



Meeting of the Hawke's Bay Regional Council

Date: Wednesday 12 December 2012
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

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1.	Welcome/Prayer/Apologies/Notices	
2.	Conflict of Interest Declarations	
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4.	Matters Arising from Minutes of the Regional Council Meeting held on 28 November 2012	
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HAWKE'S BAY REGIONAL COUNCIL

Wednesday 12 December 2012

Item 7

SUBJECT: ACTION ITEMS FROM PREVIOUS REGIONAL COUNCIL MEETINGS

Reason for Report

1. **Attachment 1** lists items raised at previous 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 Council receives the report "Action Items from Previous Meetings".



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

- 1 Actions from Previous Council Meetings

Actions from Regional Council Meetings

Meeting Held 28 November 2012

	Agenda Item	Action	Person Responsible	Due Date	Status Comment
1	Looking Forward	Paper explaining the methodology used to determine leasehold land charges	PD		Paper on 12 December Council agenda

Meeting Held 31 October 2012

	Agenda Item	Action	Person Responsible	Due Date	Status Comment
2	RMA Delegations	A process for advising Council when delegations have been exercised to be developed	IM		Discussions underway with other council's to review useful and cost effective ways of doing this

Item 7

Attachment 1

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 12 December 2012

Item 9

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 4 DP 10435 CT D4/788 - Agreement for Sale and Purchase (no discount valuation fee paid after 30 June 2012) - Transfer	3619 3632	26 November 2012 6 December 2012
1.1.2	Lot 2 DP 12533 CT D4/445 - Agreement for Sale and Purchase (discount 17.5% resides at property)	3620	26 November 2012
1.1.3	Lots 3-4 DP 11332 CT B3/999 - Agreement for Sale and Purchase (3 x discount 17.5% resides at property and 2 x 10% discount landlord)	3621	26 November 2012
1.1.4	Lot 4 DP 5336 CT C2/472 - Agreement for Sale and Purchase (no discount valuation fee paid after 30 June 2012) - Transfer	3622 3631	26 November 2012 6 December 2012
1.1.5	Lot 90 DP 13696 CT F2/1338 - Transfer	3623	26 November 2012
1.1.6	Lot 221 DP 11194 CT B3/83 - Agreement for Sale and Purchase (discount 17.5% resides at property)	3624	27 November 2012
1.1.7	Lot 35 DP 12517 CT D4/977 - Agreement for Sale and Purchase (discount 17.5% resides at property)	3625	28 November 2012
1.1.8	Lot 3 DP 12414 CT D3/342 - Transfer	3626	28 November 2012

1.1.9	Lot 222 DP 6598 CT C2/341 - Transfer	3627	3 December 2012
1.1.10	Lot 480 DP 2451 CT 56/136 - Agreement for Sale and Purchase (discount 17.5% resides at property) - Transfer	3628 3629	3 December 2012 3 December 2012
1.1.11	Lot 40 DP 13691 CT F2/1256 - Agreement for Sale and Purchase (discount 17.5% resides at property)	3630	3 December 2012

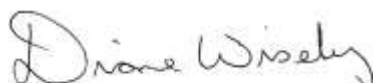
DECISION MAKING PROCESS

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. Confirms 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: SHARED SERVICES - FORMATION OF COUNCIL CONTROLLED ORGANISATIONS

Reason for Report

1. The purpose of this report is to obtain a decision from the Council to progress the formation of a Council Controlled Organisation (CCO) – Hawke's Bay Local Authority Shared Services Limited (HB LASS Limited) to undertake shared services initiatives. The Draft Constitution is presented for Council's approval.
2. The report also updates the Council on the outcomes of a meeting held on 5 November 2012 of all Hawke's Bay Local Authority Chief Executives.
3. This proposal arises from consideration and agreement by all the Hawke's Bay Councils of the intent to establish the CCO through the adoption of their 2012/22 Long Term Plans.
4. The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose includes meeting the current and future needs of communities for good quality local infrastructure, local public services, and the performance of regulatory functions that is most cost effective for households and businesses. Good Quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.
5. This report concludes by recommending that the Council participates in the formation of HB LASS Limited and authorises the Chief Executive to undertake all necessary actions as appropriate.

Background

6. The Council has considered previously several reports on this matter. In March 2012 the Council resolved to progress to consult on through the Draft Long Term Plan, the establishment of a shared services CCO.
7. All Hawke's Bay local authorities consulted on a shared services CCO through their Draft 2012/22 Long Term Plans. Each Council has reached a point where, subject to final resolutions, the formation of a shared services CCO can proceed.

Chief Executives' Meeting

8. The Chief Executives of all the Hawke's Bay local authorities met on 5 November 2012 to consider the next steps towards the establishment of the CCO.
9. The meeting discussed the matter of an independent chairman together with consideration of possible shared services initiatives for evaluation. The Chief Executive team reached agreement on the following, which are explained further in the sections below:
 - Appointment of an independent chairman
 - Draft Constitution to be submitted to the Councils for approval
 - Definition of "shared services"
 - Timetable for the establishment of the CCO and key dates
 - Initial range of activities to be evaluated for progress

Independent Chairman

10. The initial steps towards the establishment of a CCO followed consideration of the report "Pathway to the Future" that the Chief Executives of Hastings District Council and Napier City Council had commissioned from Harry O'Rourke Ltd. It was unclear at this point as to the position that the other local authorities were likely to take relative to the progression of the CCO initiative.
11. Subsequent to this, the McGredy Winder & Co report "Future Prosperity of the Hawke's Bay Region – Issues and Options" was released. It contained some commentary on Shared Services. Given the previous position of the Napier City Council on the matter of independent chairmanship the following could be considered as relevant.

"The incentives for collaboration are weak and for it to be successful organisations need to be willing to cede some of their independence and sovereignty. It is unlikely that the region could secure the potential benefits of shared services without a major and enduring commitment from both political leaders and Chief Executives."

12. The Chief Executive of Napier City has now indicated that an Independent Chairman would be acceptable. None of the other councils expressed a position on this matter.

Constitution

13. The Chief Executives agreed that (subject to agreed changes) the draft Constitution be submitted to the constituent Councils for approval and

- a) *"That it be recommended to the constituent councils that the HB LASS Limited (HBLass) be established.*
- b) *That subject to the agreement of more than one of the Councils the formal steps of registering HB LASS Limited (HBLass) is undertaken by the Chief Executive Hastings District Council.*
- c) *That the Draft Constitution (Clause 13.1) be amended to provide:*

The Local Authority Directors be the Chief Executive of the relevant Local Authority.

That the independent director (whom shall be Chair of the Board of Directors) shall be appointed by the Local Authority Directors.

- d) *That upon registration of the Company the Chief Executive Hastings District Council convenes a meeting of the Directors to agree the Draft Statement of Intent for consideration by the shareholders and the appointment of the independent director (chair)."*
14. The Draft Constitution has been prepared and includes the following as to the appointment of Directors:
 - "13.1 The board shall consist of not less than three (3) and not more than nine (9) directors, of whom:*
 - a. *One shall be the Chief Executive of the Hastings District Council;*
 - b. *One shall be the Chief Executive of the Napier City Council;*
 - c. *One shall be the Chief Executive of the Central Hawke's Bay District Council*
 - d. *One shall be the Chief Executive of the Wairoa District Council*

- e. *One shall be the Chief Executive of the Hawke's Bay Regional Council*
- f. *One shall be appointed by the Directors whom shall be independent of the shareholders and whom shall be appointed Chairperson. It is expected that the Chairperson will have appropriate governance, commercial acumen and information management skills.*
- g. *Up to three additional directors may be appointed by the board; such appointee must have one or more of the following skills:*
 - i. *Specialist information technology skills;*
 - ii. *Specialist financial skills*
 - iii. *Specialist commercial skills; and*
 - iv. *Specialist entrepreneurial skills"*

15. The Chief Executives have reached a consensus as to a suitable Independent Director.

16. The Draft Constitution is appended as Attachment 1.

Definition of Shared Services

17. Reaching a consensus among the Councils and Chief Executives to move forward with establishing the CCO is an important milestone in the progress of the development of shared services. The Chief Executives meeting agreed the definition of shared services to be :

"The provision of a service or activities (including procurement and service harmonisation) through a jointly owned provider or where one Council or more together performs the service for the other/s."

18. The Chief Executives agreed to a timetable that is designed to have the CCO registered by mid December 2012 together with a number of other key dates.

Activities for Evaluation

19. The meeting identified an initial range of activities to be evaluated for progress.

20. A total of sixteen distinct activities were considered. From these the consensus is for three activities to be initially evaluated. The Chief Executives also agreed to further consider adding two other opportunities once the scope of the initiative related to the two additional activities had been further developed.

21. The initial activities to be evaluated are:

21.1. Building Control

21.2. Information Management Services – commencing with GIS

21.3. Regional Call Centre

21.4. The two additional areas of activity are Road Maintenance and Management, and Urban Water Services.

22. The breadth of each proposed activity to be examined needs to be developed by the preparation of a brief to guide the detailed study.

23. To be advanced at least two of the participating Councils need to agree to undertake the detailed study (fact finding), development of a proposal, and evaluation exercise. The parties need to agree to provide funding (if required) and the timeframe for the elements of the project. There is no obligation on any of the parties to agree to pursue any particular proposal.

24. While there may be a desire to consider a wider list of activities for initial evaluation this needs to be tempered by the ability of the organisations to meaningfully participate in the development of the business case for the activities being considered.

25. The timetable agreed to intends for the briefs for the initial three activities to be prepared for agreement in the week of 17 December with reporting back for decision making in March 2013.
26. The Chief Executives agreed, with respect to Water Services and Transport activity, that Hastings District Council would prepare a scoping discussion document to more clearly articulate the intent and scope of an evaluation exercise. The timing of consideration of these two activities will be dependent on the level of agreement there is towards progressing evaluation. The timing of further development of the other elements of Information Management will also need to be further considered by the board and partner Councils.

Criteria

27. There is needed an agreed set of criteria against which any particular proposal can be objectively measured. Broadly criteria would be based on judgement of any proposal across the elements of benefits from either
 - 27.1. Efficiencies leading to reduced or mitigated costs, and/or
 - 27.2. Benefits to citizens and customers through coordinated, improved service delivery and/or, or
 - 27.3. More consistent and better understood services.
28. It can be seen that the driver for shared services implementation should not just be financial and that the other elements identified carry some weight in reaching a decision to advance, or otherwise, any proposal. The evaluation will also examine and comment on the risks associated with implementation
29. The criteria need some refinement but they provide an in principle focus for any evaluation. The New Zealand Government has embarked on a Better Government programme. This programme includes a Better Business Case tool that is now being implemented across government. It is expected that the principles that apply to the Better Business Case tool could provide a useful starting point for development of an evaluation.
30. The agreement of all Hawke's Bay Local Authorities through their Long Term Plan processes to participate in the establishment of HB Lass is a significant advance of the position that existed previously. All Hawke's Bay local authorities are considering this matter before 17 December 2012 on the basis of this report.
31. Subject to the approval of all Councils, the Chief Executives intend to meet in the week commencing 17 December (as Directors) to approve the Draft Statement of Intent to be referred to the Councils for comment so that the work programme can be implemented. It is intended to commence the development of proposals for evaluation immediately after 17 December with a view to reporting back in March 2013 or earlier if appropriate. The statement of intent is expected to include a work programme, budget and funding requirements for the CCO.
32. Prior to participating in any detailed evaluation the financial implications of the evaluation will be considered.

Options

33. This report essentially updates the Council as to progress with progressing Local Authority shared services within Hawke's Bay. It follows from the consultation undertaken during the 2012/22 Long Term Plan process where the requirements to consult prior to the establishment of a Council Controlled Organisation – in this case HB Lass were met.
34. The Council has two main options:

Option one – Proceed with the formal establishment of the Council Controlled Organisation HB LASS Limited and through that vehicle pursue the implementation of shared services.

Option two – Status Quo; that is not pursue the establishment of HB Lass and continue to work together with Napier City Council and others on an ad hoc and informal basis for shared procurement and shared services opportunities.

An alternative option does exist to choose some other methodology to pursue Shared Services. As the Council has previously agreed, through the Long Term Plan process to become a shareholder in, and establish a CCO to pursue Shared Services this is not evaluated or considered further within this report.

Assessment of Options

35. The adoption of option one will put in train the formal process to establish HB LASS Limited. It will give effect to earlier decisions made on a principle basis to gain the benefits that may accrue from shared services initiatives both in terms of operational efficiency and more co-ordinated service delivery to the community.
36. The experience of others, notably the Bay of Plenty Councils and Manawatu Councils among others have shown the benefits in efficiencies, savings, improved service delivery and greater alignment of services that can arise from the CCO approach.
37. Benefits that are expected to arise from a CCO include the ability to identify and deliver coordinated, improved and consistent services or efficiencies leading to reduced or mitigated costs, in a coherent and planned way.
38. Establishing a CCO together with the other Hawke's Bay Councils will give direct effect to the statutory obligation to act in accordance with the principles set out in Section 14 of the Local Government Act 2002 and in particular Section 14(1).
 - (e) *a local authority should collaborate and co-operate with other local authorities and bodies as it considers appropriate to promote or achieve its priorities and desired outcomes,*
and
 - (f) *a local authority should undertake any commercial transactions in accordance with sound business practices;"*
39. Staff are of the view that establishing a CCO as outlined would provide opportunities to benefit from the efficiencies that would be derived from closer working relationships, more particularly at least the opportunities that can arise from joint procurement. A CCO would provide the appropriate vehicle for such a relationship.
40. It could be argued that the instances of collaboration and sharing already outlined in earlier reports suggest that a CCO is not required. Officers are of the view, confirmed by the O'Rourke Report, that a CCO will enable greater gains to be made. The collaboration that exists has been shown internationally as a necessary precursor to successful Shared Service arrangements.
41. The changes proposed by the Chief Executives to the constitution are not considered such as to limit the ability of the CCO to look widely and from a business-like manner at where best advantages can be gained from Shared Services.
42. It is considered that the Chief Executives have the skills, knowledge, and experience to guide the CCO given the nature and scope of its activities and will contribute to the achievement of the objectives of the CCO as contemplated by Section 57 of the Local Government Act 2002.
43. Similarly the provisions of the Draft Constitution clearly contemplate that the independent Director will also meet the legislative intent.
44. The direct financial implications of this decision are contemplated within the Councils budgets. The implications of individual projects will be considered on a case by case basis. The McGredy Winder report "Future Prosperity of the Hawkes Bay Region – Issues and Options" contained some commentary on Shared Services (See 10.9.1 (attached))

45. Of relevance to this report the McGredy Winder report included the following statement - *"The range of services that can deliver benefits from joint or integrated delivery includes: the back-office functions associated with finance and treasury, GIS analytical and data maintenance functions, the collection and maintenance of rating and valuation data, all aspects of the rating process (including property valuation, producing and distributing invoices, collecting payments and operating multiple channels for payment, and debt collection), payroll services, HR services, mail and archive services, contact centre services, legal services, CCTV monitoring, traffic management, building consents, environmental health, and resource consent processing."*
46. Further the report noted - *"There have been relatively few published assessments of the benefits that have been secured through shared services. However, it appears that for back-office related services savings of between 3% and 9% per annum are possible if there is a real commitment to driving change. The combined council support expenditure of the councils is \$35.7m per annum. Potential savings from back office shared services across all councils could therefore be in the range of \$1m to \$3.2m per annum."*
47. And further – *"Total local authority annual operating expenditure is \$243.7m. Assuming that it was possible to achieve savings in the order of 3% to 5% across all council operations the maximum potential impact of a complete shared services approach would be between \$7m and \$12m per annum. That is equivalent to between 5% and 8% of total rates."*
48. International commentary suggests similar views.
49. Establishing the CCO as proposed provides in officers view the best opportunity at present for realising the savings contemplated by McGredy Winder. Clearly a focus of the CCO would be on striving to deliver activities in a way that is more efficient, effective and appropriate now and in the future.
50. Financial provision for Shared Services has been provided for in the 2012/22 LTP (\$20,000 – Project 874). It is expected that staff will be required to provide support and contribute to the development of individual initiatives. In some cases additional expenditure may be required for individual evaluation exercises. This will be generally absorbed within existing budgets.
51. The option to reject this proposal would in essence result in the status quo with Councils collaborating on an ad hoc basis. As such there will not be the same "focus" on the attainment of the benefits that a CCO approach would give and achieving shared services benefits would be likely to be slow and haphazard.
52. A CCO creates a formal vehicle for shared services to be advanced.

Preferred Option and Reasons

53. For the reasons set out in the assessment, it is recommended that the Council should adopt Option 1 – that is to proceed with the formal establishment of the Council Controlled Organisation HB LASS Limited and through that vehicle pursue the implementation of shared services.
54. The Council has through the Long Term Plan process given consideration to the views and preferences of persons likely to be affected by, or to have an interest in, this matter. Further it has taken into account all reasonably practicable options for the achievement of the objective of the decision and in the evaluation of those options applied itself to the considerations required by Section 77 of the Local Government Act 2002. The Council has also consulted in the manner contemplated by Section 56 on the Act. On that basis the Council can proceed to adopt the recommendations

Decision Making Process

55. 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:

- 55.1. The decision does not significantly alter the service provision or affect a strategic asset.
- 55.2. The use of the special consultative procedure is not prescribed by legislation.
- 55.3. The decision does not fall within the definition of Council's policy on significance.
- 55.4. The persons affected by this decision are the ratepayers of the region.
- 55.5. Options that have been considered include doing nothing in relation to Shared Services. However this was not supported in the LTP.
- 55.6. The decision is not inconsistent with an existing policy or plan.
- 55.7. 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

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. Receives the report on "Shared Services – Formation of Council Controlled Organisation".
3. Proceeds to participate as a shareholder in Hawke's Bay LASS limited, a Council Controlled organisation.
4. Approves the Draft Constitution, as attached.
5. Authorises the Chief Executive to complete all documents and transactions as necessary to give effect to this decision, and that specifically authorise the establishment of the Council Controlled Organisation to be known as HB LASS Limited.



Liz Lambert
GROUP MANAGER
EXTERNAL RELATIONS

Attachment/s

- 1 Draft Constitution - HB LASS Ltd

**DRAFT
CONSTITUTION OF HB LASS LIMITED
All Councils**

1 February 2012

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Item 10

Attachment 1

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CONSTITUTION OF HB LASS LIMITED

1. Interpretation

1.1 Definitions

In this Constitution, unless the context otherwise requires:

“Act” means the Companies Act 1993;

“Authority” means a local authority as provided for in the Local Government Act 2002;

“Company” means HB LASS Limited;

“Constitution” means this constitution as altered from time to time;

1.2 Construction

In this Constitution, unless the context otherwise requires:

- a. The headings appear as a matter of convenience and shall not affect the construction of this Constitution.
- b. In the absence of an express indication to the contrary, references to sections, clauses, schedules and paragraphs are to sections, clauses, schedules and paragraphs of this Constitution.
- c. A reference to any statute, statutory regulations or other statutory instrument as from time to time amended or re-enacted or substituted.
- d. The singular includes the plural and vice versa and one gender includes the other gender.
- e. The words “written” and “writing” include facsimile communications and any other means of communication resulting in permanent visible reproduction.
- f. Words or expressions defined in the Act have the same meaning in this Constitution.

2. Constitution and the Companies Act

The Company, the Board, each Director and each Shareholder have the rights, powers, duties and obligations set out in the Act except to the extent they are negated or modified by this Constitution.

3. Capacity of Company

3.1 Capacity

Subject to the Act and any other enactment and the general law the company shall have the capacity both within and outside New Zealand to carry on or

undertake the following businesses or activities, to do the following acts and enter into the following transactions and no others:

- a. To provide shared information collection, processing, administration, management and associated services to local authorities.
- b. To provide such services to other parties where the board is satisfied that the provision of such services benefits the ability of the company to enhance the efficiency and effectiveness of provision of those services by or on behalf of local authorities.
- c. Generally to do all acts, matters and things that the board considers necessary or conducive to further the undertaking of the transactions envisaged by paragraphs a. and b. in accordance with the Company's Statement of Intent.
- d. The Company has no power to carry on any other business or activity.

The Company will fulfil all its statutory obligations as a Council Controlled Organisation under the Local Government Act 2002.

3.2 Rights, powers and privileges

For the purposes of Clause 2 above and subject to the Act and any other enactment and the general law the company shall have full rights, powers and privileges.

4. Change of Name of Company

An application to change the name of the company may be made by a director of the company only if the application has been approved by an ordinary resolution of the shareholders.

5. Shares

5.1 Shareholders' rights and powers

No person apart from a shareholder shall be an entitled person in relation to the company.

5.2 Powers of shareholders

Except as required by the Act all powers reserved to shareholders may be exercised by an ordinary resolution.

5.3 Initial shares

The company is to issue at registration the following classes of shares:

Up to 5 Ordinary Shares for a consideration of \$1,000 per share with the rights conferred on shareholders by the Act to the following Authorities:

Authority	Number of Shares
Hastings District Council	1
Napier City Council	1
Central Hawke's Bay District Council	1
Wairoa District Council	1
Hawke's Bay Regional Council	1

5.4 General rights of service shares

Subject to the approval of the ordinary Shareholders by Special Resolutions and to s.117 of the Act the Board may issue to local authorities which are to participate in a service or services to be provided by the company shares of a special class or classes and may prescribe the rights which are to attach to those shares. Those rights must not include voting rights.

6. Issue of Further Shares

6.1 Issuing of shares

The board may only issue further ordinary shares in the company if the issue has been approved by a special resolution of the ordinary shareholders.

The board may only issue other classes of shares in the company

- If the issue has been approved by a special resolution of the ordinary shareholders, and
- If the further shares are an issue of an existing Class of Service Shares, and the issue has been approved by a special resolution of the existing Class of Service Shareholders.

The provisions of this clause apply whether or not the shares to be issued rank in priority to, equally with, or after existing shares of that class.

6.2 Pre-emptive rights on issue of shares

The pre-emptive rights on the issue of shares contained in section 45 of the Act are hereby negated. Subject to the provisions of Clause 6.1, the board is expressly permitted to issue further shares at any time ranking as to voting or distribution rights or both equally with, or in priority to or after, shares already issued by the company.

6.3 Redeemable shares

Where the issue has been approved by special resolution of the ordinary shareholders the board may issue shares which are redeemable

- At the option of the company; or
- At the option of the holder of the share; or
- At a specified date;

for a consideration that is:

- d. Specified; or
- e. To be calculated by reference to a formula; or
- f. Required to be fixed by a suitably qualified person who is not associated with or interested in the company.

7. Call on Shares

7.1 Board may make calls

The board may from time to time make such calls as it thinks fit upon the shareholders in respect of any monies unpaid on their shares and not by the conditions of issue thereof made payable at a fixed time or times, and each shareholder shall, subject to receiving at least 10 working days' written notice specifying the time or times and place of payment, pay to the company at the time or times and place so specified the amount called. A call may be revoked or postponed as the board may determine.

7.2 Timing of calls

A call may be made payable at such times and in such amount as the board may decide.

7.3 Liability of joint holders

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

7.4 Interest

If a sum called in respect of a share is not paid before or on the time appointed for payment thereof, the shareholder from which the sum is due shall pay interest on that sum from the time appointed for payment thereof to the time of actual payment at such rate not exceeding ten percent (10%) per annum as the board may determine, but the board shall be at liberty to waive payment of that interest wholly or in part.

