



Meeting of the Hawke's Bay Regional Council

Date: Wednesday 26 October 2011
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	
3.	Confirmation of Minutes of the Regional Council Meeting held on 21 September 2011	
4.	Matters Arising from Minutes of the Regional Council Meeting held on 21 September 2011	
5.	Action Items from Previous Regional Council Meetings	3
6.	Call for General Business Items	
7.	Pauline Elliott - Oil and Gas Exploration and Extraction in Hawke's Bay (9.15am)	
Decision Items		
8.	Affixing of Common Seal	7
9.	Adoption of the Audited 2010-11 Annual Report	11
10.	Recommendation from the Regional Transport Committee	13
11.	Recommendations from the Maori Committee	15
12.	Regional Sport and Recreation Strategy - Terms of Reference	17
13.	Recommendations from the 12 October 2011 Environmental Management Committee	19
Information or Performance Monitoring		
14.	Hawke's Bay Tourism First Quarter Update (10.00am)	21
15.	Report from Delegation to Xuzhou, China (11.00am)	23
16.	Annual Plan Progress Report to 30 September 2011	33
17.	Quarterly Significant Initiatives Update for Council	45
18.	October 2011 Work Plan - Looking Forward	51
19.	Chairman's Monthly Report (to be tabled)	
20.	General Business	57

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 26 October 2011

Item 5

Subject: Action Items From Previous Regional Council Meetings

Introduction

1. **Attachment 1** lists 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. Once the items have been completed and reported to Council 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 Council receives the report "Action Items from Previous Meetings".



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

- 1 Action Items from Previous Meetings

Actions from Regional Council Meetings

	Agenda Item	Action	Person Responsible	Due Date	Status Comment
1.	9 month Annual Report Progress	Develop a strategic approach to Appeals to the Environment Court on consent Decisions, using risk analysis	MM	November	Consents Manager to investigate further and prepare a report for the November Council meeting.
2.	Ruataniwha Plains Water Storage Project	Regular updates to Council or Committee when each milestone is achieved	AN/GH	Ongoing	
3.	Work Plan Looking Forward	Appeal mediation processes underway – please provide more detail in relation to the status of the appeals, i.e. what are the outstanding issues? for Twyford, AFFCO and Mexted & Williams	MM		Detailed status and costs update emailed to Councillors on 12 October.
4.	Matters Arising	Councillors to be informed of the final costs to Council.	MA	November	Paper requesting Council's approval for the trip, which included the goals to be achieved, was distributed to Councillors via email 21/09/11. A report on the trip including costs to Council is included on Council's 26 October agenda.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 26 October 2011

Item 8

Subject: Affixing of Common Seal

Comment

- 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 57 DP 6481 CT C2/411 - Transfer	3082	20 September 2011
1.1.2	Lot 67 DP 10912 CT D4/922 - Agreement for Sale and Purchase (discount 17.5% resides at property) - Transfer	3083 3110	21 September 2011 14 October 2011
1.1.3	Lot 46 DP 921 CT B3/161 - Agreement for Sale and Purchase (discount 17.5% resides at property) - Transfer	3087 3113	27 September 2011 14 October 2011
1.1.4	Lot 28 DP 11103 CT B2/1267 - Agreement for Sale and Purchase (discount 17.5% resides at property)	3088	27 September 2011
1.1.5	Lot 62 DP 14450 CT G2/711 - Agreement for Sale and Purchase (discount 17.5% resides at property)	3089	28 September 2011
1.1.6	Lot 86 DP 10121 CT C3/1179 - Agreement for Sale and Purchase (discount 17.5% resides at property)	3092	29 September 2011
1.1.7	Lot 16 DP 13899 CT F4/435 - Agreement for Sale and Purchase (discount 17.5% resides at property)	3093	29 September 2011
1.1.8	Lot 38 DP 14451 CT G2/746 - Transfer	3094	5 October 2011
1.1.9	Lot 1 DP 4578 CT 19587		

	- Transfer	3095	5 October 2011
1.1.10	Lot 129 DP 14452 CT G2/764		
	- Agreement for Sale and Purchase (discount 10% landlord)	3096	7 October 2011
	Transfer	3114	14 October 2011
1.1.11	Lot 39 DP 4488 CT 55/145		
	- Agreement for Sale and Purchase (discount 17.5% resides at property)	3097	10 October 2011
1.1.12	Lot 87 DP 10121 CT C3/1180		
	- Transfer	3098	10 October 2011
1.1.13	Lot 50 DP 11103 CT L3/449		
	- Transfer	3099	11 October 2011
1.1.14	Lot 2 DP 13751 CT G3/1003		
	- Agreement for Sale and Purchase (discount 10% landlord)	3100	11 October 2011
1.1.15	Lots 1 & 2 DP 10715 Lot 2 DP 14592 DP 27916 CT Y1/26		
	- Agreement for Sale and Purchase (discount 10% landlord)	3101	11 October 2011
1.1.16	Lot 96 DP 10912 CT D4/924		
	- Agreement for Sale and Purchase (discount 17.5% resides at property)	3102	11 October 2011
1.1.17	Lot 33 DP 7201 CT B4/936		
	- Agreement for Sale and Purchase (discount 17.5% resides at property)	3104	12 October 2011
1.1.18	Lot 101 DP 10078 CT C1/974		
	- Agreement for Sale and Purchase (discount 10% landlord)	3105	12 October 2011
	- Transfer	3106	12 October 2011
1.1.19	Lot 82 DP 10632 CT B4/409		
	- Agreement for Sale and Purchase (discount 17.5% resides at property)	3108	13 October 2011

	<p>1.1.20 Lot 59 DP 10121 CT C3/1177 - Agreement for Sale and Purchase (discount 10% landlord)</p> <p>1.1.21 Lot 172 DP 12611 CT D4/1102 - Agreement for Sale and Purchase (discount 17.5% resides at property) - Transfer</p> <p>1.1.22 Lot 14 DP 15123 CT G4/1412 - Agreement for Sale and Purchase (discount 17.5% resides at property)</p>	<p>3109</p> <p>3111</p> <p>3112</p> <p>3115</p>	<p>14 October 2011</p> <p>14 October 2011</p> <p>14 October 2011</p> <p>17 October 2011</p>
1.2	<p>Specification - Westshore Beach Nourishment 2011 Contract No: 11-02-4270c</p>	3086	23 September 2011
1.3	<p>Deeds of Grant of Easement (Clive River) 1.3.1 Lot 1, DP 15904, CT H3/911 1.3.2 Lot 2, DP 15904, CT H3/912</p>	<p>3090</p> <p>3091</p>	<p>29 September 2011</p> <p>29 September 2011</p>
1.4	<p>Deed of Easement (to allow construction and maintenance of Landscapes Trail Pathway) HBRC, HDC and M S Small Family Trust Lot 4 DP 24839 Lot 3 DO 25068 and Lot 1 DP26775 CT W2/804</p>	3103	11 October 2011
1.5	<p>Staff Warrants</p> <p>1.4.1 D. Fake <i>(Delegations under Resource Management Act 1991; Soil Conservation and Rivers Control Act 1941; Land Drainage Act 1908; Civil Defence Act 1983 (s.60-64); Civil Defence Emergency Management Act 2002 (s.86-91) and Local Government Act 2002 (s.174))</i></p> <p>1.4.2 A. Nielsen-Vold <i>(Delegations under Resource Management Act 1991; Soil Conservation and Rivers Control Act 1941; Land Drainage Act 1908; Civil Defence Act 1983 (s.60-64); Civil Defence Emergency Management Act 2002 (s.86-91) and Local Government Act 2002 (s.174))</i></p> <p>1.4.3 K. Hashiba <i>(Delegations under Resource Management Act 1991; Soil Conservation and Rivers Control Act 1941; Land Drainage Act 1908; Civil Defence Act 1983 (s.60-64); Civil Defence Emergency Management Act 2002 (s.86-91) and Local Government Act 2002 (s.174))</i></p>	<p>3084</p> <p>3085</p> <p>3107</p>	<p>21 September 2011</p> <p>21 September 2011</p> <p>12 October 2011</p>

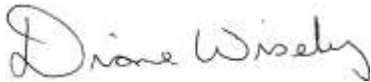
Decision Making Process

- 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.


Recommendations

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.

Subject: Adoption of the Audited 2010-11 Annual Report

Reason for Report

1. The purpose of this paper is for Council to resolve to adopt the 2010/11 audited Annual Report, to authorise the signing of this report, and to consider the impact on cash operating balances of the operating position at year end 30 June 2011.

Background

2. The draft Annual Report 2010/11 was considered by Council on Wednesday 24 August 2010 and adopted for audit. Now that the audit has been completed it is necessary for Council to consider the 2010/11 Annual Report, for formal adoption and publication.
3. The draft "printer's proof" (attached) of the Annual Report, includes a shorter version of the Chairman and Chief Executive's report, as the progress against the main strategic issues are now included in the new section reporting on the "Right Debate" issues.
4. This draft "printer's proof" will be proof-read over the next week and subsequent to Council approval will be printed in-house, and will be covered and bound externally by a printer. About 75 copies will be sent out to interested parties during mid November 2011.
5. Section 98 of the Act states:
 - (4) *A Local Authority must, within one month of the adoption of its Annual Report, make publicly available:*
 - (a) *its Annual Report; and*
 - (b) *a summary of information contained in its Annual Report*
 - (5) *The summary must represent, fairly and consistently, the information regarding the major matters dealt with in the Annual Report.*
6. Section 99 (2) states that the summary Annual Report must contain the Auditor's report on whether the summary represents, fairly and consistently, the information regarding the major matters dealt within the Annual Report.
7. Council has previously included the Summary Annual Report as part of its "Big Picture" publication (renamed in 2011 to "Our Place"). This publication was distributed to all households during October each year. This year the adoption of the audited Annual Report has been moved from a September Council meeting to an October Council meeting which means that because the Council's publication "Our Place" has been distributed in October, it will be necessary to publish the Summary Annual Report in local newspapers to ensure compliance with the provisions in the Local Government Act covering the availability of the summary to the public. This Summary Annual Report will include a short Audit report issued by the Audit Office as required by section 99 of the Act.

Favourable Operating Variance 2010/11 and the impact on operating cash balances

8. Set out in Attachment 1 is Council's general funded operating statement which shows the actual operating result for the financial year ended 30 June 2011 to be \$652,000 deficit. This compares to an Annual Plan budgeted deficit of \$600,000.
9. The general funded deficit reported to Council on 24 August 2011 was \$608,000, and an adjustment of \$44,000 to the Water Initiatives Scheme Reserve needed to be made in the final result.
10. The following points are worth noting after analysing the figures and notes in Attachment 1.

- 10.1. Funds needed to be set aside to fund the carry forward of expenditure of \$122,000 from 2010/11 to 2010/11.
- 10.2. Council resolved at the meeting on Wednesday 25 August 2010 that \$109,000 representing the profit on external work undertaken by Council's Operations Group for the year ending 30 June 2011 be transferred to Council as a dividend. This amount increased the funding available in Council's cash operating balances.

