



Meeting of the Corporate and Strategic Committee

Date: Wednesday 14 November 2012
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

ITEM	SUBJECT	PAGE
1.	Welcome/Notices/Apologies	
2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Corporate and Strategic Committee held on 12 September 2012	
4.	Matters Arising from Minutes of the Corporate and Strategic Committee held on 12 September 2012	
5.	Action Items from Previous Corporate and Strategic Committee meetings	3
6.	Call for General Business Items	
Decision Items		
7.	2013 Proposed Schedule of Council and Committee Meetings	7
8.	Risk Assessment	11
Information or Performance Monitoring		
9.	Hawke's Bay Tourism Quarterly Report (10.15am)	31
10.	Nature Central	41
11.	General Business	45
Decision Items (Public Excluded)		
12.	Verbal Update on Maungaharuru Tangitu Treaty Settlement Negotiations	47

**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Wednesday 14 November 2012

**SUBJECT: ACTION ITEMS FROM PREVIOUS CORPORATE AND STRATEGIC
COMMITTEE MEETINGS**

Reason for Report

1. In order to track items raised at previous meetings that require actions or follow-ups, a list of outstanding items is prepared for each meeting. 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 Committee receives the report "Action Items from Previous Corporate and Strategic Committee Meetings".



**Andrew Newman
CHIEF EXECUTIVE**

Attachment/s

- 1 Action Items from Previous Meetings

Actions from Corporate and Strategic Committee Meetings

12 September 2012

Agenda Item	Action	Person Responsible	Due Date	Status Comment
5. Action Items	Councillors would value the opportunity to discuss Mr Winder's stage 1 report in more depth	AN/LL		
8. Hawke's Bay Local Authority Shared Services	Chief Executive to liaise with staff from the region's territorial authorities in developing the initial documentation for the establishment of a Hawke's Bay Local Authority Shared Services company, and to bring this back to Council for further consideration	AN/LL		Paper to Council 28 November 2012

Item 5

Attachment 1

**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Wednesday 14 November 2012

SUBJECT: 2013 PROPOSED SCHEDULE OF COUNCIL AND COMMITTEE MEETINGS

Reason for Report

1. Council traditionally adopts a Schedule of Meetings for the next 12 months in November each year.
2. The proposed 2013 schedule of meetings has been developed taking the following into consideration.
 - 2.1. One Regional Council meeting scheduled each month, except January
 - 2.2. Environment & Services, Corporate & Strategic and Regional Planning Committee meetings are scheduled every other month
 - 2.3. Maori Committee meetings are scheduled on the last Tuesday of every second month
 - 2.4. Regional Transport Committee meetings scheduled four times per year.
 - 2.5. Timeframes for Annual Plan development, consultation and audit.
3. The proposed 2013 Schedule is attached for the Committee's consideration.

Decision Making Process

4. 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 adoption of a schedule of meetings is specifically provided for under Schedule 7, Part 1, Section 21 of the Local Government Act 2002.

Recommendation

1. The Corporate and Strategic Committee recommends that Council adopts the 2013 Schedule of Meetings as proposed.



**Leeanne Hooper
GOVERNANCE & CORPORATE
ADMINISTRATION MANAGER**



**Paul Drury
GROUP MANAGER
CORPORATE SERVICES**

Attachment/s

- 1 Proposed 2013 Council and Committee Meeting Schedule

Council Meetings/Workshops and Field Trips Planner for 2013 - proposed November 2012

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
MON				1 Easter Monday			1						MON
TUE	1 New Year's Day			2			2			1			TUE
WED	2 P/H			3	1		3			2			WED
THU	3			4	2		4	1		3			THU
FRI	4	1	1	5	3		5	2		4	1		FRI
SAT	5	2	2	6	4	1	6	3		5	2		SAT
SUN	6	3	3	7	5	2	7	4	1	6	3	1	SUN
MON	7	4	4	8	6	3 Queen's Birthday	8	5	2	7	4	2	MON
TUE	8	5	5	9	7	4	9	6	3	8	5	3	TUE
WED	9	6 Waitangi Day	6 C&S	10 RPC	8 C&S	5 RPC	10 C&S	7 RPC	4 C&S	9	6 RC 1st ordinary	4 RPC	WED
THU	10	7	7	11	9	6	11	8	5	10	7	5	THU
FRI	11	8	8	12	10	7	12	9	6	11	8	6	FRI
SAT	12	9	9	13	11	8	13	10	7	12 Election Day	9	7	SAT
SUN	13	10	10	14	12	9	14	11	8	13	10	8	SUN
MON	14	11	11	15	13	10 A/P Hearings	15	12	9	14	11	9	MON
TUE	15	12	12	16	14	11 A/P Hearings	16	13	10	15	12	10 MC	TUE
WED	16	13 RPC	13	17 E&S	15	12 E&S	17	14 E&S	11 RPC	16	13	11 C&S	WED
THU	17	14 Ann Plan W/S	14	18	16	13	18	15	12	17	14	12	THU
FRI	18	15	15	19	17 RTC	14	19	16	13	18	15	13	FRI
SAT	19	16	16	20	18	15	20	17	14	19	16	14	SAT
SUN	20	17	17	21	19	16	21	18	15	20	17	15	SUN
MON	21	18	18	22	20	17	22	19	16	21	18	16	MON
TUE	22	19	19	23 RC	21	18	23	20	17	22	19	17 RC	TUE
WED	23	20 E&S	20 RC	24	22	19	24	21	18	23	20 E&S	18	WED
THU	24	21	21	25 ANZAC Day	23	20	25	22	19	24	21	19	THU
FRI	25	22 RTC	22	26	24	21	26	23 RTC	20	25 HB Anniversary	22	20	FRI
SAT	26	23	23	27	25	22	27	24	21	26	23	21	SAT
SUN	27	24	24	28	26	23	28	25	22	27	24	22	SUN
MON	28	25	25	29	27	24	29	26	23	28 Labour Day	25	23	MON
TUE	29	26 MC	26	30 MC	28	25 MC	30	27 MC	24	29	26 MC	24	TUE
WED	30 C&S	27 RC	27		29 RC	26 RC (adopt AP)	31 RC	28 RC	25 RC	30 RC (Inaugural)	27 RC	25 Christmas Day	WED
THU	31	28	28		30	27		29	26	31	28	26 Boxing Day	THU
FRI			29 Good Friday		31	28		30	27		29 RTC	27 P/H	FRI
SAT			30			29		31	28		30	28	SAT
SUN			31			30			29			29	SUN
MON									30			30	MON
TUE												31	TUE
WED													WED
THU													
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	

Key: *red, italicised print = tentative*; black print = confirmed

CDEMG Civil Defence Emergency Management Group Joint Committee

RC Regional Council

C&S Corporate & Strategic Committee

E&S Environment & Services Committee

MC Maori Committee

RPC Regional Planning Committee

RTC Regional Transport Committee

RGC RoadSafe Governance Committee

HPUDS IC HPUDS Implementation Committee

TC Tenders Committee (scheduled as required)

W/S Workshop

FT Field Trips

School Holidays

HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 14 November 2012

Item 8

SUBJECT: RISK ASSESSMENT

Reason for Report

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

Background

2. The risk management approach to the top 10 risks was approved by the Strategic Planning and Finance Committee in September 2009. This approach includes the need to report to Council 6 monthly on the top 10 risks with the potential to impact Council. The last report was considered by Council on 16 May 2012, through the Corporate and Strategic Committee.
3. A new risk, "New Technologies" has been included, in place of Hazardous Activities and Industries List (HAIL). Staff have now worked through the majority of the issues associated with HAIL and believe there is no longer justification for including it within the top 10 risks. New technologies recognises the risks to HBRC of technologies that have the potential to impact on HBRC Regional Plans, processes associated with those Plans, and LTP budgets where they have not been foreseen in the preparation of those Plans or budgets.
4. **Attached** are the following documents.
 - 4.1. An assessment of the top 10 risks facing Council in accordance with Council's risk policy framework.
 - 4.2. A summary risk register outlining the current and future position of each risk issue; the current situation and risk associated with each of these; the proposed risk mitigation approach and the change since May 2012.
5. The proposed risk mitigation approaches will be undertaken as part of planned work programmes for Council staff. Additional resource or financial input in addition to the provisions in the 2012/22 Long Term Plan is not believed to be required at this stage.
6. It should be noted that the risk mitigation programme associated with a number of these risks is now in place and accordingly the current level of risk is being effectively managed.
7. Staff will continue to monitor current and emerging risks and regularly report to Council in accordance with the risk management policy framework.