7.5 Instalments

Any sum which by the terms of issue of a share becomes payable on issue or at any fixed time shall for all purposes be deemed to be a call duly made and payable at the time at which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions hereof relating to payment of interest and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

7.6 Differentiation as to amounts

The board may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

7.7 Notice of default

If any shareholder liable therefore fails to pay any call or any instalment thereof at the time appointed for payment thereof, the board may at any time

thereafter serve notice on such shareholder requiring payment of the monies unpaid together with any interest which may have accrued.

7.8 Final payment date

The notice shall name a further day (not earlier than the expiry of 10 working days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment on or before the time appointed the shares in respect of which the money was owing will be liable to be forfeited.

7.9 Forfeiture

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may be forfeited at any time before the required payment has been made by a resolution of the board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

7.10 Cancellation of forfeited shares

A forfeited share shall be acquired by the company and immediately cancelled in accordance with section 58 of the Act.

7.11 Cessation of shareholding

A shareholder whose share has been forfeited shall cease to be a shareholder in respect of the forfeited share, but shall, nevertheless, remain liable to pay to the company all money which, at the time of forfeiture, was payable by such authority to the company in respect of the share, but that liability shall cease if and when the company receives payment in full of all such money in respect of the share.

7.12 Evidence of forfeiture

A statutory declaration in writing declaring that the declarant is a director of the company and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against anyone claiming to be entitled to the share.

8. Transfer of Shares

8.1 Freedom to transfer is qualified

Every change in the ownership of shares in the company shall be subject to the following limitations and restrictions:

- a. No share shall be sold or transferred by any shareholder that is an Authority unless and until the rights of pre-emption hereinafter conferred have been exhausted.
- b. No share shall be sold or transferred by any shareholder that is not an Authority unless the Board has approved the party that is to be the holder of the share.

8.2 Pre-emptive provisions applying to Authority Shareholders

- a. Transfer notice and fair price

Every Authority shareholder wanting to sell or transfer any share or shares shall give notice in writing to the board of the desire to sell or transfer such share or shares. If such notice includes several shares it shall not operate as if it were a separate notice in respect of each such share, and the proposing transferor shall be under no obligation to sell or transfer only some of the shares specified in such notice. Such notice shall be irrevocable and shall be deemed to appoint the board the proposing transferor's agent to sell such shares in one or more lots to any Authority shareholder or shareholders of the company holding that class of shares at a price to be agreed upon between the party giving such notice and the board or, failing agreement between them within 20 working days of the board receiving such notice, at a fair price to be determined on the application of either party by a person to be nominated by the President for the time being of the Institute of Chartered Accountants of New Zealand. Such person, when nominated, and in certifying the sum which in that person's opinion is the fair price for the share, shall be considered to be acting as an expert and not as an arbitrator and accordingly the Arbitration Act 1996 and any subsequent modifications or re-enactment thereof shall not apply.

b. Offer to shareholders and consequent sale

Upon the price for such shares being agreed or determined as aforesaid (as the case may be), the board shall forthwith give notice to each of the Authority shareholders holding that class of shares (other than the Authority wanting to sell or transfer such shares) stating the number and price of such shares and inviting each of the Authority shareholders to whom the notice is given to state in writing within two months from the date of the notice whether such shareholder is willing to purchase any and, if so, what maximum number of such shares. At the expiry of two months from the date of the notice the board shall apportion such shares among the Authority shareholders (if more than one) who have expressed a desire to purchase the same and as far as may be possible pro rata according to the number of shares already held by them respectively, or if there be only one such shareholder, the whole of such shares shall be sold to that Authority shareholder, provided, however, that no shareholder shall be obliged to take more than the maximum number of shares stated in that shareholder's response to such notice. Upon such apportionment being made or such one shareholder notifying such shareholder's willingness to purchase, as the case may be, the party wanting to sell or transfer such share or shares shall be bound, upon payment of the said price, to transfer such share or shares to the respective shareholders or shareholder who have or has agreed to purchase the same and, in default thereof, the board may receive and give a good discharge for the purchase money on behalf of the party wanting to sell and enter the name of the purchasers or purchaser in the share register as holder of such shares so purchased.

c. No Sale of shares not taken by shareholders

In the event of all such shares not being sold under the preceding subclause the party wanting to sell or transfer shall have no other rights to

sell the shares not so sold and shall continue to hold them but that party may, at intervals of not less than 12 months, give a fresh notice to the Board under clause 8.2(a). The provisions of this clause 8.2 shall apply mutatis mutandis to each such notice. Nothing in this clause prohibits the Company from acquiring these shares in accordance with clause 10.

8.3 Reconstruction transactions

Any share may be transferred by an Authority shareholder to any Authority which is to substantially undertake the activities of the shareholder, and the restrictions contained in the preceding clauses hereof shall not apply to any transfer authorised by this subclause but every such transfer shall nevertheless be subject to the provisions of clause 8.4 hereof.

Any share may be transferred by a shareholder to a company which is in relation to such shareholder a holding company or a subsidiary company as defined in section 5 of the Act, and the restrictions contained in clause 8.1 hereof shall not apply to any transfer authorised by this subclause but every such transfer shall nevertheless be subject to the provisions of clause 8.4 hereof.

8.4 Board's right to refuse registration

Subject to compliance with the provisions of section 84 of the Act, the board may refuse or delay the registration of any transfer of any share to any Authority whether an existing shareholder or not:

- a. Required by law: if so required by law;
- b. Imposition of liability: if registration would impose on the transferee a liability to the company and the transferee has not signed the transfer;
- c. Failure to pay: if a holder of any such share has failed to pay on due date any amount payable thereon either in terms of the issue thereof or in accordance with the constitution (including any call made thereon);
- d. More than one class: if the transfer is in respect of more than one class of shares;
- e. Proof of ownership: if the transfer is not accompanied by such proof, as the board reasonably requires, of the right of the transferor to make the transfer;
- f. Pre-emptive rights: if the pre-emptive provisions contained in clause 8 hereof have not been complied with;
- g. Contrary to the interests of company: if the board acting in good faith decides in its sole discretion that registration of the transfer would not be in the best interests of the company and/or any of its shareholders.

9. Distributions

9.1 Authorising of distributions

Subject to the requirements of the Act the board may authorise a distribution by the company only where that distribution has been approved by an ordinary resolution of the shareholders.

9.2 Shares in lieu of dividends

Subject to the requirements of the Act the board may issue shares wholly or partly in lieu of a proposed dividend or proposed future dividends upon terms that have been previously approved by a special resolution of the shareholders.

9.3 Deduction of unpaid calls

The board may deduct from any dividend payable to any shareholder any sums of money, if any, presently payable by such shareholder to the company on account of calls or otherwise in relation to the shares on which such dividends are payable.

9.4 Payments by electronic funds transfer

Any dividend, interest or other money payable in respect of shares shall be paid by electronic funds transfer to the registered account of the holder.

9.5 No interest

No dividend shall bear interest against the company.

9.6 Unclaimed dividends

All dividends unclaimed for one year after having been authorised may be invested or otherwise made use of by the board for the benefit of the company until claimed, and all dividends unclaimed for five years after having been declared may be forfeited by the board for the benefit of the company. The board may, however, annul any such forfeiture and agree to pay a claimant who produces evidence of entitlement to the board's satisfaction of the amount due to such claimant unless the opinion of the board such payment would embarrass the company.

9.7 Dividends on shares not fully paid up

Subject to the rights of shareholders, if any, entitled to shares with special rights as to dividends, the board in authorising a distribution will determine the basis on which dividends will be paid on shares not fully paid up and may

- a. Either pay the dividend in full, or
- b. Pay the dividend in proportion to the amount paid to the company in satisfaction of the liability of the shareholder to the company in respect of the shares either under the constitution of the company or pursuant to the terms of issue of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for these purposes as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.

10. Acquisition of company's own shares

For the purpose of sections 59 and 60(1)(b)(ii) of the Act, the company is hereby expressly authorised to purchase or otherwise acquire shares issued by it and,

for the purpose of section 67A of the Act, the company is permitted to hold its own share.

11. Management of Company

11.1 Management

The business and affairs of the company must be managed by, or under the direction or supervision of, the board.

11.2 Powers

The board has all the powers necessary for managing, and for directing and supervising the management of the business affairs of the company.

11.3 Resolutions not binding

Resolutions of shareholders under section 109 of the Act relating to the management of the company are not binding on the board.

12. Proceedings at Meetings of Shareholders

12.1 First Schedule modified

The First Schedule to the Act is modified as hereinafter provided.

12.2 Chairperson

Subclause 1(2) of Schedule 1 of the Act is deleted and replaced with the following:

“1(2) If any meeting of shareholders the chairperson of the board is not present within 15 minutes of the time appointed for the commencement of the meeting, the directors present shall elect one of their number to be chairperson of the meeting. If at any meeting no director is willing to act as chairperson, or if no director is present within 15 minutes of the time appointed for holding the meeting, the shareholders present shall choose one of their number to be chairperson of the meeting.”

12.3 Notice of meetings

Clause 2 of Schedule 1 of the Act is amended by deleting subclause (4) and replacing it with the following:

“(4) The chairperson may, and, if so directed by the meeting shall, adjourn the meeting from time to time and/or place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.”

12.4 Voting

Clause 5 of Schedule 1 of the Act is amended as follows by deleting subclause (7) and replacing it with the following:

- “(7) In the case of an equality of votes, whether voting is by voice or show of hands or polls, the chairperson of the meeting shall be entitled to a second or casting vote.”

12.5 Proxies

Clause 6 of Schedule 1 of the Act is amended by deleting subclause (5) and replacing it with the following:

- “(10) The instrument appointing a proxy and a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within New Zealand as is specified for that purpose in the notice convening the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall be treated as invalid.”

12.6 Postal votes

Clause 7 of the First Schedule to the Act providing for postal votes is deleted.

12.7 Resolutions in lieu of meeting

A shareholders' resolution in lieu of meeting authorised by section 122 of the Act may consist of several documents in like form, each signed by one or more shareholders. A facsimile of any such resolution shall be as valid and effectual as the original signed document with effect from completion of its transmission.

13. Appointment and Removal of Directors**13.1 Number of directors**

The board shall consist of not less than three (3) and not more than nine (9) directors, of whom:

- a. One shall be the Chief Executive of the Hastings District Council;
- b. One shall be the Chief Executive of the Napier City Council;
- c. One shall be the Chief Executive of the Central Hawke's Bay District Council
- d. One shall be the Chief Executive of the Wairoa District Council
- e. One shall be the Chief Executive of the Hawke's Bay Regional Council
- f. One shall be appointed by the Directors whom shall be independent of the shareholders and whom shall be appointed Chairperson. It is expected that the Chairperson will have appropriate governance, commercial acumen and information management skills.
- g. Up to three additional directors may be appointed by the board; such appointee must have one or more of the following skills:
 - i. Specialist information technology skills;

- ii. Specialist financial skills
- iii. Specialist commercial skills; and
- iv. Specialist entrepreneurial skills

13.2 Extended definition

For the purposes of rule 13.1, a reference to a named Authority shall include any person or body for the time being entitled to and holding the shares of that Authority in accordance with this Constitution.

13.3 Appointment and removal

A body or person which is entitled to appoint a director pursuant to clause 13.1 may remove any director so appointed and appoint a replacement director.

13.4 Manner of appointment and removal

Any such appointment or removal shall be in writing and served on the company and signed by the body or person entitled to make the appointment or removal.

13.5 Default appointment

Where any vacancy on the board has the effect of reducing the number of directors below three (3), and if the body or person entitled to appoint a replacement director fails to do so within two (2) months of the date on which the vacancy occurred, the board may appoint a replacement director: but any such appointment shall only be made at a board meeting of which fourteen (14) days notice in writing has been given to each director and the body or person concerned, and approved by a majority of the directors present at the meeting.

13.6 Tenure of office

Each director of the company shall hold office until:

- a. Removal: removal in accordance with the constitution; or
- b. Vacation of office: vacation of office pursuant to section 157 of the Act; or
- c. Insolvency: an arrangement or composition with creditors made by him or her; or
- d. Absence from meetings: vacation of office resulting ipso facto from being absent without permission of the board from 3 consecutive meetings of the board; or
- e. Resignation: written notice of resignation to the address for service of the company.
- f. In the case of the independent director (13.1 f.) and additional directors (13.1 g.) for a period of three years from initial appointment. Provided that these directors may be appointed for additional periods that in any one case shall not exceed a cumulative total of nine (9) years.

14. Special Provisions Relating to Directors

14.1 Delegation

Subject to section 130(1) of the Act, there are no restrictions on the ability of the board to delegate its powers other than the powers set out in the Second Schedule to the Act.

14.2 Professional directors

Any director may act by himself or herself or his or her firm in a professional capacity for the company, and a director or firm shall be entitled to remuneration for professional services as if he or she were not a director provided that nothing herein contained shall authorise a director or his or her firm to act as auditor to the company.

14.3 Interests of joint venture company

For the purposes of section 131(4) of the Act each director of the company is, when exercising powers or performing duties as director in connection with the carrying out of the joint venture, hereby expressly permitted to act in a manner which he or she believes is in the best interests of the shareholder or shareholders which appointed the director, even though it may not be in the best interests of the company.

14.4 Interested directors

Subject to complying with section 140 of the Act and as provided in section 144 of the Act there are no restrictions on a director of the company who is interested in a transaction entered into or to be entered into by the company voting on a matter relating to the transaction, attending a meeting of directors at which a matter relating to the transaction arises and being included among the directors present at the meeting for the purpose of a quorum, signing a document relating to the transaction on behalf of the company and doing any other thing in his or her capacity as a director in relation to the transaction as if the director were not interested in the transaction.

15. Proceedings of Directors

15.1 Proceedings of the board

The provisions of the Third Schedule to the Act are deleted and replaced as hereinafter provided.

15.2 Regulation of meetings, quorum and convening

The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of business by the board may be fixed by the board and, unless so fixed, shall be the majority of the board including not less than two shareholding Local Authority Directors. A director may, and an employee at the request of a director shall, at any time, by any means of communication, summon a meeting of the board.

15.3 Voting

Questions arising at any meeting of the board shall be decided by a majority of votes. In case of an equality of votes the chairperson shall have a second

or casting vote, provided that, where two directors form a quorum and only two directors entitled to vote are present at a meeting, the chairperson of such meeting shall not have a second or casting vote. No business shall be transacted when a quorum is not present.

15.4 Vacancies

The continuing directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number necessary for a quorum, the continuing directors or director may act only for the purpose of increasing the number of directors to the number necessary for a quorum or for the purpose of summoning a special meeting of the company.

15.5 Chairperson

The Chairperson shall be the independent director appointed pursuant to Clause 13.1 f.. If at any meeting the chairperson is not present within five minutes after the time appointed for the meeting, the directors present may choose one of their number to be chairperson of the meeting.

15.6 Resolution in writing

A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the board, shall be as valid and effectual as if it had been passed at a meeting of the board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more directors. A facsimile of any such signed resolution shall be as valid and effectual as the original signed document with effect from completion of its transmission.

15.7 Method of meeting

A meeting of the board may be held either –

- a. By a number of the directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or
- b. By means of audio, or audio and visual, communication by which all directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

15.8 Minutes

The board shall ensure that minutes are kept of all proceedings at meetings of the directors.

16. Directors' Indemnity and Remuneration

16.1 Indemnity authorised

The company is hereby expressly authorised to indemnify and/or insure any director or employee against liability for acts or omissions and/or costs incurred in connection with claims relating thereto of the type specifically contemplated by subsections (3), (4) and (5) of section 162 of the Act to the maximum extent permitted by those subsections.

16.2 Directors' remuneration

Subject to section 161 the payment of remuneration or the provision of other benefits by the company to a director for services as a director or in any other capacity may only be authorised by ordinary resolution of shareholders.

17. Notices**17.1 Service**

A notice may be served by the company upon any director or shareholder either personally or by posting it by fast post in a prepaid envelope or package addressed to such director or shareholder at such person's last known address or by delivery to a document exchange or by facsimile to the facsimile telephone number of such director or shareholder.

17.2 Time of service by facsimile

A notice served by facsimile shall be deemed to have been served on the day following completion of transmission thereof.

17.3 Time of service by post

A notice sent by post or delivered to a document exchange shall be deemed to have been served:

(a) In New Zealand

In the case of a last known address in New Zealand, at the expiration of 48 hours after the envelope or package containing the same was duly posted or delivered in New Zealand; and

(b) Outside New Zealand

In the case of a last known address outside New Zealand, at the expiration of 7 days after the envelope or wrapper containing the same was duly posted by fast post in New Zealand.

17.4 Proof of service

In proving service by post or delivery to a document exchange it shall be sufficient to prove that the envelope or package containing the notice was properly addressed and posted or delivered with all attached postal or delivery charges paid. In proving service by facsimile, it shall be sufficient to prove that the document was properly addressed and sent by facsimile.

17.5 Service on joint holders

A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder first named in the share register in respect of the share.

18. Liquidation**18.1 Distribution of surplus assets**

Subject to the terms of issue of any shares in the company and to clause 18.2, upon the liquidation of the company the assets, if any, remaining after payment of the debts and liabilities of the company and the costs of winding-

up ("the surplus assets") shall be distributed among the shareholders in proportion to their shareholding provided however that the holders of shares not fully paid up shall only receive a proportionate share of their entitlement being an amount which is in proportion to the amount paid to the company in satisfaction of the liability of the shareholder to the company in respect of the shares either under the constitution of the company or pursuant to the terms of issue of the shares.

18.2 Distribution in specie

Upon a liquidation of the company, the liquidator, with the sanction of an ordinary resolution of shareholders and any other sanction required by law, may divide amongst the shareholders in kind the whole or any part of the assets of the company (whether they consist of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the shareholders or different classes of shareholder. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks fit, but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

19. Removal from the New Zealand Register

In the event that:

(a) Cessation of business

The company has ceased to carry on business, has discharged in full its liabilities to all its known creditors, and has distributed its surplus assets in accordance with its constitution and the Act; or

(b) No surplus assets

The company has no surplus assets after paying its debts in full or in part, and no creditor has applied to the Court under section 241 of the Act for an order putting the company into liquidation;

The board may in the prescribed form request the Registrar to remove the company from the New Zealand Register.

Attachment 1

Item 10

SUBJECT: RESOURCING FOR THE RUATANIWHA WATER STORAGE PROJECT

REASON FOR REPORT

1. At its meeting on 28 November 2012 Council considered the issue of human resourcing for the next stage of the Ruataniwha Water Storage Project (RWSP) based on Council's ongoing responsibilities and work programmes going forward.
2. Council resolved the following:

"Approves in principles, the concept of the rebalancing of the CE's role for the 2013 year, noting the proposed amendments to the Executive Management Team through that period, but further explores the relationship of this role with HBRIC Ltd and HBRC and brings back a firm proposal from HBRIC LTD for the contracting of his and other Council staff's services."
3. This paper therefore provides the following information to assist Council's decision-making:
 - 3.1. A report, and series of recommendations to HBRC, from HBRIC Ltd on the proposed management structure, roles and accountabilities of key staff transferred from HBRC to HBRIC, and budget provision for their secondment.
 - 3.2. Further clarification on the split of duties between the Chief Executive and the proposed General Manager (Operations).
 - 3.3. A list of delegations of Chief Executive duties to the General Manager (Operations), for approval by Council.

HBRIC PROPOSAL FOR CONTRACTING OF COUNCIL STAFF

Overview

4. The RWS has entered the final critical stage to determine whether or not the scheme will proceed to construction. This phase is scheduled for completion around February in the 2014 calendar year. The Hawke's Bay Regional Council (HBRC) has resolved to transfer the project, its current IP and budget for the remaining phase to HBRIC Ltd for detailed governance oversight. HBRC has also resolved in principle to transfer, either by way of contractual relationship or secondment, key HBRC staff to the RWS for the duration of this phase. This paper covers the proposed management structure, roles and accountabilities, identifies the key staff for transfer, the preferred transfer method, the budget provision, charge rates and a payment method between HBRIC Ltd and HBRC. The employment contracts will remain with HBRC.

Background

5. Considerable institutional knowledge has been built up through both the Regional Council Leadership team and individual staff through the project feasibility phase. This institutional knowledge covers the vision for the scheme, critical relationships, proposed scheme design, risks to the schemes success, and an intimate understanding of the work strands needing completion over the following 13 to 14 months.
6. With the transfer of the project from HBRC to HBRIC Ltd issues will inevitably arise if accountabilities are not clear. HBRC is relying on HBRIC Ltd to deliver the project to conclusion in a timely cost effective manner and in way that delivers the correct decision which may be, to build, not build, or defer the RWS.
7. Directors have expressed concern that management is progressing very rapidly with the project and that there is a need for strong governance aligned to the work programme to ensure there is clear accountability and sufficient testing of management through the next 12 to 14 months.

8. Staff involved need clarity for the period proposed on their roles, accountabilities and on the parameters on which their performance is assessed.
9. It should be noted however that as the project “matures” the need for some if not all of these roles will lessen as the scheme transitions through a build to operating phase. This transition issue will require some careful thinking about succession management probably from mid-2013 onwards.

Options

10. HBRIC Ltd could consider contracting its own team for the conclusion of this phase of the project. If this course were followed then, at least for the short-term, there would be substantial loss of momentum in the project, loss of relevant institutional memory and a very high level of risk to key relationships.
11. Doing nothing is not considered an option, i.e. if accountabilities remain blurred then both HBRC and HBRIC Ltd are exposed to risk.
12. The preferred option is to second key staff to HBRIC Ltd for the balance of the project. Specifically staff who are estimated to have more than 50% of their time budgeted for the RWS should fall into this category. Note for the sake of completeness contractors and advisory roles central to the project are also outlined in table 1.

They and their accountabilities include:

Table 1

Staff member	Role	RWS Accountabilities
Andrew Newman	CEO HBRC & MD HBRIC Ltd	<ul style="list-style-type: none"> Accountable to HBRIC Ltd Board Team leadership – including advisors – Financial and Legal Investor relations Oversight of ownership structures Risk oversight Transition management
Graeme Hansen	GM Water Initiatives HBRC Project Manager RWS	<ul style="list-style-type: none"> Technical Project oversight and technical team lead Budget management Design and construction oversight Optimisation oversight MPI – IAF lead Land owner liaison and procurement
Larissa Coubrough	Contracts and Planning	<ul style="list-style-type: none"> Project planning focus IAF admin EPA document preparation Land owner liaison
Michael Bassett-Foss	Economic Development Manager – HBRC Business Development – RWS	<ul style="list-style-type: none"> Business development including: <ul style="list-style-type: none"> Water uptake Processors Downstream BD Pan Sector lead
Grant Pechey	Economic and Commercial Advisor – HBRC	<ul style="list-style-type: none"> Oversight of commercial legal workstream incl. budget management Uptake incentives and modelling Economic optimisation (of infrastructure)

Staff member	Role	RWS Accountabilities
Monique Benson	Client advisor water	<ul style="list-style-type: none"> Farmer uptake - support Technical support - consenting
Heath Caldwell	Company Manager HBRIC Ltd Management Accountant – RWS	<ul style="list-style-type: none"> Budget management and financial reporting Cash flow management with HBRC
Stephen Daysh	Planning consultant	<ul style="list-style-type: none"> EPA Management Consent condition management including partner alignment RMA legal oversight
BNZ Advisory	Financial Advisor	<ul style="list-style-type: none"> Financial modelling Investor Consortium Ownership structure D&C procurement
Commercial Legal	Commercial legal advisor	<ul style="list-style-type: none"> SPV construction Water uptake contracts D&C contracts and risk General legal as required

13. For the purpose of clarity the staff members report to the Managing Director of the Board for all aspects of their RWS accountabilities.