Decision Making Process

11. Council is required to make every decision in accordance with provisions of Part 6, sub-part 1 of the Local Government Act 2002 (the Act). Staff have assessed requirements contained in the sections of the Act in relation to this item and have concluded that the decision making provisions of the Act do not apply as the Annual Report is a statutory report required to be adopted by Council no later than 31 October 2010, under Section 98 of the Act.
12. Council must, within one month after adoption of its Annual Report, make copies available to the public.

Recommendations

That Council:

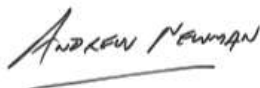
1. Adopts the 2010/11 Annual Report, under Section 98 of the Local Government Act 2002, and to authorise the Chairman and Chief Executive to sign the Annual Report on behalf of Council.
2. Amends the Council's Policy Handbook Section 2.2.2 to reflect the above resolutions.



John Peacock
CORPORATE ACCOUNTANT



Paul Drury
GROUP MANAGER
CORPORATE SERVICES



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

- | | | |
|---|--|----------------------|
| 1 | Summary Operating Statement 12 Months Ended 30 June 2011; Reconciliation of Operating Variances for 2010/11; Cash Operating Balances | Under Separate Cover |
| 2 | 2010/11 Annual Report for Adoption | Under Separate Cover |

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 26 October 2011

Subject: Recommendation From The Regional Transport Committee

Item 10

Reason for Report

1. The following matter was considered by the Regional Transport Committee on Thursday, 22 September 2011 and is now presented to Council for consideration and approval.

Decision Making Process

2. This item has been specifically considered at Committee level.

Recommendations

Adoption of Draft Annual Report 2010/11

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. Approves the 2010/11 Annual Report on the Regional Land Transport Programme and the Regional Land Transport Strategy.



Carol Gilbertson
TRANSPORT MANAGER



Helen Codlin
GROUP MANAGER
STRATEGIC DEVELOPMENT

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 26 October 2011

Item 11

Subject: Recommendations From the Maori Committee

Reason for Report

1. The following matters were considered by the Maori Committee on Tuesday 20 September 2011 and are now presented to Council for consideration and approval.

Decision Making Process

2. These items have all been specifically considered at the Committee level.

Recommendations

That Council:

Replacement Maori Committee Member on the Environmental Management 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 that Mr Marei Apatu replace Mr Morry Black as one of the two Maori Committee representatives on the Environmental Management Committee.

Maori Constituency


3. Agrees not to promote or support the establishment of a Maori Constituency for the 2013 local authority elections.

Update on Unwanted Agrichemical Collection Programme

4. Requests that Central Hawke's Bay and Wairoa District Councils consider supporting the implementation of the Hazmobile collection in their areas.



Viv Moule
HUMAN RESOURCES MANAGER



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

There are no attachments for this report.

Subject: Regional Sport and Recreation Strategy - Terms of Reference

Reason for Report

1. This paper brings to Council the Terms of Reference for the Hawke's Bay Regional Sport and Active Recreation Strategy.

Background

2. During the 2011/12 Annual Plan public consultation process the Council considered a submission by Colin Stone, on behalf of the Hawke's Bay Sports Council, seeking a funding contribution towards the preparation of a Hawke's Bay Regional Sport and Active Recreation Strategy.
3. Council's decision (Council Minutes 8 June 2011) was to agree to provide \$10,000 funding for the Study subject to the balance of funding being secured, and Council having the funds available within current budgets (General Rates) as well as being involved in the review process.

Strategic Fit

4. Council confirmed during Annual Plan discussions on this submission that it does have a responsibility for the planning of sports facilities as part of its infrastructure planning and on that basis was willing to be one of the partners in the strategy's development.

Discussion

5. The Hawke's Bay Sports Council comprises representatives from summer and winter sporting codes, councillors and staff from the five councils in the region, and staff from Sport Hawke's Bay. The Sports Council meets four times a year. It has identified the need to have a coherent framework for the sport and active recreation sector in Hawke's Bay. To do this a Working Party was established to develop the Terms of Reference for the Strategy.
6. The Terms of Reference are attached for consideration and adoption by Council. These are also being considered by the other councils in the region and have been passed by Hastings District Council, and are being considered by Napier City Council on 19 October (a verbal update on NCC decision will be provided at the meeting) and Central Hawke's Bay District Council on 27 October. Wairoa District Council has yet to indicate a date.
7. The Strategy is to be a tool to guide a collaborative approach by local authorities and sporting organisations to sport and recreation promotion, facilities provision and management and the maximisation of investment opportunities into sport and active recreation.
8. Approval of the Terms of Reference is the first stage of the process. Once this has been achieved the Sports Council will determine the timing of the Strategy and who will undertake it.

Financial and Resource Implications

9. In its Annual Plan decision Council agreed to contribute \$10,000 toward the strategy subject to:
 - 9.1. Council involvement in the Review process (being achieved through Sports Council membership and consideration of the Terms of Reference)
 - 9.2. Balance of funding being secured (this is being provided by the territorial authorities)

- 9.3. Council having funding available in current budget (Project 874). Funding had previously been allocated to Creative Hawke's Bay, who sought a deferment of their \$20,000 funding for 2011/12 until they had an opportunity to develop a new organisation strategy. During the decisions on the Annual Plan Councillors expressed their belief that a new organisational strategy for Creative Hawke's Bay may not fit within Council's funding criteria and may therefore require a completely new assessment process to be undertaken. Council could decide that \$10,000 of this money be allocated to the Sports Council for the Strategy and \$10,000 remain set aside for Creative Hawke's Bay should they present an acceptable organisational strategy to Council within the current financial year.

Decision Making Process

10. Council is required to make a decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained in Part 6 Sub Part 1 of the Act in relation to this item and have concluded the following:
- 10.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 10.2. The decision does not fall within the definition of Council's policy on significance.
 - 10.3. The persons affected by this decision are all ratepayers in the region
 - 10.4. Options that have been considered include not being involved in the Strategy (i.e. doing nothing).
 - 10.5. The decision is not inconsistent with an existing policy or plan.
 - 10.6. Given 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 made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

Recommendations

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 Terms of Reference for the Review of the Regional Sports and Active Recreation Strategy
3. Allocates \$10,000 from Project 874 (Strategic Partnerships) to the Hawke's Bay Sports Council for the review of the Hawke's Bay Regional Sports and Active Recreation Strategy.



Liz Lambert
GROUP MANAGER
EXTERNAL RELATIONS

Attachment/s

- | | | |
|---|--|----------------------|
| 1 | Terms of Reference for Regional Sport and Active Recreation Strategy | Under Separate Cover |
|---|--|----------------------|

Subject: Recommendations From the 12 October 2011 Environmental Management Committee

Reason for Report

1. The following matters were considered by the Environmental Management Committee at the meeting held on Wednesday 12 October 2011 and are now presented to Council for consideration and approval.

Decision Making Process

2. These items have been specifically considered at the Committee level.

Recommendations

That Council:

Hawke's Bay Land And Water Strategy

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. Adopts the Hawke's Bay Land and Water Strategy as amended by feedback received at the Environmental Management Committee.
3. Endorses the second Regional Land and Water Symposium event to be held on Wednesday 30 November 2011 as the key engagement event.
4. Conveys its appreciation to the members of the External Reference Group for the time and energy they have committed to the development of the Strategy over the last 12 months.

Update on Taharua Strategy Feedback and Project Review

5. 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.
6. Notes the public feedback received on the 'Taharua and Upper Mohaka Draft Strategy'.
7. Notes the van Voorthuysen report's conclusion that "*notification of a Taharua-upper Mohaka plan change by end 2011 is unrealistic*".
8. Notes the complexity of the planning environment with respect to managing land uses for water quality enhancement purposes.
9. Agrees that staff continue to compile the information required in order to prepare a robust statutory plan change and associated section 32 evaluation.
10. Agrees that for future Environmental Management Committee meetings, staff will present updates outlining progress on significant work streams and that at the February 2012 meeting a comprehensive programme for completion of a robust statutory plan change is prepared for the Committee's consideration.

Regional Policy Statement “Built Environment” Plan Change Update

11. 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.
12. Agrees to defer the adoption of a ‘Built Environment’ Change to the Regional Policy Statement (RPS) until after a meeting of the Environmental Management Committee scheduled following the Asset Management and Biosecurity Committee meeting on 16 November 2011.

Air Quality Plan Change

13. 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.
14. Subject to the Environment Court issuing a Consent Order settling the appeal by Solid Energy NZ Limited:
 - 14.1 Agrees in-principle to approve Change 2 (Air Quality) to the Regional Resource Management Plan in accordance with Clause 17 Schedule 1 of RMA; and
 - 14.2 Agrees in-principle that Change 2 becomes operative from 1 January 2012.
15. Receives the information about PM₁₀ concentration trends within the Napier and Hastings Airsheds.

Plan Change Process For Heretaunga Zone - Integrated Catchment Management

16. 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.
17. Agrees that a plan change to review the allocation limits and minimum flows for the Karamu Stream be delayed to enable an integrated catchment approach to the Heretaunga Zone.
18. Instructs staff to work with stakeholders and consent holders of consents which expire on 2013 to find a mutually acceptable arrangement that would enable the consents to be processed on a non-notified basis.
19. Instructs staff to hold a scoping workshop for Integrated Management of the Heretaunga Zone.



Helen Codlin
GROUP MANAGER
STRATEGIC DEVELOPMENT

Attachment/s

Hawke’s Bay Land and Water Management Strategy

Under Separate Cover.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 26 October 2011

Subject: Hawke's Bay Tourism First Quarter Update

Item 14

Reason for Report

1. The purpose of this paper is to provide Council with Hawke's Bay Tourism Limited (HBTL) results for the three months to 30 September 2011.

Background

2. At its meeting on 25 May 2011 Council resolved to approve the funding agreement between the Hawke's Bay Regional Council and HBTL. Section 11 of this funding agreement provided for a quarterly and annual report to be presented to Council to enable Council to monitor the outputs/outcomes being achieved and the financial progress against budget given the commitment by Council to fund HBTL, through a payment of \$850,000 each year for three years commencing 2011/12.
3. A report from HBTL setting out achievements, progress towards the key performance indicators as set out in the funding agreement, together with the Company's financials, is attached to this paper.
4. The Chairman, George Hickton, and Annie Dundas, General Manager, of HBTL will be presenting this report to Council.

Decision Making Process


5. 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 Council receives the report from Hawke's Bay Tourism Limited for the three months ending 30 September 2011.



Paul Drury
GROUP MANAGER
CORPORATE SERVICES



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

- 1 Hawke's Bay Tourism 3 Month Results for July - September 2011 Under Separate Cover

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 26 October 2011

Subject: Report From Delegation To Xuzhou, China

Item 15

Reason for Report

1. This paper presents a report (attached) from staff on the recent visit by HBRC Councillors, business representatives, and the Hukarere College cultural group to Shanghai, Xuzhou and Beijing, China.