Decision Making Process

8. 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:
 - 8.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 8.2. The use of the special consultative procedure is not prescribed by legislation.
 - 8.3. The decision does not fall within the definition of Council's policy on significance.
 - 8.4. No persons are directly affected by this decision.
 - 8.5. Options that have been considered are set out in this paper.
 - 8.6. The decision is not inconsistent with an existing policy or plan.

- 8.7. 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

The Corporate and Strategic Committee recommends that Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Notes the top ten risks currently facing Council.
3. Approves the risk mitigation approach to each of the ten risk issues as set out in the attached narrative.



Mike Adye
GROUP MANAGER
ASSET MANAGEMENT



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

- 1 Top 10 Risks Framework
- 2 Top 10 Risks 1-10

Risk Register

Current unmitigated risk - March 2012

Future risk with mitigation strategy implemented

Business Processes	Sources of Risk	Risk ID	Risk Details	Current Risk Likelihood	Current Risk Consequence			Current Risk Score	Residual Risk Likelihood	Residual Risk Consequence			Residual Risk Score
				Likelihood	Financial	Stakeholder/ Reputation	Operational Capability		Likelihood	Financial	Stakeholder/ Reputation	Operational Capability	
Governance		1	Water quality in the rivers of Hawke's Bay is declining and HBRC are not quickly and effectively addressing this issue.	Likely	Level 3	Level 1	Level 1	3,000	Unlikely	Level 3	Level 1	Level 1	1,000
Governance		2	HBRC is failing to appropriately manage the allocation of water with a fair balance between protection of environmental flows and adequate provision for irrigation leading to economic growth.	Likely	Level 4	Level 2	Level 2	2,813	Unlikely	Level 4	Level 2	Level 2	938
Governance		3	HBRC is not effectively managing the impacts of intensive land use and this is adversely impacting on water quality in the region's rivers.	Almost Certain	Level 2	Level 1	Level 1	9,500	Unlikely	Level 2	Level 1	Level 1	1,000
Governance		4	Effective working relationships are not developed and maintained with Hawke's Bay Treaty of Waitangi settlement groups.	Likely	Level 3	Level 3	Level 1	3,000	Unlikely	Level 3	Level 3	Level 1	1,000
Governance		5	HBRC's investment portfolio is not effectively managed to maximise both long term financial returns and economic development in the Hawke's Bay Region.	Likely	Level 1	Level 2	Level 1	3,000	Unlikely	Level 1	Level 2	Level 1	1,000
Governance		6a-c	Individual investment projects being pursued by Council fail to materialise as expected or fail to provide the forecast outcomes	Almost Certain	Level 1	Level 1	Level 2	9,500	Likely	Level 1	Level 1	Level 2	3,000
Governance		7	A major natural hazard event will have a significant impact on the Hawke's Bay region and HBRC activities	Unlikely	Level 1	Level 1	Level 1	1,000	Unlikely	Level 1	Level 4	Level 2	982
Governance		8	The impacts of new technologies with the potential to be used in Hawke's Bay are unable to be effectively managed as they were not foreseen in the development of Regional Plans and/or policies.	Likely	Level 4	Level 3	Level 2	2,162	Likely	Level 3	Level 4	Level 3	1,552
Governance		9	Local government reform results in significantly reduced commitment to Regional Council functions.	Likely	Level 3	Level 2	Level 1	3,000	Likely	Level 3	Level 3	Level 3	2,007
Governance		10	Financial, health and safety, contractual, and other operational risks are not effectively managed and controlled.	Likely	Level 4	Level 3	Level 4	1,443	Unlikely	Level 4	Level 3	Level 4	481
Governance		11	Council fails to recognise climate change in its work programmes and promote opportunities that may arise from it	Unlikely	Level 5	Level 3	Level 3	994	Highly Unlikely	Level 5	Level 4	Level 3	300
Governance		12	Council fails to meet revised Air Quality NES	Unlikely	Level 3	Level 2	Level 2	994	Highly Unlikely	Level 1	Level 2	Level 1	300
Governance		13	Public release of HAIL and other contaminated sites information results in widespread adverse media comment	Highly Unlikely	Level 4	Level 3	Level 3	175	Highly Unlikely	Level 5	Level 4	Level 4	60

Item 8

Attachment 1

Risk Issue 1**Water Quality****Risk Statement**

Water quality in the rivers of Hawke's Bay is declining and HBRC are not quickly and effectively addressing this issue.

Risk Status

The potential for water quality in the region's water bodies to decline is real without ongoing proactive management by HBRC. HBRC has a major focus on this issue with long term mitigation programmes provided for in the LTP 2012/22.

Assessment

The public of Hawke's Bay are increasingly concerned at the quality of water in the region's rivers, and that there could be a decline in the quality of water in our key aquifers.

HBRC monitors water quality at a network of sites throughout the region and reports annually on trends through its State of the Environment report.

Risk mitigation

Water quality continues to be a focus of HBRC. Provision for the following projects has been included in the 2012/22 LTP. These projects will in the long term result in improvements to water quality in water bodies in HB.

- Hill Country Afforestation project
- Ruataniwha Water Storage project
- Improved focus for the Regional Landcare Scheme
- Catchment based Plan changes

The National Policy Statement for Freshwater Management came into effect on 1 July 2011. This requires regional councils to set water quality limits and timeframe targets in regional plans. A Plan change for the Tukituki River is progressing.

HBRC Regional Plans include a policy and regulatory framework for the management of water quality in the region's water bodies.

Through the Regional Landcare Scheme, HBRC encourages land owners to fence stock out of waterways and improve farming practice.

Change since May 2012

- HBRC has focused on the completion of the Ruataniwha Water Storage project as a key element of this risk mitigation strategy.
- HBRC has adopted its 2012/22 LTP which provides for the resources for a programme of work to mitigate this risk.
- A proactive approach continues to be taken on Taharua catchment to reduce farming impact on water quality.
- Construction work for Mahia Beach waste water project has commenced. This project will irrigate waste water from the Mahia Beach Community to the HBRC forest planted last winter.
- Council has deferred the commencement of the Regional Afforestation project due to the reduction in the carbon price, limiting HBRC's potential exposure to this.

Mitigation actions completed in past 3 years

- Two Water Symposiums held and well attended.
- HBRC Strategic Plan and Hawke's Bay Land and Water Management Strategy completed and being implemented.