Financial Implications

14. The financial implications of seconding the above HBRC staff are outlined in Table 2.

Table 2

Staff member	Charge out rate (per hour)	Budgeted hours to be charged to RWS (to 31 Dec 2013)	% of time Available	Total cost
Andrew Newman	\$120	1,080	60%	\$129,600
Graeme Hansen	\$120	1,240	69%	\$148,800
Larissa Coubrough	\$90	1,150	64%	\$103,500
Michael Bassett-Foss	\$90	900	50%	\$81,000
Grant Pechey	\$ 90	1,020	57%	\$91,800
Monique Benson	\$65	1,200	67%	\$78,000
Heath Caldwell	\$90	400	22%	\$36,000
Total				\$668,700

15. The total cost of the identified HBRC staff totals \$668,700, which makes up around 8.5% of the total budget for the RWS of approximately \$7,900,000.
16. The above staff will remain on the HBRC payroll throughout the term of the secondment. Each hour of work on the RWS project will be recorded through electronic timesheets and invoiced to HBRIC Ltd on a bi-monthly basis, subject to the sign-off of Graeme Hansen.
17. Further HBRC staff time has been budgeted throughout the next 13 to 14 months on the RWS, but with this time totalling less than 30% of their time. A list of these staff, which together equates to a total of \$126,050 to be charged to RWS, is as follows.

Rob Christie	Drew Broadley
Malcolm Miller	Sally Chandler
Nathan Heath	Stu Davey
Ian Millner	Darrel Hall
Helen Shea	

HBRIC Ltd – Financial Implications of Managing RWS up to 31 December 2013

Table 3: Estimated Costs

Item	\$
Purchase of Feasibility Study from HBRC	3.7m
Phase 2 of RWS which includes design, procurement and EPA process	7.9m (includes MPI funding of \$2.5m)
Total	\$11.6m

18. It is proposed to fund HBRIC Ltd on the following basis for the above expenditures.
 - 18.1. An advance of \$3.7m from HBRC to HBRIC Ltd for the purchase of the feasibility.
 - 18.2. Phase 2 will be funded on a monthly basis by transfer from HBRC to HBRIC Ltd, this monthly transfer dependent on cash flows appears to be in the order of between \$450,000 - \$500,000. More details will be provided to the HBRIC Ltd Board meeting on 21 December on the cash flow implications of MPI funding.
19. A detailed budget is currently being finalised for phase 2 of the RWS Scheme up to the end of the consenting process. One element of the detailed budget will be a cash flow statement which will outline the amounts and timing of advances from HBRC to HBRIC Ltd which will enable the funding of all costs in relation to phase 2 of the RWS Scheme.
20. This budget will be presented to the HBRIC Ltd Board at its meeting on 21 December 2012. It is proposed that this detailed budget, including the cash flow statement, will be presented to Council early in the New Year once adopted by the HBRIC Ltd Board.
21. A funding agreement between HBRIC Ltd and the Ministry for Primary Industries will also be presented at the HBRIC Ltd Board meeting on 21 December 2012. Upon approval of the budget this agreement will be signed by the HBRIC Ltd Board which will outline a sharing of costs by the two parties for certain elements of phase 2 of the RWS Scheme.
22. The conclusion of this part of the paper is that the following recommendations have been approved by the HBRIC Board HBRC approval is now sought as follows:
 - 22.1. Approves the assignment of the staff to HBRIC Ltd, the roles and accountabilities as outlined in table one.
 - 22.2. Approves the charge rates and budgeted hours as outlined in table two and the proposed charging arrangement between HBRC and HBRIC Ltd, noting that a full budget and cash flow will be presented to the Board at its 21 December meeting.
 - 22.3. Notes the financial implications of managing the RWS project to 31 December 2013 and the proposed cash flow transfers from HBRC.
 - 22.4. Notifies its resolutions to HBRC for its Council meeting on 12 December 2012 (this is being done via this paper and will not be included in the final recommendations at the conclusion of the paper).

Role Clarification

23. HBRC has sought further clarification around the split in staff responsibilities between HBRC and HBRIC, and around the undertaking of the CE's duties for 2013.
24. In addition to the time allocations described in the HBRIC section of this paper specifically for the RWS additional staff time is required to support the administration of the HBRIC Board (preparation of agendas, preparation of financial information, attendance at meetings, etc). This staff time will be supplied by Andrew Newman, Heath Caldwell and Diane Wisely.
25. One of Council's decisions on 28 November was to "instruct Council staff to develop a reporting template to monitor impacts of the Ruataniwha Water Storage project on

Council's functions and cash flows and report these regularly to the Corporate and Strategic Committee." HBRC's financial interests in the RWS and the responsibility for this reporting will lie with the Group Manager, Corporate Services.

26. Similarly HBRC's position on the Tukituki plan change and/or consent conditions for the Ruataniwha dam will be overseen by the General Manager (Operations) and the Group Manager, Strategic Development or the Group Manager, Resource Management (as appropriate).

Delegated Authority

27. Council has agreed in principle to the rebalancing of Chief Executive duties for the 2013 year, with the operational aspects of Council's business to be managed by a General Manager (Operations).
28. The Chief Executive Officer is the sole employee of the Council, and has the responsibility of then employing staff to deliver the Council's direction as developed through the local government and resource management planning processes. The Council has delegated to the Chief Executive the requirements necessary for him to perform this role.
29. During 2013 it will be necessary for the Chief Executive to delegate a number of his delegations to the General Manager (Operations) in order for her to have the authority of the Chief Executive in a number of functions. A legal due diligence is being carried out on these delegations to ensure that the process is legally complaint.
30. It is proposed that, with the approval of Council, the following be delegated by the Chief Executive to the General Manager (Operations):
 - 30.1. The ability to enter into contractual commitments for:
 - 30.1.1. Purchase of goods required by the Council; or
 - 30.1.2. Engagement of services; or
 - 30.1.3. Any purposes connected with the day-to-day administration or daily functions of Council
 up to a maximum of \$200,000 as sole signatory, and up to \$400,000 with the joint signature of the Group Manager, Corporate Services.
 - 30.2. The Resource Management Act 1991 powers, duties and functions of the Chief Executive, as set out in the Delegations Register approved by Council on 18 April 2012.
 - 30.3. The authority to represent the Hawke's Bay Regional Council with the standing of Chief Executive for the following purposes:
 - 30.3.1. As the Council's appointee on the Board of Directors of HB LASS Ltd
 - 30.3.2. As the Council's appointee on the Hawke's Bay Coordinating Executive Group on the Hawke's Bay Civil Defence and Emergency Management Group.

DECISION MAKING PROCESS

31. 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:
 - 31.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 31.2. The use of the special consultative procedure is not prescribed by legislation.
 - 31.3. The decision does not fall within the definition of Council's policy on significance.
 - 31.4. The persons affected by this decision are the staff named in this report in the first instance.
 - 31.5. There were no other options considered other than those presented in this paper.

- 31.6. The decision is not inconsistent with an existing policy or plan.
- 31.7. 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

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. Adopts the following recommendations from the Board of HBRIC Ltd:
 - 2.1. Approves the assignment of the staff to HBRIC Ltd, the roles and accountabilities as outlined in Table One.
 - 2.2. Approves the charge rates and budgeted hours as outlined in table two and the proposed charging arrangement between HBRC and HBRIC Ltd, noting that a full budget and cash flow will be presented to the HBRIC Board at its 21 December 2012 meeting.
 - 2.3. Notes the financial implications of managing the Ruataniwha Water Storage project to 31 December 2013 and the proposed cash flow transfers from HBRC.
3. Notes the clarification of roles within HBRC around reporting and response to the Ruataniwha Water Storage Project.
4. Approve the following delegations by the Chief Executive to the General Manager (Operations):
 - 4.1. The ability to enter into contractual commitments that are provided for in the Annual Plan budgets that cover:
 - 4.1.1. Purchase of goods required by the Council; or
 - 4.1.2. Engagement of services; or
 - 4.1.3. Any purposes connected with the day-to-day administration or daily functions of Council.

up to a maximum of \$200,000 as sole signatory, and up to \$400,000 with the joint signature of the Group Manager, Corporate Services.
 - 4.2. The Resource Management Act 1991 powers, duties and functions of the Chief Executive, as set out in the Delegations Register approved by Council on 18 April 2012.
 - 4.3. The authority to represent the Hawke's Bay Regional Council with the standing of Chief Executive for the following purposes:
 - 4.3.1. As the Council's appointee on the Board of Directors of HB LASS Ltd
 - 4.3.2. As the Council's appointee on the Hawke's Bay Coordinating Executive Group on the Hawke's Bay Civil Defence and Emergency Management Group.



Liz Lambert
GROUP MANAGER EXTERNAL
RELATIONS



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

There are no attachments for this report.

Reason for Report

1. The purpose of this paper is to present the 2012 update of Council's Local Governance Statement (the Statement) to Council for approval and adoption.
2. Section 40 of the Local Government Act 2002 (the Act) requires that each local authority must prepare and make publicly available a Local Governance Statement within six months after each triennial election of the members of the local authority. The most recent Local Governance Statement 2010-2013 was adopted by Council on 27 April 2011 and subsequently published and made available to the public.
3. Further, section 40(3) of the Act states "a local authority must update its governance statement as it considers appropriate" and Council resolved, at its meeting on 17 December 2003 to "Delegate to the Chief Executive the requirement and authority to update this Statement on an annual basis no later than 31 December each year".
4. Due to the 'interim' nature of the yearly updates subsequent to the 'triennial' publication, it was further proposed and agreed that those yearly updates would be made available on Council's website only. Therefore the updated 2012 version of the Local Governance Statement will be published on Council's website only.

Contents of the Local Governance Statement

5. A Local Governance Statement is a collection of information about the processes through which the Council engages with its community, how the Council makes its decisions, and how citizens in the region can influence those processes. Its purpose is to help support the purpose of local government by promoting local democracy by providing the public with information about ways to influence local democratic processes.
6. Specifically, the Act requires that the Statement includes information on:
 - (a) the functions, responsibilities, and activities of the local authority; and*
 - (b) any local legislation that confers powers on the local authority; and*
 - [(ba) the bylaws of the local authority, including for each bylaw, its title, a general description of it, when it was made, and, if applicable, the date of its last review under section 158 or 159; and]*
 - (c) the electoral system and the opportunity to change it; and*
 - (d) representation arrangements, including the option of establishing Maori wards or constitencies, and the opportunity to change them; and*
 - (e) members' roles and conduct (with specific reference to the applicable statutory requirements and code of conduct); and*
 - (f) governance structures and processes, membership, and delegations; and*
 - (g) meeting processes (with specific reference to the applicable provisions of the Local Government Official Information and Meetings Act 1987 and standing orders; and*
 - (h) consultation policies; and*
 - (i) policies for liaising with, and memoranda or agreements with, Maori; and*
 - (j) the management structure and the relationship between management and elected members; and*

- (k) *equal employment opportunities policy; and*
- (l) *key approved planning and policy documents and the process for their development and review; and*
- (m) *systems for public access to it and its elected members; and*
- (n) *processes for requests for official information.”*

2012 Update Changes

7. As Councillors are aware, the Representation Arrangements to apply for the 2013 and 2016 elections are currently being reviewed and hence this is noted.
8. The Committee structure and membership information has been amended as well, to reflect the changes implemented 1 July.
9. As the Local Government Act 2002 Amendment Act 2012 is now in effect, changes relating to the reorganisation provisions have also been included as appropriate.
10. There were also minor wording and grammatical amendments as well as amendments to dates in the *Key Approved Planning and Policy Documents* section.

Decision Making Process

11. 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:
 - 11.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 11.2. The use of the special consultative procedure is not prescribed by legislation.
 - 11.3. The decision does not fall within the definition of Council's policy on significance.
 - 11.4. The decision is not inconsistent with an existing policy or plan.
 - 11.5. 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. Approves the Local Governance Statement 2012 Update for publication to the Regional Council website.



Leeanne Hooper
GOVERNANCE & CORPORATE
ADMINISTRATION MANAGER



Paul Drury
GROUP MANAGER
CORPORATE SERVICES

Attachment/s

- 1 2012 Updated Local Governance Statement

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1. What is a Governance Statement ?

Hawke's Bay Regional Council's Governance Statement is a collection of information about the processes that Council uses to engage with the region's residents.

It outlines how Council makes decisions and shows how residents can influence those processes. It also promotes local democracy by providing the public with information on ways they can influence local democratic processes.

Council's Governance Statement is a requirement of Section 40 of the Local Government Act 2002. Council must update the governance statement within six months of each triennial election.

This current Governance Statement was adopted by Council on **12 December 2012.**

2. Functions, Responsibilities and Activities

Hawke's Bay Regional Council has been established as part of the framework of Local Government whose purpose is to enable democratic local decision-making and action by, and on behalf of, communities. These decisions and actions are to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

All councils now have the full capacity, rights, powers and privileges to carry on or undertake any activity or business, do any act, or enter into any transaction. However, the Regional Council must exercise these powers wholly or principally for the benefit of all or a significant part of its region and not for the benefit of a single district.

Functions

It is important to note that there are numerous statutes, which specifically identify regional councils as having a specific function and role in various activities. These include:

- Biosecurity Act 1993
- Building Act 2004
- Civil Defence Emergency Management Act 2002
- Hawke's Bay Endowment Land Empowering Act 2002
- Land Drainage Act 1908
- Land Transport Management Act 2003 and Land Transport Management Amendment Act 2008
- Local Electoral Act 2001
- Local Government Act 2002
- Local Government (Rating) Act 2002
- Maritime Transport Act 1994
- Public Transport Management Act 2008
- Resource Management Act 1991
- Soil Conservation and Rivers Control Act 1941

These statutes have, to date, principally directed and determined the present responsibilities and activities of the Council.

Responsibilities

Responsibilities of Council include:

- Formulating the region's strategic direction in consultation with the community to produce the Long Term Plan (LTP) (formerly Long Term Council Community Plan)
- Determining the services and activities to be undertaken
- Managing principal tasks
- Administering various regulations and upholding the law
- Monitoring the delivery of the planned outputs included in the Long Term Plan and Annual Plan
- Ensuring the integrity of the management control system
- Safeguarding the public interest
- Ensuring effective succession of elected members
- Reporting to ratepayers

Activities

The Regional Council has identified the following future goals:

- A vibrant community
- A prosperous region
- A clean and healthy environment

To achieve these goals the Council has the following groups of activities:

- Regional Resources
- Regulation
- Governance and Community Engagement
- Land Drainage and River Control
- Biosecurity
- Emergency Management
- Transport
- Strategic Planning

3. Regional Council / District and City Councils - What's the Difference?

- The boundaries of the region are generally based on river catchments, while district and city council territories are based on population and communities of interest.
- The Regional Council has historically, and through legislative direction, concentrated more on the 'natural environment' - water, air, land, coastal- with a long-term view to make sure these are used sustainably, and are just as available and just as good (if not better) in the future as they are today. The Resource Management Act 1991 is one of the principal Acts behind the work of regional councils and many of our activities are aimed primarily at benefiting the environment. We also have responsibility for functions that are more appropriately carried out on a regional basis such as economic development, land transport planning, river control and land drainage and plant and animal pest control.
- City and district councils concentrate more on the built environment and deliver services to their local communities, such as drinking water, sewage disposal, rubbish disposal, roading, swimming pools, libraries and parks and deal with subdivisions.

4. Legislation

The Council is subject to a wide range of different pieces of legislation (Acts) that other corporate bodies and individuals are subject to (e.g. Income Tax Act, Employment Relations Act, Occupational Safety and Health Act, Fair Trading Act). However, being a creature of statute and specifically the Local Government Act 2002 there are many other Acts which are particularly relevant to the Regional Council and its functions and roles. These include:

4.1 National Acts

- Biosecurity Act 1993
- Building Act 2004
- Civil Defence Emergency Management Act 2002
- Land Drainage Act 1908
- Land Transport Management Amendment Act 2008
- Land Transport Management Act 2003
- Local Electoral Act 2001
- Local Government Act 2002 (LGA)
- Local Government Official Information Meetings Act 1987 (LGOIMA)
- Local Government (Rating) Act 2002
- Maritime Transport Act 1994
- Public Transport Management Act 2008
- Resource Management Act 1991 (RMA)
- Soil Conservation and Rivers Control Act 1941

4.2 Local Acts

- Hawke's Bay Endowment Land Empowering Act 2002

4.3 By-Laws

- Hawke's Bay Regional Council By-Law 1990
- Hawke's Bay Regional Council Navigation and Safety By-Laws 2012

Copies of these By-laws are available for reference at the Council's Napier office.

5. The Electoral System and the Opportunity to Change that System**5.1 Electoral System Adopted**

Hawke's Bay Regional Council currently operates its elections under the 'First Past the Post' (FPP) electoral system. This form of voting is used in parliamentary elections to elect Members of Parliament to constituency seats. Electors vote by indicating their preferred candidate(s), and the candidate(s) that receive the most votes is declared the winner regardless of the proportion of votes that candidate(s) obtained.

The other option permitted under the Local Electoral Act 2001 is the 'Single Transferable Vote' system (STV). This system is currently used in District Health Board elections and some local authority elections. Electors rank candidates in order of preference. The number of votes required for a candidate to be elected (called the quota) depends on the number of positions to be filled and the number of valid votes. The number of candidates required to fill all vacancies is achieved:

- first by the counting of electors' first preferences
- then by a transfer of a proportion of votes received by any candidate where the number of votes for that candidate is in excess of the quota then by the exclusion of the lowest polling candidates and the transfer of these votes in accordance with voters' second preferences.

5.2 Process to Change the Electoral System

Under the Local Electoral Act 2001 the Council can resolve to change the electoral system; or conduct a binding poll on the question; or electors can demand a binding poll. A poll can be initiated by at least 5 per cent of electors signing a petition demanding that a poll be held. Once changed, an electoral system must be used for at least the next two triennial general elections, i.e. we cannot change our electoral system for one election and then change back for the next election.

Hawke's Bay Regional Council reviewed its electoral system in August 2011 and the decision was made to retain the first past the post voting system for the 2013 and 2016 elections.

6. Representation Options

6.1 Maori Constituencies

The Local Electoral Act 2001 gives Council the ability to establish separate constituencies for Maori electors. The Council may resolve to create a separate Maori constituency or conduct a poll on the matter, or the community may demand a poll. The demand for a poll can be initiated by a petition signed by 5% of the electors within the region.

At its meeting on 23 November 2011, Hawke's Bay Regional Council resolved to **not** establish Maori constituencies in the Hawke's Bay region for the 2013 and 2016 elections, and publicly notified the electors' rights to demand a poll on this issue.

6.2 Review of Representation

The Local Electoral Act 2001 requires the Council to determine its representation arrangements on the first occasion either in 2003 or in 2006 and subsequently thereafter at least once in every period of six years after the first determination. The Council conducted its first determination in 2006 and commenced its 2012 Representation Review by resolution at its 14 December 2011 meeting.

Following the procedures set out in the Local Electoral Act 2001 and guidelines published by the Local Government Commission, the Council notified its Final Proposed Representation Arrangement for the 2013 and 2016 Regional Council elections on 27 October 2012.

It is proposed that the Council comprise **nine (9)** councillors elected from **four (4)** constituencies with constituency boundaries reflecting those of the territorial authorities; being Wairoa, Hastings, Napier and Central Hawke's Bay. This proposal will be submitted to the Local Government Commission for determination, and the Council will receive the Commission's decision by 10 April 2013.

6.3 Re-organisation Processes for Local Authorities

The Local Government Act 2002 Amendment Act 2012 sets out procedures which must be followed during proposals to:

- Make changes to the boundaries of cities, districts, within the region;
- Create one or more territorial local authority within the region;
- Create a unitary authority, i.e. the transfer of functions of Hawke's Bay Regional Council to a City or District Council;
- Transfer a particular function or functions to another Council.

Proposals for a boundary alteration or transfer of functions from one local authority to another will be considered either by a joint committee of the affected local authorities or an appointed local authority, or by the Local Government Commission (if the local authorities refer the proposal to the Commission or if the local authorities cannot agree on which of them should deal with the matter or appoint a joint committee within 60 days of receiving the proposal).

Proposals for the establishment of a new district or the creation of a unitary authority will be dealt with by the Local Government Commission and cannot be implemented without a poll of electors.

Further information on these requirements can be found in the Local Government Act 2002 Amendment Act 2012. The Local Government Commission also provides guidelines on procedures for Local Government reorganisation.

6.4 Constituencies

The Hawke's Bay region is currently divided into four constituencies. The following map and table show the number of representatives and the approximate population of each constituency.

Constituency	No. Members	Approximate Population
Wairoa	1	8,430
Central Hawke's Bay	1	16,370
Napier	3	57,780
Hastings	4	72,690
	9	155,270

*these figures are rounded 2011 population estimates, being the most up-to-date available, provided by the Government Statistician



Hawke's Bay Region: Constituency Boundaries

7. Members' Roles and Conduct

7.1 Members' Roles

The Chairman and Councillors of Hawke's Bay Regional Council have the following roles:

- Setting the strategic direction of Council and formulating its policy
- Monitoring the performance of the Council organisation and its Chief Executive
- Representing the interests of the region (on election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgement in the best interests of the region)
- Employing the Chief Executive (under the Local Government Act the local authority employs the Chief Executive, who in turn employs all other staff on its behalf)
- The Chairman is elected by the members of the Council at the first meeting. In addition to the role as a member, the Chairman has the following roles:
 - Presiding member at Council meetings. The Chairman is responsible for ensuring the orderly and effective conduct of business during meetings (as determined by standing orders).
 - Advocate on behalf of the community. This role may involve promoting the community and representing its interests. Such advocacy will be most effective where it is carried out with the knowledge and support
 - Ceremonial Head of Council.
 - Provider of leadership and feedback to other elected members on teamwork and Chairmanship of committees.

The Deputy Chairman is elected by the Members of the Council at the first meeting of the Council. The Deputy Chairman exercises the same roles as other elected Members. In addition, if the Chairman is absent or incapacitated, or if the office of Chairman is vacant, then the Deputy Chairman must perform all the responsibilities and duties, and may exercise the powers of the Chairman (as summarised above).

The Council may create one or more Committees of Council. A Committee Chairman is responsible for presiding over meetings of the Committee, ensuring that the Committee acts within the powers delegated by Council.

