may allow a Trustee or committee member appointed by the Trustees to be paid:
- (a) reasonable and proper remuneration for services actually provided to the Trust and/or for carrying out their role as Trustee or committee member;
 - (b) for 'out of pocket' expenses properly incurred in carrying out the duties and responsibilities of a Trustee or committee member;
 - (c) any Trustee is to be paid all usual professional, business or trade charges for services rendered, time expended and all acts done by that Trustee or by any firm or entity of which that Trustee is a member, employee or associate in connection with the affairs of the Trust; and
 - (d) any Trustee may retain any remuneration properly payable to that Trustee by any company or undertaking with which the Trust may be in any way concerned or involved for which that Trustee has acted in any capacity whatsoever, notwithstanding that that Trustee's connection with that company or undertaking is in any way attributable to that Trustee's connection with the Trust.
- The provisions of this clause 16.4 represent a modification of the duties contained in sections 31 (duty not to exercise power for own benefit), 34 (duty to avoid conflict of interest), 36 (duty not to profit) and 37 (duty to act for no reward) of the Act.
- 16.5 Any such payment made under clause 16.4 shall:
- (a) be reasonable having regard to the nature and extent of the services provided or expenses incurred; and
 - (b) be an amount that is at a market rate (consistent with an appropriate fee framework(s) for not-for-profit boards) and not more than the Trust would have paid a third party for a similar service or expense.
- 16.6 The amount of any payment referred to in clause 16.4 shall be decided by the Trustees in accordance with clause 16.5 above and the restrictions imposed by this clause 16.
- 16.7 The Trustees shall not fix any Trustee remuneration for time spent as Trustee more than once annually.
- 16.8 No person with control over any business carried on for the benefit of the Trust shall be permitted to direct or divert an amount derived from such business in a manner that would breach section CW 42(1)(c) of the Income Tax Act 2007. For the purposes of the preceding sentence, the terms "control over a business" and "carrying on a business" shall be interpreted having regard to the ordinary meanings of those terms and sections CW 42(3) and CW 42(5) of the Income Tax Act 2007.
- 16.9 For the avoidance of doubt, a person who is in the course of and as part of the carrying on, of their business of a professional public practice, shall not, by reason only of them rendering professional

services to the Trust or to any company or person by which any business of the Trust is carried on, be in breach of clause 16.8.

17. CONFLICT TRANSACTION

17.1 A **Conflict Transaction** exists for a Trustee where the Trustee:

- (a) is associated with any company, partnership, organisation, group or trust with which the Trustee is dealing with in his/her capacity as Trustee;
- (b) is a party to, or will derive or may derive a material financial benefit from that transaction;
- (c) has a material financial interest in another party to the transaction;
- (d) is a director, officer or trustee of another party to, or person who will or may derive a material financial benefit from the transaction, not being a party that is wholly owned by the Trust;
- (e) is the parent, child or spouse, civil union partner, or de facto partner of another party to, or person who will or may, derive a material financial benefit from the transaction; or
- (f) is otherwise directly or indirectly materially interested in the transaction.

17.2 The procedure for dealing with a Conflict Transaction is set out in clause 6 of Schedule 3.

18. AMENDMENTS OF THE TRUST DEED

18.1 Subject to any relevant legislation, clause 18.2 and other provisions of this Trust Deed in relation to amendments to specific terms of this Trust Deed, the Trustees may by unanimous decision only, by deed, vary the terms of the Trust by way of amendments, deletions or additions to the Trust Deed.

18.2 The Trustees shall not vary the terms of the Trust if such variations would result in:

- (a) the Trust being permitted to operate in a manner other than to advance the Charitable Purposes, or operate for the private pecuniary profit of any individual; or
- (b) any status obtained by the Trust as referred to in clauses 5.1 or 5.2 being revoked, suspended, altered or being unable to be renewed.

19. WINDING UP

19.1 The Trustees may at any time, by unanimous decision only, wind up the Trust if:

- (a) in their opinion, it becomes impossible, impracticable or inexpedient to carry out the Purposes; and
- (b) they decide not to exercise their power under clause 11.1 to pay, apply or appropriate the whole of the capital of the Trust Fund for the Charitable Purposes.

19.2 In the event the Trustees unanimously vote to wind up the Trust and after all liabilities of the Trust have been discharged, the Trustees shall, subject to clause 19.23, apply the surplus assets of the Trust Fund to some other charitable organisation or body registered under the Charities Act 2005 and having similar objects to the Trust.

- 19.3 In complying with their obligations under clause 19.2, and subject to the Trustees being unanimously satisfied (acting reasonably) that a transfer would further the Charitable Purposes (or similar charitable purposes as defined in section 5(1) of the Charities Act 2005), the Trustees must offer the Settlor the first right to accept the transfer of the land owned by the Trust that was provided to the Trust by Kāpiti Coast District Council or purchased by the Trust using a financial contribution from Kāpiti Coast District Council, under a written protocol..
- 19.4 If the Trustees cannot determine the application of the Trust Fund in accordance with the requirements of this clause 19, the Trust Fund will be applied to such charitable purposes within New Zealand as directed by a Judge of the High Court of New Zealand.

20. GOVERNING LAW

- 20.1 This Trust Deed will be governed by and construed in accordance with the laws of New Zealand.

EXECUTION

SIGNED on behalf of **KĀPITI COAST**)
DISTRICT COUNCIL)
as Settlor by its authorised officers in the)
presence of:)

 Authorised Officer

 Authorised Officer

 Print Name

 Witness to both signatures

 Print Name

 Address

 Occupation

SIGNED by [x])
 as a **Trustee** in the presence of)

 Signature

 Witness signature

 Occupation

 Address

SIGNED by [x])
as a **Trustee** in the presence of)

Signature

Witness signature

Occupation

Address

SIGNED by [x])
as a **Trustee** in the presence of)

Signature

Witness signature

Occupation

Address

SIGNED by [x])
as a **Trustee** in the presence of)

Signature

Witness signature

Occupation

Address

SCHEDULE 1: TRUSTEE POWERS

1. POWERS

1.1 Subject to the provisions of this Deed, the Trustees have the power to undertake the following activities:

- (a) to sell any real or personal property forming part of the Trust Fund in the manner and on the terms and conditions the Trustees think fit, including (without limitation) power to allow such part of the purchase price as the Trustees think fit to remain on loan with or without security or to be payable by instalments;

- (b) to postpone the sale of any real or personal property forming part of the Trust Fund for as long as the Trustees think fit without being liable for any resultant loss to the Trust Fund;
- (c) to let any real and personal property at such rent (including on a rent free basis) and on such terms and conditions (including an option to purchase) as the Trustees think fit and to accept surrenders of any leases and tenancies. This clause represents a modification of the duties contained in sections 29 (general duty of care) and 30 (duty to invest prudently) of the Act;
- (d) to borrow any money at whatever rate of interest and upon whatever other terms and conditions the Trustees may think fit. For this purpose, the Trustees may give security for repayment over the entire Trust Fund or any part of it, whether or not any part over which the security is given benefits from the borrowing;
- (e) undertake fundraising activities to help with promotion of the Charitable Purposes;
- (f) adopt procedures for inviting and processing applications for assistance from the Trust in ways which would promote the Charitable Purposes;
- (g) seek and receive any conveyance, transfer, gift, devise, donation or bequest to help the Trustees promote the Charitable Purposes;
- (h) maintain a bank account and set authorisations on operating the account and the payment of creditors;
- (i) pay all costs and expenses incurred in the course of the Trustees carrying out or exercising any of the Trustees' powers and discretions;
- (j) create a provision for possible liabilities;
- (k) make any loans or advances (with or without security) for any of the Charitable Purposes in such manner and on such terms and conditions as the Trustees think fit (this clause represents a modification of the duties contained in sections 29 (general duty of care) and 30 (duty to invest prudently) of the Act);
- (l) for any part of the Trust Fund, the Trustees may:
 - (i) apply it to make an investment in a debt security and/or an equity security;
 - (ii) apply it towards the purchase of property or any interest in property which the Trustees consider with benefit the Trust Fund and in exercising this power, the Trustees shall not be taken to be exercising a power of investment;
 - (iii) retain it even if it is of a wasting, speculative or reversionary nature, may not produce income, or might be decreasing or not increasing in value;
 - (iv) pay all insurance premiums, rates, taxes, rents, repairs and other outgoings;
 - (v) improve, develop or subdivide it;
 - (vi) do anything that may increase value including, for example, adding to any buildings or structures, and entering into leases, tenancy agreements, party wall agreements, easements or profits à prendre;

- (vii) grant a lease or licence;
- (viii) waive debts, breaches, accept surrenders and terminate tenancies and licences either absolutely or on such terms as the Trustees think expedient except in circumstances where that loss was sustained as a result of the Trustee's own dishonesty, wilful misconduct or gross negligence;
- (ix) deposit all or part of the Trust Fund in any currency in a savings or other interest or non-interest bearing account with any bank, trust, company or other financial or investment institution in any jurisdiction in the world and in making any deposit the Trustees shall not be liable for any loss due to devaluation or any foreign exchange or other governmental restriction except in circumstances where that loss was sustained as a result of a Trustee's dishonesty, wilful misconduct or gross negligence;
- (x) convert it into money;
- (xi) grant security over it;
- (xii) deal generally and manage the Trust Fund as if the Trustees were the absolute owners of it; and
- (xiii) carry on any business or venture and establish any company, partnership or joint venture to conduct the same and the Trustees may use any part of the Trust Fund as capital in the business, and may also employ in the business such managers, agents, employees and other persons (including any Trustee other than a person who for the time being is the sole Trustee of the Trust Fund) as they think fit provided that each Trustee shall be absolutely indemnified out of the Trust Fund for any losses which they may sustain in so carrying on any such business except in circumstances where that loss was sustained as a result of a Trustee's dishonesty, wilful misconduct or gross negligence;
- (m) enter into and perform swap, hedging or other financial transactions;
- (n) enter into and perform a contract of indemnity and act as surety with any guarantee and security in support (this clause represents a modification of the duty contained in section 29 (general duty of care) of the Act);
- (o) in relation to any company or other legal body:
 - (i) exercise any voting, decision-making rights or other powers;
 - (ii) appoint directors, officers or employees or trustees of it; and
 - (iii) provide further share or loan capital;
- (p) engage any person including volunteers as:
 - (i) a special trust adviser;
 - (ii) an expert to assist the Trustees;
 - (iii) an attorney or delegate for the Trustees;

- (iv) a manager or agent for the Trustees;
- (v) a secretary of the Trustees;
- (vi) an employee of the Trustees in any matter relating to the Trust; or
- (vii) a nominee or custodian pursuant to section 67 of the Act (and in accordance with section 68 of the Act, keep the arrangements under review and consider whether to exercise any power to intervene);
- (q) engage a chartered accountant to prepare annual accounts or to perform an audit of accounts;
- (r) effect policies of insurance or assurance for such amounts and on such terms as the Trustees in their absolute discretion think fit, including trustee liability insurance, and to transfer, assign, surrender or mortgage any interest in any such policies and to hold, accept and deal with any interest in any policy of insurance or assurance or its proceeds, but no Trustee will be liable for any loss due to lack of insurance or inadequate insurance not attributable to their own dishonesty, wilful misconduct or gross negligence (this clause represents a modification of sections 29 (general duty of care) and 30 (duty to invest prudently) of the Act);
- (s) act upon any expert or professional opinion or advice;
- (t) accumulate the income of the Trust Fund;
- (u) treat as capital of the Trust Fund the income of a Financial Year not determined by the end of the Financial Year to be applied for the Charitable Purposes;
- (v) set apart any part of the Trust Fund under a distinguishing name:
 - (i) as a sub-trust;
 - (ii) as a special endowment; or
 - (iii) for a special purpose,

and the costs of administration of any such discrete fund shall be met either out of such fund or out of the Trust Fund or any income derived from the Trust Fund as the Trustees may in their absolute discretion determine;
- (w) adopt procedures for the execution of documents;
- (x) decide all questions arising in the course of the management, administration, investment, realisation, distribution, liquidation, partition, resettlement or winding up of the Trust;
- (y) in respect of any company in which the Trust Fund holds or is the beneficial owner of shares, notes, stock or debentures:
 - (i) to act as a director of the company and to receive and retain fees or other remuneration for so acting without having to account to the Trust Fund unless the Trustees otherwise require;
 - (ii) to provide out of the Trust Fund on such terms as the Trustees think fit further capital for the company either by way of advances, loans, deposits or otherwise (with or

without security) or by taking further shares in the company, but only insofar as the Trustees are satisfied on reasonable grounds that the provision of such further capital will contribute to the ability of the Trustees to fulfil the Purposes;

- (iii) to concur in the winding up, reconstruction or amalgamation of the company or in the modification of its regulations, on whatever terms the Trustees think fit; and
- (iv) generally to act in relation to the company in whatever manner the Trustees consider to be in the best interests of the Trust Fund,

(and this subclause represents a modification of the duties contained in sections 31 (duty not to exercise power for own benefit), 34 (duty to avoid conflict of interest), 36 (duty not to profit) and 37 (duty to act for no reward) of the Act);

- (z) generally do all other lawful acts and things that may promote the Charitable Purposes; and
- (aa) enter into any arrangement with any part of the government or local authority to obtain any rights, privileges or concessions that the Trustees may think desirable to obtain and carry out, and exercise and comply with any such arrangements.

SCHEDULE 2: BOARD OF TRUSTEES**1. Number of Trustees**

- 1.1 Subject to the provisions in the Schedule, there must be no fewer than [five] Trustees, and no more than [seven] Trustees. There will always be [one] Council-Appointed Trustee and [one] Māori Trustee on the Trust.

2. Appointment of Original Trustees

- 2.1 The Original Trustees are the signatories to this Trust Deed.
- 2.2 For the purpose of:
- (a) clause 4.1(a) of this Schedule, [name] is appointed as a Council-Appointed Trustee;
 - (b) [clause 4.1(b) of this Schedule, [name] is appointed as a Māori-Appointed Trustee;
 - (c) clause 4.1(c) of this Schedule, [name] is deemed to be appointed as an Independent Trustee;
 - (d) clause 4.1(c) of this Schedule, [name] is deemed to be appointed as an Independent Trustee;
 - (e) clause 4.1(c) of this Schedule, [name] is deemed to be appointed as an Independent Trustee.]
- 2.3 If directed by the Settlor, as soon as practicable following the establishment of the Trust:
- (a) the Board Appointments Panel will be constituted in accordance with clause 3.3 of this Schedule; and
 - (b) once the Board Appointments Panel has been constituted, the Board Appointments Panel will appoint further Independent Trustees so that there are at least three Independent Trustees, or any higher number determined by the Trust Board in accordance clause 4.1(c) of this Schedule.

3. Board Appointments Panel

- 3.1 The Board Appointments Panel will:
- (a) identify and appoint suitable candidates to fill any Board vacancy that arises for an Independent Trustee from time to time;
 - (b) when making any appointment have regard to any guidance it receives from the Board of Trustees regarding particular skills or experience referred to in clause 4.3 of this Schedule that the Board of Trustees considers are desirable in relation to the vacancy; and
 - (c) carry out its function as soon as practicable and use best endeavours to appoint an Independent Trustee within 60 calendar days of the relevant vacancy arising.
- 3.2 The Board Appointments Panel shall notify the Trust in writing of any appointment of an Independent Trustee made by the Board Appointments Panel as soon as such appointment has been made.
- 3.3 The Board Appointments Panel will be constituted as follows:
- (a) the Council-Appointed Trustee;

- (b) the Māori-Appointed Trustee appointed collectively by Te Whakaminenga o Kāpiti, with [name of Māori-Appointed Trustee] being a member of the initial Board Appointments Panel
- 3.4 At any time:
- (a) if the Settlor removes the Council-Appointed Trustee and appoints a new Council-Appointed Trustee in accordance with clause 4.1(a) of this Schedule, the new Council-Appointed Trustee will become a Board Appointments Panel member;
 - (b) the Te Whakaminenga o Kāpiti may remove from the Board Appointments Panel the Māori-Appointed Trustee panel member referred to in clause 3.3(b) of this Schedule 2 at any time during that panel member's term and appoint another Māori-Appointed Trustee as a Board Appointments Panel member; and
 - (c) the Board Appointments Panel members may consensus appoint or remove any independent panel members referred to in clause 3.3(c) of this Schedule 2, at any time during that person's term.
- 3.5 Unless a person is removed from the Board Appointments Panel in accordance with clause 3.4 of this Schedule 2, each person appointed to the Board Appointments Panel shall be appointed for a term of three years and may be reappointed under clause 3.4 for subsequent periods of up to two years, except that the Council-Appointed Trustee member of the panel will remain a member of the panel for so long as the member remains a Council-Appointed Trustee.
- 3.6 In performing its duties and undertaking its functions under this Trust Deed, the Board Appointments Panel shall not be liable to the Trust or any Trustee for any losses for damages incurred as a result of any act or omission of the Board Appointments Panel, provided that the Board Appointments Panel has acted honestly and has not wilfully committed any act known to be in breach of this Trust Deed
- 3.7 The Board Appointments Panel shall not delegate its powers under this Trust Deed.
- 4. Composition of Board and appointment of Trustees**
- 4.1 Each of the following persons (including their delegates) shall have the power, exercisable by deed, to appoint trustees and to remove any trustees appointed by them, without assigning any reason, as follows:
- (a) the Settlor shall appoint one (1) Council-Appointed Trustee;
 - (b)
Te Whakaminenga o Kāpiti shall have the right to appoint one (1) Trustee; and
 - (c) the Board Appointments Panel shall appoint the number of Independent Trustees determined by the Board of Trustees (being not less than three (3) or more than five (5) Independent Trustees).
- 4.2 Subject to clause 4.3, each of the appointors referred to in clause 4.1 of this Schedule shall be entitled to determine and follow their own appointment process.
- 4.3 In making the appointments of Trustees pursuant to clause 4.1 of this Schedule 2, the relevant appointing party must:

- (a) be reasonably satisfied that the relevant candidate possesses skills and experience that align with the Trustee Skills and Experience; and
 - (b) ensure that the following essential skills and experience are represented by at least one Trustee on the Board at all times:
 - (i) social tenancy management;
 - (ii) property development;
 - (iii) strategy development and business planning;
 - (iv) financial management and literacy;
 - (v) asset management;
 - (vi) legal and risk management; and
 - (vii) Mātauranga Māori,before any appointment of such candidate as a Trustee can be made.
- 4.4 A Trustee who has ceased to be a Trustee must carry out all acts and deeds and sign all documents necessary or desirable for the proper vesting of the Trust Fund in the continuing and new Trustees or otherwise as the case may require, which acts and deeds and signings shall be done and executed at the expense of the Trust Fund.

- 4.5 A person disqualified by the Charities Act 2005 from being an officer of a charitable entity may not be a Trustee.

5. Chairperson

- 5.1 The appointment of a Trustee as the chairperson of the Board will be made by majority resolution of the Trustees.
- 5.2 The appointment of the chairperson will be made at the first meeting of the Original Trustees.
- 5.3 The Board will decide on the period for which the chairperson will hold office.
- 5.4 In the absence of the chairperson at a meeting, another Trustee may be elected by Trustees present to be the chairperson for the meeting.
- 5.5 The chairperson shall take the chair at all meetings of the Trustees but shall not have a casting vote.
- 5.6 The chairperson may be removed from that position by a majority resolution passed by the other Trustees.

6. Term of Appointment

- 6.1 Subject to clause 6.3, any Trustee that is appointed to the Board shall have a term of appointment of three years (unless they cease to be a Trustee under clause 7 of this Schedule 2).
- 6.2 Any Trustee may be reappointed for a maximum of two subsequent terms of three years each. The maximum consecutive term to be served by any Trustee shall be nine years, unless the Trustees by Special Majority decision resolve otherwise that a Trustee may serve for a longer period in order to further the Charitable Purposes. The power of reappointment shall be vested in the parties referred to in clause 4.1 of this Schedule 2.

- 6.3 One third of the Trustees shall retire two years after the date of execution of this Trust Deed, one third of the Trustees who have not yet retired shall retire three years after the date of execution of this Trust Deed, and the remaining Trustees who have not yet retired shall retire four years after the date of execution of this Trust Deed. Unless agreed by the Trustees, the Trustees that will retire at the end of those specified periods shall be determined by lot.

7. Cessation and Removal

- 7.1 A person shall cease to be a Trustee if:
- (a) the Trustee's term of appointment as provided for in clause 6]of this Schedule 2 comes to an end;
 - (b) the Trustee resigns by notice in writing to the chairperson of the Board;
 - (c) the Trustee becomes a person whom clause 4 of this Schedule 2 does not permit to be a Trustee;
 - (d) the Trustee can no longer adequately fulfil the office of Trustee due to physical or mental incapacity, as determined by the remaining Trustees (acting reasonably);
 - (e) the Trustee dies;
 - (f) the Trustee refuses to act as a Trustee;
 - (g) the Trustee fails to attend three consecutive Trustee meetings in the absence of reasons acceptable to the chairperson of the Board;
 - (h) the relevant appointing party in clause 4 of this Schedule 2 removes its appointed Trustee;
 - (i) the Trustee ceases to qualify as an officer of a charitable entity under section 16 of the Charities Act 2005; or
 - (j) the Trustee has been deemed by unanimous resolution of the other Trustees to have failed to fulfil their duties as a Trustee.
- 7.2 The Trustees able to continue to act as Trustees shall resolve any question of whether a Trustee has ceased to be a Trustee pursuant to clause 7.1 of this Schedule 2. The decision of the continuing Trustees shall be final.
- ## **8. Minute book**
- 8.1 Upon every appointment, retirement, re-appointment or termination of office of any Trustee the Trustees will ensure that:
- (a) an entry is made in the minute book of the Trust to that effect;
 - (b) any statutory requirements as to the vesting of the Trust Fund in the Trustees and the notification of the appointment are satisfied; and
 - (c) if the Trust is registered under the Charities Act 2005, the Charities Commission is notified in accordance with the requirements of that Act.

9. Validity of proceedings

- 9.1 Where, for any reason, a Trustee is not properly appointed, re-appointed or is disqualified from holding office, anything done by that Trustee (or by a meeting at which that Trustee was present as a Trustee or committee member) before discovery of the irregularity, shall be as valid as if that Trustee had been duly appointed, re-appointed or had not been disqualified (as the case may be).
- 9.2 If at any time the Trustees number less than the minimum number of Trustees required by the Trust Deed then anything done by the continuing Trustees in accordance with the provisions of the Trust Deed pending the appointment of a new Trustee or Trustees shall be as valid as if the requirement for the minimum number of Trustees had been met during that period.

SCHEDULE 3: TRUSTEE MEETINGS**1. Meetings**

- 1.1 The Trustees have the discretion to decide when and where ordinary meetings of the Board shall be held to ensure the efficient and proper conduct of the affairs of the Trust, but in any event the Board shall meet at least four times in each Financial Year.
- 1.2 A Trustee may at any time summon a special meeting, subject to clause 2 of this Schedule 3.

2. Notice of meeting and attendees

- 2.1 Seven days' notice of any Board meeting shall be communicated by the chairperson to each of the other Trustees. However, all of the Trustees may unanimously agree to shorten or waive the period of notice.
- 2.2 No notice is necessary for the resumption of an adjourned meeting. However, a Trustee who was not present at the meeting adjourned must be notified of the time and place of the reconvened meeting.
- 2.3 Subject to clause 2.4, [two] Settlor Representatives are entitled to attend Board meetings, and for that purpose will be provided with each notice of meeting specified in clauses 2.1 and 2.2 of this Schedule. The Trustees will ensure that such Settlor Representatives are also provided with the relevant materials for consideration prior to meetings, and well as any minutes taken. Settlor Representatives do not have any rights to participate in any vote of the Trustees of the Trust.
- 2.4 The Trustees may exclude the Settlor Representatives from meetings, or part of the meetings of the Trust in appropriate circumstances, including when the Trust is considering entering into transactions with the Council.