- Ruataniwha and Ngaruroro water storage feasibility projects progressed.
- Science input appropriately targeted to sensitive catchments and risk areas including a review of minimum river flows and allocation limits for ground water and surface water on a targeted catchment basis.
- Council led initiative to investigate water harvesting opportunities, water metering and water use efficiency through rationing and rostering.
- Water Initiatives Group established within Council to focus on water issues.
- Programme of Regional Plan changes initiated to meet HBRC obligation associated with NES initiated.
- Web portal established.
- More holistic approach to Council involvement with primary sector being taken by Council with objective of reducing impact of sector on water quality.
- Riparian fencing and planting continues to be encouraged through Council's Regional Landcare Scheme and Fonterra's Clean Streams Accord.

Risk Issue 2

Water Quantity

Risk Statement

HBRC is failing to appropriately manage the allocation of water with a fair balance between protection of environmental flows and adequate provision for irrigation leading to economic growth.

Risk Status

As for water quality, HBRC has recognised the need for ongoing proactive management of water quantity issues. HBRC has a major focus on this issue with long term mitigation programmes provided for in the LTP 2012/22.

Assessment

The appropriate allocation of water is a balance between the needs of the public and the regional economy, including domestic users and irrigators, with environmental requirements. This requires a robust understanding of environmental and agricultural needs.

The map below shows that the Tukituki, Ngaruroro including the Karamu, Maraetotara and Pouhokio catchments are currently either fully or over allocated. The Ruataniwha water storage project has the potential to enable this issue to be addressed in the Tukituki catchment.

In the longer term, HBRC needs to have an effective framework for the management of water allocation for all of the region's catchments.

This is recognised as a National risk. National Policy Statement for Freshwater Management came into effect on 1 July 2011 to provide direction on the management of the issue. This requires regional councils to set water quality limits/ timeframe targets and water allocation limits and minimum flows in regional plans. It also provides for the involvement of tangata whenua in freshwater planning and management.

Risk Mitigation

The following work has been initiated to reduce this risk:

- HBRC's Strategic Plan, the Hawke's Bay Land and Water Management Strategy and the 2012/22 Long Term Plan provides the framework and resources for a programme of work to mitigation of this risk.
- Ruataniwha water storage project
- Ngaruroro water storage prefeasibility study
- Catchment based Plan changes

Change since May 2012

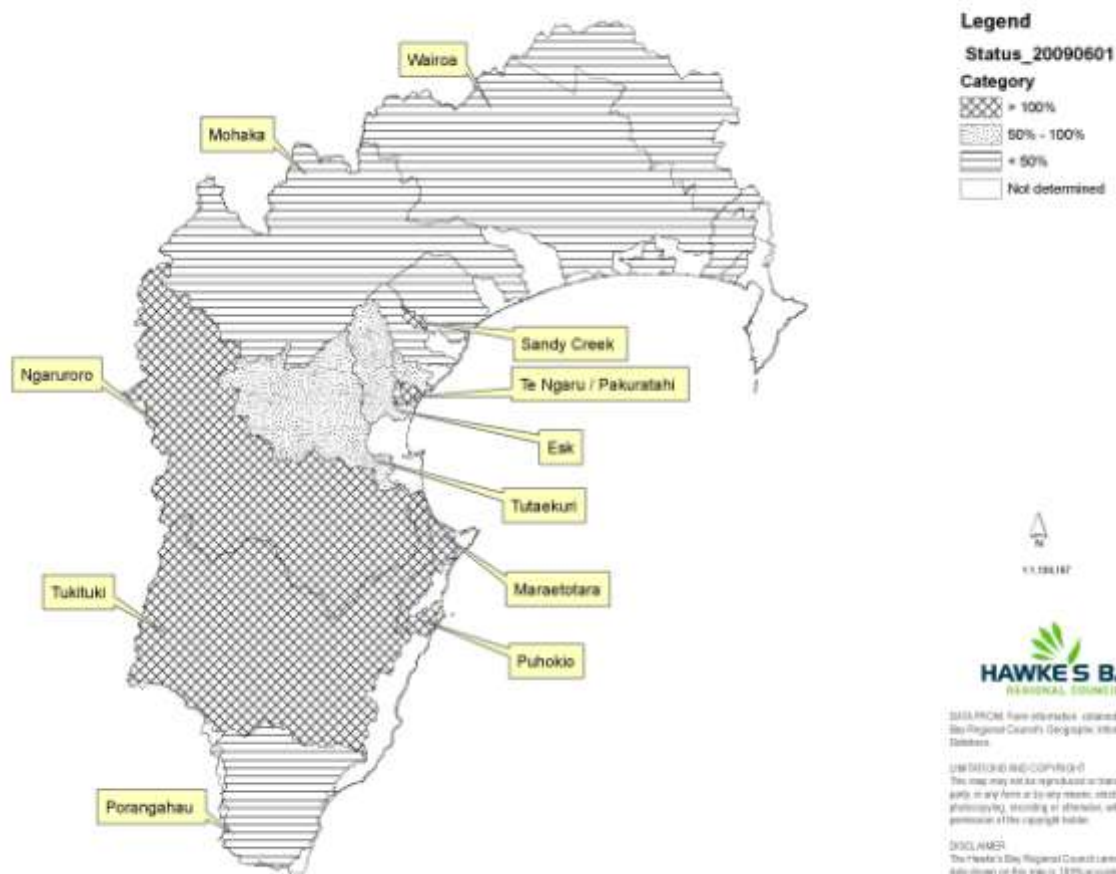
- HBRC has focused on the completion of the Ruataniwha Water Storage project as a key element of this risk mitigation strategy.
- HBRC has adopted its 2012/22 LTP which provides for the resources necessary to mitigate this risk.
- Collaborative engagement has commenced for the greater Heretaunga/Ahuriri Catchments.

Mitigation actions completed in past 3 years

- Two Water Symposiums held and well attended.
- HBRC Strategic Plan and Hawke's Bay Land and Water Management Strategy completed and being implemented.
- Ruataniwha and Ngaruroro water storage feasibility projects progressed.

- Science input appropriately targeted to sensitive catchments and risk areas including a review of minimum river flows and allocation limits for ground water and surface water on a targeted catchment basis.
- Council led initiative to investigate water harvesting opportunities, water metering and water use efficiency through rationing and rostering.
- Water Initiatives Group established within Council to focus on water issues.
- Programme of Regional Plan changes initiated to meet HBRC obligation associated with NPS initiated.

Surface Water Catchments - Allocation Status



Risk Issue 3

Land Use Intensification

Risk Statement

HBRC is not effectively managing the impacts of intensive land use and this is adversely impacting on water quality in the region's rivers.

Risk Status

The impact of land use intensification on water quality and quantity are recognised and ongoing proactive management of land use activities is provided for in the LTP 2012/22.

Assessment

Intensive land use, and particularly dairying, is widely blamed for adversely impacting on water quality in rivers throughout New Zealand. There is evidence of this in Hawke's Bay through HBRC state of the environment monitoring and reporting. Regional councils have been blamed for failing to effectively manage these impacts.

HBRC is actively working with individual farmers and their industry groups to improve the management of nutrients on the land and reducing their impact on water quality in the region's rivers.

In addition HBRC has commenced a programme of Regional Plan changes that will deliver a robust approach to reducing the impact of intensive land use

Risk Mitigation

The following has been initiated to reduce this risk:

- Improve the focus of RLS to provide for initiatives to reduce P and N entering waterways – key initial target areas are Taharua catchment and Ruataniwha Plains.
- Taharua and Tukituki Catchment Plan changes have been progressed, with the long term plan to undertake further catchment based plan changes.
- The pan-sector primary industry sector group has been established to provide an effective focus group with which to discuss options and approaches for mitigation, and to gain industry support in promoting those approaches.

