



Meeting of the Strategic Planning and Finance Committee

Date: Wednesday 23 March 2011
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

ITEM	SUBJECT	PAGE
1.	Welcome/Notices/Apologies	
2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Strategic Planning and Finance Committee held on 26 January 2011	
4.	Matters Arising from Minutes of the Strategic Planning and Finance Committee held on 26 January 2011	
5.	Action Items from Strategic Planning and Finance Meetings	3
6.	Consideration of General Business Items	
Decision Items		
7.	Strategic Plan Development	7
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9.	Risk Assessment	19
10.	Proposed name for Council's Tutira Carbon Sequestration Property	35
Information or Performance Monitoring		
11.	Pure Hawke's Bay Presentation (11am)	
12.	Scenario Utilisation Plan	37
13.	Water Strategy Reference Group Budget	45
14.	Public Transport Update	47
15.	Maungaharuru Tangitu Inc Treaty Aspirations Presentation (1pm)	
16.	General Business	51
Decision Items (Public Excluded)		
17.	Maungaharuru - Tangitu Treaty Settlement process	53

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 23 March 2011

**SUBJECT: ACTION ITEMS FROM STRATEGIC PLANNING AND FINANCE
MEETINGS**

INTRODUCTION

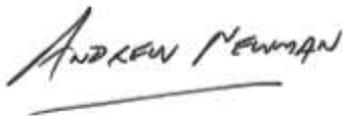
1. On the list **attached** are items raised at Committee meetings that require actions or follow-ups. All action items indicate who is responsible for each action, when it is expected to be completed and a brief status comment for each action. Once the items have been completed and/or reported back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

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 required in terms of the Local Government Act's provisions, the decision making procedures set out in the Act do not apply.

RECOMMENDATION

1. That the Committee receives the report "Action Items from Strategic Planning and Finance Meetings".



**Andrew Newman
CHIEF EXECUTIVE**

Attachment/s

- 1 Actions from Strategic Planning and Finance Committee Meetings

Actions from Strategic Planning and Finance Committee Meetings

	Agenda Item	Action	Person Responsible	Due Date	Status Comment
1.	Visit to Shanghai	Report back on this visit to a future meeting	AD/AN	Jan 11	Update to be provided in early 2011.
2	Regional Water Symposium	Ms Codlin was asked to provide the budget and breakdown of that budget to the Committee.	HC	Feb 11	A further report was emailed to Councillors outlining the internal staff costs. Estimated budget for Reference Group and Strategy Development on 23 March agenda
3.	Hawke's Bay Futures Scenarios titled "HB2050 What's the Story"	Ms Codlin was requested to prepare a utilisation plan setting out the purpose and value proposition of the Report.	HC	Feb 11	On 23 March SP&F Committee agenda

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 23 March 2011

SUBJECT: STRATEGIC PLAN DEVELOPMENT

REASON FOR REPORT

1. The purpose of this report is to outline the process for developing the Council's Strategic Plan for the Council's consideration and approval.

Background

2. The Council's Ten Year Plan includes a performance target to prepare a Strategic Plan in the 2010-11 year. The intention is that this document would inform the Council's priorities for the next Ten Year process.
3. At the Council's Strategic Planning Workshop in December 2010, Council indicated five priority areas that it wanted to achieve during this triennial term, being:
 - 3.1. Water
 - 3.2. Land
 - 3.3. Statutory Planning
 - 3.4. Investment
 - 3.5. Organisation Efficiency.
4. These have been outlined in the Draft Annual Plan. A strategic plan document will provide the framework for integrating these five objectives. The addition of a 'People and Communities' theme will complete the scope for the strategic plan document.

Strategic Plan Development Process

5. Staff are developing worksheets for each of these areas, which will include the following:
 - 5.1. Situation statement / Context (drivers of change)
 - 5.2. Goal / Outcome statements (3 year targets, 10 year targets)
 - 5.3. Costs and benefits
 - 5.4. Intervention options
 - 5.5. Funding implications
 - 5.6. Resourcing implications
6. These will then be incorporated into a Draft Strategic Plan document. This document could be used to socialise the Council's strategic priorities with stakeholders early on in the Long Term Plan development process.
7. Both sets of documents will be considered by Council at a workshop to be scheduled in May 2011.

DECISION MAKING PROCESS

8. 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.

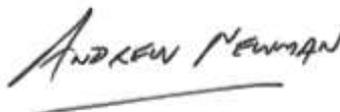
RECOMMENDATIONS

That the Strategic Planning and Finance Committee

1. Receives the report outlining the proposed Strategic Plan Development process.
2. Considers the proposed process and subject to any amendments, approves the process for the development of the Strategic Plan.



Helen Codlin
GROUP MANAGER STRATEGIC
DEVELOPMENT



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

There are no attachments for this report.

**SUBJECT: SUBMISSION TO HASTINGS DISTRICT COUNCIL RURAL
DISCUSSION DOCUMENT**

REASON FOR REPORT

1. Hastings District Council (HDC) has released a 'Rural Issues' discussion document as the first phase of its district plan review. Comments on the discussion document close on Friday 18 March 2011, but HDC planning staff have granted an extension for the Regional Council to make a submission before the end of March. This paper outlines draft comments for the Council's consideration.

Background

2. This paper follows on from an earlier paper presented to the Environmental Management Committee on 16 February 2011. At that meeting, the Committee requested that staff prepare and present a draft submission for consideration by Councillors. A draft submission is set out in Attachment 1 to this paper.
3. The Committee is asked to endorse the draft submission, subject to any further amendments arising at the meeting. For local resource management proposals such as this, the Council has already delegated authority to make submissions to the Group Manager Strategic Development. For this reason, a unanimous Council resolution under urgency from the Committee is not necessary.
4. The draft submission attempts to present a Council 'position paper' on rural issues. While there is no 'regional rural land strategy' or similar in place, Council's position has been gleaned from an array of existing planning documents, strategic directions, and Council activities/projects.
5. In addition to the written submission, HDC have recognised the value of the Regional Council's input and intend inviting Regional Council representation on a technical advisory group (or similar) to inform the next phases of the district plan review.

What next?

6. HDC will consider written submissions but does not intend to hold hearings. HDC is about to prepare and release two further discussion documents as part of the preliminary phases of HDC's district plan review. Those two documents will focus on the urban and coastal environments.
7. Council's representation on the technical advisory group will bolster any written comments made on the rural issues paper and soon to be released urban and coastal papers.
8. HDC is aiming to release a draft district plan for further informal public comment toward the end of 2012.

DECISION MAKING PROCESS

9. 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 the following:
 - 9.1. Sections 97 and 88 of the Act do not apply as these relate to decisions that significantly alter the service provision or affect a strategic asset.
 - 9.2. Sections 83 and 84 covering special consultative procedure do not apply.
 - 9.3. The decision does not fall within the definition of the Council's policy on significance.
 - 9.4. The persons affected by this decision are also entitled to make a submission on the discussion document.

- 9.5. The options considered are simply to make a submission on HDC's Rural Discussion Document, or not to make a submission.
- 9.6. Section 80 of the Act covering decisions that are inconsistent with an existing policy or plan does not apply.
- 9.7. 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 Committee:

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. Agrees to lodge the attached submission on Hastings District Council's Rural Discussion Document, subject to any further amendments arising at the meeting.



Gavin Ide
TEAM LEADER POLICY



Helen Codlin
GROUP MANAGER
STRATEGIC DEVELOPMENT

Attachment/s

- 1 Draft Submission on HDC Rural Discussion Document

March 2011

SUBMISSION ON HASTINGS DISTRICT - RURAL DISCUSSION DOCUMENT

Environmental Policy Section
Hastings District Council
Private Bag 9002
HASTINGS 4156

Attn: Philip McKay

INTRODUCTION

1. Thank you for the opportunity to make comments early in your planning processes for the review of the rural provisions of the Hastings District Plan. Given the significance of the rural sector to Regional Council functions, our comments cover a broad range of issues, including HBRC's activities beyond Resource Management Act matters.
2. Our comments also aim to highlight the importance of clear governance in the planning frameworks for rural areas. A co-ordinated effort is required across all local government in Hawke's Bay to tackle the increasing complexities of resource management and economic development in our rural environments, making the best use of respective councils' areas of knowledge and expertise.
3. We look forward to contributing further to HDC's District Plan review through the technical advisory group and any other opportunities there may be for HBRC to assist in HDC's activities in rural areas.

REGIONAL COUNCIL ROLES AND RESPONSIBILITIES

4. Like district councils, the Regional Council has broad responsibilities under the Local Government Act to promote economic, environmental, social and cultural well-being of the community.
5. Our major operational focus is on the environment and economic wellbeing, managing activities relating to the use of the region's natural resources while providing opportunities for people to use these resources to meet economic and social aspirations.
6. Land is essential natural capital to provide for our economic, social and cultural wellbeing. Soils are essential for the intensive cropping and farming enterprises that are the core of the Hawke's Bay economy. Water is equally important for our economic, social and cultural wellbeing and the management of land, water quantity, water quality and aquatic ecosystems must be considered as a whole system.
7. The Resource Management Act enables regional councils to control the taking and use of water and control discharges of contaminants into the environment. The presumption is that such activities cannot occur unless a rule in a regional plan permits it or a resource consent has been granted for the activity. The RMA also enables regional councils to control land use for water quality and quantity purposes. However the presumption here is that unless there is a rule in a plan which

restricts land use, it is allowed without a consent. This presumption applies to district council functions as well in relation to managing the effects of land use activities.