3. Quorum

- 3.1 Subject to clause 3.2 of this Schedule 3, a quorum for meetings of Trustees shall be:
- (a) one more than half the current number of Trustees if there is an even number of Trustees;
and
 - (b) a majority of the current number of Trustees if there is an odd number of Trustees (so that, by way of example only, if the current number of Trustees is seven, a majority of Trustees will be four)
- 3.2 Where this Trust Deed requires a unanimous or Special Majority decision, a quorum will not be present unless the meeting of Trustees present comprises at least 75% of the total number of Trustees.
- 3.3 A Trustee suffering from any temporary physical incapacity, who is mentally incapable, or for whom a Conflict Transaction exists, shall not be treated as a Trustee for the purposes of clause 3.1 or 3.2 of this Schedule 3.

4. Adjournment

- 4.1 If a quorum is not present within thirty minutes after the time appointed for a Board meeting, the Board meeting may be adjourned.
- 4.2 A Board meeting in session may be adjourned if the Trustees present so resolve.

5. Holding a meeting and attendance

- 5.1 A Board meeting may be held:
- (a) in person by the number of Trustees who constitute a quorum, being assembled together at the place, date and time of the meeting; or
 - (b) by means of audio or electronic communication by which all Trustees participating and constituting a quorum can simultaneously hear or communicate with each other throughout the meeting (with electronic messages treated as the equivalent of views expressed in person).

6. Conflict Transaction

- 6.1 A Trustee for whom a Conflict Transaction may exist:
- (a) shall disclose as soon the Trustee becomes aware that a Conflict Transaction may exist to the Board meeting all relevant details concerning the Conflict Transaction and, if the monetary value of the Trustee's interest is able to be quantified, the nature and monetary value of that interest;
 - (b) must not be involved in deliberations, vote, or attend meetings in relation to any Conflict Transaction;
 - (c) may, subject to the provisions above being complied with, sign any written resolution or any other document relating to the Conflict Transaction on behalf of the Trust, be counted towards the quorum required for a Board meeting and do anything else as a Trustee in relation to the Conflict Transaction, as if he or she were not interested in the Conflict Transaction, unless the Board determines otherwise.
- 6.2 Clause 6.1 represents a modification of the duties contained in sections 31 (duty not to exercise power for own benefit), 34 (duty to avoid conflict of interest), 36 (duty not to profit) and 37 (duty to act for no reward) of the Act.

7. Decisions and voting rules

- 7.1 Unless this Trust Deed requires a unanimous decision or Special Majority decision for a matter, the Trustees present at a meeting must reach agreement by a majority vote to pass an effective resolution or decide a matter.
- 7.2 Each Trustee shall be entitled to one vote.
- 7.3 The method of voting on motions and Trustee resolutions shall be decided by the Trustees. Different methods may be adopted for different motions.
- 7.4 A resolution may be prepared and signed in counterparts including signature in electronic format.

7.5 A resolution of the Trustees may be rescinded or varied by the Trustees in the same manner as it was passed.

7.6 A written resolution signed by at least a majority of the Trustees for the time being, excluding any Trustee for whom any matter dealt with by the resolution is a Conflict Transaction, will be as effective as a resolution compliant with clause 7.1 in a duly convened meeting of the Trustees.

8. Minutes

8.1 The Trustees shall maintain a minute book recording minutes of their Board meetings and their decisions.

8.2 The minute book may be in hard copy or electronic format.

8.3 Unless there is evidence to the contrary, matters referred to in a meeting minute shall be treated as approved where the chairperson of the meeting, or the chairperson of the next meeting:

- (a) records the minute in an electronic message; or
- (b) signs the minute.

8.4 Decisions recorded in the minutes shall be read in conjunction with this Deed and are binding on all persons interested in the Trust.

9. Financial reporting, record-keeping and audit

9.1 The Trustees must ensure that any and all financial reporting or record-keeping requirements to which the Trust may from time to time be subject under the Charities Act 2005 or any other enactment are complied with. In addition, and without limiting the obligations of the Trustees as set out in the preceding sentence, the Trustees may from time to time resolve to prepare or to procure the preparation of such financial and other reports dealing with the affairs of the Trust as they may deem appropriate.

DATED

2024

**RELATIONSHIP FRAMEWORK
AGREEMENT**

between

KĀPITI COAST DISTRICT COUNCIL

and

[NAME] TRUST

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RELATIONSHIP FRAMEWORK AGREEMENT BETWEEN KAPITI COAST DISTRICT COUNCIL AND
[NAME] TRUST

PARTIES

- (1) KĀPITI COAST DISTRICT COUNCIL (KCDC)
- (2) [NAME] TRUST (Trust)

(each a "party", together "the parties").

BACKGROUND

- A. KCDC has established [name of trust] to contribute to the improvement of social housing, public housing, community housing, older persons' housing and affordable housing outcomes in the Kāpiti Coast District. The Trust will:
 - (a) be a council organisation (but for the avoidance of doubt, not a council-controlled organisation) as defined in the Local Government Act 2022;
 - (b) operate at arms-length from KCDC; and
 - (c) be a charitable trust board, and register as a charity under the Charities Act 2005.
- B. The Trust may register as an independent Community Housing Provider (**CHP**) in due course.
- C. The purpose of this Relationship Framework Agreement (**Agreement**) is to describe how KCDC and the Trust will work together. In particular, this Agreement formalises:
 - (a) the ongoing relationship principles and shared objectives of KCDC and the Trust;
 - (b) the rights and responsibilities of each party;
 - (c) the development of Written Protocols relating to Community Housing offerings; and
 - (d) the key monitoring and reporting arrangements between KCDC and the Trust.

1. INTERPRETATION

- 1.1 In this Agreement, unless the context requires otherwise:

- (a) **Commencement Date** means the date that this agreement is executed;
- (b) **Community Housing** means community housing, social housing, public housing, affordable housing, older persons' housing, or any other similar housing that the Trust will provide in the Kāpiti Coast District through a variety of tenure models, in accordance with the charitable purposes specified in the Trust Deed;
- (c) **Contribution** means a gift, transfer of land (including by way of long-term lease), or funding from:
 - (i) KCDC to the Trust; or

- (ii) a third party to the Trust if KCDC requires the third party to make that gift, transfer of land, or funding to the Trust;
- (d) **CHP** means "Community Housing Provider" as defined in section 2 of the Public and Community Housing Management Act 1992;
- (e) **Housing Records** mean all information relating to the establishment and on-going provision and management of Community Housing offerings by the Trust including, but not limited to, information prescribed by a Written Protocol.
- (f) **KCDC** includes its successors and permitted assigns;
- (g) **Kāpiti Coast District** means the district of the Kapiti Coast District Council as constituted by the Local Government (Wellington Region) Reorganisation Order 1989, Gazette 1989 page 2491
- (h) **Trust** includes its successors, administrators and permitted assigns; and
- (i) **Trust Deed** means the [name] trust deed dated [date] between the settlor and the trustees named in the Trust Deed;
- (j) **Written Protocol** means an agreement that sets out a Contribution that will be made by KCDC to the Trust, and the obligations on the Trust in relation to that Contribution (such as how that Contribution may be used, and reporting obligations).

2. RELATIONSHIP PRINCIPLES AND OBJECTIVES

2.1 Both parties agree:

- (a) to act with integrity and in a manner that promotes mutual trust and confidence;
- (b) to work together with openness, promptness, consistency and fairness in all dealings and communications;
- (c) that they share a common objective of improving Community Housing outcomes in the Kāpiti Coast District, and will work together to achieve that objective;
- (d) not to do anything that could reasonably be expected to have an adverse effect on the reputation, good standing or good will of the other party;
- (e) to use their best efforts to perform their obligations in a manner consistent with Te Tiriti o Waitangi, Te ao Māori and tikanga Māori; and
- (f) that the Trust is an independent entity that has the responsibility of governing and managing its operations.

2.2 Both parties acknowledge that the Trust:

- (a) has been established, and has the objective of operating in partnership with, Iwi and other partners;
- (b) should seek to qualify for government funding and support;
- (c) will operate with independence and will seek to ensure that it has access to necessary specialist skills and experience;

- (d) will provide affordable rentals and affordable housing ownership options (e.g. a range of alternative tenure options) to the local community;
- (e) will operate with financial sustainability over the long term; and
- (f) will reinvest any returns into additional community housing outcomes.

3. TRUST ROLE AND INDEPENDENCE

3.1 The parties agree and acknowledge that:

- (a) the primary object and charitable purposes of the Trust are recorded in the Trust Deed. The Trust will carry out its activities in accordance with the Trust Deed, and accepted principles of good governance for similar community organisations;
- (b) the Trust may register as a CHP. If it does register as a CHP, the Trust will maintain that registration, and meet the performance standards and guidelines prescribed by the Community Housing Regulatory Authority or any successor organisation; and
- (c) in order for the Trust to be registered as a CHP and maintain that registration, the Trust must be, and be perceived to be, independent from KCDC.

4. SUPPORT SERVICES PROVIDED BY KCDC

4.1 Subject to clause 4.2, KCDC will provide the following support services on a transitional basis to the Trust on the terms agreed between the parties:

- (a) IT services, [in that KCDC hosts, as agent or for the sole purpose of safe custody, on its server the Trust's information];
- (b) administrative services; and
- (c) an annual operating grant.

4.2 The parties will:

- (a) review the appropriateness of the support services described in clause 4.1 no later than 2 years after the Commencement Date; and
- (b) over time, work together to reduce the support services that KCDC provides to the Trust.

5. ADDITIONAL SUPPORT AND THE DEVELOPMENT OF COMMUNITY HOUSING OFFERINGS

5.1 The Trust will provide Community Housing within the Kāpiti Coast District.

5.2 KCDC acknowledges that the Trust may wish to request further support from KCDC in order to better improve Community Housing outcomes. The Trust may request further financial or non-financial support from KCDC by providing KCDC with a proposal showing:

- (a) the level of support required and why the support will advance the Trust's objectives;
- (b) other options the Trust has considered to achieve the outcome prior to requesting support from KCDC;
- (c) the potential exposure, financial and/or reputational, to KCDC;

- (d) the steps the Trust has taken to identify and mitigate any risks to KCDC; and
 - (e) when and how the need for support will end (for example, updated financial forecasts).
- 5.3 If KCDC receives a proposal in accordance with clause 5.2, KCDC will take reasonable steps to confirm its position, and advise the Trust of that position within an appropriate timeframe, taking into account its obligations under the Local Government Act 2002. However, the Trust acknowledges that KCDC has no obligation to support the Trust beyond what is set out in the Trust Deed and clause 4 above.
- 5.4 The Trust acknowledges that KCDC may itself provide a proposal to the Trust to better improve Community Housing outcomes. The Trust will take reasonable steps to reach a position on the proposal and advise KCDC of its position within an appropriate timeframe, but has no obligation to accept the proposal.
- 5.5 If the parties agree in principle about a proposal, they will work together to prepare and agree a Written Protocol, which will specify, for example:
 - (a) the mechanism and ownership model of the Community Housing offering;
 - (b) the objectives and outcomes of the Community Housing offering;
 - (c) any Contributions that KCDC proposes to provide to the Trust for the Community Housing offering;
 - (d) terms and conditions on the use of the Contributions, in addition to those specified in this Agreement; and
 - (e) how KCDC will monitor the performance of the Trust to achieve the objectives or outcomes of the Community Housing offering; and
 - (f) any reporting obligations on the Trust relating to the Community Housing offering.
- 5.6 After a Written Protocol has been agreed by the Parties, it will be:
 - (a) executed by the parties, and attached to this Agreement; and
 - (b) subject to the general provisions of this Agreement.

6. LIMITS ON USE OF CONTRIBUTIONS

- 6.1 Any Contribution must be used exclusively by the Trust for the purposes for which the land or funding is provided.
- 6.2 KCDC expects that any land that it provides to the Trust will be used by the Trust for the Community Housing offering described in the relevant Written Protocol, and that it will be retained by the Trust notwithstanding any changes in the relationship between the Trust and KCDC or any internal or external restructuring or other changes to either the Trust or KCDC. The Trust agrees that it will not sell, transfer or otherwise alienate such land without the written consent of KCDC.
- 6.3 At KCDC's election, land will be subject to an encumbrance, covenant or other appropriate charge in favour of KCDC in order to preserve the purposes for which the land is transferred and on terms to be agreed in an applicable Written Protocol if:

- (a) the land was transferred to the Trust by way of a Contribution from KCDC; or
- (b) the land was acquired or developed by the Trust using funding procured or provided by KCDC by way of a Contribution.

7. REPORTING AND MONITORING

7.1 The Trust acknowledges that the reporting obligations specified in this Agreement are necessary to:

- (a) provide KCDC with information to determine whether the intended outcomes of the Trust are being achieved; and
- (b) ensure that KCDC is able to meet its obligations under section 65 of the Local Government Act 2002 to undertake performance monitoring of council organisations (such as the Trust).

7.2 The Trust will:

- (a) keep, store and maintain Housing Records in accordance with proper business, accounting practice and all applicable laws;
- (b) make sure that Housing Records include any information prescribed by Written Protocols;
- (c) provide a report to KCDC every 3 months that:
 - (i) outlines the activities undertaken by the Trust in the preceding 6 month period; and
 - (ii) includes any other information reasonably requested by KCDC, which may include information such as the number of houses completed or in the pipeline, the types of housing being developed, or have been developed, and numbers on the Trust's waitlist
- (d) make those 3 monthly reports publicly available (however the Trust may withhold any information that could be withheld under the Local Government Official Information and Meetings Act 1987 as if that Act applied to the Trust); and
- (e) report to KCDC in accordance with any other requirements and milestones agreed between the parties.

7.3 In addition to the above, KCDC may, from time to time, reasonably request the Trust to provide information. If the Trust receives such a request, it will provide that information within a reasonable time of the request.

7.4 The parties acknowledge that any tenant related reporting is to be consolidated, so that no personal information is provided to KCDC unless separately agreed to by the tenant in accordance with the Privacy Act 2020.

7.5 It is intended that KCDC and the Trust will agree:

- (a) how to securely manage the flow of information between each party; and
- (b) to hold regular relationship and coordination meetings.

8. DISPUTE RESOLUTION

- 8.1 If any dispute arises under this Agreement or any Written Protocol (**Dispute**), the parties will use their best endeavours to resolve the dispute within [15 Business Days] through good faith discussions.
- 8.2 If the parties fail to resolve the Dispute through good faith discussions under clause 9.1, the parties will refer the Dispute to a mediator or an independent expert, that is acceptable to both parties on terms that are acceptable to both parties.
- 8.3 If the parties fail to resolve the Dispute through mediation or an independent expert (as applicable, depending on the matter), within [3 calendar months] from the Dispute arising, either party may submit the Dispute for resolution by arbitration.
- 8.4 Nothing precludes the parties from applying to a court for urgent interim injunctive or declaratory relief.

9. TERM AND REVIEW OF AGREEMENT

- 9.1 The parties acknowledge that the relationship governed by this Agreement is intended to be a long-term relationship. Therefore, the Agreement:
- (a) commences on the Commencement Date; and
 - (b) will continue in effect unless it is terminated in accordance with clause 10.
- 9.2 The parties will conduct periodic reviews of the operation of the Agreement and of any written protocols or funding agreements from time to time on an agreed timeframe. The purpose of each review is to assess whether the Agreement and each Written Protocol remains fit for purpose (ie., the Agreement continues to enable a positive and effective working relationship between the parties).
- 9.3 The first review shall take place within 2 years of the Commencement Date.
- 9.4 The parties agree that they are able to vary the Agreement at any time by mutual written agreement.

10. TERMINATION

- 10.1 Either party may serve notice that it wishes to terminate this Agreement. However, this Agreement may only be terminated on terms:
- (a) agreed by the parties, following good faith discussions; and
 - (b) that ensure that, to KCDC's satisfaction, any property transferred to the Trust under the Agreement will continue to be used for the purpose for which it was transferred.

11. GENERAL

- 11.1 The parties acknowledge that they may each publicly discuss the activities that they are undertaking or providing in the Kāpiti Coast District relating to housing.
- 11.2 However, each party acknowledges and agrees that:

- | | | |
|---|---|-----------|
| SIGNED for and on behalf of |) | |
| KAPITI COAST DISTRICT COUNCIL by |) | |
| [name] |) | Signature |
| _____ |) | |
| [Print Name] |) | Position |
| _____ |) | _____ |

SIGNED for and on behalf of)	
[Trust] by)	
[name])	Signature
_____)	
[Print Name])	Position
_____)	_____

6.2 2023-24 MĀORI ECONOMIC DEVELOPMENT FUND

Kaituhi | Author: **Deanna Rudd, Kaiwhakahaere-Hononga-ā-Iwi – Iwi Partnerships Manager**

Kaiwhakamana | Authoriser: **Hara Adams, Group Manager Iwi Partnerships**

TE PŪTAKE | PURPOSE

- 1 This report provides Te Whakaminenga o Kapiti with details of the 2023-24 Māori Economic Development Fund including:
 - i) The Ngāti Toa Rangatira representative to the Māori Economic Development Fund allocation sub-committee of Te Whakaminenga o Kapiti for the remainder of the 2022-25 Triennium.
 - ii) Details of the 2023-24 Māori Economic Development Fund, including the amount available for a contested grant process, and details of funding round applicants.
 - iii) Details of the 2023-24 Māori Economic Development Fund recipients, and allocation of funds.

HE WHAKARĀPOOTO | EXECUTIVE SUMMARY

- 2 In 2013, Council adopted the Strategy for Māori Economic Development and Wellbeing in Kapiti to set out how Council will support Māori Economic Development in Kapiti with iwi and hapū with whom it has a relationship.
- 3 The Strategy was specifically developed to lay a foundation for future Māori Economic Development focusing on three themes of Manaakitanga, Kaitiakitanga and Kotahitanga.
- 4 The Māori Economic Development Fund aims to assist iwi, hapū and whānau allocation sub-committee with costs associated with the ongoing development of Māori Economic Development associated with the three themes of Manaakitanga, Kaitiakitanga and Kotahitanga.
- 5 The Māori Economic Develop Fund sub-committee is a sub-committee of Te Whakaminenga o Kapiti, responsibly for assessing all applications and to allocate funds for the annual Māori Economic Development Fund.
- 6 In 2020, Council developed an Economic Development Strategy and Implementation Plan, developed under the guidance of an independent Economic Development Kotahitanga Board.
- 7 One of the future actions for consideration by Te Whakaminenga o Kapiti is to endorse the formation of working group to include the mana whenua members of the Economic Development Kotahitanga Board, wo are also the members of the Māori Economic Development Fund subcommittee of Te Whakaminenga o Kapiti to review the 2013 Strategy for Māori Economic Development and Wellbeing in Kapiti.

TE TUKU HAEPAPA | DELEGATION

- 8 Under Part A, Section A.1 of the 2022-2025 Triennium Governance Structure and Delegations, Council's governance functions are guided by a partnership between elected members and tāngata whenua of the Kāpiti Coast District, namely, the iwi and hapū of Te Āti Awa ki Whakarongotai Charitable Trust, Ngā Hapū o Ōtaki (Ngāti Raukawa) and Ngāti Toa Rangatira (together forming the A.R.T Confederation).

TAUNAKITANGA | RECOMMENDATIONS

That Te Whakaminenga o Kapiti

- A. **Receive** this report.
- B. **Retrospectively Confirm** Waipuna Grace as the Ngāti Toa Rangatira representative to the Māori Economic Development Fund allocation sub-committee of Te Whakaminenga o Kapiti for the remainder of the 2022-25 Triennium replacing Huriwai Paki who had previously been confirmed as the Ngāti Toa Rangatira representative to the Māori Economic Development Fund allocation sub-committee of Te Whakaminenga o Kapiti for 2022-23 only.
- C. **Restrospectively Endorse** an amount of \$72,000 being made available for a contestable grant process with authority being delegated to the Māori Economic Development Fund allocation sub-committee to enable them to make decisions to assess all applications and allocate funds for the Māori Economic Development Fund.
- D. **Acknowledge and thanks** the members of the sub-committee for making themselves available at short notice and after-hours to receive, assess and allocate funds.
- E. **Recommend** the 2013 Strategy for Māori Economic Development and wellbeing be reviewed by Council.

TŪĀPAPA | BACKGROUND

- 9 The Māori Economic Development Fund aims to assist whānau, hapū and iwi, mātāwaka and Māori Business within the Kapiti Coast District with costs associated with the ongoing development of Māori Economic Activity; in particular activity associated with
 - i) Manaakitanga – leveraging the potential of rangatahi and building whānau capacity
 - ii) Kaitiakitanga – working with the whenua
 - iii) Kotahitanga – supporting whānau to achieve economic wellbeing – capacity, collaboration, innovation and Māori Business.
- 10 Applications are considered provided their application is endorsed as being consistent with and aligning with the strategic priorities of the 2013 Strategy for Māori Economic Development and Wellbeing in Kapiti by the Chair of one of the three iwi who are signed to the Memorandum of Partnership, and can show economic benefit for Māori.
- 11 It is noted the 2013 Strategy for Māori Economic Development and Wellbeing in Kapiti is now 11 years old.

HE KŌRERORERO | DISCUSSION

- 12 Five applications were received to the fund. Of those five, one was received outside of the closing period, and did not have their application endorsed by one of the three iwi who are signed to the Memorandum of Partnership as meeting the criteria of being consistent with the 2013 Strategy for Māori Economic Development and Well-Being in Kapiti. Two applications were from prior year grant recipients.
- 13 The successful 2023-24 Māori Economic Development Fund recipients are listed in Table 1 below.

Table 1: 2023-24 Māori Economic Development Fund Recipients.

Name of Business/Entity/Kaupapa	Kaupapa	Grant Amount
Te Wharetoi o Hori	To build a media studio connected to Hori Gallery, to be utilised as a production space for use by multi media artists of the Ā.R.T confederation to create online Māori content. The space will include a film studio, editing suite, and sound room.	\$20,000.00
Ha Pai Wellness	To invest in website platform and implement digital systems, marketing, branding, IP security.	\$14,000.00
Te Rongoā Collective of the Ā.R.T Confederation	To develop and market a Maramataka and its application, via the development of a supporting Maramataka education programme Set up of a website to promote and market the Maramataka and Education programme	\$30,000.00
Āhei Property Maintenance Services Ltd	To deliver a comprehensive kaupapa Māori property maintenance service for Te Reo Māori speaking whānau, hapū and iwi and to provide employment opportunities for whānau.	\$8,000

- 14 The sub-committee seek for Te Whakaminenga o Kapiti to consider whether a limit on the amount of times an applicant can apply to the fund be imposed to ensure the fund continues to support new Māori businesses to be established, rather than to support the ongoing sustainability or expansion of existing businesses.

He take | Issues

- 15 Some of the issues identified by the Māori Economic Development Fund subcommittee are
- The current sub-committee Terms of Reference do not provide and direction concerning imposing a limit on the amount of times an applicant can apply to the fund.
 - The current Strategy for Māori Economic Development and Wellbeing in Kapiti is now 11 years old, and overdue for review.

Ngā kōwhiringa | Options

- 16 A review of the terms of reference could be undertaken on behalf of Te Whakaminenga o Kapiti, but it would be practicable for any review of the terms of reference to be undertaken in line with a programmed review of the 2013 Strategy for Māori Economic Development and Wellbeing in Kapiti.