Change since May 2012

- Two meetings held with pan-sector primary sector group.
- One meeting held with dairy liaison group.
- Work with Taharua and Huatokitoki communities progressing with nutrient balance model being developed for Taharua. Proactive approach continues to be taken on Taharua catchment with positive response from the farming community.
- The mitigation of the impacts of land use intensification has been thoroughly researched as part of the Ruataniwha water storage feasibility study. A pilot project to test a mitigation approach has been agreed by Council in October 2012, and its implementation has commenced.
- The Land Management team and its programmes have been refocussed to increase capability of influencing uptake on good practice farming and reducing impact of land use on water quality.

Mitigation actions completed in past 3 years

- Strong relationship built with primary sector industry groups and groups of farmers to encourage the use of best practice.
- Identification and prioritisation of sensitive catchments completed and a programme of work established to address catchments in order of priority.
- Regulation is being developed using an adaptive management approach, with standards agreed with community.
- Science input is appropriately targeted to sensitive catchments and risk areas

- The Ruataniwha water storage project has been progressed.
- The Regional Landcare scheme is supporting the HBRC approach with significant investment made in Taharua.
- Better alignment of science programme to informing Regional Plan change programme and land management programme to implement Plans.

Risk Issue 4**Co- Governance of Natural Resources****Risk Statement**

Effective working relationships are not developed and maintained with Hawke's Bay Treaty of Waitangi settlement groups.

Risk Status

HBRC continues to develop robust relationships with Māori groups and is working collaboratively towards their increased influence in HBRC decision making.

Assessment

Constructive and effective working relationships with Treaty Settlement groups in particular and with Maori in general will enable HBRC to more confidently progress its programmes of work and will in the long term provide opportunities for Hawke's Bay.

Risk mitigation

The following has been initiated to reduce this risk:

- The Regional Planning Committee has been formally established and is meeting regularly.
- HBRC is proactively involved in negotiations with Treaty claimant groups where this assists in progressing their claims.
- Staff are engaging with a number of hapu groups to improve their understanding of HBRC's role and work, and to increase their involvement in decision making on environmental enhancement projects and operational activities on the region's water ways (at this stage focussed on the Heretaunga Plains).

Change since May 2012

- Development of Deed of Commitment to underpin the long term relationship between Council and Treaty Claimant groups.
- Inaugural meeting of the Regional Planning Committee in April 2012.
- RMA and Meeting procedures training sessions held for Treaty claimant representatives on the Committee.
- Regional Planning Committee meetings being held regularly and currently focussing upon a change to the Regional Plan Change and Regional Policy Statement in the area of freshwater management.
- Negotiations with Maungaharuru Tangitu Inc. over Tangoio Soil Conservation Reserve and Tutira progressed.

Mitigation actions completed in past 3 years

- Regional Planning Committee established to undertake HBRC's statutory resource management functions, with equal representation of Councillors & Treaty Claimant representatives.
- HBRC has received central government funding to work on an agreed programme with Ngati Pahauwera around the management of the rivers in their rohe.
- National Policy Statement for Freshwater Management came into effect on 1 July 2011. This requires regional councils to set water quality limits/ timeframe targets and water allocation limits and minimum flows in regional plans. It provides for the involvement of tangata whenua in freshwater planning and management and this will be undertaken primarily, but not solely, through the Regional Planning Committee.

Risk Issue 5**Investment Portfolio****Risk Statement**

HBRC's investment portfolio is not effectively managed to maximise both long term financial returns and economic development in the Hawke's Bay Region.

Risk Status

With the establishment of HBRIC, this risk has an effective governance and management framework for its mitigation.

Assessment

HBRC holds a portfolio of approx. \$265m of investment assets. These include Hawke's Bay Regional Investment Company (HBRIC) [which holds the shares in Port of Napier Limited (PONL)], leasehold land in Napier and Wellington and cash reserves. HBRC strategy is to invest in regional scale infrastructure and assets to deliver sustainable regional growth.

HBRC is reliant on income from investments to meet operational costs. There will be a period of several years while HBRC transfers from traditional investments to new investments aligned to its investment strategy of increased investment returns in those areas that will be of direct benefit to growing the Hawke's Bay GDP. During this period there needs to be careful management of investment returns and cashflows.

The 2012/22 Long Term Plan makes provision for investment into the Ruataniwha water storage project and a regional afforestation initiative. It is essential that investment into these initiatives is effectively managed. Through the LTP consultation process, HBRC sought public feedback on its proposed financial strategy.

Risk Mitigation

HBRC has resolved to better utilise the investment portfolio to encourage economic growth in Hawke's Bay and use the return on these investments as the primary funding instruments for new investments.

During 2011/12 HBRC set up an investment company structure including related subsidiaries. This vehicle is being used to improve the diversification of investments and the return on HBRC investments.

Change since May 2012

- Ruataniwha Water Storage Project Feasibility Study progressing – completed and presented to Council on 26 September 2012. Further report to Council by 31 October 2012.
- Council has progressed realising value from the Napier leasehold land portfolio by providing discounts to the lessees of this property.
- Financial strategy adopted as part of LTP 2012/22 process.
- Council has resolved to put on hold the first year of the regional afforestation project (i.e., planting for the 2013 winter), and requires a further review prior to agreement on a second year

Mitigation actions completed in past 3 years

- An Investment Company has been established to support Council's proposed investments in natural infrastructure which will assist with the drive to increase economic development in the region.
- Sell down of Napier investment properties speeded up.
- Ruataniwha water storage prefeasibility and feasibility now completed.
- Ngauroro water storage prefeasibility completed.
- Regional afforestation project approved in principle as part of LTP 2012/22 process.

- The policy on the evaluation of investment opportunities completed and is being implemented.
- Investment Company established.

Risk Issue 6a**Ruataniwha Water Storage Project****Risk Statement**

The Ruataniwha Water Storage Project does not deliver positive economic and environmental benefits to Hawke's Bay

Risk Status

Financial risks associated with this project are mitigated through its governance under HBRIC.

Assessment

A decision to proceed with applying to the EPA for resource consent on the Ruataniwha Water Storage Project was made by Councillor's on 31 October 2012. Whatever the decision there are risks to HBRC.

The rate of uptake of irrigation water, the management of the transfer of existing water take consent holders and management of project infrastructure costs are key risks.

Should the EPA not grant resource consent the ongoing issue of water allocation within the catchment and water quality within the Tukituki River remain issues to be addressed.

The feasibility study has provided significant value through a greater understanding of the importance of water to Hawke's Bay and strategies to manage potential impact of intensive land use on water quality in the region's rivers.

Risk Mitigation

- It is proposed that the consent, final design and construction phase be managed and funded through independent governance and organisation, through which HBRC will be involved together with a number of other investors.
- Communication plan to manage dissemination of decisions made regarding future of project, and ensure public feedback is taken into account.
- All potential impacts of the project, (including damming of the Makaroro River and intensification of land use as a result of irrigation) identified and addressed through robustness of the feasibility study work and reports.
- Involvement of HBRIC independent board members in assessing feasibility and risk management issues.
- Financial advice to assess commercial feasibility in detail has formed part of feasibility study.
- Public comment has been obtained through the Tukituki Choices document.

Change since May 2012

- Feasibility study report completed and presented to Council 26 September 2012.
- Tukituki Choices document prepared and public consultation completed.

Mitigation Actions completed in last 3 years

- Prefeasibility study completed.
- Feasibility study initiated and completed.
- Upper Tukituki Plan change process initiated and being developed concurrently with Storage Project feasibility.

Risk Issue 6b**Leasehold Land Portfolio****Risk Statement**

HBRC leasehold land portfolio is not aligned to the strategic objective for HBRC investments.