7.2 Code of Conduct

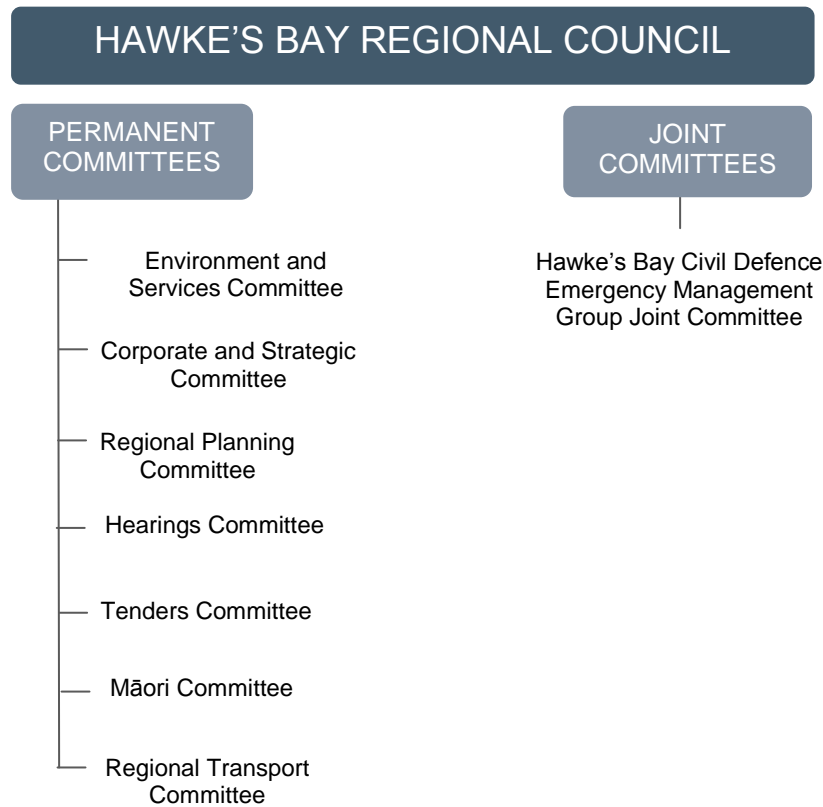
Elected members have specific obligations governing their conduct, which are set out in the following legislation:

- Schedule 7 of the Local Government Act 2002, which includes obligations to act as a good employer in respect of the Chief Executive and to abide by the current code of conduct and standing orders
- The Local Authorities (Members' Interests) Act 1968 which regulates the conduct of elected members in situations where there is, or could be, a conflict of interest between their duties as an elected member and their financial interests (either direct or indirect)
- The Secret Commissions Act 1910, which prohibits elected members from accepting gifts or rewards which would be seen to sway them to perform their duties in a particular way
- The Crimes Act 1961 regarding the acceptance of gifts for acting in a certain way and the use of official information for private profit
- Under Schedule 7 Part 15 of the Local Government Act 2002 Council is required to adopt a Code of Conduct for members of the Council as soon as practicable after the commencement of the Act being 1 July 2003.

Hawke's Bay Regional Council, at its meeting held on 3 November 2010, adopted a Code of Conduct. A copy can be made available on request to the Administration Manager (ph 833 8017).

8. Governance Structures and Processes

Regional Council and Committee meetings are open to the public, except where items of business specifically exclude the public. Meeting dates and times are published in Hawke's Bay Today and on Council's website www.hbrc.govt.nz. Following the elections in October 2010 Council reviewed its committee structure and established the following committees effective 1 July 2012.



8.1 Permanent Committees

- Environment and Services Committee
- Corporate and Strategic Committee
- Regional Planning Committee
- Hearings Committee
- Tenders Committee
- Maori Committee
- Regional Transport Committee (required by statute)

8.2 Joint Committee

Hawke's Bay Civil Defence Emergency Management Group Joint Committee (required by statute)

8.3 Committee Purpose, Membership

The Regional Council

Council develops or approves all major policy and deals with all other issues concerning its responsibilities which have not otherwise been delegated to Committees of Council or its Chief Executive. It deals with issues which are not the responsibility of the Chief Executive but require Council consideration.

Members:

- Elected Members: All Councillors

- Chairman: Fenton Wilson
- Deputy Chairman: Ewan McGregor

The Chairman of the Maori Committee attends all Council meetings and has speaking rights only.

Environment and Services Committee

This committee considers and recommends to Council strategies, policies, rules and other methods, with regard to the HBRC responsibilities or involvement with Land Drainage and River Control under the Local Government Act 2002; Land Drainage and Rivers Control Act 1941 and Land Drainage Act 1908; Biosecurity under the Local Government Act 2002 and the Biosecurity Act 1993; Resource Management Act 1991; National Policy Statements, National Environmental Standards and relevant associated legislation; and maritime and navigation safety under the Maritime Transport Act 1994.

Members:

- Elected Members: All Councillors
- Appointed Members: Peter Paku, Rangī Puna
- Chairman: Councillor Kevin Rose

Corporate and Strategic Committee

This committee considers and recommends to Council strategic planning initiatives including development of the Council's Strategic Plan and other strategic initiatives with external stakeholders including District and City councils.

Members:

- Elected Members: All Councillors
- Appointed Members: Chairman of the Maori Committee (Mike Mohi) and one other nominee from the Maori Committee (Barry Wilson)
- Chairman: Councillor Eileen von Dadelszen
- Deputy Chairman: Councillor Ewan McGregor

Regional Planning Committee

This committee considers and recommends to Council strategies, policies, rules and other methods for inclusion in the Regional Resource Management Plan and the Regional Coastal Environment Plan. This committee also considers and recommends to Council strategies and processes to ensure effective implementation of policies, rules, research, monitoring and enforcement to satisfy the requirements of the Resource Management Act 1991, National Policy Statements, National Environmental Standards and relevant associated legislation.

Members:

- Elected Members: All Councillors
- Appointed Members: Treaty Claimant Group representatives (9)
- Chairman: Chairman Fenton Wilson
- Deputy Chairman: Toro Waaka

Hearings Committee

This committee considers and recommends to Council processes, policies and guidelines to ensure effective management of resource consent and plan development processes.

Pursuant to Section 34(1) of the Resource Management Act (RMA) Hawke's Bay Regional Council delegates the following functions, powers and/or duties under the RMA:

- To hear and make decisions on submissions received on any statutory documents prepared by the Council which have been subject to a formal submission process under the Resource Management Act 1991.
- To hear and make decisions on applications arising out of the Council's regulatory responsibilities as follows

- notified applications where submissions have been made and submitters wish to be heard;
 - reviews of conditions (s.128) where consent holder and/or submitters wish to be heard;
 - notified applications where submissions have been made and where the Committee considers it necessary to hold a hearing;
 - objections to decisions made under delegated authority by staff, where they wish to be heard (S357);
 - and where the staff recommendation is to decline any application for reasons other than inadequate information.
- To determine other related discretionary process matters that may be associated with a Hearing such as waivers of time, as appropriate under the Resource Management Act 1991.
 - To hear and make decisions on objections against costs under Section 36(6) of the Act and objections to the levying of Financial Contributions under Section 108 of the Act.
 - To authorise the resolution and settlement of appeals and references through formal hearings or mediation in front of the Environment Court and to either generally or from time to time delegate to officers the authority to resolve and settle appeals and references through formal mediation before the Environment Court.
 - To hear and make decisions on lapsing of consents under Section 125 of the Act where a decision of an officer acting under delegated authority is subject to an objection.
 - To consider and authorise the lodging of an appeal or reference to the Environment Court against a decision of a territorial local authority on an application, designation or proposed plan or plan change or variation to a plan on which the Regional Council had lodged a formal submission.
 - Pursuant to section 82 of the Biosecurity Act (BA) the Hawke's Bay Regional Council delegates the following functions, powers and/or duties under the BA:
 - to hear and make decisions on submissions received on any statutory documents prepared by the Council which have been subject to a formal submission process under the Biosecurity Act.
 - to authorise the resolution and settlement of appeals and references through formal hearings or mediation heard before the Environment Court or any other judicial body which relate to the preparation of any statutory documents prepared under the Biosecurity Act by Council and to either generally or from time to time delegate to officers the authority to resolve and settle appeals and references through formal mediation.
 - The Hawke's Bay Regional Council delegates to the Hearings Committee Chairman, the appointment of Hearings Committee members to a Hearing Panel to undertake functions set out above and the appointment of the Chair of the Hearing Panel.

Members:

- Elected Members: Councillors Christine Scott (Chairman), Eileen von Dadelszen (Deputy Chair), Tim Gilbertson and Fenton Wilson
- Appointed Member: Mike Mohi

Tenders Committee

This committee's role is to consider and accept tenders which exceed the delegated authority of the Chief Executive; and to consider and decide on exemptions to Council's Contracts and Tenders policy as set out in section 2.1.4.2 of Council's Policy Handbook.

Members:

- Elected Members: Fenton Wilson (Chairman), Ewan McGregor (Deputy Chairman), Councillors Kevin Rose and Eileen von Dadelszen

Maori Committee

The Maori Committee includes both elected Councillors and members appointed by various Maori groups. The committee makes recommendations to the Council on matters of relevance affecting Maori people of the region and helps fulfil the Maori consultative undertaking of Council, particularly with regard to the principles of the Treaty of Waitangi (Te Tiriti O Waitangi).

Members:

Elected members: Councillors Ewan McGregor, Liz Remmerswaal, Tim Gilbertson and Chairman Fenton Wilson (ex officio)

Appointed Members: Wairoa - Adrian Manuel, Fred McRoberts, Pat Hohipa; Ahuriri - Rangi Puna, Heitia Hiha, Barry Wilson; Heretaunga - Haami Hilton, Marei Apatu, Peter Paku; Tamatea - Liz Graham, Marge Hape, Mike Mohi (Chairman); Proxy Members - Miriama Hammond (Wairoa), Terry Wilson (Ahuriri)

Regional Transport Committee

This committee includes Regional Councillors and appointees from transport interests and other councils in the region. The aim is to prepare both the Regional Land Transport Strategy and the Regional Land Transport Programme for approval by the Council, and consider other issues related to Transport which have a regional impact, including public and coastal transport.

Members:

- Elected Members: Councillors Alan Dick (Chair) and Liz Remmerswaal
- Appointees from: Wairoa District Council, Hastings District Council, Napier City Council, Central Hawke's Bay District Council, NZ Transport Agency representatives of the five objectives of the New Zealand Transport Strategy, and a cultural representative.

Hawke's Bay Civil Defence Emergency Management Group Joint Committee

The Civil Defence Emergency Management Act 2002 requires all local authorities within a region to form a Civil Defence Emergency Management Group as a joint standing Committee under Clause 30(1)(b) of Schedule 7 of the Local Government Act 2002.

The Joint Committee is composed by including a representative from each local authority that is a member of the Group. Representatives must be a chairperson or mayor of that local authority or an elected person from that local authority, who has delegated authority to act for the chairperson or mayor.

Members:

Chairman Fenton Wilson – Hawke's Bay Regional Council (Chairman), Barbara Arnott - Mayor Napier City, Lawrence Yule - Mayor Hastings District, Les Probert - Mayor Wairoa District, Peter Butler - Mayor Central Hawke's Bay District.

8.4 Hawke's Bay Regional Councillors

Fenton Wilson, Wairoa,
Chairman
0274 984483
chairman@hbrc.govt.nz



Ewan McGregor, Hastings,
Deputy Chairman
Ph 06 873 4288,
ewan-mac@xtra.co.nz



Alan Dick, QSO, Napier
Ph 06 844 4645,
alizdick@xtra.co.nz



Tim Gilbertson, Central
Hawke's Bay
Ph 06 857 8975,
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Neil Kirton, Napier
Ph 06 844 8618,
nkirton@xtra.co.nz



Liz Remmerswaal, Hastings
Ph 06 877 7596,
lizrem@gmail.com



Kevin Rose JP, Hastings
Ph 06 878 4385,
kjrose@clear.net.nz



Christine Scott, Napier
Ph 06 835 6950,
chscott@inspire.net.nz



Eileen von Dadelszen JP,
Hastings
Ph 06 877 8174,
evond@xtra.co.nz

9. Meeting Processes

The legal requirements for Council meetings are set down in the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987 (LGOIMA).

All Council and committee meetings must be open to the public unless there is reason to consider some items 'in committee'. Although meetings are open to the public, members of the public do not have speaking rights unless prior arrangements are made with Council. The LGOIMA contains a list of the circumstances where Councils may consider items with the public excluded. These circumstances generally relate to protection of personal privacy, professionally privileged or commercially sensitive information, and the maintenance of public health, safety and order. The Council agenda is a public document, although parts may be withheld if the above circumstances apply.

Agendas are available from reception two days before each meeting or on the Council website. The Council also hosts public meetings on occasions, at venues throughout the region, to discuss planning issues, work programmes or other concerns that require public input.

The Chairman is responsible for maintaining order at meetings and may, at his or her discretion, order the removal of any member of the public for disorderly conduct, or remove any member of Council who does not comply with standing orders.

Minutes of meetings must be kept as evidence of the proceedings of the meeting and are made publicly available, subject to the provisions of the LGOIMA.

For an ordinary meeting of Council, at least 14 days notice of the time and place of the meeting must be given. Extraordinary meetings generally can be called on three working days notice.

During meetings the Chairman and Councillors must follow Standing Orders (a set of procedures for conducting meetings). The Council may suspend Standing Orders by a vote of 75% of the members present.

10. Consultation Policies

10.1 Council's Policy and Guidelines for Community Consultation

Hawke's Bay Regional Council adopted its own consultation policy in December 2003 entitled "Policy and Guidelines for Community Consultation".

A copy of Council's Policy and Guidelines for Community Consultation can be obtained from the Administration Manager (Phone 06 833 8017, email info@hbrc.govt.nz) and is available on the Council's website www.hbrc.govt.nz.

10.2 Consultation Requirements

The Local Government Act 2002 sets out consultation requirements and principles (sections 75-90) for Council to follow when making decisions. For decisions, Council should:

- Assess the problem or issue to be addressed, the options for addressing it, and the costs, benefits, and impacts of those options
- Consider the views of the community at all stages of the decision-making, particularly including persons likely to be affected by or interested in the matter, and the views of Maori (especially where land or water are affected)
- Consult prior to making any decision or predetermination of an option
- Make decisions in the interests of the community's cultural, economic, environmental, and social well-being, now and in the future
- Provide reasons for decisions made, and identify and explain any inconsistency with other Council plans or policies.

10.3 Special Consultative Procedure

The Local Government Act 2002 has specific procedures that Council must follow when making certain types of decisions. The special consultative procedure (predominantly set out in sections 83-89) are regarded as a minimum process that Council must use when adopting an Annual Plan or Ten Year Plan, or when making decisions that trigger specific criteria within section 97 of the Local Government Act 2002 or Council's 'Policy on Significance'.

The objective of Council's 'Policy on Significance' is to ensure that the community of Hawke's Bay is fully consulted and able to actively participate in the consideration of issues, proposals, decisions or other matters which are significant, and/or which involve Hawke's Bay Regional Council's strategic assets.

The special consultative procedure consists of the following steps:

STEP ONE: Preparation of a statement of proposal and a summary.

- The Council must prepare a description of the proposed decision or course of action. The statement must be available for distribution throughout the community and must be available for inspection at the Council office and may be made available elsewhere. The Council also has to prepare a full and fair summary of the proposal, which must be distributed as widely as the Council considers being reasonably practicable. That statement must be included on an agenda for a Council meeting.

STEP TWO: Public notice.

- The Council must publish a notice in one or more daily newspapers, or in other newspapers of equivalent circulation, of the proposal and of the consultation being undertaken.

STEP THREE: Receive submissions.

- The Council must acknowledge all written submissions and offer submitters a reasonable opportunity to make an oral submission. The Council must allow at least one month (from the date of the notice) for submissions.

STEP FOUR: Deliberate in public.

- All meetings where the Council deliberates on the proposal or hears submissions must be open to the public (unless there is some reason to exclude the public under the LGOIMA). All submissions must be made available unless there is reason to withhold them under LGOIMA.

STEP FIVE: Follow up.

- A copy of the decision and a summary of the reasons will be provided to submitters. There is no prescribed format for such a summary.

By law, the Council must follow the special consultative procedure before it:

- adopts a Ten Year Plan or Annual Plan
- amends a Ten Year Plan
- adopts, revokes, reviews or amends a bylaw
- changes the mode of delivery for a significant activity (for example from the Council to a Council-controlled organisation or from a Council-controlled organisation to a private sector organisation) if this change is not provided for in the Ten Year Plan.

The Council may be required to use the special consultative procedure under other legislation, and it may use this procedure in other circumstances if it wishes to do so.

The Council can and does consult outside of the special consultative procedure. When it is adopting its Ten Year Plan, Annual Plan or regional plan it will hold formal meetings with community groups and other interested parties. At these meetings the Council will seek views on the matters the Council considers to be important and identify issues of concern to the community. The Council holds meetings with stakeholder groups either six monthly or annually, to discuss current Council issues.

10.4 Partnership with Maori

Council has a Charter between the Maori Committee of Council and the Council itself. The Charter contains the Council's commitments to a number of issues including policies that directly relate to sections 14 (Principles relating to Local Authorities), 81 (Contributions to decision making processes by Maori) and 82 (Principles of Consultation) of the Local Government Act 2002. This Charter is available from the Council on request and is accessible through the Council's web site.

The Maori Committee consists of three Councillors and 12 Maori members who are nominated representatives from the four rohe (areas) of Ngati Kahungunu that are within the Hawke's Bay Regional Council boundary.

11. Management Structures and Relationships

Council is supported by a professional corporate organisation, led by the Chief Executive. Officers provide Council with policy advice and are responsible for implementing Council's policies to achieve the results Council wants.

The Chief Executive and staff are responsible for managing day-to-day issues and implementing Councils' decisions and policies. The organisation is structured under seven Groups, each of which is headed by a Group Manager. They are:

Resource Management	Asset Management	Water Initiatives
Strategic Development	Corporate Services	
Operations	External Relations	

The Human Resources Manager reports directly to the Chief Executive.

The Executive Team comprises the Group Managers of the seven Groups and is headed by the Chief Executive. The Executive Team considers organisation-wide issues and provides a key linkage between Councillors and staff. They ensure what is undertaken within the seven Groups is consistent with Council's goals and objectives in the Long Term and Annual plans.

The elected members and Council staff work together at different levels to decide what activities should be done to achieve the community's vision and goals, and to plan how they can best be undertaken. This takes place within a framework of competing priorities, timeframes, resources, decisions of Council, and within the overall goal of growing and developing the region in a sustainable environmental, social, cultural and economic context.

11.1 Chief Executive

The Local Government Act 2002 requires the Council to employ a Chief Executive whose responsibilities are to employ other staff on behalf of the Council, implement Council decisions, and provide advice to Council. Under the Local Government Act 2002 the Chief Executive is the only person who may lawfully give instructions to a staff member. Any complaint about individual staff members should therefore be directed to the Chief Executive, rather than the Chairman or Councillors.

The Chief Executive is appointed by the Council in accordance with section 42 and clauses 33 and 34 of Schedule 7 of the Local Government Act 2002. The Chief Executive implements and manages the Council's policies and objectives within the budgetary constraints established by the Council.

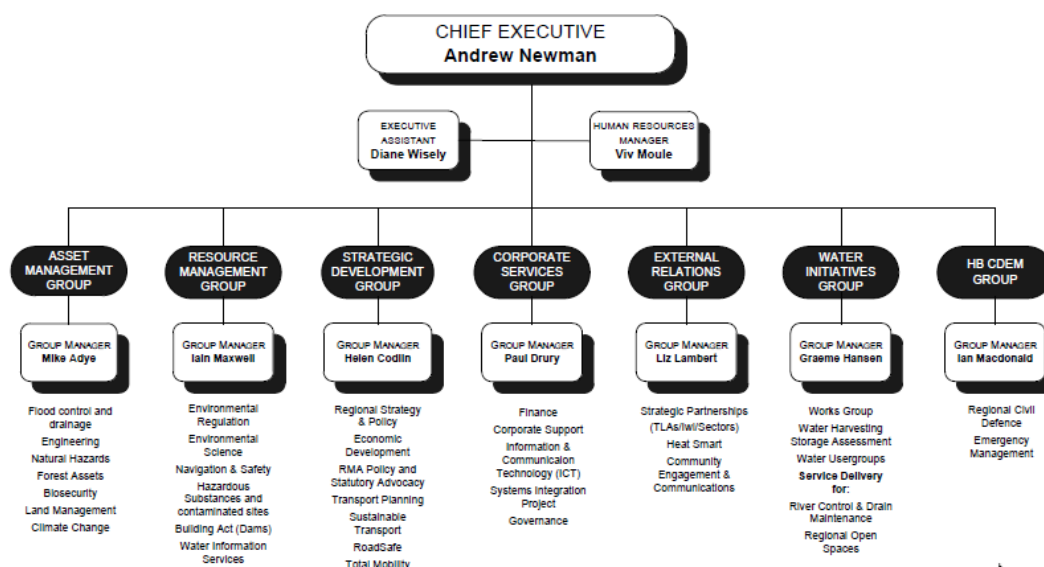
Under section 42 of the Local Government Act 2002, the responsibilities of the Chief Executive are:

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

The Chief Executive has a performance agreement with the Council, which expires not later than 5 years from 21 May 2007.

11.2 Council's Groups

Set out below are the names of the Group Managers responsible for each Council group, and the functions carried out within each Group.



12. Council Controlled Organisations

The Hawke's Bay Regional Council has established a Council Controlled Organisation in the Hawke's Bay Regional Investment Company Limited (HBRIC Ltd). Council has a 100% shareholding in HBRIC Ltd, which has a 100% shareholding in the subsidiary company, the Port of Napier Limited (PONL).

The nature and scope of HBRIC Ltd's activities is to:

- Own and management the investment assets and liabilities transferred to it by Council from time to time
- Make new investments and dispose of current investments in pursuit of its objectives
- Investment in and management of a range of financial and physical assets in accordance with Council's investment policy detailed in the Long Term Plan (LTP) 2012-22, section 5
- Raise funds for investment, but at no time by selling any of Council's 100% shareholding in HBRIC Ltd itself or PONL without Council undertaking a special consultative process
- Assist its subsidiary and associated companies to increase shareholder value in regional prosperity through growth and investment.

Equity Interests

- The Council has a number of equity securities carrying voting rights in a variety of companies, which it has invested in as part of its investment policy. However, none of these investments fall within the category of a Council controlled organisation and, therefore, Council has no ability to dictate the appointment of Directors or otherwise influence the direction of these companies in any meaningful way. The Council's role is purely as an investor and, therefore, the performance of the Company is monitored from an investment perspective only. This monitoring is conducted for Council by Frank Pearson of Pearson Investment Services.

Each of these organisations delivers services, or in some way supports the achievement of the objectives in the Council's Long Term and Annual plans.

13. Equal Employment Opportunities (EEO) Policy

13.1 Introduction

Hawke's Bay Regional Council has had a strong commitment to an Equal Employment Opportunity Policy and Programme since 1990. The philosophy and reasoning for adopting an EEO Policy have become an integral part of the operations of Council. All new staff are issued with a pamphlet outlining the Council's commitment to EEO.

13.2 Council Policy

Hawke's Bay Regional Council is committed to a policy of equal employment opportunities for all employees and potential employees. The Council regards the elimination of any discrimination and the provision of equal opportunities, as essential principles in the management of staff resources.

The Council affirms this commitment through a policy of positive action by adopting constructive policies and practices for equal opportunities in all aspects of employment, including: recruitment, selection and appointment, education, training and development, career planning and promotions. Personnel policies shall apply equally to all staff employed by Council. The Council actively endorses the policy of giving preference to the person best suited to the position - this is known as the merit principle. However, no employee or potential employee, shall gain any advantage or suffer any disadvantage for reasons such as: race, colour, disability, nationality or ethnic origin, gender, age, marital status, personal sexual preference, religious or political beliefs.

13.3 Equal Employment Opportunity Goals

The programme goals are:

- To provide equal employment opportunities for any person applying for a position with the Council
- To establish a workplace that is free from harassment and discrimination
- For all staff to have an understanding of, and commitment to, Equal Employment Opportunity policies and practices
- The achievement of equitable training and personal development for all staff employed by the Council.

A full copy of the Council's EEO policy is available from the Human Resources Manager (Phone 06 833 8072).

14. Key Approved Planning and Policy Documents

The following have been identified as key Council planning and policy documents. A number of these documents are currently under review. To view or to find out more about these plans, reports, policies and strategies see Council's website: www.hbrc.govt.nz.

The Council has prepared a number of plans and strategies under various pieces of legislation, including the Local Government Act 2002, Resource Management Act 1991, Biosecurity Act 1993, the Land Transport Management Act 1998 and the Transport Services Licensing Act 1989.