Mana whenua

- 17 In recognition of the Crown's responsibility under Te Tiriti o Waitangi, the Local Government Act 2022 sets out principles and requirements for Council to facilitate Māori participation in all decision-making processes, including to foster Māori capacity to contribute to the decision making processes, (refer S4, Parts 2 and 6 of the Local Government Act). Council's Long-Term Plan 2021-41 committed to an enduring relationship between Mana Whenua and Kaunihera a the heart of our activities for the community and wider relationships that surround us. As mana whenua of the Kapiti Coast District, Council has been informed and guided by the views of mana whenua iwi partners, and will consult with each iwi partner through their representatives, on any matters proposed in this report.

Panonitanga Āhuarangi me te Taiao | Climate change and Environment

- 18 As tangata whenua, the mitigation or adaption to the effects of climate change is relevant to mana whenua iwi as kaitiaki of te taiao and will be of consideration in terms of ensuring future Māori Economic Development is environmentally sustainable.

Ahumoni me ngā rawa | Financial and resourcing

- 19 The Māori Economic Development Fund is resourced through Te Whakaminenga o Kapiti work programme activities budget. Administration support to administe the funds and to support the sub-committee is provided by the Iwi Partnership Team.
- 20 Any programmed review of the 2013 Strategy for Māori Economic Development and Wellbeing in Kapiti would may require additional resourcing and costs and if they are unable to be absorbed within current budgets, additional operating budget to meet those costs will be sought in the next annual plan.

Tūraru ā-Ture me te Whakahaere | Legal and Organisational Risk

- 21 No anticipated legal or organsitional considerations and risks have been identified.

Ngā pānga ki ngā kaupapa here | Policy impact

- 22 A future review of the 2013 Strategy for Māori Economic Development and Wellbeing in Kapiti may result in an impact on Māori Economic Development Strategy and Implementation Plan 2020-2023 currently under review.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT**Whakatairanga | Publicity**

- 23 Council will use its established communication channels to inform the community of the 2023-24 Māori Economic Development Fund Recipients.

NGĀ ĀPITI HANGA | ATTACHMENTS

Nil

- 7 HE KŌRERO HOU MŌ NGĀ IWI | IWI UPDATES
- 8 NGĀ WHAKATAUNGA TIRITI - HE TIROHANGA WHĀNUI NŌ IA IWI | TREATY SETTLEMENTS – OVERVIEW FROM EACH IWI

9 HE KŌRERO HOU MŌ TE KAUNIHERA | COUNCIL UPDATE

9.1 REPRESENTATION REVIEW 2024 – PRELIMINARY COMMUNITY ENGAGEMENT AND INITIAL PROPOSAL OPTIONS

Kaituhi | Author: **Steffi Haefeli, Manager Democracy Services**

Kaiwhakamana | Authoriser: **Mark de Haast, Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 For Te Whakaminenga o Kāpiti to be updated on the representation review process underway as a result of Council deciding to establish a Māori ward on 14 November 2023.

TAUNAKITANGA | RECOMMENDATIONS

- A. That Te Whakaminenga o Kāpiti note the update on the representation review process underway, in particular:
 - A.1 the analysis of the preliminary community engagement undertaken in March 2024,
 - A.2 the representation options presented to Councillors for consideration.

TŪĀPAPA | BACKGROUND

- 2 The Local Electoral Act 2001 (LEA) requires all local authorities to review their representation arrangements at least once every six years to ensure the arrangements continue to provide fair and effective representation of the district's communities of interest. The process and timeframes to carry out a representation review are mandated through the Local Government Act 2002 (LGA) and the LEA (primarily section 19).
- 3 Council carried out its last representation review in 2021 ahead of the 2022 local body elections. Under the standard 6-yearly cycle of representation reviews under the LEA, another review was scheduled in 2027 ahead of the 2028 local body elections. However, the LEA sets out circumstances where a review may be required earlier including where a territorial authority resolves to establish a Māori ward for the upcoming local body elections.
- 4 Council resolved on 14 November 2023 to establish a Māori ward for the 2025 local body elections, which under the provisions of the LEA triggers a representation review for 2024.
- 5 On 14 December 2023, Council further approved a staff-led approach to the representation review and approved a preliminary community engagement process be undertaken to obtain insight into how the community would like to be represented.
- 6 Preliminary community consultation was undertaken in March 2024 and the results of the engagement highlighted that the majority of submitters supported retaining the current representation arrangements and therefore, a representation option to include the Māori ward with minimal alterations to existing representation arrangements.
- 7 Further to the above, the new coalition government, committed in November 2023 to "restore the right to local referendum on the establishment or ongoing use of Māori wards, including requiring a referendum on any wards established without referendum at the next local body elections". On 21 May 2024, the Local Government (Electoral Legislation and Māori Wards and Consituencies) Amendment Bill (Bill) was introduced, passed its first reading on 23 May 2024 and has been referred to the Justice Select Committee. The Bill proposes to amend the LEA, which once passed, will:
 - 7.1 Re-introduce the requirement for polls for Councils wishing to establish a Māori ward and require all Councils that have established a Māori ward without a poll to hold one at the next local body elections in 2025.
 - 7.2 Offer Councils that have made a decision to establish a Māori ward without a poll, to rescind their decision (or disestablish the Māori ward) and:

7.2.1 Discontinue the representation review process currently underway and revert to existing representation arrangements, OR

7.2.2 Decide to conduct a shortened representation review process instead.

- 8 The announcement directly affects the representation review process currently underway and affects 45 councils in New Zealand.
- 9 While the Bill has been introduced and referred to the Justice Select Committee, current legislative provisions remain in force until the Bill has passed through the house and is enacted. This means that under the current LEA, Councils do not have the ability to change their position on whether to establish a Māori ward or carry out a shortened representation review and are legislatively required to continue their current representation reviews until the Bill is enacted and legislation is changed.
- 10 There is currently no provision in force allowing Councils to rescind their decision to establish a Māori ward. The Bill proposes that this option will be available to Councils between the day after the Bill is enacted and 6 September 2024.
- 11 The Bill is expected to come into effect in late July 2024 which coincides with the deadline, under the current LEA, for Councils to set their initial representation proposals.

HE TAKE | ISSUES

- 12 As required by the LEA, Council officers have continued with the representation review, completed the preliminary community consultation and worked up representation arrangement options. The analysis of the consultation and the representation review options were presented to Councillors at public briefings in April and May 2024.
- 13 Given Council completed a comprehensive representation review in 2021, reconsidering all possible representation arrangements was not considered necessary. This aligns with the direction provided from Council when they resolved to establish a Māori ward. Hence, a streamlined approach to the preliminary engagement was completed to balance the legislative requirements together with other factors such as budget and resourcing.
- 14 Preliminary community engagement activities comprised the following:
 - 14.1 A survey questionnaire was available from 4 March to 2 April (5pm) 2024. The survey and an accompanying frequently asked questions document were available in both hard copy at our libraries and service centres as well as online on Council's website in both Te Reo Māori and English.
 - 14.2 Drop-in sessions were held in each of the community board areas to provide the community with an opportunity to ask questions and get clarification ahead of responding to the survey questions.
 - 14.3 Engagement with mana whenua representatives to understand mana whenua views on representation arrangements.
- 15 The drop-in sessions and the survey questionnaire were advertised through Council's website, media releases, Council's Everything Kāpiti newsletter, newspaper advertisements and social media posts.
- 16 The survey aimed to understand the community's views on how it would like to be represented and specifically asked:
 - 16.1 whether the community thought that the existing representation arrangements provided fair and effective representation and whether anything did not work well with the current arrangements.
 - 16.2 how the Māori ward should be included in the representation arrangements
 - 16.3 whether Ward Councillors should be appointed back to Community Boards and, if so, how.

- 17 After the close of submissions, the responses were analysed by Public Voice and summarised in a report as attached in Appendix 1.
- 18 Council received 285 submissions¹ with the key finding that the majority of respondents support the status quo and do not believe adjustments to the representation arrangements set in 2022 are required. The majority indicated a preference for minimal adjustments to incorporate a Māori ward.

NGĀ KŌWHIRINGA | OPTIONS

- 19 As a result of the engagement and discussions with Councillors during public briefings, Council officers developed three representation arrangement options in keeping with the LEA requirements, preliminary engagement and feedback from Council's public briefings:

Options	Details
Based on existing ward structure (2 districtwide councillors, 7 general ward councillors) and Māori ward	
1 10 Councillors and the Mayor (recommended option) Retain the same number of Councillors by reducing the number of districtwide Councillors and including the Māori ward Councillor. The Māori ward boundaries will align with the district's boundaries.	One Mayor elected at large Two districtwide Councillors elected at large Seven general ward Councillors elected by ward One Māori ward Councillor elected by voters on the Māori electoral role from the entire district Five Community Boards with a membership of four elected representatives elected by the community board constituency plus councillor appointments (see paragraph 22)
Based on existing ward structure (3 districtwide councillors, 7 general ward councillors) and Māori ward	
2 11 Councillors and the Mayor Increase the number of Councillors to 11 by adding the Māori ward Councillor to the existing arrangements. The Māori ward boundaries will align with the district's boundaries.	One Mayor elected at large Three districtwide Councillors elected at large Seven general ward Councillors elected by ward One Māori ward Councillor elected by voters on the Māori electoral role from the entire district Five Community Boards with a membership of four elected representatives elected by the community board constituency plus councillor appointments (see paragraph 22)
General ward (9 ward councillors); Māori ward (1 Māori ward councillor)	
3 10 Councillors and the Mayor Retain the same number of Councillors but changed the ward structure to one general ward and one Māori ward. This would remove current ward boundaries	One Mayor elected at large Nine general ward Councillors elected by the voters on the general electoral roll of the entire district

¹ One submission was not attributed a position in the charts and the percentage numbers, resulting in a total of 284 responses represented in the graphics and numbers, while the total number of submissions received remains 285.

and all councillors would be elected by all voters in the district.	One Māori ward Councillor elected by voters on the Māori electoral role from the entire district
The Māori ward boundaries will align with the district's boundaries.	Five Community Boards with a membership of four elected representatives elected by the community board constituency plus councillor appointments (see paragraph 22)
The Māori ward councillor would be elected by those on the Māori electoral roll and the nine general ward councillors by those on the general electoral roll.	

- 20 For both option 1 and 2, the ward boundaries at Te Horo and Emerald Glen are proposed to be adjusted to incorporate Te Horo into the Ōtaki ward and Emerald Glen into the Paekākāriki-Raumati ward. These boundary changes reflect concerns raised by members of the community in response to the Local Government Commission (LGC) determination in 2022 in relation to these two boundaries. The proposed changes are supported by the qualitative findings of the comprehensive community engagement undertaken as part of the 2021 representation review indicating these boundaries would best reflect the communities of interest for each area.
- 21 For option 3, the existing ward boundaries would be completely removed and replaced with one general ward and one Māori ward with both ward boundaries aligning with the districts' boundaries.
- 22 In relation to the appointment of ward councillors to community boards, to achieve a more fair and equitable appointment structure, it is also proposed that the current structure be retained, which is supported by the community feedback. It is proposed that the Māori ward councillor be appointable to community boards as an 'and/or' option. This community board appointment structure works with all three representation options and the ward boundary adjustments proposed earlier in the report and would allow Council to consider the most appropriate appointments to community boards at the start of each triennium based on councillors elected while balancing workloads. In practice this will mean, Council can consider appointing either the ward councillor or the Māori ward councillor or both to the community boards.

NGĀ MAHI PANUKU | NEXT STEPS

- 23 At the Council meeting on 25 July 2024, Councillors will be asked resolve an initial representation proposal.
- 24 The decision will be published through Council's usual channels and notified publicly in line with provisions in the LEA. The LEA mandates that Council's decision on its initial representation arrangements must be publicly notified within 14 days (no later than 8 August 2024) of the decision.
- 25 The public notice will be followed by a submission period of a minimum of one month in August and September. During this period, the public will have an opportunity to consider and make submissions on the initial proposal ahead of Council considering submissions and a final proposal decision which must be made no later than 3 November 2024.
- 26 Alternatively, once the Bill is enacted and the relevant provisions of the LEA are amended, Council will have the option to consider the following:
- 26.1 to continue to establish a Māori ward as planned and hold a poll on the future of the Māori ward at the next local body elections (in which case the representation review timeframes would remain the same as previously communicated to Council); OR
- 26.2 to rescind the decision to establish a Māori ward and either:

26.2.1 conduct a shortened representation review;² OR

26.2.2 cease the representation review process and revert to the existing representation arrangements.³

- 27 The draft Bill currently travelling through the House indicates that this decision will be possible during a transition period from the day after the Bill receives royal assent to the 6 September 2024.
- 28 If Council decided to rescind its decision to establish a Māori ward and decided to revert to existing representation arrangements, no further action is required this triennium (Council will then need to complete a representation review after the 2025 local body elections).
- 29 If Council decided to conduct a shortened representation review, the shortened review process, as prescribed in the draft Bill, would require Council to:
- 29.1 rescind its decision to establish a Māori ward by 6 September 2024
 - 29.2 resolve its initial representation proposal by 13 September 2024
 - 29.3 provide an opportunity for community submissions on the proposal for a minimum of three weeks in September/October (by 11 October 2024)
 - 29.4 within six weeks of the closing of submissions to resolve its final representation proposal
 - 29.5 provide an opportunity for community appeals/objections for a minimum of three weeks (latest date for appeal/objection period to close is 13 December 2024)
 - 29.6 forward any objections/appeals to the Local Government Commission by 23 December 2024

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Appendix 1 - Preliminary Community Engagement Analysis Report [↓](#)

² If Council decided to conduct a shortened representation review, the next representation review would be required under the LEA in 2030.

³ If Council decided to revert back to the existing representation arrangements, a further representation review would be required in 2027.



Kāpiti Coast District Council

Me pēwhea te whakakanohi i a koe anō? – How would you like to be represented?

Summary of Submissions - Preliminary
Community Engagement
April, 2024

Me pēwhea te whakakanohi i a koe anō? – How would you like to be represented?

About PublicVoice

PublicVoice Limited is a leading research and engagement consultancy headquartered in Wellington, New Zealand. We concentrate on public policy research and consultation, providing services to various local and central government agencies throughout New Zealand. To learn more about our work, please visit www.publicvoice.co.nz.

Document status:	Final
Version:	V1
Date:	19 th April 2024
Author(s):	Jared Bothwell, Dianne Long

Me pēwhea te whakakanohi i a koe anō? – How would you like to be represented?

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1 Introduction

This report summarises the submissions received during the preliminary community engagement of the representation review for 2024. Following Council’s decision in November 2023 to establish a Māori ward ahead of the 2025 local body elections, a representation review is required under the Local Electoral Act 2001. A representation review must be undertaken to review electoral representation arrangements in place and develop options for the addition of the Māori ward.

The preliminary community engagement sought to gather input from the community regarding various aspects of representation, including the number of Councillors, how the Councillors should be elected, how community boards should represent their communities, and the integration of the Māori ward into the representation arrangements. While the preliminary community engagement is not mandated through legislation and is not binding it serves as an avenue for the community to express their views and offer insights on how the community would like to be represented and will help shape Council’s initial representation arrangement proposal that will be out for formal community consultation around July/August 2024.

The report analyses the various channels through which feedback was received, including online submissions and physical forms. It also identifies the key themes that emerged from the consultation.

By synthesising the diverse range of opinions and perspectives gathered, this report aims to facilitate informed decision-making by Council.

1.1 Key findings

This section summarises the key findings that emerged from the preliminary community engagement process. It highlights the views expressed by the residents of Kāpiti Coast District across various aspects of the democratic representation within the district.

The key finding of the survey was that the majority of respondents support the status quo and do not believe that adjustments to the representation arrangements set in 2022 are required.

- 74% of respondents agreed that existing representation arrangements provide fair and effective representation (26% disagreed),
- 61% of respondents said that things are working well with the current arrangements (39% though that there are things that do not work well with the current arrangements,
- In total 63% of respondents preferred the concepts with minimal changes required for the inclusion of the Māori ward, and
- 51% of respondents prefer to retain the current structure of appointing a defined number of ward Councillors back to community boards.

The survey highlights that majority of respondents support the current representation structure and would prefer minimal adjustments for the inclusion of the Māori ward.

In relation to what the community’s thought did not work well with the current structure that Council should consider as part of the representation review process, the below key findings emerged. These findings are not supported by the majority of respondents, but these themes provide an insight into the community’s views on what adjustments should be made.

Ward-based representation: Feedback highlighted concerns over the current mixed model (both ward and districtwide Councillors) of representation providing most effective and fair representation, with suggestions for a fully ward-based representation system to replace the current mixed system. Submissions included debating underrepresentation and overrepresentation in areas like Waikanae, Ōtaki

Representation Review consultation — Summary of submissions

and Paraparaumu and calls for more equitable representation between wards. Support for multiple Māori wards and inclusive mana whenua representation was also expressed.

Districtwide representation: As with the ward-based representation suggestion, some respondents challenged the effectiveness of ward Councillors, recommending instead that a fully district-wide representation system be implemented.

Community board representation: The role of community boards is scrutinised, with some respondents viewing them as ineffective or unnecessary. Some suggest appointing Councillors to community boards to enhance governance, while others advocate for a clear separation of roles and influence.

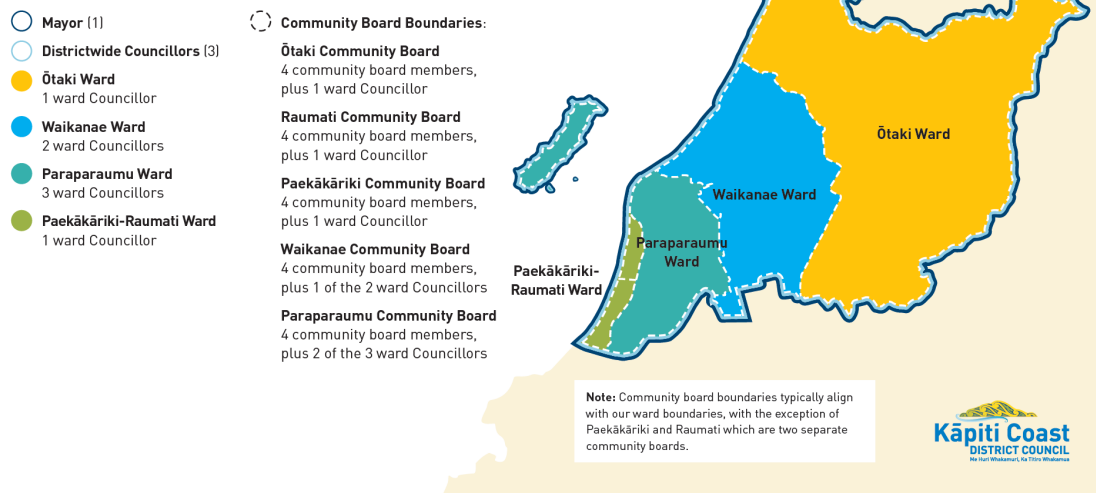
Māori ward integration: The community provided feedback on how the Māori ward should fit into the district's representation arrangements. Of the three concepts presented (refer page 17), Concept 2 (1 Mayor, 2 districtwide Councillors, 7 general ward Councillors and 1 Māori ward Councillors) received the most support. Other suggestions include having 2 Māori ward Councillors, appointing the Māori ward Councillor(s) back to all community boards, and balancing ward, districtwide, and Māori representation.

1.2 Existing Representation Arrangements

The Kāpiti Coast District Council's current representation arrangements are depicted below:

Current Council structure

The current Council structure is made up of one Mayor, three districtwide Councillors (elected by all voters in the district), and seven ward Councillors (elected by voters in their local wards). The district is also represented by five community boards. A breakdown of this structure and representation can be seen in the map shown here.



Representation Review consultation — Summary of submissions

1.3 Government's announcement on Māori wards

On 4 April 2024, the Minister for Local Government announced the forthcoming introduction of a Bill to amend the Local Electoral Act 2001, which, once passed, will:

1. Re-introduce the requirement for polls for Councils wishing to establish a Māori ward and requiring all Councils that have established a Māori ward without a poll to hold one at the next local body election in 2025.
2. Offer Councils that have made a decision to establish a Māori ward without a poll to rescind their decision (or disestablish their Māori ward) and:
 - a. discontinue the representation review processes currently underway and possibly revert to existing representation arrangements, OR
 - b. decide to conduct a shortened representation review process instead.

Council is considering this announcement and how it may affect the current representation review. The announcement has, however, not been directly considered when analysing the submissions received as the representation review process underway is mandated by existing legislation (and therefore, there is not currently a discretion to stop the existing process).

2 Summary of findings

We have received 285 submissions.¹ The themes for each of the survey questions have been split into two sections:

- a. survey responses that, under the statutory framework in the Local Electoral Act 2001, can be taken into consideration by Council when deciding its initial representation proposal, and
- b. survey responses that are valuable for Council to understand but do not fit into the parameters of what Council can decide on under the legislative framework for its initial representation proposal.

Below are the key findings from the preliminary community engagement process.

Do the existing representation arrangements provide fair and effective representation?



The majority of respondents, 74% (n=209) agreed that existing representation arrangements provide fair and effective representation, while 26% (n=75) disagreed.

Of the 75 responses that disagreed that the existing representation arrangements provided fair and effective representation, the below key findings emerged:

- Debate on over- or underrepresentation in areas like Ōtaki, Waikanae, and Paraparaumu.
- Calls for more equitable representation between wards.
- Concerns over local representation, with suggestions for a greater focus on ward Councillors.
- Concerns over matters that are of significance to the entire district, with suggestions for greater focus on district-wide representation.

Broader feedback outside of legislative parameters for the representation review process was also received. This included:

- Strong opposition to Māori wards and race-based representation.
- Concerns about elected officials dismissing community views and Council decision-making.
- Apprehension regarding voter apathy and the fairness of the STV system.

The decision to adopt STV as the electoral system for the next local body elections was made in August 2023, and the decision to establish a Māori ward was made in November 2023. Both decisions were made in accordance with the provisions of the Local Electoral Act 2001 and are therefore outside of the representation review scope.

¹ Please note that one submission was not attributed a position in the charts and the percentage numbers, resulting in a total of 284 responses represented in the graphics and numbers, while the total number of submissions received remains 285.

Is there anything that doesn't work well with the current arrangements?



The majority of respondents 61% (n=174) said that things were working well with the current arrangements, while 39% (n=110) thought there are things that do not work well with the current arrangements.

Of the 110 responses that suggested there are things that do not work well with the current arrangements, the below key findings emerged:

- Scrutiny over the role of community boards, with some viewing them as ineffective or unnecessary.
- Concerns about under/overrepresentation of specific communities of interest with the current representation arrangements, such as Ōtaki, Waikanae and Paraparaumu.
- Some respondents challenged the effectiveness of ward Councillors suggesting instead a fully districtwide representation system while others suggested a fully ward-based structure to ensure specific communities of interest are represented.

Broader feedback outside of legislative parameters for the representation review process was also received. This included:

- Concerns about the Council's engagement with the public and perceived disregard for public feedback.
- Debate around the necessity of Māori ward(s) and Māori representation in the community, with differing views on the topic.
- Emphasis on improving core service delivery and addressing voter apathy.

How should the Māori ward fit into the district's representation arrangements?