8. Because of the inter-relationship between land use, associated water and discharge requirements, and the effects on the soil and water resources, it is important that there is clear governance and alignment of planning documents.
9. Another key function is the Council's hazard management and flood control responsibilities. The Heretaunga Plains flood protection and drainage scheme protects significant areas of productive land with significant economic value. The level of service for this scheme is currently under review.
10. The Regional Council's Embracing Futures Thinking document (April 2008) identified land use change as a significant issue facing the region and one of 14 strategic goals. The Regional Council is still actively pursuing the goal of 'informing and encouraging optimal land use for economic benefit which maintains / enhances environmental sustainability'.

KEY ISSUES AND INITIATIVES

Water availability

11. The Hastings District is blessed with a high quality aquifer system under the Heretaunga Plains and large number of irrigators rely on that supply, as do large industrial users and Hastings District and Napier City Councils for their municipal water supplies. There are four large river catchments being Ngaruroro, Tutaekuri, Esk and the Mohaka Rivers, with the Karamu/Clive River catchment also draining a large area of land.
12. The regional plan contains allocation limits for these rivers and also minimum flows. There are no current allocation limits on the groundwater resource but national environmental standards are likely to put in place. Based on the current consents, most of the reaches in the Ngaruroro and Karamu rivers are over allocated, and science investigations reveal that the interaction of groundwater takes with surface water resources exist for the unconfined and semiconfined aquifer systems. This has meant that some groundwater takes are now subject to minimum flows and require a water meter.
13. Consents in the Karamu Stream and the Ngaruroro Stream have been granted for existing volumes for a 5 – 7 year term respectively to enable the allocation limits and minimum flows to be reviewed as there were concerns that some minimum flows were not adequate to protect stream ecology.
14. This means that the security of water supply for irrigators and other users is not as secure as previously thought. This could have significant economic implications.
15. This situation also exists in the Central Hawke's Bay area (Ruataniwha Basin).
16. In response to this issue in the Hastings area, the Regional Council has invested in a pre-feasibility study for water storage in the Ngaruroro catchment, as well as in the Raukawa hills. This is in partnership with MAF.
17. In addition, the Regional Council has also partnered with MAF in a Regional Water Availability and Demand Strategy. This is a three year project which is due for completion in June 2012 and looks at

water availability and demand based on different climate change and land use scenarios. The work Hastings is doing on its own water strategy for its municipal supply will be an important input into that work.

Water quality

18. In addition to water availability issues, the quality of the Karamu Stream's aquatic habitat environment is poor. It drains the urban environments of Hastings, Flaxmere, Havelock North and the Whakatu industrial area and accidental or illegal discharges have also contributed to pollution events, particularly in the Ruahapia Stream which drains the Coventry Road industrial area.

Irrigation efficiency

19. Considerable work has been undertaken by our Land Management team in the past to progress irrigation efficiency as a means of reducing water demand, and improving yields. Numerous studies have been undertaken in the past in partnership with industry and central government using central government funding. More recently, the Regional Council has facilitated the establishment of water user groups based on consent holders to encourage collective water efficiency initiatives.

Wind erosion

20. As with Irrigation Efficiency, considerable work has been undertaken by our Land Management team in the past to protect the fine vulnerable soils from wind erosion. Minimum tillage practices were a key tool and this initiative among others is now undertaken by LandWise.

Hill country erosion

21. For decades, the Regional Council and its predecessors have been working with farmers and landowners to protect hill country land, through erosion control planting and careful management of the use of the land, using financial incentives (eg: Regional Landcare Scheme).
22. The Regional Council also administers the Afforestation Grant Scheme on behalf other regional councils following an agreement that half of that fund should be administered directly by regional councils. Afforestation of the region's hill country, be it plantation pine or eucalyptus, native or other mixed species is seen by the Regional Council as a key plank towards sustainable land management in the hill country while improving farming profitability and also having water quality outcomes.
23. The Regional Council is already an investor in forestry through existing forestry blocks and also through recent purchases such as the property at Tutira, the blocks for the land-based sewage irrigation in Central Hawke's Bay and also in Mahia. There are opportunities for leveraging carbon credits to achieve sustainable land management outcomes across the region and the Regional Council is looking to direct appropriate resources in that area of activity.

Riparian management

24. Also through the Regional Landcare Scheme, the Regional Council encourages farmers to fence off streams and to plant riparian margins to restrict stock access, minimise overland flow, and improve biodiversity.

25. More recently, the Regional Council has broadened its focus towards catchment-based engagement across all the wellbeings. This is reflected in the 2009-19 Ten Year Plan. The focus is on the encouragement of sustainable land uses and land management practices that integrate environmental services provided by healthy land, soil, water and biodiversity into a strong regional economy and vibrant community.
26. An overview of the Regional Council's activities relating to land use was published in the Council's 2009 'Sustainable Land Use Programme.'¹ A similar document has been prepared which summarises the Council's 'Sustainable Freshwater Programme.'² Both of these documents can be supplied to HDC upon request for reference in future district plan review work.

REGIONAL COUNCIL'S FUNCTIONAL PROFILE

27. The Regional Council's functions and responsibilities were broadly outlined above. A 'functional profile' can be used to look at those functions in a different light. 'Functional profile' refers to the range of interventions used by the Regional Council. These are commonly referred to as the 'four Is' being:

Instruct	activities underpinned by regulation/ statute. For example, consenting processing procedures relating to applications for water permits, discharge permits, land use consents and coastal permits etc.
Influence	activities reliant upon non-regulatory methods for their effectiveness. For example, encouragement, persuasion, education, economic instruments, etc in community engagement and regional road safety activities.
Insulate	activities which are directed at protecting the community (both people and resources) from natural disasters. For example, physical works and services for flood control and drainage.
Investigate	activities aimed at increasing knowledge and understanding. For example, scientific research, investigation and monitoring projects.

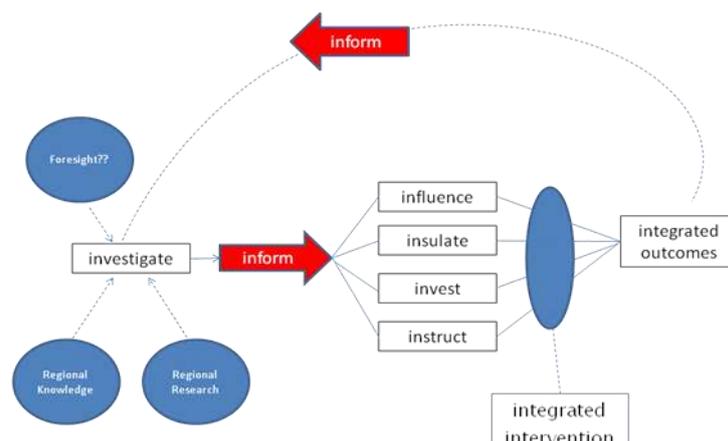


Figure 1: Schematic of 'functional profile' in regional council activity

¹ HBRC October 2009. SD 09-01. HBRC Plan No. 4151

² HBRC February 2010. SD 10-03. HBRC Plan No. 4171

28. The Regional Council’s activity profile has recently been assessed. Figure 2 represents the activity profile for 2010/11 activities. The 2010/11 profile is consistent with 2003-2011 historical average as shown in Figures 3.

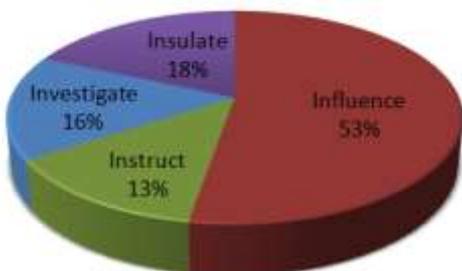


Figure 2: 2010/11 Activity - by profile

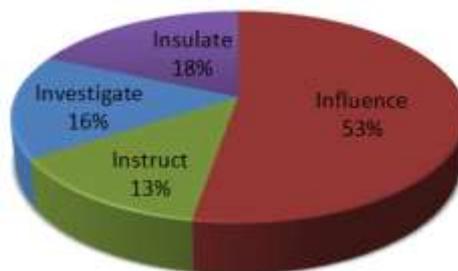


Figure 3: Activity profile (2003-11 average)

29. The Regional Council’s activity for 2010/11 was also assessed for its spatial distribution across catchment zones. Figure 4 clearly illustrates that a significant proportion of HBRC’s activities in 2010/11 occur wholly or partly in catchment zones within Hastings district (ie: Mohaka, Esk, Heretaunga and Tukituki).

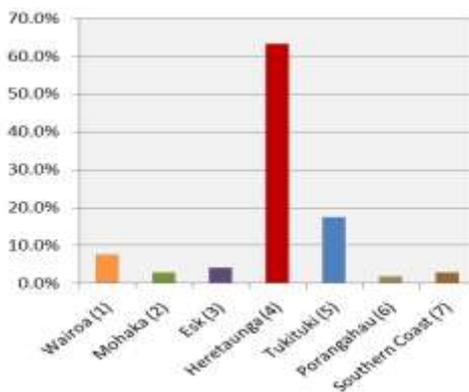


Figure 4: 2010/11 Activity - by catchment zone

FUTURE PLANNING

Regional scenarios

30. We urge HDC to think about the rural resources of the district (and indirectly the wider region) in timeframes of 50 to 100 years. The Regional Council recently published ‘HB2050 Land River Us.’ This report sets out three plausible future scenarios for Hawke’s Bay and also includes analysis of social, technological, environmental, economic and political trends which informed those scenarios. ‘Land River Us’ can be utilised to stimulate such longer term thinking of future scenarios for rural areas. Scenario planning is an increasingly recognised tool for assessing strategies against a range of plausible future scenarios. Testing options in this way helps ensure that policies can be effective despite future uncertainties.