Biosecurity Act

Plan	Detail	Purpose
Regional Pest Management Strategy 2006	Operative December 2006	Provides the framework for managing defined pests in the region and sets out objectives Council wishes to achieve. Currently going through a review with new Strategy expected to be operative in 2013
Regional Phytosanitary Pest Management Strategy 2006	Operative December 2006	Provides the framework for managing pests arising from pipfruit production sites. Currently going through a review with new Strategy expected to be operative in 2013.

Resource Management Act

Plan	Detail	Purpose
Regional Coastal Plan	Operative June 1999 (To eventually be superseded by Regional Coastal Environment Plan)	To assist Hawke's Bay Regional Council's role under the RMA of promoting the sustainable management of natural and physical resources within the coastal marine area.
Regional Policy Statement & Regional Resource Management Plan	Operative August 2006 Subject issue-by-issue rolling review	To assist Hawke's Bay Regional Council's role under the RMA by setting out a policy framework for managing natural and physical resource use in an integrated manner across the whole of the region (the regional policy statement), and regional planning provisions applicable for the region, excluding the coastal environment
Proposed Regional Coastal Environment Plan	Notified August 2006. As amended by Decisions issued 19 July 2008 (subject to several appeals to the Environment Court)	To assist Hawke's Bay Regional Council's role under the RMA of promoting the sustainable management of natural and physical resources within the coastal environment.

Local Government Act

Plan	Detail	Purpose
Annual Report year end 30 June 2012	Operative July 2012	This report compares actual performance with proposed performance set out in Council's planning documents, and contains audited financial statements, set of accounts, and annual financial reports which assess Council's financial performance against budget
Long Term Plan (LTP) 2012-22	Operative July 2012	This plan, which includes the Annual Plan 2012/13, includes some information on Council's policies, actions and funding that are to be undertaken over the ten years of the planning period. This Plan includes community outcomes, policies and statements required by the Local Government Act 2002.
Annual Plan 2012/13	Operative July 2012	This plan includes budgets, funding and financial statements for that year, which are contained within the LTP 2012-22.
Asset Management Plans	Operative 2012	These plans focus on the management of flood control and drainage scheme assets; the level of service they provide; and their improvements and replacement. There are 3 plans for Council's flood and drainage schemes, and these are updated regularly.
Triennial Agreement	Operative February 2011	This agreement promotes cooperation between local authorities for communication and coordination, also to avoid duplication when engaging communities and exercising general empowerment.
Navigation Safety Bylaws	Operative 15 January 2012	The Navigation Safety Bylaws 2012 provide for Council to regulate or control navigation of vessels in the navigable waters within its region out to the 12 mile limit and also to regulate related activities for the purpose of safety, such as the mandatory carriage of lifejackets. In addition, the bylaws enable certain areas to be reserved for certain activities in the interest of separating conflicting recreational activities.

Item 12

Attachment 1

Land Transport Management Act 2003 and Amendment Act 2008

Plan	Detail	Purpose
Regional Land Transport Strategy 2012-42	Adopted June 2012	The Regional Land Transport Strategy identifies what is needed in Hawke's Bay to achieve an affordable, integrated, safe, response and environmentally sustainable land transport system, now and in the future. The strategy sets out a framework and covers all forms of land transport in the region including cars, cycles, trucking and rail.

Public Transport Management Act 2008

Plan	Detail	Purpose
Regional Public Transport Plan 2011-14	Adopted September 2011	The Regional Public Transport Plan describes the public transport services the Regional Council proposes to be provided in the region from 2011-14. The Plan specifies the urban bus services and Total Mobility Scheme funding and operations. Provisions in the plan reflect any proposed changes to transport services, the reviewed operation of the Total Mobility Services, service level guidelines for bus services, and the requirements for road markings and bus route signage.

Council Policies

Plan	Detail	Purpose
Policy Handbook	Continually updated	Sets out the policy and procedures adopted by Council, covering carrying out of tenders, delegations, regional landcare schemes, leasehold land freeholding and transfer procedures, etc.
Community Engagement Plan 2010-2013		Replaces the Environmental Education Strategy 2006 and summarises Council's public communication activities and actions in the short to medium term.
Community Engagement and Communications Strategy		To Identify Strategies for Council to use to effectively engage the community and to respond to key issues and risks.

15. Information Processes

15.1 System for Processing Complaints

All complaints are dealt with through the Chief Executive's office. Complaints are received and acknowledged by the Chief Executive's Executive Assistant, then recorded onto an action list stating the action required, person responsible and timeframe for action (10 days from the date of letter). The complaint is then sent through to the appropriate Group Manager to action and respond. A copy of correspondence to the complainant and a record of any action taken is sent to the Chief Executive for his information.

15.2 Process for Requests for Official Information

Under the Local Government Official Information and Meetings Act 1987 (LGOIMA) any person may request information from the Council. Any request for information is a request made under LGOIMA. You do not have to say you are making a request under LGOIMA.

Once a request is made the Council must supply the information unless reason exists for withholding it. The LGOIMA says that information may be withheld if release of the information would:

- Endanger the safety of any person
- Prejudice maintenance of the law
- Compromise the privacy of any person
- Reveal confidential or commercially sensitive information
- Cause offence to tikanga Maori or would disclose the location of waahi tapu
- Prejudice public health or safety
- Compromise legal professional privilege
- Disadvantage the local authority while carrying out negotiations or commercial activities
- Allow information to be used for improper gain or advantage

The Council must answer requests within 20 working days (although there are certain circumstances where this timeframe may be extended). The Council may charge for official information under guidelines set down by the Ministry of Justice.

If it is necessary to obtain information under the Local Government Official Information and Meetings Act, please contact the Administration Manager or Communications Co-ordinator, but note that information is usually readily available without the need for a formal request.

SUBJECT: RECOMMENDATIONS FROM THE ENVIRONMENT AND SERVICES COMMITTEE

Reason for Report

1. The following matters were considered by the Environment and Services Committee on Wednesday 5 December 2012 and are now presented to Council for consideration and approval.
2. **Item 10 Intensive Land Use Approach – Pilot Implementation Plan** - following discussion by the Environment & Services Committee, it was requested that the following changes be made and brought back to Council for the December 12 meeting. Amended report **attachment 1**.

Decision Making Process

3. These items have all been specifically considered at Committee level.

Recommendations

The Environment and Services 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.

Makara Scheme Review

2. Receives this report together with the attached Philpott report.
3. Instructs staff to seek ratepayer feedback on specific options through a special consultative process under the Local Government Act 2002, with a hearing held to consider submissions early in the 2013 year.

Regional Open Spaces

4. Endorse the Regional Parks Network Plan subject to any changes that the Committee may wish to make.
5. Note that Part 2 (Policies & Objectives and Part 3 (Individual Park Plans) of the Regional Park Network Plan are yet to be completed. Management plans for each of the individual open space areas will be reviewed or developed in accordance with the indicative programme set out in the briefing paper. Parts 2 & 3 will require Council approval prior to adoption and implementation.

Intensive Land Use Approach – Pilot Implementation Plan

6. That Council endorses the Land Management intensive land use nutrient mitigation approach report.



Mike Adye
GROUP MANAGER ASSET MANAGEMENT

Attachment/s

- 1 Intensive Land Use Approach - Pilot Implementation Plan

HAWKE'S BAY REGIONAL COUNCIL
ENVIRONMENT AND SERVICES COMMITTEE

Wednesday 12 December 2012

SUBJECT: INTENSIVE LAND USE APPROACH - PILOT IMPLEMENTATION PLAN

Reason for Report

1. A large part of the role of the HBRC Land Management team is to positively influence land use practices and their impact on water quality. Intensive land use, such as dairying and cropping, has the potential to have a significant impact on water quality, habitat protection, biodiversity and erosion.
2. Over the past 2 years the land management team has increased its focus on areas of intensive land use. Currently three staff are focussed on intensive land use issues. It is proposing to restructure resources to effectively build this by an additional two staff members in the next 12 months.
3. The key issue with intensive land use is nutrient (phosphorous (P) and nitrogen (N)) runoff and leaching into surface and ground water. High nutrient levels in the region's rivers results in unwanted weed and algal growth particularly during periods of low flow.
4. This report sets out a proposed approach to managing the effects of intensive land use on water quality, through the adoption of Good Agricultural Practice (GAP) and sub-catchment "nutrient hotspot" mitigation. An intensive assessment of water quality has been undertaken throughout the Ruataniwha Plains. This has identified that:
 - 4.1. P is the critical nutrient which is resulting in algae growth in the rivers.
 - 4.2. Some of the tributaries have much higher levels of nutrients than others.
5. Land Management staff will be preparing a non-regulatory implementation proposal to accompany the Tukituki Plan change. The following discussion outlines the fundamental approach to be included in that report.
6. The briefing paper updates Council on this approach.

Discussion

7. A considered non-regulatory implementation process will be significant in influencing the achievement of water quality outcomes. The proposed Plan Change has provided an opportunity for individual landholders, sub-catchment stakeholders and industry to proactively respond to wider community expectations for the managing water quality issues within catchments. Land management will play a key role in facilitating that process.
8. A generalised regulatory approach to manage phosphorus is accepted as being too coarse to address the specific nature of phosphorus loss from the landscape, other than the regulation of stock exclusion from waterways. While some regulation and compliance will be required to underpin any mitigation approach, significant reductions in nutrients entering waterways across the Tukituki Catchment can be achieved through the adoption of GAP by land users.
9. It is anticipated that much of the phosphorus impacting on water quality within sub-catchment hotspots is arising from specific parts of a farm e.g. porous soils, or a wet area draining directly to a water body, or through specific farming activities e.g. silage feed areas. These are referred to as critical source areas. By identifying and focussing cost effective mitigation measures to these critical source areas it is expected that a significant portion of the nutrient run off can be stopped, minimising the resource implications and maximising the effectiveness of mitigation measures. Identifying and addressing these will however require a detailed sub-catchment assessment and a collaborative approach with land owners and industry.

Item 13

Attachment 1

10. The Land Management Team is developing two complementary approaches to affect the management actions required by land users to address the problem.
 - 10.1. Implementing a catchment wide nutrient management framework. This will involve:
 - 10.1.1. Awareness raising and transitional support to landholders dealing with the implications of the plan change on their existing land use.
 - 10.1.2. Working closely with the primary sector to develop a framework and suite of practice change mechanisms (i.e incentives, training, field days, farm planning templates etc) and processes to support the adoption of GAP.
 - 10.1.3. The creation and implementation of a marketing strategy to target and operationalise the GAP practice change mechanism.
 - 10.1.4. A framework for auditing and reporting on the adoption of GAP to Council and catchment stakeholders.
 - 10.2. Sub-catchment hotspot mitigation will involve -
 - 10.2.1. Developing stakeholder governance structures to assist develop, drive and audit sub-catchment plan implementation. Undertake analysis of the key characteristics and manageability of nutrient issues within sub-catchments, understand the socio-economic drivers and barriers to change, establish rapport with key community stakeholders and build up the collaborative support, processes and resources required to influence change in these sub-catchments.
 - 10.2.2. Collaboratively working with sub-catchment communities in the design, decision making and implementation of a sub-catchment nutrient management plan via a participatory community engagement and capacity building program.
11. Support for the project from the primary sector industry groups is essential for the success of this process. Preliminary discussions to date have indicated that there will be strong support from industry.
12. The approach set out in the proposed implementation process is consistent with the Hawke's Bay Land and Water Management Strategy and recommendation 15 of the third Land and Water Forum Report (Land and Water Forum 2012). There will also be a number of spin off benefits from the approach, including:
 - 12.1. A collaborative approach involving multiple parties should build trust and confidence between those parties and result in a more durable response.
 - 12.2. While the focus will be on environmental outcomes, these will not be sustainable unless there is a positive impact on farm profitability and community and cultural wellbeing.
 - 12.3. In the absence of complete information at the commencement of the process, the approach can be adapted over time as the understanding of the issues, and the impact of specific interventions is improved. This will allow desired outcomes and responses to be modified over time, innovation to occur, and peripheral benefits to be realised.

Financial and Resource Implications

13. The project is estimated to cost \$159,000 over its initial 12 month duration. Note this is approximately allocated as \$59,000 external RLS funded costs and \$100,000 internal staff time.
14. The staff resource will include two land management staff with periodic support from the science group.

15. In addition there will be a need to support on farm initiatives to mitigate nutrient loss from sub-catchment critical source areas through strategies like riparian strips, and creating wetlands to strip nutrients.
16. Staff propose that this is funded as follows:
 - 16.1. Ruataniwha water storage project – should the RWS project proceed it is likely that it will include funding for the mitigation of intensive land use impacts and biodiversity offsets. This funding could be aligned with the Land Management Team initiatives. However this is unlikely to support this process for the next few years.
 - 16.2. The Regional Landcare Scheme has a funding provision of \$800,000. Staff propose that this is allocated approximately as set out in the table below.

	2012/13	2013/14	2014/15
Research	\$120,000	\$80,000	\$75,000
Subsidy on poles	\$200,000	\$200,000	\$200,000
High scoring RLS projects and QEII initiatives	\$250,000	\$245,000	\$250,000
Projects supporting the Trees on farms initiative	\$0	\$0	\$0
Fund external funding requirements for pilot specific initiatives	\$59,000	\$75,000	\$75,000
Projects supporting intensive land use nutrient mitigation	\$171,000	\$200,000	\$200,000
TOTAL	\$800,000	\$800,000	\$800,000

Note that where there is significant demand for RLS subsidy in any one of the above areas, staff may adjust the subsidy rate provided to, as far as possible, match supply and demand.

- 16.3. The Central and Southern Scheme was established in 2003:
 - 16.3.1. to fund stream and river control work where there are no clear individual beneficiaries, or the number of beneficiaries is large and the quantum of work small; and
 - 16.3.2. to purchase land adjacent to rivers and streams where Council ownership would be prudent.
- 16.4. Where land adjacent to rivers and streams is planted to mitigate the impacts of nutrient entering waterways, HBRC should secure that land either through purchase or through an easement. Costs associated with the securing and planting of land could be met through this Scheme. As at 30 June 2012 the Scheme operational account had a credit of \$319,678. This has built up over a number of years because no suitable parcels of land have become available to purchase.
- 16.5. A budget of \$10,000 per year is included within the overall Upper Tukituki Flood Control Scheme budget to maintain small tributary streams. Once new planting is established, this could be maintained by the Scheme. An increase of the current budget for maintenance of small streams could be accommodated within the Scheme with a modest increase in Scheme targeted rates.

Decision Making Process

17. 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.
 - 17.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 17.2. The use of the special consultative procedure is not prescribed by legislation.
 - 17.3. The decision does not fall within the definition of Council's policy on significance.
 - 17.4. The persons affected by this decision are primarily the owners of land within the target catchments.
 - 17.5. The option that is presented in this report is consistent with the Hawke's Bay Land and Water Management Strategy which resulted after the consideration of a range of possible approaches.
 - 17.6. The decision is not inconsistent with an existing policy or plan.
 - 17.7. 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.

Recommendation

The Environment and Services 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. Receives the report.



Campbell Leckie
MANAGER LAND SERVICES



Mike Adye
GROUP MANAGER ASSET
MANAGEMENT

Attachment/s

There are no attachments for this report.

SUBJECT: DRAFT TUKITUKI PLAN CHANGE**Reason for Report**

1. The purpose of this report is for Council to endorse the draft Tukituki Plan Change as giving effect to the key approaches that Council adopted in October.
2. Following Council's endorsement of the draft plan change and any other direction that might be given, staff will continue to work on the provisions with the aim of presenting a final Tukituki Plan Change to the Council for adoption at the Council meeting on 30 January 2013, following the Corporate and Strategic Committee meeting.
3. The draft Tukituki Plan Change and planning maps are provided under separate cover.

Draft Tukituki Plan Change

4. The plan change comprises a number of elements as follows:
 - 4.1. A new section 5.9 in Chapter 5 of the Regional Resource Management Plan
 - 4.2. A new section 6.9 in Chapter 6 of the Regional Resource Management Plan
 - 4.3. A series of Schedules containing planning maps and supporting information
 - 4.4. Consequential amendments in Chapters 5 and 6.
5. Attachment 1 also contains a preamble and some flow charts following new section 6.9 to help people find their way through the new permitted activity land use rule.
6. An analysis as to how the draft Tukituki Plan Change gives effect to the key approaches agreed to by Council is provided in the table below.

Key Approach	How the Draft Tukituki Plan Change gives effect to it
Setting water allocation limits as generally outlined in the Tukituki choices discussion document.	There are 3 water allocation limit policies, TT8, TT9 and TT10. Policy TT8 recognises the desired security of supply and acknowledges that this is not achievable in the catchment given the minimum flow limits and existing levels of abstraction. It also recognises the interconnectedness between groundwater and surface water. It sets allocation limits around current consent allocations (seasonal). Policy TT10 provides for a high flow allocation. The allocation limits do not apply to Community Irrigation Scheme takes but provision is made for such applications to be a discretionary activity.
Setting minimum flow limits based on 90% habitat protection for longfin eel for Waipawa River at SH 2 and Tukituki at Tapairu Rd, transitioning from current over a 3-5 year period.	Minimum flows are set in Policy TT7 along with dates for when they take effect (2017 as currently drafted). Minimum flow management sites have also been rationalised in the Ruataniwha basin.
Setting minimum flows limits for Tukituki at Red Bridge based on 90% habitat protection for trout, transitioning from current over a ten year period.	As above. The protection of trout habitat in the Lower Tukituki remains the objective with respect to the minimum flow limit but 10 years is provided before the desired minimum flow will apply. Work is still continuing on alternative or supplementary supply from the Ruataniwha Water Storage Scheme.
Allowing applications to be lodged to take water for community irrigation schemes over and above the core allocation limits.	As indicated previously, applications for community irrigation scheme takes is provided as a discretionary activity (Rule 55 of the Regional Resource Management Plan, refer Rule TT3). Policy TT13 sets out the circumstances where community irrigation scheme takes would be considered.

Key Approach	How the Draft Tukituki Plan Change gives effect to it
Recognising phosphorus as the limiting nutrient in the mainstem of the river system and setting in stream phosphorus targets as a means of reducing periphyton growth.	Surface and groundwater quality limits are set in Policies TT1, TT2, TT3 and Tables 5.9.1 and 5.9.2. Phosphorus limits are still to be confirmed pending catchment nutrient modelling that is currently underway. In any event, limits are likely to be exceeded by current levels. A date of 2030 is proposed as the target date. Nitrate-nitrogen limits are based on toxicity thresholds for aquatic species. There may be some slight refinement of these numbers as the NIWA report is finalised.
Managing nitrogen for nitrate toxicity based on a 95% ANZECC protection threshold for zone 1, and the 90% ANZECC protection threshold for zones 2, 3 and 5.	The draft plan change does not set nitrogen loads for the water management zones nor does it allocate nitrogen to the land. Instead the plan will include a methodology Council will follow determine the nitrogen (root zone) and phosphorus (instream) load from the concentration limits and to monitor current leaching loads. Policy TT4 outlines the overall approach. This differs from the approach outlined in the Tukituki Choices document.
Managing nitrogen and phosphorus at current in-stream nitrate levels for Zone 4.	
Setting other water quality limits to maintain the life supporting capacity of freshwater bodies and associated ecosystems.	Table 5.9.1 also includes parameters which could be described as life-supporting capacity indicators – water clarity, macro-invertebrate community indices and percentage sediment cover, temperature and dissolved oxygen limits.
Reviewing land management policies and practices and regulatory approaches over riparian margins.	The approach to land management is reflected in Policies TT4 and TT5 under the heading of Implementing Nitrate-Nitrogen and Phosphorus Limits and Rule TT1, a permitted activity rule for Use of Production Land. Rule TT1 effectively permits current land uses at current Nitrogen leaching rates but require by 31 December 2018 those leaching rates to be consistent with industry good practice and for the nitrogen conversion efficiency to also be consistent with industry good practice. The primary sector industry groups are very supportive of the time provided for industry to develop these frameworks. This rule is largely on the premise that any significant intensification of land use is only likely with new irrigation water becoming available. It is intended that the Ruataniwha Water Storage applications will include an application for the use of production land in accordance with Rule TT2 so it is not expected that this rule framework will generate a large number of activities requiring consent. Rule TT1 also includes conditions for stock exclusion from water bodies. There is a flow chart following section 6.9 which helps determine what is required in that regard. As part of the non-regulatory approach, Council will be working at catchment, sub-catchment and farm level in collaboration with industry in order that farmers are aware of the water quality status in their catchment and good practice leaching rates and nitrogen conversion efficiency so that they can plan for any changes to farming practices that may be required. This will form a separate document which will complement the Tukituki plan change.

7. The policies and rules support five freshwater objectives for the Tukituki River catchment.
8. The Draft Tukituki Plan Change has been drafted in light of Change 5 to the Regional Policy Statement.

Section 32 report

9. A 'Section 32 Report' is a requirement of the section 32 of the Resource Management Act. It must summarise the evaluation of the objectives, policies and rules in relation to alternatives, effectiveness and efficiency and costs and benefits.
10. Staff are preparing this document with the view that any Board of Inquiry will need a document that integrates the plan change provisions and the Ruataniwha Water Storage project into an overall Tukituki Catchment Strategy. The report will therefore provide the strategic context as well as discuss the key resource management issues and approaches that have been considered as part of the development of this plan change.
11. It will also be a useful document for people considering the plan change, providing explanations to the policies in a more narrative style as well as describing options that were considered before deciding on a particular approach.

What the Draft Plan Change does not contain

12. Amendments to the Resource Management Act have slimmed down the contents of regional plans. Principal Reasons (explanation in the RRMP context) and Anticipated Environmental Results are not longer required. The draft Tukituki Plan Change does not contain these matters, instead they will be provided in the Section 32 report.

Regional Planning Committee

13. The Regional Planning Committee is being fully briefed on the Tukituki Strategy at a workshop on Monday 10 December 2012. This workshop will be followed by a Regional Planning Committee meeting where it will consider a paper to endorse the key approaches that Council determined at the October meeting. The intention is that the workshop will sufficiently inform the Committee so that they are in a position to make a decision on the recommendation.

Decision Making Process

14. 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:
 - 14.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 14.2. The use of the special consultative procedure is not prescribed by legislation.
 - 14.3. The decision does not fall within the definition of Council's policy on significance.
 - 14.4. The persons affected by this decision are all persons and organisations who made comments on Tukituki Choices, all residents and ratepayers within the Tukituki River Catchment and all persons with an interest in the region's management of natural and physical resources under the RMA.
 - 14.5. Options that have been considered include not presenting the draft plan change to the Council for endorsement, and only presenting the final plan change for adoption in January 2013. By presenting the draft plan change to Council, it puts it into the public arena, and provides more transparency of process. It also gives an opportunity for stakeholders to talk directly to staff about aspects of it if they wish, but there is insufficient time for the Council to consider informal submissions on the draft plan change.
 - 14.6. The decision is not inconsistent with an existing policy or plan.
 - 14.7. 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.

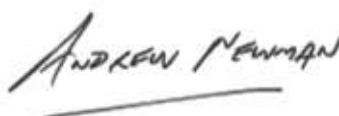
Recommendations

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. Receives the report titled 'Draft Tukituki Plan Change'.
3. Endorses the draft Tukituki Plan Change as giving effect to the key approaches agreed to at the 31 October meeting.
4. Gives any further direction to staff for the development of the final plan change to be adopted by Council as follows:



Helen Codlin
GROUP MANAGER STRATEGIC
DEVELOPMENT



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

- | | |
|---|----------------------|
| 1 Draft Tukituki Plan Change 6 | Under Separate Cover |
| 2 Tukituki Sub Catchments Map | Under Separate Cover |
| 3 Water Management Zones Map | Under Separate Cover |
| 4 Surface Water Allocation Zones & Minimum Flow Sites Map | Under Separate Cover |
| 5 Groundwater Allocation Zones Map | Under Separate Cover |

**SUBJECT: ANNUAL PLAN PROGRESS REPORT FOR FIRST FIVE MONTHS OF
2012/2013 FROM 1 JULY 2012 TO 30 NOVEMBER 2012**

Reason for Report

1. This Annual Plan Progress Report is a full report and covers the first five months of the 2012/13 financial year ending 30 June 2013. This report consists of commentary on financial results to 30 November 2012 and various other reports.

