



First Ordinary Meeting of the Hawke's Bay Regional Council

Date: Wednesday 3 November 2010
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

| ITEM | SUBJECT | PAGE |
|--|---|------|
| 1. | Welcome/Prayer/Apologies/Notices | |
| 2. | Conflict of Interest Declarations | |
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| Decision Items | | |
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HAWKE'S BAY REGIONAL COUNCIL

Wednesday 03 November 2010

Item 3

SUBJECT: ACTION ITEMS FROM COUNCIL MEETINGS

INTRODUCTION:

1. On the list **attached** as **Appendix 1** are items raised at Council meetings that require actions or follow-ups. All action items indicate who is responsible for each action, when it is expected to be completed and a brief status comment for each action. Once the items have been completed and reported to Council they will be removed from the list.

DECISION MAKING PROCESS:

Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that as this report is for information only and no decision is required in terms of the Local Government Act's provisions, the decision making procedures set out in the Act do not apply.

RECOMMENDATIONS

That the Council receives the report "Action Items from Council Meetings".



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

- 1 Action Items

Actions from Council Meetings

| | Agenda Item | Action | Person Responsible | Due Date | Status Comment |
|----|---|---|--------------------|----------|--|
| 1. | General Business – Tutira Property | Update to be given on what is happening with this property with respect to property plan adopted by Council covering issues including forestry, demonstration trials, recreational opportunities. | MA | Nov 10 | Report to be brought to November meeting of AM&B Committee. |
| 2. | Invest in HBS/Southland Bank | Due to the merger is this bank's credit rating now at the position council could invest here? | PD | Nov 10 | Mr Drury to investigate for the 24 November Council meeting. |
| 3. | Hearing appeals – costs and recoveries | Sequence of data to track these | DL | Oct 10 | This update will be provided as part of the 3 monthly Annual Plan Progress Reporting provided to Council |
| 4. | Record parts of Council Meetings or Events upon invitation to play back on Bay FM during evenings or on a Sunday. | | AN | Nov 10 | The CE received a letter making this request and would like the request discussed by Council. |

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 03 November 2010

Item 5

SUBJECT: AFFIXING OF COMMON SEAL

COMMENT:

1. The Common Seal of the Council has been affixed to the following documents and signed by the Chairman or Deputy Chairman and Chief Executive or a Group Manager.

| | | Seal No. | Date |
|-----|--|----------|-------------------|
| 1.1 | Leasehold Land Sales 1.1.1 Lot 10 DP 6391 CT D4/1420 - Transfer | 3001 | 27 September 2010 |
| 1.2 | Agreement to Grant Easement Pakahu 33F Block CT 90/120 (Awanui Stream Flood Protection) | 3000 | 23 September 2010 |
| 1.3 | Specification for Westshore Beach Nourishment 2010 Contract No: 10-06-4218c | 3002 | 1 October 2010 |
| 1.4 | Acquisition of Land under the Public Works Act 1981 Part Lot 1 DP 431741 CT 522394 (Awanui Stream) | 3003 | 1 October 2010 |

DECISION MAKING PROCESS

2. Council is required to make every decision in accordance with the provisions of Sections 77, 78, 80, 81 and 82 of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within these sections of the Act in relation to this item and have concluded the following:
 - 2.1 Sections 97 and 88 of the Act do not apply;
 - 2.2 Council can exercise its discretion under Section 79(1)(a) and 82(3) of the Act and make a decision on this issue without conferring directly with the community or others due to the nature and significance of the issue to be considered and decided;
 - 2.3 That the decision to apply the Common Seal reflects previous policy or other decisions of Council which (where applicable) will have been subject to the Act's required decision making process.

RECOMMENDATION:

That Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.

2. Confirm the action to affix the Common Seal.



Diane Wisely
EXECUTIVE ASSISTANT



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

There are no attachments for this report.

Wednesday 03 November 2010

SUBJECT: CODE OF CONDUCT

INTRODUCTION:

1. Under Schedule 7 Part 15 of the Local Government Act 2002 Council adopted a Code of Conduct for members of the Council, in August 2003 and reviewed it in September 2007. It is now presented to Council for adoption.
2. Schedule 7 Part 15 of the Local Government Act 2002 states the following:
 - '15. Code of conduct—
 - (1) *A local authority must adopt a code of conduct for members of the local authority as soon as practicable after the commencement of this Act.*
 - (2) *The code of conduct must set out—*
 - (a) *understandings and expectations adopted by the local authority about the manner in which members may conduct themselves while acting in their capacity as members, including—*
 - (i) *behaviour toward one another, staff, and the public; and*
 - (ii) *disclosure of information, including (but not limited to) the provision of any document, to elected members that—*
 - (A) *is received by, or is in the possession of, an elected member in his or her capacity as an elected member; and*
 - (B) *relates to the ability of the local authority to give effect to any provision of this Act; and*
 - (b) *a general explanation of—*
 - (i) *the Local Government Official Information and Meetings Act 1987; and*
 - (ii) *any other enactment or rule of law applicable to members.*
 - (3) *A local authority may amend or replace its code of conduct, but may not revoke it without replacement.*
 - (4) *A member of a local authority must comply with the code of conduct of that local authority.*
 - (5) *A local authority must, when adopting a code of conduct, consider whether it must require a member or newly elected member to declare whether or not the member or newly elected member is an undischarged bankrupt.*
 - (6) *After the adoption of the first code of conduct, an amendment of the code of conduct or the adoption of a new code of conduct requires, in every case, a vote in support of the amendment of not less than 75% of the members present.*
 - (7) *To avoid doubt, a breach of the code of conduct does not constitute an offence under this Act.'*

DECISION MAKING PROCESS:

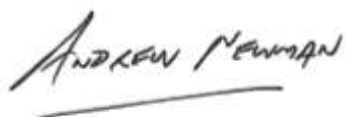
3. Council is required to make every decision in accordance with the provisions of Sections 77, 78, 80, 81 and 82 of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within these sections of the Act in relation to this item and have concluded the following:
 - 3.1. Sections 97 and 88 of the Act do not apply.

- 3.2. That the decision required will be made under the requirements of the Act.
- 3.3. The decision does not fall within the definition of Council's policy on significance.
- 3.4. The Council does not have any options available to it as it is a mandatory requirement of the Act that a Code of Conduct be prepared and adopted by Council.
- 3.5. The persons likely to be affected by or to have an interest in this matter are primarily the existing Councillors. The Draft Code of Conduct presented to Council for adoption includes a requirement under section 4.3 that a review occur at the end of each three year term and that any proposed amendments be presented to the new Council for their consideration. Therefore, there is this opportunity and at any other time for the Council to review the Code notwithstanding the fact that 75% have to agree to change parts of it. Therefore, the persons likely to be affected is relatively narrow although the community as a whole will have an ongoing interest in the behaviour and interaction of their representatives.
- 3.6. The proposed decision is not inconsistent with any existing policy or plan of Council.
- 3.7. Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Act and make a decision on this issue without conferring directly with the community or others due to the nature and significance of the issue to be considered and decided and also Council's understanding of the issues of persons likely to be affected by or to have an interest in the decision to be made.

RECOMMENDATIONS:

That the Council :

1. Agree that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Act and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Adopt the Council's Code of Conduct for inclusion in Council's Policy Handbook – Section 1.10.



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

- 1 Code of Conduct

HAWKE'S BAY REGIONAL COUNCIL CODE OF CONDUCT

1.0 PART ONE: INTRODUCTION

- 1.1 Schedule 7 of the Local Government Act 2002 (the Act) requires each local authority to adopt a Code of Conduct. Once adopted, all elected members are required to comply with the code.

This Code of Conduct provides guidance on the standards of behaviour that are expected from the Chairman and elected members of the Hawke's Bay Regional Council. The Code applies to elected members in their dealings with:

- each other
- the Chief Executive
- all staff employed by the Chief Executive on behalf of the Council
- the media
- the general public.

- 1.2 **The objective of the Code** is to enhance:

- the effectiveness of the Council as an autonomous local authority with statutory responsibilities for the good governance of the Hawke's Bay Region
- the credibility and accountability of the Council within its community
- mutual trust, respect and tolerance among the elected members as a group and between the elected members and management.

- 1.3 **This Code of Conduct seeks to achieve its objectives** by establishing:

- an agreed statement of roles and responsibilities (recorded in **Part Two** of the code)
- agreed general principles of conduct (recorded in **Part Three** of the code)
- specific codes of conduct applying to particular circumstances or matters (also recorded in **Part Three** of the code).

- 1.4 Elected members are primarily accountable to the electors of the Region through the democratic process. Before taking office after election, each declares that he or she will *"faithfully and impartially, and according to my best skill and judgement, execute and perform in the interests of the Hawke's Bay Region the statutory powers, authorities and duties vested in or imposed upon me as a member of the Hawke's Bay Regional Council"*.

However members must note that the Auditor-General may hold them to account for unlawful actions or expenditure or for breaches of the Local Authorities (Members' Interests) Act 1968.

1.5 GENERAL PRINCIPLES OF GOOD GOVERNANCE:

This Code of Conduct is based on the following ten principles:

- **Public interest.** Members should serve only the interests of the region as a whole and should never improperly confer an advantage or disadvantage on any one person.
- **Honesty and integrity.** Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
- **Objectivity.** Members should make decisions on merit including making appointments, awarding contracts, or recommending individuals for rewards or benefits. Elected members should also note that while representing their constituency, once elected their primary duty is to the interests of the entire region.
- **Accountability.** Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should cooperate fully and honestly with the scrutiny appropriate to their particular office.
- **Openness.** Members should be as open as possible about their actions and those of the Council, and should be prepared to justify their actions.
- **Personal judgment.** Members can and will take account of the views of others, but should reach their own conclusions on the issues before them, and act in accordance with those conclusions.
- **Respect for others.** Members should promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation, or disability.
- **Respect for staff.** Members should respect the impartiality and integrity of the Council staff.
- **Duty to uphold the law.** Members should uphold the law, and on all occasions, act in accordance with the trust the public places in them.
- **Stewardship.** Members must ensure that the Council uses resources prudently and for lawful purposes, and that the Council maintains sufficient resources to meet its statutory obligations.
- **Leadership.** Members should promote and support these proposals by example, and should always endeavour to act in the best interests of the region.

2.0 PART TWO: ROLES AND RESPONSIBILITIES

This part of the Code describes the roles and responsibilities of elected members, the additional roles of the Chairman and Deputy Chairman, and the role of the Chief Executive.

2.1 Elected Members

Elected members, acting as the Council, are responsible for:

- development and adoption of Council policy
- monitoring the performance of the Council against its stated objectives and policies
- prudent stewardship of Council resources
- employment of the Chief Executive
- representing the interests of the residents and ratepayers of the Hawke's Bay Regional Council. (On election, the primary responsibility of members is to the Region as a whole.)

Unless otherwise provided in the Local Government Act 2002 or in standing orders, the Council can act only by majority decisions at meetings. Each member has one vote other than in the situation where there is a deadlock in voting in which case the Chairman can exercise a casting vote if so provided. Any individual member (other than the Chairman who has authority to act on behalf of the Council as reasonable needs require) has no authority to act on behalf of the Council unless the Council has expressly delegated such authority.

2.2 Chairman

The Chairman is elected by the members of the Council at the first meeting following the triennial election. The Chairman may be removed from office by resolution of Council.

As one of the elected members the Chairman shares the same responsibilities as other members of Council. In addition to this the Chairman has the following roles as a:

- presiding member at Council meetings. The Chairman is responsible for ensuring the orderly conduct of business during meetings (as determined in standing orders)
- advocate on behalf of the community. This role may involve promoting the community and representing its interests. Such advocacy will be most effective where it is carried out with the knowledge and support of the Council
- ceremonial head of Council
- provider of leadership and feedback to other elected members on teamwork and Chairmanship of committees
- Justice of the Peace (while the Chairman holds office).

The Chairman is obliged to follow the same rules as other elected members in regard to making public statements and committing the Council to any particular course of action, unless acting in accordance with the rules for media contact on behalf of the Council under a delegation of authority from the Council.

2.3 Deputy Chairman

The Deputy Chairman must be elected by the members of Council, at the first meeting following the triennial election. The Deputy Chairman may be removed from office by resolution of Council.

The Deputy Chairman exercises the same roles as other elected members. In addition he or she must perform all the responsibilities and duties and may exercise all the powers of the Chairman (as summarised above), if the Chairman is temporarily absent, or is prevented by illness or other causes from performing duties, or while there is a vacancy in the office of Chairman.

2.4 Committee Chairman

The Council may create one or more committees of Council. A Committee Chairman presides over all meetings of the committee, ensuring that the committee acts within the powers delegated by Council, as set out in the Council's *Policy Handbook*. A Committee Chairman may be called on to act as an official spokesperson on a particular issue. A Committee Chairman may be removed from office by resolution of Council.

2.5 Chief Executive

The Chief Executive is appointed by the Council in accordance with section 42 of the Local Government Act 2002. The Chief Executive is responsible for implementing and managing the Council's policies and objectives within the budgetary constraints established by the Council. In terms of section 42 of the Act, the responsibilities of the Chief Executive are:

- implementing the decisions of the Council
- providing advice to the Council and committees
- ensuring that all responsibilities, duties and powers delegated to the Chief Executive or to any person employed by the Chief Executive, or imposed or conferred by any Act, regulation or bylaw are properly performed or exercised
- managing the activities of the Regional Council effectively and efficiently
- maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the Regional Council
- providing leadership for the staff of the Regional Council
- employing staff on behalf of the Regional Council (including negotiation of the terms of employment for the staff of the Regional Council).

Under section 42 of the Local Government Act 2002 the Chief Executive employs all other staff on behalf of the Regional Council.

3.0 PART THREE: ETHICS, RELATIONSHIPS AND BEHAVIOUR

This part of the Code sets out the Council's agreed standards of behaviour. Some of the matters described in this part of the Code reflect other legislation such as the Local Authorities (Members' Interests) Act 1968. The majority of the Code is material that the Council has decided to include on its own initiative.

3.1 Ethics

Hawke's Bay Regional Council seeks to promote the highest standards of ethical conduct amongst its elected members. Accordingly, elected members will:

- claim only for legitimate expenses as laid down by any determination of the Remuneration Authority then in force, and any lawful policy of Council developed in accordance with that determination

- not influence, or attempt to influence, any Council employee to take actions that may benefit the member, or the member's family or business interests
- not use Council resources for personal business (including campaigning)
- not solicit, demand, or request any gift, reward or benefit by virtue of their position
- where a gift to the value of \$100 or more is offered to a member, immediately disclose this to the Chief Executive for inclusion in the publicly available register of interests.
- be respectful when referring to each other or to other people
- not use offensive or derogatory language when referring to the Council, other Councillors, any employee of the Council or any member of the public.

3.2 Relationships with Other Members

Successful teamwork is a critical element in the success of any democratically elected organisation. No team will be effective unless mutual respect exists between members. With this in mind elected members will conduct their dealings with each other in ways that:

- maintain public confidence in the office to which they have been elected
- are open and honest
- focus on issues rather than personalities
- avoid aggressive, offensive or abusive conduct.