Risk Status

Are these under HBRC????

Assessment

- HBRC receives relatively low returns on Napier Leasehold Land investment. There is some restriction on the use of Napier leasehold income through Hawke's Bay Endowment Land Act.
- Some lessees find it difficult to meet the cost of leases, particularly at the transition from old to new lease periods. This requires HBRC to consider reducing social impacts of leases.
- The leasehold land as an investment does not contribute to economic development of the region.

Risk mitigation

- HBRC has agreed to divest itself of lease properties both in Wellington and Napier. In order to achieve this HBRC approved a range of discounts available to Lessees of Napier Leasehold property, this action being taken to encourage additional free holding by lessees. These discounts applied to all leasehold transactions being processed prior to 30 June 2012.
- Decision by Council as part of the Long Term Plan 2012/22 finalisation that the Napier Leasehold land cash flows remaining at 30 June 2012 should be sold by the target date of 31st December 2012.
- The target date for the sell down of Wellington Leasehold properties has been set in the Long Term Plan as 30 June 2013.

Change since May 2012

- 245 properties sold during period of discounting up to 30 September 2012 (\$23m realised).
- A further 37 properties (\$3.8m) to be accepted and processed under the discounting offer.
- After all processed under discounting offer, 440 properties left in the portfolio.
- 2012/22 Long Term Plan adopted by Council.

Mitigation actions completed in last 3 years

- Sell down of Napier leasehold properties speeded up.

Risk Issue 6c**Regional Forestry Investments****Risk Statement**

The lack of resilience in pastoral farms on steep erodible hill country has a potential negative long term impact the Hawke's Bay economy.

Risk Status

The significant reduction in the carbon price over the past 18 months has adversely impacted on the forecast returns from this investment. A decision to delay the commencement of the Regional Afforestation project limits HBRC's potential exposure to this.

Assessment

Approximately 150,000ha of steep erodible land is currently under pasture. This land is likely to be of low productivity and poses a risk to more productive lands and waterways during heavy rain events because of the likelihood of erosion. The economic health of the primary productive sector is important for the economic health of Hawke's Bay.

HBRC wish to increase their influence in encouraging sustainable land management in Hawke's Bay. Forestry, if integrated into pastoral farming systems, can reduce erosion of the steepest land and provide opportunities for farmers to focus on their more productive land, thereby improving resilience and sustainability.

HBRC approved in principal as part of their LTP 2012/22 a long term project for the afforestation of steep erodible hill country integrated into farming systems. However due to low carbon price the commencement of this project has been delayed. No planting in the 2013 winter is now anticipated.

Risk mitigation

While the project is targeted at improving the resilience of the primary productive sector in Hawke's Bay, this is being funded through HBRC investment portfolio. HBRC requires a return on investment for the money invested in the project. The management of financial risks forms part of the overall strategy.

Change since May 2012

- Concept completed and approved in principal by Council.
- Year one of the project including a carbon trading strategy, considered by Council and postponed due to low carbon price and carbon market uncertainty.
- Discussions held to date with farming community have received positive response.
- A number of individual farmers have expressed their interest in the concept.

Mitigation actions completed in last 3 years

- Project concept developed and included in LTP 2012/22. Submissions on proposal generally supportive of initiative.
- Land purchased and forests planted on a number of blocks throughout the region.
- Manuka trial initiated at Tutira Country Park.

Risk Issue 7

Natural Hazard Risks

Risk Statement

A major natural hazard event will have a significant impact on the Hawke's Bay region and HBRC activities

Risk Status

HBRC is limited in its ability to influence an improvement in resilience of the Hawke's Bay community to natural hazards. Land use planning decisions are made by the region's territorial local authorities. HBRC staff continue to work at a national level to seek ways to encourage better interpretation of hazard information and risk mitigation approaches through holistic planning.

Assessment

HBRC is the administering authority for Hawke's Bay CDEM Group, HBRC are proactive in seeking to improve resourcing of CDEM in HB.

The Hawke's Bay region is at risk from flooding, earthquake, tsunami, coastal erosion and inundation and volcanic ash fall. The Heretaunga and Ruataniwha Plains are protected from flooding from the major rivers running through them by stopbanks with a 1% annual exceedance probability (100year return period) design standard.

HBRC has an ongoing programme of hazard identification research with new information communicated to the region's territorial local authorities and emergency response organisations.

Major events, severe flooding and earthquake have impacted on the region in the past and will again in the future.

Risk mitigation

The following has been initiated to mitigate this risk:

- HBRC maintains an incident response structure and procedures which activates with the threat from any significant natural hazard event.
- HB Group CDEM team resource has been increased and now includes a dedicated group controller.
- The HB CDEM Group Plan is currently being reviewed with the work overseen by the Coordinating Executive Group and CDEM Joint Committee.
- Joint Natural Hazard Strategy completed.
- Insurance to cover the cost of repair of infrastructure assets is in place.

Change since May 2012

- Change the Regional Policy Statement proposed in the Long Term Plan 2012-22 to improve policy direction on managing the effects of natural hazards on land use.
- The CDEM Group Plan is currently under review.
- A review of HBRC arrangements for insurance of its infrastructure assets is underway.

Mitigation actions completed in past 3 years

- Ongoing natural hazards and coastal hazard research and is recognised nationally as proactive in these areas.
- HBRC staff are involved in a number of national and local initiatives associated with natural hazards readiness, reduction and response planning.
- Staff facilitates regular meetings with the HB planning group (including TLA and RC planners) to ensure common and thorough understanding of hazards and a common approach for risk reduction through planning mechanisms.
- Council has a business Continuity Plan setting out how Council will continue to do its business if staff are unable to access the office. The plan is regularly updated.

Risk Issue 8**Local Government Reform****Risk Statement**

Local government reform results in significantly reduced commitment to Regional Council functions.

Risk Status

The value to the region of an organisation such as HBRC focussing on long term sustainable management of the region's resources is not well understood by the public. The risk of the loss of this focus through local government amalgamation is real.

Assessment

Local government reform is currently being considered by central government through a discussion document "Better Local Government".

The current focus of HBRC is on

- Natural resource knowledge and management
- Natural hazard assessment and management
- Regional strategic planning
- Regional scale infrastructure and services

This focus may not be as strong under a structure possible as a result of possible reforms in HB.

Risk mitigation

The following has been initiated to reduce or quantify this risk:

- Submission made on "Better Local Government" discussion document.
- Submission made to the Local Government and Environment Select Committee on the proposed local government law reforms (Phase 1).
- A prosperity study has been initiated and is programmed for completion end November 2012.

Change since May 2012

- Chair and Chief Executive continue to be active in working with Central Government agencies and politicians to communicate the regional council value proposition in national resource management and economic development, including environmental, cultural, economic and social aspects.
- Regional Planning Committee with equal representation of Treaty Claimant Groups reinforcing the resource management role of HBRC has been established and has a regular forward meeting timetable.
- The option of joining a shared services company with the region's territorial authorities was consulted upon through the Draft 2012/22 Long-Term Plan. Recommendations from this were presented to Council in September 2012.
- HBRC continues to develop very good profile – Government Ministers, Local central government politicians, Government Department CEs, (MPI, MfE, and DoC etc.) The relevance of regional councils continues to be demonstrated and promoted. There is now a much greater awareness of the value of regional councils by central government.
- Stage 1 of Prosperity Study notes that any consideration of local government reform must avoid undermining or compromising the delivery of the Ruataniwha water storage scheme.
- Substantial improvement across regional council sector in collaboration and coordination.
- Establishment of "Nature Central" with central government and other regional councils focussing on the sharing of services and expertise in the areas of natural resource management, community engagement, open spaces and biosecurity.