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

1. That Council receives the report.



**Mike Adye
GROUP MANAGER
ASSET MANAGEMENT**



**Liz Lambert
GROUP MANAGER
EXTERNAL RELATIONS**

Attachment/s

- 1 Report from Delegation to Xuzhou



Report on Visit of Council Delegation to China, September- October 2011

Introduction

This report presents a summary of the goals and outcomes from the official visit of the Hawke's Bay Regional Council to its sister city in Xuzhou, China.

Details at a glance

Participants

Political:	Chairman and 3 councillors of HBRC, plus two spouses; Chairman Maori Committee; Two staff
Business	CEO of HB Chamber of Commerce and his wife; Business Development Manager, Napier City Council; Local businessman
Education:	Hukarere Girls' College cultural group (6 students); plus two teachers and one Board of Trustees member, Kaumatua
Interpreter	

Itinerary

Napier - Auckland – Shanghai (2 nights) – Xuzhou (4 nights) – Beijing (3 nights) – Auckland – Napier.

During our stay in Xuzhou while the entire group attended several events collectively a number of the activities were carried out separately according to political, business or education purposes.

Goals of visit

- To renew the Friendship City Agreement between Hawke's Bay Regional Council and Xuzhou first signed in 2006
- To further enhance political and economic relationships between the two regions
- To strengthen cultural links between China and New Zealand
- To renew the business relationships between the Hawke's Bay Chamber of Commerce and the Xuzhou Chamber of Commerce
- To identify additional economic opportunities where appropriate

Facts about Xuzhou region

- Population Xuzhou region: 10 million
- Population Xuzhou city: 1.5 million
- Location: Approx. 600km north of Shanghai, 700 km south of Beijing, 200km inland
- Area: 11,000 sq kilometres
- Economy: 300 billion yuan GDP per annum (approx 60 Billion NZ\$)
- Main industries: machinery, energy, food production, military

Key areas of progress

Political (Mayor, Chairman of People's Party Congress)

Key areas of cooperation identified by Mayor of Xuzhou, Mr Zhang Jighua:

- culture – exhibition of Terracotta Army of Han in Hawke's Bay in 2014
- agriculture - food processing
- education - Xuzhou rich in education resources, possibility of teacher exchanges
- environmental protection - keen to borrow expertise from NZ
- headquarter economy- large primary base, integrating number of industries and companies

Reinforcement of relationship

- China is now a key element in our primary produce based, export oriented economy.
- 2011 figures show that China is now NZ's second largest export destination, taking 11% of our exports, worth \$4.8bn. it is also our second biggest importer (16% of NZ total)
- NZ needs to be able to engage with the Chinese and understand them. Learning something of their culture and their history is a good start to understanding how we can trade with them.

**Cultural**

A Heads of Agreement has been signed by Napier City Council to bring the Xuzhou Terracotta Army of Han exhibit to Hawke's Bay in 2014 as one for the first feature events for the upgraded Hawke's Bay Museum and Art Gallery. This is a significant marketing opportunity for Hawke's Bay as the



Agreement provides for the exclusive rights to the warriors for the southern hemisphere.

Members of the delegation viewed the terracotta warriors, which date from the Han Dynasty (200BC to 300AD) *in situ*. Staff members met with the Curator of the Xuzhou Museum, Mr Li, who is scheduled to visit Hawke's Bay in January 2012. The Warriors exhibition will be the grand opening display for the redeveloped Museum, to which the Hawke's Bay Regional Council is contributing \$2.5 million. The Group Manager, External

Relations is on the committee responsible for organising the terracotta warriors exhibition. The trip confirmed the political arrangement and helped Napier continue the actual exhibition arrangement. This backs up HBRC's investment in the museum redevelopment.



The Hukarere cultural group performed at three schools and two universities during their visit to China. In addition they performed at official functions, most significantly the Mayor of Xuzhou's official dinner to celebrate the 62nd anniversary of the Cultural Revolution where 120 top level official and guests from the Xuzhou region were in attendance.

They were very well received on all occasions and were filmed for television at all their performances. This presented a good marketing opportunity for New Zealand.

Wine

A Hawke's Bay Wine Symposium is proposed to be held in Xuzhou in mid 2012 and Xuzhou officials have requested that HB wineries exhibit at the symposium. This will be facilitated by Business Hawke's Bay (the Chamber of Commerce's autonomous division) and the Hawke's Bay Regional Council. Such a wine symposium would also then be undertaken in Shanghai and Beijing.

Delegation members also met with wine buyers in Beijing for initial discussions on developing trade between the parties. These wine buyers have exclusive contracts throughout China.

Wood

There are more than 100 companies in the Xuzhou region that make furniture and require timber. At present much of the timber used is sourced from Russia. Opportunities for increased sales from Hawke's Bay and the central North Island area through the Port of Napier will depend on NZ being able to compete in both price and quality.



Discussions are occurring about the possibility of a wood symposium (similar to that being organised for wine) being arranged in Xuzhou, whereby New Zealand timber growers and millers could display their products to the companies within the wider Xuzhou region. To be successful in trade with China it is definitely a case of "seeing is believing".

Beihang University

Beihang University (located in Beijing, which hosted the delegation while in Beijing) is the leading aviation university in China and one of the top five universities in the country. It has a student roll of 50,000. The Dean of Beihang University together with the Chairman of the Hawke's Bay Regional Council and the CEO of the HB Chamber have signed a *Memorandum of Strengthening Co-operation*, to investigate ongoing educational opportunities.

Education

A Xuzhou investor has signed a contract, to be administered by Napier City Council, with the following outcomes:

- The offer of two scholarships to Hukarere pupils for 2012, valued at \$10,000 each, to assist with tertiary studies. This money has since been received and it is planned to have ongoing scholarship funding from this investor. This investor (and others he is associated with) have indicated their desire to invest substantial funds to projects in HB as part of our sister-city relationship.
- First refusal offered to the investor on any recommended investment opportunities in Hawke's Bay
- Facilitation by Napier City Council for the investor's teenage son to study in Hawke's Bay

Napier City Council and Business Hawke's Bay will follow up on this although exclusivity by definition can't be offered as such.

Other Achievements of the Trip

Application of Ginkgo



Two meetings were held a with a chemist company called Applause who process ginkgo. They have developed a world first Terpin injection, using ginkgo, as a health product. Test have shown that the Chinese ginkgo has very high pesticides which cannot be extracted out while the New Zealand product is the purest in the world

This business opportunity is being further developed by the Hawke's Bay private sector company 'Nature Green NZ Ltd', who started commercial Ginkgo growing here over 6 years ago.

Honey

A trader in Beijing requested that a container of honey be shipped to Xuzhou .This is being facilitated by Business Hawke's Bay.



Renewing of the business relationship between the Xuzhou and Hawke's Bay Chambers of Commerce

Environmental Sustainability

Council staff visited a Xuzhou LED lighting company which also makes solar panels. The LED street lighting is of particular relevance to the territorial authorities as street lighting is one of the main contributors to their energy use. Information has been brought back to Hawke's Bay for distribution to the territorial authorities.

The company also makes solar panels, including for air conditioners. Many members of the group commented throughout the visit on the widespread use of solar panels in apartment blocks, not only in Xuzhou but also in Shanghai and Beijing. A proposal by Hawke's Bay Regional, Hastings District and Napier City Councils to facilitate the installation of solar hot water systems in existing houses, if it proceeds, may benefit from the association of the company with HBRC through negotiations for a bulk supply.

Costs of Trip

At their meeting on 25 May 2011 Council agreed to the Council Chairman leading a delegation of Hawke's Bay Councillors and businesses to Xuzhou, and to fully pay the costs of the Chairman. Council also agreed to subsidise the cost of Councillors travelling to Xuzhou, with the budget provision for Sister City relationships.

The total cost to Council of the trip is yet to be finalised but is expected to be approximately \$18,000.

This cost will be met from the following budgets:

Project 840 Community Representation	\$6,000
Project 878 Sister City Relationships	\$7,500
Staff Cost Centres	\$4,500

Follow Up

One of the requirements to increase the success rate of any business opportunities identified is the follow up work.

We are fortunate in that interest from Xuzhou had already led to three follow-up trips being arranged:

- The first of these is from our host, Mr Wang, the Vice Director of Foreign Affairs for Xuzhou, who is accompanying Mr Xia Wanda, the Vice Mayor of Xuzhou. They will be visiting on 19-20 October, 2011. This visit will have occurred by the time this paper is formally received. It is planned that Vice Mayor Xia and his party will visit a farm, an orchard and Te Mata Peak, and will then be shown the Hawke's Bay Museum redevelopment site and meet with Museum staff to see how artefacts are cared for in our Museum.
- The second is the visit by a group of investors in late October, 2011.
- The third is the visit by a second group of investors, including the funder of the Hukarere scholarships. This visit is planned for early 2012.

In addition to these opportunities a number of initiatives, previously identified in this report, are being followed up for further action by Business Hawke's Bay and the Business Development Manager for Napier City Council.

Summary

The visit to China by the HBRC Council delegation, accompanied by the Hukarere Girls College cultural group, was a success. Progress was made on all five goals sought for the visit and there is no doubt that the importance of relationships positions Hawke's Bay well in potential for enhancing trading opportunities with China in general, and with the Xuzhou region in particular.

In addition to the business opportunities identified in the report the observations of the delegation on life in China and how things are done there have enriched our thinking into how we might improve on how we do things in Hawke's Bay.

The 2011 visit builds on the initial groundwork undertaken by Napier City Council and by the 2006 Hawke's Bay Regional Council delegation. We appreciate their earlier efforts as these are now starting to pay dividends and we are confident that the latest visit will further enhance this.

Subject: Annual Plan Progress Report To 30 September 2011

Reason for Report

1. This Annual Plan Progress Report is an abridged report and covers the first three months of the 2011/12 financial year ending 30 June 2012. The report consists of commentary on financial results to 30 September 2011 and various financial reports.

Summary of Financial Position to 30 September 2011

2. The actual result covering the Council's general funded operations for the first three months of 2011/12 is a deficit of \$358,475. This compares with the Annual Plan budget deficit of \$309,314 and forecast deficit of \$308,314 for the full year.
3. The \$1,000 decrease in the forecast deficit arises from Council's decision to proceed with the Tutira manuka honey forestry proposal. Biosecurity staff time has been transferred from general funded activities to this activity, which is funded by the Sale of Land Reserves.

Comment on Financial Results for the Three Months to 30 September 2011

Groups of Activities

4. This report establishes that the net expenditure on groups of activities for the first three months is 27% of the budgeted net funding requirement, as against an equal monthly pro-rata comparative of 25%. The comparative figure for the three months to 30 September 2010 was 23%.
5. Regional Resources shows a net expenditure of 35% of budget. While overall expenditure in projects is running just behind the expected pro-rata percentage at 21%, income, much of this Section 36 water science charges, has not matched this at just 5%. Given that a significant amount of income is involved, Section 36 water science charge income will now be accrued throughout the year until invoiced.
6. Hazard Management shows a net expenditure of 17% of budget. The budget includes costs to set-up a Group Emergency Coordination Centre based in Hastings, which as yet has not progressed. Staff expect that this project will be completed by year-end.
7. Transport shows a net expenditure of 35% of budget. Expenditure related to progress on the Heretaunga Plains and Wider Region Transportation Studies has not been matched with NZTA funding resulting in a higher than pro-rata net expenditure position.