3.3 Relationships with Staff

The effective performance of Council also requires a high level of cooperation and mutual respect between elected members and staff. To ensure that level of cooperation and trust is maintained, elected members will:

- recognise that the Chief Executive is the employer (on behalf of Council) of all Council employees, and as such only the Chief Executive may hire, dismiss, instruct or censure an employee
- make themselves aware of the obligations that the Council and the Chief Executive have as employers and observe those requirements at all times
- treat all employees with courtesy and respect (including the avoidance of aggressive, offensive or abusive conduct towards employees)
- observe any guidelines that the Chief Executive puts in place regarding contact with employees
- do nothing which compromises, or could be seen as compromising, the impartiality of an employee
- avoid publicly criticising any employee in any way, but especially in ways that reflect on the competence and integrity of the employee
- raise concerns about employees only with the Chief Executive, and concerns about the Chief Executive only with the Chairman or the Executive Committee.

Elected members should be aware that failure to observe this portion of the Code of Conduct may compromise the Council's obligations to act as a good employer and may expose the Council to civil litigation and audit sanctions.

3.4 Relationships with the Community

Effective Council decision-making depends on productive relationships between elected members and the community at large.

Members should ensure that individual citizens are accorded respect in their dealings with the Council, and have their concerns listened to, and deliberated on in accordance with the requirements of the Act.

Members should act in a manner that encourages and values community involvement in local democracy.

3.5 Contact with the Media

The media plays an important part in local democracy. In order to fulfill this role the media needs access to accurate, timely information about the affairs of Council. The Hawke's Bay Regional Council will continue to be proactive in disseminating accurate and informative information through the Chief Executive to the media. From time to time, however, an individual member might be approached to comment on a particular issue either on behalf of Council, or as an elected member in his or her own right. This part of the Code deals with the rights and duties of Councillors when speaking to the media on behalf of Council, or in his or her own right.

The following rules apply for media contact **on behalf of Council**:

The Chairman of the Council or of any Committee of the Council, is able to make media releases on behalf of the Council or the Council Committees. In order to ensure that:

- i) these are factually correct;
- ii) they send a consistent message so there is no confusion in the eyes of the public;
- iii) they reflect Council policy, or are sufficiently qualified where the Council may not have considered the matter;

all press releases and comments should be co-ordinated and developed through the Council's Communications Co-ordinator who will ensure the appropriate staff input is obtained and where appropriate the Chief Executive has input into the process.

Where the Communications Co-ordinator is not available, the Executive Assistant should be the point of contact.

The Councillor spokesman for the Committees of the Council should be the Chairman of the Committee concerned.

Elected members are free to express a **personal view** in the media, at any time, provided the following rules are observed:

- media comments must not state or imply that they represent the views of Council
- where an elected member is making a statement that is contrary to a Council decision or Council policy, the member must not state or imply that his or her statements represent a majority view
- media comments must observe the other requirements of this Code of Conduct. For example, they should not disclose confidential information, or compromise the impartiality or integrity of staff, and at all times should demonstrate respect for fellow Councillors and their views, opinions and lawful actions, and should not use language which might be deemed offensive, derogatory or embarrassing to the Council, other Councillors, any employee of the Council or any member of the public.

3.6 Representing the Council

Elected members who are invited or wish to represent the Council at an event such as a Seminar or Conference which will have a charge for attendance, must meet the following conditions:-

- The Chairman must approve the request.
- Following their attendance and upon request from the Chairman, the member must present a report to the Council, summarising the event, and including the Councillor's opinion of its potential significance to the Hawke's Bay Regional Council.

3.7 Confidential Information

Elected members have the responsibility to see whenever possible that business is conducted in "open" meeting. Powers to exclude the public should be used only when absolutely necessary and for the reasons permitted by law. Business conducted where the public is excluded remains confidential and should not be disclosed to the public until either the Council decides by resolution to make it public or the Chief Executive determines in response to a request under the Local Government Official Information and Meetings Act 1987, or the Privacy Act 1993 that there is no longer good reason to withhold the information.

In addition during the course of their duties members will occasionally receive information that may need to be treated as confidential. This will generally be information that is either commercially sensitive or is personal to a particular individual or organisation.

Elected members must not use or disclose confidential information for any purpose other than the purpose for which the information was supplied to the elected member.

Elected members should be aware that failure to observe these provisions will impede the performance of Council by inhibiting information flows and undermining public confidence in the Council. Failure to observe these provisions may also expose Council to prosecution under the Privacy Act 1993 and/or civil litigation.

3.8 Conflicts of Interest

Elected members must be careful that they maintain a clear separation between their personal interests and their duties as an elected member. This is to ensure that people who fill positions of authority carry on their duties free from bias (whether real or perceived). Members therefore need to familiarise themselves with the provisions of the Local Authorities (Members' Interests) Act 1968 which concerns financial interests, and with other legal requirements concerning non-financial conflicts of interest.

The Act provides that an elected member is disqualified from office, or from election to office, if that member is concerned or interested in contracts under which payments made by or on behalf of the Council exceed \$25,000 in any financial year.

Additionally, elected members are prohibited from participating in any Council discussion or vote on any matter in which they have a pecuniary interest, other than an interest in common with the general public. The same rules also apply where the member's partner or spouse contracts with the authority or has a pecuniary interest. Members must declare their interests at Council meetings where matters in which they have a pecuniary interest arise.

Members shall annually make a general declaration of interest as soon as practicable after becoming aware of any such interests. These declarations are recorded in a

register of interests maintained by Council. The declaration must notify the Council of the nature and extent of any interest, including:

- any employment, trade or profession carried on by the member or the member's partner or spouse for profit or gain
- any company, trust, partnership etc for which the member or their partner or spouse is a director, partner, trustee or beneficiary
- the address of any land in which the member has a beneficial interest and which is in the Regional Council's area.
- the address of any land where the landlord is the Hawke's Bay Regional Council and:
 - the member or their partner or spouse is a tenant, or
 - the land is tenanted by a firm in which the member or partner or spouse is a partner, or a company of which the member or spouse is a director, or a trust of which the member or spouse is a trustee or beneficiary

any other matters which the public might reasonably regard as likely to influence the member's actions during the course of his or her duties as a member.

If the member is in any doubt as to whether or not a particular course of action (including a decision to take no action) raises a conflict of interest, then the member should seek guidance from the Chief Executive *immediately*.

Members may also contact the Audit Office for guidance as to whether that member has a pecuniary interest. If there is a pecuniary interest, the member may seek an exemption to allow that member to participate or vote on a particular issue in which they may have a pecuniary interest. The latter must be done before the discussion or vote. The Chief Executive must also seek approval from the Audit Office for contractual payments to members, their spouses or their companies that exceed the \$25,000 annual limit.

Failure to observe the requirements of the Local Authorities (Members' Interests) Act 1968 could potentially invalidate the particular decision made, or the action taken, by Council. Failure to observe these requirements could also leave the elected member open to prosecution under the Local Authorities (Members' Interests) Act 1968. In the event of a conviction elected members can be removed from office.

3.9 Standing Orders

Elected members must adhere to any standing orders adopted by Council under the Local Government Act 2002. These standing orders are subject to the same legal requirements as a Code of Conduct with regard to their adoption and amendment.

3.10 Disqualification of Members from Office

Elected members are automatically disqualified from office if they are convicted of a criminal offence punishable by two or more years imprisonment, or if they cease to be, or lose their status as a parliamentary elector or if they are convicted of certain breaches of the Local Authorities (Members' Interests) Act 1968.

Under the Local Government Act 2002, local authorities, when adopting a Code of Conduct, must consider whether or not they will require members to declare whether they are undischarged bankrupts. This Council believes that it should not require a member or newly elected member to decide whether or not the member or newly elected member is an undischarged bankrupt.

4.0 PART FOUR: COMPLIANCE AND REVIEW

This part deals with ensuring that elected members adhere to the Code of Conduct and mechanisms for the review of the Code of Conduct.

4.1 Compliance

Elected members must note that they are bound to comply with the provisions of this Code of Conduct (Local Government Act 2002, Schedule 7, section 15(4)).

Members are also bound by the Local Government Act 2002, the Local Authorities (Members' Interests) Act 1968, the Local Government Official Information and Meetings Act 1987, the Secret Commissions Act 1910, the Crimes Act 1961 and the Securities Act 1978. The Chief Executive will ensure that an explanation of these Acts is made at the first meeting after each triennial election and that copies of these Acts are freely available to elected members. A brief explanation about the obligations that each of these has with respect to conduct of elected members is attached in the Appendix to this code.

Compliance will be monitored by the Council as a whole. All alleged breaches of the Code will be reported to the Chairman. Any allegation of a breach of this Code of Conduct must be in writing, make a specific allegation of a breach of the Code of Conduct, and provide corroborating evidence.

The Chairman will investigate the alleged breach and prepare a report for the consideration of Council. Before beginning any investigation, the Chairman will write to the elected member(s) involved, advising about the complaint and will explain when and how there will be an opportunity to respond to the complaint.

The Council will consider the report in open meeting of Council, except where the alleged breach relates to the misuse of confidential information or could impinge on the privacy of an elected member, member of staff or of the general public.

4.2 Responses to Breaches of the Code

The exact nature of the action the Council may take depends on the nature of the breach and whether there are statutory provisions dealing with the breach.

Where there are statutory provisions:

- breaches relating to members' interests render members liable for prosecution by the Auditor-General under the Local Authority (Member's Interests) Act 1968
- breaches which result in the Council suffering financial loss or damage may be reported on by the Auditor-General under the Local Government Act 2002, which may result in the member having to make good the loss or damage
- breaches relating to the commission of a criminal offence may leave the elected member liable for criminal prosecution.

In these cases the Council may refer an issue to the relevant body, any member of the public may make a complaint, or the body itself may take action of its own initiative.

Where there are no statutory provisions, the Council may take the following action:

- censure
- removal of the elected member from Council committees and/or other representative type bodies
- dismissal of the elected member from a position as Deputy Chairman or Chairman of a committee.

A decision to apply one or more of these actions requires a Council resolution to that effect.

4.3 Review

Once adopted, a Code of Conduct continues in force until amended by the Council. The Code can be amended at any time but cannot be revoked unless the Council replaces it with another code. Once adopted, amendments to the Code of the Conduct require a resolution supported by at least 75 per cent of the members of the Council present.

Council will formally review the Code prior to the end of each three year term and any suggestions for improvement and recommended amendments will be noted and referred to the new Council. As soon as practicable after the triennial election, results of that review will be presented to the new Council for consideration and adoption.

APPENDIX TO THE CODE OF CONDUCT:**LEGISLATION BEARING ON THE ROLE AND CONDUCT OF ELECTED MEMBERS**

This is a summary of the legislation requirements that has some bearing on the duties and conduct of elected members. Copies of these statutes are available from the office of the Chief Executive.

Local Authority (Members' Interests) Act 1968

This Act regulates situations where a member's personal interests impinge, or could be seen as impinging on, his or her duties as an elected member.

The Act provides that an elected member is disqualified from office if that member is concerned or interested in contracts under which payments made by or on behalf of the regional Council exceed \$25,000 in any financial year.

Additionally, elected members are prohibited from participating in any Council discussion or voting on any matter in which they have a pecuniary interest, other than an interest in common with the general public. The same rules also apply where the member's spouse contracts with the authority or has a pecuniary interest.

Members may also contact the Audit Office for guidance as to whether that member has a pecuniary interest, and if so, may seek an exemption to allow that member to participate or vote on a particular issue in which they may have a pecuniary interest. The latter must be done before the discussion or vote. The Chief Executive must also seek approval from the Audit Office for contractual payments to members, their spouses or their companies that exceed the \$25,000 annual limit.

Failure to observe these requirements could also leave the elected member open to prosecution under the Local Authority (Members' Interests) Act 1968. In the event of a conviction elected members can be ousted from office.

(The Office of the Auditor-General publication *Guidance for members of local authorities about the law on conflicts of interest* (2007) provides further guidance on this Act).

Local Government Official Information and Meetings Act 1987

The Local Government Official Information and Meetings Act 1987 sets out a list of meetings procedures and requirements. Of particular importance for the roles and conduct of elected members is the fact that the Chairman has the responsibility to maintain order at meetings, but all elected members should accept a personal responsibility to maintain acceptable standards of address and debate. No elected member should:

- create a disturbance or a distraction while another Councillor is speaking
- be disrespectful when referring to each other or to other people
- use offensive language about the Council, other Councillors, any employee of the Council or any member of the public.

Secret Commissions Act 1910

Under this Act it is unlawful for an elected member (or officer) to advise anyone to enter into a contract with a third person and receive a gift or reward from that third person as a result, or to present false receipts to Council.

If convicted of any offence under this Act a person can be imprisoned for up to 2 years, or fines up to \$1000, or both. A conviction therefore would trigger the ouster provisions of the Local Government Act 2002 and result in the removal of the member from office.

Crimes Act 1961

Under this Act it is unlawful for elected members (or officers) to:

- accept or solicit for themselves (or anyone else) any gift or reward for acting or not acting in relation to the business of Council
- use information gained in the course of their duties for their, or another persons, monetary gain or advantage.

These offences are punishable by a term of imprisonment of 7 years or more. Elected members convicted of these offences will also be automatically ousted from office.

Securities Act 1978

The Securities Act 1978 essentially places elected members in the same position as company directors whenever Council offers stock to the public. Elected members may be personally liable if investment documents such as a prospectus contain untrue statements and may be liable for criminal prosecution if the requirements of the Act are not met.

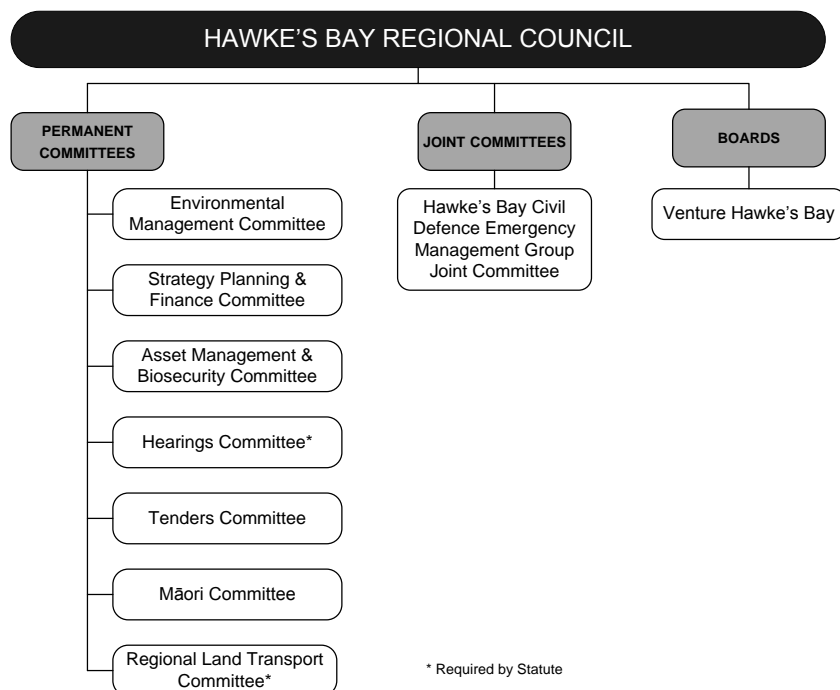
SUBJECT: COUNCIL COMMITTEE STRUCTURE

REASON FOR REPORT:

1. The Local Government Act (2002) empowers Council to appoint the committees, sub-committees and other subordinate decision-making bodies that it considers appropriate. The new Council needs to decide on the committee structure it wishes to operate under and the Terms of Reference, numbers and make-up and meeting frequency of the committees.
2. The appointment of members to committees, Chairman of committees and Deputy Chairman (if applicable), are also to be decided at this meeting.