Summary of Financial Position to 30 November 2012

2. The actual result covering the Council's general funded operations for the first five months of 2012/13 is a deficit of \$138,723. This compares with the Annual Plan budget deficit of \$704,490 for the full year.

Comment on Financial Results for Five Months to 30 November 2012

Groups of Activities

3. A narrative report of actual performance against the performance targets contained within the published 2012/13 Annual Plan forms part of the Attachments.
4. This report establishes that the net expenditure on groups of activities for the first five months is 39% of forecast, as against an equal monthly pro-rata comparative of 42%. The comparative figure for the five months to 30 November 2011 was 39%.
5. Strategic Planning at 42% shows net expenditure in projects is running in line with expected pro-rata percentage.
6. Land Drainage & River Control at 36% shows overall expenditure in projects is running slightly behind of the expected pro-rata percentage. The majority of the projects are running behind the expected pro-rata percentage due to the timing of projects with increased costs expected as the projects progress in the summer and autumn months. This is being offset by the Westshore Coastal Works project which has now been completed but has yet to be invoiced to the Napier City Council for 50% of the costs, and engineering consultancy which has expenses that will be on-charged once the projects are completed.
7. Regional Resources at 38% shows overall expenditure in projects is running behind the expected pro-rata percentage. This is mainly due to the timing of projects with increased costs expected as the projects progress especially in regards to consultancy and lab testing. A large portion of time has been spent on the Tukituki choices project during the first quarter of the financial year, and it is anticipated that the other science projects included in the budget will accelerate during the remainder of the year.
8. Regulation shows a net expenditure of 51% of budget. Expenditure on regulation is close to budget at 36%, however billing for consents and compliance is below budget as the majority are billed at the end of the year.
9. Biosecurity shows a net expenditure of 35%. This is mainly due to the timing of projects with increased costs expected as the projects progress in the summer and autumn months.
10. Emergency Management shows a net expenditure of 16% of budget. This is due to projects such as fault line mapping, tsunami inundation mapping and CDEM group exercises only using a small portion of their budgets. These projects will progress substantially in the second half of the year.
11. Transport shows a net expenditure of 22% of budget. This is mainly due to the low expenditure for the Regional Land Transport Strategy project with increased costs expected in the second half of the year.

Operations Group

12. Operations Group reports a profit of \$118,750 for the five months to 30 November 2012. This is slightly below expectations due to a slow start to the year but productivity and plant operation have increased significantly in the last two months indicating that targets should be met for the year.

Regional Income

13. Total regional income receipts represent 39% of forecast for the first five months, as against a pro-rata of 42%. The main issues in regional income are:

Investment Company

- 13.1. The LTP 2012-22 budgeted for a minimum return of 6% on advances made by Hawke's Bay Regional Council (HBRC) to Hawke's Bay Regional Investment Company Ltd (HBRIC Ltd) for investment in the Ruataniwha Water Scheme (RWS) and Ngaruroro project. At its meeting in October 2012 Council resolved that advances made to HBRIC Ltd to cover RWS phase 1 (feasibility) and phase 2 (design, procurement and EPA process) would not attract a funding cost up to the completion of that process estimated to be 31 December 2013. Accordingly no revenue is included in Council's operating statement from this source.

Other Investments

- 13.2. Napier leasehold land rental revenue has been budgeted at \$935,000 for the six months ending 31 December 2012. Subsequent to this date it is anticipated that HBRC will approve the sell down of leasehold cash flows and the revenues received from leasehold land rentals will be used to pay the party that have purchased the continuing cash flows. Accordingly the expectation would be for 83% of the budget representing six months' cash flows from rentals would be earned at 30 November 2012. This has not been achieved as the number of freeholdings undertaken under Council's discount policy to lessees exceeds the provision in the Annual Plan. It is further anticipated that the receipts from these additional sell downs will increase Council's investment income from interest.
- 13.3. Interest on investment term deposits is tracking at 22% instead of a pro-rata of 42%. The main reason for this is the annual interest budget assumed that cash available for investment will increase on 31 December 2012 by approximately \$40m as a result of the sell down on Napier leasehold land cash flows.

Other Activities

- 13.4. The Disaster reserve interest and dividends shows a large negative for the five months. This is due to the increasing cost of commercial insurance cover for disaster damage being paid within the first three months of the financial year but being funded from dividend and interest from the Regional Disaster Damage reserve over the 12 months period.

General Funding for Capital Projects

14. The general funding requirement for capital projects is \$82,560 or 25% of budget due to Targeted rates exceeding expenditure.

Heatsmart Progress Report

15. The following is an update on progress made in the allocation of Clean Heat grants and loans, and loans for insulation as part of the Heatsmart programme.

VOLUMES

Loan Type	5 Months to 20 November 2012			
	LTP Budget Volumes		Pro Rata Target Volumes	Actual Actual Over Budget (Target 42%)
Insulation Loans	600		250	395
Clean Heat Loans	450		188	214
Clean Heat Grants	300		125	424
TOTAL	1,350		563	1,033

EXPENDITURE (EXCL GST)

Loan Type	5 Months to 20 November 2012			
	LTP Budget \$000		Pro Rata Target \$000	Actual Actual Over Budget (Target 42%)
Insulation Loans	1,140		475	700
Clean Heat Loans	1,255		523	526
Clean Heat Grants	183		76	268
TOTAL	2,578		1,074	1,494

Key Points

16. The programme is currently delivering ahead of targets. 395 insulation and 638 clean heat packages were completed up to 20th November 2012.
17. The expenditure against budget reflects the high number of grants compared to loans issued.
18. The cash flow for the programme will be reviewed in February to reflect the changing ratios of grants to loans.
19. The number of applications per month is expected to reduce over the summer months.

Non recoverable costs re appeals and referrals direct to the Environment Court

20. For the year to date costs for appeals and referrals to the Environment Court have amounted to \$47,302. This includes staff time and external costs.
21. Two appeals have been finalised. The AFFCO consent order has been signed off by the Environment Court. The Twyford appeals have been withdrawn.
22. Drafting of evidence has proceeded on the Mexted et al appeals. There was some possibility of a revised proposal being submitted which may have helped resolve the appeals. However these have not been advanced to date. A separate appeal has been lodged with the High Court over the extent of the evidence provided by the appellants (going beyond the scope of their submissions and grounds for appeal). The Regional Council will have only minor involvement with this. This has been decided in favour of the appellants. HBRC is seeking to recover its costs.
23. The appeal against the Napier City Council waste water outfall remains on the books. The Environment Court determined that it not be proceeded with but this decision was successfully appealed against to the High Court by Mr Church. The High Court directed the Environment Court to reconsider this matter. The outcome of this will determine whether the actual appeal should proceed to be heard. Staff and lawyers of HBRC and NCC did meet with Mr and Mrs Church and their lawyer in September to allow Mr Church to outline his concerns and to see if these could be resolved. This process did not achieve any resolution. The Environment Court is hearing this on 6 December.
24. The following table summarises costs for appeals that were still ongoing at the start of this financial year. Costs to date for the 2012/13 year to date are shown in the shaded column. Costs for previous years are also shown and these are summed to provide a running total for each appeal.

Appeal Summary as at 18 October 2012							
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	2012/13 to date	Total to date	
Twyford / Raupare (402109)	Wed 25 May 2011	Noted \$150,000.00 on similar appeal	\$22,506	\$25,050 ext* \$49,450	\$3,182 ext \$5,201	\$77,157	The Appeal has been withdrawn. Council are working with Twyford groups to explore water management options.
AFFCO (402046)	Wed 23 Sept 2009	Not estimated	\$81,321	\$39,783 ext \$46,307	\$4,143 ext \$4,820	\$132,448	Appeal has now been settled
Mexted, Williams and Malherbe (402051)	Thurs 10 June 2010	Not estimated	\$8,366	\$38,513 ext \$49,956	\$20,313 ext \$21,718	\$80,040	Appeal ongoing - Environment Court scheduled and deferred. May be settled by consent order. Have received advice that a revised proposal is due. A High Court appeal has been lodged and heard. Council is seeking costs for this.
NCC BTF Waste water outfall (402113)				\$24,320 ext \$28,043	\$12,887 ext \$15,563	\$43,606	The Environment Ct determined that the appeal was not to be proceeded with as it was lodged late. This decision was successfully appealed to the High Court by Mr Church. The Environment Ct is to convene to reconsider the point of lateness and if required the appeal will then proceed to be heard. Hearing is scheduled for 6 December
*External costs				\$17,342	\$40,525		The sum to date for external legal and consulting advice
Total costs			\$294,733	\$27,898	\$47,302		Total includes internal staff time plus external costs.

Balance Sheet

25. Public Equity, which reflects the net value of all the Council's assets and liabilities, has decreased by 2,889,000 or 0.6% since the beginning of the year. \$1,625,000 of this was due to Loss of Sale on Leasehold Land
26. Property, plant and equipment, intangible assets and infrastructure assets have increased by \$4,135,000 or 2.5% since the beginning of the year reflecting the purchase of fixed assets and construction of infrastructure assets in the period offset by depreciation and amortisation charges. Substantial payments for infrastructure were made to capital projects for Healthy Homes \$1,226,000 and Ruataniwha Water \$891,000.
27. Investment property has decreased by \$10,850,000 or 16% since the beginning of the year reflecting the disposal of endowment leasehold land properties
28. Accounts receivable have increased from the beginning of the year by \$12,600,000 with the invoicing of rate demands in October in line with similar levels this time last year.
29. Borrowings have decreased by \$429,100 due to scheduled repayment of loans. No loan draw downs have occurred this year.
30. Accounts Payable have decreased since the beginning of the year by 3,000,000 as year-end invoices have been paid and accruals have been reversed.

31. Income in advance shows significant movement of \$8,975,000 from the beginning of the year due to the accrual of rate revenue in advance which is reduced proportionately over the year.
32. Total Cash, Cash Equivalents and Financial Assets (summarised on the Financial Summary page) show a decrease of \$3,488,000 since the beginning of the year. This reflects the cost of council operations prior to receipt of PONL final dividend in December 2012 and rates revenue in January 2013.

Cash Reserve Investments

33. The average rate of interest being earned on liquid investments is currently 4.13%. This rate is lower than the rate assumed in the 2012/13 year of the LTP 4.15% for both short and long-term bank investments.
34. The pie chart in the attachment entitled "Allocation by Institution" shows the percentage of Council investments placed with various institutions. Council policy requires that no more than 25% of investments be placed with any non government-guaranteed institution of groups of associated institutions.

Decision Making Process

35. 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 Annual Plan Progress Report for the first five months of the 2012/13 financial year.



Manton Collings
CORPORATE ACCOUNTANT



Paul Drury
GROUP MANAGER
CORPORATE SERVICES

Attachment/s

- 1 Financial Report for the 5 Monthds Ending 30 November 2012
- 2 Strategic Planning Group of Activities Summary
- 3 Land Drainage & River Control Group of Activities Summary
- 4 Regional Resources Group of Activities Summary
- 5 Regulation Group of Activities Summary
- 6 Biosecurity Group of Activities Summary
- 7 Emergency Management Group of Activities Summary
- 8 Transport Group of Activities Summary
- 9 Governance & Community Engagement Group of Activities Summary

Attachment 1

Item 15

Attachment 1

HAWKE'S BAY REGIONAL COUNCIL FINANCIAL SUMMARY Five Months Ended 30 November 2012 (Pd 05)			
	Actual \$	Annual Plan \$	Forecast \$
Operating Activities			
Net Funding Requirement	-5,735,077	-14,983,552	-14,983,552
Regional Income	5,678,914	14,603,857	14,603,857
Operating Surplus / (Deficit)	-56,163	-379,695	-379,695
Capital Activities			
Loans Outstanding			
LIDar Digital Terrain Monitoring	27,600	27,600	27,600
GIS Purchase	57,000	57,000	57,000
Sawfly Remediation No. 1	1,000,000	750,000	750,000
Sawfly Remediation No. 2	1,400,000	1,120,000	1,120,000
Sawfly Remediation No. 3	770,000	700,000	700,000
	3,170,000	2,570,000	2,570,000
Regional Infrastructure	2,585,000	3,172,500	3,172,500
Regional Parks	1,890,625	3,076,000	3,076,000
Systems Integration	1,809,375	1,234,375	1,234,375
Heat Smart	3,943,750	4,045,125	4,045,125
Upper Tukituki Flood Control	242,500	220,000	220,000
Karamu & Tributaries Flood Control & Drainage	310,000	280,000	280,000
Monitoring Bores	87,500	80,000	80,000
HPFCS Flood Protection & River Control	418,750	385,000	385,000
Solar Hot Water	0	630,000	630,000
Computer Servers	0	90,000	90,000
Operations Group Office Extension	0	600,000	600,000
	11,187,500	13,813,000	13,813,000
Total Loans Outstanding	14,442,100	16,467,600	16,467,600
Leasehold Land Sales			
Residential/Commercial/Rural	8,682,028	13,100,000	13,100,000
Capital Expenditure (Excluding Loan Repayments)			
Operating Assets	1,381,080	3,910,281	3,910,281
Strategic Planning	18,429	274,944	274,944
Land Drainage & River Control	496,273	1,061,923	1,061,923
Regional Resources	1,712,480	5,701,280	5,701,280
Governance & Community Leadership	0	630,000	630,000
Regional Income	1,009,869	990,965	990,965
	4,618,131	12,569,393	12,569,393
Financial Assets & Investments			
	30-Nov-12	1 Year Ago	
Non-Current Financial Assets	184,644,356	128,566,972	
Current Financial Assets	42,704,754	25,507,944	
Cash & Cash Equivalents	8,869,394	10,923,868	
Total Cash & Financial Assets	236,218,503	164,998,784	
Average Interest Rate on Liquid Investments	4.13%	4.90%	
Total Investment Property	57,038,463	87,516,381	
Total Forestry Crops	3,355,590	2,645,039	
Accounts Receivable			
	30-Nov-12	1 Year Ago	
Current Year Rates	14,029,732	13,302,508	
Previous Years Rates in Arrears	684,717	690,889	
Payments in Advance	(198,060)		
Rate Receivables	14,516,389	13,993,397	
Other Receivables	1,615,267	1,638,867	
Provision for Impaired Receivables	(241,189)	(239,832)	
Total Accounts Receivable	15,890,488	15,392,432	

HAWKE'S BAY REGIONAL COUNCIL								
SUMMARY OPERATING STATEMENT								
Five Months Ended 30 November 2012 (Pd 05)								
	ANNUAL PLAN EXPENDITURE FULL YEAR	ACTUAL EXPENDITURE After 05 Months	ACTUAL INCOME (*) After 05 Months	RESERVE MOVEMENT After 05 Months	NET FUNDING REQUIREMENT			ACTUAL / FORECAST (%)
					ACTUAL After 05 Months	FULL YEAR BUDGET	FULL YEAR RE-FORECAST	
GROUPS OF ACTIVITIES:								
1.0 Strategic Planning	4,115,462	1,733,477	604,502	0	(1,128,975)	(2,712,472)	(2,712,472)	42%
2.0 Land Drainage & River Control	6,499,383	2,017,292	1,667,958	54,347	(403,681)	(1,120,562)	(1,120,562)	36%
3.0 Regional Resources	9,669,994	3,985,531	1,648,848	(285,648)	(2,051,035)	(5,412,210)	(5,412,210)	38%
4.0 Regulation	3,291,826	1,178,350	296,678	0	(881,672)	(1,718,478)	(1,718,478)	51%
5.0 Biosecurity	3,661,985	1,335,112	1,109,891	203,025	(428,246)	(1,230,991)	(1,230,991)	35%
6.0 Emergency Management	1,786,788	559,940	438,775	0	(121,165)	(746,923)	(746,923)	18%
7.0 Transport	4,474,027	1,561,031	1,625,314	83,842	(19,559)	(90,727)	(90,727)	22%
8.0 Governance & Community Engagement	4,402,212	964,648	1,110,500	1,023,800	(877,949)	(2,211,189)	(2,211,189)	40%
	37,901,677	13,335,382	8,502,467	1,079,366	(5,912,281)	(15,243,552)	(15,243,552)	39%
BUSINESS UNIT ADJUSTMENTS:								
Notional Interest on Ops Grp Fixed Assets			58,454	0	58,454	156,000	156,000	37%
Operations Group Council Activities	3,382,000	1,093,181	1,186,313	0	95,132	0	0	
Operations Group External Activities	412,000	138,014	161,632	0	23,618	104,000	104,000	23%
Net Operations Group Activities	3,794,000	1,231,195	1,347,945	0	118,750	104,000	104,000	
NET FUNDING REQUIREMENT		14,566,577	9,910,866	1,079,366	(5,735,077)	(14,983,552)	(14,983,552)	38%
9.0 INVESTMENT ACTIVITIES								
Investment Company								
HBRIC Dividends	0	2,416,667	(299,167)		2,715,834	6,518,000	6,518,000	42%
Ruaitaniwha Water Investment	(10)	0	0		0	302,602	302,602	0%
Ngaruroro Water Investment	0	0	0		0	32,000	32,000	0%
Rail/Road Hub Investment	0	0	0		0	0	0	
Other Investments								
Forestry/Carbon Sequestration								
CHB Waste Water Investment		23,141	0	(117,813)	94,672	227,212	227,212	42%
Mahia Waste Water Investment		12,878	0	(27,069)	14,191	34,060	34,060	42%
Waihapua Forestry Investment		143,059	2,343	(200,611)	59,895	143,747	143,747	42%
Tutira Manuka Investment		8,922	0	(13,570)	4,648	11,155	11,155	42%
Hill Country Forestry Investments		32,589	0	(40,584)	7,995	19,187	19,187	42%
Council Forestry Investment Funding Costs		0	0	0	0	0	0	
Leasehold Rental								
Restricted Leasehold Land Rental		97,815	848,323	0	750,508	935,261	935,261	80%
Investment Property Rental		8,267	353,653	0	345,385	751,162	751,162	46%
Interest on Investment Deposits		0	611,451	0	611,451	2,772,802	2,772,802	22%
OTHER ACTIVITIES								
General Rate/Uniform Annual General Charge		103,939	1,084,360	0	980,421	2,312,744	2,312,744	42%
Operating Interest (Excluding Investments)		0	211,006	43,846	167,159	205,738	205,738	81%
Disaster Reserve Interest & Dividends (Net)		159,257	61,241	0	(96,016)	(11,813)	(11,813)	830%
Other Income		0	53	0	53	350,000	350,000	0%
Gain / (Loss) on Disposal of Assets		0	24,717	0	24,717	0	0	
TOTAL REGIONAL ACTIVITY INCOME		589,866	5,613,814	(654,966)	5,678,914	14,603,857	14,603,857	39%
OPERATING SURPLUS / (DEFICIT)		15,156,443	15,524,680	424,400	(56,163)	(379,695)	(379,695)	15%
10.0 Capital Projects								
10.1 Internally Constructed Assets		214,832	625,000	410,168	0	0	0	
10.2 Strategic Planning		18,429	31,227	0	12,798	0	0	
10.3 Land Drainage & River Control		595,023	751,783	252,103	(95,343)	(324,796)	(324,796)	29%
10.4 Regional Resources		1,873,105	1,404,927	(468,183)	(15)	0	0	
10.5 Governance & Community Leadership		70,000	0	(70,000)	0	0	0	
10.6 Regional Income		1,009,869	313,592	(696,277)	0	0	0	
COUNCIL FUNDING REQUIRED FOR CAPITAL PROJECTS		3,781,258	3,126,529	(572,169)	(82,560)	(324,796)	(324,796)	25%
ANNUAL PLAN SURPLUS / (DEFICIT)		18,937,701	18,651,208	(147,770)	(138,723)	(704,490)	(704,490)	20%
(*) Income includes Targeted Rates, Fees and Charges, Grants and Loans								

HAWKE'S BAY REGIONAL COUNCIL																
PROJECT INCOME AND EXPENDITURE																
Five Months Ended 30 November 2012 (Pd 05)																
Project Code	ACTIVITY GROUPS	Expenditure Actual	Expenditure Budget	(%) Bud	Expenditure Re-forecast	(%) Re-forecast	Income Actual	Income Budget	(%) Budget	Income Re-forecast	(%) Re-forecast	Actual Movement	Budget Movement	Net Funding Requirement	Act Bud Var	Act Bud %
#	Activity Sub-Group	Year to Date	Full Year		Full Year		Year to Date	Full Year		Full Year		Other Res	Other Res	Actual	Budget	Forecast
1.0 Strategic Planning																
130	130 Strategic Development	254,000	1,415,184	18%	1,415,184	20%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
135	135 Investment Schemes	14,420	44,720	20%	44,720	25%	0	0	0%	0	0%	0	0	14,820	14,820	14,820
140	140 Strategic Development	549,436	1,476,480	37%	1,476,480	37%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
145	145 Strategic Development	3,718	106,564	3%	106,564	3%	0	0	0%	0	0%	0	0	13,761	13,761	13,761
150	150 Strategic Planning	649,287	1,687,254	39%	1,687,254	30%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
155	155 Policy Development	652,475	1,775,710	37%	1,775,710	32%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
160	160 Strategic Planning	83,765	288,600	29%	288,600	29%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
165	165 Strategic Planning	3,718	106,564	3%	106,564	3%	0	0	0%	0	0%	0	0	13,761	13,761	13,761
170	170 Strategic Planning	18,084	155,045	11%	155,045	11%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
175	175 Strategic Planning	172,154	424,623	41%	424,623	41%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
180	180 Strategic Planning	157,354	307,561	51%	307,561	51%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
185	185 Strategic Planning	56,212	46,276	14%	46,276	14%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
190	190 Strategic Planning	148,454	41,152	100%	41,152	100%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
195	195 Strategic Planning	259,180	438,400	102%	438,400	102%	550,878	1,307,036	40%	1,307,036	40%	0	0	14,840	14,840	14,840
200	200 Strategic Planning	1,723,477	4,115,462	42%	4,115,462	42%	484,802	1,403,980	45%	1,403,980	45%	0	0	14,840	14,840	14,840
2.0 Land Drainage & River Control																
205	205 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
210	210 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
215	215 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
220	220 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
225	225 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
230	230 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
235	235 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
240	240 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
245	245 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
250	250 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
255	255 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
260	260 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
265	265 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
270	270 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
275	275 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
280	280 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
285	285 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
290	290 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
295	295 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
300	300 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
305	305 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
310	310 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
315	315 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
320	320 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
325	325 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
330	330 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
335	335 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
340	340 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
345	345 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
350	350 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
355	355 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
360	360 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
365	365 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
370	370 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
375	375 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
380	380 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
385	385 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
390	390 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
395	395 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
400	400 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
405	405 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
410	410 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
415	415 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
420	420 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
425	425 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
430	430 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
435	435 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
440	440 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240	40%	54,520	0	11,444	11,444	11,444
445	445 Upper Takaka Scheme	155,762	685,107	23%	685,107	23%	108,417	501,240	40%	501,240						