The community was consulted on how a Māori ward could fit into the district's representation arrangements. These representation arrangements may be different from what is in place now or the ward could be incorporated into the existing arrangements. Given the considerable public interest garnered from Council's engagement on its representation arrangements three years ago, the engagement collateral provided three concepts (refer page 17) for consideration that Council could consider including the Māori ward in the existing structure. The community were able to provide any other concepts they thought Council should take into consideration as part of their submission.

In relation, to the question on what concept(s) for the addition of the Māori ward provided for in the engagement collateral members of the community would like Council to consider, the respondents prefer:

- 27% (n=78) preferred Concept 1 (1 Mayor, 3 districtwide Councillors, 7 general ward Councillors, 1 Māori ward Councillor)
- 36% (n=101) preferred Concept 2 (1 Mayor, 2 districtwide Councillors, 7 general ward Councillors, 1 Māori ward Councillors)

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- 19% (n=55) preferred Concept 3 (1 Mayor, 3 districtwide Councillors, 6 general ward Councillors, 1 Māori ward Councillors)
- 19% (n=54) preferred none of the presented concepts or skipped the question

In total 63% of respondents support either Concepts 1 or 2 which would require minimal changes to the current representation arrangements for the inclusion of a Māori ward.

When asked whether there are other concepts, aside from the ones provided, that Council should consider 46% (n=126) of respondents suggested other concepts for how the Māori ward could fit into the district's representation arrangements, while 54% (n=146) did not propose any additional concepts.

Community feedback specifically related to other concepts that Council can consider as part of the representation review process included:

- Increasing Māori representation.
- Proposals for a fully districtwide representation system, with no ward-based Councillors.
- Calls to reduce the number of Councillors to streamline governance and decision-making.

Broader feedback from the community was also received, which cannot be considered as part of the representation review process. This included:

- Preference for maintaining the status quo and not introducing a Māori ward.
- Concerns about the perceived over-representation of Māori in the proposed arrangements.
- Calls for the Council to wait for the outcome of the central government's national poll on Māori wards before making any decisions.

Should ward Councillors be appointed back to community boards and, if so, how?



Under the current representation arrangements, a specified number of ward Councillors are appointed back to community boards. Community members were consulted on whether ward Councillors (including the Māori ward Councillor) should continue to be appointed back to community boards and how. Of the respondents:

- 51% (n=146) wanted to retain the current structure of appointing a defined number of ward Councillors back to community boards.
- 25% (n=71) did not want to appoint any Councillors to community boards.
- 21% (n=59) wanted to retain the current structure and also appoint the Māori ward Councillor back to community boards.
- 3% (n=8) wanted to only appoint the Māori ward Councillor back to community boards.

Community feedback related to retaining the current structure cited:

- The effectiveness and cost-efficiency of the current system.
- Concerns that a Māori ward Councillor role might be overburdened by sitting on multiple boards.
- The suggestion that increasing the number of Councillors on boards is unnecessary.

Community feedback related to retaining the current structure and appointing the Māori ward Councillor back to community boards highlighted:

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- The importance of Councillors, including a Māori ward Councillor, understanding, and representing community interests efficiently and cost-effectively.
- The view that a Māori ward Councillor should have a districtwide focus rather than being limited to one board.
- The significance of this role for maintaining the relevance of community boards.

Community feedback related to only appointing the Māori ward Councillor back to community boards emphasised:

- The necessity for a Māori ward Councillor to have a strong understanding and representation of the community.
- The view that multiple Councillors on boards may not be necessary and could lead to an over-representation of Councillors on boards.

Community feedback related to not appointing any Councillors back to community boards suggested:

- The need for a clear separation of roles and influence.
- A consensus that only directly elected representatives should serve on boards.
- The suggestion that Councillors gain no benefit from sitting on community boards.

3 Data analysis methodology

3.1 Thematic analysis

PublicVoice used a step-by-step method called thematic analysis to review open-ended responses. This method follows five main steps:

1. **Understanding the Data:** Analysts read the data multiple times to grasp its content.
2. **Initial Coding:** The data was sorted into labelled segments highlighting key points.
3. **Identifying Themes:** These segments were then grouped into broader themes.
4. **Refining Themes:** Themes were checked for relevance and clarity.
5. **Finalising Themes:** Each theme was carefully defined, possibly with sub-themes.

3.2 Reporting

Tables illustrating the frequency of the key themes have been included to demonstrate the significance of each theme.

Reporting of closed ended quantitative questions is the form of charts indicating the overall number of responses as well as the percentage of responses who have indicated a position in relation to the question asked.²

² Please note that one submission was not attributed a position in the charts, resulting in a total of 284 responses represented in the graphics, while the total number of submissions received remains 285.

Detailed submissions

4 Do the existing representation arrangements provide fair and effective representation?

Community members were asked whether Kāpiti Coast District Council’s existing representation arrangements provide fair and effective representation. Of the respondents, 74% (n=209) agreed that existing arrangements provide fair and effective representation, while 26% (n=75) disagreed.

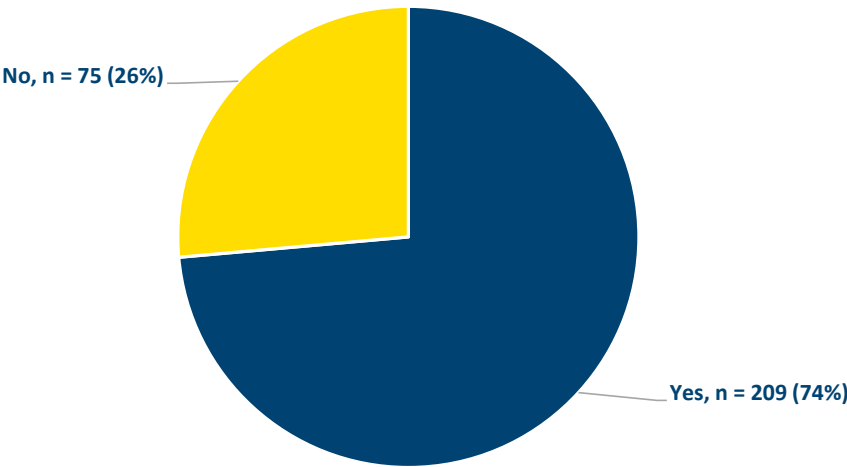


Figure 1: With the exception of the new Māori ward, do you think the existing representation arrangements provide fair and effective representation (representing our communities of interest in Kāpiti)?

4.1 If no, please tell us more

Table 1 presents a breakdown of responses from community members who disagree that the existing representation arrangements provide fair and effective representation.

Submissions contained feedback on the effectiveness of community boards, and the benefit of ward-based versus districtwide representation. Section 4.2 details broader feedback received from the community that is not specific to what Council can consider as part of the representation review process, under current legislation.

Theme	Subtheme	Frequency
WARD-BASED REPRESENTATION		28
	Ōtaki is under-represented considering growth of population	7
	Prefer greater focus on ward Councillors rather than districtwide representation	4
	Concern with unequal representation between wards	2

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Theme	Subtheme	Frequency
	Paraparaumu is over-represented	2
	Prefer having multiple Māori wards	2
	Waikanae is over-represented	2
	Waikanae is under-represented considering growth of population	2
	Wards limit voting to ward candidates only	2
	Base representation on communities of interest	1
	Include Te Horo in Ōtaki, not Waikanae	1
	Paraparaumu is under-represented	1
	Prefer having one ward only	1
	Urban areas are over-represented	1
GENERAL REPRESENTATION		6
	Concern regarding high number of Councillors	4
	Have a Māori ward and mana whenua representative like Wellington City Council	1
	Representation is generally not representative	1
DISTRICTWIDE REPRESENTATION		5
	Prefer greater focus on districtwide Councillors rather than ward-based system	5
COMMUNITY BOARD REPRESENTATION		3
	Opposed to Community boards	3

Table 1: If no, please tell us more

4.1.1 Submission themes in relation to why community members disagreed that the current representation arrangements are fair and effective

While the majority of submitters, 74% (209) of respondents, agree that the current arrangements are fair and effective, this section details the themes that emerged from the minority of submissions (26% (75) of respondents that disagreed that the existing representation arrangements provide fair and effective representation. Each theme has a definition followed by a representative comment from a participant, offering a direct insight into the sentiment and rationale behind their stance.

Ward-based representation: Respondents expressed views that district-wide Councillors are unnecessary and suggest having only ward Councillors instead. Others believe that certain areas, such as Ōtaki, Waikanae, Paraparaumu and Te Horo, are under-represented and should have more Councillors to adequately represent their growing populations. There are also concerns about inequitable representation based on population size, with some areas having fewer Councillors despite larger populations, specifically

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urban centres. Additionally, there are calls for more Māori representation and consideration of tangata whenua’s aspirations.

It seems strange the Ōtaki only has one Councillor when Waikanae and Paraparaumu have more – the District Plan has Ōtaki growing significantly and should have a greater say in changes for the region.

General representation: Respondents expressed concerns about the number of Councillors, stating that there are too many of them. They also emphasised that the current Council representation is not sufficient or representative of the growing population, particularly the Māori population in Ōtaki. Some suggest reducing the number of Councillors to six as a more effective and cost-efficient solution.

Reduce to six Councillors, more is ineffective and costly.

Districtwide representation: Respondents expressed a sentiment that districtwide representation is preferred over ward divisions. They believe that having only districtwide Councillors would ensure that all residents are represented and that local issues can be addressed as a district level. They also criticise the current system, stating that the distinction between ward and district Councillors is not understood by many.

The current arrangements are based on geographical areas, so issues are localised instead of being seen and dealt with under district-wide priorities for the benefit of the district and the families who live here and move around the different wards in their day to day lives.

Community Board representation: Respondents shared views that community boards are not effectively representing their community and are not required. They suggest that ward Councillors should replace district-wide Councillors and assume the role of community boards instead.

Community Boards are a waste of resources and spend their time mainly handing out grants of equal amount to practically any group that applies.

4.2 Broader feedback – outside legislative parameters

Aside from the above themes, there was broader feedback received from the community which is highlighted in the report but due to legislative requirements³ cannot be directly considered by Council when deciding on an initial representation arrangement proposal in June 2024.

Table 2 presents this feedback.

Theme	Subtheme	Frequency
MĀORI WARD/RACE BASED REPRESENTATION*		32
	Opposed to Māori wards	12
	Opposed to race-based representation	11

³ The Local Electoral Act 2001 (primarily section 19) prescribes what Councils must consider when conducting a representation review. The broader feedback received relates to matters outside legislative parameters that councils can consider as part of the review process.

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Theme	Subtheme	Frequency
DECISION-MAKING CONCERNS	Concern with Māori over-representation	6
	Support increased Māori representation	3
		23
	Concern elected representatives dismiss community views	14
	Concern regarding Council decision-making	6
	Concern regarding rates cross subsidisation	2
	Effective representation requires increased consultation	1
		7
	Concern regarding voter apathy	4
	Prefer one vote per community member	2
ELECTORAL SYSTEM	Concern regarding fairness of STV	1

**The decision to establish a Māori ward has been made and under current legislation, Council has to conduct a representation review that considers how to include the Māori ward.*

Table 2: If no, please tell us more — Broader feedback

Representation Review consultation — Summary of submissions

5 Is there anything that doesn't work well with the current arrangements?

Community members were asked to share their thoughts on what is not working well with Kāpiti Coast District Council's current arrangements. Of the respondents, 39% (n=110) shared that there are things that do not work well with the current arrangements, while 61% (n=174) said that things were working well with the current arrangements.

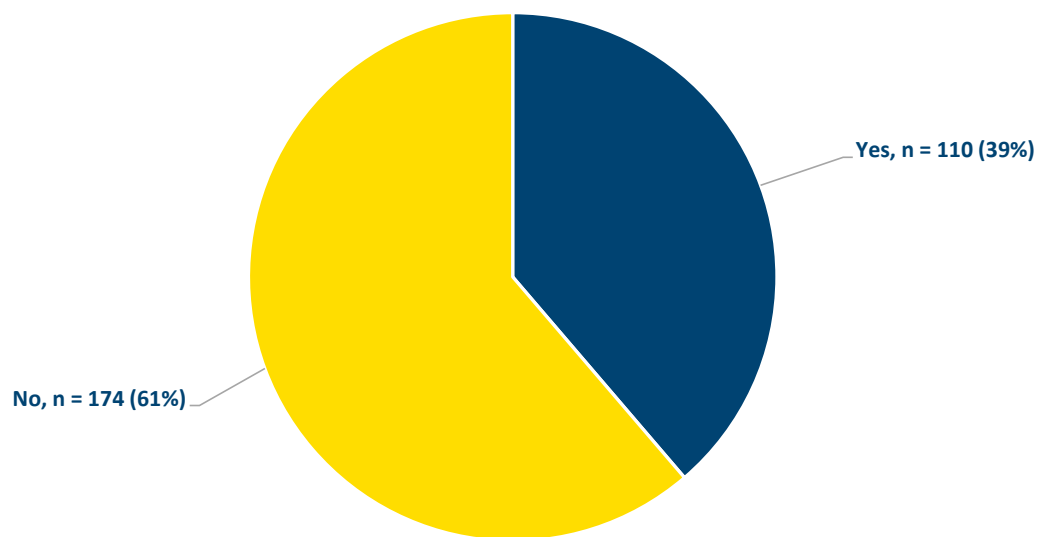


Figure 2: Is there anything that doesn't work well with the current arrangements?

5.1 If yes, please tell us more

Respondents were invited to share their thoughts on what did not work well with the current representation arrangements. Subsequent analysis categorised these responses into distinct themes, detailed in the following sections. Table 3 presents a breakdown of responses from those who agree that things do not work well with the current arrangements. Section 5.2 details broader feedback received from the community that was not specific to what Council can consider as part of the representation review process, under current legislation.

Theme	Subtheme	Frequency
WARD-BASED CONCERNS		13
	Concern regarding under/over-representation of communities	11
	Prefer having three wards only	1
	Wards lead to preferential treatment	1

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Theme	Subtheme	Frequency
COMMUNITY BOARD CONCERNS		11
	Ineffective/unnecessary community boards	9
	Concern one Ward Councillor is on two Community Boards under current structure	1
	Improve efficiency of community boards	1
GENERAL REPRESENTATION		8
	Concern regarding high number of Councillors	5
	Appoint Councillors to community board	1
	Councillors are not representative of Kāpiti	1
	Representation is not/should be proportional	1
DISTRICTWIDE CONCERNS		3
	Prefer districtwide Councillors	2
	Opposed to districtwide Councillors	1

Table 3: If yes, please tell us more

5.1.1 Submission themes in relation to what does not work well

While the majority of the submitters, 61% (174) of respondents, shared that they believe things are working well with the current arrangements, this section details the themes that emerged from the minority of submissions (39% (110) of respondents) that believed that there are things that do not work well with the current arrangements. Each theme has a definition followed by a representative comment from a participant, offering a direct insight into the sentiment and rationale behind their stance.

Ward-Based Concerns: Some respondents expressed concerns about representation of different wards. They believe that certain areas, such as Te Horo, should be included in the Ōtaki ward and that the distribution of Councillors in each ward should be more balanced. They also raised concerns regarding preferential treatment for certain areas as a result of having wards. Other respondents shared preferences for more ward Councillors in certain areas with growing populations, like Waikanae, Ōtaki and Paraparaumu.

Ward system leads to preferential treatment for some areas.

Community Board Concerns: Respondents expressed frustration and scepticism towards community boards, viewing them as inefficient. They believe community boards do not effectively represent community interests or provide a meaningful voice in Council decisions. There is also a call for greater support and engagement from Council towards community boards.

Community Boards, while finding favour with many people who believe these have a useful role enhancing local democracy, are just ways of dispensing grants to community organisations. They do not provide an effective communication channel to Council. How many recommendations from Community Boards have been discussed by full Council, and how many have resulted in change?

Representation Review consultation — Summary of submissions

General Representation: Respondents expressed various concerns about general representation in the Kāpiti area. Some mention the over-representation of certain groups, such as older Pākehā voters, while others criticized the number of Councillors suggesting it is unnecessary and costly.

Older Pākehā voters have a disproportionate amount of say in local government, given lower participation rates of other groups.

Districtwide Concerns: Respondents suggest that districtwide Councillors are not necessary as the elected ward Councillors are sufficient to handle Council matters. The suggestion is to either adjust the number of ward Councillors based on population size or have all Councillors elected at large, with community boards being responsible for representation of distinct communities of interest. The preference is for Councillors to be appointed to each board.

Why do we need district-wide Councillors? The elected ward Councillors should be sufficient numbers to conduct Council business.

5.2 Broader feedback— outside legislative parameters

Aside from the above themes, there was broader feedback received from the community which is highlighted in the report but due to legislative requirements⁴ cannot directly be considered by Council when deciding on an initial representation arrangement proposal in June 2024.

Table 4 presents this feedback.

Theme	Subtheme	Frequency
DECISION-MAKING CONCERNS		55
	Concern with Council/Councillors’ performance	15
	Improve community engagement/communication	15
	Council’s disregard for public feedback	12
	Improve focus on core service delivery	7
	Concern regarding communication within Council	1
	Implement a more equitable rating system	1
	Improve orientation/training for Councillors	1
	Lessen emphasis on reducing carbon emissions	1
	Prefer having a Regional Council only	1
	Reduce Te Whakaminenga influence	1
MĀORI WARD/RACE BASED CONCERNS*		21

⁴ The Local Electoral Act 2001 (primarily section 19) prescribes what Councils must consider when conducting a representation review. The broader feedback received relates to matters outside legislative parameters that councils can consider as part of the review process.

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Theme	Subtheme	Frequency
ELECTORAL SYSTEM CONCERNS	Opposed to Māori wards	10
	Concern with Māori over-representation	5
	Support the inclusion of a Māori ward	4
	Concern regarding which iwi will be represented	2
		7
	Concern regarding voter apathy	3
	Review qualifications/terms of candidates	2
	Candidates must disclose political affiliation	1
	Ensure 10% voter support for electing Councillors	1

**The decision to establish a Māori ward has been made and under current legislation, Council has to conduct a representation review that considers how to include the Māori ward.*

Table 4: If yes, please tell us more — Broader feedback

Representation Review consultation — Summary of submissions

6 How should the Māori ward fit into the district's representation arrangements?

As part of the preliminary community engagement, the survey collateral contained three concepts for consideration, as outlined in Figure 3. Additionally, community members could propose any further concepts they wished Council to consider.





Current Council structure	Potential representation concepts		
	Concept 1	Concept 2	Concept 3
No current Māori ward Councillor	Add Māori ward Councillor to current structure and increase the number of Councillors around the Council table by one.	Replace one districtwide Councillor with a Māori ward Councillor and retain the same number of Councillors around the Council table.	Replace one general ward Councillor with a Māori ward Councillor and retain same number of Councillors around the Council table.
1 Mayor	1 Mayor	1 Mayor	1 Mayor
10 councillors  <ul style="list-style-type: none"> 3 districtwide Councillors 7 general ward Councillors 	11 councillors  <ul style="list-style-type: none"> 3 districtwide Councillors 7 general ward Councillors 1 Māori ward Councillor – covering the entire district 	10 councillors  <ul style="list-style-type: none"> 2 districtwide Councillors 7 general ward Councillors 1 Māori ward Councillor – covering the entire district 	10 councillors  <ul style="list-style-type: none"> 3 districtwide Councillors 6 general ward Councillors 1 Māori ward Councillor – covering the entire district <p>Note: The impact on ward boundaries would be more significant depending on which ward Councillor was replaced.</p>
20 Community Board Members	20 Community Board Members	20 Community Board Members	20 Community Board Members

Figure 3: Potential representation concepts

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6.1 Which concept(s) for the addition of the Māori ward would you like us to consider?

Community members were asked which of the three presented concept(s) they preferred. They were given the opportunity to select any number of concepts they preferred or could select none and skip the question. Of the respondents, 27% (n=78) preferred Concept 1, 36% (n=101) preferred Concept 2, 19% (n=55) preferred Concept 3, and 19% (n=54) preferred none of the presented concepts or skipped the question.⁵

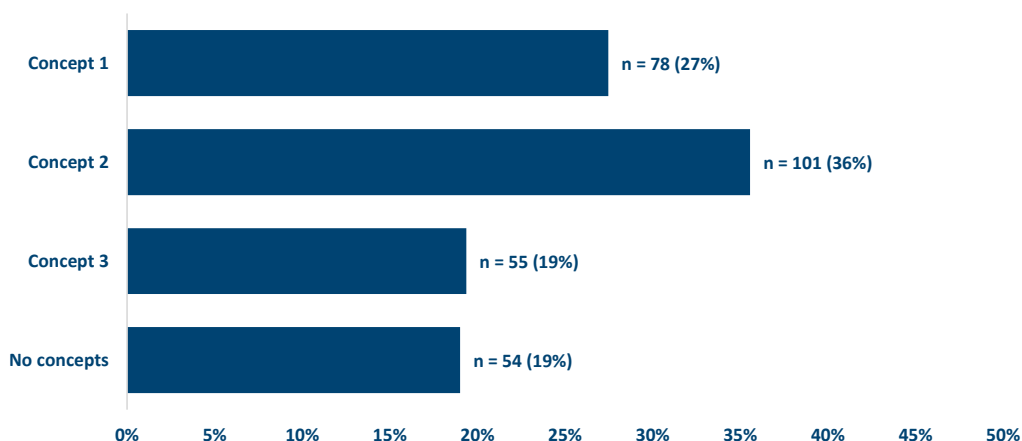


Figure 4: Which concept(s) from above do you prefer?

6.2 Are there any other concepts that you'd like us to consider?

Community members were invited to suggest any additional concepts for the Kāpiti Coast District Council's consideration. Among the respondents, 46% (n=126) proposed further concepts, while 54% (n=146) did not have any additional concepts for the Council to consider.

⁵ As respondents were allowed to select multiple concepts, the total number of responses for this question exceeds the total number of submissions received (285).

Representation Review consultation — Summary of submissions

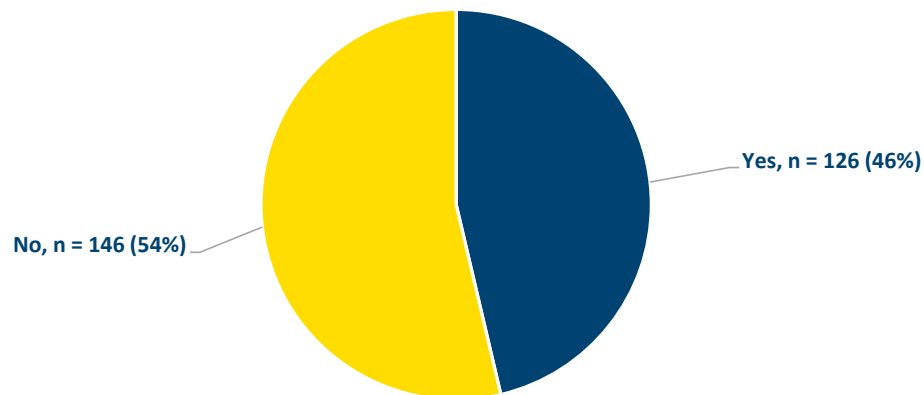


Figure 5: Separate to the concepts presented above are there any other concepts that you'd like us to consider?

6.2.1 If yes, please tell us more

Respondents were invited to share other concepts they would like Council to consider for the inclusion of the Māori ward into the district's representation arrangements. Subsequent analysis categorised these responses into distinct themes, detailed in the following sections.

Table 5 presents a breakdown of proposed concepts from community members. Section 6.3 details broader feedback received from the community outside legislative parameters that did not suggest other concepts for consideration.

Please note that only a small number of submissions contained a fulsome additional concept of all representation arrangements. Most comments were suggestions in relation to parts of the representation arrangements which align with the key themes in response to question 1 and 2.