Comment:

3. There are numerous statutory issues related to committees of Council but some of the more relevant issues include:
 - a) Council may appoint committees, sub-committees and other subordinate decision making bodies that it considers appropriate;
 - b) Council may establish a joint committee with another local authority or other public bodies;
 - c) Committees may appoint sub-committees it considers appropriate unless prohibited from doing so by the local authority;
 - d) A committee or other subordinate decision making body is subject to the control of the local authority and must carry out all general and specific directions of the Council;
 - e) Council has the unfettered right to appoint or remove any member of a committee or sub-committee;
 - f) A joint committee has the sole power to appoint and remove its own chairperson or deputy chairperson;
 - g) Council may appoint to committee or sub-committees people who are not members of the Council if, in the opinion of the Council, those people have the skills, attributes or knowledge that will assist the work of the committee or sub-committee;
 - h) At least one member of a committee must be an elected member of a local authority and employees of a local authority cannot be a member of a committee but may be a member of a sub-committee;
 - i) The minimum number of members for a committee is three and sub-committee two.
4. An assessment of the committee structure which operated in the latter part of the last triennial term occurred at the Strategic Planning and Finance Committee meeting held on 15 September 2010. It should also be noted the Council can, at any stage, review its committee structure to ensure that it is appropriate and operating as intended.
5. The Committee structure which was operating at the end of the last Council term was as follows:



Committees:

Joint Committee for Regional Planning

6. The Crown has expressed a desire to obtain just and durable settlements for all Treaty of Waitangi claims by 2014. In their Treaty settlements, claimants are increasingly looking for the opportunity to work in partnership with the Crown in ensuring the health of natural resources, particularly waterways, and have a strong desire to be involved in resource management decision making.
7. This has led to Cabinet agreeing to the Crown working with the Hawke's Bay Regional Council to discuss with local iwi the establishment of a Regional Council Planning Committee as part of Treaty settlement negotiations in Hawke's Bay
8. Detailed Terms of Reference for a joint Regional Planning Committee are yet to be worked through between all the parties but the underlying principles of the Committee are:
 - a) The Committee would be created through legislation, either as part of settlement legislation or as separate legislation.
 - b) The Committee would be made up of equal representation of elected Councillors and representatives of the Treaty claimant groups.
 - c) The Committee would make all relevant decisions under the Resource Management Act (RMA) regarding the content of new Plans, Policy Statements, Plan changes and Variations.
 - d) The Committee would act within the constraints of the RMA and the Local Government Act (LGA).
 - e) The legislation would not remove the rights of any person to submit on proposed plan provisions and if dissatisfied with Council decisions to appeal those to the Environment Court.
9. There is a large work load in terms of changes to the Regional Policy Statement and regional plans in this triennium. Council will be undertaking significant policy development and needs to begin its work programme early in 2011. The process by which the representation of non-Councillor Committee members is determined is unlikely to be finalised in accordance with Council's plan development needs and interim measures are needed.

10. Of the nine Treaty claimant groups with interests within Hawke's Bay, six of the groups have been mandated. A mandate is the process by which the claimant group mandates a representative group and gives them the authority, or mandate to enter into discussions and agreements with the Crown on their behalf. It is expected that by December 2010 seven, and possibly eight, of the groups will have been mandated.
11. In order to accommodate both the Crown's preferred intent and Council's programme it is suggested that Treaty claimant groups be offered a place on the Committee upon mandating, and that any interim membership requirements be filled by members of the Maori Committee until a trigger point is reached at which point the Regional Planning Committee would become a full joint Committee as envisaged by Cabinet, and the Crown would be requested to introduce legislation to formally establish the joint Committee.
12. During the transition period, at least, the committee would be chaired by the Chair of Council. It would also be appropriate for there to be an alternate Chair appointed during this time in the event that the Council Chair is unable to attend a meeting of the joint Committee. It is suggested that this should be the Chair of the Committee which oversees environmental management activities
13. The proposed Terms of Reference for the Committee which are included in this Council paper cover the purposes and specific responsibilities of the Committee as they relate to the Resource Management Act processes. They do not finalise other matters such as a quorum, terms of membership, means of decision-making and voting entitlement, as these are yet to be finalised with the Treaty claimant groups and will be subject to legal review. A final version of the Terms of Reference will be brought back to Council for its consideration and approval, prior to the first meeting of the Committee.

Venture Hawke's Bay

14. It is not proposed to continue with an Advisory Board for Venture Hawke's Bay. A paper on options for the governance of Venture Hawke's Bay will be brought to Council prior to the end of 2010.

Tenders Committee

15. This committee considers and make decisions on Tenders, under delegated authority. Membership of this committee is based on the nature of the Tender to be considered, i.e if matters relate to the Asset Management, Biosecurity functions then the Chair of the AMBS committee will reside on the committee to consider that tender. The two permanent members will be the Chairman of the Regional Council and the Chair of the Strategy and Finance Committee.

Maori Committee

16. Over the past three years the Committee has worked well and has a robust and effective process of self-assessment as part of the changes made to its functioning. The Committee does play an important role in assisting Council meet some of the requirements of the Local Government Act in terms of Maori involvement in decision making processes. Despite the potential establishment of a joint Committee to undertake all resource management policy development there are still significant substantive issues for the Maori Committee to deal with, and it is recommended that this committee continue.

Regional Transport Committee

17. This Committee is required by Statute and was reviewed in June 2005. The appointments made to the Committee are designed to meet the objectives of the New Zealand Transport Strategy (NZTS). The Land Transport Management Act 2003 (LTMA) established the composition of regional land transport committees by amending Section 178(2) of the Land Transport Act to require representation of the following:
 - a) the objectives of economic development, safety and personal security, public health, access and mobility, and environmental sustainability; and

- b) cultural interests; and
 - c) the council; and
 - d) other territorial authorities in the region; and
 - e) New Zealand Transport Agency.
18. It is not proposed to change the make-up of this committee unless there are legislative changes at some stage in this Council term.

Environmental Management Committee

19. This Committee was established in April 2003 after a major review of Council's Committee structure. The Committee has functioned well under its Terms of Reference. Although plan preparation under the Resource Management Act (RMA) may be undertaken by a joint Regional Planning Committee there are still a wide range of functions focussed on Council's core responsibility for the environment.

Asset Management and Biosecurity Committee

20. This Committee was established in April 2003 after a major review of Council's Committee structure. This Committee is functioning well under its Terms of Reference and no changes are proposed.

Strategic Planning & Finance Committee

21. This Committee was established in December 2007 to ensure Council was consistent with the emphasis on further building a strategic approach to Council's business, the need for systematic consideration of risk and audit issues, significant financial spend implications from other Committees, and also considering the need to build a strategy for the Council's investment portfolio.

Hearings Committee

22. The Terms of Reference for this Committee make it responsible for the hearing of submissions on not only resource consents but also statutory documents prepared under the Resource Management Act and the Biosecurity Act. This ensures that the process of accreditation for Councillors who hear submissions on resource consent applications is fully utilised in hearings of submissions on statutory documents prepared under the RMA and Biosecurity Act.
23. It is likely that at some time in the future a separate Hearings Panel will be formed to hear submissions on plans and plan changes that have been developed by the Joint Regional Planning Committee. The membership of this Panel will be recommended by the joint Regional Planning Committee to Council.

B) Joint Committees

Joint Civil Defence Emergency Management Committee

24. This Committee is required by Statute under the Civil Defence and Emergency Management Act 2002. The current Terms of Reference have been established in conjunction with the other Members of the Committee. Prior to the end of the last triennial period all Members of the CDEM Group passed the following resolution:

“Resolves, as provided for by Clause 30(7) of Schedule 7 of the Local Government Act 2002, that the Hawke’s Bay Civil Defence Emergency Management Group and any sub-committee constituted by that Group shall not be deemed to be discharged on the coming into office of the members of the Council elected or appointed at the next and any subsequent triennial general election of members.”

25. This Committee is a joint committee of all local government organisations that are within the Hawke's Bay CDEM Group area ie: Hawke's Bay Regional Council, Wairoa District Council, Hastings District Council, Napier City Council and Central Hawke's Bay District Council. The Committee was formed in March 2004 in accordance with the requirements of the CDEM Act 2002.

26. Over the past triennial term, each of the Territorial Local Authorities have been represented by their mayors, and the Hawke's Bay Regional Council by Council's Chairman.
27. The Act requires that each Local Authority that is a Member of the Group be represented by the chairman of that local authority or an elected person from that authority who has delegated authority to act for the chairman.
28. It is anticipated that the Group will meet two times annually.

(D) Other Entity Representation

Environment Awards Committee

29. This scheme is a joint initiative between the Regional Council, Hastings District Council and Napier City Council to recognise people, organisations and projects setting a high standard in environmental care in Hawke's Bay.
30. Each Council appoints two Councillors for three years to assist in the management of these awards.
31. Councillors are required to consider applications for the Environmental Awards including inspections of entries and decide on winners. During the year they attend planning meetings for the promotion of the awards and the organisation of the ceremony (usually held in October each year). During the last term the representatives were Councillors Remmerswaal and McGregor

Rotary Pathways Trusts (Napier & Hastings)

32. Councillors and staff have been involved in attending meetings and events as advisors to these two separate Trusts. During the last term the Napier Trust was advised by Councillor Scott and the Hastings Trust by Councillor Remmerswaal. Consideration should be given to ongoing representation, or alternatively including the Trusts in the list of key stakeholder groups whereby the relationships are managed through staffs key stakeholder programme.

Hawke's Bay Regional Animal Health Committee

33. This Committee is the Animal Health Board's link to the local community and Councillor Rose represented Council in the last term. It is recommended that the Chair of the Asset Management Biosecurity Committee be the Council's representative on this committee.

Hawke's Bay Drought Committee

34. As part of its overview of natural hazards for Hawke's Bay the Civil Defence Emergency Management Joint Group monitors the reports prepared by the Ministry of Agriculture and Forestry on the risk and potential severity of drought conditions to the region, particularly to the primary production sector. At appropriate times a Drought Committee is convened to liaise with central government and the primary sector. Council may wish to consider making an appointment to this Committee.

Ruataniwha Water Storage: Project Leadership Group

35. The leadership group overviews the full feasibility study for the Ruataniwha water storage project. Its focus is to ensure that the critical questions regarding the viability of the project are adequately addressed and answered. Chair of the Project Leadership Group is Sam Robinson.
36. In February 2010 Council appointed three councillors – Councillors Wilson, McGregor and Gilbertson – to the Group for the duration of that term of Council.
37. Council membership in the Group now needs to be reviewed and re-established.

Ruataniwha Water Storage: Stakeholder Liaison Group

38. In addition to the Project Leadership Group a Stakeholder Liaison Group has been established with Debbie Hewitt as its independent Chair. This Group ensures that key

issues of an environmental, social and cultural nature are identified and if possible resolved through the two-year period of the feasibility study.

39. The previous Chairman of Council was a member of this group It is appropriate for this Council to consider its representation on the Stakeholder Liaison Group.

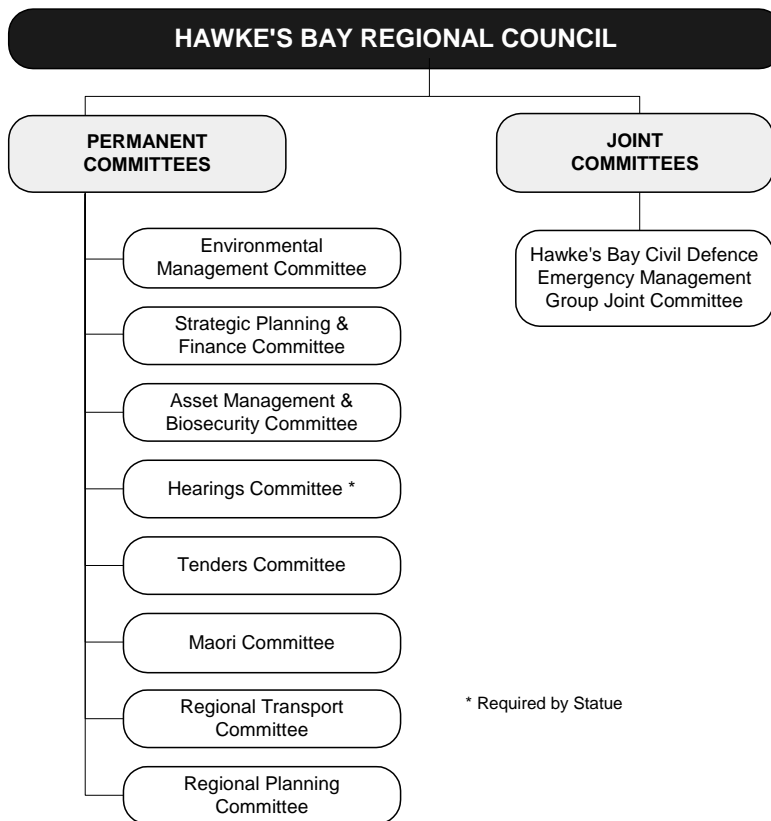
DECISION MAKING PROCESS:

40. Under the Local Government Act 2002 (LGA) Council has a specified power and mandate to establish such committees, sub-committees and other subordinate decision making bodies that it considers appropriate. Therefore, staff do not believe that the decision making process contained within the LGA apply in such instance.

RECOMMENDATIONS:

1. That Council consider and if in agreement, establish the following committee structure and adopt the Terms of Reference, membership, meeting frequency and Council Executive responsible for each committee/council as detailed below:

A) COMMITTEE STRUCTURE



* Required by Statue

B) **TERMS OF REFERENCE AND OTHER DETAILS**

REGIONAL COUNCIL

TERMS OF REFERENCE

1. To develop or approve all major policy of Council and to deal with all other issues concerning the Council's responsibilities which have not otherwise been delegated to Committees of Council or the Council's Chief Executive and which are not the responsibility of the Chief Executive but require Council consideration.

MEMBERS: All elected members of the Council

CHAIRMAN: Chairman of the Council being:
– Fenton Wilson

DEPUTY CHAIRMAN: Elected Deputy Chairman being:
– Ewan McGregor

MEETING FREQUENCY: Generally the fourth Wednesday of each month

STAFF EXECUTIVE: Chief Executive

TENDERS COMMITTEE

TERMS OF REFERENCE

1. To consider and accept tenders which exceed the delegated authority of the Chief Executive.
2. To consider and decide on exemptions to Council's Contracts and Tenders policy as set out in section 2.1.4.2 of Council's policy handbook.
3. The quorum is a majority of members of the Committee.

MEMBERS:

The Chairman of the Council being:

- Fenton Wilson

Two other elected members of the Council being:

- The Chair of the AMBS or the Environmental Management Committee, whichever is appropriate.

CHAIRMAN:

Chairman of the Council being:

- Fenton Wilson

MEETING FREQUENCY:

As required

STAFF EXECUTIVE

Chief Executive

TERMS OF REFERENCE

1. To make recommendations to the Council on matters of relevance affecting the tangata whenua of the Region, and to help fulfil the Maori consultative requirements of the Council particularly with regard to the principles of the Treaty of Waitangi and the Local Government Act 2002.
2. To prepare, within the first six months of the Committee's establishment, a work plan for the Committee which will set out in general terms what the Committee aims to achieve over its three year term.