Mitigation actions completed in past 3 years

- Background work leading to the above achievements since May 2012.

Risk Issue 9

New Technologies

Risk Statement

The impacts of new technologies with the potential to be used in Hawke's Bay are unable to be effectively managed as they were not foreseen in the development of Regional Plans and/or policies.

Risk Status

New technologies will continue to be developed that challenge established resource management approaches.

Assessment

The effective management of new technologies may not be effectively covered by Regional Plans. These include hydraulic fracturing and genetically modified organisms

- A report is being prepared by the Parliamentary Commissioner for the Environment on hydraulic fracturing.
- Potential environmental risks from hydraulic fracturing have been investigated through:
 - Working closely with other regional councils.
 - Investigating approaches taken to regulate the activity internationally.
- Potential environmental and economic risks from genetically modified organisms are addressed under Environmental Risk Management Agency legislation. The potential advantage to the Hawke's Bay economy of remaining GE free was raised in submissions on HBRC draft LTP 2012/22.

Risk mitigation approach

- Maintain an awareness and watching brief on new technologies that could be used in Hawke's Bay, including out to the 12 nautical mile area offshore which is within the HBRC area of jurisdiction.

Mitigation actions completed in past 3 years

- Reference to both of these risks has been included in HBRC LTP 2012/22.
 - The outcome of a report being prepared by the Parliamentary Commissioner for the Environment on hydraulic fracturing is awaited before HBRC considers what action if any should be taken.
 - HBRC will join with interested parties in participating in a forum to determine a collective regional response to GMO.

Risk Issue 10**Operational Risks****Risk statement**

Financial, health and safety, contractual, and other operational risks are not effectively managed and controlled.

Risk Status

Operational risks are managed through established protocols, procedures and processes. These must be reviewed, and where appropriate improved, to ensure operational risks continue to be effectively mitigated.

Assessment

HBRC has numerous controls and systems for management of operational risks. These include:

- Established corporate structure with clear responsibilities, established levels of expertise and experience, and performance expectations, including for emergency response situations.
- Financial – levels of financial delegation, regular and transparent financial management reporting, and annual audits.
- Health and Safety – Codes of practice for activities commonly undertaken by staff, the provision and use of appropriate personal safety gear, an active Health and safety committee.
- Adequate budget provision to enable an appropriate expertise, review and peer review for projects and activities.

Change since May 2012

- 2012/22 LTP completed, consulted on and audited
- 2011/12 Annual report completed and audited and reported to Council.
- Tertiary level of Work Safe Management Programme with ACC maintained following audit.

Mitigation actions completed in past 3 years

- Tertiary level of WSMP maintained throughout last 3 years.

**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Wednesday 14 November 2012

SUBJECT: HAWKE'S BAY TOURISM QUARTERLY REPORT

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 2012.

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, are attached to this paper.

Decision Making Process

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

Recommendation

1. That the Corporate and Strategic Committee receives the report.



**Annie Dundas
GENERAL MANAGER
HAWKE'S BAY TOURISM**



**Paul Drury
GROUP MANAGER
CORPORATE SERVICES**

Attachment/s

- 1 Hawke's Bay Tourism 2012-13 First Quarter Report
- 2 Hawke's Bay Tourism First Quarter Financial Statement

Hawke's Bay Tourism Ltd – 1st Quarter Report July - September 2012**Prepared by Annie Dundas, GM Hawke's Bay Tourism****Item 9****Overall**

Hawke's Bay Tourism Limited is now into its second year of operation. Membership numbers are sitting at 193 tourism and related businesses. After meeting all first year KPI's we are in the early stages of completing our second year KPI's.

Major initiatives completed this quarter include the introduction of F.A.W.C! – Food and Wine Classic Hawke's Bay as a new food and wine event platform for the region, attendance at Hot Red and the Foodshow in Auckland, industry sector updates, conference group famils and continued PR, and media planning. Please see the detail within the KPI report.

Visitor Statistics

Overall results for Hawke's Bay year end August combining Commercial Accommodation and Private Household figures show a flat result with only 2,195 additional guest nights or 0.1% growth.

July – August is not traditionally a busy travel period and the economic climate combined with the hangover from RWC (particularly in August and September) has compounded to reveal poor arrival results in the commercial accommodation sector.

Overall the Commercial Accommodation Monitor for August 2012 shows Hawke's Bay guest nights down 27.8% compared to the same period in August 2011. This equates to 15,845 less visitor nights in the region in August. Hawke's Bays closest neighbors have also seen the same result with the Bay of Plenty down 31,000 guest nights (-37.9%) and Taupo down 12,000 guest nights (-18.6%).

The Private Household Monitor estimated 35,359 visitors to the Hawke's Bay Region stayed 146,523 nights in private accommodation during August 2012. This was an increase 4,300 guest nights on the previous August. Note this excludes those who stayed in holiday homes and baches, but includes children aged 15 or under. The major reasons for visiting Hawke's Bay were visiting friends and family (48.2% of total nights stayed), international students (16.5%) and general holiday or leisure (15.1%) of total nights stayed. Visitors to the region stayed an average of 4.1 nights in private accommodation.

International visitor arrivals into New Zealand are again being propped up by massive arrivals from China (+24.9% for August and +33.8% year end August). An additional 45,706 Chinese visited NZ this year compared to the previous year. Australia remains the number one visitor market for New Zealand with 1.178m arrivals recorded year end August 2012.

Attachment 1

International Visitors to NZ	August 2012		Year end August 2012	
Total	178,298	+1.4%	2,635,570	+5.3% (133,259)
Australia	95,552	+ 3.0%	1,178,432	+5.9 % (65,556)
UK	6,720	-26.4%	210,400	-4.0% (-8,865)
USA	8,368	-5.4%	181,856	-3.3% (-2,610)
China	14,368	+24.9%	180,768	+33.8% (45,706)
Commercial Accommodation	August 2012		Year end August 2012	
Hawke's Bay				
Total visitors	21,789		460,892	
Total guest nights	41,182	-3.6%	940,220	- 4.3%
International guest nights	7,178	-11.3%	253,598	+3.1%
Domestic guest nights	34,004	-30.5%	686,622	-6.8 %
Average length of stay	1.89 nights	Down (2.03 nights)	2.04 nights	Down (2.07 nights)
Overall occupancy rate	18.7%	Down (25%)	32.4%	31.5%
Occupancy excl Holiday Parks	28.1%		45.1%	
Hotels	7,774	-33.3%	154,947	+10.3%
Motels/Apartments	23,577	-21.7%	468,743	-1.7%
Backpackers	4,254	-36.0%	119,786	-6.1%
Holiday Parks	5,577	-35.2%	196,744	-17.3%
Other Regions Total Guest Nights				
Coromandel	21,980	-8.4%		
Bay of Plenty	50,798	-37.9%		
Rotorua	107,537	-9.6%		
Taupo	52,681	-18.6%		
Gisborne	15,569	-8.4%		
Wellington	156,937	-22.8%		
Nelson	43,502	-20.4%		
Wanaka	62,643	-6.0%		
Queenstown	246,359	+0.2%		
Private Household Monitor	August 2012		Year end August 2012	
Total Visitors	35,359 (1,345)	+4.0%	616,578 (20,868)	+4.4%
Total Visitor nights	146,523 (4,322)	+3.0%	2,579,626 (120,953)	+5.7%

Key Performance Indicators for Hawke's Bay Tourism

The organisation has been working towards the goals and objectives set out in the Strategic Plan signed off by HBRC in May 2011.