Theme	Subtheme	Frequency
OTHER PROPOSED REPRESENTATION ARRANGEMENTS		20
	Opposed to districtwide Councillors	3
	Prefer districtwide Councillors only	3
	Reduce the number of Councillors	3
	Address under/over-representation of communities	2
	Odd number of Councillors to prevent hung votes	2
	Remove community boards	2
	Divide wards according to areas of interest	1
	3 General wards only	1
	4 ward Councillors, 6 district-wide Councillors and the Mayor	1

Representation Review consultation — Summary of submissions

Theme	Subtheme	Frequency
PROPOSED CONCEPTS WITH REFERENCE TO A MĀORI WARD	Prefer 2 Councillors per ward for larger wards	1
	Prefer ward Councillors/not districtwide Councillors	1
		14
	Provisions for increasing Māori representation	6
	Prefer 2 Māori ward Councillors	2
	1 General ward (with 9 Councillors) and 1 Māori ward (with 1 Councillors)	1
	1 Māori ward Councillor and 1 district-wide Councillor	1
	10 districtwide Councillors and 1 Māori Councillor	1
	5 district-wide Councillors and 1 Māori Councillor with community boards	1
	9 or 10 general wards inclusive of Māori ward	1
	Ward Councillors only and 1 Māori ward Councillor elected by the district	1

Table 5: If yes, please tell us more

6.2.2 Submission themes in relation to other representation options Council should consider

While 54% (146) of respondents suggested that there are no additional concepts for Council to consider, this section details the additional concepts and comments that 46% (126) respondents suggested in relation to the inclusion of a Māori ward.

Opposed to districtwide Councillors: Respondents are opposed to districtwide Councillors and want them to be eliminated while other respondents prefer a ward-based representation system.

I would have liked to have known about the cost implications of this survey, when there was an overwhelming response not to have a Māori ward but Councillors ignored this. Will Councillors listen to these survey results? Also there is not mention of the financial implications of each of the options in question 4. There wasn't the option of getting rid of all district-wide Councillors.

The Mayor should be elected at large, but otherwise all Councillors should represent wards. Do away with the district-wide Councillor seats. Add the Māori ward to the number of ward Councillor seats - but the Māori ward should be Kāpiti-wide and elected by those on the Māori roll. Do away with Community Boards - representing geographical communities of interest should be the function of ward Councillors. And do away with the mana-whenua committee, because retaining it as well as a Māori ward will result in significant over-representation of Māori. Everyone who sits at the Council table and Council committees should be an elected person. No appointments of selected people to Council committees.

Prefer districtwide Councillors only: Respondents expressed a preference for districtwide Councillors as they believe they would better represent the entire district rather than specific local communities. They

Representation Review consultation — Summary of submissions

suggested reviewing existing wards and having all Councillors elected on a per capita basis to avoid too many Councillors being elected from certain areas.

As per earlier comments, Councillors elected at large are better able to be cognisant of their role which is to represent the entire district rather than an electoral base. The downside is you may get too many Councillors elected from certain areas. The counter proposal is to review existing wards and make all Councillors equally elected on a capitation (sic) basis. Total of Councillors, including Māori ward Councillors, plus mayor should be an odd number to obviate the need for a casting vote.

Reduce the number of Councillors: Respondents generally supported the idea of reducing the number of Councillors, except for the Māori ward representation. Reducing the overall number of Councillors is seen as a way to reduce costs and ensure that the representation aligns with the needs of a small entity like the Kāpiti Coast District Council. Some suggested reducing the total number of Councillors to six.

Is it possible to reduce the overall number of Councillors - it does seem that fewer Councillors would both reduce costs and better reflect the level of representation needed for a small entity like the KCDC

Address under/over-representation of communities: Respondents believed that in order to address the underrepresentation of the Māori community, there should be another elected member for the Ōtaki ward.

Considering the size of the Ōtaki part of this district, and the concentration and activity of the Māori community, if there isn't a Māori ward, there should be another elected member for the Ōtaki ward.

Odd number of Councillors to prevent hung votes: Respondents suggested that retaining an odd number of Councillors would help prevent hung votes.

It would probably be a good idea to retain an uneven number of Councillors around the table, to avoid hung votes. Alternatively, if [concept] 1 was chosen, perhaps Te Whakaminenga could have the casting vote and/or role of mediating in the event of a hung vote. Having two Māori wards, an Ōtaki Māori ward and a Southern Kāpiti Māori ward - this could give Ōtaki the representation its growing Māori population warrants (in that it would be represented by a general ward Councillor alongside a Māori ward Councillor).

Divide wards according to areas of interest: The respondent suggests a ward system based on areas of interest rather than geography.

There should be no political parties involved in local government, that should be the realm of central government only. There are too few resources for political posturing. Councils should be more interactive with their communities on issues based on local conditions, across a region and not siloed into pockets of party weighting and personal interest i.e. people based. Wards should be divided into issues - e.g. Family, older people, now Māori, Business, Environment, Finance, Housing, Infrastructure - representing across the district and district priorities identified and reporting back monthly on what money has been spent where, what has been achieved, the updated programme of work, decisions made, and a record of engagements by each councillor in that month in a simple easy to read and accessible format. The community board are very important and councillors should use this channel of engagement more effectively.

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Prefer 2 Councillors per ward for larger wards: Proposed structure would include having two Councillors for larger wards.

Try to structure things so each ward (except Paekaak (sic)/Raumati which is so small) have 2 Councillors. Having one Councillor for a ward runs a big risk of poor representation if the one person is not very good.

Provisions for increasing Māori representation: Respondents expressed support to increase Māori representation, suggesting that there should be provisions for more Māori ward Councillors with the increase in population. Concerns were also raised about the potential disproportionate workload and cultural burden that one Māori ward Councillor may face.

One Māori ward councillor is likely to have a disproportionate workload and already carries the burden of lived experience marginalization. How will you ensure equitable workloads and not culturally taxing the new councillor?

Prefer 2 Māori ward Councillors: Respondents believe that having two Māori wards would amplify the voice of the Māori population, who are considered Tangata Whenua, and ensure that their views and experiences are heard and considered.

Appoint a district-wide Councillor Māori ward and a general ward Councillor Māori ward to the largest region. Although Māori are demographically a minority population, they are Tangata Whenua and therefore their voice at the table must be amplified. Two Māori wards would increase the likelihood that their views and experience is heard and considered. Two Māori wards would also provide sufficient numbers to ensure that if one is absent, the other is available to attend meetings and participate in decision-making.

Other representation arrangement options that have been received as part of the submissions have been outlined below:

4 wards Councillors, 6 districtwide Councillors and the Mayor: The respondent proposes having 4 ward Councillors, 6 district-wide Councillors and the Mayor.

[Develop Option 4 so that]:

there are 4 ward Councillors (or 5 if a Māori ward is confirmed), 6 districtwide Councillors and the mayor. Each elector would vote for a ward Councillor, 6 districtwide Councillors and the mayor. They would be able to influence the election of 8 of final Council members. This would be a meaningful contribution for each elector to the make-up of the Council.

1 General ward (with 9 Councillors) and 1 Māori ward (with 1 Councillors): The respondent suggested having one general ward and one Māori ward as a means of representation.

In summary, I recommend the Council adopts one general ward alongside one Māori ward as the basis of its initial representation proposal for the 2025 elections. Fair representation for electors. As you will be aware, the LEA defines fair representation in terms of Councillors representing approximately the same number of people, known as the +/-10% rule. This only applies, however, when there are multiple general wards, or when there are multiple Māori wards. It does not apply, for example, between one general ward and one Māori ward. As a result, a significant benefit in adopting a single general ward is that there would be no requirement for KCDC to refer its final proposal to the LGC for approval of any non-compliance with the +/-10% rule (required even if there are no appeals or objections against the final proposal). In this regard, the third "obvious

Representation Review consultation — Summary of submissions

and streamlined concept” on the website, of a reduction in the number of general ward Councillors, appears to me to be highly likely to result in some degree of non-compliance with the +/-10% rule.

1 Māori ward Councillor and 1 districtwide Councillor: The respondent suggested having only one Māori ward Councillor and one District Councillor.

A Māori ward Councillor and a district Councillor minimum.

10 Districtwide and 1 Māori Councillor: The respondent suggests ten districtwide Councillors along with one Māori Councillor.

10 [or 9] District-wide Councillors and one District-wide elected after all Māori Councillor

5 Districtwide Councillors and 1 Māori Councillor with community boards: The respondent suggested having five districtwide Councillors with one Māori Councillors while keeping community boards.

If Community Boards remain, then the number of Councillors should be reduced to five: one for Paekākāriki, one for Raumati, one for Paraparaumu, one for Waikanae and one for Otaki. The Māori ward should be district-wide. And there should be one Mayor. A total of seven. If Community Boards are removed, then two more district-wide Councillors could be added, taking the total to nine.

Increase to 9 or 10 general wards inclusive of Māori ward: The respondent would like to have nine or ten general wards which should include the Māori ward.

I favour Concept 2. If, however, the Council wants to maximise public support for the Māori ward, in the event there is to be a referendum, that would be assisted by increasing the number of General Wards to 9 or 10. The reason is that, based on the current data on the Local Government Website the population to member ratio for the Māori ward will be considerably lower than for the General Wards (once the Māori Roll voters are removed from the population numbers for the General Wards) unless the number of General Ward Councillors is increased. The complication with such an increase is that there would need to be a considerable change in the Ward boundaries to meet the fairness criteria among the General Wards. It should be recognised that Concept 3 would make the difference in ratios higher which would make it more difficult to convince voters to support a Māori ward in the event of a referendum.

Ward Councillors only and 1 Māori districtwide: The respondent suggested removing districtwide representation and instead having a ward-based system along with the newly established Māori ward.

No district wide Councillor except for the new Māori rep. Each Councillor should only be representing their own district.

6.3 Broader feedback – outside legislative parameters

Aside from the above themes, broader feedback was received from the community which is highlighted in the report but due to legislative requirements⁶ will not be considered by Council when deciding on an initial representation arrangement proposal in June 2024.

⁶ The Local Electoral Act 2001 (primarily section 19) prescribes what Councils must consider when conducting a representation review. The broader feedback received relates to matters outside legislative parameters that councils can consider as part of the review process.

Representation Review consultation — Summary of submissions

Table 6 presents this feedback.

Theme	Subtheme	Frequency
MĀORI WARD/RACE BASED CONCERNS*		101
	Opposed to Māori wards	53
	Opposed to race-based representation	23
	Prefer the status quo	10
	Concern with Māori over-representation	8
	Support the inclusion of a Māori ward	3
	Māori ward to replace mana-whenua committee	2
	Prefer Māori consultation rather than seat	1
	Reduce Te Whakaminenga influence	1
DECISION-MAKING CONCERNS		20
	Council's disregard for public feedback	7
	Include/wait for the poll as part of the process	6
	Improve community engagement/communication	4
	Concern with Council/Councillors' performance	1
	Prefer having a Regional Council only	1
ELECTORAL SYSTEM CONCERNS		14
	Seats at the table should all be elected	11
	Concern regarding voter apathy	2
	Only members of Iwi to vote for Māori Councillor	1

**The decision to establish a Māori ward has been made and under current legislation, Council has to conduct a representation review that considers how to include the Māori ward.*

Table 6: If yes, please tell us more — Broader feedback

7 How should Community Boards represent their communities?

Community members were consulted on whether ward Councillors should be appointed back to Community boards and how. Of the respondents, 51% (n=146) wanted to retain the current structure, 25% (n=71) did not want to appoint Councillors to community boards, 21% (n=59) wanted to retain the current structure while appointing the Māori ward Councillor back to community boards, and 3% (n=8) wanted to only appoint the Māori ward Councillor back to community boards.

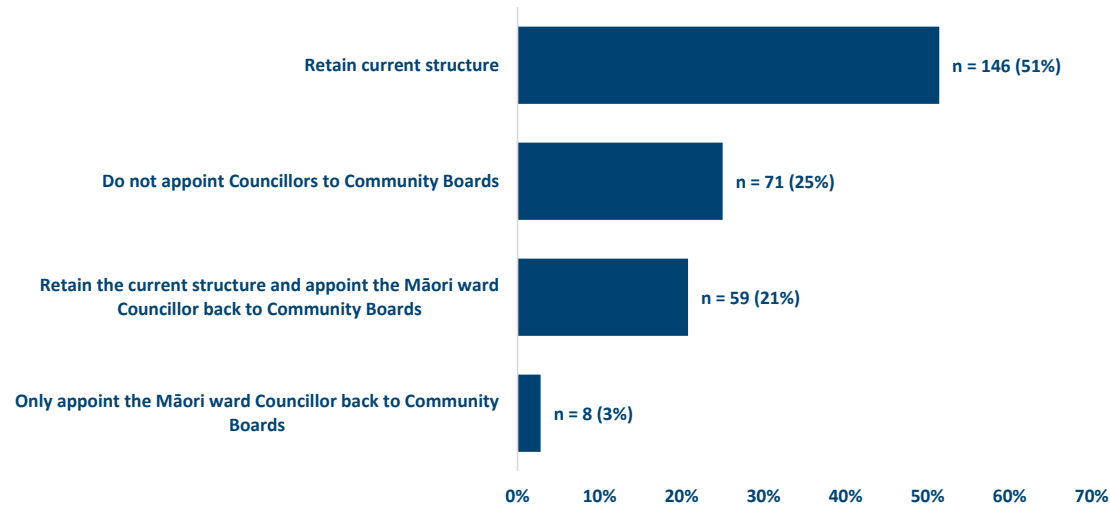


Figure 6: Should ward Councillors be appointed back to Community Boards and, if so, how?

7.1 Please explain your choice

Members of the community were also asked to explain their choice on how Councillors should be appointed back to community boards. Sections 7.1.1 to 7.1.5 detail respondents’ reasons for choosing their preferred option. Section 7.1.6 details broader feedback provided by respondents that are outside of legislative parameters for the representation review.

7.1.1 Retain the current structure

Table 7 shows the breakdown of comments from community members who support retaining the current arrangements set by the Local Government Commission in 2022.

Theme	Subtheme	Frequency
REASON FOR CHOICE		94
	Retain current structure as it is seen to work	42
	Ensures Councillors understand/represent community	22
	Would be excessive workload for Māori Councillor to be appointed to all community boards	9

Representation Review consultation — Summary of submissions

Theme	Subtheme	Frequency
	No need to increase Councillors on boards	7
	Cost effective choice	5
	Councillors should sit on their ward's community board	3
	Māori Councillor should have a district focus	2
	Only directly elected representatives should sit on boards	2
	All Councillors should be appointed back	1
	Only appoint Councillors with lighter workloads	1

Table 7: Should ward Councillors be appointed back to Community Boards and, if so, how? — Retain current structure

7.1.2 Retain the current structure and appoint the Māori ward Councillor back to community boards

Table 8 shows the breakdown of comments from community members who support retaining the current structure as well as appointing the Māori ward Councillor back to community boards.

Theme	Subtheme	Frequency
REASON FOR CHOICE		34
	Ensures Māori Councillor understands/represents community	14
	Ensures Councillors understand/represent community	7
	Cost effective/efficient choice	5
	Māori Councillor has district focus/not one board	4
	Māori Councillor able to attend any/all Boards	3
	Important for the relevance of community boards	1

Table 8: Should ward Councillors be appointed back to Community Boards and, if so, how? — Retain the current structure and appoint the Māori ward Councillor back to Community Boards

7.1.3 Only appoint the Māori ward Councillor back to community Boards

Table 9 shows the breakdown of comments from community members who support only appointing the Māori ward Councillor back to community boards.

Theme	Subtheme	Frequency
REASON FOR CHOICE		5
	Ensures Māori Councillor understands/represents community	4
	Not necessary to have multiple Councillors on boards	1

Representation Review consultation — Summary of submissions

Table 9: Should ward Councillors be appointed back to Community Boards and, if so, how? — Only appoint the Māori ward Councillor back to Community Boards

7.1.4 Do not appoint Councillors to community boards

Table 10 shows the breakdown of comments from community members who support not appointing Councillors to community boards at all.

Theme	Subtheme	Frequency
REASON FOR CHOICE		29
	Separation of roles/influence necessary	12
	Only directly elected representatives should sit on boards	6
	No benefit to Councillors sitting on community boards	3
	Should be appointed back with no voting rights	2
	Cost effective choice	1
	Councillors should be able to chose	1
	Councillors should sit on their ward’s community board	1
	Māori Councillor able to attend any/all boards	1
	Only feasible option	1
	Leads to excessive workload for Councillors to sit on community boards	1

Table 10: Should ward Councillors be appointed back to Community Boards and, if so, how? — Do not appoint Councillors to Community Boards

7.1.5 Submission themes relating to why respondents chose the specific option

This section details the themes that emerged from the comments that members of the community provided regarding why they chose the option of whether general ward Councillors and/or a Māori ward Councillor should be appointed back to community boards. Each theme has a definition followed by a representative comment from a participant, offering a direct insight into the sentiment and rationale behind their stance.

Reasons for retaining the current structure: Respondents suggested that the current structure, where a specific number of general ward Councillors are appointed back to community boards, works well. They expressed concerns about the workload of a Māori ward Councillor if they were expected to attend multiple community board meetings.

The current structure seems to be working well and it gives a fair layered representation to the ratepayers. The Māori Ward councillor should be at District wide level not community board level. It would be too onerous to expect this Councillor to attend every community board meeting!

Representation Review consultation — Summary of submissions

Reasons for retaining the current structure and appointing the Māori ward Councillor back to community boards: Respondents highlighted the importance of having a Māori representative who is linked to community boards to ensure better engagement with and representation of the Māori community. They believe that this would provide an iwi voice in decision-making and help incorporate Te Ao Māori into the community boards' ways of working. Some expressed concerns about the burden on the Māori ward Councillor and the need for communication between community boards and Councillors.

No point in having a Māori ward Councillor if they aren't linked to Community Boards, and if no Councillors attached to Community Board, then they become a bit of an irrelevance.

The Māori representative will have interest across areas, so should not be allocated to any one Community Board.

Reasons for only appointing the Māori ward Councillor back to community boards: Respondents expressed the importance of Māori representation at the community board level, emphasising the need for Māori to have a greater say in decision-making. They suggest that for effective representation, the Māori ward Councillor should be affiliated with all community boards, rather than just one or none. Additionally, it is felt that it is unnecessary to have multiple Councillors on boards and urge the Māori ward Councillor should be involved at the local community level.

I feel that in order to have kaupapa Māori representation in this electorate that the Māori ward Councillor needs to know what's happening at all Community Boards so should be affiliated to all not one as this would be ineffective.

Reasons for not appointing Councillors to community boards: Respondents expressed views that directly elected representatives should be the only ones on the community boards and that Councillors are not elected to community boards so should not be members. Others commented that community boards should be separate and not influenced by Councillor attendance to maintain independence of the community boards. The sentiment suggests a desire to keep community boards and Councillors independent for more effective and unbiased decision-making processes.

No appointments at all. Only elected members should have the right to sit on Community Boards! Appointed Councillors are not democratically elected!

7.2 Broader feedback – outside legislative parameters

Aside from the above feedback, further feedback was received from the community which is highlighted in the report as it was in relation to the options provided in the survey collateral. This feedback is presented in Table 11. Table 12 presents broader feedback received from the community which due to legislative requirements⁷ will not be considered by Council when deciding on an initial representation arrangement proposal in June 2024.

⁷ The Local Electoral Act 2001 (primarily section 19) prescribes what Councils must consider when conducting a representation review. The broader feedback received relates to matters outside legislative parameters that councils can consider as part of the review process.

Representation Review consultation — Summary of submissions

Theme	Subtheme	Frequency
ADDITIONAL OPTIONS		13
	Remove Community Boards	8
	Appoint both Waikanae Councillors to Waikanae Board	1
	Community Boards in need of Māori members	1
	Limit impact of Māori ward Councillors	1
	Only appoint 1 Councillor and 1 Māori ward back	1
	Revise/revamp Community Boards	1
GENERAL COMMENTS		6
	Opposed to options and lack of alternatives	6

Table 11: Should ward Councillors be appointed back to Community Boards and, if so, how? — Broader feedback

Theme	Subtheme	Frequency
MĀORI WARD/RACE BASED REPRESENTATION*		27
	Opposed to Māori wards	26
	Support for Māori ward	1
ADDITIONAL OPTIONS		8
	Community needs more representation	4
	Community Boards in need of Māori members	1
	Consolidate all local Councils into GWRC	1
	Further consultation with Iwi required	1
	Iwi reps should represent own Tangata Whenua	1
DECISION-MAKING CONCERNS		2
	Accountability of Councillors required	2

*The decision to establish a Māori ward has been made and under current legislation, Council has to conduct a representation review that considers how to include the Māori ward.

Table 12: Should ward Councillors be appointed back to Community Boards and, if so, how? — Broader feedback

9.2 REVIEW OF OLDER PERSONS' HOUSING

Kaituhi | Author: **Stephen Cross, Housing Programme Manager**

Kaiwhakamana | Authoriser: **Kris Pervan, Group Manager Strategy & Growth**

TE PŪTAKE | PURPOSE

- 1 This paper provides an update on the review of Older Persons' Housing, an action identified in the Kāpiti Coast District Council Housing Strategy (2022).

TAUNAKITANGA | RECOMMENDATIONS

That Te Whakaminenga o Kāpiti:

A. **Note that:**

- A.1 The Kāpiti Coast District Council *Review of Older Persons' Housing Stage Two Report* (Appendix One) has been completed and that the report recommends Council assists an independent Community Housing Provider (CHP) establish in Kapiti and transfer ownership of the older persons housing portfolio to the CHP.
- A.2 Council resolved that potential changes to the ownership and management of the Older Persons' Housing Portfolio was a key issue for consultation for the Long-term Plan 2024-2034, and that consultation was completed during March / April 2024.
- A.3 The outcome of this consultation was strong community support for transferring Council's older persons' housing assets to a newly-established Community Housing Provider (CHP) with some level of council influence. However further details around what this looks like, and the opportunity to partner with others is yet to be confirmed.
- A.4 At its meeting of 23 May 2024, Council resolved to maintain its preference to transfer its older persons' housing to a new community housing provider.
- A.5 Next steps for officers include:
 - A.5.1 Initial discussions with the Ministry of Housing and Urban Development (MHUD) regarding access to IRRS and the Operating Grant, to ensure the community housing provider is able to expand the portfolio to meet growing demand for older persons' housing in the district.
 - A.5.2 Financial modelling to inform more in-depth discussions with MHUD.
 - A.5.3 Continuing to work with iwi to explore opportunities for greater cooperation in the delivery of the Older Persons' Housing service, including improving the application and allocation systems to improve access to housing for kaumatua.

TŪĀPAPA | BACKGROUND

- 2 The Kāpiti Coast District Council Housing Strategy was approved in May 2022 following the completion of a comprehensive Housing Needs Assessment for the Kāpiti Coast District. The strategy includes a number of actions for Council in order to help improve local housing outcomes.
- 3 Improving older persons' housing and the review of Council's Older Persons' Housing portfolio is a targeted action under the "*Implement the Housing Strategy*" priority for Council. Of note, the Council provides housing throughout the Kāpiti Coast to support eligible older persons to have access to affordable rental accommodation. The portfolio comprises 118 single-storey one-bedroom units in ten complexes that are owned, and managed, by Council.