MEMBERS:

Three elected members of the Council being:

-
-
-

The Chairman of the Council ex officio being:

- Fenton Wilson

Twelve representatives nominated by the Tangata Whenua who are to be appointed at the first meeting of the Committee by the three elected members of the Council and with Tangata Whenua Members of the Maori Committee able to propose to the Committee short term replacements to attend in their place if they are unable to attend any meeting with one representative nominated from each of the following groups:

- Kaumatua (Wairoa)
- Kahungunu Executive (Wairoa)
- Wairoa Taiwhenua (Wairoa)
- Kaumatua (Hastings)
- Heretaunga Executive (Hastings)
- Heretaunga Taiwhenua (Hastings)
- Tamatea Executive (Central Hawke's Bay)
- Kaumatua (Central Hawke's Bay)
- Tamatea Taiwhenua (Central Hawke's Bay)
- Kaumatua (Napier)
- Te Whanganui a Orotu Taiwhenua (Napier)
- Ahuriri Executive (Napier)

CHAIRMAN:

A Tangata Whenua member of the Committee as elected by the Committee.

MEETING FREQUENCY: Bi-monthly but with the Chairman of the Committee authorised to arrange additional meetings should the need arise with the fourth Tuesday in the month being the normal meeting day.

STAFF EXECUTIVE: Chief Executive

REGIONAL TRANSPORT COMMITTEE

TERMS OF REFERENCE

1. To prepare for approval by the Council, the regional land transport strategy and to consider any other issues related to Transport which have a Regional impact.
2. Determine the governance arrangements for Road Safe Hawke’s Bay.

MEMBERS:

Two elected members of the Regional Council being:

-
-

One representative, as appointed by Council, from each of the following organisations who are able to propose to the Committee short term replacements to attend in their place if they are unable to attend any meeting:

- Wairoa District Council
- Hastings District Council
- Napier City Council
- Central Hawke's Bay District Council
- Transit New Zealand
- New Zealand Transport Agency
- Economic Development representatives (2)
- Access and mobility representative
- Public Health representative
- Safety and personal security representative
- Environmental sustainability representative
- Cultural interest representative

CHAIRMAN:

A member of the Committee as elected by the Council being:

MEETING FREQUENCY:

At least six monthly.

STAFF EXECUTIVE:

Group Manager Environmental Management

ENVIRONMENTAL MANAGEMENT COMMITTEE

TERMS OF REFERENCE

1. Policy
 - To consider and recommend to Council strategies, policies and by-laws and compliance and enforcement programs relating to maritime and navigational safety under the Maritime Transport Act.
2. Implementation
 - To recommend to Council annual work programmes, within the context of the adopted Annual Plan, for wetland enhancement and environmental education.
 - To periodically review the effectiveness of Council's policy implementation initiatives and make recommendations to Council for any changes.
 - To recommend to Council management plans or any similar such documents for the effective implementation of these programmes of Council.
 - To consider and recommend to Council all other policy implementation issues of Council.
3. Environmental Monitoring and Research
 - To consider and recommend to Council environmental monitoring strategies and research and investigation programmes.
 - To consider technical reports on the findings of research and investigations into the impact of activities and recommend to Council the development of new policy frameworks based around such information.
4. Compliance and Enforcement
 - To consider reports on the effectiveness of Council's compliance monitoring and enforcement activities, and to recommend to Council the response to issues arising from such reports.
5. Financial Authority
 - To recommend to the Strategy and Finance Committee consideration of possible financial implications of specific initiatives.
6. Advocacy and Liaison
 - To receive reports and liaise with Territorial Local Authorities on Environmental Management issues as necessary.
 - To assist with the co-ordination of services between the Regional Council, other relevant local authorities and other entities/groups.
7. Statutory Process
 - To authorise the resolution and settlement of appeals and references on proposed regional policy statements and regional plans through formal hearings or mediation before the Environment Court and to either generally or from time to time delegate to officers the authority to resolve and settle any appeals and references through formal mediation before the Environment Court.
 - To consider and authorise the lodging of an appeal or reference to the Environment Court against a decision of a territorial authority or an application or designation or proposed plan or plan change or variation on which the Regional Council had lodged a formal submission.

- **Use of Delegated Powers** – this committees may, without confirmation by the local authority that made the delegations, exercise or perform them in the like manner and with the same effect as the local authority could itself have exercised or performed them, provided that the decision deserves urgency and the decision to make the resolution a decision of Council is carried unanimously.

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| MEMBERS: | All Councillors |
| | Two appointed members of the Maori Committee being: |
| | - |
| | - |
| CHAIRMAN: | A member of the Committee as elected by the Council being: |
| | - |
| DEPUTY CHAIRMAN: | The Chairman of Council or in his absence the Deputy Chairman of Council |
| MEETING FREQUENCY: | Generally on the second Wednesday of each second month |
| STAFF EXECUTIVE: | Group Manager Environmental Management |

ASSET MANAGEMENT AND BIOSECURITY COMMITTEE

TERMS OF REFERENCE

1. To consider and recommend to Council policies with regard to the Council responsibilities or involvement with Land Drainage and River Control under the Local Government Act 2002, Land Drainage and Rivers Control Act 1941 and Land Drainage Act 1908; and Biosecurity under the Local Government Act 2002 and the Biosecurity Act 1993.
2. To consider and recommend to Council policies with regard to the Council responsibilities or involvement with Council's programme of hazard identification under the Civil Defence and Emergency Management Act 2002.
3. To consider technical reports completed as part of the programme of work set out in Council's Annual Plan and make any associated recommendations to Council;
4. To assist staff, where appropriate, in identifying a preferred option and funding mechanism for Council consideration for any biosecurity initiative or infrastructure asset construction or improvement work and in promoting the preferred option to the beneficiaries.
5. To receive reports and liaise with Territorial Local Authorities on Infrastructure Asset Management, Land Drainage, River Control and Biosecurity issues as necessary to assist with the co-ordination of services between the Regional Council, other relevant local authorities and other entities/groups.
6. To recommend to the Strategy and Finance Committee consideration of possible financial implications of specific initiatives.
7. **Use of Delegated Powers for the Asset Management and Biosecurity Committee** – this committees may, without confirmation by the local authority that made the delegations, exercise or perform them in the like manner and with the same effect as the local authority could itself have exercised or performed them, provided that the decision deserves urgency and the decision to make the resolution a decision of Council is carried unanimously.

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| MEMBERS: | All Councillors Two appointed members of the Maori Committee being: - - |
| CHAIRMAN: | A member of the Committee as elected by the Council being: - |
| DEPUTY CHAIRMAN: | The Chairman of Council or in his absence the Deputy Chairman of Council |
| MEETING FREQUENCY: | Generally on the second Wednesday of every third month |
| STAFF EXECUTIVE: | Group Manager Asset Management |

HEARINGS COMMITTEE

TERMS OF REFERENCE

To exercise the following delegations

1. To consider and recommend to Council processes, policies and guidelines to ensure effective management of resource consent and plan development processes.
2. Pursuant to Section 34(1) of the Resource Management Act (RMA) the Hawke's Bay Regional Council delegate the following functions, powers and/or duties under the RMA:
 - i) To hear and make recommendations on submissions received on any statutory documents prepared by Council which have been subject to a formal submission process under the Resource Management Act 1991.
 - ii) To hear and make decisions on applications arising out of the Council's regulatory responsibilities as follows:
 - notified applications where submissions have been made and submitters wish to be heard;
 - reviews of conditions (s.128) where consent holder and/or submitters wish to be heard
 - notified applications where submissions have been made and where the Committee considers it necessary to hold a hearing;
 - objections to decisions made under delegated authority by staff, where they wish to be heard (s.357);
 - where the staff recommendation is to decline any application for reasons other than inadequate information;
 - iii) To determine other related discretionary process matters that may be associated with a hearing such as waivers of time, as appropriate under the Resource Management Act 1991.
 - iv) To hear and make decisions on objections against costs under Section 36(6) of the Act and objections to the levying of Financial Contributions under Section 108 of the Act.
 - v) To hear and make decisions on lapsing of consents under Section 125 of the Act where a decision of an officer acting under delegated authority is subject to an objection.
3. Pursuant to section 82 of the Biosecurity Act (BA) the Hawke's Bay Regional Council delegate the following functions, powers and/or duties under the BA:
 - i) To hear and make decisions on submissions received on any statutory documents prepared by Council which have been subject to a formal submission process under the Biosecurity Act.
 - ii) To authorise the resolution and settlement of appeals and references through formal hearings or mediation before the Environment Court or any other judicial body which relate to the preparation of any statutory documents prepared under the Biosecurity Act by the Council and to either generally or from time to time delegate to officers the authority to resolve and settle appeals and references through formal mediation.
4. The Hawke's Bay Regional Council delegate to the Hearings Committee Chairman, the appointment of Hearings Committee members to a Hearing Panel to undertake the functions set out above in 2(ii), 2(iii), 2(iv) and 2(vi) and the appointment of the Chair of the Hearing Panel.

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| MEMBERS: | Four elected and accredited Members of Council; and up to three members of the Maori Committee, nominated by the Chair of the Maori Committee. |
| HEARING PANEL COMPOSITION: | <p>The Hearing Panel sitting to make decisions relating to 2(ii), 2(iii), 2(iv) and 2(vi) above shall comprise any combination of:</p> <ul style="list-style-type: none">- Up to three accredited members of the Hearings Committee- Up to three accredited Commissioners- If considered advisable in any particular case by the Chairman of the Committee, an accredited member of the Council's Maori Committee. <p>Also when appropriate, the Chair of the Standing Committee when hearings directly relate to policy originating from that Committee.</p> <p>The Hearing Panel Chair has a Casting vote.</p> |
| CHAIRMAN: | - |
| DEPUTY CHAIRMAN: | A member of the Committee as elected by the Council being: - |
| MEETING FREQUENCY: | As is required |
| STAFF EXECUTIVE: | Group Manager Environmental Management |
| QUALIFICATIONS: | Except as indicated above, (relating to the Chair of a Standing Committee all Members of the Panel must be accredited pursuant to section 39B of the Resource Management Act 1991. |

TERMS OF REFERENCE

1. Responsible for considering and recommending to Council strategic planning initiatives including development of the Council's Strategic Plan and other strategic initiatives with external stakeholders including District and City Councils.
2. To consider the resourcing implications of strategic initiatives.
3. To consider major financial matters arising from other Committees' recommendations.
4. To consider and recommend to Council on risk and audit issues.
5. To consider the issues raised in the Audit Reports on the LTCCP and Annual Report as provided by Council's Audit provider, Audit New Zealand.
6. To consider and recommend to Council the strategic direction for Council's investment portfolio.
7. To consider and recommend to Council, where appropriate, the sale or acquisition of Council investments.
8. **Use of Delegated Powers for the Strategic Planning and Finance Committee**
– this committee may, without confirmation by the local authority that made the delegations, exercise or perform them in the like manner and with the same effect as the local authority could itself have exercised or performed them, provided that the decision deserves urgency and the decision to make the resolution a decision of Council is carried unanimously.

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| MEMBERS: | All Councillors One appointed member of the Maori Committee being: the Chairman of the Maori Committee |
| CHAIRMAN: | A member of the Committee as elected by the Council being: – |
| DEPUTY CHAIRMAN: | The Chairman of Council, or in his absence the Deputy Chairman of Council |
| MEETING FREQUENCY: | Generally on the fourth Wednesday of every second month |
| STAFF EXECUTIVE: | Chief Executive, Group Manager Strategic Development and Group Manager Corporate Services and other staff as required. |

JOINT REGIONAL PLANNING COMMITTEE

PROVISIONAL TERMS OF REFERENCE

1. Purpose

To oversee the review and development of the regional policy statement and regional plans for the Hawke's Bay region, as required under the Resource Management Act 1991.

2. Specific Responsibilities

- To agree and adopt a work programme for the review of Council's plans and policy statements prepared under the Resource Management Act 1991.
- To review the operative Regional Resource Management Plan, including the regional policy statement
- To prepare any changes to the Regional Resource Management Plan, including the regional policy statement
- To prepare any variations to the Proposed Regional Coastal Environment Plan
- To review the Regional Coastal Environment Plan as required, once it is operative
- To recommend to Council any of the above reviewed Plans, Proposed Plans, Plan Changes or Plan Variations for public notification in accordance with the First Schedule of the Resource Management Act 1991.
- To oversee consultation as required under the First Schedule of the Resource Management Act 1991.
- To recommend appointments to hearings committees or hearings panels that hear and decide upon submissions on proposed regional planning documents, proposed variations and proposed plan changes.
- To authorise the resolution and settlement of appeals and references on proposed regional policy statements and regional plans through formal hearings or mediation before the Environment Court and to either generally or from time to time delegate to officers the authority to resolve and settle any appeals and references through formal mediation before the Environment Court.
- To monitor the effectiveness of plan provisions in accordance with section 35 of the Resource Management Act and incorporate the monitoring outcomes into a review of the Committee's work programme

Note: The final Terms of Reference will be confirmed by Council prior to the first meeting of the Committee

CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP JOINT COMMITTEE

TERMS OF REFERENCE

1. PARTIES

- 1.1 Each of the following local authorities is a Member of the Hawke's Bay Civil Defence Emergency Management Group:

Central Hawke's Bay District Council

Hastings District Council

Hawke's Bay Regional Council

Napier City Council

Wairoa District Council

2. JOINT COMMITTEE

- 2.1 In accordance with the Civil Defence Emergency Management Act 2002, the Civil Defence Emergency Management Group is a Joint Committee of the Members established under the Local Government Act 1974 and maintained after 1 July 2003 under the Local Government Act 2002.

3. DEFINITIONS

For the purpose of these Terms of Reference:

- 3.1 "Act" means the Civil Defence Emergency Management Act 2002, which repealed and replaced the Civil Defence Act 1983.
- 3.2 "CDEM Group" means the Hawke's Bay Civil Defence Emergency Management Group (CDEM Group).
- 3.3 "Co-ordinating Executive Group" (the CEG) means the Co-ordinating Executive Group to be established under section 20 of the Civil Defence and Emergency Management Act 2002 and clause 19 of this Terms of Reference.
- 3.4 "Group Controller" means a person appointed under section 26 of the Civil Defence and Emergency Management Act 2002 and clause 8.1.1 of this Terms of Reference as a Group Controller.
- 3.5 "Hawke's Bay Region" for the purposes of this document means the Hawke's Bay region as defined in the Local Government (Hawke's Bay Region) Reorganisation Order 1989, excluding the parts of Rangitikei and Taupo District Councils falling within the area administered by the Hawke's Bay Regional Council.
- 3.6 "Member" means a Local Authority that is a member of the Civil Defence Emergency Management Group that is the subject of this document.

4. PURPOSE OF TERMS OF REFERENCE

- 4.1 The purposes of this Terms of Reference are to:
- (a) Provide for the establishment of the CDEM Group in fulfilment of the Member's obligations under section 12 of the Act;
 - (b) Define the responsibilities of the CDEM Group as delegated to the CDEM Group by the Members; and
 - (c) Provide for the administrative arrangements of the CDEM Group.