Heretaunga Plains Urban Development Strategy

31. Both the Regional Council and HDC were partners in preparation of HPUDS. The councils now need to implement their respective actions. HDC's policy staff are already aware that the Regional Council is currently drafting a plan change to the RPS. The plan change is intended to embed HPUDS's key principles, including:

- Guidance on where urban growth will occur and the concept of urban limits;
- Assessment and management of land use demand for versatile soils on Heretaunga Plains;
- Integrated decision-making in terms of land use and development and infrastructure (including water supply, energy, wastewater, transport, and stormwater); and
- Giving effect to national policy statements where relevant.

Regional Water Strategy

32. The Regional Council is in the process of developing a Regional Water Strategy which will indicate the high level strategic direction for the management of the region's water resources for the region's prosperity. HDC are members of the Reference Group that the Regional Council is using as a sounding board and to assist in the development of objectives and policies. These will inform the changes to the Regional Policy Statement and the Regional Resource Management Plan and will be a relevant document in the development of policy for rural land use. This is due in draft form in June 2011 after which we will be continuing discussions with respect to land use and water quality.

Regional Strategy for Land Use Planning and Natural Hazards

33. The Regional Council and four main territorial authorities in Hawke's Bay (including HDC) are in the process of preparing a strategy to integrate land use planning for natural hazards. A key objective of the joint-strategy is development of recommendations and agreed actions on how land use planning can be better integrated into hazard management, both generally and in relation to specific types of hazard events. District plans are a key tool in land use planning, so the strategy will have strong relevance to how hazards in rural areas may be managed. The strategy is due in draft form within the next few months, and is intended to be presented to the HBCDEM Group CEG in the first instance before referral to individual councils for endorsement.

KNOWLEDGE SHARING

34. The Regional Council has done a significant amount of investigation and characterisation of the hydrology and habitat of the water resources in the Hastings District and we are happy to do a presentation to HDC councillors and staff on the natural resource issues that we are responsible for. This could also include initiatives in other regions that might be relevant to Hastings District. While much of this knowledge is documented in technical reports and investigations, we would welcome the opportunity to present this information to you and to discuss it.

Soils

35. The discussion document refers to information about soil types in rural areas. We stress that the quality of soil mapping across Hawke's Bay is highly variable, (for example, Heretaunga Plains data captured at 1:25,000 while hill country variable up to 1:250,000). Consequently, caution needs to be exercised when utilising and applying that information for district planning purposes. The Regional Council is investigating a project with LandCare Research to make soil information more accessible and improve the quality of soil mapping in some parts of the region. If HDC has particular needs for improved soil mapping in additional areas, then HDC will have an opportunity to input into the project in the near future.

HDC'S INITIAL THINKING

36. The Regional Council has not formed a definitive position on the viable list of initiatives set out on Page 24 of the Discussion Document. It is our view that the list is a good start, but further clarity is required as many of the initiatives overlap with if not duplicate Regional Council activities. This highlights the importance of clear governance in the planning frameworks for rural areas, and need for coordinated efforts across all local government in Hawke's Bay to tackle increasing complexities of resource management and economic development in our rural environments.
37. Once again, thank you for the opportunity to make these comments as part of the early phases of HDC's district plan review. And thank you for generously extending the deadline for our submission.

Fenton Wilson

CHAIRMAN

Hawke's Bay Regional Council

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 23 March 2011

SUBJECT: RISK ASSESSMENT

REASON FOR REPORT

1. This agenda item updates Council on the top ten risks facing Council and seeks agreement to the risk mitigation approach proposed for each of these risks.

Background

2. At its meeting on 22 September 2009 the Strategic Planning and Finance Committee approved the risk management approach to the top 10 Council risks. This approach includes the need to report to Council 6 monthly on the top 10 risks with the potential to impact Council. The last report was considered by Council on 15 September 2010, through the Strategic Planning and Finance Committee.
3. Staff have reviewed the risks considered by the Committee in September 2010. Air Quality is now considered to have an effective management framework, and with the extension of time for compliance announced by Government this has now dropped from the top 10 risks.
4. The Darfield earthquake and subsequent tragic and devastating earthquakes in Christchurch and Japan are likely to increase public awareness of risks of natural hazards and their potential impact. This risk has replaced Air quality in the top 10 risks facing Council.
5. **Attached** are the following documents:
 - 5.1. An assessment of the top 10 risks facing Council in accordance with Council's risk policy framework.
 - 5.2. A summary page outlining the current and future position of each risk issue; the current situation and risk associated with each of the risk issues; the proposed risk mitigation approach, and the change since September 2010.
6. The proposed risk mitigation approaches will be undertaken as part of planned work programmes for Council staff and do not require additional resource or financial input, other than the additional provision for Civil Defence Emergency Management funding included in the draft 2011/12 Annual Plan.
7. It should be noted that the risk mitigation programme associated with a number of these risks is now in place and accordingly the current level of risk is being managed.
8. Staff will continue to monitor current and emerging risk and regularly report to Council in accordance with the risk management policy framework.

DECISION MAKING PROCESS

9. 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 the following:
 - 9.1. Sections 97 and 98 of the Act do not apply as these relate to decisions that significantly alter the service provision or affect a strategic asset.
 - 9.2. Sections 83 and 84 covering special consultative procedure do not apply.
 - 9.3. The decision does not fall within the definition of the Council's policy on significance.
 - 9.4. No persons are directly affected by this decision.
 - 9.5. The options considered are set out in this paper.

- 9.6. Section 80 of the Act covering decisions that are inconsistent with an existing policy or plan does not apply.
- 9.7. 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 effected by or have an interest in the decisions to be made.

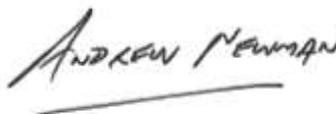
RECOMMENDATIONS

The Strategic Planning and Finance Committee recommends 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. Notes the top ten risks currently facing Council; the current and planned future position of the risk issue; the current situation and risk; the proposed mitigation approach; and the impact that mitigation approach will have on the level of risk.
3. Approves the risk mitigation approach to each of the ten risk issues as set out in the attachments to this briefing paper.



Mike Adye
GROUP MANAGER
ASSET MANAGEMENT



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

- 1 Risk Assessments March 2011
- 2 Risk Register 2011

Risk Issue 1

Investment portfolio

Current and planned future position

	Immediate	Mid term	Long term
React			
Mitigate		Investment portfolio	
Opportunity			By 2015

Situation and risk (Sept 09)

- Council reliant on income from investments to meet operational costs
- Some restriction on expenditure of income through Hawke’s Bay Endowment Land Act.
- Investment balance sheet seen as “lazy”.
- Investments continually challenged by TLA’s and potentially at risk

Risk mitigation approach

- The policy on the evaluation of investment opportunities has been completed and implementation of recommendations being actioned.
- Proposal has been put forward to place investments into an investment company, the establishment of which is subject to a special consultative due to commence 25 March 2011.
- A number of Investment opportunities have been approved that align to Council goals and for the benefit of the regional economy.
- Review mix and performance of investment portfolio and consider rationalisation of portfolio to proposed investment company being considered by Council.

Change since Sept 2010

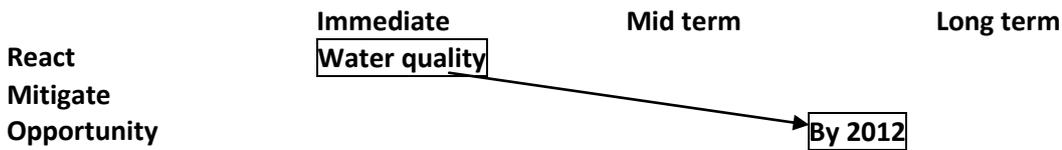
- Establishment of a number of new investment opportunities progressed.
- Options for rationalisation of portfolio including review of current investments being considered.
- There is increasing pressure on the investment portfolio for development of infrastructure underpinning regional economic opportunities within Hawke’s Bay.
- In the longer term, Council wishes to increase its level of activity with funding coming from investment returns. This means Council will be asked to make strategic decisions regarding investment assets over the next 12 to 18 months.

Assessment – risk to Council has the potential to increase as a result of increasing pressure on the portfolio.

Risk Issue 2

Water Quality

Current and planned future position



Situation and risk (Sept 2009)

- Water quality declining in a number of waterways; especially noticeable during periods of low flow.
- Little recognition by water users of value of water
- Climate change and land use intensification will increase pressure on water resource and water quality.
- Collaboration with CHBDC and Wairoa DC to improve Mahia Beach, Waipawa and Waipukurau sewage treatment
- Public perception from some sectors that new irrigation dams will result in poorer water quality due to change to more intensive land use
- Urban runoff adversely impacting on water quality, particularly on Heretaunga Plains.
- Mohaka/Taharua land use/water quality project underway
- Assessment of water quality trends in Hawke's Bay being provided at a national level by NIWA with little or no input from this Council.
- Riparian fencing and planting being encouraged through Council's Regional Landcare Scheme and Fonterra's Clean Streams Accord.