- 4 On 31 October 2023, Te Whakaminenga o Kāpiti received an update following the receipt of the Review's Stage One Report that examined the current operation and considered how well the portfolio supports those most in need and whether the portfolio is set up to meet growing demand. Stage one of the review concluded that:
 - 4.1 The current operating model of the portfolio is not financially sustainable without ongoing rates-based funding.
 - 4.2 Redevelopment of the portfolio, and increasing its size is cost prohibitive without a change in operating model.
- 5 On 14 December 2023, Council received the Stage Two Report – Delivery Options, which examined a number of potential operating options to improve the financial sustainability of the portfolio whilst also enabling growth of the portfolio over time. Options included:
 - 5.1 Status quo – Council retain ownership and continues to manage the portfolio.
 - 5.2 Council assists an independent CHP to establish and transfers (or sell) ownership of the portfolio to the CHP.
 - 5.3 Council transfers or sells ownership to an existing CHP.
 - 5.4 Council leases the portfolio to a CHP.
 - 5.5 Full or partial divestment of the portfolio.
- 6 The report identified five key findings:
 - 6.1 The recommended delivery model is that Council establishes a Community Housing Provider and transfers ownership of the older persons' housing portfolio to the CHP.
 - 6.2 A mixed-model approach will be required.
 - 6.3 Redevelopment should be undertaken once the delivery model has been changed.
 - 6.4 Redevelopment should be undertaken using a staged approach.
 - 6.5 Investigate capital funding for portfolio expansion.

HE KŌRERORERO | DISCUSSION

- 7 Council resolved to consult with the community on future operating models for the Older Persons' Housing portfolio as part of the Long-Term Plan process. This consultation was completed during March and April 2024.
- 8 The consultation found that:
 - 8.1 59.7% of respondents favoured transferring the Council's older persons' housing assets to a newly-established Community Housing Provider (CHP) with some level of council influence.
 - 8.2 27.9% expressed a preference for transferring the assets to an existing CHP.
 - 8.3 12.4% felt the assets should continue to be owned and operated by the Council.
- 9 Most respondents felt that housing should not be managed directly by the Council and should be put in the hands of providers with greater expertise and experience in social housing management. There was, however, strong support for the Council maintaining some level of influence in the ongoing service provision. There is opportunity to consider wider partnership opportunities with others to achieve these goals over time.
- 10 As part of Long-term Plan submission deliberations at its meeting of 23 May 2024, Council resolved to maintain its preference to transfer its older persons' housing to a new community housing provider.

HE TAKE | ISSUES

- 11 A review of the Older Persons' Housing portfolio had not been undertaken for over 30 years and during that time the policy and funding settings for social housing in New Zealand had understandably changed significantly. Currently, the majority of social houses in New Zealand are provided by Kāinga Ora with a smaller, but growing, number provided and managed by CHPs.
- 12 As part of the Government directive to support the overall growth in social housing provision, CHPs can receive an operational supplement (OS) and an income related rent subsidy (IRRS) for each new tenant provided for, from the Ministry of Housing and Urban Development (MHUD). Councils, including Council Controlled Organisations, are currently ineligible for this funding and are funding the shortfall from subsidising rents to their tenants, as part of Council's operational budget.
- 13 Access to these subsidies is considered crucial to improve the operational sustainability of the portfolio and to support the growth in units in Kāpiti. The lack of support and funding from Central Government has led to many Territorial Local Authorities reviewing their provision of affordable housing.
- 14 Alongside work to review the Older Persons' Housing Portfolio, Council has been working to establish an Affordable Housing Trust. The review has been conducted without reference to the establishment of a Trust to ensure the outcome of the review was not predetermined. As both projects have progressed, particularly following the outcome of formal consultation as part of the development of the Long-Term Plan 2024-34, there may be advantages in the projects combining. The Trust Deed would allow Council the option to transfer ownership and management of the portfolio to the Trust, should this be the preferred approach for managing the portfolio.
- 15 Clear communication of the intent of the review of the Older Persons' Housing portfolio and the establishment of the Affordable Housing Trust is critical. A communication plan has been developed to ensure clear messaging and information is available to inform the local community on both matters.

NGĀ KŌWHIRINGA | OPTIONS

MANA WHENUA

- 16 Te Whakaminenga o Kāpiti continues to be engaged in the progress of implementing the Housing Strategy. The establishment of Te Urunga Whakakāinga, a Place-Based Housing Steering Group, is a key operational mechanism to proactively partner on day-to-day activity. This group has representation from local iwi and hapū represented by Te Rūnanga O Toa Rangātira, Ngā Hapū o Ōtaki and Āti Awa ki Whakarongotai Charitable Trust and lead central government agencies including the Ministry for Housing and Urban Development, Kāinga Ora, Te Puni Kokiri and Council.
- 17 As a result of engagement as part of the review of Older Persons' Housing to date:
 - 17.1 Iwi feedback has identified opportunities for greater cooperation in the delivery of the Older Persons' Housing service to better understand need in the community, and to better reflect aspects of Te Ao Māori;
 - 17.2 There is better awareness of demand for kaumatua housing options. It is now clear that this demand is not reflected in Council's current application register. There are opportunities to work with iwi to improve the application and allocation systems to improve access for kaumatua;
 - 17.3 There is better awareness of the portfolio's ability to meet universal accessibility standards; currently this is low, and we know that some eligible kaumatua with physical disability may not be able to access housing through Council. There is an opportunity to ensure any new units meet the necessary standards to remove this barrier.

NGĀ MAHI PANUKU | NEXT STEPS

- 18 Council has resolved to transfer its older persons' housing to a new community housing provider, with some level of Council influence. Further advice will be provided on what this looks like and the opportunity for partnership with others in this space.
- 19 Undertake initial discussions with the Ministry of Housing and Urban Development (MHUD) regarding access to IRRS and the Operating Grant, to ensure the community housing provider is able to expand the portfolio to meet growing demand for older persons' housing in the district. Financial modelling to be undertaken to inform more in-depth discussions with MHUD on these issues.
- 20 Officers will continue to work with iwi to explore opportunities for greater cooperation in the delivery of the Older Persons' Housing service, including delivering of services going forward, and improving the application and allocation systems to improve access to housing for kaumatua.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Review of Older Persons' Housing Stage 2 Report - Delivery Options [↓](#)



Review of Older Persons Housing Stage 2 Report - Delivery Options Kāpiti Coast District Council

December 2022



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Quality control

Document	Kāpiti Coast District Council: Older Persons Housing Review Stage 2 Report – Delivery Options
Ref	719046
Date	6 December 2023
Prepared by	Sophie Randell, Senior Property Consultant
Reviewed by	Ruth Allen, Principal Urban Regeneration

Revision history

Revision	Revision date	Details	Authorised	
			Name/Position	Signature
1.0	15/09/2023	Draft for consultation	Sophie Randell, Senior Property Consultant	
2.0	11/11/2023	Revised draft for consultation	Sophie Randell, Senior Property Consultant	
3.0	22/11/2023	Revised draft for consultation	Sophie Randell, Senior Property Consultant	
4.0	6/12/2023	Final Report	Sophie Randell, Senior Property Consultant	

Executive summary

Purpose of review

The Property Group Limited (TPG) has been engaged by Kāpiti Coast District Council (Council) to provide a review of Council's existing Older Persons Housing Portfolio (OPH), identify the opportunities to grow the portfolio, and assess future delivery options. This report is the second of three reports which defines and analyses delivery options to understand which options will help Council to achieve its portfolio growth objectives whilst ensuring the portfolio is financially sustainable. Whilst this report provides an overview of the different delivery models available to Council under the current policy settings, further work will need to be undertaken before Council determines the best delivery model going forward, the next steps are outlined within this report.

Background

Council provides an older person's housing service to meet the needs of those 65 years and older who require access to affordable rental accommodation. Council currently own 118 one-bedroom units in 10 villages across the Kāpiti Coast. As Council's Housing Policy was last reviewed in 1993, there is a need to understand whether the current service is appropriate and whether the portfolio could be supporting a larger demographic going forward. Demand for affordable, accessible rentals in the district currently exceeds supply, and the need is projected to increase substantially into the future.

This report should be read in conjunction with the Stage 1 report which sets out the need to review and update the delivery model. Council's housing portfolio needed to be reviewed both operationally and financially to ensure the portfolio is well-placed to meet current and future demand, this review was completed as part of that initial report and key findings are provided on page 16 of this Stage 2 report.

Housing in Kāpiti

Like much of New Zealand, demand for affordable housing in Kāpiti is exceeding supply. Although housing register numbers are down slightly from their peak in early 2022, demand for social and affordable housing within the Kāpiti district remains high, especially for older persons who are overrepresented on the housing register. The Housing Needs Assessment commissioned by Council in May 2022 provides strong evidence of current and future demand for affordable housing solutions for older residents within the district.

Currently Kāpiti has low levels of public and affordable housing with Kāinga Ora providing 219 dwellings and Council providing 118 units. Whilst Kāinga Ora and a small number of Community Housing Providers (CHPs) operate in the district, Council's portfolio is the only housing within the district focused on meeting the needs of older persons requiring rental assistance and as such Council's portfolio plays a crucial role in providing housing for those in need of social and affordable housing. The Stage 1 report found that the district needs more affordable housing and housing choices.

The combination of an aging population, lack of supply of affordable housing options and shortage of smaller housing typologies, is putting increasing pressure on older persons in the district. Of the 219 tenancies Kāinga Ora had as at January 2022, 70 of these households had a main tenant who was 65 years or older. Council plays a vital role in providing affordable housing options for older people, decreasing pressure on Kāinga Ora and existing CHPs to support this cohort. With a growing unmet need for affordable and accessible housing for older people in the district, the Stage 1 report recommended future growth of Council's portfolio.

Current MSD Social Housing Register numbers are at 177 as of 30 September 2023, though it is also worth noting that this does not include hidden demand from those who require Affordable or Public Housing but are not represented on the register.

Approach

TPG's approach to undertaking this Stage 2 Report was carried out in four parts outlined in more detail as follows:

Part A: Understanding The Housing Sector

This section of the report provides an overview of the housing sector including a brief description of the challenges in providing affordable housing within the district, information on those involved in social and affordable housing and government funding support.

Part B: Portfolio Delivery Options

There are a range of future delivery options for Council to consider. When considering the options, Council must review each delivery model against their objectives for the portfolio. An overview of each of the delivery options is provided within the report, for each we have including the following sections:

- *Overview*: a description of the delivery model.
- *Process*: how Council would change their current model to operate under the delivery model.
- *Benefits, risks & implications*: the impacts that the change of delivery model would have on Council, stakeholders, and tenants.
- *Public Works Act (PWA) Implications*: high level input into any PWA implications to be considered under the delivery model.
- *Future growth*: how the delivery model would impact on Council's objective to continue to see an increase in supply of new units.
- *Case studies*: for each option case studies have been provided on other Council/s who have adopted the delivery model and the key learnings from these experiences. The Nelson City Council, Wellington City Council and Christchurch City Council are examples of where the funding models are outside of the standard Ministry of Housing and Urban Development (MHUD) product parameters. It should be noted that Ministerial approval was required in these cases.

The objective of this section is to provide an overview of each of the delivery options and provide details on what impacts they would have on the future delivery of the portfolio.

Part C: Evaluation Of Portfolio Delivery Options

Part C of this report provides financial modelling summarises and evaluates the delivery options against evaluation criteria to help determine which option will best support Council's objectives. These include both qualitative and quantitative criteria including assessing whether the option:

- Supports improved financial sustainability.
- Supports portfolio growth.
- Provides security of tenure for older persons.

Key findings of Stage 2

Overall, the Stage 2 report considers future delivery options of the portfolio to help support growth to meet current and future demand for affordable rental housing for older persons within the district. To ensure that the delivery model is sustainable and allows for growth, Council will need to adopt an alternative delivery model.

The key findings of the Stage 2 assessment are summarised below.

1. The recommended delivery model is Council establishing a CHP.

The recommended delivery model is for Council to establish an independent entity which operates at arm's length and can achieve CHP registration. Depending on the financial implications to Council the CHP could own or lease the portfolio from Council and would be eligible for the income related rent subsidy (IRRS) on new tenancies accommodated. Council may also be able to negotiate 'redirects' with MHUD and this should be explored as a next step.

2. There is an opportunity to work with MHUD to bring on new supply within Kāpiti.

With Kāinga Ora having less of a presence in the district compared with Porirua, Hutt City and Wellington there is an opportunity for MHUD to work with a CHP to increase supply in the district. The public housing plan has identified the need for new supply, and with Kāpiti not being a focus area for Kāinga Ora, MHUD may be willing to work with the CHP sector to bring on supply to meet current and growing demand for public housing within the district which presents an opportunity for Council should they adopt the preferred delivery model of establishing a CHP.

3. A mixed model approach will be required.

A combination of multiple delivery models may be required to support ongoing delivery and future growth of the portfolio. With the need to expand the portfolio to meet growing demand for affordable older persons housing within the district divestment of less suitable villages may be required to provide capital funding for new developments. Therefore, Council may need to use a mix of the different delivery models explored in this report to achieve the best outcomes for the portfolio. Further modelling would need to be completed to understand in more detail what financial impact divestment and development will have on the portfolio under different scenarios to understand how to best achieve future growth and financial sustainability of the portfolio.

4. Redevelopment should be undertaken once the delivery model has been changed.

To support future growth of the portfolio a change in the delivery model is required. Under the current delivery model where Council is not receiving any form of government subsidy on the portfolio and receiving a below market rent from tenants, Council will experience an upfront loss with the cost of developing the units. Council will also experience an ongoing deficit operationally for any new units if market rent is not achieved through access to the two MHUD subsidies (IRRS and OS). We therefore recommend that no redevelopment is undertaken until a new delivery model has been adopted which can better support portfolio growth.

5. Redevelopment of 49 Aotaki Street (and any other villages) should be undertaken using a staged approach.

Redevelopment should be staged to ensure that existing tenants have security of tenure and can be decanted into other units whilst redevelopment of the site is undertaken. It is important that there is a net increase in dwellings at each stage of redevelopment. Council may decide to undertake redevelopment at multiple villages over the same period to meet demand across the district. With the current market conditions being unfavourable for construction projects, staging the development will minimise the impact of risk factors such as construction costs, financing and rehousing existing tenants during the redevelopment period.

6. Investigate capital funding for portfolio expansion.

Although under the modelling provided within this report a CHP may be able to access ongoing Operating Supplement (OS) and IRRS to ensure the portfolio becomes sustainable there is still a need to consider in more detail how the funding of any new developments or acquisitions are structured.

Conclusions

Council has a clear and important role to play in providing housing for older persons with a high and increasing need within the district. As the current delivery model is unsustainable now and in the long term the options within this report should be further explored by Council to ensure that a new model is adopted which meets the needs of the community whilst ensuring the portfolio is financially sustainable. This will require Council to work with MHUD to determine the level of funding support MHUD can provide to Council going forward. With Kāinga Ora having a smaller presence in Kāpiti compared to other areas within the Wellington region along with a small number of dwellings provided within the district by CHPs, there is a need for Council's portfolio to meet the need for affordable rentals within the district.

Based on initial discussions between TPG, Council and MHUD, given the existing and growing need for affordable and social housing within the district, there is an opportunity for Council and MHUD to work together to deliver new housing within the district. Further negotiation around the level of funding support MHUD can provide to Council to support the financial sustainability and growth of the portfolio still needs to be undertaken.

Recommendations

To continue to support the provision of affordable housing for older persons within the district and allow for future growth, Council needs to change the current delivery model. The best way for Council to achieve its housing objectives may require Council to implement a combination of the delivery options outlined within this report. The recommended model for Council is to establish an independent entity which can become a registered CHP and transfer ownership of the portfolio across either by sale or by gifting. Prior to commencing this process further discussions would need to take place with MHUD to understand what level of funding Council could access through MHUD's various

funding streams, however based on our conversations with MHUD to date and the case studies within this report this is the preferred delivery model for Council.

Next Steps.

- **Engage further with MHUD-** The recommended option for future delivery is for Council to establish an independent entity which becomes a registered CHP or partners with an existing CHP to enable Council to access IRRS and OS funding through MHUD. TPG & Council have had initial conversations with MHUD to ensure that modelling aligns with the level of IRRS and OS that MHUD would typically fund in this scenario. Discussions were had around the need to increase housing supply within Kāpiti and Council's appetite for growth. The next step would be for Council to provide further information on the current position of the portfolio and development aspirations to determine what funding could be accessed from MHUD to support the ongoing provision of housing.
- **Exploring different partnership options** – There are opportunities for Council to work in partnership with others within the sector.

Council and Kāinga Ora are the main providers of social and affordable housing within the district. Council is currently drafting an MOU with Kāinga Ora and both parties have objectives to increase housing supply within the district. There are opportunities to partner on both 45-49 Aotaki Street and other sites owned by both Kāinga Ora and Council within the district.

Local iwi has expressed in interest in being involved with Council's older persons housing. Council should continue to engage with iwi to identify opportunities for iwi to have an active role in supporting Māori housing outcomes, including specifically for kaumatua. This could be in a range of areas including but not limited to, Council supporting iwi to build capability as a housing provider, Iwi taking a management role for some units within the existing or new portfolio and exploring partnership opportunities for new development.

- **Review Preliminary Section 40 Reports** – Council is currently completing a property due diligence exercise to investigate land specific issues and constraints to assist its future decision making regarding the portfolio. Part of this work will consider whether there are any section 40 PWA obligations to former owners that create the need for further consideration. The land will need to be declared surplus to its current public works use if to be transferred to a non-public works provider. The preliminary Section 40 reports should be reviewed prior to any decisions being made regarding the future of the portfolio. Initial legal advice is that section 40 PWA should not impede the transfer and leasing options currently under consideration on the assumption these will achieve an improved delivery. Section 40 due diligence will further assist to tailor Council's strategy.

1. Introduction

1.1 Purpose

TPG has been engaged by Council to complete a review of Council's older persons' housing portfolio. The review includes: an examination of the current suitability of the 118 older persons housing units (OPHUs) owned by Council; an analysis of the ability for the Council to meet future demand for older persons housing; and the portfolio's overall cost-effectiveness for Council. The review is undertaken with consideration of the current provision for older persons and community housing in Kāpiti, and within the context of a housing sector which is coming under increasing pressure to meet growing demand for affordable housing across New Zealand.

1.2 Context

This report is the second of three reports to be provided to Council as part of the review. The reports cover the following:

- **Stage 1 Report – Review of the current operation.** The Stage 1 report provided a review of the current operational and financial performance of the portfolio. Analysis was completed to understand current and future need for older person's housing, to help Council best position the portfolio to meet demand and support the future provision of older person's affordable rental housing in the district.
- **Stage 2 Report – Consideration of future operating models.** This report considers the future delivery options for the portfolio to meet current and projected need. The options were assessed in terms of benefits, risks, and financial viability to determine which option/s will ensure that Council meet its housing objective, remain financially viable and in a position to grow the portfolio.
- **Stage 3 Report – Final report.** The final report will compile the findings of the Stage 1 & 2 reports and be drafted to be used by Council for wider consultation as a Section 17A assessment under the Local Government Act 2002.

2. Understanding the housing sector

2.1 Housing Supply & Demand within Kāpiti

There is a high and growing level of demand for affordable housing options within the Kāpiti district. Due to the combination of an aging population many of whom are reaching retirement with limited financial means and lack of supply of accessible and smaller housing typologies, this is putting increased pressure on those aged 65 and older.

Combined with the district having low numbers of public and affordable dwellings there has been a limited increase in new supply through Kāinga Ora and CHPs in recent years. Demand from this demographic has continued to grow which has resulted in further housing stress for this cohort. An in-depth analysis on supply and demand within the district is provided in the Stage 1 report.

2.2 Housing Sector Overview

The housing sector uses the concept of a 'housing continuum' to identify the role public and community housing organisations have in providing homes to meet a range of housing needs in New Zealand. The housing continuum, shown in Figure 1 below, is a concept used by policy makers to consider the impact a policy has on different tenancies. It illustrates the various living situations from homelessness and emergency shelters on the far left, through to assist rental or assisted ownership, to provide renting and ownership options in the market.

Council's older persons housing service falls in the 'social or public housing and affordable rental' segment of the continuum, in that it provides subsidised rental accommodation combined with supportive services/referrals appropriate to the household needs. Public housing helps low to very low-income households access appropriate, secure, and affordable housing. Generally, public housing tenants spend about 25% of their net income on housing (the income-related rent as determined by the Ministry of Social Development), and the Community Housing Provider or Kāinga Ora receive an income-related rent subsidy and operating supplement from the Ministry of Housing and Urban Development to cover the balance between the tenant's rental payment and the market rent for the property. To be able to access IRRS for new tenancies a tenant needs to be taken off the MSD Social Housing Register where their eligibility for public housing has been assessed. However currently, Councils are not eligible for the IRRS, and tenants can only access accommodation supplement, meaning Councils absorb a much higher proportion of the subsidy. Council's older persons housing portfolios throughout New Zealand are rented to tenants at affordable rentals.

There may be changes to current policy under the new government, this should be considered by Council and decisions should be made once the new government announces their approach going forward. For the purposes of this report, we have assessed options under the current funding settings.

FIGURE 1: THE HOUSING CONTINUUM



Adapted from: Canada Mortgage & Housing Corporation and Community Housing Aotearoa

Figure 2 below provides an overview of the key stakeholders involved within the affordable and social housing space within New Zealand and the roles they each play to deliver the key outcomes for the sector. The following section goes on to provide more information on the stakeholders, MHUD funding streams, and partnership opportunities for Council.

FIGURE 2: NEW ZEALAND SOCIAL & AFFORDABLE HOUSING CONTEXT – DELIVERING HOUSING.

Stakeholders	Territorial Local Authorities	Kāinga Ora	Community Housing Providers	Ministry of Housing & Urban Development	Community Housing Regulatory Authority	Developers and Private Sector
Roles	Provide affordable and social housing options throughout New Zealand to those in need.			Shapes strategies and work programme for development. Supports supply through funding: <ul style="list-style-type: none"> Income related rent subsidies Operating supplement Redirects Affordable Housing Fund 	Register CHPs and engage with registered providers to monitor their performance and intervene if they do not meet the required Performance Standards.	Working with Territorial Local Authorities, Kāinga Ora and Community Housing Providers to deliver new supply.
Outcomes	<ul style="list-style-type: none"> Increase supply of housing Increase housing choices Capacity for future needs Improve affordability. Wellbeing outcomes 					

2.3 Stakeholders

Territorial Local Authorities

Territorial Local Authorities (TLA) have historically been New Zealand's second biggest provider of social housing in that they have provided housing at subsidised rents. Having provided housing for almost a century many Councils across the country have found it difficult to maintain and grow their portfolio under the current model with an increasing reliance on ratepayer funding to enable them to deliver the service. As a result, many Councils (especially those with larger portfolios) have changed their delivery model to ensure that the service can continue to be delivered, some of these examples are provided as case studies within this report.

Community Housing Providers

Community Housing Providers, who are typically not-for-profit groups, provide an alternative to the public housing provided by Kāinga Ora. CHPs become registered through the Community Housing Regulatory Authority (CHRA) and can then contract with MHUD to provide public housing and access Income-related rent subsidies. CHPs currently provide around 18,520 homes throughout New Zealand which include emergency housing, affordable rental, or home ownership assistance. Some CHPs also provide additional wrap-around support services to tenants whilst others ensure tenants are linked up with services as required through navigation. Currently CHPs play a small role within the district with 42 units in Kāpiti. The largest CHP operating in the district is The Salvation Army who own units in Paraparaumu which are a mix of transitional and social housing.

Local authorities and council-controlled organisations cannot register to become CHPs. However, Council can establish an independent entity which becomes a registered CHP to own or lease the portfolio and access IRRS.