5. OBJECTIVES OF THE CDEM GROUP

- 5.1 The functions, powers and duties of the CDEM Group are specified in the Act. To assist the CDEM Group meet the requirements of the Act, the Group adopts the following objectives:

To ensure that hazards (as defined in the Act) and the consequential risks are identified and assessed;

To ensure an effective and efficient region-wide civil defence emergency management capability to respond to and recover from emergencies (as defined in the Act);

To facilitate effective and efficient emergency management through partnership and co-ordination amongst the organisations represented on the Co-ordinating Executive Group and the utility organisations that operate within the region; and

To promote appropriate mitigation of the risks.

6. FORMATION AND MEMBERSHIP OF THE CDEM GROUP

- 6.1 Pursuant to section 12 of the Act the Parties must unite to establish a CDEM Group as a Joint Committee under section 114S of the Local Government Act 1974.
- 6.2 The Joint Committee will be known as the Hawke's Bay Civil Defence Emergency Management Group (CDEM Group).
- 6.3 Rangitikei District Council, whose district is in the area of both the Hawke's Bay Regional Council and Manawatu-Wanganui Regional Council, has chosen to become a member of the Manawatu-Wanganui Civil Defence Emergency Management Group. This choice is irrevocable under section 14(3) of the Act.
- 6.4 Taupo District Council, whose district is in the area of Hawke's Bay Regional Council, Bay of Plenty Regional Council and Waikato Regional Council has chosen to become a member of the Waikato Civil Defence Emergency Management Group. This choice is irrevocable under section 14(3) of the Act.
- 6.5 The Members of the CDEM Group will be the Hawke's Bay Regional Council and all those territorial authorities that lie wholly within the boundaries of the Hawke's Bay region. Each member is to be represented on the CDEM Group by one person only, being the Mayor or Chairman of that local authority or an alternate representative who has been given the delegated authority to act for the Mayor or Chairman.
- 6.6 An alternate representative must be an elected person from that local authority under section 13(4) of the Act.
- 6.7 Under section 114S(4) of the Local Government Act 1974, and section 30(9) Schedule 7 of the Local Government Act 2002, the powers to discharge any representative on the CDEM Group and appoint his or her replacement shall be exercisable only by the Member that appointed the representative being discharged.

7. REQUIREMENT TO MAINTAIN THE CDEM GROUP

- 7.1 Section 12(2) of the Act, section 114P(5) of the Local Government Act 1974, and clause 30(5) Schedule 7 of the Local Government Act 2002, must not be read as permitting any Member to discharge or reconstitute the CDEM Group.

It is the responsibility of each Member of the CDEM Group to ensure that they have a representative available to participate in the CDEM Group, as soon as practicable after their representative is no longer able to represent that Member for whatever reason, with the same delegated functions, duties and powers as their predecessor.

8. DELEGATED AUTHORITY

The CDEM Group has the responsibility delegated by the Members to:

8.1 APPOINT A GROUP CONTROLLER

8.1.1 Appoint in accordance with section 26 of the Act, a suitably qualified and experienced person to be the Group Controller for the Hawke's Bay region.

8.1.2 Appoint a suitably qualified and experienced person(s) to exercise the functions, powers and duties of the Group Controller in the event of a vacancy in or absence in the office of Group Controller.

8.1.3 Delegate to the Group Controller the functions set out in section 28 of the Act.

8.2 APPOINTMENT OF LOCAL CONTROLLERS

8.2.1 Appoint in accordance with section 27 of the Act and following consultation with the relevant Members, one or more persons to be a Local Controller.

8.3 APPOINT PERSON WHO MAY DECLARE STATE OF LOCAL EMERGENCY

8.3.1 Appoint in accordance with section 25 of the Act, and following consultation with the relevant Members, at least one representative of a Member of the CDEM Group as a person authorised to declare a state of local emergency within the Hawke's Bay Region.

8.4 PREPARE, APPROVE, IMPLEMENT AND REVIEW CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP PLAN

8.4.1 In accordance with sections 48 to 57 of the Act, prepare, and after consultation approve a CDEM Group Plan

8.4.2 In accordance with section 17 of the Act, implement and monitor the CDEM Group Plan within the costs that each Member has agreed to pay.

8.4.3 In accordance with section 56 of the Act, review the CDEM Group Plan.

8.5 EXERCISE POWERS TO PERFORM ITS FUNCTIONS

8.5.1 In accordance with section 18(1) of the Act, all the powers that are reasonably necessary or expedient to enable the CDEM Group to perform its functions, including the power to delegate any of its functions to Members, the Group Controller, or any other person.

8.5.2 In accordance with section 18(2) of the Act:

- (a) Recruit and train volunteers for civil defence emergency management tasks; and
- (b) Conduct civil defence emergency management training exercises, practices, and rehearsals; and
- (c) Issue and control the use of signs, badges, insignia, and identification passes authorised under the Act, regulations made under the Act, or the civil defence emergency management plan; and
- (d) Ensure the provision, maintenance, control, and operation of warning systems; and
- (e) Ensure the provision of communications, equipment, accommodation, and facilities for the exercise of the CDEM Group's functions and powers during an emergency; and
- (f) Exercise any other powers that are necessary to give effect to the CDEM Group's Civil Defence Emergency Management Plan.

8.6 MAINTAIN THE CO-ORDINATING EXECUTIVE GROUP

8.6.1 In accordance with section 20 of the Act, establish and maintain a Co-ordinating Executive Group consisting of:

- (a) The chief executive officer of each Member or a senior person acting on that person's behalf; and
- (b) A senior representative of the Police assigned for the purpose by the Commissioner of Police; and
- (c) A senior representative of the Fire Service assigned for the purpose by the National Commander; and
- (d) The chief executive of a District Health Board in Hawke's Bay representing the District Health Board in Hawke's Bay, or a person acting on their behalf; and

Any other persons that may be co-opted by the CDEM Group to assist the CEG to undertake its responsibilities.

9. POWERS NOT DELEGATED

9.1 Section 114Q of the Local Government Act 1974 and Clause 32 Schedule 7 of the Local Government Act 2002 specifically exclude powers of delegation to make a rate, bylaw, borrow money, purchase or dispose of assets (and other powers).

9.2 The determination of internal staff structures of individual Members necessary for the delivery of services required under the Act or the CDEM Group Plan.

9.3 The determination of funding for implementing the CDEM Group Plan.

10. REMUNERATION

10.1 Each Member of the CDEM Group shall be responsible for remunerating its representative on the CDEM Group for the cost of that person's participation in the CDEM Group.

11. MEETINGS

11.1 The New Zealand Standard for model standing orders (NZS 9202: 2001), or any New Zealand Standard substituted for that standard, will be used to conduct CDEM Group meetings as if the CDEM Group were a local authority and the principal administrative officer of the Hawke's Bay Regional Council or his nominated representative were its principal administrative officer.

11.2 Other standing orders may be used, subject to the agreement of the CDEM Group, and in accordance with section 19(1) of the Act.

11.3 The CDEM Group shall hold all meetings at such frequency, times and place(s) as agreed for the performance of the functions, duties and powers delegated under this Terms of Reference. However there will be at least two meetings per year.

11.4 The quorum shall consist of three (3) members.

12. VOTING

- 12.1 In accordance with section 114Q of the Local Government Act 1974 and clause 32(4) Schedule 7 of the Local Government Act 2002, at meetings of the CDEM Group each Member's representative has full authority to vote and make decisions within the delegations of this Terms of Reference on behalf of that Member without further recourse to that Member.
- 12.2 Members shall use their best endeavours to avoid use of a casting vote by obtaining majority consensus.
- 12.3 Each Member has one vote.
- 12.4 A casting vote shall not be used unreasonably in favour of one Member.
- 12.5 As general statements of principle, a casting vote is to be used in the best interests of the Hawke's Bay region.

13. ELECTION OF CHAIRMAN AND DEPUTY CHAIRMAN

- 13.1 On the constitution or reconstitution of the CDEM Group Members shall elect a CDEM Group Chairman and may elect a Deputy Chairman;
- 13.2 The Group's Chairman and Deputy Chairman will hold office for an initial term up to the local body elections in October 2004, and thereafter a term of three years or such a lesser period as may be determined by the CDEM Group. The term of office of an appointed Chairman or Deputy Chairman ends if that person ceases to be a representative of a Member of the CDEM Group.

14. ADMINISTERING AUTHORITY

- 14.1 In accordance with the section 23 of the Act, the administering authority for the CDEM Group is Hawke's Bay Regional Council.
- 14.2 In accordance with section 24(2) of the Act, the administrative and related services referred to in clause 14.1 of these Terms of Reference, include services required for the purposes of the Act, or any other Act, regulation, or bylaw that applies to the conduct of the joint standing committee under section 114S of the Local Government Act 1974, and clause 30 Schedule 7 of the Local Government Act 2002.

15. GOOD FAITH

- 15.1 In the event of any circumstances arising that were unforeseen by the parties at the time of adopting this Terms of Reference, the parties hereby record their intention that they will negotiate in good faith to add to or vary this Terms of Reference so to resolve the impact of those circumstances in the best interests of:
 - (a) The Members of the CDEM Group collectively; and
 - (b) The Hawke's Bay community represented by the Members of the CDEM Group collectively.

16. VARIATIONS

- 16.1 Any Member may propose a variation, deletion or addition to the Terms of Reference by putting the wording of the proposed variation, deletion or addition to a meeting of the CDEM Group.
- 16.2 Once a proposed variation, deletion or addition to this Terms of Reference has been put to the CDEM Group, this Terms of Reference is not amended until each Member adopts the revised terms of Reference giving effect to the proposed variation, deletion or addition.
- 16.3 Notwithstanding clause 16.2, the CDEM Group may amend the Terms of Reference, where the changes will not materially affect the commitment of any individual Member.

17. REVIEW OF THE TERMS OF REFERENCE

17.1 The Terms of Reference will be reviewed and if appropriate amended by the CDEM Group at its meeting following the adoption of its Group Plan and any subsequent amendments to or revisions of that Plan.

17.2 The adoption of an amended Terms of Reference revised under clause 17.1 will be undertaken in accordance with section 16.

MEMBERS: An elected member of the Regional Council with the delegated authority of Council to act for the Chairman of the Hawke's Bay Regional Council being:

-

The Mayor or an elected member of the following local authorities with the delegated authority to act for the Mayor:

- Wairoa District Council (being Les Probert)
- Napier City Council (being Barbara Arnott)
- Hastings District Council (being Lawrence Yule)
- Central Hawke's Bay District Council (being Peter Butler)

CHAIRMAN: A member of the Committee as elected by the Committee: being:

-

DEPUTY CHAIRMAN A member of the Committee as elected by the Committee: being:

-

MEETING FREQUENCY: As required but at least twice annually

STAFF EXECUTIVE: Chairman Co-ordinating Executive Group

2. Establishes a new joint Committee for Regional Planning, with membership comprising equal representation of Councillors, and non-Councillors from the Treaty claimant groups.
3. Retain the Environmental Management, Asset Management and Biosecurity, and Strategic Planning and Finance Committees.
4. Re-establishes the Maori Committee, with a review of its role in twelve months.
5. Appoints Councillor representatives to the following organisations or groups:
 - Environment Awards Committee
 - Napier and Hastings Rotary Pathway Trusts
 - Hawke's Bay Regional Animal Health Committee
 - Hawke's Bay Drought Committee
 - Ruataniwha Plains Water Storage: Project Leadership Group
 - Ruataniwha Plains Water Storage: Stakeholder Liaison Group



Liz Lambert
GROUP MANAGER EXTERNAL
RELATIONS



Andrew Newman
CHIEF EXECUTIVE

Item 7

Attachment/s

There are no attachments for this report.

SUBJECT: OBJECTIVE REPRESENTATIVES ON THE REGIONAL TRANSPORT COMMITTEE

REASON FOR REPORT:

1. The constitution of the Regional Transport Committee is dealt with in Item 6 of this agenda. The purpose of this item is to determine the methods to be followed to appoint the objective representatives to this Committee.

Regional Transport Committee

2. As noted in the Terms of Reference for the Regional Transport Committee, the membership of this committee comprises the following:
 - 2 Regional Council representatives (who must be the Chair and Deputy Chair);
 - 1 representative from each of the territorial authorities in the region;
 - 1 representative from the New Zealand Transport Agency (Regional director);
 - 1 person or organisation to represent each of the following objectives:
 - Economic Development
 - Environmental Sustainability
 - Public Health
 - Safety and Public Security
 - Access & Mobility
 - Cultural Interests
3. In the previous Regional Transport Committee, the positions were filled by:
 - 3.1. Economic Development – Murray Douglas, HB Chamber of Commerce
 - 3.2. Environmental Sustainability – Alastair Bramley, ECO ED
 - 3.3. Public Health – Tracy Ashworth, staff representative from HBDHB
 - 3.4. Safety and Public Security – Inspector Chris Wallace, NZ Police
 - 3.5. Access and Mobility – David Murray, Automobile Association
 - 3.6. Cultural Interests – Mike Mohi, Chair HBRC Maori Committee
4. All representatives have made valuable contributions in their respective objective areas.

Regional Transport Committee Composition

5. The process for appointing of the local authority and New Zealand Transport Agency representatives are straight forward but the Land Transport Management Amendment Act is not prescriptive on the process for appointing the representatives for the NZTS Objectives. However, Objective representatives must be from the wider regional community and not a member or employee of a regional council, territorial local authority, or NZTA.
6. Broad guidelines for Representative experience and qualifications were prepared by the Ministry of Transport and in general the person must be representative of the wider regional community interest in, understanding and aspirations of the objective, not of a specified organisation.
7. There are benefits if there can be some continuity of current members on the new Regional Transport Committee, given the knowledge and experience that the current members have in relation to the Regional Land Transport Strategy 2008, and the Regional Land Transport Programme 2009-12 and the current legislative environment.

Local Authority and NZTA Appointments

8. It is proposed that the Regional Council confirms its appointment of Chairman and Deputy Chairman and that it invites Wairoa, Hastings and Central Hawke's Bay District Councils and Napier City Council to advise the Council of their representative for the new committee.
9. The Regional Director for the Central Region of the New Zealand Transport Agency is NZTA's representative on the Hawke's Bay Regional Transport Committee.

NZTA Objective appointments

10. There are three options for the appointment process for Objective Representatives:
 - 10.1. Option 1 - invite suitably qualified organisations or individual to nominate a representative for the position;
 - 10.2. Option 2 - publicly seek applications from suitably qualified organisations or individuals;
 - 10.3. Option 3 - a combination of 1 and 2.
11. When the Regional Council constituted this Committee in July 2008, it determined Option 1, the targeted approach, as being the most appropriate method of selecting the suitable candidates for the position.
12. The targeted approach is recommended for this process.
13. It is considered that Hawke's Bay District Health Board and the NZ Police remain the most suitable organisations to represent the Public Health objectives and the Safety and Public Security objectives and staff propose that those organisations be invited to reconfirm their nominated representative for this position.
14. It is considered that the appointment of the Cultural Interest Representative should be the Chair of the Council's Maori Committee and that pending that appointment, that Mr Mike Mohi continue in that role.
15. The Automobile Association is still considered an appropriate organisation to nominate a person or persons interested in being on the Committee for the Access and Mobility objective.
16. For the Environmental Sustainability objective, the person who held that position, Alastair Bramley, brings an interesting mix of environmental and engineering experience and it is suggested that he be offered a continued role in this position.
17. The current Objective representatives for the last two positions have indicated a desire to continue in that role.
18. The current Objective representative for Economic Development, Murray Douglas has indicated that he would not be available to stand again. It is proposed Chris Bain of the Port of Napier Limited who actively participates in the current Committee in a Coastal Advisory Capacity would be a suitable candidate. Chris Bain has indicated that he is happy to take on this role. Chris has made a significant contribution over the last two years, particularly in relation to freight analysis studies.
19. It is proposed that the Advisory positions for Road, Rail and Coastal also be maintained to support this Committee.