Attachment 1

Item 15

HAWKE'S BAY REGIONAL COUNCIL																
PROJECT INCOME AND EXPENDITURE																
Five Months Ended 30 November 2012 (Pg 05)																
Project Code	Activity Sub-Group	Expenditure Actual	Expenditure Budget	(%)	Expenditure Re-forecast	(%)	Income Actual	Income Budget	(%)	Income Re-forecast	(%)	Actual Movement	Budget Movement	Budget Scheme Pos	Net Funding Requirement	Act. Bud. Act. Bus
#	Project	Year to Date	Full Year	Bud	Full Year	Est	Year to Date	Full Year	Bud	Full Year	Est	Other Rels	Other Rels	Other Rels	Budget Forecast	Var
3.0 Regional Resources																
302	302 - H&C County Erosion	59,883	82,979	72%	82,979	72%	13,820	82,979	17%	82,979	17%	44,487	0	0	0	44,487
303	303 - Hazardous	271	240,000	0%	240,000	0%	73,382	240,000	31%	240,000	31%	73,111	0	0	0	73,111
304	304 - East Coast Drainage	32,340	20,000	26%	20,000	26%	22,003	20,000	110%	20,000	110%	12,000	0	0	0	12,000
305	305 - Regional Land Drainage & Investigations	42,977	412,250	10%	412,250	10%	82,807	412,250	20%	412,250	20%	14,477	0	0	0	14,477
306	306 - Land Use Monitoring	76,600	286,418	26%	286,418	26%	76,600	286,418	26%	286,418	26%	14,477	0	0	0	14,477
307	307 - Sustainable Land Management	711,250	1,029,984	69%	1,029,984	69%	962,972	1,029,984	94%	1,029,984	94%	14,477	0	0	0	14,477
308	308 - Conservation History	399,214	485,419	82%	485,419	82%	485,419	485,419	100%	485,419	100%	14,477	0	0	0	14,477
309	309 - International Engagement & Biosecurity Protection	221,119	696,000	32%	696,000	32%	696,000	696,000	100%	696,000	100%	14,477	0	0	0	14,477
310	310 - Agricultural Data Systems	0	0	0%	0	0%	0	0	0%	0	0%	0	0	0	0	0
3.1 Land Management																
311	311 - Air Quality	56,732	154,602	34%	154,602	34%	278,143	154,602	174%	154,602	174%	14,477	0	0	0	14,477
312	312 - Healthy Housing Initiative	467,413	704,321	66%	704,321	66%	704,321	704,321	100%	704,321	100%	14,477	0	0	0	14,477
313	313 - Air Quality	514,548	662,122	78%	662,122	78%	662,122	662,122	100%	662,122	100%	14,477	0	0	0	14,477
3.2 Air Management																
314	314 - Regional Environmental Research	119,146	500,292	24%	500,292	24%	101,733	500,292	20%	500,292	20%	14,477	0	0	0	14,477
315	315 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
316	316 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
317	317 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
318	318 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
319	319 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
320	320 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
321	321 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
322	322 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
323	323 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
324	324 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
325	325 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
326	326 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
327	327 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
328	328 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
329	329 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
330	330 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
331	331 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
332	332 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
333	333 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
334	334 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
335	335 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
336	336 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
337	337 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
338	338 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
339	339 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
340	340 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
341	341 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
342	342 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
343	343 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
344	344 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
345	345 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
346	346 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
347	347 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
348	348 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
349	349 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
350	350 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
351	351 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
352	352 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
353	353 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
354	354 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
355	355 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
356	356 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
357	357 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
358	358 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
359	359 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
360	360 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
361	361 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
362	362 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
363	363 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
364	364 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
365	365 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
366	366 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
367	367 - Regional Environmental Research & Inc	102,570	235,500	43%	235,500	43%	102,570	235,500	43%	235,500	43%	14,477	0	0	0	14,477
368																

HAWKE'S BAY REGIONAL COUNCIL																	
PROJECT INCOME AND EXPENDITURE																	
Five Months Ended 30 November 2012 (Pd 05)																	
Project Code	ACTIVITY GROUPS	Expenditure Actual	Expenditure Budget	(%) Bud	Expenditure Full Year	(%) Full Year	Income Actual	Income Budget	(%) Bud	Income Full Year	(%) Full Year	Actual Movement	Budget Movement	Net Funding Requirement	Act Bud Var	Net Bud	
#	Project	Year to Date	Full Year				Year to Date	Full Year				Scheme Res	Other Res	Actual	Budget	Forecast	
8.0 Emergency Management																	
710	710 - Response Management	46,843	146,626	32%	146,626	32%	0	0		0				46,843	146,626	146,626	
711	711 - Hazard Assessment & Mitigation	47,261	147,370	32%	147,370	32%	0	0		0				47,261	147,370	147,370	
712	712 - Hazard Assessment & Mitigation	48,488	148,460	32%	148,460	32%	0	0		0				48,488	148,460	148,460	
713	713 - Hazard Assessment & Mitigation	49,519	149,532	32%	149,532	32%	0	0		0				49,519	149,532	149,532	
714	714 - Hazard Assessment & Mitigation	50,550	150,544	32%	150,544	32%	0	0		0				50,550	150,544	150,544	
715	715 - Hazard Assessment & Mitigation	51,581	151,557	32%	151,557	32%	0	0		0				51,581	151,557	151,557	
716	716 - Hazard Assessment & Mitigation	52,612	152,588	32%	152,588	32%	0	0		0				52,612	152,588	152,588	
717	717 - Hazard Assessment & Mitigation	53,643	153,619	32%	153,619	32%	0	0		0				53,643	153,619	153,619	
718	718 - Hazard Assessment & Mitigation	54,674	154,650	32%	154,650	32%	0	0		0				54,674	154,650	154,650	
719	719 - Hazard Assessment & Mitigation	55,705	155,681	32%	155,681	32%	0	0		0				55,705	155,681	155,681	
720	720 - Hazard Assessment & Mitigation	56,736	156,712	32%	156,712	32%	0	0		0				56,736	156,712	156,712	
8.1 Hazard Assessment & Mitigation																	
711	711 - Hazard Assessment & Mitigation	28,972	148,048	19%	148,048	19%	53,362	120,416	42%	138,108	42%	27,380	118,999	118,999	67,338	136,057	136,057
712	712 - Hazard Assessment & Mitigation	62,070	458,209	13%	459,259	13%	157,028	459,259	34%	458,209	34%	97,550	0	97,550	0	97,550	0
713	713 - Recovery & Support	191,017	343,657	56%	343,657	56%	191,017	343,657	56%	343,657	56%	46,920	0	46,920	0	46,920	0
8.2 HBC Civil Defence Emergency Management Group																	
		277,066	950,994	29%	950,994	29%	367,207	975,095	31%	375,095	31%	84,124	0	84,124	0	84,124	0
Totals for Emergency Management		559,340	1,708,788	31%	1,708,788	31%	120,775	1,059,985	42%	1,039,093	42%						
7.2 Transport																	
706	706 - Regional Road Safety	168,238	482,647	41%	482,647	41%	178,307	438,500	41%	438,000	41%						
707	707 - Standard Passenger Transport	1,348,380	3,779,361	36%	3,779,361	36%	3,717,117	3,717,117	39%	3,717,117	39%	83,642	0	83,642	0	83,642	0
707	707 - Transport Land Transport Strategy	23,863	235,616	10%	235,616	10%	13,542	169,560	6%	169,560	6%						
Totals for Land Transport		1,540,481	4,497,624	38%	4,497,624	38%	1,929,514	4,325,117	38%	4,325,117	38%						
6.0 Governance & Community Representation																	
614	614 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
615	615 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
616	616 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
617	617 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
618	618 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
619	619 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
620	620 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
621	621 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
622	622 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
623	623 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
624	624 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
625	625 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
626	626 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
627	627 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
628	628 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
629	629 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
630	630 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
631	631 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
632	632 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
633	633 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
634	634 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
635	635 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
636	636 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
637	637 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
638	638 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
639	639 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
640	640 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
641	641 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
642	642 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
643	643 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
644	644 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
645	645 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
646	646 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
647	647 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
648	648 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
649	649 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
650	650 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
651	651 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
652	652 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
653	653 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
654	654 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
655	655 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
656	656 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
657	657 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
658	658 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
659	659 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
660	660 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
661	661 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
662	662 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
663	663 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
664	664 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
665	665 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
666	666 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
667	667 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
668	668 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
669	669 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
670	670 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
671	671 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
672	672 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
673	673 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
674	674 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							
675	675 - Transport Assistance	78,465	326,600	24%	326,600	24%	0	0		0							

Item 15

HAWKE'S BAY REGIONAL COUNCIL																				
PROJECT INCOME AND EXPENDITURE																				
Five Months Ended 30 November 2012 (Pd 05)																				
Project Code	ACTIVITY GROUPS	Activity Sub-Groups	Expenditure Actual	Expenditure Budget	(%) Bud	Expenditure Re-forecast	(%) Re-forecast	Income Actual	Income Budget	(%) Bud	Income Re-forecast	(%) Re-forecast	Actual Movement	Budget Movement	Budget Movement	Net Funding Requirement	Net Bud	Net Bud	Net Bud	
#		Project	Year to Date	Full Year		Full Year		Year to Date	Full Year		Full Year		Other Res.	Other Res.	Other Res.	Actual	Budget	Forecast	Var	
10.0 Capital Projects																				
10.1 Internally Constructed Assets																				
10130	10130 - Systems Integration Projects		214,832	636,200	34%	636,200	34%	626,000	669,000	100%	626,000	100%	415,168	(1,200)		0	0	0	0	
Totals for Internally Constructed Assets			214,832	636,200	34%	636,200	34%	626,000	669,000	100%	626,000	100%	415,168	(1,200)		0	0	0	0	
10.2 Strategic Planning																				
11000	11000 - Strategic Development		18,426	74,944	25%	74,944	25%	31,227	74,944	42%	74,944	42%	0	(160,000)		12,796	0	0	12,796	
11000	11000 - Implementation of Environmental Initiatives		0	260,000	0%	260,000	0%	40,000	40,000	0%	40,000	0%	0	(160,000)		12,796	0	0	12,796	
Totals for Strategic Planning			18,426	274,944	25%	274,944	25%	31,227	74,944	27%	74,944	27%	0	(160,000)		12,796	0	0	12,796	
10.3 Land Drainage & River Control																				
20000	20000 - Upper Tairāwhiti Scheme		69,154	113,629	60%	113,629	60%	47,713	113,206	42%	113,206	42%	16,890	19,492		119,919	0	0	119,919	
22000	22000 - Central & Southern R. & Scheme		0	23,556	0%	23,556	0%	6,576	14,062	0%	14,062	0%	0	17,290		0	0	0	0	
23000	23000 - HPCPS - River Maintenance		94,754	150,000	63%	150,000	63%	140,662	140,662	42%	140,662	42%	376,524	376,524		120,000	0	0	120,000	
24000	24000 - HPCPS - Flood & River Control		278,391	278,391	100%	278,391	100%	437,043	1,048,926	42%	1,048,926	42%	0	0		1,048,926	0	0	1,048,926	
25000	25000 - HPCPS - Slurry Remediation		70,000	670,000	10%	670,000	10%	69,911	153,386	42%	153,386	42%	0	0		153,386	0	0	153,386	
26100	26100 - HPCPS - Upper Manawatu/Whaitiri		135,150	170,429	79%	170,429	79%	69,911	153,386	42%	153,386	42%	0	0		153,386	0	0	153,386	
26200	26200 - HPCPS - Lower Manawatu/Whaitiri		42,312	3,360	1266%	3,360	1266%	0	0	0%	0	0%	0	0		0	0	0	0	
26300	26300 - HPCPS - Bushywood/Maniototo		0	40,910	0%	40,910	0%	0	0	0%	0	0%	0	0		0	0	0	0	
26400	26400 - HPCPS - Teitaki Creek		12,000	12,000	0%	12,000	0%	0	0	0%	0	0%	0	0		0	0	0	0	
26500	26500 - HPCPS - Kaitake		130,350	371,429	35%	371,429	35%	124,360	599,550	42%	599,550	42%	7,504	7,504		120,170	0	0	120,170	
26600	26600 - HPCPS - Kaitake		18,000	18,000	0%	18,000	0%	0	0	0%	0	0%	0	0		0	0	0	0	
26700	26700 - HPCPS - Kaitake		817	32,597	0%	32,597	0%	12,622	28,852	42%	28,852	42%	12,622	12,622		0	0	0	0	
Totals for Land Drainage & River Control			593,025	1,940,923	30%	1,940,923	32%	751,193	1,880,279	42%	1,880,279	42%	415,290	295,132	(76,393)	559,147	925,240	(324,796)	229,453	29,251
10.4 Regional Resources																				
30000	30000 - Highways		1,831,758	2,634,375	61%	2,634,375	61%	1,379,038	2,453,996	52%	2,453,996	52%	47,390	47,390		0	0	0	-14	
31000	31000 - Council Owned Wastewater		360	146,780	1%	146,780	1%	0	0	0%	0	0%	0	0		0	0	0	-9	
31000	31000 - Regional Sanitary Sewerage		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
31000	31000 - Regional Stormwater		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
31000	31000 - Regional Water Resources		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
Totals for Regional Resources			1,831,758	2,634,375	61%	2,634,375	61%	1,379,038	2,453,996	52%	2,453,996	52%	47,390	47,390		0	0	0	-14	
10.5 Governance & Community Leadership																				
40000	40000 - Mayor & Councillors		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%	0	0%	0	0	0%	0	0%	0	0		0	0	0	0	
40000	40000 - Regional Infrastructure		0	0	0%															

HAWKE'S BAY REGIONAL COUNCIL						
MOVEMENT ON SPECIAL SCHEME RESERVES						
Five Months Ended 30 November 2012 (Pd 05)						
	Scheme Reserve	Movement On Scheme	Scheme Reserve	Annual (1)	Revised (2)	
	Opening Balances	Reserve Year to Date	Closing Balances	Plan Closing Balances	Forecast Closing Balances	
	(\$)	(\$)	(\$)	(\$)	(\$)	
Separate Schemes						
240 Makara	(39,045)	(127,917)	(166,962)	(51,788)	(51,788)	
241 Paeroa	68,967	6,544	75,511	66,560	66,560	
242 Porangahau	34,491	13,355	47,846	36,569	36,569	
243 Poukawa	24,122	4,899	29,021	17,756	17,756	
244 Ohua-Whakaki	(24,044)	(10,117)	(34,161)	(33,333)	(33,333)	
245 Esk	85,594	3,227	88,821	85,808	85,808	
246 Whirinaki	16,562	(540)	16,022	10,638	10,638	
247 Maraetotara	(13,637)	2,030	(11,607)	(12,534)	(12,534)	
248 Te Ngarue Stream	19,136	(963)	18,173	17,098	17,098	
249 Kopuawhara	20,470	2,592	23,062	18,897	18,897	
Total Separate Rating Schemes	192,616	(106,890)	85,726	155,671	155,671	
265 Upper Tukituki	149,208	49,640	198,848	77,147	77,147	
276 Kairakau Community Scheme	-	-	-	-	-	
277 Wairoa Rivers & Streams Scheme	71,434	33,484	104,918	68,199	68,199	
278 Central & Sthn Areas Scheme	319,678	24,962	344,640	303,188	303,188	
286 HPFCS - Rivers Maintenance	(52,424)	(21,773)	(74,197)	(314,191)	(314,191)	
287 HPFCS - Design & Construction	6,475,989	392,332	6,868,321	7,482,455	7,482,455	
288 HPFCS - Drainage Review	202,971	13,287	216,258	211,344	211,344	
289 HPFCS - Sawfly Remediation	(6,178,426)	(98,130)	(6,276,556)	(7,180,309)	(7,180,309)	
286-289 HPFCS Rivers Scheme	448,110	285,716	733,826	199,299	199,299	
291 HPFCS - Npr/Meeanee/Puke	(386,449)	(75,476)	(461,925)	(513,047)	(513,047)	
292 HPFCS - Brookfields/Awatoto	11,404	13,162	24,566	(3,058)	(3,058)	
293 HPFCS - Pakowhai	99,776	9,635	109,411	79,324	79,324	
294 HPFCS - Muddy Creek	207,089	6,178	213,267	179,082	179,082	
295 HPFCS - Haumoana	40,788	16,254	57,042	25,266	25,266	
296 HPFCS - Karamu	(329,008)	51,124	(277,884)	(455,265)	(455,265)	
297 HPFCS - Raupare/Twyford	207,381	26,205	233,586	171,266	171,266	
298 HPFCS - Tutakuri/Motao	(27,444)	11,933	(15,511)	(45,554)	(45,554)	
299 HPFCS - Puringa	13,273	3,552	16,825	13,224	13,224	
Total HPFCS Drainage Schemes	(163,190)	62,567	(100,623)	-548,762	-548,762	
Total Heretaunga Plains Scheme	284,920	348,283	633,203	-349,462	-349,462	
Total Flood Protection & Drainage	1,017,856	349,479	1,367,335	254,743	254,743	
342 Healthy Homes Initiatives	382,702	(135,742)	246,960	567,342	567,342	
373 Tangoio Soil Conservation Res.	3,179,559	(15,272)	3,164,287	2,927,904	2,927,904	
381 Soil Conservation Nursery	22,218	-	22,218	-	-	
395 Water Initiatives (Operating Only)	(142,167)	(84,699)	(226,866)	(171,526)	(171,526)	
650 Noxious Plants	11,301	57,125	68,426	23,697	23,697	
660 Animal Pest Control	468,650	54,397	523,047	543,530	543,530	
661 Bovine TB	2,823	91,503	94,326	17,145	17,145	
Total Biosecurity	482,774	203,025	685,799	584,373	584,373	
790 Land Transport Administration	278,603	83,842	362,445	220,420	220,420	
TOTAL ALL RATING SCHEMES	5,221,545	400,633	5,622,178	4,383,255	4,383,255	
Movement Represented as:	Capital	210,548				
	Operating	341,583				
		552,131				
Notes:						
1. Annual Plan Closing Balance taken from 2012/13 Annual Plan and adjusted for actual balances brought forward.						
2. Revised Forecast Closing Balance is taken from the 2012/13 Annual Plan Re-forecast and adjusted for actual balances brought forward.						

HAWKE'S BAY REGIONAL COUNCIL
CONSOLIDATED BUSINESS UNITS BALANCE SHEET

	Actual 30-Nov-12 \$	Actual 1-Jul-12 \$
Non Current Assets		
Property, plant & equipment	19,508,649	18,933,987
Infrastructure assets	139,931,423	136,299,010
Investment property	57,038,463	67,890,000
Intangible assets	6,834,050	6,905,995
Financial assets	184,644,356	184,631,056
Forestry assets	3,355,590	3,355,590
	411,312,532	418,015,638
Current Assets		
Inventories	20,209	14,583
Accounts receivable	15,890,488	3,258,561
Prepayments	186,511	346,444
Accrued income	1,602,940	1,764,517
Work in progress	289,506	242,971
Financial assets	42,704,754	40,164,807
Cash & cash equivalents	8,869,394	14,911,107
	69,563,802	60,702,990
TOTAL ASSETS	480,876,334	478,718,628
Public Equity		
General reserves	327,856,075	327,705,572
Fair value reserves	69,792,407	69,792,407
Operating reserves	61,746,274	60,191,166
Current year movement	-4,595,004	0
	454,799,751	457,689,145
Non Current Liabilities		
Borrowings	12,557,000	12,904,600
Employee entitlements	948,187	678,000
Other liabilities	171,894	171,894
	13,677,081	13,754,494
Current Liabilities		
Accounts payable	652,478	3,662,472
Income in advance	8,975,498	270,823
Deposits and retentions	142,211	364,487
Employee entitlements	744,214	1,010,606
Borrowings	1,885,101	1,966,601
	12,399,502	7,274,989
TOTAL LIABILITIES	26,076,583	21,029,483
TOTAL EQUITY & LIABILITIES	480,876,334	478,718,628

Attachment 1

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Attachment 1

HAWKE'S BAY REGIONAL COUNCIL				
CAPITAL & INVESTMENT ACTIVITY				
Five Months Ended 30 November 2012 (Pd 05)				
	Notes	Actual	Annual Plan	Forecast
		\$	\$	\$
10.1 OPERATING ASSET ACTIVITIES				
Expenditure:				
External Loan Principal Repayments:				
Lidar Digital Terrain Monitoring		0	27,600	27,600
GIS Computer System		19,000	19,000	19,000
Finance Systems Upgrade		15,625	100,625	100,625
Ground Water Monitoring Bores		0	10,000	10,000
Computer Servers		0	10,000	10,000
		34,625	167,225	167,225
Internal Loan Principal Repayments:				
Building Weather Tightness		0	0	0
Computer Equipment		0	0	0
Hydrology Equipment		0	0	0
		0	0	0
Total Loan Repayments		34,625	167,225	167,225
Operating Asset Purchases:				
Purchases by Council		1,093,795	3,610,281	3,610,281
Purchases by Operations Group		287,285	300,000	300,000
Total Operating Asset Purchases		1,381,080	3,910,281	3,910,281
Total Expenditure		1,415,705	4,077,506	4,077,506
Sources of Funds:				
Internal Loans Drawn-down		0	1,850,000	1,850,000
External Loans Drawn-down		625,000	1,225,000	1,225,000
Operating Asset Depreciation - Council		569,551	1,279,385	1,279,385
Operating Asset Depreciation - Operations Group		76,673	226,000	226,000
Proceeds of Disposals - Council		68,823	50,000	50,000
Proceeds of Disposals - Operations Group		71,000	167,863	167,863
Interest on Asset Replacement Reserve Funds		0	8,560	8,560
Asset Replacement Reserve Funds	1.	(15,342)	(729,302)	(729,302)
Total Sources of Funds		1,415,705	4,077,506	4,077,506
Net Result		0	0	0
10.2 STRATEGIC PLANNING ACTIVITIES				
Expenditure:				
Capital Project Expenditure				
179C Strategic Development (VHB/RWC Loan Repayments)		18,429	74,944	74,944
193C Implementation of Environmental Initiatives		0	200,000	200,000
Total Capital Project Expenditure		18,429	274,944	274,944
Total Expenditure		18,429	274,944	274,944
Sources of Funds:				
179C Targeted Rates		31,227	74,944	74,944
193C Loan Repayment		0	40,000	40,000
193C Sale of Land Reserves		0	160,000	160,000
Total Sources of Funds		31,227	274,944	274,944
Net Result (Funded from General Funds)		12,798	0	0
Notes:				
1. The funding of capital from these reserves will be cleared from the drawdown of loan funding in subsequent periods.				