Ministry of Housing & Urban Development

MHUD is the government agency responsible for the strategies and work programmes for housing and urban development in Aotearoa New Zealand. The Public Housing Plan (PHP) is developed by MHUD and sets the Government's public housing supply intentions and provides information on the location and number of additional places to be delivered by 2025 to meet demand. The PHP provides MHUD with a mandate to contract with CHPs to bring on new supply throughout New Zealand ensuring it is being delivered in the areas of need identified in the PHP. The PHP targets to bring on an additional 170-230 new public housing places in the Wellington region between 2024-2025 with Kāinga Ora delivering most of the new supply. Although the PHP is developed to direct the amount of new supply within each region it will not solve the shortage of public housing across New Zealand as there is not enough funding available. Demand in Kāpiti exceeds what MHUD can fund within the district.

Whilst MHUD is focused on bringing on new supply (new build) of housing, in limited circumstances they will consider redirects (funding a CHPs existing dwellings) such as when it enables a CHP to progress redevelopment opportunities in the short term. This would be relevant to Council's portfolio as IRRS funding on the current portfolio would enable Council to improve their financial situation

which in turn sets the portfolio up for future growth. MHUD is happy to work with Councils to discuss the option of redirects when they are considering the future provision of housing. Redirects do however require ministerial approval and are not a preferred funding arrangement for MHUD.

MHUD can fund new supply under two models: build-to-own or build-to-lease. The first, most common and straightforward model is build-to-own where the CHP retains ownership of the place once it is built. This option helps to strengthen the CHPs ability to develop more places in the future by owning the asset, these contracts between the CHP and MHUD are usually for a term of 25 years. Alternatively, and less common is the build-to-lease model where the CHP leases the place from the owner, these contracts are more expensive for MHUD to fund and are only used in limited circumstances, the contracting period is generally for a shorter period such as 10-15 years.

Whilst MHUD have product parameters for their different funding streams, providers have been able to negotiate additional funding in certain circumstances where there is a strong need for additional government support to ensure that the provision of housing remains sustainable.

Community Housing Regulatory Authority

The Community Housing Regulatory Authority (CHRA) works with CHPs that provide quality public housing, affordable rental housing and affordable home ownership products for those in need. CHRA's role is to register CHPs and engage with registered providers to monitor their performance and intervene if they do not meet the required performance standards. CHRA also provide an assurance to Government that registered CHPs are well governed, sustainable, and deliver appropriate long-term housing services to their tenants. CHPs must go through a rigorous registration process before they can contract with MHUD and access the IRRS or OS.

Housing Tenure Mix

Housing providers often provide housing across different sections of the housing continuum. Council may decide to set the entire portfolio up as public housing to access IRRS or alternatively provide a mix of public and affordable housing. The number of public housing places will be negotiated with MHUD once CHP registration has been achieved. With the public housing places, the provider has discretion over who they allocate units to by way of eligibility criteria i.e., if Council's role is to provide housing to those 65 years and older (and Council's eligibility criteria reflects this), they would only be required to accept people off the housing register who met this criterion.

If Council decided that a mix of public and affordable housing was the best option to meet the needs of the community, they would contract for a certain number of public housing places with the remainder of the portfolio kept as affordable rentals to support those who are not eligible for public housing but unable to afford market rents. When Nelson City Council's portfolio was divested to Kāinga Ora (explored in more detail in the portfolio delivery options) a certain number of units remained as affordable rentals to support this group, with Council subsidising the rent by covering the shortfall between the affordable rent and market rent.

2.4 Ministry of Housing & Urban Development Funding

Income-Related Rent Subsidy

Since 2014, registered CHPs have been able to provide homes to those on MSD's Public Housing Register and access IRRS. The IRRS is paid by MHUD to public housing landlords, to cover the balance between what a public housing tenant pays in rent and the market rent for the property. The tenant's rent is determined by MSD but is generally set at 25 percent of their net income. MHUD will partner with the CHP to deliver new supply public housing and the CHP will have access to IRRS through this contract.

Operating Supplement

The operating supplement is a funding subsidy paid in addition to the IRRS for eligible net new public houses to help enable new build supply. The OS is calculated as a percentage of market rent up to a percentage cap, this is 90% of market in the Wellington region. This funding was introduced to support the delivery of new public housing which without the supplement may not have been financially viable for providers to deliver and is paid over the term of the contract between MHUD and the provider.

Redirects

Council units which are transferred to a CHP, are classed as redirects. Whilst MHUD is focused on bringing on new supply there are very limited circumstances where they will consider allowing an existing house to be used for public housing and access IRRS where it was previously used for a different purpose.

This model, which was introduced by MHUD in October 2021, allows the CHP to receive a market rent on existing dwellings. Redirects are considered by MHUD in very limited where they are required by a provider to help make portfolio growth financially viable and require ministerial approval meaning that there must be a strong need for this funding model. Redirects are a model Council should explore further with MHUD.

Affordable Housing Fund

The Affordable Housing Fund is administered by MHUD and was set up to support not-for-profits including organisations such as CHPs, Iwi and Māori housing providers, Councils, and Charitable Trusts to increase the supply of new affordable housing throughout New Zealand. The fund offers grant funding to not-for-profit organisations to build new affordable rental homes and will cover up to 50% of the total project cost to delivery new housing. These homes will provide long-term accommodation for people who can't afford a market rent but can't access, or don't need, public housing. The provider then contracts with MHUD to ensure the rent remains affordable (80% of market or less) for a term of at least 15 years. The first two rounds provided a combined \$150 million in funding for affordable rental accommodation throughout New Zealand, high interest from providers resulted in the fund being oversubscribed. The fund is contestable and at this point future funding rounds are yet to be

announced. The incoming government has a stated policy to end the fund, however it may be replaced with something similar and therefore it has been included in the review.

2.5 Partnership Opportunities

There are opportunities under the different operating models to work in partnership with others in the sector. Local iwi groups have expressed an interest in playing a role in supporting Council with the delivery of housing within the district which Council should further explore. Kāinga Ora are working on projects to increase supply and there are opportunities for Council to work in partnership to bring on new supply. The private sector could also partner with Council to bring on new supply.

2.6 The need to revisit Council's operating model.

As identified in the Stage 1 report the current operating model is not financially sustainable and Council is not well-placed to grow to support an increased need without significant additional investment. To meet Council's objectives of growing the current portfolio and to ensure sustainability of the housing portfolio into the future, it is recommended that Council considers a change in operating model to both improve the financial performance of the portfolio and enable its growth.

Key findings from the Stage 1 report include:

1. There is a growing unmet need for affordable and accessible housing for older people in the district.
2. Council's older persons housing portfolio is targeting a group that are currently overrepresented in social housing demand.
3. The portfolio is not meeting the accessibility needs of older persons.
4. The portfolio does not provide diversity and housing choice to meet the differing and changing needs of older persons.
5. The current operating model of the portfolio is not financially sustainable without significant and ongoing rates-based funding.
6. Redevelopment of the portfolio and increasing its size is cost prohibitive without a change in operating model.
7. Strategic asset management needs to align with the long-term strategy for the portfolio.

3. Portfolio delivery options

3.1 Introduction

Kāpiti Coast District Council are in a similar position to many Councils throughout the country with the older persons housing portfolio currently operating with a year-on-year financial deficit. With the current and projected need for affordable housing for those over 65 years within the district exceeding supply, Council is exploring options to expand the portfolio in a financially sustainable way. The different delivery options available to Council are explored in this section of the report including an overview, risks, benefits & implications, PWA impacts, future growth under the delivery model and relevant case studies for each option.

3.2 Delivery options definition

There are a range of options available to Council to balance financial sustainability of the portfolio and continue to support older persons housing outcomes, particularly with Council looking to expand its portfolio. We note that if Council considers that an alternative option for the delivery of the portfolio achieves a better outcome for the community, Council needs to comply with the Local Government Act 2002 (LGA) that requires public consultation, and to confirm Council's decisions through the Annual and Long-Term Plan processes.

The list of alternative approaches for the delivery of the Council's OPH portfolio are summarised as follows and explored in more detail throughout this section of the report:

TABLE 1: DELIVERY OPTIONS DESCRIPTION

DELIVERY OPTION	DESCRIPTION SUMMARY
Option 1 – Status quo.	Council continues to own and operate the existing (and/or additional) OPH portfolio under their current delivery model.
Option 2A – Council establishes a CHP and transfers ownership.	Council creates an independent entity which can become a registered CHP and transfers ownership either by sale or by gifting.
Option 2B – Council transfers ownership to existing CHP.	Council transfers ownership to an existing CHP either by sale or by gifting for the continuation and expansion of the housing portfolio.
Option 3 – Council leases the portfolio to a CHP.	Council creates an independent entity which can become a registered Community Housing Provider and the CHP leases the portfolio from Council.
	<u>or</u>

	Council leases the portfolio to a registered CHP with conditions to ensure the existing level of housing and service provision is at least maintained. We have not considered leasing to a non-registered agency as there are numerous benefits of a registered agency that outweigh a non-registered agency, due to Government regulations and funding etc.
Option 4 – Divest the portfolio.	Council divests either the full or part of the portfolio by selling it on the open market.

3.3 Delivery Option 1 - Status quo

Overview

The first option available to Council is continuing to operate the current (and any additional) OPHUs under the current delivery model. The current model relies heavily on ratepayer funding which means it is not well positioned for future growth as it is running at a loss. If Council is to continue to operate under this model, to ensure that the reliance on rates is minimised, Council should ensure that rents are maximised whilst remaining affordable for tenants. This can be done through ensuring rent reviews are completed annually and ensuring tenants are accessing all available entitlements. Further information on the current position of the portfolio and recommended improvements to support portfolio performance is included within the Stage 1 report. For any future growth Council would need to fund this through ratepayer funding and/or debt under the status quo model.

The Affordable Housing Fund is a way Council may consider portfolio expansion under the current delivery model. Councils can apply for this grant funding for the delivery of new affordable housing units and could access up to 50% of the development project cost. Council can apply to this contestable fund to access capital funding for the construction of new units; however, this does not include any rental subsidy for the units and Council would be required to ensure they remain at an affordable rent for at least a 15-year period under the grant funding agreement with MHUD.

Benefits, Risks, and Implications

Benefits	Risks	Implications
<ul style="list-style-type: none"> Council can ensure the continuation of the current service. Council retains ownership of properties into the future. 	<ul style="list-style-type: none"> Costs to maintain and renovate existing buildings exceeds income resulting in a greater reliance on rates to remain operational. Higher annual maintenance costs. 	<ul style="list-style-type: none"> Council needs to continue to subsidise the current portfolio through ratepayer funding. No access to IRRS or OS. If affordable housing fund not available, then no

<ul style="list-style-type: none"> • Tenants not required to be on the public housing register. • Restricting to people over the age of 65 years old ensures Council provide housing to those who may not be adequately catered for by CHPs. • Council could access funding through the affordable housing fund to support the provision of additional housing without changing the delivery model. 	<ul style="list-style-type: none"> • Likely to need a capital injection in the future and/or annual rent reviews as per the Residential Tenancies Act to address the gap. 	<ul style="list-style-type: none"> provision of additional housing. • Continuation of non-market rent restricts ability for funding for additional housing and would require an increased level of subsidy through ratepayer funding. • Tenants potentially miss out on other wraparound services provided by CHPs. • Tenants pay 30% of their income under this model which would be capped at 25% if they were eligible for IRRS.
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PWA Implications of Options

Under this option Council would retain the land meaning no section 40 PWA decision making, or other land disposal consequence arises.

Future growth

As per the key findings in the Stage 1 report, under the current model, Council will face issues with its ability to both continue to deliver the current units as well as any portfolio growth without a high reliance on ratepayer funding. Under this option Council will face funding issues with both development costs and the ongoing subsidy required to operate the portfolio under the current rent setting approach.

Council can apply to MHUD's Affordable Housing Fund which would not require Council to change the current delivery model of the older persons housing portfolio. There is however no certainty around this option with the fund being contestable, nor is there any guarantee of future rounds of this funding.

Under the status quo delivery model, it is harder to increase portfolio size and address the issue of not having accessible housing options within the portfolio.

Case studies

Napier City Council

Napier City Council which recently completed a review of their 377-unit older persons housing portfolio. Their units are 60 years old and maintenance costs were increasing due to the age of the portfolio. With projected repairs, maintenance, and replacement over the next 25 years the projected average annual shortfall based on their current delivery model is \$2.2m. Napier City Council consulted with the public on the three options below:

1. Keep all 377 units in 100% Council ownership.
2. Keep the 'retirement villages', sell the 'social villages' to another CHP and use the sale proceeds to build some new units.
3. Sell all the units to a CHP.

There were several considerations in the decision-making process including the community feedback received, Napier's housing situation, the Government reforms underway, and the impact this decision would have on current tenants.

The decision was made to retain the whole portfolio and to fund the forecasted annual shortfalls through a combination of increased rents and increased rates, the breakdown being 80% of the costs would be funded through rents (tenants) and 20% of the costs would be funded through rates (ratepayers).

When the decision was made in 2022 to retain the portfolio, Council agreed to continue to lobby Government for access to the income-related rent subsidy, without which the Council needs to reconsider its position on provision of the housing.

Western Bay of Plenty District Council

Unfortunately, as funding available through the first two rounds of the Affordable Housing Fund has only recently been allocated to successful applicants, there is no example of where new units have been completed. However, the Western Bay of Plenty District Council was successful in their funding application to MHUD's first round of the Affordable Housing Fund and was able to access \$2.4 million towards their development in Katikati. Through this funding and an additional \$4.6 million Council had available through its Better Off Funding it can redevelop its Katikati site by delivering a mix of 26 new one- and two-bedroom units. There are currently 11 older units on the site which will be demolished, resulting in an additional 15 units on the site (the AHF funding can only be used for net new dwellings). Much like Kāpiti, Katikati has a shortage of smaller typologies, and this funding will increase the supply meaning older people can stay in their local community. The project is currently open for tenders.

3.4 Delivery Option 2A – Council establishes a CHP and transfers ownership of the portfolio.

Overview

The second option for Council to consider is creating a CHP to transfer ownership of the portfolio. Councils have been unable to apply to become CHPs and therefore cannot access income-related rent subsidy on their portfolios. To access the IRRS, some Councils have set up housing entities which

operate independently of Council, so that they are able to achieve CHP registration. An entity's independence can be evidenced by its constitution, membership of its governing body, and its governance and financial management structures. The establishment of a CHP and contracting with MHUD can be a long process and will take time before the CHP will be eligible to start receiving IRRS, OS and redirects.

Under current policy, an independent housing entity can access the IRRS and OS on net new units within their portfolio, but it is important to note that existing tenants are not eligible for IRRS, and providers can only access the subsidy for new tenants in new supply dwellings. In limited circumstances MHUD will consider redirects (IRRS on existing dwellings) where through the additional funding the provider is able to bring on new supply. The OS which is paid in addition to the IRRS for eligible net new public housing was introduced by MHUD to incentivise new builds, and it is calculated as a percentage of market rent up to a percentage cap. The IRRS and OS funding through MHUD is an invitation to partner, however OS is capped at 90% in the Wellington Region.

Council may consider the transfer of the portfolio to the CHP through a staged approach, prioritising villages which can be further developed first. This would support the access to external funding which would help to ensure that the CHP is set up for financial success.

Under this option the independent entity can achieve CHP registration to access IRRS but also provide affordable rentals should Council wish to provide housing options to those not eligible for public housing. All tenants accessing IRRS will come through via the MSD social housing register. When taking tenants from the register, Council has some level of discretion on who they allocate units as they have eligibility criteria based on age of applicant (i.e., must be over 65).

Process

If Council looks to set up their own CHP, they will need to establish an independent entity and achieve CHP registration through CHRA before MHUD will contract for IRRS. The establishment and registration of the CHP will take time, as currently CHRA are experiencing record numbers of applications and the projected wait time once an application is received is approximately six months for an evaluation to begin. Once the evaluation process begins, CHRA aim to provide the applicant with a decision within 60 working days.

MHUD is looking to work with CHPs on new public housing which complements the delivery by Kāinga Ora, in line with the approach set out in the Public Housing Plan 2021-2025. MHUD have additional criteria they like CHPs to meet, however they are not compulsory. These include:

- A CHP owning or having access to land for development.
- Develop in locations where Kāinga Ora have a limited presence or development pipeline.
- Provide bespoke housing solutions to meet the needs of individuals, families, and whanau.
- Use innovative delivery models.
- Meet accessibility and universal design standards.

Benefits and risks

Benefits	Risks	Implications
<ul style="list-style-type: none"> Potential access to government funding. CHP specifically set up to deliver service. Some degree of control could be retained. This could be through a Trust Deed, Board involvement or reporting. Reduced financial commitment and risk to Council. Potential for increased wraparound services for tenants. Potential to grow portfolio in district with access to the IRRS and OS for new units. Ability to have a mix tenure portfolio of affordable and public housing places. 	<ul style="list-style-type: none"> Size of portfolio may not justify the creation of a CHP (only councils with larger portfolios have established CHPs to date). Portfolio may lack scale to recruit sufficient resources. Large set up costs with creation of CHP and transfer of portfolio. MHUD may not provide funding for existing OPHUs. 	<ul style="list-style-type: none"> Council loses direct control. Portfolio may no longer sit on Council's balance sheet depending on how the entity is structured. Long timeframes expected for Council to set up an independent entity, achieve CHP registration and contract with MHUD.

PWA Implications of Options

The land will need to be declared surplus to its current public works use if to be transferred to a non-public works provider. This is a viable option for Council to best meet its ongoing housing delivery but will necessitate section 40 PWA decision making if entitlements to an offer are enjoyed by former owners or successors.

We suggest the overall s40 PWA equation be considered in light of the due diligence exercise noted, as that is likely to highlight the overall significance of and options to address any s40 PWA obligations once identified.

Notwithstanding this, there is good opportunity for Council to pursue a portfolio transfer to a CHP on the basis that the making of any section 40 PWA offer would be unreasonable. An offer may be unreasonable as protecting the rights of a former under s40 PWA must be balanced against other

relevant criteria, including public benefit in allowing another form of transfer. The public benefit could be substantiated assuming Council can, with objective evidence, demonstrate that the transfer of the portfolio will provide a better result.

We believe an exemption can be supported if the outcome of the transfer would be to give a better public housing delivery than what could be achieved if to continue as a public work (essentially being option 1).

In addition to this we recommend Council consider creating controls on the new provider to ensure the ongoing housing use. This could take several forms, including an encumbrance registered on the titles in favour of Council requiring commitment by the purchaser to public housing and protection of tenants. Other options could include an ability to repurchase if the use is to be discontinued at a required public housing delivery level.

The nature and strength of recommended controls will depend on currently unknown factors, such as the actual s40 PWA interests that might be compromised, strength of the public housing outcome compared to alternatives, and the standing and nature of the new provider.

We don't believe s40 PWA rights should exist to compromise Council achieving what is otherwise the best future housing decision. What exactly is required can be addressed as the project evolves.

Future growth

This delivery model (build-to-own) is the preferred method of contracting from MHUD over the partnership models (build-to-lease) as a partnership model is more expensive for MHUD due to the requirement of both the lessee and lessor accessing OS. By establishing a CHP that operates independently of Council, the CHP could access IRRS for new (eligible) tenants as well as access to an OS. With additional funding by way of IRRS and OS this delivery option would be the most financially viable growth mechanism for the portfolio. It is important to note that as Council is not automatically eligible for this funding, it will take time to create the entity, achieve CHP registration, and negotiate with MHUD to access the funding.

Case studies

Wellington City Council / Te Toi Mahana

Wellington City Council (WCC) had to consider a change of delivery model for their portfolio of almost 1,800 properties as it was in an unsustainable financial position (losing circa \$29,000 a day) with operating and capital shortfalls, cash reserves being depleted by 2022/23, and unable to meet Deed of Grant requirements beyond FY22/23.

The decision was made to establish a CHP (Te Toi Mahana) that would be set up as an independent community-owned trust. Assets were then leased to the trust (not transferred) via a leasehold agreement and the CHP would be capitalised with a least a medium level of up-front capital (\$20-\$50m) to enable it to get underway with housing upgrades work and invest in new supply. Under this model the CHP delivers a full service offering and is responsible for tenancy management,

minor/reactive maintenance and major maintenance and upgrades. As the asset owner, the Council retains some control on major asset maintenance and upgrades through the establishment of a maintenance fund. WCC will continue to undertake the major housing upgrade programme agreed with central government and implement upgrades for healthy homes.

Whilst this is an example of a lease model between Council and Te Toi Mahana, Council also provided the CHP with approximately \$10m of property and \$23m of development funds and therefore it is an example of both delivery options 2 & 4.

3.5 Delivery Option 2B – Council transfers portfolio ownership to an existing CHP

Overview

The third option for Council to consider is transferring the ownership of the portfolio to an existing CHP by way of sale or gifting the portfolio. Council would need to ensure that the CHP was well-placed to continue to support the existing tenants and in a good operational position to be able to grow the portfolio in the future. Horowhenua District Council transferred their portfolio to Compassion Housing under this model and the transfer set the CHP up well for future growth through the sale at a discounted rate and the inclusion of additional land for future expansion as detailed in the below case study. An existing CHP may also be in a position where they have a strong balance sheet and a large portfolio they can leverage off.

Process

If transferring to an existing CHP, Council will need to ensure that the CHP is well placed to provide housing to older persons going forward. Council would need to carry out investigation into suitable CHPs to transfer the portfolio to who well placed to acquire the portfolio, support existing tenants, and continue to grow the portfolio.

Benefits and risks

Benefits	Risks	Implications
<ul style="list-style-type: none"> Potential for increased wraparound services for tenants. Potential to grow portfolio in district with access to the IRRS and OS for new units. 	<ul style="list-style-type: none"> Council may be unable to find a suitable existing CHP to transfer ownership of the portfolio to. Portfolio may lack scale to recruit sufficient resources. MHUD may not provide funding for existing OPHUs. 	<ul style="list-style-type: none"> Council loses control.

-
- If the CHP has a larger portfolio
Kāpiti may not be a key focus area
for the CHP.
-

PWA Implications of Options

The same implications apply for Option 2B as applied for Option 2A; these has been repeated for completeness.

The land will need to be declared surplus to its current public works use if to be transferred to a non-public works provider. This is a viable option for Council to best meet its ongoing housing delivery but will necessitate section 40 PWA decision making if entitlements to an offer are enjoyed by former owners or successors.

We suggest the overall s40 PWA equation be considered in light of the due diligence exercise noted, as that is likely to highlight the overall significance of and options to address any s40 PWA obligations once identified.

Notwithstanding this, there is good opportunity for Council to pursue a portfolio transfer to a CHP on the basis that the making of any section 40 PWA offer would be unreasonable. An offer may be unreasonable as protecting the rights of a former under s40 PWA must be balanced against other relevant criteria, including public benefit in allowing another form of transfer. The public benefit could be substantiated assuming Council can, with objective evidence, demonstrate that the transfer of the portfolio will provide a better result.

We believe an exemption can be supported if the outcome of the transfer would be to give a better public housing delivery than what could be achieved if to continue as a public work (essentially being option 1).

In addition to this we recommend Council consider creating controls on the new provider to ensure the ongoing housing use. This could take several forms, including an encumbrance registered on the titles in favour of Council requiring commitment by the purchaser to public housing and protection of tenants. Other options could include an ability to repurchase if the use is to be discontinued at a required public housing delivery level.

The nature and strength of recommended controls will depend on currently unknown factors, such as the actual s40 PWA interests that might be compromised, strength of the public housing outcome compared to alternatives, and the standing and nature of the new provider.