DECISION MAKING PROCESS:

20. The Regional Council is required to establish a Regional Transport Committee in accordance with the Land Transport Management Amendment Act 2008. To not establish this new Committee will significantly impact on Council's ability to meet its statutory responsibilities.
21. The Act sets out the membership and is not prescriptive as to how the representatives for the NZTS Objectives are appointed. Guidelines will be available as to qualification and experience but not as to process.

22. Three options are available and it is recommended that the same approach as last time, being a targeted recruitment for the objective representatives, is appropriate and will result in a good representation of the objectives on the Committee.
23. Council can exercise its discretion under Section 79 (1) (a) and 82 (3) of the Act and make a decision on this issue without conferring directly with the community or others having given due consideration to the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by or have an interest in the decisions to be made.

RECOMMENDATIONS:

That the Council :

1. Agree that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
 - 1.1 Instruct staff to seek confirmation of the representative from each territorial local authority and the New Zealand Transport Agency on the Regional Transport Committee.
 - 1.2 Instruct staff to invite the Hawke's Bay District Health Board and the New Zealand Police to nominate a representative for the Public Health and Safety and Public Security objectives
 - 1.3 Nominate the Chair of the Maori Committee as the Representative for Cultural Interests.
 - 1.4 Approve the following Objective appointments:
 - David Murray (Access and Mobility),
 - Alastair Bramley (Environmental Sustainability) and
 - Chris Bain (Economic Sustainability)



Helen Codlin
GROUP MANAGER STRATEGIC
DEVELOPMENT



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 03 November 2010

Item 9

SUBJECT: ANNUAL PLAN PROGRESS REPORT TO 30 SEPTEMBER 2010

REASON FOR REPORT:

1. This Annual Plan Progress Report is an abridged report and covers the first three months of the 2010/11 financial year ending 30 June 2011. The report consists of Appendix 1, which is a commentary on financial results to 30 September 2010 and various financial reports.

DECISION MAKING PROCESS:

2. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that, as this report is for information only and no decision is to be made, the decision making provisions of the Local Government Act 2002 do not apply.

RECOMMENDATION:

That the Annual Plan Progress Report for the first three months of the 2010/11 financial year be received.



John Peacock
CORPORATE ACCOUNTANT



Paul Drury
GROUP MANAGER CORPORATE SERVICES

Attachment/s

- 1 Commentary on Financial Results

**ANNUAL PLAN PROGRESS REPORT
FOR THREE MONTHS OF 2010/2011
FROM 1 JULY TO 30 SEPTEMBER 2010**

INDEX

Annex 1 – Financial Section

Summary of Financial Position to 30 September 2010

Comment on Financial Results for the Three Months to 30 September 2010:

- Groups of Activities
- Operations Group
- Venture Hawke's Bay
- Regional Income
- General Funding for Capital Projects
- Loan and Grant Funding for Healthy Homes
- Balance Sheet
- Outstanding Consent Invoices
- Cash Reserve Investments

Financial Statements:

- Financial Summary
- Summary Operating Statement
- Balance Sheet
- Capital Activities
- Reserves Funding
- Financial Assets

REPORT FOR FIRST THREE MONTHS OF 2010/2011 FROM 1 JULY TO 30 SEPTEMBER 2010 FINANCIAL OVERVIEW

SUMMARY OF FINANCIAL POSITION TO 30 SEPTEMBER 2010

- The actual result covering the Council's general funded operations for the first three months of 2010/11 is a surplus of \$583,140. This compares with the Annual Plan budget and forecast deficit of \$599,808 for the full year.

COMMENT ON FINANCIAL RESULTS FOR THREE MONTHS TO 30 SEPTEMBER 2010

Groups of Activities

- This report establishes that the net expenditure on groups of activities for the first three months is 18% of the budgeted net funding requirement, as against an equal monthly pro-rata comparative of 25%. The comparative figure for the nine months to 30 September 2009 was 24%.
- Strategic Planning shows a net expenditure of 11% of budget. Actual expenditure is 17% of budget, with income showing at 26% of budget. While expenditure in projects such as Regional Coastal Plan and State of the Environment Reporting are ahead of schedule, expenditure on most projects in this activity group as running one month behind.
- Land Drainage & River Control shows a net expenditure of 16% of budget. Overall actual expenditure is 11% of budget with income at 24% of budget. Typically, Land Drainage and River Control projects do not start until spring/summer. Current net expenditure matches that of previous years.
- Regional Resources shows a net expenditure of 9% of budget. While expenditure in most projects is running just behind the expected pro-rata percentage, certain projects such as Environmental Enhancement & Biodiversity, Afforestation Grants Scheme, Sustainable Irrigation Initiatives and the sub-activity, Gravel Management, have had very little expenditure recorded to date. These projects are seasonally based, with budgeted levels of expenditure expected to come to charge as we move into spring/summer.
- Regulation shows a net expenditure of 43% of budget. While expenditure is running ahead of the pro-rata percentage, income is just 10% of budget. All backlog invoices have now been processed and staff are awaiting the Hearing's Panel decision on the large number of Twyford / Raupere consent applications before invoices (estimated at around \$157,000) covering this work can be processed.
- Biosecurity shows a net expenditure of 17% of budget. The bulk of this year's possum control area initial control will take place within the next six months due to seasonal requirements.
- Transport shows a net expenditure of -63% of budget. The reason for this unusual result is that the Regional Road Safety project has invoiced all contributions from third parties for the financial year and is showing all unused income carried forward from the prior year.

Operations Group

- Operations Group reports a deficit of \$18,913 for the three months to 30 September 2010. The deficit arises because \$102,000 of cost centre balances have not been transferred to jobs and billed, which is normal for this time of year. If these balances are not taken into account then Operations Group would show a surplus of \$83,000.

Venture Hawke's Bay

- Venture Hawke's Bay reports that expenditure for the quarter to 30 September 2010 is \$44,052 less than revenue received or receivable. In the 2010/11 Annual Plan, it was assumed that Venture Hawke's Bay would relocate to the Dalton Street Administration Building in December 2010 and the expected cost saving were reflected in the plan. The relocation is currently being reviewed and is not likely to occur before March 2011. A delay of three months will result in additional overhead costs of approximately \$7,000 plus any staff costs yet to be finalised.

Regional Income

- Total regional income represents 23% of the budgeted net funding contribution for the first three months of the financial year, as against a pro-rata of 25%.
- This result includes interest income at 20% of budget. In the early months of each financial year Council needs to use its cash operating balances. This position reverses itself over the remainder of the financial year as funds from rates and Port dividends are received.
- Net endowment leasehold land rental is 17% of budget. Rental income reflects actual billings which fluctuate throughout the year and are at the same level as for the first quarter last financial year.

General Funding for Capital Projects

- The general funding requirement for capital projects is \$152,189 or 31% of budget. The main reason for this higher than pro-rata position is that an application for Lotteries Funding accrued in the Council Owned Wetlands project last year has not yet been finalised and billed this year.

Loan and Grant Funding for Healthy Homes

- The number and value of loan and grant applications received and processed as a part of the Healthy Home initiatives up to 30 September 2010 is set out in the table below:

| | Loans | | | Grants |
|---|------------|------------|-------------|------------|
| | Clean Heat | Insulation | Total | Clean Heat |
| ¹Approved Applications: | | | | |
| • Number | 176 | 314 | N/A | 108 |
| • Value | \$519,244 | \$687,735 | \$1,206,978 | \$75,600 |
| ²Engaged Contracts: | | | | |
| • Number | 156 | 274 | N/A | 97 |
| • Value | \$461,738 | \$604,842 | \$1,066,580 | \$67,900 |
| ³Completed Contracts: | | | | |
| • Number | 115 | 197 | 312 | 73 |
| • Value | \$342,882 | \$451,924 | \$794,806 | \$51,100 |

Note: Definitions In Relation to Processing Healthy Homes Applications:

¹ *Approved Applications:* These are applications from householders that have been screened by service providers for eligibility of assistance. Further, property ownership is ascertained by Council staff against the rating database. Note that a single application may be for Clean Heat, Insulation or both services.

² *Engaged Contracts:* These represent applications that have been approved by Council and an offer of a loan, grant or combination of both has been accepted by householders and all relevant documentation completed. In essence, Council is committed to the costs associated with this category of application.

³ *Completed Contracts:* These represent applications for which the services contracted for have been completed and audited by EECA and all payments made to contractors. In essence, these represent the level of loans and grants actually made.

- Approved applications for Heat Smart financial assistance reached 500 and crossed \$1 million in total value during this period. Insulation retrofits continue to exceed clean heat conversions. This can be attributed to a wider regional population base being eligible for insulation funding, the majority of EECA service providers being insulation businesses, and a lower uptake of the minimal government programme heating incentive which has seen a large proportion of the county's clean heat conversions or installations being self funded and outside our current measurement data.
- Early repayment on sale of property was introduced during this period, and while this is not expected to contribute largely to a change in uptake or activity, it is reflective of the continuous improvement required by the programme to ensure its effectiveness in influencing attitudinal and behavioural change.

Balance Sheet

- Public Equity, which reflects the net value of all the Council's assets and liabilities, has increased by \$824,000 or 1.80% since the beginning of the year.
- Non-current property, plant & equipment and infrastructure assets have increased by \$1,001,000 or 0.34% since the beginning of the year due to the purchase of fixed assets and construction of infrastructure assets. This reflects the purchases of fixed assets and construction of infrastructure assets in the period, off-set by depreciation charges.
- Investment property has decreased by \$1,197,000 or 1.29% since the beginning of the year reflecting the disposal of 10 endowment leasehold land properties and one property in Wellington. Last year Council disposed of \$3,802,000 of property and wrote down to fair value an additional \$1,125,000 of property.
- Trade receivables have decreased since the beginning of the year by \$812,000; however trade receivables are \$663,000 more than 12 months ago. The main reasons for this increase are:
 - An additional \$21,000 of outstanding rates,
 - Ministry of Agriculture & Forestry (MAF) year end invoices of \$597,000
 - New Zealand Trade & Enterprise (NZTE) / Pipfruit New Zealand invoice of \$258,000.

Most of MAF receivables have been received since 30 September 2010 and it is expected that after a review of the three-year Apple Futures Project expenditure by Pipfruit New Zealand is completed that \$258,000 will be received in full from NZTE. This review is expected to be completed shortly.

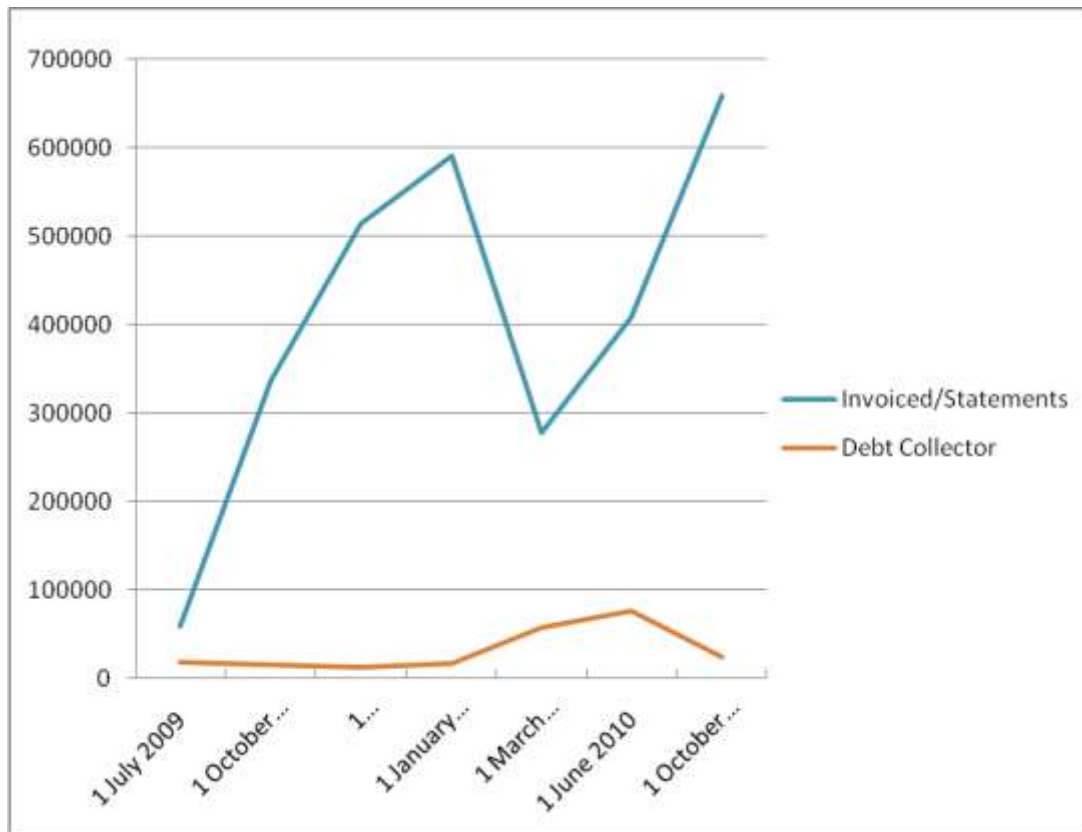
- Trade and Other Payables have decreased since the beginning of the year by \$2,126,000 as year-end invoices have been paid and accruals reversed.
- Income in advance shows a significant movement of \$3,752,000 due to the accrual of rate revenue in advance prior to the issue of rates invoices for the year in early October 2010.
- Total Cash, Cash Equivalents and Financial Assets shows a decrease of \$5,469,000 since the beginning of the year. Typically, during the first quarter of the year the Council experiences significant cash outgoings with few cash receipts.

Outstanding Consent Invoices (Provided by Consent Processing Team)

First/Second Statements

1. Council's standard practice is to issue invoices as soon as practicable following the release of resource consent decisions. The parent invoice is then followed by a first and then a second statement on the 20th of each successive month of non-payment. The attached graph illustrates the amounts outstanding by date for approximately the last 15 months.

This graph shows a decrease in invoicing activity between the months of December 2009 and February 2010, which was in part attributable to the transition into the new financial system, NAV. However, this has been more than offset by a concerted effort on the part of Council officers to address any backlog and as a result approximately \$370,000 of consent processing fees have been invoiced since February 2010.



Debt Collections

2. The amount of debt collection referrals peaked at just below \$77,000 at the end of the financial year. This is a high level of bad debts compared to past years and is likely a result of the recession. Figures for debt collection have decreased significantly to \$24,040 in the months to October 2010.

Bad Debts for 2009-2010

3. As a result of two dairy company receiverships, Council has provided for \$70,000 for non-recoverable debts in the 2009/10 financial year as reported to Council at its meeting held 16 December 2009, these two receiverships remain the highest bad debt figures owed to Council to date.