Operations Group

8. Operations Group reports a surplus of \$98,727 for the three months to 30 September 2011. \$70,000 of the surplus relates to Council activities. If these activities were excluded, the Operations Group result would be a surplus of \$28,000, roughly in line with pro-rata expectations.

Regional Income

9. Total regional income represents 25% of the budgeted net funding contribution for the first three months of the financial year, as against a pro-rata of 25%.
10. This result includes a Disaster Reserve deficit of \$92,000 or 1004% of budget. The Disaster Reserve project earns interest and dividends and pays for disaster insurance for Council assets. Insurance costs this year are nearly triple those paid last year and have been paid in advance, thus causing the deficit at the end of the first quarter.
11. 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

12. The general funding requirement for capital projects is \$102,763 or 23% of budget and in line with pro-rata expectations for this time of year.

Heatsmart Progress Report

13. The purpose of this report to update on progress made in the allocation of clean heat grants and loans, and loans for insulation as part of the Heatsmart programme.

	2009-10		2010 - 11		2011 – 12 July - September		Programme Total	
Insulation Loan	150	\$291,536	221	\$429,593	56	\$90,954	427	\$812,083
Clean Heat Loan	97	\$260,935	143	\$384,501	32	\$77,750	272	\$723,186
Clean Heat Grant	33	\$20,533	133	\$81,674	26	\$15,826	192	\$118,033
Totals	280	\$573,004	497	\$898,767	114	\$184,530	891	\$1,653,302

14. An additional 156 applications are currently being processed.
15. The programme information has recently been transferred to the CRM data base which will allow the development of KPIs. An example would be to monitor and reduce the amount of time taken from customer first contact to fist loan payment.

Non-recoverable Costs of Consent Appeals and Direct Referrals to the Environment Court

16. For the year to date costs for appeals and referrals to the Environment Court have amounted to \$27,898. This includes staff time and external costs. External costs so far this year have all been legal costs.
17. The most significant appeal related costs this year are likely to arise from the Twyford appeals. HBRC has engaged NIWA to provide expert support for the Twyford appeals and this will add up if the appeal proceeds to the Environment Court. The contract has been set in stages so that it can be stopped if the appeal is resolved.
18. The Opoutama appeal has been resolved in favour of the applicant and consistent with the HBRC decision. It is anticipated that AFFCO and Mexted appeals are close to being resolved.
19. Costs can be sought through the Environment Court and we will be looking to recover costs by this approach where possible.
20. The following table summarises costs for appeals and referrals for 2010/2011 and for the 2011/2012 year to date.

Appeal Summary As at 5 October 2011						
Appeal Name	Date of Council Approval to Defend Appeal	Estimated Cost of the Appeal as Advised to Council	Actual Costs of Appeal (Appropriate Years)			Comments
			2010/11	2011/12 to date	Total to date	
Opoutama	Wed 16 Feb 2011	Noted \$5,000 - \$10,000 if mediated, significantly higher if not mediated	\$35,317	\$12,300 (external) \$14,994	\$50,311	Appeal resolved 11 Aug 2011- upholding HBRC's decision. A Court hearing was required. Appeal was not able to be mediated.
Twyford / Raupare	Wed 25 May 2011	Noted \$150,000.00 on similar appeal	\$22,506	\$0 (external) \$7,351	\$29,857	Appeal ongoing – mediation scheduled for Nov 2 Legal and consultant costs will accrue this year.
AFFCO	Wed 23 Sept 2009	Not estimated	\$81,321	\$4,514 (external) \$5,553	\$86,874	Appeal ongoing – differences are close to being resolved. But Environment Court to set further mediation dates if required.

Balance Sheet

21. Public Equity, which reflects the net value of all the Council's assets and liabilities, has decreased by \$406,000 or 0.10% since the beginning of the year.
22. Non-current property, plant & equipment, intangible and infrastructure assets have increased by \$1,382,000 or 0.89% since the beginning of the year reflecting the purchase of fixed assets and construction of infrastructure assets in the period, off-set by depreciation and amortisation charges. Included in this increase is \$433,000 of development expenditure on Ruataniwha Plains Water Augmentation project and \$257,000 on cycleways projects.
23. Investment property has decreased by \$1,010,000 or 1.10% since the beginning of the year reflecting the disposal of 11 endowment leasehold land properties. This year staff estimate that Council will dispose of around 100 properties generating around \$9,000,000.
24. Trade receivables have decreased since the beginning of the year by \$3,293,000 and significantly lower than at the same time last year recognising the receipt of around \$850,000 of Government grants outstanding last September.
25. Trade and Other Payables have decreased since the beginning of the year by \$4,738,000 as year-end invoices have been paid and accruals reversed.
26. Income in advance shows a significant movement of \$3,423,000 due to the accrual of rate revenue in advance prior to the issue of rates invoices for the year in early October 2011.
27. Total Cash, Cash Equivalents and Financial Assets show a decrease of \$7,788,000 or 4.5% since the beginning of the year but are similar to this time last year. Typically, during the first quarter of the year the Council experiences significant cash outgoings with few cash receipts.

Cash Reserve Investments

- 28. The average rate of interest being earned on liquid investments is currently 4.87%. This rate is higher than the average rate of 4.63% at 30 June 2011 and lower than the rate assumed in the 2011/12 Annual Plan of 5.0% for both short and long-term bank investments.
- 29. The pie chart on page 24 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 or groups of associated institutions.

Decision Making Process

- 30. 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 Council receives the report.



**John Peacock
CORPORATE ACCOUNTANT**



**Paul Drury
GROUP MANAGER
CORPORATE SERVICES**

Attachment/s

- 1 Financial Reports for the 3 Months Ended 30 September 2011

Financial Summary

Three Months Ended 30 September 2011

	Actual	Annual Plan	Forecast
	\$	\$	\$
Operating Activities			
Net Funding Requirement	(3,924,556)	(14,520,446)	(14,519,446)
Regional Income	3,536,164	14,402,279	14,402,279
Operating Surplus / (Deficit)	(255,712)	137,833	138,833
Capital Activities			
Loans Outstanding			
Te Awanga Flood Protection	14,377	0	0
LiDar Digital Terrain Monitoring	82,800	55,200	55,200
GIS Purchase	76,000	76,000	76,000
Sawfly Remediation No. 1	1,250,000	1,000,000	1,000,000
Sawfly Remediation No. 2	1,680,000	1,400,000	1,400,000
Sawfly Remediation No. 3	910,000	840,000	840,000
	3,840,000	3,240,000	3,240,000
Regional Infrastructure	1,168,750	2,858,000	2,858,000
Regional Parks	1,330,125	3,378,800	3,378,800
Finance Systems	773,750	1,360,000	1,360,000
Healthy Homes	1,217,375	2,859,000	2,859,000
Upper Tukituki Flood Control	272,500	250,000	250,000
Karamu & Tributaries Flood Control & Drainage	350,000	320,000	320,000
Monitoring Bores	97,500	90,000	90,000
Operations Group Office Extensions	0	600,000	600,000
HPFCS Flood Protection & River Control	195,000	580,000	580,000
Computer Servers	0	100,000	100,000
Unallocated	1,657,500	0	0
	7,062,500	12,395,800	12,395,800
Total Loans Outstanding	11,075,677	15,767,000	15,767,000
Leasehold Land Sales			
Residential/Commercial/Rural	900,612	800,000	9,000,000
Capital Expenditure (Excluding Loan Repayments)			
Operating Assets	488,859	2,714,850	2,714,850
Strategic Planning	11,440	268,764	268,764
Land Drainage & River Control	391,611	1,680,015	1,680,015
Regional Resources	462,040	5,865,883	5,865,883
Regional Income	473,454	4,235,366	4,346,866
	1,827,404	14,764,878	14,876,378
Financial Assets & Investments			
	30-Sep-11	1 Year Ago	
Non-Current Financial Assets	125,873,573	128,801,053	
Current Financial Assets	27,633,230	30,734,033	
Cash & Cash Equivalents	12,444,072	6,605,904	
Total Cash & Financial Assets	165,950,875	166,140,989	
Average Interest Rate on Liquid Investments	4.87%	4.89%	
Total Investment Property	90,670,035	91,280,262	
Total Forestry Crops	2,645,039	1,819,827	
Accounts Receivable			
	30-Sep-11	1 Year Ago	
Rate Receivables	247,485	384,200	
Other Receivables	1,310,372	2,479,610	
Provision for Impaired Receivables	(240,862)	(296,886)	
Total Accounts Receivable	1,316,995	2,566,924	