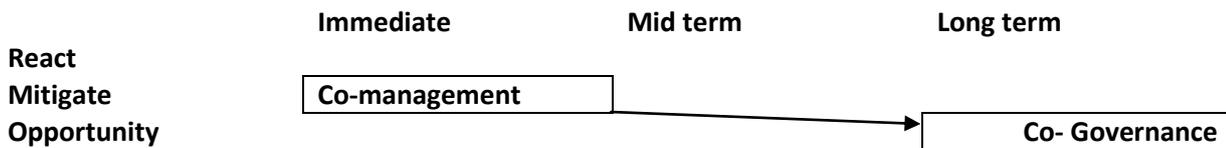
Risk mitigation approach

- Development of a regional water strategy
- Adaptive management approach to be taken in sensitive catchments and water short areas involving water users, their industry groups, environmental lobby, Iwi, Council
- Science input appropriately targeted to sensitive catchments and risk areas and possible development of new policy
- Continue to collaborate with CHBDC and Wairoa DC and celebrate achievements
- More holistic approach to Council involvement with primary sector being taken by Council with objective of reducing impact of sector on water quality.
- Establishment of web portal through which regional councils can communicate water quality trends.

Change since Sept 2010

- Dam feasibility studies for CHB dams continued. These studies include management of intensification of land use such that the risk to water quality is addressed.
- Stage 1 of prefeasibility study for water harvesting in Ngaruroro catchment completed, with stage 2 and 3 due by 30 June 2011.
- Development of a water strategy ongoing.
- Proactive approach continues to be taken on Taharua catchment to reduce farming impact on water quality.
- Waste water projects for CHB and Mahia Beach progressed.
- Web portal establishment progressed.
- Water symposium held and focus group established.

Assessment – no change in risk to Council since last assessment. Is receiving ongoing attention.

Risk Issue 3**Co- Governance of Natural Resources****Current and planned future position****Situation and risk (Sept 2009)**

- Management of natural resources is key area for cultural redress for Treaty Claimant groups in Hawke's Bay
- It is a strategic goal of Council to improve relationships with tangata whenua and local Maori.
- Treaty settlements have potential to make Iwi significant players in Hawke's Bay economy in the future.
- Cabinet has endorsed a Joint Regional Planning Committee as its preferred co-governance model for Hawke's Bay (July 2010) to be discussed with the Treaty claimant groups.
- As claimant groups are at various stages of the Treaty negotiation process with the Crown, transitional arrangements for Committee membership may need to be considered for the next triennium.
- Risk of non-implementation of joint committee is low but its success or otherwise will potentially have a high impact on long-term relationships between local government and tangata whenua in Hawke's Bay.

Risk mitigation approach

Improve relationship with tangata whenua and local Maori through range of involvement:

- Co governance – joint Committee of Council
 - Involving each Treaty claimant Grouping
 - Focussed on Regional Policy Statement, Regional Plan development
- Regular meetings Treaty Claim Groups
 - Agreement on Annual programmes of work
 - Operational programmes and issues
 - Understanding of values important to tangata whenua.
- Capability and Capacity
 - Hapu, rohe specific
 - Understanding role of RC
 - Water quality and other monitoring and reporting
 - other resource monitoring
 - Involvement in specific projects
- Current initiatives
 - Discussions continuing with treaty claimant groups on details of a Joint Regional Planning Committee
 - Financial support for Community Development Unit
 - Support for hapu management plans
 - Proactive encouragement of hapu involvement in water quality monitoring and data recording through Council website.

Change since Sept 2010

- Crown has signed Deed of Settlement with Ngati Pahauwera.
- Further constructive meetings held with Maungaharuru Tangitu Inc,

Attachment 1

- Direction given by Crown as to its preferred model for co-governance, enabling discussions to occur with and between Treaty claimant groups, leading towards a working model for the next triennium

Assessment – no change in risk to Council since last assessment. Is receiving ongoing attention.

Item 9

Risk Issue 4

Climate change

Current and planned future position

	Immediate	Mid term	Long term
React		Climate Change	
Mitigate			Climate change
Opportunity			

Situation and risk (Sept 2009)

- Climate change generally accepted as having a future impact on Hawke’s Bay
- Predicted impacts:
 - Sea level rise predicted of 0.8m by 2100
 - Reduced rainfall
 - Increased intensity of storms
 - Average temperature rising.
- Hazard lines associated with coastal erosion established and incorporated into regional plans.
- Response factored into specific work programmes for asset management (Council infrastructure assets), land management (resilience of region’s primary productive sector), community (healthy homes), and water (water strategy and water harvesting); and into other Council programmes.
- Council assessing and managing its corporate carbon footprint.

Risk mitigation approach

- Continue to take a leadership role on the issue and to factor the potential impact of climate change into work programmes, to position the community to adapt to the changing climate and benefit from opportunities arising from its impacts.
- Undertake an energy audit on Council buildings and pump stations and implement an action plan to reduce energy use.
- Awaiting receipt of sea level rise National Environmental standard to define planning levels.
- Clarity on HBRC role in issue to be developed

Change since Sept 2010

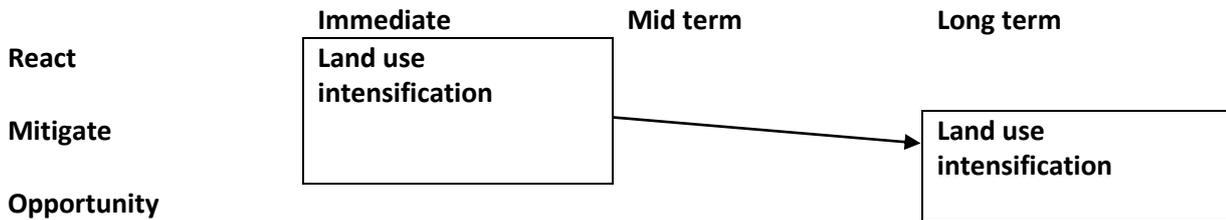
- Energy audit on Council buildings completed and recommendations implemented, further work to ensure energy efficiency continuing
- Assessment of carbon sequestration potential through plantings on Council owned land continuing.
- Further options using carbon forestry opportunity being developed.
- Climate change impacts being considered as part of many Council programmes e.g. Asset Management Levels of Service reviews, Land Management projects, policy development.

Assessment – no change in risk to Council

Risk Issue 5

Land use intensification

Current and planned future position



Situation and risk (Sept 2009)

- Media comment questions Council's effectiveness in managing land use because of impacts of land use on water quality in parts of region
- Land use intensification is resulting in reduced water quality in region's rivers. This is shown through Council's SOE monitoring and reporting programme.
- Current RRMP focussed on point source discharges and some members of the public believe Council should regulate land use to deal with non point source discharges.
- Council land management staff able to influence land use practices through relationship and RLS subsidy.
- Council agree to a combined regulatory and collaborative approach using an adaptive management philosophy is most effective in achieving best practice approach by land owners.
- Council implementing science programme designed to understand actual risk and trends associated with land use intensification.

Risk mitigation approach

- Continue to work with primary sector industry groups and groups of farmers to encourage the use of best practice. Council recognises that it must be the champion of the challenge to accommodate land use intensification while protecting water quality.
- Council to identify sensitive catchments and work with communities associated with those catchments to achieve an adaptive management approach.
- Regulation to be developed associated with adaptive management approach, with standards agreed with community.
- Science input appropriately targeted to sensitive catchments and risk areas
- Planning commenced to use Ruataniwha water storage project to raise profile of intensification issues

Change since Sept 2010

- Dairy liaison group continue to meet.
- Review of land management objectives and measures planned to be reported to May 2011 AM&B Committee
- Work with Taharua and Huatokitoki communities progressing with nutrient balance model being developed for Taharua
- Research on irrigation efficiency funded by RLS progressing.
- Development of land strategy being considered.
- Land symposium being planned
- Land use intensification issues included as part of Ruataniwha feasibility study.

Assessment – no change in risk to Council however remains a focus area of work.

Risk Issue 6

Local government reform

Current and planned future position

	Immediate	Mid term	Long term
React			
Mitigate			
Opportunity		LG Reform	LG reform

Situation and approach (Sept 09)

- Regional councils widely criticised for failing in role as managers of NZ’s resources.
- Formation of Auckland “supercity” being progressed
- Local government amalgamation being proposed for local government in Hawke’s Bay.
- Low level of public understanding of Regional Council role.
- Regional councils as a group weak on coordination or collaboration.

Risk mitigation approach

- Focus on effectively undertaking regional council role.
- Greater collaboration and coordination between regional councils being considered (promoted).
- Points of difference between Regional and territorial authorities being highlighted to national and local politicians and the public.
- Council to lead a well planned and effective effort to achieve collaboration between local authorities in specific areas.
- Gather information on the effectiveness of unitary authority organisations in implementing regional council role.

Change since Sept 2010

- Chair and Chief Executive continue to be active in working with Central Government agencies and politicians to communicate the regional council value proposition in resource management, including environmental, cultural, economic and social aspects.
- HBRC continue to develop very good profile – Government Ministers, Local central government politicians, Government Department CEs, (MAF, MfE, and DoC etc.) The relevance of regional councils continues to be demonstrated and promoted. There is now a much greater awareness of the value of regional councils by central government
- Substantial improvement across regional council sector in collaboration and coordination.
- Focus on shared services between Councils finding limited appetite for Shared Services from TLA’s.
- Feedback from Auckland is indicating that amalgamation is a difficult and expensive process, with positive outcomes yet to be proven
- One TLA mayor seems to have interest in amalgamation, but little apparent support from other mayors.