We don't believe s40 PWA rights should exist to compromise Council achieving what is otherwise the best future housing decision. What exactly is required can be addressed as the project evolves.

Future growth

Should Council look to transfer the portfolio through sale or gifting to a CHP, Council should ensure the CHP is positioned to manage the current portfolio well and further expand including taking on

existing tenancies as a condition of the transfer. Council will also require further financial advice on whether it is an option to divest at a below market value before the decision is made to do so.

Case studies

Horowhenua District Council – transfer to CHP Compassion Housing

Horowhenua District Council sold the portfolio in November 2017 to Compassion Housing who are a registered CHP. The 115 units were sold along with 1.1 hectares of land which is yet to be developed but was included in the sale to enable Compassion to build more public housing to meet future demand. The portfolio was sold for \$5.25m with the express intent of retaining the portfolio for older persons housing. Should the portfolio have been sold on the open market it may have sold for a higher price, however Council wished to ensure that it provided security of tenure for its current tenants and continued to support this demographic into the future. Compassion Housing are a CHP who are focused on providing older persons housing which meant they were well placed to support Council's tenants.

Nelson City Council – transfer to Kāinga Ora

Nelson City Council (NCC) transferred their portfolio to Kāinga Ora in February 2021. NCC's Pensioner Housing portfolio was a contingent liability. Although well managed and maintained, upgrading to meet current regulatory standards was difficult and would become an increasing burden to ratepayers. Key motivations for divestment were:

- Future financial sustainability.
- Meeting the needs of the community and tenants.
- The portfolio size (142 units).
- NCC unable to extend wraparound services to tenants.

NCC retained its key objective to 'meet the needs of the local community'. Discussions commenced with tenants, stakeholders, local housing providers, Kāinga Ora, Local Government, and a strategic asset consultancy company to establish a delivery method encompassing the key objectives.

The portfolio was divested to Kāinga Ora because it offered the most secure tenure to retain and manage existing tenants. Kāinga Ora offered market value and were considered the most suited provider in terms of access to community wrap around services.

The agreement also supported the shared housing priorities of both parties by creating a Housing Reserve to help support both affordable and social housing projects in Nelson. The portfolio sold for \$19.8m with \$12m being available to the reserve immediately on settlement, \$5m held back for up to 15 years, the remaining \$2.7m was to be used for healthy homes upgrades to housing and to pay back a loan from Kāinga Ora. Many of NCC's tenants qualified for IRRS, but for the small number of tenants who didn't meet the criteria, money was set aside to provide rent top ups. Generally, only new tenants are eligible for IRRS, however existing eligible tenants could access it in this case.

The divestment was a slow and complex process. There were no examples of this being carried out in any other territories, so it was a custom-made approach to NCC's situation. Informing stakeholders and interested parties was a positive decision as it allowed transparency with the community and resulted in a positive outcome. It is important to note that this deal was a 'one-off' which required ministerial approval and potentially not an option for Kāpiti Coast District Council.

3.6 Delivery Option 3 – Council leases the portfolio to a CHP

Overview

Under this option Council retains ownership and leases the OPH portfolio to a registered CHP with conditions to ensure the existing level of housing and service provision is at least maintained. We have not considered leasing to a non-registered agency as there are numerous benefits of a registered agency that outweigh a non-registered agency, due to Government regulations and funding etc. Under this option Council could create a CHP which leases the portfolio or lease to an existing CHP.

Council leasing the portfolio to a CHP would require a significant contribution from MHUD by way of an operating supplement and is therefore a less preferred funding model for MHUD. Small build-to-lease opportunities will be considered by MHUD in limited circumstances in the Wellington region. This would be considered as an option by MHUD where they are supporting an existing CHP to get established in a location where they currently do not operate or they, or they own most of their stock and they have reached their maximum borrowing capacity. MHUD generally funds build-to-lease contract for 10-15 years as opposed to build-to-own which are usually 25-year contracts.

Process

If Council decide to partner with a CHP, they will need to ensure the CHP is well placed to support existing tenants and is committed to supporting future growth of the portfolio. Once a suitable lessee partner is decided upon, discussions should be undertaken with MHUD around the level of support they are able to provide with existing and new supply. Once the model has been agreed, lease and partnership agreements will need to be signed up between Council (lessor) and CHP (lessee).

If Council decide to establish their own CHP to lease the portfolio to, Council will have the ability to ensure that the CHPs mandate aligns with Council objectives for the portfolio which is a level of control they would not achieve when partnering with an existing provider.

Benefits, Risks, and Implications

Benefits	Risks	Implications
<ul style="list-style-type: none"> • Council retains ownership. • Greater level of Council control over development. • Balanced level of return to Council. 	<ul style="list-style-type: none"> • Set up costs to agree partnership and document agreement. • Council loses a level of control. • Potential for deadlock if parties disagree. • Mixed tenure model likely required which is a change to current OPH model. • MHUD funding will need to be negotiated. 	<ul style="list-style-type: none"> • Leasing would impact the ability for a CHP to raise mortgage debt and another instrument may be required.

PWA Implications of Options

A lease to a CHP could be granted without the land being declared surplus such that no section 40 PWA inquiry is needed. This would be on the basis Council continues to own the land which remains needed for a public work, however the actual delivery is best achieved through the outsourcing lease arrangement. We are aware of examples of leases in similar circumstances.

We note some of our section 40 PWA comment under option 2 is relevant, in that it is assumed the lease would improve the current public works housing functioning and so provide an improved public benefit. It is difficult to see a former owner having a complaint on this basis, as the land would not be surplus in the alternative if retained by Council. Controls to ensure the housing delivery could be built into the lease. This seems a straighter forward setting than the development of controls needed under option 2. The section 40 PWA rights would arise for consideration at such point as the lease ends and there is no other public works need for the land which remains owned by Council.

Future Growth

Ensuring that the lease arrangement and financial model is viable for both Council and the lease partner will be crucial to the long-term success of the partnership. When exploring this model Council needs to ensure that the partner is well placed to support existing tenancies and have a desire and the means to grow. Depending on the level of funding Council can access under the new model, this model may still require capital injections from Council. Should Council find that a partnership model with an existing CHP would not be suitable they may wish to explore establishing a CHP to lease the portfolio to as Christchurch City Council and Wellington City Council have.

Case Study

Christchurch City Council / Ōtautahi Community Housing Trust

Ōtautahi Community Housing Trust (OCHT) was established in 2016 and has been leasing the Christchurch City Council's housing portfolio since. OCHT has provided a better service and quality of housing, increased its housing stock by a further 587 units (which are owned by the Trust), and Council has been able to ensure a sustainable and viable social housing entity for Christchurch. A change from specific pensioner housing to social housing did however cause a management obstacle as the portfolio now catered to a mix of different cohorts, but the Trust now provides wraparound support services to tenants that it was not able to offer under its previous model.

The process of establishing OCHT included consultation with the wider community, key stakeholders, and tenants. The feedback was used to develop OCHT, retain staff knowledge and expediate the transfer of properties to OCHT in three stages:

1. Shift tenancy management and small maintenance requirements across to the OCHT.
2. Maintenance transfer once the team had a pool of suppliers established to manage this work.
3. All major and minor management including some 40 Council staff transfers to OCHT, completing transition in 2021.

Council was able to provide OCHT access to lending at reduced rates which was beneficial to both parties. Whilst the Christchurch City Council's portfolio is still leased to OCHT the Trust now have a portfolio of owned and leased properties. MHUD's current preference is for the CHP to have ownership of the portfolio rather than leasing and therefore under current settings this structure will be harder to negotiate than a CHP ownership model.

3.7 Delivery Option 4 - Divest the portfolio on the open market.

Overview

Divestment of the portfolio is the fourth delivery model available to Council. Divestment could be considered for either individual village or the entire portfolio. By divesting of individual villages which were identified in the Stage 1 report as not being as suitable for older persons housing, capital could be reinvested into growing the portfolio at more suitable locations within the district.

Whilst divestment to the private market does not meet Council's housing objective to retain and grow housing stock within the sector this is an option Council could use to raise capital through divestment of less suitably located villages. Capital could then be used to fund intensification of other villages which would support portfolio growth in locations within the district with a higher level of need.

Process

If Council decides the preferred option is to divest all or some of the OPH portfolio, adequate community consultation will be required. Council may decide to divest of the portfolio on a village-by-

village basis selling off sites which were identified in the Stage 1 report as not being as suitably located for older persons housing. Should the units be sold on the open market, Council will look to achieve market value for the units.

Benefits & Risks

Benefits	Risks	Implications
<ul style="list-style-type: none"> No further reliance on ratepayer funding to support the service. Sale proceeds could be reinvested into new housing supply. 	<ul style="list-style-type: none"> If partial divestment of the portfolio and no change in operating model, there would be no improvement in sustainability of the remaining portfolio. Market sounding and procurement approach required to select organisation. Public concern at loss of portfolio. 	<ul style="list-style-type: none"> Loss of control. Some or all of the portfolio will be no longer be available for affordable housing.

PWA Implications of Options

Option 4 is divestment to the market, with no controls to ensure ongoing public housing use. We understand this would require the land to be declared surplus to the current public works function on the basis Council would be deciding this is no longer necessarily to be the use of the land. Potentially making s40 PWA offers could be unreasonable if say the return from the sale would be substantially reduced if sold to former owners in a piece meal fashion. There may be other land use and encroachment issues that mean Council cannot make a simple offer of the land and therefore what is reasonably and practicably required needs consideration. This may lead to grounds for s40 PWA exemptions but would require close consideration on the facts.

This question would need to be considered once preliminary Section 40 reports have been completed to establish specific issues. Finding an exemption on these grounds appears much riskier and we are unaware of any comparable experience.

Future growth

Council may consider divesting individual villages which are not meeting needs identified in the site evaluation criteria (Stage 1 report). The sale of villages which are not as suitable for future growth or not well positioned to meet the needs of the cohort as others, could be divested with the funds reinvested into growth of other existing villages, or development of other suitable land owned by Council.

Case studies

Tauranga City Council – divested to Kāinga Ora & Private Market

In 2022 Tauranga City Council (TCC) sold seven of its nine older persons villages to Kāinga Ora with an arrangement in place that Kāinga Ora would continue to deliver affordable housing to existing tenants. Kāinga Ora was better placed than TCC to redevelop the villages and upgrade the existing units. TCC considered the other two villages were in unsuitable locations for public housing and therefore these villages are being sold for private development. Funds received from the sale of the portfolio are being reinvested into supporting local community housing providers and papakāinga housing. Further consultation is being carried out on where funds will be allocated but the first part of the proposal involves investing \$10m into a Housing Equity Fund.

4. Evaluation of Portfolio Delivery Options

4.1 Overview

To support Council's decision-making process and to inform further engagement with MHUD this section provides an evaluation of the different delivery models available to Council. The evaluation of each delivery model has been undertaken against a set of evaluation criteria to determine which option best meets Council's objectives for the portfolio. The evaluation framework used, and inputs is outlined below.

4.2 Delivery options evaluation framework

The below evaluation framework has been used to evaluate each of the delivery options against Council's objectives for the portfolio. The three criteria below are used to rank the different delivery options using both qualitative and quantitative measures to ensure that the evaluation of the delivery options considers all objectives for Council. The options are ranked from 0-4 (lowest to highest score).

TABLE 2: DELIVERY OPTIONS EVALUATION CRITERIA

Evaluation criteria	Definition
1. Supports improved financial sustainability for Council	The delivery option is financially sustainable, minimising the impacts on ratepayer and Council debt levels.
2. Supports portfolio growth	The ability for the delivery option to support further growth of the portfolio through an increase in the number of units.

3. Security of tenure for older persons	The delivery options provide security of tenure for the older persons' cohort (i.e., Council retains some level of control of eligibility to ensure this cohort remains the focus).
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4.3 Financial Evaluation of the delivery options

To evaluate and compare the potential financial performance of each of delivery option (Evaluation Criteria 1), high level financial analysis and modelling has been undertaken based on a range of scenarios. The purpose of this analysis is to identify the potential operating deficit or surplus across the options for both the Council and the CHP. A summary of the outcomes of this analysis is provided in the following sections.

It is important to note that this financial analysis has been undertaken to inform the high-level evaluation process only and is based on some assumptions (refer to Appendix A) and potential scenarios outlined below. It is recommended that, as the decision process progresses, more in-depth financial analysis is undertaken to determine the settings required for transfer or lease of the portfolio.

The modelling undertaken for the financial evaluation has been based on MHUD's Template Financial Model which is used internally to assess CHP applications for funding. That model has been updated to analyse how the different scenarios, including how servicing differing debt levels affect the CHP's financial performance. Council has provided the analysis of impacts to the book value and CAPEX/OPEX expenditure.

Status quo (Option 1)

As outlined in the Stage 1 report, the portfolio is currently operating at a year-on-year loss. This is presented again in the summary Table 3 below which has been taken from the draft 2024 Long term plan for the next 5 years. This ongoing deficit is anticipated to result in a 1-2% impact on rates annually (Kāpiti Coast District Council, 2023).

TABLE 3: FINANCIAL PERFORMANCE OF STATUS QUO

Budget year	2024/25	2025/26	2026/27	2027/28	2028/29
Operating deficit	(\$807,970)	(\$941,286)	(\$1,082,686)	(\$1,235,967)	(\$1,438,778)
Capital Expenditure	\$1,447,675	\$932,783	\$1,327,794	\$1,152,056	\$2,283,004

A further forecast budget across the next 10 years demonstrates that without a change to operating model the portfolio will potentially make a combined loss of up to \$37 million over the next 10 years.

Transfer to CHP (Option 2A & 2B)

Due to the long-term operational deficit anticipated, transfer of the portfolio to a CHP will require a level of financial assistance as part of the transfer to ensure the success of the CHP at the outset.

To understand both the financial impact on Council to provide varying levels of support and the financial sustainability of the CHP a range of scenarios have been modelled. This includes the following scenarios:

- Scenario A: Council transfers the portfolio to CHP as 50% equity and 50% debt.
- Scenario B: Council transfers the portfolio to CHP as 70% equity and 30% debt.
- Scenario C: Council transfers the portfolio to CHP as 99% equity and 1 % debt (equivalent to gifting of the portfolio)

Note: all scenarios assume that through negotiation with MHUD 50% of the existing portfolio will receive access to the IRRS. This has been included based on the initial results of the analysis that demonstrate some level of central government support will be required to achieve a sustainable outcome for the portfolio for both a CHP and Council.

As noted in earlier sections of this report, MHUD have advised that the IRRS subsidy is available to net new tenancies created. It is therefore a key recommendation of this report that further engagement is required with MHUD to discuss the level of subsidy required to address the high level of need in the district.

The results of the analysis of Option 2A and 2B are demonstrated in the following Table 4. The analysis demonstrates that, as the support from Council increases (by way of equity) the yearly deficit to the CHP reduces. Whilst full transfer of the portfolio at market value will incur a “one off” financial impact to the Council (\$20M - current book value of the portfolio), Council will no longer be experiencing the yearly operational deficit of the portfolio.

TABLE 4: FINANCIAL PERFORMANCE OF OPTION 2A AND 2B (TRANSFER OF THE PORTFOLIO TO A CHP)

Scenario: (All scenarios assume IRRS applies to 50% of portfolio)		A 50% equity - 50% debt	B 70% equity - 30% debt	C 99% equity – 1% debt
Equity		\$6,070,000	\$8,498,000	\$12,018,600
Debt (Council loan at LGNZ rate)		\$6,070,000	\$3,642,000	\$121,400
CHP				
Year 1 surplus/(deficit)		(\$505,852)	(\$325,729)	(\$64,549)
Council OPEX forecast	(2024/25 LTP)	(\$807,969.50)	(\$807,969)	(\$807,969)
Council				
Balance sheet	\$20M (book value)	(\$13,930,00)	(\$16,358,000)	(\$19,878,600)
Reduction in OPEX/CAPEX	2024/25- 2033/34	\$37,011,612		

Lease to CHP (Option 3)

To understand how leasing the portfolio to a CHP would change the financial outcome to and the success of the CHP, modelling has been undertaken to both determine the potential cash flow impacts (refer to Table 5). This includes the following scenarios:

- Scenario D: Portfolio retained by Council and leased by CHP. OPEX costs transferred to CHP and CAPEX costs retained by Council.
- Scenario E: Portfolio retained by Council and leased by CHP. OPEX and CAPEX costs transferred to CHP.

TABLE 5: FINANCIAL PERFORMANCE OF OPTION 3 (LEASE TO CHP)

Scenario: (All scenarios assume IRRS applies to 50% of portfolio)		D CAPEX costs to Council	E CAPEX costs to CHP
Equity (retained by Council)		\$12,140,000	\$12,140,000
CHP			
Year 1 surplus/(deficit)		\$390,590	\$390,590
Council OPEX forecast	(2024/25 LTP)	-\$179,852	-\$179,852
Operating supplement		>52%	>140%
Council			
Balance sheet	\$20M (book value)	\$20M	\$20M
Reduction in CAPEX/OPEX	2024/25-2033/34	-\$1,882,080	\$37,011,612

The analysis demonstrates that the lease option will continue to have an ongoing financial cost to Council unless the lease agreement transfers the CAPEX costs to the CHP. If this was the case a similar saving to Council as under the transfer model (Scenario C) can be achieved. However, MHUD is unlikely to agree this as an option as the operating supplement required to ensure this works is very high.

Divestment

Divestment of the portfolio would mean that Council would reduce its overall equity position by the estimated \$20M book value however no longer have the ongoing operating loss. However, as demonstrated in the following section does not allow for continuation of the service.

5. Portfolio Delivery options evaluation summary

The below table summarises the performance of the delivery options against the evaluation framework. The evaluation table provides a ranking for each of the options based on the ability for the delivery model to meet the objectives of Council for the portfolio. Scores range from 0 – 4 being lowest to highest, options are then ranked on which options have scored the highest by meeting the evaluation criteria.

Table 4: Delivery Options Evaluation Summary Older persons housing Portfolio

Evaluation Scale:

1 - Does not meet criteria	2 - Provides some improvement but does not meet criteria	3 –Partially meets criteria	4 – Meets criteria
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Evaluation Criteria	Option 1 Status Quo (No change)	Option 2A Council creates CHP and transfers ownership	Option 2B Council transfers portfolio ownership to an existing CHP	Option 3 Council leases portfolio to CHP or KO	Option 4 Council divests to the open market
Supports improved financial sustainability for Council. The delivery option is financially sustainable, minimising the impacts on ratepayer and Council debt levels.	1	4	4	3	4
Supports portfolio growth. The ability for the delivery option to support further growth of the portfolio through an increase in the number of units.	1	4	4	3	1
Security of tenure for older persons. The delivery options provide security of tenure for the older persons' cohort	3	3	2	2	1
Total Score	5	11	10	8	6
Council retains majority ownership	Yes	No	No	Yes	No
Council retains operating control	Will be limited by financial burden.	Potential to influence through governance structure and partnership agreement.	Some potential to influence through conditions of sale.	Some potential to influence through conditions of lease.	If sold on the open market Council has no ability to retain operating control.
Ranking	5	1	2	3	4

6. Conclusion

The Stage 1 report identified that the current delivery model does not ensure sustainability of the housing portfolio into the future and a change of operating model is required. To ensure that the portfolio can decrease reliance on rates funding whilst ensuring rents remain affordable for tenants, financial support is required from central government. We recommend Council adopts a delivery model which enables the ability to apply for funding to help support future growth of the portfolio.

The recommended delivery model is for Council to establish a CHP which can take over the portfolio from Council either through a transfer of ownership or lease model. Under the current delivery model where Council is not receiving any form of government subsidy on the portfolio and receiving a below market rent from tenants, Council will experience an upfront loss with the cost of developing the units. Council will also experience an ongoing deficit operationally for any new units if market rent is not achieved through access to IRRS and OS. We therefore recommend that no redevelopment is undertaken until a new delivery model has been adopted which can better support portfolio growth.

A combination of multiple delivery models may be required. With the need to expand the portfolio to meet growing demand for affordable older persons housing within the district, divestment of less suitable villages may be required to provide capital funding for new developments. Therefore, Council may need to use a mix of the different delivery models explored in this report to achieve the best outcomes for the portfolio. Further modelling would need to be completed to understand in more detail what financial impact divestment and development will have on the portfolio under different scenarios to understand how to best achieve future growth and financial sustainability of the portfolio.

It is recommended that redevelopment be staged to ensure that existing tenants have security of tenure and can be decanted into other units whilst redevelopment of the site is undertaken and that there is a net increase in dwellings at each stage of redevelopment. Council may decide to undertake redevelopment at multiple villages over the same period to meet demand across the district. With the current market conditions being unfavourable for construction projects, staging the development will minimise the impact of risk factors such as construction costs, financing and rehousing existing tenants during the redevelopment period.

With Kāinga Ora having a smaller presence in the district compared to the rest of Wellington and only a small number of places provided by CHPs there is an opportunity for Council to work with MHUD to bring on new supply in Kāpiti which aligns with the public housing plan.

Although under the modelling provided within this report Council may be able to access ongoing OS and IRRS to ensure the portfolio remains sustainable there is still a need to consider in more detail how the funding of any new developments or acquisitions are structured and it is therefore recommended that Council investigate capital funding for portfolio expansion.

Appendix A – Modelling Assumptions

The modelling undertaken for the financial evaluation included in this report has been based on MHUD's Template Financial Model which is used internally to assess CHP applications for funding. That model has been updated to analyse how the different scenarios, including how servicing differing debt levels affect the CHP's financial performance. Council has provided the analysis of impacts to the book value and CAPEX/OPEX expenditure.

The following key assumptions are included in the modelling:

- Council's projected rental as per the annual planned income 2023/2024 has been used to determine future revenue of the of the portfolio.
- A 98% occupancy rate has been assumed.
- Tenancy Management costs are based on 8.5% of gross rental income per annum based on a review of industry benchmarks.
- Finance cost assumptions incorporate Local Government Funding Agency (LGFA) discounted interest rates.
- \$2,500 per annum per unit capex cost is assumed across all scenarios.
- Utilities are paid by tenants.
- GST has been excluded from the analysis. Seeking further advice to determine tax implications is recommended.
- No operating supplement from MHUD has been included in the modelling. Allowance for the IRRS has been used as a proxy for a level of financial support required from central government moving forward.
- OPEX includes:
 - Rates base year 2024/25 135KR Rates, Housing for Older Persons 06 Oct 2023 (002).xlsx, 1/12/2023
 - Insurance base year 2024/25 135KI Insurance, Housing for Older Persons 06 Oct 2023 (002).xlsx, 1/12/2023
 - R&M base year 2024/25 13591 District Maintenance (total), Housing for Older Persons 06 Oct 2023 (002).xlsx, 1/12/2023
 - Other Expenses base year 2024/25 13577 Depreciation, Housing for Older Persons 06 Oct 2023 (002).xlsx, 1/12/2023
 - Tenancy Management base year 2024/25 13580, 13581, 13583 Overheads & 13558 Tenant Liason Officer & 135KI Interest, Housing for Older Persons 06 Oct 2023 (002).xlsx, 1/12/2023
 - Intererst base year 2024/25 135KI Interest, Housing for Older Persons 06 Oct 2023 (002).xlsx, 1/12/2023
- CAPEX includes:
 - Capital replacements base year 2024/25 1355D Districtwide Housing Renewals from 2024/25 - 2033/34 (10yrs), Housing for Older Persons 06 Oct 2023 (002).xlsx, 1/12/2023.

9.3 IWI PARTNERSHIPS TEAM UPDATE

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An update from the Iwi Partnerships Team.

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