Operational Statistics

Three Months Ended 30 September 2011

	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	3,381,245	814,153	319,000	(1,750)	(493,403)	(2,111,516)	(2,111,516)	23%
2.0 Land Drainage & River Control	5,710,725	839,903	857,359	249,714	(232,259)	(1,049,539)	(1,049,539)	22%
3.0 Regional Resources	9,996,826	2,067,288	260,910	(111,318)	(1,695,060)	(4,849,330)	(4,849,330)	35%
4.0 Regulation	3,196,882	737,535	248,078	0	(489,457)	(1,671,548)	(1,671,548)	29%
5.0 Biosecurity	3,707,172	715,099	569,344	121,446	(267,201)	(1,240,359)	(1,239,359)	22%
6.0 Hazard Management	1,627,374	403,146	174,265	0	(228,881)	(1,380,888)	(1,380,888)	17%
7.0 Transport	4,329,207	667,181	869,276	253,236	(51,141)	(146,487)	(146,487)	35%
8.0 Governance & Community Engagement	6,516,875	493,505	12,278	(14,072)	(467,155)	(2,070,779)	(2,070,779)	23%
	38,466,306	6,737,810	3,310,510	497,256	(3,924,556)	(14,520,446)	(14,519,446)	27%
BUSINESS UNIT ADJUSTMENTS								
Notional Interest on Ops Grp Fixed Assets			33,953		33,953	156,000	156,000	22%
Operations Group Council Activities	3,940,000	650,471	720,901		70,430	0	0	
Operations Group External Activities	331,000	133,718	162,015		28,297	100,000	100,000	28%
Net Operations Group Activities	4,271,000	784,189	882,916	0	98,727	100,000	100,000	
NET FUNDING REQUIREMENT		7,521,999	4,227,379	497,256	(3,791,876)	(14,264,446)	(14,263,446)	27%
9.0 Regional Income								
General Funding Rates Levied (net)		(1,478)	815,570	0	817,048	2,960,719	2,960,719	28%
General Funding Interest		0	502,549	70,848	431,701	1,118,657	1,118,657	39%
Port of Napier Ltd Dividends (net)		689	1,442,000	(177,750)	1,619,061	6,469,500	6,469,500	25%
Endowment Leasehold Land Rental (Net)		32,446	515,682	0	483,236	2,594,428	2,594,428	19%
Disaster Reserve Interest & Dividends (Net)		121,572	29,674	0	(91,898)	(9,150)	(9,150)	1004%
Investment Property Rental (Net)		5,105	191,705	0	186,600	699,221	699,221	27%
CHB Wastewater Disposal Investment		19,308	0	(74,058)	54,750	219,000	219,000	25%
Tutira Carbon Sequestration Investment		18,808	7,265	(42,543)	31,000	124,000	124,000	25%
Ruataniwha Water Investment		(53,301)	0	53,301	0	0	0	
Mahia Wastewater Disposal Investment		15,522	0	(19,522)	4,000	16,000	16,000	25%
Regional Investment Company		0	0	0	0	(190,096)	(190,096)	0%
Other Income		0	536	0	536	400,000	400,000	0%
Gain / (Loss) on Disposal of Assets		0	130	0	130	0	0	
REGIONAL INCOME		158,671	3,505,111	(189,724)	3,536,164	14,402,279	14,402,279	25%
OPERATING SURPLUS / (DEFICIT)		7,680,670	7,732,490	307,533	(255,712)	137,833	138,833	(184%)
10.0 Capital Projects								
10.1 Internally Constructed Assets		30,088	0	(30,088)	0	0	0	
10.2 Strategic Planning		11,440	17,191	0	5,751	0	0	
10.3 Land Drainage & River Control		484,111	505,194	101,625	(80,542)	(406,647)	(406,647)	20%
10.4 Regional Resources		529,540	663,612	162,044	(27,973)	(40,500)	(40,500)	69%
10.5 Regional Income		473,454	1,036	(472,418)	0	0	0	
COUNCIL FUNDING REQUIRED FOR CAPITAL PROJECTS		1,528,633	1,187,033	(238,837)	(102,763)	(447,147)	(447,147)	23%
ANNUAL PLAN SURPLUS / (DEFICIT)		9,209,303	8,919,524	68,695	(358,475)	(309,314)	(308,314)	116%
(*) Income includes Targeted Rates, Fees and Charges, Grants and Loans								
Reconciliation to GL	Per Prj I&E	Per Above	Per GL	Variance				
Net Funding Requirement (Operating)	3,357,807.32	3,357,807.32	3,210,161.72	(147,645.60)	[Job Type issue for GL Only - balance below]			
Net Regional Income Surplus / (Deficit)		(3,309,422.54)	(1,888,722.36)	1,420,700.18				
Accrued Port Dividends		0.00	0.00	0.00				
Net Capital Surplus / (Deficit)		341,600.01	489,245.61	147,645.60	[Job Type issue for GL only - balance above]			
Net Cost Centre Surplus / (Deficit)		(1,478.12)	550.01	2,028.13	[Ok, D67 & D91 have no hours to alloc recovery to]			
Net Reserve Movments		68,695.30	68,695.30	0.00				
		457,201.97	1,879,930.28	1,422,728.31				

Consolidated Business Units Balance Sheet
Three Months Ended 30 September 2011

	Actual	Actual
	30-Sep-11	1-Jul-11
	\$	\$
Non Current Assets		
Property, plant & equipment	18,325,898	17,769,853
Infrastructure assets	135,664,038	134,490,726
Investment property	90,670,035	91,680,000
Intangible assets	2,464,555	2,811,736
Financial assets	125,873,573	125,834,374
Forestry assets	2,645,039	2,645,039
	375,643,138	375,231,728
Current Assets		
Inventories	21,880	16,831
Accounts receivable	1,316,995	4,036,768
Prepayments	209,080	228,377
Accrued income	759,710	1,314,202
Work in progress	567,046	503,788
Financial assets	27,633,230	34,283,244
Cash & cash equivalents	12,444,072	13,621,181
	42,952,012	54,004,391
TOTAL ASSETS	418,595,150	429,236,119
Public Equity		
General reserves	178,980,446	178,905,572
Fair value reserves	161,696,606	161,696,606
Operating reserves	69,687,165	68,546,737
Current year movement	(1,621,201)	0
	408,743,016	409,148,915
Non Current Liabilities		
Borrowings	9,594,700	9,871,200
Employee entitlements	1,725,236	807,000
Other liabilities	88,509	88,509
	11,408,444	10,766,709
Current Liabilities		
Accounts payable	280,270	5,018,419
Income in advance	(3,422,705)	1,362,053
Deposits and retentions	89,851	540,809
Employee entitlements	15,297	918,236
Borrowings	1,480,978	1,480,978
	(1,556,310)	9,320,495
TOTAL LIABILITIES	9,852,134	20,087,204
TOTAL EQUITY & LIABILITIES	418,595,150	429,236,119

Item 16

Attachment 1

Capital and Investment Activity

Three Months Ended 30 September 2011

	Notes	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
Finance Systems Upgrade		21,250	85,000	85,000
Ground Water Monitoring Bores		2,500	10,000	10,000
Total Loan Repayments		42,750	141,600	141,600
Operating Asset Purchases:				
Purchases by Council		381,800	2,482,000	2,482,000
Purchases by Operations Group		107,059	232,850	232,850
Total Operating Asset Purchases		488,859	2,714,850	2,714,850
Total Expenditure		531,609	2,856,450	2,856,450
Sources of Funds:				
Operating Asset Depreciation - Council		267,762	1,288,000	1,288,000
Operating Asset Depreciation - Operations Group		42,884	292,000	292,000
Proceeds of Disposals - Council		0	43,000	43,000
Proceeds of Disposals - Operations Group		17,738	25,500	25,500
Finance Systems Upgrade (3rd Tranch)		0	650,000	650,000
Computer Servers		0	100,000	100,000
Operations Group Office Extension		0	600,000	600,000
Interest on Asset Replacement Reserve Funds		0	21,252	21,252
Asset Replacement Reserve Funds	1.	203,225	(163,302)	(163,302)
Total Sources of Funds		531,609	2,856,450	2,856,450
Net Result		0	0	0
10.2 STRATEGIC PLANNING ACTIVITIES				
Expenditure:				
Capital Project Expenditure				
179C Strategic Development (VHB Loan Repayment)		11,440	68,764	68,764
193C Implementation of Environmental Initiatives		0	200,000	200,000
Total Expenditure		11,440	268,764	268,764
Sources of Funds:				
179C Targeted Rates		17,191	68,764	68,764
193C Loan Repayment		0	40,000	40,000
193C Sale of Land Reserves		0	160,000	160,000
Total Sources of Funds		17,191	268,764	268,764
Net Result (Funded from General Funds)		5,751	0	0
Notes:				
1. Current funding by both the asset replacement and rating scheme reserves will reduce significantly when scheduled loan funding is drawn down at year end.				

Capital and Investment Activity continued

	Notes	Actual	Annual Plan	Forecast
		\$	\$	\$
10.3 LAND DRAINAGE & RIVER CONTROL ACTIVITIES				
Expenditure:				
Loan Principal Repayments:				
247C	Te Awanga	0	14,377	14,377
265C	Upper Tukituki	7,500	30,000	30,000
287C	Heretaunga Plains - Flood & River Control	5,000	20,000	20,000
289C	Sawfly Remediation	70,000	670,000	670,000
296C	Karamu & Tributaries	10,000	40,000	40,000
	Total Loan Repayments	92,500	774,377	774,377
Infrastructure Asset Construction:				
247C	Maraetotara River Control	0	0	0
265C	Upper Tukituki	33,427	110,884	110,884
278C	Central & Southern Areas Rivers & Streams	0	23,628	23,628
286C	Heretaunga Plains - Rivers Maintenance	98,321	150,000	150,000
287C	Heretaunga Plains - Flood & Rivers Control	17,886	313,988	313,988
288C	Heretaunga Plains - Special Projects	0	20,000	20,000
289C	Heretaunga Plains - Sawfly Remediation	0	0	0
291C	Heretaunga Plains - Napier/Meeane/Puketapu (Capital)	202,147	381,622	381,622
291R	Heretaunga Plains - Napier/Meeane/Puketapu (Renewal)	0	98,500	98,500
292C	Heretaunga Plains - Brookfields/Awatoto (Capital)	0	5,000	5,000
292R	Heretaunga Plains - Brookfields/Awatoto (Renewal)	7,185	0	0
296C	Heretaunga Plains - Karamu & Tributaries (Capital)	32,645	479,537	479,537
296R	Heretaunga Plains - Karamu & Tributaries (Renewal)	0	64,600	64,600
297C	Heretaunga Plains - Raupere/Twyford	0	32,256	32,256
	Total Infrastructure Asset Construction	391,611	1,680,015	1,680,015
	Total Expenditure	484,111	2,454,392	2,454,392
Sources of Funds:				
	Loans Drawn-down	0	400,000	400,000
	Targeted Rates & External Funding	505,194	2,014,743	2,014,743
	Infrastructure Asset Replacement Reserves	7,185	163,100	163,100
	Rating Scheme Reserves	1.	(108,810)	(530,098)
	Total Sources of Funds	403,569	2,047,745	2,047,745
	Net Result (Funded from General Funds)	(80,542)	(406,647)	(406,647)
Notes:				
1. Current funding by both the asset replacement and rating scheme reserves will reduce significantly when scheduled loan funding is drawn down at year end.				

Capital and Investment Activity continued

	Notes	Actual \$	Annual Plan \$	Forecast \$
10.4 REGIONAL RESOURCE ACTIVITIES				
Expenditure:				
Loan Principal Repayments:				
342C	Healthy Homes	32,625	180,500	180,500
385C	Regional Park Reserves	34,875	104,000	104,000
	Total Loan Repayments	67,500	284,500	284,500
Capital Project Expenditure:				
342C	Healthy Homes:	164,206	1,789,000	1,789,000
362C	Council Owned Wetlands	21,025	50,000	50,000
373C	Tangoio Soil Conservation Reserve	372	109,083	109,083
382C	Lake Tutira Country Park	6,947	40,500	40,500
385C	Regional Park Reserves	258,240	3,877,300	3,877,300
893C	Regional Infrastructure Assistance	11,250	0	0
	Total Capital Project Expenditure	462,040	5,865,883	5,865,883
	Total Expenditure	529,540	6,150,383	6,150,383
Sources of Funds:				
	Loans Drawn-down	500,000	3,789,000	3,789,000
	External Funding	163,612	4,234,013	4,234,013
	Sale of Land Reserves	140,753	(1,968,700)	(1,968,700)
	Rating Scheme Reserves	(302,797)	55,570	55,570
	Total Sources of Funds	501,568	6,109,883	6,109,883
	Net Result (Funded from General Funds)	(27,973)	(40,500)	(40,500)
10.5 REGIONAL INCOME ACTIVITIES				
Expenditure:				
Capital Project Expenditure				
987C	Central HB Waste Water Investment	13,275	148,000	148,000
988C	Tutira Manuka Forestry	3,701	0	111,500
989C	Tutira Carbon Sequestration Forest	3,359	202,107	202,107
996C	Ruataniwha Water Augmentation Investment	432,739	3,368,259	3,368,259
997C	Mahia Waste Water Investment	20,380	517,000	517,000
	Total Expenditure	473,454	4,235,366	4,346,866
Sources of Funds:				
	External Funding	1,036	225,000	225,000
	Sale of Land Reserves	472,418	4,010,366	4,121,866
	Total Sources of Funds	473,454	4,235,366	4,346,866
	Net Result (Funded from General Funds)	0	0	0
Notes:				
1. Current funding by both the asset replacement and rating scheme reserves will reduce significantly when scheduled loan funding is drawn down at year end.				