Cash Reserve Investments

- The average rate of interest being earned on liquid investments is currently 4.89%. This rate is higher than the average rate of 4.58% at 30 June 2010 and higher than the rate assumed in the 2010/11 Annual Plan of 4.0% for both short and long-term bank investments.
- The pie chart entitled “Allocation by Institution” shows the percentage of Council investments placed with various institutions. Council policy requires that no more than 25% of investments be placed with any non government–guaranteed institution of groups of associated institutions.

| HAWKE'S BAY REGIONAL COUNCIL | | | |
|---|----------------|--------------------|------------------|
| FINANCIAL SUMMARY | | | |
| Three Months Ended 30 September 2010 (Pd 03) | | | |
| | Actual | Annual Plan | Forecast |
| | \$ | \$ | \$ |
| Operating Activities | | | |
| Net Funding Requirement | (2,482,296) | (14,121,678) | (14,121,678) |
| Regional Income | 3,192,486 | 13,812,111 | 13,812,111 |
| Operating Surplus / (Deficit) | <u>735,329</u> | <u>(103,567)</u> | <u>(103,567)</u> |

| | | | |
|--|------------------|-------------------|-------------------|
| Capital Activities | | | |
| Loans Outstanding | | | |
| Te Awanga Flood Protection | 28,754 | 14,377 | 14,377 |
| LiDar Digital Terrain Monitoring | 110,400 | 82,800 | 82,800 |
| GIS Purchase | 95,000 | 95,000 | 95,000 |
| Council Office Redevelopment | 360,000 | 0 | 0 |
| Sawfly Remediation No. 1 | 1,500,000 | 1,250,000 | 1,250,000 |
| Sawfly Remediation No. 2 | 1,960,000 | 1,680,000 | 1,680,000 |
| Sawfly Remediation No. 3 | 1,050,000 | 980,000 | 980,000 |
| Regional Infrastructure | 500,000 | 3,424,800 | 3,424,800 |
| Regional Parks | 300,000 | 271,000 | 271,000 |
| Finance Systems | 550,000 | 750,000 | 750,000 |
| Healthy Homes | 550,000 | 9,469,544 | 9,469,544 |
| Upper Tukituki Flood Control | 200,000 | 294,220 | 294,220 |
| Karamu & Tributaries Flood Control & Drainage | 400,000 | 390,000 | 390,000 |
| Monitoring Bores | 0 | 100,000 | 100,000 |
| Operations Group Office Extensions | 0 | 327,720 | 327,720 |
| HPFCS Flood Protection & River Control | 0 | 199,000 | 199,000 |
| Total Loans Outstanding | <u>7,604,154</u> | <u>19,328,461</u> | <u>19,328,461</u> |
| Leasehold Land Sales | | | |
| Residential/Commercial/Rural | 926,521 | 800,000 | 800,000 |
| Capital Expenditure (Excluding Loan Repayments) | | | |
| Operating Assets | 365,375 | 2,168,900 | 2,168,900 |
| Strategic Planning | 0 | 0 | 0 |
| Land Drainage & River Control | 213,719 | 2,027,762 | 2,027,762 |
| Regional Resources | 52,220 | 12,547,611 | 12,547,611 |
| Regional Income | 559,937 | 1,819,130 | 1,819,130 |
| | <u>1,191,251</u> | <u>18,563,403</u> | <u>18,563,403</u> |

| Financial Assets & Investments | 30-Sep-10 | 1 Year Ago |
|---|--------------------|--------------------|
| Non-Current Financial Assets | 128,801,053 | 114,858,332 |
| Current Financial Assets | 30,734,033 | 34,709,861 |
| Cash & Cash Equivalents | 6,605,904 | 18,933,402 |
| Total Cash & Financial Assets | <u>166,181,440</u> | <u>168,501,594</u> |
| Average Interest Rate on Liquid Investments | 4.89% | 4.21% |
| Total Investment Property | 91,280,262 | 97,648,143 |
| Total Forestry Crops | 1,819,827 | 1,091,201 |

| Accounts Receivable | 30-Sep-10 | 1 Year Ago |
|------------------------------------|------------------|-------------------|
| Rate Receivables | 384,200 | 363,189 |
| Other Receivables | 2,479,610 | 1,774,546 |
| Provision for Impaired Receivables | (296,886) | (233,816) |
| Total Accounts Receivable | <u>2,566,924</u> | <u>1,903,919</u> |

Summary Operating Statement
Three Months Ended 30 September 2010 (Pd 03)

| | ANNUAL PLAN EXPENDITURE FULL YEAR | ACTUAL EXPENDITURE After 03 Months | ACTUAL INCOME (*) After 03 Months | RESERVE MOVEMENT After 03 Months | NET FUNDING REQUIREMENT | | | ACTUAL / FORECAST (%) |
|--|---|--|---|--|---------------------------|---------------------|--------------------------|-----------------------------|
| | | | | | ACTUAL After 03 Months | FULL YEAR BUDGET | FULL YEAR RE-FORECAST | |
| GROUPS OF ACTIVITIES: | | | | | | | | |
| 1.0 Strategic Planning | 3,301,657 | 546,861 | 307,200 | 0 | (239,661) | (2,095,657) | (2,095,657) | 11% |
| 2.0 Land Drainage & River Control | 5,566,896 | 616,269 | 752,602 | 298,614 | (162,281) | (1,039,225) | (1,039,225) | 16% |
| 3.0 Regional Resources | 8,917,020 | 1,410,295 | 715,798 | (278,564) | (415,932) | (4,859,741) | (4,859,741) | 9% |
| 4.0 Regulation | 2,999,910 | 813,950 | 144,916 | 0 | (669,035) | (1,554,542) | (1,554,542) | 43% |
| 5.0 Biosecurity | 3,484,743 | 563,522 | 606,593 | 240,872 | (197,801) | (1,165,429) | (1,165,429) | 17% |
| 6.0 Hazard Management | 1,220,356 | 250,885 | 24,302 | 0 | (226,583) | (995,442) | (995,442) | 23% |
| 7.0 Transport | 3,836,153 | 553,929 | 850,009 | 224,439 | 71,641 | (114,431) | (114,431) | (63%) |
| 8.0 Governance & Community Engagement | 5,913,307 | 664,804 | 10,816 | (11,343) | (642,645) | (2,297,211) | (2,297,211) | 28% |
| | 35,240,042 | 5,420,514 | 3,412,236 | 474,018 | (2,482,296) | (14,121,678) | (14,121,678) | 18% |
| BUSINESS UNIT ADJUSTMENTS: | | | | | | | | |
| Notional Interest on Ops Grp Fixed Assets | | | 0 | | 0 | 156,000 | 156,000 | 0% |
| Operations Group Council Activities | 3,900,000 | 657,763 | 643,303 | | (14,460) | 0 | 0 | |
| Operations Group External Activities | 361,000 | 34,157 | 29,704 | | (4,453) | 50,000 | 50,000 | (9%) |
| Net Operations Group Activities | 4,261,000 | 691,920 | 673,007 | 0 | (18,913) | 50,000 | 50,000 | |
| Venture Hawke's Bay Activities | 1,926,000 | 398,932 | 442,984 | | 44,052 | 0 | 0 | |
| NET FUNDING REQUIREMENT | | 6,511,366 | 4,528,227 | 474,018 | (2,457,157) | (13,915,678) | (13,915,678) | 18% |
| 9.0 Regional Income | | | | | | | | |
| General Funding Rates Levied (net) | | 72,667 | 815,570 | 0 | 742,903 | 2,962,598 | 2,962,598 | 25% |
| General Funding Interest | | 0 | 330,110 | 138,681 | 191,430 | 969,584 | 969,584 | 20% |
| Port of Napier Ltd Dividends (net) | | 1,527 | 1,380,750 | (201,750) | 1,580,973 | 6,318,176 | 6,318,176 | 25% |
| Endowment Leasehold Land Rental (Net) | | 27,150 | 483,296 | 0 | 456,146 | 2,639,193 | 2,639,193 | 17% |
| Disaster Reserve Interest & Dividends (Net) | | 48,064 | 39,574 | 0 | (8,490) | 83,000 | 83,000 | (10%) |
| Investment Property Rental (Net) | | 6,531 | 147,227 | 0 | 140,696 | 719,684 | 719,684 | 20% |
| CHB Wastewater Disposal Investment | | 56,853 | 375 | (117,353) | 60,875 | 242,000 | 242,000 | 25% |
| Tutira Carbon Sequestration Investment | | 15,281 | 8,739 | (40,325) | 33,783 | 136,475 | 136,475 | 25% |
| Mahia Wastewater Disposal Investment | | 604 | 0 | (5,250) | 4,646 | 21,000 | 21,000 | 22% |
| Ruataniwha Water Investment | | 10,475 | 0 | 0 | (10,475) | 0 | 0 | |
| Regional Investment Company | | 0 | 0 | 0 | 0 | (489,599) | (489,599) | 0% |
| Other Income | | 0 | 0 | 0 | 0 | 210,000 | 210,000 | 0% |
| Gain / (Loss) on Disposal of Assets | | 0 | 0 | 0 | 0 | 0 | 0 | |
| REGIONAL INCOME | | 239,152 | 3,205,641 | (225,997) | 3,192,486 | 13,812,111 | 13,812,111 | 23% |
| OPERATING SURPLUS / (DEFICIT) | 6,750,518 | 7,733,867 | 248,021 | | 735,329 | (103,567) | (103,567) | (710%) |
| 10.0 Capital Projects | | | | | | | | |
| 10.1 Internally Constructed Assets | | 124,900 | 0 | (124,900) | 0 | 0 | 0 | |
| 10.2 Strategic Planning | | 0 | 0 | 0 | 0 | 0 | 0 | |
| 10.3 Land Drainage & River Control | | 283,719 | 567,143 | 338,165 | (54,741) | (423,241) | (423,241) | 13% |
| 10.4 Regional Resources | | 52,220 | (66,917) | (21,688) | (97,448) | (73,000) | (73,000) | 133% |
| 10.5 Regional Income | | 559,937 | 0 | (559,937) | 0 | 0 | 0 | |
| COUNCIL FUNDING REQUIRED FOR CAPITAL PROJECTS | 1,020,776 | 500,227 | (368,360) | | (152,189) | (496,241) | (496,241) | 31% |
| ANNUAL PLAN SURPLUS / (DEFICIT) | 7,771,294 | 8,234,094 | (120,339) | | 583,140 | (599,808) | (599,808) | (97%) |

(*) Income includes Targeted Rates, Fees and Charges, Grants and Loans

| HAWKE'S BAY REGIONAL COUNCIL | | |
|--|------------------------------------|-----------------------------------|
| CONSOLIDATED BUSINESS UNITS BALANCE SHEET | | |
| | Actual 30-Sep-10 \$ | Actual 1-Jul-10 \$ |
| Non Current Assets | | |
| Property, plant & equipment | 18,033,325 | 17,826,000 |
| Infrastructure assets | 124,434,061 | 123,640,000 |
| Investment property | 91,280,262 | 92,477,000 |
| Intangible assets | 1,392,215 | 1,419,000 |
| Financial assets | 128,801,053 | 127,084,000 |
| Forestry assets | 1,819,827 | 1,820,000 |
| | 365,760,742 | 364,266,000 |
| Current Assets | | |
| Inventories | 36,375 | 41,000 |
| Accounts receivable | 2,566,924 | 3,379,000 |
| Prepayments | 128,348 | 193,000 |
| Accrued income | 891,031 | 1,050,000 |
| Work in progress | 239,294 | 239,000 |
| Financial assets | 30,734,033 | 34,445,000 |
| Cash & cash equivalents | 6,605,904 | 9,831,000 |
| | 41,201,908 | 49,178,000 |
| TOTAL ASSETS | 406,962,650 | 413,444,000 |
| Public Equity | | |
| General reserves | 179,139,184 | 178,906,000 |
| Fair value reserves | 152,478,074 | 152,478,000 |
| Operating reserves | 67,451,342 | 66,354,000 |
| Current year movement | (506,966) | 0 |
| | 398,561,634 | 397,738,000 |
| Non Current Liabilities | | |
| Borrowings | 6,362,177 | 6,362,000 |
| Employee entitlements | 1,058,990 | 764,000 |
| Other liabilities | 12,614 | 12,000 |
| | 7,433,780 | 7,138,000 |
| Current Liabilities | | |
| Accounts payable | 1,062,087 | 3,188,000 |
| Income in advance | (2,046,305) | 1,706,000 |
| Deposits and retentions | 135,114 | 1,495,000 |
| Employee entitlements | 574,363 | 848,000 |
| Borrowings | 1,241,978 | 1,331,000 |
| Intrabusiness payables | 0 | 0 |
| | 967,236 | 8,568,000 |
| TOTAL LIABILITIES | 8,401,017 | 15,706,000 |
| TOTAL EQUITY & LIABILITIES | 406,962,650 | 413,444,000 |

| | | | |
|---|---------------|--------------------|-----------------|
| HAWKE'S BAY REGIONAL COUNCIL | | | |
| CAPITAL & INVESTMENT ACTIVITY | | | |
| Three Months Ended 30 September 2010 (Pd 03) | | | |
| | Actual | Annual Plan | Forecast |
| | \$ | \$ | \$ |

10.1 OPERATING ASSET ACTIVITIES

Expenditure:

| | | | |
|-----------------------------------|----------------|------------------|------------------|
| Loan Principal Repayments: | | | |
| Lidar Digital Terrain Monitoring | 0 | 27,600 | 27,600 |
| GIS Computer System | 19,000 | 19,000 | 19,000 |
| Council Office Redevelopment | 0 | 360,000 | 360,000 |
| Finance Systems Upgrade | 0 | 50,000 | 50,000 |
| Operations Group Office Extension | 0 | 12,000 | 12,000 |
| Total Loan Repayments | 19,000 | 468,600 | 468,600 |
| Operating Asset Purchases: | | | |
| Purchases by Council | 285,175 | 2,061,800 | 2,061,800 |
| Purchases by Operations Group | 80,200 | 107,100 | 107,100 |
| Total Operating Asset Purchases | 365,375 | 2,168,900 | 2,168,900 |
| Total Expenditure | 384,375 | 2,637,500 | 2,637,500 |

Sources of Funds:

| | | | |
|--|----------------|------------------|------------------|
| Operating Asset Depreciation - Council | 227,620 | 1,255,000 | 1,255,000 |
| Operating Asset Depreciation - Operations Group | 42,904 | 292,000 | 292,000 |
| Operating Asset Depreciation - Venture Hawke's Bay | 5,664 | 25,980 | 25,980 |
| Proceeds of Disposals - Council | 0 | 44,000 | 44,000 |
| Proceeds of Disposals - Operations Group | 18,000 | 25,500 | 25,500 |
| Finance Systems Upgrade (2nd Tranch) | 125,053 | 300,000 | 300,000 |
| Monitoring Bores | 0 | 100,000 | 100,000 |
| Operations Group Office Extension | 0 | 340,000 | 340,000 |
| Interest on Asset Replacement Reserve Funds | 0 | 50,000 | 50,000 |
| Asset Replacement Reserve Funds | (34,866) | 205,020 | 205,020 |
| Total Sources of Funds | 384,375 | 2,637,500 | 2,637,500 |

10.2 STRATEGIC PLANNING ACTIVITIES

Expenditure:

| | | | |
|---|----------|----------|----------|
| Capital Project Expenditure | | | |
| Implementation of Environmental Initiatives | 0 | 0 | 0 |
| Total Expenditure | 0 | 0 | 0 |