Assessment – no significant change in risk to Council

Risk Issue 7

Natural Hazard Risks

Current and planned future position

	Immediate	Mid term	Long term
React		Natural Hazard	Natural Hazard
Mitigate			
Opportunity			

Situation & risk (March 2011)

- Hawke's Bay at risk from a range of natural hazard events with potential to significantly affect the economic, environmental, social & cultural aspects of the community. These include:
 - Tsunami
 - Earthquake
 - Flood
 - Volcanic Ash fallout
- Infrastructure assets administered by HBRC and fixed assets owned by HBRC are at risk from these hazards.
- Council as administering authority for HB Civil Defence Emergency Management Group and will play a key role in response to any natural hazard event.

Risk Mitigation approach

- Administering authority for Hawke's Bay CDEM Group, HBRC active in seeking to improve resourcing of CDEM in HB.
- Commitment to ongoing natural hazards and coastal hazard research and is recognised nationally as proactive in these areas.
- Staff involved in a number of national and local initiatives associated with natural hazards readiness, reduction and response planning.
- Working with HB planning group (including TLA and RC planners) to ensure common and thorough understanding of hazards and common strategy for risk reduction through planning mechanisms.
- HBRC has Disaster Damage Risk Management Plan including commercial insurance, disaster damage reserves and mutual insurance cover.
- Council has business Continue Plan setting out how Council will continue to do its business if staff are unable to access the office. The plan is regularly updated.

Risk Issue 8

Water quantity

Current and planned future position

	Immediate	Mid term	Long term
React	Water quantity		
Mitigate			
Opportunity		Water quantity	

Situation and risk (Sept 2009)

- Surface water/ground water fully allocated in parts of region. (see map attached)
- Considerable investment in science required in future to underpin water allocation and RMA based approach
- NES for measurement of water takes, and ecological flows and water levels being developed by government.
- Process of assessing minimum river flows based on robust instream assessments and allocation limits to be reviewed for surface water and ground water.
- Water Initiatives Group established within Council to focus on water issues.
- Regional Plan change to meet Council obligation associated with NES initiated.
- Current water allocation process will become increasingly confrontational and litigious and adaptive management philosophy required.

Risk mitigation approach

- Development of a regional water strategy
- Council led initiative to investigate water harvesting opportunities, water metering and water use efficiency through rationing and rostering.
- Complete review of minimum river flows and allocation limits for ground water and surface water.
- Science input appropriately targeted to sensitive catchments and risk areas

Change since Sept 2010

- Considerable science work now ongoing with outputs due between May 2010 and June 2012
- Water Strategy being developed
- Water Symposium held and well attended
- Water focus group established
- Review of water allocation model being initiated.
- Feasibility study for water harvesting on Ruataniwha Plains being progressed with governance and stakeholder groups considering water allocation issues.

Assessment – no further reduction in risk to Council

Surface Water Catchments - Allocation Status



Legend
Status_20090601
Category
 > 100%
 50% - 100%
 < 50%
 Not determined



1:100,000



DISCLAIMER: This information is taken from the Hawke's Bay Regional Council's Geographic Information Systems Database.

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Risk Issue 9**Hazardous activity industry list (HAIL)****Current and planned future position**

	Immediate	Mid term	Long term
React			
Mitigate	HAIL		
Opportunity			

Situation and risk (Sept 2009)

- List prepared in 1996 and assessments and actions programmed on basis of risk
- List required to be made public following decision of Ombudsman 12 October 2009
- Residential and commercial sites on list but which have not been addressed as priorities to date advised
- Some sites are high priority due to potential public health risks.

Risk mitigation approach

- Respond to property owner concerns
- Implement programme of work to establish degree (if any) of contamination on site
- Focus on high priority site work programs in conjunction with TLAs
- New Contaminated level draft NES clarifies principle role is with TLA.

Change since Sept 2010

- Continuing investigations of high priority sites
- Formation of a Hawke's Bay regional database in collaboration with TLAs progressing
- Continuing to work on unverified HAIL sites.
- Liaison with Napier City Council continuing regarding Onekawa landfill issues.

Assessment – Risk being effectively managed, no further reduction in risk to Council since September 2009.

Risk Issue 10

Operational risks

Current and planned future position

	Immediate	Mid term	Long term
React			
Mitigate	Operational risks		
Opportunity			

Current situation and risk

- Natural hazard impacts considered in infrastructure and asset design
- Business continuity plan regularly updated
- Financial controls in place and audited
- Integrity of infrastructure assets audited
- Disaster reserves and insurance provisions in place with robust overarching policy.
- Technical reports peer reviewed and systems reviewed

Risk mitigation approach

- Continuation of controls and systems for management of operational risks
- Financial issues regarding VHB have been well publicised and the proposal is to transfer tourism responsibilities to a new Regional Tourism Organisation.
- Implementation of new finance system, replacing 25 year old system complete

Change since September 2010

- Review of Finance team’s capacity and resourcing completed which recommended increased management accounting support particularly given increased operational activity
- Review efficiency of other support services of Council (Information Services, Corporate Support and External Relations) has been completed.
- Efficiency exercise on legal expenditure has been completed.

Assessment – remains a risk area for Council with management continuously monitored.

Current Risk - March 2011

Future risk once mitigation strategy implemented

Business Processes	Sources of Risk	Risk ID	Risk Details	Current Risk Likelihood	Current Risk Consequence			Current Risk Score	Existing Control Mechanisms	Control Score	Residual Risk Likelihood	Residual Risk Consequence			Residual Risk Score
					Financial	Stakeholder/Reputation	Operational Capability					Financial	Stakeholder/Reputation	Operational Capability	
Governance	Political	1	Control of Council's investment portfolio taken from Council	Likely	Level 1	Level 2	Level 1	3,000	As attached	2000	Unlikely	Level 1	Level 2	Level 1	1,000
Governance		2	Public perception is that Council is failing to manage quality of water in region's rivers	Likely	Level 4	Level 2	Level 2	2,813	As attached	1876	Unlikely	Level 4	Level 2	Level 2	938
Governance		3	Good relationship not developed with Hawke's Bay maori	Unlikely	Level 5	Level 3	Level 2	712	As attached	0	Unlikely	Level 5	Level 3	Level 2	712
Governance		4	Council fails to recognise climate change in its work programmes and promote opportunities that may arise from it	Highly Unlikely	Level 5	Level 4	Level 4	60	As attached	0	Highly Unlikely	Level 5	Level 4	Level 4	60
Governance		5	Perception that council is not effectively managing land use are widespread	Likely	Level 2	Level 2	Level 1	3,000	As attached	2000	Unlikely	Level 2	Level 2	Level 1	1,000
Governance		6	Local government reform results in significantly reduced commitment to Council functions.	Unlikely	Level 1	Level 2	Level 1	1,000	As attached	0	Unlikely	Level 1	Level 2	Level 1	1,000
Governance		7	Council as part of the HB CDEM Group fails to adequately recognise the risk to the HB community from natural hazards, and take appropriate actions to mitigate those risks.	Highly Unlikely	Level 1	Level 3	Level 1	300	As attached		Highly Unlikely	Level 1	Level 3	Level 1	300
Governance		8	Public perception is that Council is failing to appropriately manage water allocation	Likely	Level 5	Level 2	Level 1	3,000	As attached	2000	Unlikely	Level 5	Level 2	Level 1	1,000
Governance		9	Public release of HAIL and other contaminated sites information results in widespread adverse media comment	Unlikely	Level 4	Level 3	Level 3	583		0	Unlikely	Level 4	Level 3	Level 3	583
Governance		10	Lack of attention to operational risks results in major financial, reputation or capability loss	Unlikely	Level 5	Level 4	Level 4	198		0	Unlikely	Level 5	Level 4	Level 4	198

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 23 March 2011

Item 10

SUBJECT: PROPOSED NAME FOR COUNCIL'S TUTIRA CARBON SEQUESTRATION PROPERTY

REASON FOR REPORT

1. Council have been seeking a name for the property it purchased at Tutira.
2. Maungaharuru Tangitu Incorporated have suggested Waihapua Forest Park as a name for the Investment Property.
3. This paper seeks Council endorsement of the name for this property.

Background

4. Bevan Taylor and Tania Hopmans, Chairman and Deputy Chair of Maungaharuru Tangitu Incorporated respectively, have suggested Waihapua Forest Park as a name for the Investment Property.
5. The suggestion was made to the Tutira Visionary Group (including representatives from DoC, the Tutira community, Fish and Game, Guthrie Smith Trust) in December 2010, and the Group has agreed to this proposal.
6. Waihapu was a settlement in the vicinity of the property. It is mentioned in Guthrie Smith's writings on Tutira "Trails from the Coast to Tutira". On the attached map staff have overlaid the approximate boundaries of the property onto one of Guthrie Smith's maps.
7. Actual translations of Waihapua are a little vague but relate to water ... deep pool, bubbling stream.
8. Staff propose that:
 - 8.1. Council, with immediate effect, uses the name Waihapua for the property in all communication.
 - 8.2. Small signage be fixed to the property entrance gate identifying the property by the name of Waihapua, until recreational activities have been established on the property, at which time Council's standard signage for its areas promoting recreational opportunities within Waihapua Forest Park will be erected.

DECISION MAKING PROCESS

9. 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 the following:
 - 9.1. Sections 97 and 98 of the Act do not apply as these relate to decisions that significantly alter the service provision or affect a strategic asset.
 - 9.2. Sections 83 and 84 covering special consultative procedure do not apply.
 - 9.3. The decision does not fall within the definition of the Council's policy on significance.
 - 9.4. The persons affected by this decision have provided direction to Council on this issue.
 - 9.5. A range of options have been considered by the Tutira Visionary Group and their recommendation is included in this briefing paper.
 - 9.6. Section 80 of the Act covering decisions that are inconsistent with an existing policy or plan does not apply.