Reserves Funding

Three Months Ended 30 September 2011

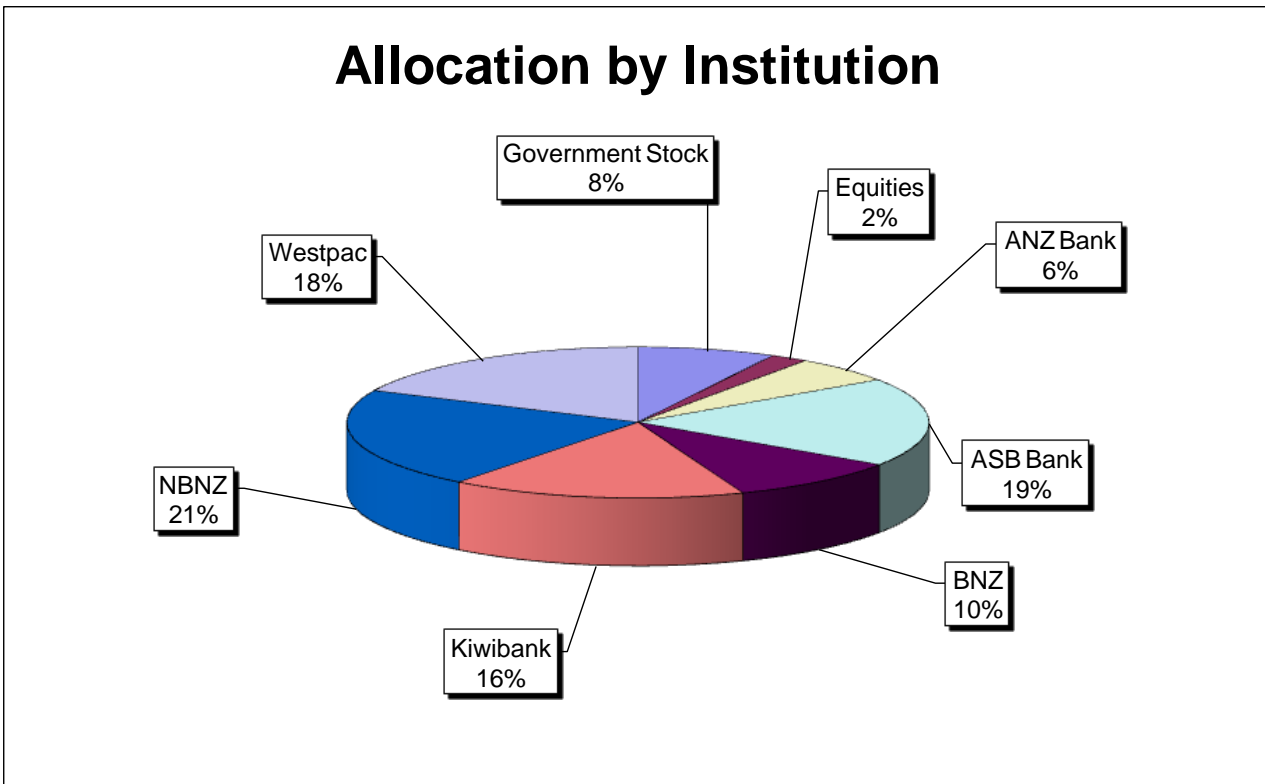
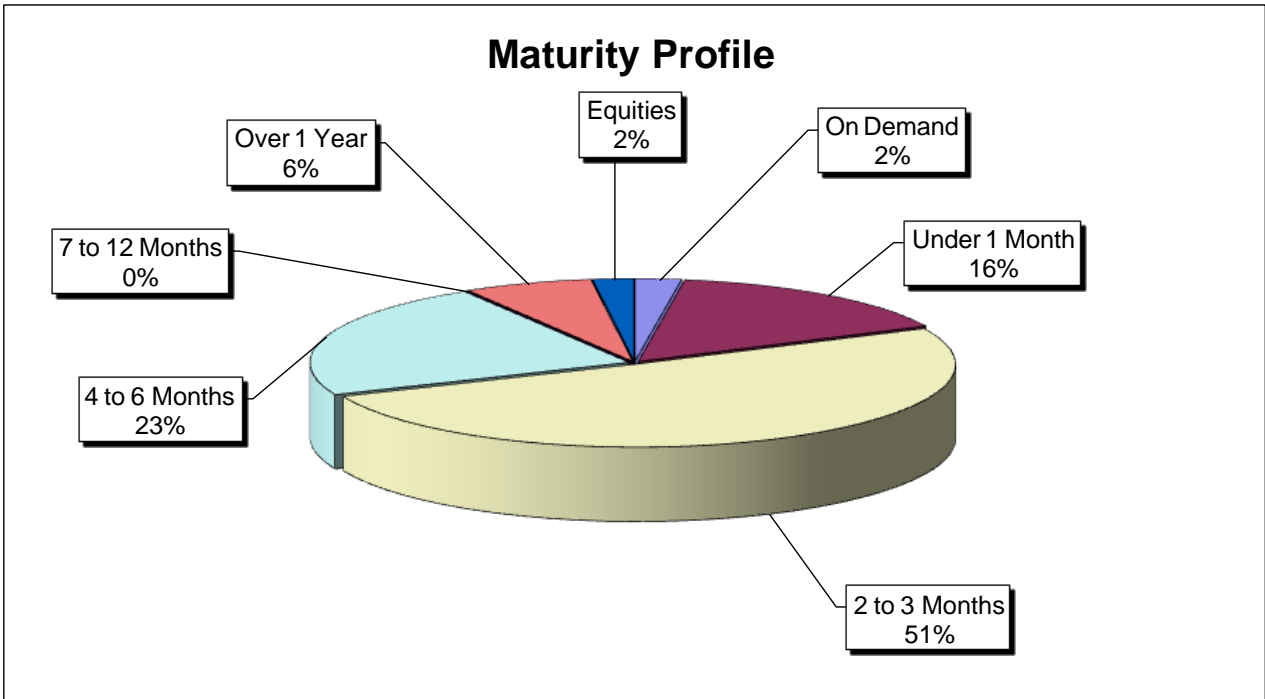
Total \$'000	Operating Reserves \$'000	Infrastructure Asset Depreciation \$'000	Wairoa Rivers & Streams \$'000	Specific Regional Projects \$'000	Asset Replace- ment \$'000	Council Disaster Damage \$'000	Scheme Disaster Damage \$'000	Clive River Dredging \$'000	Tangoio Reserve Fund \$'000	Sale of Land Invmt \$'000	Sale of Land Non-Invmt \$'000	Rabbit Reserve \$'000	Napier Mussel Farm \$'000	Effective Interest Rate (%)	Maturity Dates
Publicly Listed Shares	910					910								N/A	N/A
Government Stock	3,365	158				2,263			628	316				4.87%	2011 - 16
Bank Deposits [Maturity 92 - 365 days]	9,972	400	821		80		1,161		1,135	6,375				4.26%	2011 - 12
Cash & Cash Equivalents [Maturity < 92 days]	29,564	6,917	2,291	663	45	691	1,077	85	1,510	14,142	1,856	122	13		2011
43,811	7,475	3,112	663	45	771	3,325	2,238	85	3,273	20,833	1,856	122	13	5.29%	
Less Non-Funded Reserves															
Port Dividend Equalisation	(3,392)														
Project Schemes	(3,583)														
	(6,975)														
Available Operating Reserves	500														

Reconciliation to Balance Sheet:	
Non Current Financial Assets	125,837
Fair Value Adjustment to Stock	243
Loans to VHB	(206)
	125,874
Current Financial Assets	27,633
Cash & Cash Equivalents	12,455
	165,962
Less Non Allocated Financial Assets	
Port of Napier Shares	(120,540)
Community Loans	(1,368)
Fair Value Adjustment to Stock	(243)
	(122,151)
	43,811

Notes:

1. 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.

Financial Assets at 30 September 2011



Subject: Quarterly Significant Initiatives Update For Council

Reason for Report

1. Significant Council resources are being directed toward various initiatives which reflect the Council's evolving agenda and it is considered important that Council is more consistently informed on progress in areas that have a high external profile.
2. This is not intended to be a 'repeat' of information reported through the Project Narratives or Group Summaries, but rather 'additional' information or statistics not contained within those documents. Staff will provide these updates within the quarterly Annual Plan reporting timeframes.

Water

Water Metering

3. Since November 2010, 254 consent holders, with approximately 495 individual resource consents are using Council's new web entry system to report their water use, with more consent holders joining weekly. Some people are on telemetry and are using the web site to view their data. Their data is telemetered to the Council and we put it on the web site for them to use.
4. Since November 2010 approximately 247 new water meters have been installed. These are only the meters that have been put in by approved installers.

Water Storage

Ruataniwha Water Storage

5. The Ruataniwha project is progressing through the feasibility phase with the current emphasis on completing site investigations and drilling and completing the engineering project description phase by 31 October 2011 to confirm scheme viability and ongoing direction for the project. All work identified in the original project plan is currently being undertaken in accordance with this programme, with the major environmental elements confirmed through a competitive tender process. Work is also being concurrently carried out on finance and business modelling elements of the project. Programmed Stakeholder and Leadership meetings have also held during the period.

Ngaruroro Water Storage

6. The prefeasibility stage of the project was completed in June 2011 with results presented to landowners, stakeholders and councillors. Following feedback from these meetings it has been decided to undertake an interim on-farm economic analysis as a means of determining project viability. This is to be carried out by March 2012. This work will be carried out prior to seeking direction from Council as to taking this project to full feasibility

Central Hawke's Bay Wastewater Treatment and Discharge

7. Resource consent application documents substantially complete and forwarded to CHBDC for their final review and submission.
8. Discussions on programme for procurement of design and construction of irrigation system onto the Waipawa forest block to be held with CHBDC during November. This work is planned to be undertaken while resource consent is being processed so that construction can be commenced as soon as possible.

Mahia Wastewater Treatment and Discharge

9. Land purchase has been finalised and forest planted. Detailed arrangements for ongoing management will be finalised over next 2 to 3 months in conjunction with Wairoa District Council and other interested parties.

Tutira

10. Staff are progressing negotiating contractual arrangements for the development of a high UMF Manuka block within Tutira Country Park, with initial planting planned for April 2012.
11. Developing a concept plan for recreational opportunities including Waihapua and Tutira Country Parks for consideration by Council in the near future.