In the first three months of our second year of operation the following KPI's have been met;

1. **Hawke's Bay Tourism** - Establishment of a new Regional Tourism Organisation achieved July 1, 2011. The organisation continues to gain traction with sector groups within Hawke's Bay and is well established within the national tourism framework as the official Regional Tourism Organisation.
2. **Brand** - Establishment of a "Hawke's Bay" brand and communication tagline. The brand "Hawke's Bay" and tagline "Get me to Hawke's Bay" continue to be used in all communication. Extensions to the campaign include a focus on the family and boomer age markets.
3. **Consumer Marketing** - HBT has taken a far stronger domestic focus in the first quarter with solid plans around attracting visitors for F.A.W.C! Food and Wine Classic in November, and the family market for visits over the summer holidays and into February. Grab a Seat Campaigns with Air New Zealand have resulted in good bookings for the latter part of the year as well and a campaign with Jason's Travel to over 100,000 domestic travellers has seen positive results. Hawke's Bay has featured heavily online in this first quarter both with online banners and dedicated search engine marketing.

Public relations

Hawke's Bay Tourism has hosted 4 media in the first quarter, they include;

- Australian Women's Weekly
- New Zealand Herald Travel
- Sunday Star Times
- Weekend Herald

Media results in this period;

- USA Cruise Critic 667 458
- Vagobond.com USA –blog

Digital Strategy

For the 12 months to year end September hawkesbaynz.com has delivered the following.

www.hawkesbaynz.com over 12 months	July 1 – September 30 2011	July 1 – September 30 2012	+/-
Visits to site	42,647	49,535	+14%
Unique Users	8,591	36,659	+234%
Page views	207,119	188,944	+6.6%
Average pages per visit	4.86	3.81	-
Average time on site	3.42	3.81	-

The revised website is performing exceptionally well and unique visits have increased over 200% in the first quarter. While time spent on the site is lower, this is a reflection of people finding what they want more efficiently. Search activity in the first quarter is generating solid traffic to the website per month. Search is fundamental and provides a strong base of traffic to the Hawke's Bay website.

Research – the quarterly visitor performance monitor has been established to accurately report on all aspects of tourism for Hawke's Bay, this is communicated to industry quarterly.

4. Trade Marketing

Hawke's Bay Tourism has hosted four famils in the first quarter. They include inbound operator famils focused on the cruise market, an industry famil to Haumoana and Te Awanga of 43 local operators, a Carnival Cruise Famil and a group from wholesaler ANZCRO UK.

Cruise

62 ships scheduled to visit Hawke's Bay this cruise season with the first Sun Princess having arrived 30 October. It is estimated 96,010 passengers will visit Hawke's Bay which is an increase of 2.9% on the previous year. 61,319 are due from Australia, 13,494 from the USA, and 8,861 from the UK. Crew visits are expected to total 43,244 which is an increase of 16.6% on the previous year.

5. Product & Industry development

Annual tourism update/report was presented to over 120 operators in July. This was a look back at the previous year as well as a look ahead to future plans for the organization.

Hawke's Bay staged the first Tourism Awards for the region in September. Twenty six local businesses entered the awards. The top three finalists were Birdwood's Gallery & Sweet Shop, Hawthorne House and The Dome Apartments. The overall winner, announced at the Chamber Business Awards was Birdwoods Gallery. The judging panel consisted of Peter Blackwell (General Manager of AA Tourism), Dave Simmons (General Manager, Online & Leisure at Air NZ), Jenny Robertson (Head of the Tourism & Hospitality School at EIT) and Stuart Webster (partner at Sainsbury Logan & Williams and director of Hawke's Bay Airport). Over 200 tourism operators attended the awards night in September.

Industry forum held in Central Hawke's Bay with a group of 8 local tourism operators.

Individual workshops with tourism industry partners continue.

6. Events

The Regional Events Strategy is well underway and in the first quarter of this financial year we have launched the promotion of F.A.W.C! Food and Wine Classic Hawke's Bay. This was a major objective of the Regional Events Strategy - to establish a food and wine related flagship event for the region. The Event Advisory Group is also well established and meets on a regular basis.

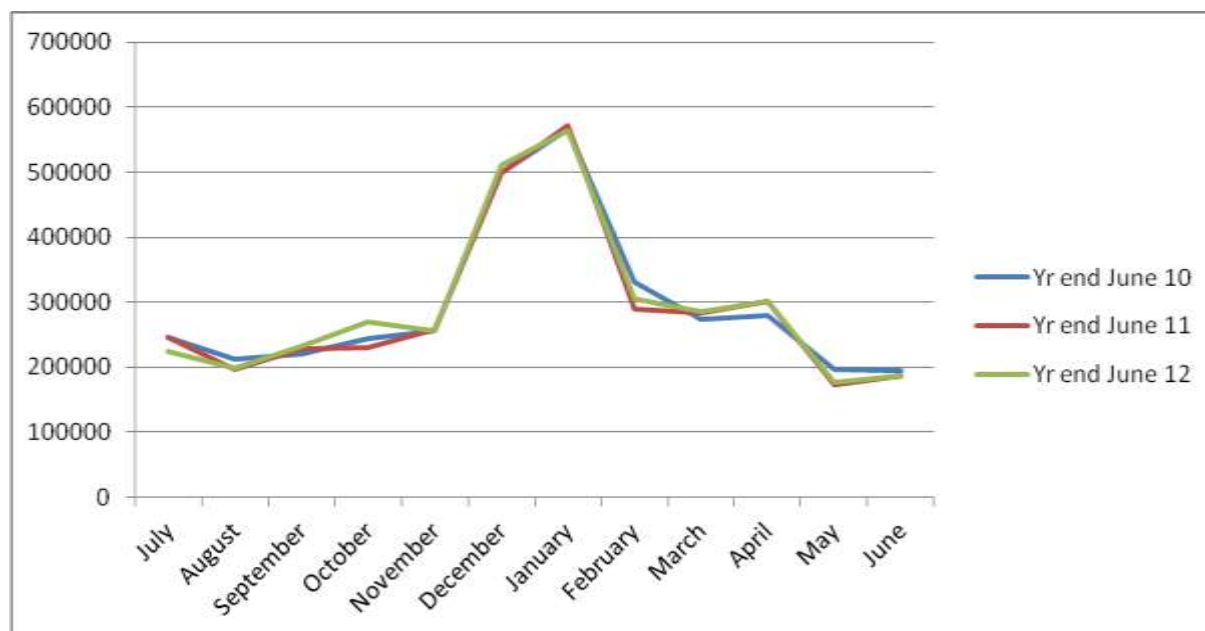
HBT also assisted in the promotion of "Napier – for the Ride of your Life" in July.

Hawke's Bay Tourism – Financial Statement

Hawke's Bay Tourism Ltd is tracking favourably in the first quarter of the financial year.