- 9.7. 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 effected by or have an interest in the decisions to be made.

RECOMMENDATIONS

The Committee recommends 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. Endorses the name of Waihapua Forest Park for its Tutira investment property and notes that Council's standard signage for recreational areas on Council land will not be erected until such time as recreational facilities have been established.



Mike Adye
GROUP MANAGER
ASSET MANAGEMENT

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 23 March 2011

Item 12

SUBJECT: SCENARIO UTILISATION PLAN

REASON FOR REPORT

1. At its November 2010 meeting, the Strategic Planning and Finance Committee considered the Communication Plan for the *HB2050 Land River Us* Scenario Tool. The Committee asked staff to bring back a Utilisation Plan which sets out the purpose and value proposition for the Scenario Tool.
2. The purpose of this report is to present the Value Proposition and Utilisation Plan (Attachment 1) for the Committee's consideration and approval.

Value Proposition

3. As an organisation, Hawke's Bay Regional Council has a net worth of about \$380M. It is the sole owner of the 5th largest port in New Zealand. It spends in the order of \$36M per year in undertaking its regional responsibilities so that the region is vibrant, prosperous and healthy now and for future generations. Decisions being made now will have long term impacts.
4. It is therefore a significant organisation in Hawke's Bay with a large degree of influence particularly on environmental and economic wellbeing.
5. The Council has made a good start at developing a culture of futures thinking through the strategic goals and the breakfast series. *HB2050 Land River Us* - the scenarios is a tool that Council has developed to assist itself and the wider community in thinking about the future.

Value of the investment

6. The project included the preparation of 5 trend reports, undertaken about 70 interviews, facilitating two workshops, holding a 3 day workshop to develop the framework for the scenarios with external participants, preparing and producing the report and associated products. The total internal and external costs were in the order of \$200,000 - \$250,000. This is considered a reasonable investment given the net worth of the organisation, its sphere of influence and the long term impacts of its decisions.

How the scenarios will be used?

7. As stated, scenarios are a tool that can be adapted for use in different situations to facilitate and stimulate discussion internally and externally. There are a number of opportunities to apply the scenarios within Council and within the community and these are detailed in the table provided in Attachment 1. Adapting the scenarios to the specific situation can require creative thinking to get the desired outcomes and the right discussion.

DECISION MAKING PROCESS

8. 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

1. That the Strategic Planning and Finance Committee receives the report.



**Helen Codlin
GROUP MANAGER
STRATEGIC DEVELOPMENT**



**Andrew Newman
CHIEF EXECUTIVE**

Attachment/s

- 1 Scenario Value Proposition and Utilisation Plan

Scenarios – the Value Proposition and Utilisation Plan

Introduction

In 2008, the Council signalled to the community that it was starting to take a more strategic approach in the delivery of its roles and responsibilities. It started with the identification of 14 Strategic Goals (the Yellow Book). In addition, the Council successfully engaged the community through its Embracing Futures Thinking breakfast series, bringing in external speakers to kick start the discussions around the region's future. The development of futures scenarios for Hawke's Bay, signalled in the Ten Year Plan, is considered to be a key strategic planning tool.

In a "Schooling for Tomorrow" document, the OECD has this to say about futures thinking.

➔ Why futures thinking?

There is a tendency toward short-term thinking in both the public and the private spheres. In government, election cycles often determine the time horizon. Businesses may often focus on immediate financial reporting periods.

Futures thinking introduces perspectives to look beyond the straitjackets of immediate constraints. Existing attitudes and frameworks for action, far from being immutable, are open to change. *Futures thinking* can help to create an environment for deeply informed decision-making, ideally to smooth the transition toward a future with a sustainable balance between short- and long-term policy goals.

To mobilise a system for sustainability, its leaders must go beyond fine-tuning the existing system. They must be willing to re-think and alter its major components.

In understanding the need for scenarios, we need to realise that there are things that we don't know what we don't know.

Scenarios – the Value Proposition

Scenarios are a building block to enhance our 'foresight' capability. They help us *create hindsight in advance*³.

Scenarios provide a picture of the future from which we may 'back-cast' to discover what decisions may be required at each stage to get there.

Scenarios can be used to:

- encourage discussion and aid strategic planning among policy makers
- to stimulate public discourse
- to support decisions on complex issues with long-term implications.

Scenarios are participatory tools that can be adapted to different tasks. They should always be used within a 'culture of curiosity' and with good working practices.⁴ They can help us think about what we don't know that we don't know.

³ Hamel, Prahalad 1996: Competing for the Future

⁴ OECD, schooling for tomorrow

Some people are naturally more attuned to this way of thinking. They see the big picture and concepts, they are visionary, they are comfortable working in a thinking space that is less structured. The use of scenarios suits them. Others like the facts presented in a logical way, the knowledge gaps identified and filled so that a decision can be made. The use of scenarios can be uncomfortable for them.

Within Council (both staff and elected members) there are different types of people so changing the culture to futures thinking is not going to be quick (changing a culture for any reason is never quick). And there will be resistance to it. An open mind is required.

The aim is to embrace a new culture of thinking and decision making.

Value Proposition for Hawke's Bay Regional Council

As an organisation, Hawke's Bay Regional Council has a net worth of about \$380M. It is the sole owner of the 5th largest port in New Zealand. It spends in the order of \$36M per year in undertaking its regional responsibilities so that the region is vibrant, prosperous and healthy now and for future generations. Decisions being made now will have long term impacts.

It is a significant organisation in Hawke's Bay with a large degree of influence particularly on environmental and economic wellbeing but the three yearly and annual statutory planning processes and the three yearly election cycle can have the impact of narrowing the decision making focus too early.

The organisation has made a good start at developing a culture of futures thinking through the strategic goals and the breakfast series. *HB2050 Land River Us* - the scenarios is a tool that Council has developed to assist itself and the wider community in thinking about the future – the uncertainties and the unknown unknowns.

It is one tool and it will be applied differently for different tasks. It requires a 'culture of curiosity' but it can also be used to help create that culture of curiosity. That can help lead to a change in the way we think.

The Council's values support this approach, specifically:

- Forward thinking – we anticipate and prepare for the future
- Innovation – we are open to change and seek new ways of doing things

Value Proposition for the Community

There was considerable support for futures thinking shown by the interviewees and the participants in the scenario retreat team. It confirmed the gap that existed in the regional dialogue for a truly regional strategic focus to the future of Hawke's Bay.

Value of the investment

The project included the preparation of 5 trend reports, undertaken about 70 interviews, facilitating two workshops, holding a 3 day workshop to develop the framework for the scenarios with external participants, preparing and producing the report and associated products. It cost in the order of \$200,000 - \$250,000. This is considered a reasonable investment given the net worth of the organisation, its sphere of influence and the long term impacts of its decisions.

How the scenarios will be used?

As stated, scenarios are a tool that can be adapted for use in different situations to facilitate and stimulate discussion internally and externally. The idea of scenarios and futures thinking needs to be socialised to give people time to get used to the idea is an important step towards applying the tool to a particular situation.

Applying scenarios can require creative thinking. For example, Landcare developed a game as a method to use the scenarios. While staff are proposing to develop website and social media tools to facilitate online dialogue, mostly we will be applying facilitation techniques to encourage the right discussion. That also requires creativity.

Socialisation actions and areas of application to date are identified in Attachment 1. It is expected that over time, other opportunities will arise where it will be relevant to use aspects of the scenario whether it's the stories or the detailed information behind the stories to set the scene for discussions about Hawke's Bay's future.

The objective is to embrace a new culture of thinking and decision making. Specifically, to:

- engender a new way of thinking and decision making
- enable the community to be reflective of the impacts of their decisions by challenging the process they employ to arrive there
- empower the community to find ways to explore “what they don't know” and embrace the inevitability of uncertainty
- empower HBRC staff to become ambassadors for embracing change in the delivery of their work programs.

Conclusion

Scenarios are a tool to help organisations think about the future.

Hawke's Bay Regional Council is a large and influential organisation in Hawke's Bay and its responsibilities and the decisions it makes on behalf of the community have long term implications. Thinking strategically outside the constraints of statutory processes and electoral terms is essential for the region's long term wellbeing.

To help it think strategically, the Council approved the development of a set of Hawke's Bay scenarios that it can use over the next 3-5 years to maintain its thinking in the future space. There are a number of opportunities to apply the scenarios within Council and within the community. Adapting the scenarios to the specific situation can require creative thinking to get the desired outcomes and the right discussion.

The attachment outlines some opportunities but everyone is encouraged to consciously think about the long term context of their decision making.