Flood Control and Drainage Schemes

12. Asset Management Plans for the major flood control and drainage schemes administered by Council are being prepared for Council consideration and adoption. These plans set out the levels of service for the Schemes and form a critical element in the development of the draft LTP 2012/22.
13. As part of this process staff are developing a proposal to improve the level of service provided by the Heretaunga Plains Scheme – Rivers. The proposal once agreed by Council will be developed into a Statement of Proposal under the Local Government Act 2002, for consultation as part of Council's LTP consultation process.

Development of the HB Land and Water Management Strategy

14. Six meetings have been held with the External Reference Group on the development of the Land and Water Strategy. The Group recommended the strategy was presented to the Environmental Management Committee on 12 October. The Committee recommended that Council adopts the Strategy subject to calling in the Land and Water Management Strategy and including a paragraph to reflect that its scope was focussed on land use and water use rather than setting aspirational outcomes for the region.

Plan Changes

15. The Environmental Management Committee has considered a series of reports updating progress on various plan change under development. The table below documents current status.

Change	Indicative notification timeframe
Regional Coastal Environment Plan	N/A (appeal resolution only)
Air Quality	N/A (appeal resolution only)
Rivermouth hazard areas	N/A (submissions closed, hearing to be scheduled)
Onsite wastewater discharges	N/A (submissions closed and being summarised, hearing to be scheduled)
Taharua strategy and plan change	Update presented to Environmental Management Committee in October. Public feedback on Draft Strategy received. Comprehensive work programme to be reported to Environmental Management Committee in February 2012.
Built Environment RPS Change (aka 'Growth Management')	Update presented to Environmental Management Committee in October. Final Draft RPS Change to be considered by Committee in November for public notification Dec 2011/Jan 2012.
Stormwater strategy and plan change	Draft Stormwater Strategy released for informal public feedback. Strategy will inform plan change preparation. Notification timeframe TBC, subject to scope and content of submissions received on stormwater-related provisions in Built Environment RPS Change.

Change

Freshwater flows / allocation

Indicative notification timeframe

Consultants have been engaged to project manage the development of policy for the Tukituki Catchment. This policy development will address water allocation and minimum flows as well as setting water quality limits. While there is considerable work to do, it is on track for notifying by mid July, in order for the new policy to be in place for the consent processes in 2013.

30 Karamu consents also expire in 2013. The Environmental Management Committee considered a paper on 12 October and is recommending to Council that Council takes an integrated approach to managing the natural resources of the Heretaunga zone which includes Tutaekuri and Ngaruroro rivers, Karamu and Clive rivers and the Heretaunga Plains groundwater system. Staff will meet further with stakeholders and consent holders regarding the next consent process to ensure that it is as streamlined as possible.

Future Scenarios Utilisation Plan

16. HB 2050 Land River Us comprises three scenarios supported by a considerable amount of information about different factors which have the potential to impact and influence Hawke's Bay futures. It is, in itself an output, which when used as a tool becomes an input into discussions about what the future may hold. Opportunities to use the scenario tool in the last three months have included:

- 16.1. At internal section meetings – staff asked to think about their role in 2050.
- 16.2. As part of the development of the Council's strategic plan.

A socialisation plan is in place but a staff resignation meant that it has not progressed as much as it might have.

Transport

17. The Regional Land Transport Programme and the Regional Land Transport Strategy are both currently being developed, and will be combined into one Regional Land Transport Strategy. The Regional Land Transport Programme will outline the region's roading and network priorities for the next 10 years, but with specific focus on the next three years. Regular meetings of the Regional Transport Committee and Technical Advisory Group are being held to develop this list of priorities that will be publicly consulted on in early 2012.

Land**Council owned Forestry**

18. Council forestry assets include the following:
- 18.1. Tutira Park 120 ha (Pinus Radiata)
 - 18.2. Waipawa 85 ha (mainly eucalyptus but a few pines on harder faces)
 - 18.3. Waipukurau 100 ha (mainly eucalyptus but a few pines on harder faces)
 - 18.4. Waihapua Forest Park 116 ha eucalyptus and 24ha Redwoods and mixed dryland species planted. Balance to be planted in 2012.
 - 18.5. Mahia 40 ha planted this winter (mainly eucalyptus but a few pines on harder faces)
 - 18.6. Tangoio (managed by Council on behalf of Central Government) 550 ha of which 300 ha is production forestry, mainly Pinus Radiata.
19. Staff are currently:
- 19.1. Filling the vacant staff positions focused on land management and forestry.

- 19.2. Working with operational service provider P F Olsen to develop and implement improved management systems for Council's forestry assets.
- 19.3. Finalising the business case for forestry investment that will improve financial and environmental performance of erodible hill country while providing an investment return to Council. Subject to Council agreement a Statement of Proposal for this will be prepared in accordance with the Local Government Act 2002 for consultation as part of the LTP consultation programme.
- 19.4. Investigating options for further forest establishment on Council owned or administered river berm land and leased land where this will increase the efficiency of existing investments.
- 19.5. Completing and submitting a claim for carbon credits for pre 1990 forests associated with Councils river schemes by the 30 November deadline. (Note that while Council has approx 1600ha of river berm planting, the majority of this is on land owned by the Crown and administered by Council. Staff expects approx 260ha of plantings only will be eligible for carbon credits).
- 19.6. Developing a management framework for the effective and efficient management of these assets, the measurement of carbon sequestration, and the trading of associated carbon units.

Community

Healthy Homes

20. The Healthy Homes programme was established in 2009 and encompasses the coordination of the programme for the Healthy Homes Coalition and the management of Council's Heat Smart programme.
 - 20.1. The effectiveness of the Coalition in the development of programmes toward achieving broad healthy homes goals: Members of the Coalition have reaffirmed the commitment of the Coalition towards the clean heat and warmth priorities (7 April 2011) and continue to view the Clean Heat Programme as an important first step in achieving the Coalition's goal of 54,000 healthy homes in Hawke's Bay.
 - 20.2. Progress on uptake of Council's Clean Heat Programme: 7 December 2009 - September 2011:

	2009-10		2010 - 11		2011 – 12 July - September		Programme Total	
Insulation Loan	150	\$291,536	221	\$429,593	56	\$90,954	427	\$812,083
Clean Heat Loan	97	\$260,935	143	\$384,501	32	\$77,750	272	\$723,186
Clean Heat Grant	33	\$20,533	133	\$81,674	26	\$15,826	192	\$118,033
Totals	280	\$573,004	497	\$898,767	114	\$184,530	891	\$1,653,302

- 20.3. Numbers up to the end of September do not include an additional 156 applications that are currently being processed, or the 87 customers that have paid off loans early or cancelled their applications.
21. In early 2012 the first prohibitions on usage for non compliant fires come into effect and a communication plan will be actioned between now and then to raise awareness (and compliance). The use of open fires in airzone 1 in Napier and Hastings for properties under 2 ha in size is prohibited from 1 January 2012. HBRC will continue with its programme of marketing and education as a priority, and will plan and publicise enforcement procedures should they be required. Rules regarding 'point of sale' non compliance will be implemented as soon as possible now that appeals against our rules have either been withdrawn, or are close to settlement. Planned communication and marketing includes: Home show – McLean Park November 2012; School resource kit; Credit union offer; Dry wood bank development and promotion; and the 1000th customer media event.

22. The target for total conversions (not just those with Council funding assistance) is being reviewed to meet the revised straight line paths for compliance with the reviewed NES for air quality.

National Cycleways

Work continues on the various rides with progress as follows.

23. Landscapes – HDC work on Red bridge section ongoing and due for completion over the next month. Easement agreement signed off for Smalls section with work expected to commence within next few weeks. This leaves a remaining section of trail from Craggy Range winery to River Road to complete this ride.
24. Water – Work is nearing completion for the major section through DOC/Airport and Landcorp land. Two sections are currently on hold, being the Taipo stopbank due to reconstruction delays and an issue to resolve with the Pistol club in Onehunga Road. The reallocated funding elements through Taradale are being managed by NCC and tenders have been let for the construction of the Puketapu ride.
25. Winery – A tender has been let for the 1st section of trail which runs from the Expressway to Fernhill on the Ngaruroro Stopbank with work expected to be completed prior to the end of the year.

Leasehold Land (1 July – 30 September 2011)

26. The strategy for the sell down of Napier leasehold property is progressing.
- 11 leasehold properties have been sold, at the value of \$900,612.
 - 17 leasehold properties transferred ownership.
 - 9 properties are utilising the deferred payment scheme.
 - 1 'assistance supplements' has been processed through WINZ.
 - 52 freeholding valuations have been requested.

Treaty Settlements and the Establishment of the Regional Plan Committee

27. The relationships between Council and the various Treaty settlement groups with interests in Hawke's Bay continue to develop at various rates.
28. Involvement of Council in specific Treaty settlement negotiations and the status of each of those settlements is as follows:
- 28.1. The Deed of Settlement between the Crown and Ngati Pahauwera was signed in December 2010. The Settlement legislation was introduced into the House in June 2011.
- 28.2. An Agreement in Principle between the Crown and Maungaharuru-Tangitu Inc was signed at Parliament on 22 September 2011.
- 28.3. The Crown continues negotiations with Mana Ahuriri and Ngati Hineuru on their respective settlements and aims to have Agreements in Principle signed with both groups prior to the General Election.
- 28.4. The mandate of Te Tira Whakaemi o Te Wairoa (roughly Wairoa to Mahia) was recognised by the Crown in February 2011 and that of He Toa Takitini (Heretaunga and Tamatea) was recognised in December 2010.
29. Progress in determining the principles and procedures for the establishment and operation of the Regional Planning Committee is as follows:
- 29.1. Chairman Wilson and Councillor von Dadelszen, together with senior staff, held several meetings with representatives of Ngati Pahauwera, Mana Ahuriri, Maungaharuru-Tangitu Inc and Ngati Hineuru to progress the development of the Regional Planning Committee. These discussions have resulted in the drafting of two documents:
- A Deed of Commitment, which describes why the parties are sitting around the table together and establishes a vision and principles for the ongoing

relationship of tangata whenua and the Hawke's Bay Regional Council. This document allows for other Treaty claimant groups to become signatories if and when they so decide. This Deed was endorsed by Council in September 2011.

- Terms of Reference for the Regional Plan Committee have been adopted by Council in September 2011. The Treaty claimant group are now to be invited to advise Council of their appointees to the Regional Planning Committee, for formal approval by Council.

Decision Making Process

30. 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 Council receives the report titled '*Quarterly Significant Initiatives Update for Council*'.



Mike Adye
GROUP MANAGER ASSET
MANAGEMENT



Helen Codlin
GROUP MANAGER STRATEGIC
DEVELOPMENT



Paul Drury
GROUP MANAGER CORPORATE
SERVICES



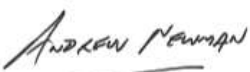
Graeme Hansen
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GROUP MANAGER EXTERNAL
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Graham Sevicke-Jones
MANAGER ENVIROMENTAL SCIENCE



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 26 October 2011

Subject: October 2011 Work Plan - Looking Forward

Item 18

Reason for Report

1. This report is provided in order to update Councillors about significant work activities under way over the next month in each area of Council.