Appendix 1

Summary of Visitor Arrivals Year end June 2010-12 (Commercial and Private Household stays)



Hawke's Bay Tourism Limited

Profit & Loss

1 July 2012 to 30 September 2012

Revenue/Income	YTD Actual	YTD Budget	Variance (\$)	U/F	Full year Budget
HBRC Grant	212,500	212,499	1	F	850,000
HBTIA Funding Pledges	40,400	40,400	(0)	F	125,000
RWC Grant - HBRC	-	-	0		-
RWC Other Income	-	-	0		-
Food Show AKL	1,009	1,009	0		1,009
Food Show WLG	-	-	0		-
FAWC Income	-	-	0		-
Explore Income/Sales	-	-	0		12,000
Industry Partner Membership	12,325	12,324	1		96,250
External/Other Revenue	2,234	2,234	0		34,500
Dividend Income	-	-	0		-
Interest Income	376	375	1	F	375
<i>Total Revenue/Income</i>	268,843	268,841	2	F	1,119,134
Less Direct Marketing Costs					
Consumer Marketing	79,371	79,371	(0)	F	344,336
Trade Marketing	15,327	15,328	(1)	F	65,490
Events	23,240	21,352	1,888	U	52,600
RWC	-	-	0		-
Partner Programme	7,056	6,821	235	F	14,123
<i>Total Direct Marketing Costs</i>	124,994	122,872	2,122	U	476,549
GROSS SURPLUS	143,850	145,969	(2,119)	F	642,585
Less Operating Expenses					
Admin & Accounting/Legal	2,965	2,929	36	U	15,083
Director's / Chairman Fees	12,500	12,500	0		50,000
Consultants Fees	-	-	0		-
Board Expenses	2,032	1,713	319	U	7,252
Insurance	456	456	0		4,056
IT & Telecommunications	6,736	6,094	642	U	29,721
Premises - Rent	3,000	3,000	0		12,000
Premises - Other	702	910	(208)	F	6,099
Motor Vehicle Expenses	3,269	3,211	58	U	12,418
Office Costs	4,020	4,062	(42)	F	12,907
Meetings & Travel	2,688	1,571	1,117	U	4,886
Tax - FBT & Income	4,893	4,893	0		
Salaries, ACC & Other Staff Costs	116,044	115,958	86	U	491,378
<i>Total Operating Expenses</i>	159,306	157,297	2,009	U	645,800
NET SURPLUS	- 15,456	(11,328)	(4,128)		(3,215)

U = unfavourable

F = favourable

HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 14 November 2012

Item 10

SUBJECT: NATURE CENTRAL

Reason for Report

1. This report updates Council on an initiative to work collaboratively through a joint initiative called 'Nature Central' with the Department of Conservation, Greater Wellington Regional Council and Horizons Regional Council. The objective of this initiative is to:
 - 1.1. Reduce costs and improve efficiencies
 - 1.2. Undertake more integrated planning and commit to shared outcomes across the lower North Island
 - 1.3. More effectively prioritise, across a broader scale, all in the business of natural resource management across the lower North Island
 - 1.4. Be more inclusive, cohesive, and responsive to communities/iwi/business.

Background

2. Chief Executives of the Greater Wellington, Hawke's Bay and Horizons regional councils, as well as the Department of Conservation's Director-General, met recently and agreed to formal collaboration in the management of natural resources and recreation across the lower North Island. Through greater collaboration between the organisations far more can be achieved than any of the individual organisations can achieve alone.
3. The vision for the initiative is for a significant shift in the way organisations approach the management of natural resources across the lower North Island. This includes the following.
 - 3.1. A more explicit recognition that the economic, cultural and social wellbeing of all our communities is reliant on 'services' provided by the natural environment and the effective management of them. Sustaining our current levels of economic activity will require the sustaining of ecosystem services.
 - 3.2. Recognition that the organisations need to better understand a wider range of values and work on a scale and in a way that makes more sense to communities. There will be a shift away from establishing management priorities based on administrative boundaries, toward establishing management priorities that are based on more logical ecological or social boundaries. It is recognised that landscape or catchment scale management will generally be more appropriate for understanding and managing ecosystem processes together with social, economic and political considerations.
 - 3.3. More emphasis on prioritising and working together, as well as with iwi, communities and business both to identify the full range of values associated with areas and to look after them. Greater investment in these inclusive processes has huge potential to deliver wide benefits for protection of services that humans rely on for their wellbeing, and for the conservation of our natural heritage.
 - 3.4. Recognition that because the organisations are all working within the same social, economic and environmental context with the same broad objectives in mind, they need more formal collaborative structures. The aim of the collaboration will be to achieve:
 - 3.4.1. better understanding and management of environmental values – including but not limited to water quality, erosion control, nutrient cycling and biodiversity

- 3.4.2. better understanding and integration of social, economic, and cultural considerations into planning and decision making processes
 - 3.4.3. more efficient promotion and management of recreation facilities
 - 3.4.4. more effective and consistent engagement and communication with communities
 - 3.4.5. more effective use of limited resources and less duplication of services and processes.
- 4. The project will initially focus on combining efforts in the areas of recreation, biodiversity, regional park management, biosecurity and the sharing of technical advice and expertise.
- 5. A framework for working together and an action plan for the coming 12 months to put specific initiatives in place have been agreed, including:
 - 5.1. the development of a wilding pine strategy and associated funding arrangements to maximize the effectiveness of control throughout the southern North Island
 - 5.2. an assessment of all recreational opportunities (including regional, national and forest parks and reserves) to determine potential efficiencies in their operation and maintenance, as well as opportunities for improved promotion
 - 5.3. an assessment of collaborative opportunities for environmental education, the establishment of more shared training opportunities, and staff secondments and swaps between agencies
 - 5.4. wide scale predator protection on Maungaharuru Range including Boundary Stream and Lake Opouahi in Hawke's Bay and other similar biodiversity enhancement initiatives within the Wellington and Horizons regions.
- 6. This is a shift away from the traditional management which was based on the roles and responsibilities of the respective organizations as well as geographic and administrative boundaries, however it is only the first step in the process and the Nature Central partners will be exploring more initiatives in the near future.
- 7. In addition to the projects outlined above a number of initiatives are being progressed within the Hawke's Bay region. These include:
 - 7.1. joint promotion of recreational opportunities and more collaborative management of the forest and regional parks
 - 7.2. the development of a biodiversity strategy for Hawke's Bay
 - 7.3. DoC staff sharing the HBRC Wairoa office from 1 October 2012 upon expiry of the lease for their previous office
 - 7.4. the possibility of DoC staff sharing HBRC office space in Central Hawke's Bay, and DoC and HBRC operations group staff operating as a single team in that area
 - 7.5. DoC and HBRC animal and plant pest control activities being delivered through contracts or other arrangements, covering the activities of both organisations
 - 7.6. DoC and HBRC open space facilities management and maintenance being delivered collaboratively.
- 8. It is proposed to secure a person (possibly seconded from Department of Conservation) to provide the necessary resource to work with each of the organisations, identify and develop opportunities, and to assist in the implementation of the high priority initiatives. HBRC has agreed to contribute to the cost of this secondment. As many of the opportunities are expected to fall within the biosecurity and open space areas of HBRC business, funding of HBRC's contribution (expected to be approximately \$40,000 spread over 2 financial years) will be sourced from those budgets. No new funding is expected to be required.

Decision Making Process

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

Recommendation

1. That the Corporate and Strategic Committee receives the report.



**Mike Adye
GROUP MANAGER
ASSET MANAGEMENT**



**Andrew Newman
CHIEF EXECUTIVE**

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 14 November 2012

Item 11

SUBJECT: GENERAL BUSINESS

Reason for Report

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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HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 14 November 2012

**SUBJECT: VERBAL UPDATE ON MAUNGAHARURU TANGITU TREATY SETTLEMENT
NEGOTIATIONS**

That Council excludes the public from this section of the meeting, being Agenda Item 12 Verbal Update on Maungaharuru Tangitu Treaty Settlement Negotiations with the general subject of the item to be considered while the public is excluded; the reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution being as follows:

GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION	GROUNDS UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION
Verbal Update on Maungaharuru Tangitu Treaty Settlement Negotiations	<p>7(2)(b)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which otherwise would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>7(2)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.