Sources of Funds:

| | | | |
|-------------------------------|----------|----------|----------|
| External Funding | 0 | 43,000 | 43,000 |
| Sale of Land Reserves | 0 | (43,000) | (43,000) |
| Total Sources of Funds | 0 | 0 | 0 |

| | | | |
|---|----------|----------|----------|
| Net Result (Funded from General Funds) | 0 | 0 | 0 |
|---|----------|----------|----------|

Capital and Investment Activity Continued
Three Months Ended 30 September 2010 (Pd 03)

10.3 LAND DRAINAGE & RIVER CONTROL ACTIVITIES**Expenditure:**

Loan Principal Repayments:

| | | | |
|---|---------------|----------------|----------------|
| Upper Tukituki | 0 | 4,160 | 4,160 |
| Te Awanga | 0 | 14,377 | 14,377 |
| Sawfly Remediation | 70,000 | 670,000 | 670,000 |
| Karamu & Tributaries | 0 | 7,000 | 7,000 |
| Heretaunga Plains - Flood & River Control | 0 | 1,000 | 1,000 |
| Total Loan Repayments | 70,000 | 696,537 | 696,537 |

Infrastructure Asset Construction:

| | | | |
|--|----------------|------------------|------------------|
| Upper Tukituki | 17,096 | 240,456 | 240,456 |
| Maraetotara River Control | 0 | 0 | 0 |
| Central & Southern Areas Rivers & Streams | 232 | 23,485 | 23,485 |
| Heretaunga Plains - Rivers Maintenance | 58,736 | 150,000 | 150,000 |
| Heretaunga Plains - Flood & Rivers Control | 30,210 | 181,782 | 181,782 |
| Heretaunga Plains - Special Projects | 1,949 | 20,000 | 20,000 |
| Heretaunga Plains - Sawfly Remediation | 0 | 0 | 0 |
| Heretaunga Plains - Napier/Meeane/Puketapu (Capital) | 42,997 | 757,881 | 757,881 |
| Heretaunga Plains - Napier/Meeane/Puketapu (Renewal) | 0 | 42,410 | 42,410 |
| Heretaunga Plains - Brookfields/Awatoto | 0 | 5,000 | 5,000 |
| Heretaunga Plains - Pakowhai | 0 | 10,000 | 10,000 |
| Heretaunga Plains - Karamu & Tributaries | 62,499 | 561,293 | 561,293 |
| Heretaunga Plains - Raupere/Twyford | 0 | 31,970 | 31,970 |
| Heretaunga Plains - Tutaekuri/Moteo | 0 | 3,485 | 3,485 |
| Total Infrastructure Asset Construction | 213,719 | 2,027,762 | 2,027,762 |

Total Expenditure

| | | |
|----------------|------------------|------------------|
| 283,719 | 2,724,299 | 2,724,299 |
|----------------|------------------|------------------|

Sources of Funds:

| | | | |
|---|-----------|-----------|-----------|
| Loans Drawn-down | 0 | 300,000 | 300,000 |
| Targeted Rates & External Funding | 567,143 | 2,233,773 | 2,233,773 |
| Infrastructure Asset Replacement Reserves | 0 | 42,410 | 42,410 |
| Rating Scheme Reserves | (338,165) | (275,125) | (275,125) |

Total Sources of Funds

| | | |
|----------------|------------------|------------------|
| 228,978 | 2,301,058 | 2,301,058 |
|----------------|------------------|------------------|

Net Result (Funded from General Funds)

| | | |
|-----------------|------------------|------------------|
| (54,741) | (423,241) | (423,241) |
|-----------------|------------------|------------------|

**Capital and Investment Activity Continued
Three Months Ended 30 September 2010 (Pd 03)**

Item 9

10.4 REGIONAL RESOURCE ACTIVITIES

| | | | |
|---|-----------------|-------------------|-------------------|
| Expenditure: | | | |
| Loan Principal Repayments: | | | |
| Health Homes | 0 | 496,000 | 496,000 |
| Regional Park Reserves | 0 | 104,000 | 104,000 |
| Total Loan Repayments | 0 | 600,000 | 600,000 |
| Capital Project Expenditure: | | | |
| Health Homes: | (7,854) | 6,627,144 | 6,627,144 |
| Council Owned Wetlands | 25,425 | 292,500 | 292,500 |
| Tangoio Soil Conservation Reserve | 27,185 | 80,967 | 80,967 |
| Soil Conservation Nursery | 5,106 | 0 | 0 |
| Lake Tutira Country Park | 0 | 42,000 | 42,000 |
| Regional Park Reserves | 2,357 | 5,130,000 | 5,130,000 |
| Water Information Services | 0 | 375,000 | 375,000 |
| Total Capital Project Expenditure | 52,220 | 12,547,611 | 12,547,611 |
| Total Expenditure | 52,220 | 13,147,611 | 13,147,611 |
| Sources of Funds: | | | |
| Loans Drawn-down | 0 | 9,127,144 | 9,127,144 |
| External Funding | (66,917) | 3,134,427 | 3,134,427 |
| Sale of Land Reserves | 2,357 | 509,000 | 509,000 |
| Special Regional Projects Reserve | 0 | (1,717) | (1,717) |
| Rating Scheme Reserves | 19,331 | 305,757 | 305,757 |
| Total Sources of Funds | (45,229) | 13,074,611 | 13,074,611 |
| Net Result (Funded from General Funds) | (97,448) | (73,000) | (73,000) |

10.5 REGIONAL INCOME ACTIVITIES

| | | | |
|---|----------------|------------------|------------------|
| Expenditure: | | | |
| Capital Project Expenditure | | | |
| Central HB Waste Water Investment | 239,333 | 345,000 | 345,000 |
| Tutira Carbon Sequestration Forest | 68,804 | 134,819 | 134,819 |
| Ruataniwha Water Augmentation Investment | 251,800 | 1,252,311 | 1,252,311 |
| Mahia Waste Water Investment | 0 | 87,000 | 87,000 |
| Total Expenditure | 559,937 | 1,819,130 | 1,819,130 |
| Sources of Funds: | | | |
| External Funding | 0 | 800,000 | 800,000 |
| Sale of Land Reserves | 559,937 | 1,019,130 | 1,019,130 |
| Total Sources of Funds | 559,937 | 1,819,130 | 1,819,130 |
| Net Result (Funded from General Funds) | 0 | 0 | 0 |

Attachment 1

HAWKE'S BAY REGIONAL COUNCIL

Reserves Funding

At 30 September 2010

| Total | Operating Reserves | Infrastructure Asset Depreciation | Wairoa Rivers & Streams | Specific Regional Projects | Asset Replacement | Council Disaster Damage | Scheme Disaster Damage | Clive River Dredging | Tangoio Reserve Fund | Sale of Land Invmt | Sale of Land Non-Invmt | Rabbit Reserve | Napier Mussel Farm | Afforest. Grants Fund | Effective Interest Rate (%) | Maturity Dates |
|---|--------------------|-----------------------------------|-------------------------|----------------------------|-------------------|-------------------------|------------------------|----------------------|----------------------|--------------------|------------------------|----------------|--------------------|-----------------------|-----------------------------|----------------|
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | |
| Publicly Listed Shares | 844 | | | | | 844 | | | | | | | | | N/A | N/A |
| Government Stock | 3,261 | | | | | 2,356 | | | 602 | 303 | | | | | 5.38% | 2011 - 16 |
| Bank Deposits [Maturity > 365 days] | 3,125 | 6 | 414 | 18 | 18 | 321 | 32 | 1,060 | 13 | 626 | 564 | 32 | 13 | 8 | 4.96% | 2011 |
| Bank Deposits [Maturity 92 - 365 days] | 19,021 | 2,370 | 753 | 7 | | 150 | | | 1,085 | 13,995 | | | | 661 | 4.92% | 2011 |
| Cash & Cash Equivalents [Maturity < 92 days] | 18,230 | 3,604 | 1,489 | 594 | 415 | 736 | 28 | 991 | 20 | 1,619 | 6,193 | 1,803 | 69 | 669 | 4.25% | 2010 |
| 44,481 | 5,980 | 2,656 | 619 | 433 | 1,207 | 3,260 | 2,051 | 33 | 3,306 | 21,117 | 2,367 | 101 | 13 | 1,338 | 5.29% | |
| Less Non-Funded Reserves | | | | | | | | | | | | | | | | |
| Port Dividend Equalisation | | (2,641) | | | | | | | | | | | | | | |
| Project Schemes | | (3,274) | | | | | | | | | | | | | | |
| | | (5,915) | | | | | | | | | | | | | | |
| Available Operating Reserves | | 65 | | | | | | | | | | | | | | |

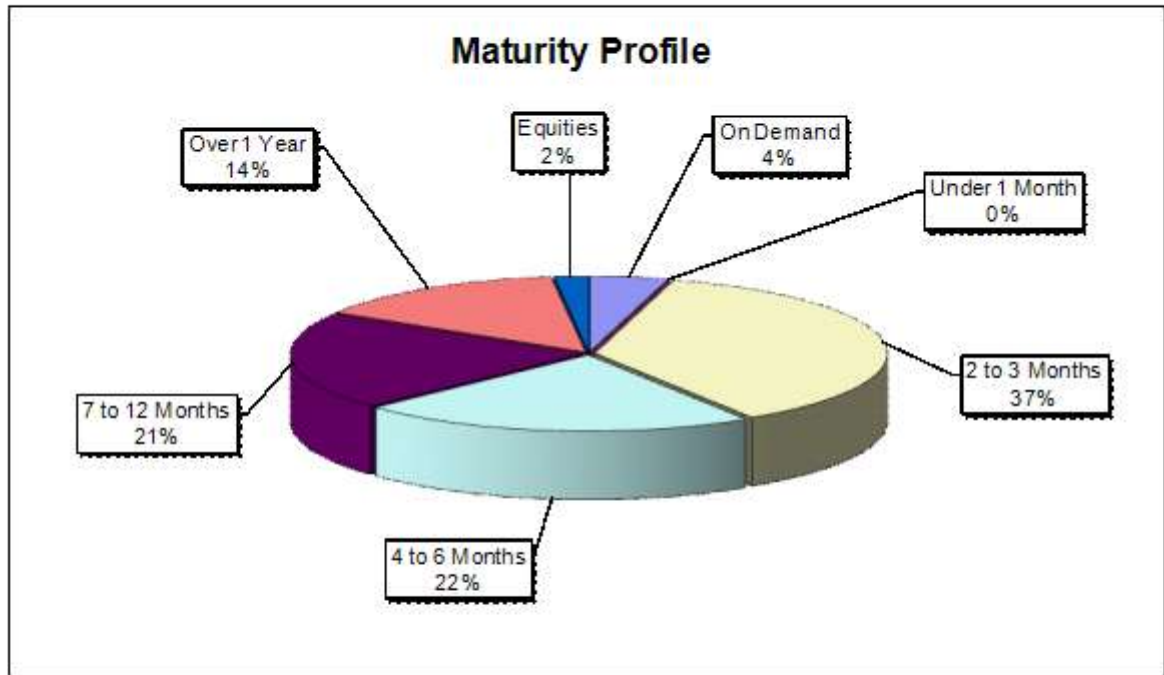
| Reconciliation to Balance Sheet: | |
|--|------------------|
| Non Current Financial Assets | 128,543 |
| Fair Value Adjustment to Stock | 258 |
| | 128,801 |
| Current Financial Assets | 30,734 |
| Cash & Cash Equivalents | 6,616 |
| | 166,151 |
| Less Non Allocated Financial Assets | |
| Port of Napier Shares | (120,540) |
| Community Loans | (622) |
| Fair Value Adjustment to Stock | (258) |
| Loans to VHB | (250) |
| | (121,670) |
| | 44,481 |

Notes:

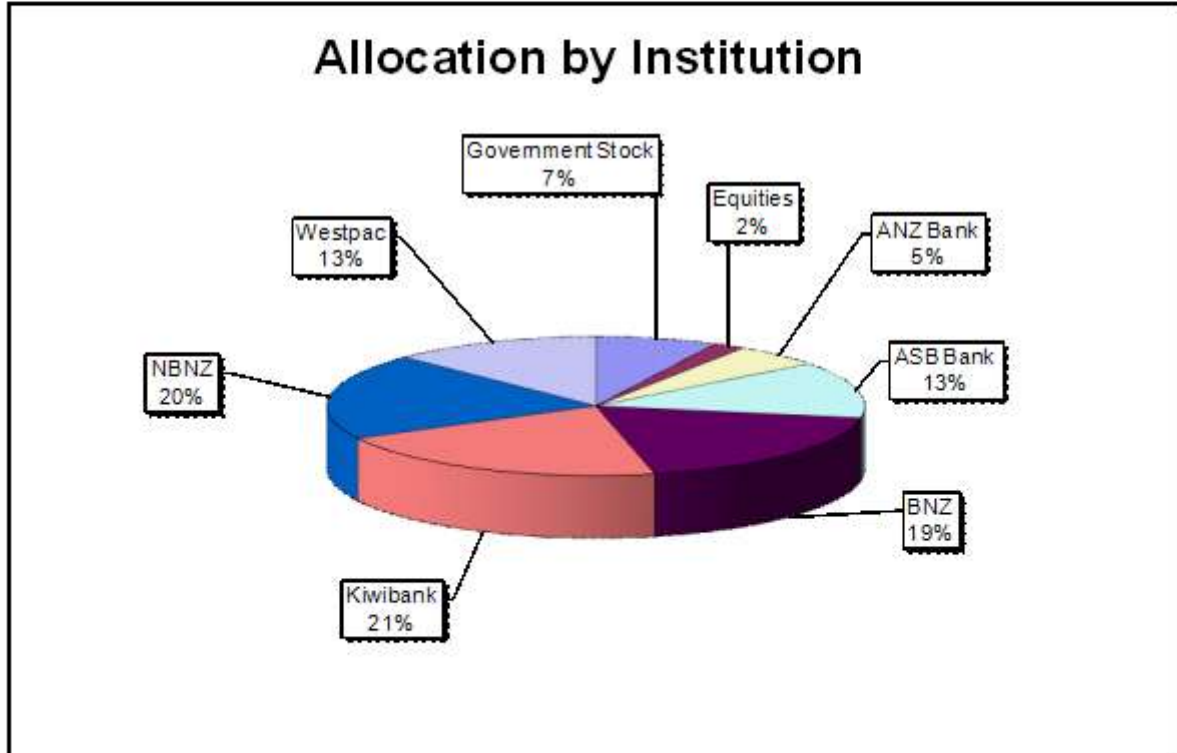
- The Napier Mussel Farm Reserve compounds interest on the initial deposit of \$8,500 in May 2005 at the average rate of interest earned on Council reserve funds.

HAWKE'S BAY REGIONAL COUNCIL
FINANCIAL ASSETS AT 30 SEPTEMBER 2010

Item 9



Attachment 1



HAWKE'S BAY REGIONAL COUNCIL

Wednesday 03 November 2010

SUBJECT: GENERAL BUSINESS

Item 10

INTRODUCTION:

This document has been prepared to assist Councillors note the General Business to be discussed as determined earlier in Agenda Item 4.

| ITEM | TOPIC | COUNCILLOR / STAFF |
|------|-------|--------------------|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |
| 6. | | |
| 7. | | |
| 8. | | |
| 9. | | |
| 10. | | |
| 11. | | |
| 12. | | |
| 13. | | |
| 14. | | |
| 15. | | |
| 16. | | |