Group	Area of Activity	Activity Status Update
Asset Management	<ul style="list-style-type: none"> • Asset Management Plan reviews 	Reviews of Asset Management Plans commenced. Committee approval for reviewed plans will be sought by November 2011.
	<ul style="list-style-type: none"> • Biosecurity 	Draft proposed strategy to be presented to November AM&B Committee meeting.
	<ul style="list-style-type: none"> • Land Management 	A number of strategies to improve effectiveness of Council land management investment being developed for Council Ten Year Plan consideration.
	<ul style="list-style-type: none"> • CHB District Council Wastewater project 	Consent application substantially complete and forwarded to CHBDC for final review and lodgement.
	<ul style="list-style-type: none"> • Mahia Beach wastewater project 	Legal agreement being negotiated with Wairoa District Council for discharge of wastewater onto forest block and specific responsibilities for a range of access issues.
	<ul style="list-style-type: none"> • Tangoio and Tutira 	Recreational plan for area being developed. Concept plan to be presented to Council in November for consideration. Contractual arrangements for high UMF Manuka block being negotiated.
	<ul style="list-style-type: none"> • Staff Accommodation 	On hold pending further discussions with stakeholders.
Resource Management	<ul style="list-style-type: none"> • Appeal mediation processes underway for: 	<p>Twyford November mediation dates have been set.</p> <p>AFFCO Further work and discussion is still ongoing, further mediation dates to be set by Court in New Year if required.</p> <p>Mexted & Williams Environment Court date to be scheduled, expected in the next month.</p>

Group	Area of Activity	Activity Status Update
Strategic Development	<ul style="list-style-type: none"> Development of the Land and Water Management Strategy with input from the Reference Group. 	Draft Land and Water Management Strategy presented to Environmental Management Committee and Council in October for adoption. 'Launch' at 1-day symposium 30 Nov 2011.
	<ul style="list-style-type: none"> Drafting of plan change for freshwater management in Tukituki River catchment. 	Ongoing. Technical reports being used to develop the water allocation framework.
	<ul style="list-style-type: none"> Schedule 1 RMA process for Variation 1 (Rivermouth Hazard Areas) to proposed Regional Coastal Environment Plan - officers' report being prepared. 	Hearing to be scheduled late 2011.
	<ul style="list-style-type: none"> Schedule 1 RMA process for Onsite Wastewater change, plus subsequent hearing process. 	Submissions closed 10 August 2011. Further submissions due by 7 Nov 2011. Hearing to be scheduled late 2011.
	<ul style="list-style-type: none"> Finalising objectives and policies for RPS to incorporate HPUDS and wider infrastructure matters. Also liaising with key stakeholders on draft provisions. 	Final draft growth and infrastructure RPS plan change to a Committee and Council in November for adoption as 'proposed plan change'.
	<ul style="list-style-type: none"> Review feedback on Taharua Strategy and project progress. Programme for preparation of plan change to implement relevant parts of Strategy. 	Update presented to Environmental Management Committee meeting on 12 October. Comprehensive work programme on way forward for a robust plan change to be presented to Committee in Feb 2012.
x	<ul style="list-style-type: none"> Negotiations on appeals against Change 2 (Air Quality) completed without need for any Court hearings. Awaiting Environment Court to endorse settlement of last appeal. 	Awaiting Environment Court to issue Consent Order to settle last appeal. Once issued, then report directly to Council in November or December to approve Change 2 and make Change 2 operative.
	<ul style="list-style-type: none"> Negotiations on appeals against coastal plan nearing total settlement without need for any Court hearings. 	Ongoing. Update report to Environmental Management Committee in 2012.
	<ul style="list-style-type: none"> Implementation of Heretaunga Plains Urban Development Strategy (HPUDS) as it relates to other actions where HBRC is a lead agency or a partner agency. 	Ongoing TAG (via HPUDS Implementation Committee in first instance)
	<ul style="list-style-type: none"> The Regional Transport Committee (RTC) is considering regional projects for the next three years, to be included in the Regional Land Transport Programme and Regional Land Transport Strategy. 	A report on project/package prioritisation to be considered by RTC in November.

Group	Area of Activity	Activity Status Update
Strategic Development	<ul style="list-style-type: none"> Regional Economic Development Strategy 	Paper presented to Council in September Corporate and Finance meeting - final version of document has been released to stakeholders.
	<ul style="list-style-type: none"> Business Hawke's Bay 	Advisory group of economic development officers is meeting regularly to shape the Strategy with Board guidance and implement the work programme.
	<ul style="list-style-type: none"> Tech NZ R&D funding as part of the Regional Business Partner partnership with HB Chamber of Commerce 	Ongoing - \$956,115 distributed to 13 companies, 9 of which are in the primary industries and food and beverage sector
	<ul style="list-style-type: none"> Massey Strategic Relationship 	<p>Two headline projects are undergoing final scoping during October:</p> <ul style="list-style-type: none"> - HB Strategic Farming Initiative - Stakeholder Segmentation <p>These projects underpin a strategic approach to sustainable growth of productivity from the primary sector.</p>
Corporate Services	<ul style="list-style-type: none"> Assessment of selling cash flows from Napier leasehold land. 	To be undertaken in April 2012.
	<ul style="list-style-type: none"> Establishment of Investment Company & Board composition. 	For Council approval at 23 November 2011 meeting.
	<ul style="list-style-type: none"> Reporting from Regional Tourism Organisation 	Quarterly report to Council's 26 October 2011 meeting.
	<ul style="list-style-type: none"> Final Annual Report. 	For adoption at Council meeting on 26 October 2011
	<ul style="list-style-type: none"> Resource implications for Council's strategy "investment for sustainable regional growth". 	For further Council consideration at 10 November 2011 LTP workshop #2.
External Relations	<ul style="list-style-type: none"> Freshwater Governance and Management – Collaborative sector approach to Implementation of NPS 	Ongoing work focusing on engagement of Regional Sector Group with re-established Land and Water Forum.
	<ul style="list-style-type: none"> Discussions with Treaty claimant groups on development of Regional Planning Committee Terms of Reference 	Terms of Reference for Regional Planning Committee adopted by Council in September. Nominations for membership being sought.
	<ul style="list-style-type: none"> Publication of "Our Place" 	To be published and circulated in late October
	<ul style="list-style-type: none"> Solar Hot Water Scheme 	Business case to be presented to Corporate and Strategic Committee November meeting.
	<ul style="list-style-type: none"> Shared Services 	Ongoing work to develop proposal(s) for Council consideration.

Group	Area of Activity	Activity Status Update
Operations/ Water Group	<ul style="list-style-type: none"> Ruataniwha Water storage 	<p>Work over the next month involves:</p> <ul style="list-style-type: none"> - Receiving the engineering project description on 31 October which will be a key document in determining the viability and ongoing direction for the project. - Site investigation drilling is proceeding as expected with this planned to be completed by months end. - All environmental work programmes have been tendered out and the various elements of work are progressing within agreed timeframes at the present time.
	<ul style="list-style-type: none"> Cycleways 	<p>Work continues on the various rides with progress as follows:</p> <ul style="list-style-type: none"> • Landscapes- HDC work on Red bridge section ongoing. Easement agreement signed off for Smalls section with Craggy Range to complete. • Water – Work is nearing completion for the major section through DOC/Airport and Landcorp land. 2 sections are currently on hold, being the Taipo stopbank due to reconstruction delays and an issue to resolve with the Pistol club in Onehunga road. The reallocated elements through Taradale are being managed by NCC and tenders have been let for the Puketapu ride • Winery – A tender has been let for the 1st section of trial which runs from the Expressway to Fernhill on the Ngaruroro Stopbank.
	<ul style="list-style-type: none"> Ngaruroro Water storage project 	<p>Final Pre Feasibility report now complete.</p> <p>An interim On farm Economic Analysis is being carried out (for completion by March 2012), prior to seeking Council direction as to whether this project moves to a full feasibility study.</p>

Group	Area of Activity	Activity Status Update
CE's Office	<ul style="list-style-type: none"> Strategic Plan 	<p>The Strategic Plan was adopted by the Council in September. Minor amendments have since been following the Council workshop on 13 October. The Strategic Plan is now being published and will be sent to stakeholders in early November. Meetings will be arranged with key stakeholders and an invitation will be extended to other stakeholders for Council to meet with them.</p>
	<ul style="list-style-type: none"> Freshwater Governance and Management 	<p>Sector workshops on allocation, limit setting and regulatory agility aligned with NPS are ongoing</p>
	<ul style="list-style-type: none"> Represent Regional Sector on Land and Water Forum "Small Group" 	<p>Next meeting 15 November</p>
	<ul style="list-style-type: none"> Treaty Settlements – further work with Claimant Groups 	<p>Ongoing Joint Committee Terms of Reference done for sign off</p>
	<ul style="list-style-type: none"> Investment Portfolio scenarios – further development of detailed business cases for 10 Year Plan. 	<p>November</p>
	<ul style="list-style-type: none"> Ongoing engagement in regional water strategy and Water storage feasibility projects 	<p>Ongoing</p>
	<ul style="list-style-type: none"> Commence work with TLA CEs on Study of Local Government Efficiency and Effectiveness 	<p>Funding approved by Councils, meeting of leaders to be scheduled to define the Terms of Reference for the studies.</p>
	<ul style="list-style-type: none"> Continue work with Regional Sector CEs at Horizons and Greater Wellington plus Government Department CEs as appropriate on southern North Island partnership 	<p>Meeting held on 4 October with CEs of Horizons and Greater Wellington and Director General of DoC</p>
	<ul style="list-style-type: none"> Finalise Shared Services paper with Peter Winder 	<p>Council to consider the findings of the Shared Services report, and take part in appropriate discussions with Hawke's Bay TAs and Horizons Regional Council.</p>
	<ul style="list-style-type: none"> Continue involvement with Ministry of Agriculture and Forestry Peak Group for Implementation of the ETS 	<p>Ongoing</p>
	<ul style="list-style-type: none"> Attend the Advisory Committee on Official Statistics 	<p>Advisory Committee meeting scheduled 16 November 2011</p>

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

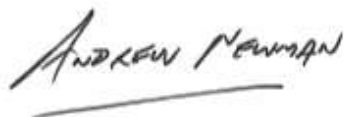
1. That Council receives the October 2011 Work Plan Looking Forward report.



**Mike Adye
GROUP MANAGER ASSET
MANAGEMENT**



**Liz Lambert
GROUP MANAGER EXTERNAL
RELATIONS**



**Andrew Newman
CHIEF EXECUTIVE**



**Helen Codlin
GROUP MANAGER STRATEGIC
DEVELOPMENT**



**Graeme Hansen
GROUP MANAGER WATER INITIATIVES**

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 26 October 2011

Subject: General Business

Item 20

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
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