Socialisation and Application of Scenarios

Opportunity	Describe	How could this contribute to outcome	Budget and Timeframes	Audience - External / Internal	Who's responsible
Discussions with HBRC sections and leadership team	Meet with each section. Pre-work for them is to write a story about what will their role look like in 2050? Discuss the scenario project, why we did it, how they can use it as a tool.	Staff begin to apply it in their own work, in their discussions with the community and take it home too.	No budget requirement Over the next 2-3 months (March-April 2011)	Internal	Strategic Development Group
Council's Strategic Plan and Ten Year Plan	Acknowledgment of plausible futures underpins the preferred strategic directions in these documents.	Evaluation of strategic direction against plausible futures enhances the robustness of the decision.	Over next 12 months	Internal	Council, Executive
Follow up with Scenario Interviewees	Meet to discuss final product and how we can help them use it in their organisation	Spreading the culture of futures thinking into other workplaces, increasing the awareness of how they contribute to the region as a whole.	Staff time Over next 12 months	External	Strategic Development
Annual Stakeholder meetings	Ensure that there is a standard item on the agenda which encourages a scenario type, long term thinking type discussion. Could be a 'What if?' question posed.	Helps to lift discussion from operational issues to long term strategic issues	No budget requirement Schedule of meetings over the year	External	Group Manager External Relations
Meetings with other Sector Groups	Presentations to the region's sector groups	Tailored presentations to the sector heads reinforcing relevant aspects to their business/sector from the evidence underpinning the scenarios.	No budget requirement Part of community engagement as may be relevant to projects	External	Group managers
Embracing Futures Thinking breakfast series	Formally launch scenarios at the Breakfast meeting in April, change format of future breakfast meetings to allow more discussion at the table and feedback.	Engages over 100 people in strategic thinking discussion that they may take back to their organisation. Discussion could continue via blog site.	Approximately \$6000 budget in existing budgets	External	Group Manager Strategic Development

Opportunity	Describe	How could this contribute to outcome	Budget and Timeframes	Audience - External / Internal	Who's responsible
HDC Rural Issues/District Plan review	Support HDC through the stakeholder reference group and in any public meetings to help participants think about the use of rural land in the future. The Land story is highly relevant to this issue.	Helps to engender the move from self interest consideration of how land should be used and managed to a community, collective consideration.	No budget requirement	External	Strategic Development
Regional Economic Development Strategy	Encourage the use scenarios at the Reference Group workshop to generate thinking about the long term vision for the region – how should the natural assets be optimised for regional economic prosperity	The reference group participants will comprise key business leaders in the region. They could take this tool back to their own organisations.	NZTE funding for this project. Commenced. Due for completion in June 2011	External	Strategic Development
Any conversation	At every opportunity for presenting the goal is to come away having converted people to ambassador the key message. Word of mouth is the biggest & most successful marketing tool.	Starts the culture of curiosity, thinking about the 'what if'	No budget requirement Can happen now	External / Internal	Champions amongst councillors and staff
HB2050 Land River Us branding	Apply to Regional Council initiatives including the Water Strategy	High awareness of HB2050 and Land River Us with links to HBRC Provides the link back to the scenarios and strategic futures thinking.	No new budget requirement for branding design. Printing budgets within existing relevant projects	External / Internal	External Relations
Social Media Campaign	A dedicated campaign for HB 2050 utilising appropriate tools such as a blog	An efficient means to socialise it and get people talking about it albeit on-line	Budget to focus on website and facebook 2011-12	External / Internal	External Relations Strategic Development

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 23 March 2011

SUBJECT: WATER STRATEGY REFERENCE GROUP BUDGET

REASON FOR REPORT

1. The purpose of this report is to provide the Committee with an estimated budget for the Hawke's Bay Water Strategy Reference Group and the development of the draft Strategy document.
2. The value of the Reference Group and the development of a Water Strategy is to enable upfront collaborative engagement with all the stakeholders as to the strategic direction for water management in the region with a view to streamlining the regional plan processes that will follow and minimizing the costs and areas of contention for all stakeholders.

Estimated Costs

3. The Estimated Costs are shown in Table 1, separated into internal staff time and external costs.

Table 1: Water Strategy Development Budget

Internal			
Staff Time			
Executive	4 meetings x 5 hours	3 @ \$116	\$6,960.00
	4 meetings x 10 hours	1 @ \$116	\$4,640.00
Policy	21 weeks (Feb to June) FTE @ 80%	1 @ \$3039	\$51,055.20
External			
Facilitator/Programme developer			\$41,500.00
Strategic Advisor (Bruce Corbett)			\$7,000.00
Reference Group (catering, mileage)			\$7,000.00
Total			\$118,155.20

Funding Sources

4. Internal time is provided through approved salary budgets.
5. External consultant time of the Facilitator and the Strategic Advisor is covered by the remaining salary budgets provided for the two new staff that were approved in the 2010-11 budgets. One position was filled in December 2010 and we are recruiting for the second position at the moment.
6. External costs covering catering and mileage are cover by external budgets in Project 192 Regional Plans.

DECISION MAKING PROCESS

7. 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

1. That the Strategic Planning and Finance Committee receives the report.



**Helen Codlin
GROUP MANAGER
STRATEGIC DEVELOPMENT**

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 23 March 2011

SUBJECT: PUBLIC TRANSPORT UPDATE

REASON FOR REPORT

1. This agenda item provides the Committee with an update on public transport services, including trends since the previous update in November 2010. This report contains patronage and revenue graphs which are updated each month and provided to this Committee and the Regional Transport Committee.

General Information

2. The overall performance of the bus service continues to be positive with good passenger growth and fare recovery levels. This increased fare recovery enabled further improvements to be implemented on 5 January 2011. These improvements were very well received by passengers, and the success of the Sunday trial has resulted in this service becoming permanent.

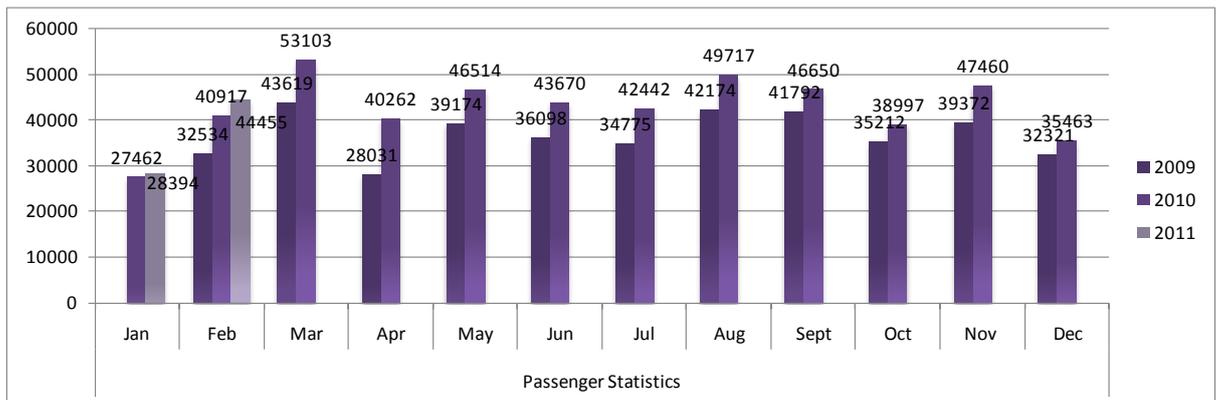
Total Passenger Trips

3. The following graph outlines total passenger trips from February 2010 to February 2011. The average monthly trips for this period were 42,926.
4. The total passenger figures for the past two years were:
 - 2009 – 405,102
 - 2010 – 514,667

Future reports will show yearly figures and a moving annual total chart.

5.

6. **Diagram 1 – Passenger Numbers – February 2009 – February 2011**



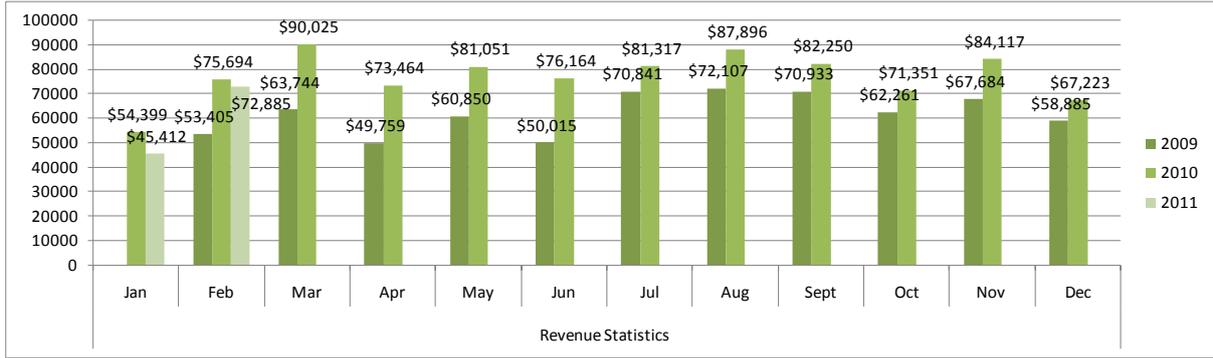
7.

Patronage and Financial Trends

6. The graph below shows a comparison of fare revenue from January 2010 to February 2011. This fare revenue reflects the increased patronage, as shown in the previous graph. The total revenue figures for the past two years were:
 - 2009 - \$680,484
 - 2010 - \$926,961

Future reports will show yearly figures and a moving annual total chart.

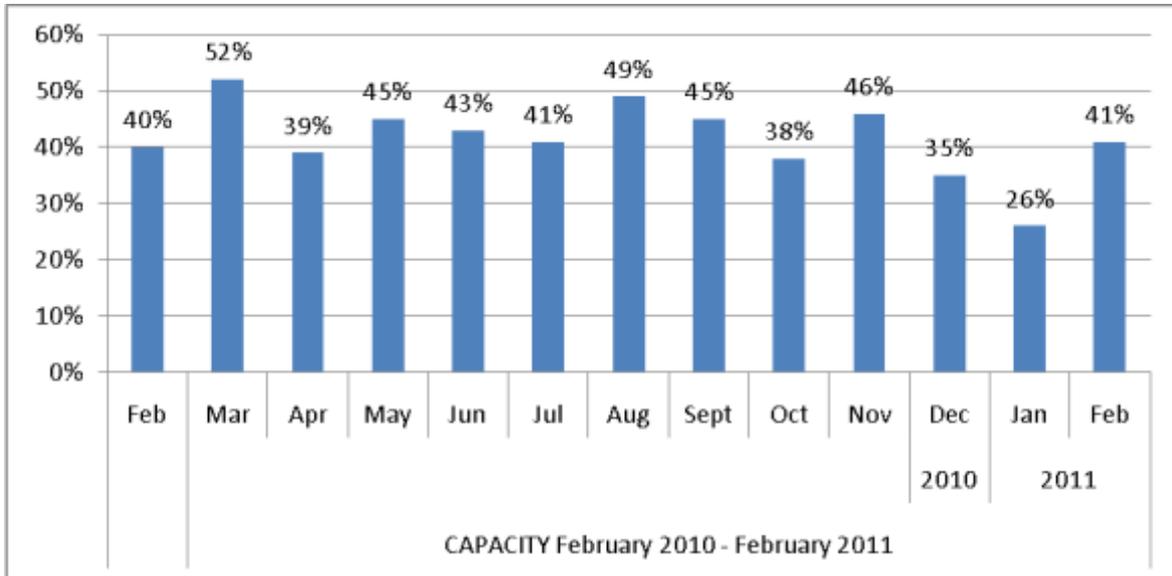
Diagram 2 – Total Revenue – February 2009 - February 2011



Capacity

7. Total capacity on Council's bus fleet is 107,968 seats, this graph shows the seat capacity utilised on a monthly basis from February 2010 - February 2011. The average utilised capacity for this period was 41%.

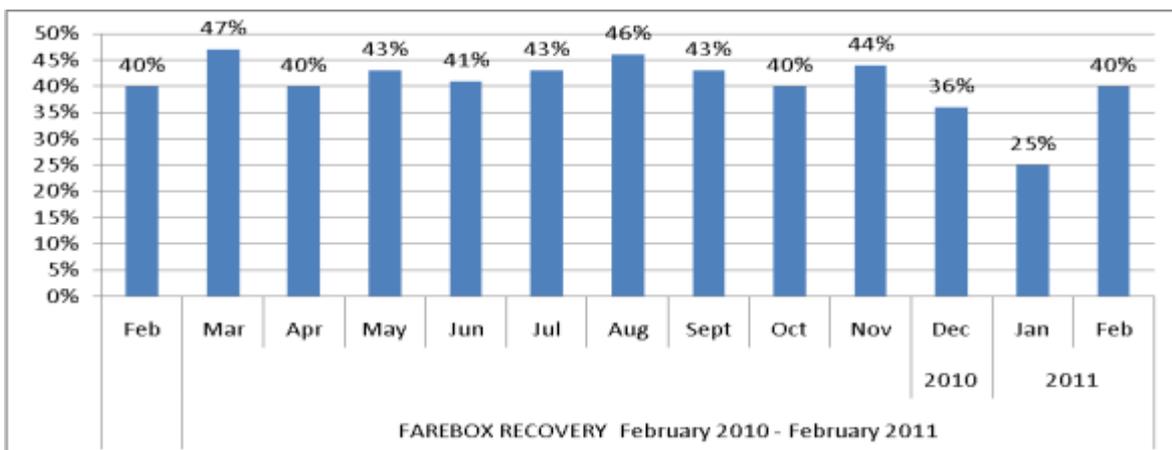
Diagram 3 – Capacity February 2010 - February 2011



Farebox Recovery (total fares as a percentage)

8. The following graph shows the farebox recovery trend (i.e the total amount of fares), as a percentage, for each month from February 2010 - February 2011. The average farebox recovery for this period was 40.6%.

Diagram 4 – Farebox Recovery February 2010 – February 2011



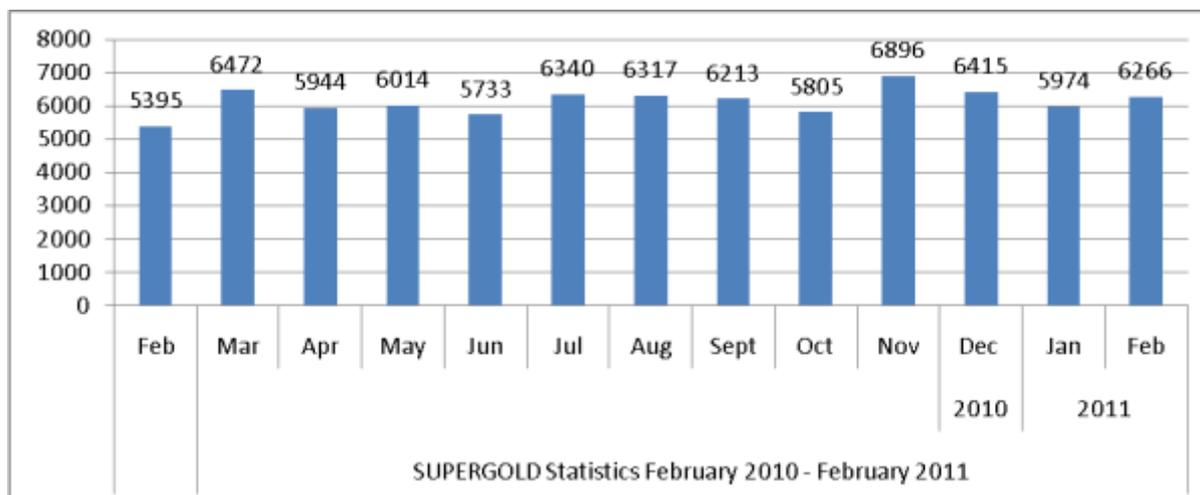
Proposed Improvements to Bus Services

- Staff and service provider Go Bus are currently investigating a Napier-Ahuriri-Westshore-Napier trial service. If approved this change could be implemented in July 2011. It is also anticipated that from July all Hastings services will travel via the new Nelson Park retail development.

SuperGold Card Trips

- The following graph shows the number of SuperGold cardholder trips from February 2010 - February 2011.

Diagram 5 - Number of SuperGold Card Trips



Infrastructure

- Bus Stops – all bus stop timetables were updated in January to reflect the service improvements.

Other

- The annual goBay passenger survey was carried out from 1-13 November. Over 85% of passengers surveyed rated the overall service, good, very good, or excellent. It was also pleasing to note that many of the suggested improvements had already been identified by staff and were included in the January service improvements.
- New bus timetable booklets were printed in January, with high demand resulting in a further re-print in March.
- Four new 'passenger posters' have been added to the range of advertising material.
- Work has started on the new Regional Public Transport Plan, due to become operative in January 2012. An initial discussion document will be sent to key stakeholders in mid-March. The Draft Plan will be available for public consultation in June/July.

Travel Plans

- The first meeting of the St Mary's School Travel Plan (STP) working party is to take place on 22 March. Lucknow School have postponed their STP until term 2.
- HBRC's workplace travel plan is underway. Staff have been offered the opportunity to try public transport for a 2-week period from 4-17 April.

Total Mobility Update

- Below is a table showing details of client numbers and expenditure to date for the 2010/11 financial year. (February statistics were unavailable at the time this report was compiled).

Diagram 6 – Total Mobility Statistics

Total Mobility Statistics to 31 January 2011									
Month	Amount (incl. GST) 12.5%	Amount (excl. GST)	Trips	Passengers	Wheelchair Passengers	New Clients	Net increase in clients	Total Clients	Av. Fare subsidy per trip
Jul-10	\$37,470.30	\$33,306.96	5181	5965	1308	49	10	2166	\$7.20
Aug-10	\$42,382.68	\$37,673.49	5956	6697	1275	43	24	2190	\$7.10
Sep-10	\$37,822.86	\$33,620.32	5313	5993	1308	8	8	2198	\$7.10
Oct-10	\$39,329.35	\$34,199.43	5236	6008	1342	37	8	2206	\$7.45
Nov-10	\$44,949.92	\$39,086.95	6135	6907	1407	64	44	2250	\$7.50
Dec-10	\$39,438.00	\$34,293.90	5636	6311	1277	25	10	2260	\$7.00
Jan-11	\$39,092.55	\$33,508.00	5381	6048	1091	42	9	2269	\$8.10
TOTAL	\$280,485.66	\$245,689.05	38838	43929	9008	268		2269	\$7.35

DECISION MAKING PROCESS

19. 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

1. That the Strategic Planning and Finance Committee receives the Public Transport Update.



Carol Gilbertson
GOVERNANCE AND PUBLIC TRANSPORT
MANAGER



Paul Drury
GROUP MANAGER
CORPORATE SERVICES

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 23 March 2011

Item 16

SUBJECT: GENERAL BUSINESS

INTRODUCTION

This document has been prepared to assist Councillors note the General Business to be discussed as determined earlier in Agenda Item 6.

ITEM	TOPIC	COUNCILLOR / STAFF
1.		
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HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 23 March 2011

Item 17

SUBJECT: MAUNGAHARURU - TANGITU TREATY SETTLEMENT PROCESS

That the Council exclude the public from this section of the meeting being Agenda Item 17 Maungaharuru - Tangitu Treaty Settlement process with the general subject of the item to be considered while the public is excluded; the reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution being as follows:

**GENERAL SUBJECT OF THE
ITEM TO BE CONSIDERED**

Maungaharuru - Tangitu
Treaty Settlement process

REASON FOR PASSING THIS RESOLUTION

7(2)(b)(ii) To protect information which otherwise would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

**FOUNDATIONS UNDER SECTION 48(1) FOR
THE PASSING OF THE RESOLUTION**

The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.



Mike Adye
GROUP MANAGER
ASSET MANAGEMENT



Liz Lambert
GROUP MANAGER
EXTERNAL RELATIONS