HAWKE'S BAY REGIONAL COUNCIL				
CAPITAL & INVESTMENT ACTIVITY				
Five Months Ended 30 November 2012 (Pd 05)				
	Notes	Actual	Annual Plan	Forecast
		\$	\$	\$
10.3 LAND DRAINAGE & RIVER CONTROL ACTIVITIES				
Expenditure:				
Loan Principal Repayments:				
265C	Upper Tukituki	7,500	30,000	30,000
267C	Heretaunga Plains - Flood & River Control	11,250	45,000	45,000
269C	Sawfly Remediation	70,000	670,000	670,000
296C	Karamu & Tributaries	10,000	40,000	40,000
	Total Loan Repayments	98,750	785,000	785,000
Infrastructure Asset Construction:				
265C	Upper Tukituki	55,654	83,822	83,822
278C	Central & Southern Areas Rivers & Streams	0	23,529	23,529
266C	Heretaunga Plains - Rivers Maintenance	94,794	150,000	150,000
267C	Heretaunga Plains - Flood & Rivers Control	43,308	233,391	233,391
269C	Heretaunga Plains - Sawfly Remediation	0	0	0
291C	Heretaunga Plains - Napier/Meeane/Puketapu (Capital)	139,150	170,429	170,429
291R	Heretaunga Plains - Napier/Meeane/Puketapu (Renewal)	42,212	3,260	3,260
292R	Heretaunga Plains - Brookfields/Awatoto (Renewal)	0	40,910	40,910
293R	Heretaunga Plains - Pakowhai (Renewal)	0	12,000	12,000
294R	Heretaunga Plains - Muddy Creek (Renewal)	0	1,825	1,825
296C	Heretaunga Plains - Karamu & Tributaries (Capital)	120,338	291,700	291,700
296R	Heretaunga Plains - Karamu & Tributaries (Renewal)	817	19,000	19,000
297C	Heretaunga Plains - Raupere/Twyford	0	32,057	32,057
	Total Infrastructure Asset Construction	496,273	1,061,923	1,061,923
	Total Expenditure	595,023	1,846,923	1,846,923
Sources of Funds:				
Loans Drawn-down				
		0	0	0
Targeted Rates & External Funding				
		751,783	1,804,279	1,804,279
Infrastructure Asset Replacement Reserves				
		43,029	76,995	76,995
Rating Scheme Reserves				
	1.	(295,132)	(359,147)	(359,147)
	Total Sources of Funds	499,680	1,522,127	1,522,127
	Net Result (Funded from General Funds)	(95,343)	(324,796)	(324,796)
Notes:				
1. The funding of capital from these reserves will be cleared from the drawdown of loan funding in subsequent periods.				

Attachment 1

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Attachment 1

HAWKE'S BAY REGIONAL COUNCIL				
CAPITAL & INVESTMENT ACTIVITY				
Five Months Ended 30 November 2012 (Pd 05)				
	Notes	Actual \$	Annual Plan \$	Forecast \$
10.4 REGIONAL RESOURCE ACTIVITIES				
Expenditure:				
Loan Principal Repayments:				
342C Healthy Homes		105,750	279,375	279,375
385C Regional Park Reserves		54,875	369,500	369,500
Total Loan Repayments		160,625	648,875	648,875
Capital Project Expenditure:				
342C Healthy Homes		1,225,982	2,355,000	2,355,000
362C Council Owned Wetlands		0	0	0
373C Tangoio Soil Conservation Reserve		869	146,280	146,280
385C Regional Park Reserves		485,628	3,200,000	3,200,000
Total Capital Project Expenditure		1,712,480	5,701,280	5,701,280
Total Expenditure		1,873,105	6,350,155	6,350,155
Sources of Funds:				
Loans Drawn-down				
		1,375,000	3,855,000	3,855,000
External Funding				
		29,927	1,487,906	1,487,906
Sale of Land Reserves				
	1.	514,614	869,500	869,500
Special Scheme Reserves				
	1.	(46,451)	137,749	137,749
Total Sources of Funds		1,873,090	6,350,155	6,350,155
Net Result (Funded from General Funds)		(15)	0	0
10.5 GOVERNANCE & COMMUNITY LEADERSHIP ACTIVITIES				
Expenditure:				
Loan Principal Repayments:				
893C Regional Infrastructure Assistance		70,000	182,500	182,500
Total Loan Repayments		70,000	182,500	182,500
Capital Project Expenditure:				
844C Solar Hot Water Scheme		0	630,000	630,000
893C Regional Infrastructure Assistance		0	0	0
Total Capital Project Expenditure		0	630,000	630,000
Total Expenditure		70,000	812,500	812,500
Sources of Funds:				
Loans Drawn-down				
		0	630,000	630,000
Sale of Land Reserves				
893C		70,000	182,500	182,500
Total Sources of Funds		70,000	812,500	812,500
Net Result (Funded from General Funds)		0	0	0
10.6 REGIONAL INCOME ACTIVITIES				
Expenditure:				
Capital Project Expenditure				
988C Tutira Manuka Forestry		56,696	90,000	90,000
989C Waihapua Forestry		61,646	31,000	31,000
993C Regional Forestry Programme 1		0	500,000	500,000
995C Ngaruroro Water Investment		0	113,228	113,228
996C Ruataniwha Water Augmentation Investment	2	890,629	246,737	246,737
997C Mahia Waste Water Investment		898	10,000	10,000
Total Expenditure		1,009,869	990,965	990,965
Sources of Funds:				
External Funding				
		313,592	359,965	359,965
Sale of Land Reserves				
		696,277	631,000	631,000
Total Sources of Funds		1,009,869	990,965	990,965
Net Result (Funded from General Funds)		0	0	0
Notes:				
1. The funding of capital from these reserves will be cleared from the drawdown of loan funding in subsequent periods.				

HAWKE'S BAY REGIONAL COUNCIL
Reserves Funding
AT 30 NOVEMBER 2012

Total	Operating Reserves	Infrastructure Asset Depreciation	Waikato Rivers & Streams	Specific Regional Projects	Asset Replacement	Council Disaster Damage	Scheme Disaster Damage	Clive River Dredging	Tangaroa Reserve Fund	Sale of Land Invt	Sale of Land Non-Invt	Rabbit Reserve	Napier Mussel Farm	Effective Interest Rate (%)	Maturity Dates
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
967						967								N/A	N/A
Government Stock	3,496					2,371			641	484				4.89%	2015 - 17
Bank Deposits [Maturity 92 - 365 days]	9,515	20	869	290	19	27	3	802		6,382	950	49	14	4.12%	2013
Cash & Cash Equivalents [Maturity < 92 days]	41,782	4,597	1,867	392	28	191	2	1,530	142	2,578	29,031	1,318	96	3.38%	2013
	55,760	4,617	2,766	682	47	218	3,343	2,412	142	3,219	35,907	2,268	135	4.13%	

Less Non-Funded Reserves
Port Dividend Equalisation Project Schemes

(2,781)
(2,450)

Available Operating Reserves

(5,239)
(622)

Reconciliation to Balance Sheet

Non Current Financial Assets Fair Value Adjustment to Stock Loans to VHB	184,727 188 (270)
Current Financial Assets Cash & Cash Equivalents	184,645 42,705 8,868
Less Non Allocated Financial Assets Port of Napier Shares Community Loans Fair Value Adjustment to Stock	236,218 (177,500) (2,770) (188) (180,458) 55,760

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.

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Financial Rpt to Council Nov 2012.xls

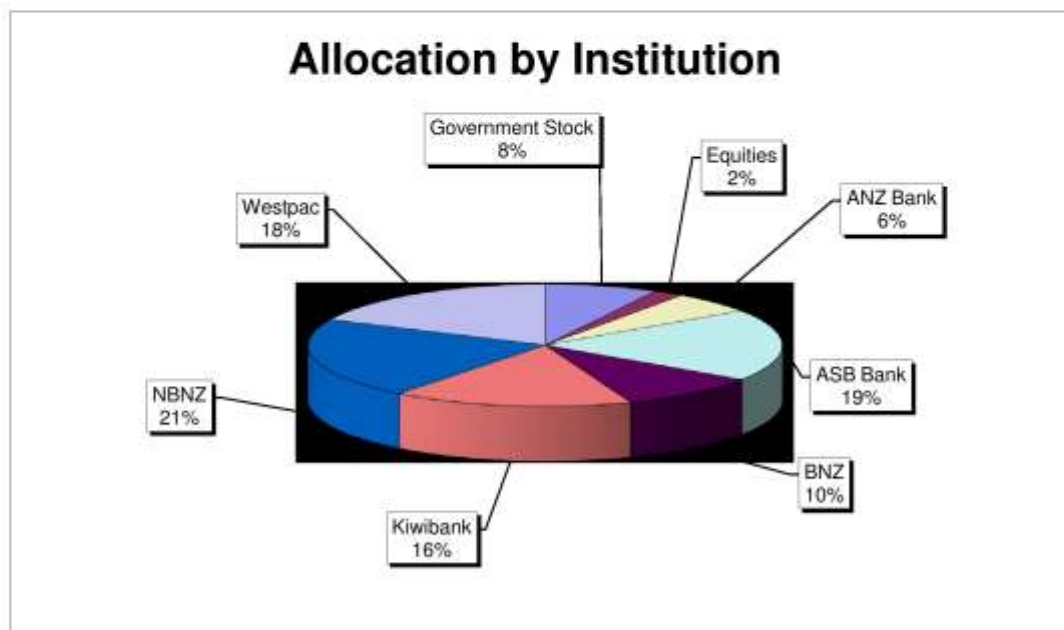
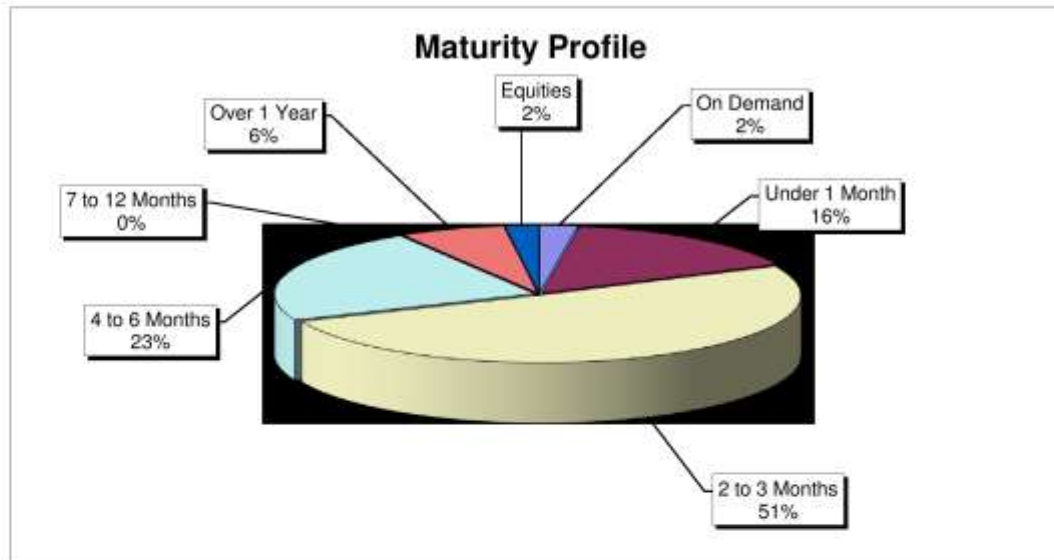
Reserves Report

Attachment 1

Item 15

Attachment 1

HAWKE'S BAY REGIONAL COUNCIL FINANCIAL ASSETS AT 30 NOVEMBER 2012



11:41 a.m. 6/12/2012

Financial Rpt to Council Nov 2012.xls

Graphs

GROUP OF ACTIVITY: STRATEGIC PLANNING

Service Levels and Performance Targets Activity 1 – Economic Development			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
<i>Regional Economic Development Strategy</i> mission statement: “To make Hawke’s Bay the best location in which to visit, work, invest, live and grow”.	Comprehensive visitor strategy in place within an overall regional marketing plan.	2012-2014 – Quarterly reporting to Council on key performance indicators.	HB Tourism Ltd (HBT) provides a quarterly report to Council. Overall results for Hawke’s Bay for the year ending August showed a flat result with only 0.1% growth in guest nights. Brand “Hawke’s Bay” and tagline “Get me to Hawke’s Bay” continue to be used in all communication. HBT has taken a far stronger domestic focus with F.A.W.C! Food and Wine Classic in November and Grab a seat campaigns with Air New Zealand. The first Tourism Awards for the region was held in September.
	Long term Regional Economic Development Strategy.	2012-2015 – Annually review and progress the regional economic development strategy. 2016-22 – Demonstrate tangible benefits from implementation of the regional economic development strategy.	Business Hawke’s Bay convened a reference group in August to prioritise regional economic development topics. Since then a steering group involving HBRC and key economic development practitioners has undertaken a refresh of the Regional Economic Development Strategy (REDS). This will be released shortly.
	Investment for research and development and business development.	2012-2022 – At least \$800,000 per annum achieved for Research and Development investment.	The MSI Regional Partner has generated \$1,112,744 in grant funding into Hawke’s Bay working with 30 businesses. There is a large pipeline of funding preparing for the application process.
	Sustainable regional growth.	2012-2015 Develop and initiate sustainable primary production programmes. 2016-22 Demonstrate value from ongoing implementation of programmes.	Work continues with the Primary Pan Sector group. The most recent meeting was held on 21 November to assist review Plan changes in relation to nutrient and water management for the Ruataniwha catchment. The Pan Sector group will be actively involved with assisting drive uptake in water consents for the Ruataniwha Water Storage scheme.

GROUP OF ACTIVITY: STRATEGIC PLANNING

Service Levels and Performance Targets Activity 2 – Strategy and Planning			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will help the community prepare for the future.	Number of <i>Embracing Futures Thinking</i> events held.	Each year – Host 3 <i>Embracing Futures Thinking</i> events.	No events held to date although a breakfast meeting was held as part of the Tukituki Choices engagement.
	Trends review completed.	2013-14 – Refresh the Trends and Environmental Scan analysis.	Not yet started
	Agreement reached on Spatial Planning Framework.	2014-15 – Reach agreement on regional and lower North Island spatial planning framework.	Not yet started, although informal discussions occur as part of the Heretaunga Plains Urban Development Strategy implementation.
HBRC will integrate land and water and biodiversity management to deliver environmental, economic, social and cultural outcomes.	Action plans and monitoring reports prepared for: – Land and Water Management Strategy. – National Policy Statement for Freshwater Management.	Each year – Prepare action plans and monitoring reports for: 1. Land and Water Management Strategy. 2. National Policy Statement for Freshwater Management – Hold a Land and Water Symposium to engage the wider community.	No reports prepared to date. Reporting will be linked to annual reporting of Council's progressive implementation of the NPS for Freshwater Management. That progressive Implementation Programme was adopted by Council in September 2012.
	Regional Biodiversity Strategy completed.	Develop a Regional Biodiversity Strategy as follows 2012- 13: Finalise scope of strategy and begin preparation of the draft. 2013-14: Consult on the draft and prepare final Strategy 2014-15: Prepare programme for work relevant to HBRC for inclusion in the next Long Term Plan.	Project scoping commenced and completed. Terms of Reference for Working Group have been developed. Strategy outcomes have been drafted via an 'intervention logic model' facilitated by Landcare Research staff. Strategy outcomes are to be presented to first Steering Group meeting in December. Regional biodiversity inventory programme is underway.

Service Levels and Performance Targets

Activity 2 – Strategy and Planning

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will establish and maintain clear and appropriate policy in a responsive and timely manner that will enable sustainable management of the region's natural and physical resources.	<ul style="list-style-type: none"> – Status of Resource Management Plans and Policy Statements. – No more than 2 years elapse from notification of a plan change to decisions on submissions being issued. 	2012-13 <ul style="list-style-type: none"> – Plan change for Tukituki River Catchment publicly notified (July 2012) – Plan change for Taharua /Upper Mohaka catchment publicly notified (Feb 2013) – Decisions on submissions on Plan Change 4 Built Environment adopted by Council. 	<p>In addition to the performance targets, Change 5 to the Regional Policy Statement was publicly notified on 2 October. Change 5 is now following the RMA's Schedule 1 process for submissions, further submissions and hearings. 29 submissions have been received on proposed Change 5.</p> <p>Stakeholder engagement on the Tukituki plan change and the Ruataniwha Water Storage project occurred via the Tukituki Choices discussion document. This set out 4 land and water management scenarios, with and without storage and the implications of those options. 3 public meetings and 2 breakfast meetings were held. 164 responses were received. Council endorsed key approaches for the development of the plan change.</p> <p>For Taharua / Mohaka, Council has supported, in-principle, the concept of a 'catchment management plan' being a key component of the Taharua plan change. Immediate next steps involve further negotiations between major landowners about nitrogen (N) mitigation options and responsibilities. For wider Mohaka catchment, supporting science progressing, stakeholder engagement has commenced during the period.</p> <p>Submissions on Change 4 are scheduled to be heard by a Hearing Panel on 7 December. Panel will make recommendations for Council's consideration.</p> <p>Stakeholder engagement process has commenced in relation to regional plan change for the Greater Heretaunga / Ahuriri catchment area.</p>
		2014-15 Plan change for Heretaunga Zone publicly notified (July 2014).	
		2013-14 Plan change for Natural Hazards publicly notified (July 2013).	

Service Levels and Performance Targets Activity 2 – Strategy and Planning			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
	Regional Coastal Environment Plan – At all times there is a regional plan in force for the HB coastal marine area. – New Zealand Coastal Policy Statement (NZCPS) put into action in accordance with statutory requirements.	2012-13 – Regional Coastal Environment Plan (RCEP): <ul style="list-style-type: none"> • Settlement of appeals. • Minister of Conservation approval of plan provisions relating to the coastal marine area. • Variation 1 (Rivermouth Hazard Areas) – Decisions issued on submissions. • Preliminary assessment of how RCEP gives effect to 2010 NZ Coastal Policy Statement. 2013-14 – Scoping and prioritising of plan changes required to give effect to 2010NZCPS. 2014-15 – Start review of coastal hazard zones if re-assessment (Project 322) necessary. – Notify plan change to give effect to 2010 NZCPS. 2015-16 to 2021-22 – RCEP effectiveness reporting. – Rolling review of RCEP provisions.	All RCEP appeals have been settled without the need for formal Environment Court hearings. Council adopted the revised RCEP plus its associated Variations 1-3 on 31 October 2012 and has now referred the coastal marine area-related provisions of the RCEP to the Minister of Conservation for her approval. The RMA requires Ministerial approval of regional coastal plans before those plans can be made operative.

GROUP OF ACTIVITY: STRATEGIC PLANNING

Service Levels and Performance Targets Activity 3 – Policy Implementation			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will promote integrated management by proactively communicating its policies and responsibilities through dialogue and submissions on district plans, consent applications and central government initiatives.	Lodging of submissions on district plans, district planning applications and central government initiatives where there are relevant regional council policies.	2012-22 <ul style="list-style-type: none"> Submissions made on district plans, district planning applications and central government initiatives reported to HBRC's Environment and Services Committee. Staff of HBRC and territorial local authorities to meet at least twice a year to discuss integration issues and steps to improve the regional and district plan are identified and acted upon. 	<p>Regular reports have been presented to Environmental Management Committee and Maori Committee on submissions/ comments made under Statutory Advocacy project.</p> <p>Comments and submissions express the Regional Council's interests in land use and resource management decisions being made by other councils and agencies.</p> <p>No formal submissions or appearances made to date by Council on central government proposals. Nevertheless, Council's interests have been represented at various levels of engagement with Government on scoping and drafting of proposals and guidance materials still being finalised.</p> <p>Regional Council has opportunities to submit on proposed NPSs and NESs like any other person, and often submits to ensure NPSs and NESs do not require costly and unnecessary implementation actions disproportionate to any benefits of the national instrument.</p> <p>HBRC Policy staff convene "Hawke's Bay Council Planners' Forum" comprising key resource management policy managers and advisors from each of the Hawke's Bay councils. Principal purpose of Forum is to assess and share opportunities to harmonise content of regional and district plans in Hawke's Bay. Current principal focus has been preparation of a programme to implement the Joint Natural Hazards and Land Use Planning strategies.</p>

Service Levels and Performance Targets Activity 3 – Policy Implementation			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will help communities without sewers improve the management of domestic wastewater.	Number of interest free loans approved.	<ul style="list-style-type: none"> – Provide a fund to help the territorial authority-led upgrading of community wastewater systems in communities without sewers (\$200,000pa contributions capped at \$1,000,000) – Non-regulatory initiatives developed and implemented to complement regional plan policy development that implements National Policy Statements and/or National Environmental Standards. 	No activity for the wastewater assistance fund to date. Clean Heat programme is ongoing.
HBRC will investigate and manage contaminated sites to ensure public health and safety and environmental protection.	Number of top priority (Category 1) contaminated sites investigated Maintain a database of potentially and confirmed contaminated sites	2012-22 <ul style="list-style-type: none"> – To administer and maintain the database, including checking of record details, site visits to GPS areas of contamination, transfers to Territorial Local Authorities (TLA) as per agreed protocol and advising landowners of the contaminated sites status of their property. 	Environmental Activities database completed and access given to Territorial Local Authorities to enable test runs of database. Meetings held with Hastings District and Napier City Councils to progress transfer of information protocols. Checking of information on database continues.

GROUP OF ACTIVITY: STRATEGIC PLANNING

Service Levels and Performance Targets

Activity 4 –State of the Environment Reporting

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will monitor and provide accurate information to the community so that it understands the State of the Environment (SOE) for Hawke's Bay.	Data quality as assessed against HBRC's quality assurance system.	2012-13 – Apply for International Organisation for Standardisation (ISO) accreditation.	The Environmental Science Section has applied for accreditation in terms of Joint Australian/New Zealand Standard ISO9001:2008. The Quality Management System operated by the Section has successfully negotiated a Stage 1 audit, and was recently (27 and 28 November 2012) subject to a more exacting two day on-site assessment and audit. The verbal feedback received during the audit visit was positive, suggesting that accreditation was likely.
	Amount of State of the Environment monitoring data available through HBRC's website.	2012-22 – Maintain the current level of SOE data on HBRC's website. – Continue to make information from the following monitoring sites available through HBRC's website: <ul style="list-style-type: none"> • All telemetered river flow sites • All telemetered rainfall sites • All telemetered climate stations • All data collected, processed, analysed and stored in accordance with ISO requirements. <ul style="list-style-type: none"> • Maintain ISO accreditation. 	Existing levels of data availability have been maintained. Telemetered river, rainfall and climate data are available through HBRC's website as required. Data were collected in compliance with ISO 9001:2008 and in conformance with the performance standards defined in the Environmental Science Quality Management System documentations. ISO accreditation is currently awaited.
	State of the Environment Monitoring Report.	2012-22 Annual Update State of the Environment Reports available by June each year. 2013-14 State of the Environment Monitoring Report available.	Preparation of the Annual update SoE report is currently on-track. Not applicable during 2012/2013

GROUP OF ACTIVITY: LAND DRAINAGE & RIVER CONTROL

Service Levels and Performance Targets Activity 1a – Flood Protection & Drainage Schemes: Heretaunga Plains Scheme			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will maintain an effective flood control network that provides protection from frequent river flooding to communities and productive land within the Heretaunga Plains Scheme.	A full assessment of the capacity and integrity of flood control works is completed every twelve years by a chartered professional engineer with interim audits undertaken annually.	2012-15 – Review of the current level of service (LOS) provided by the Heretaunga Plains Scheme to determine whether they are still appropriate or should be increased.	The report to Council in August 2011 outlined the economic analysis and options. Consultation with the public over the preferred option with cost implications was included in the LTP 2012-22. There is 111.2 km of stopbank in the HP Scheme. Currently the design Level of Service (LOS) (1%AEP capacity) is provided. There is 192.7 km of river berm edge protection. Current assessment is that the scheme is back to 100% effectiveness and is at no more than a low risk of failure.
The level of protection in technical terms is to convey a flood discharge with a 1% probability of being exceeded in any one year (1%AEP) safely to the sea.	The level of service will be reported as: – Kilometres and percentage of floodway that provide the design level of service.	2012-22 – Tutaekuri, Ngaruroro & Lower Tukituki Audits: No change.	
HBRC will maintain an effective drainage network that provides protection from frequent flooding from smaller watercourses to communities and productive land within the Heretaunga Plains Scheme.	A full assessment of the capacity and integrity of the drainage network within each drainage catchment is completed every twelve years by a chartered professional engineer with interim audits undertaken annually.	2013-14 and 2014-15 – Review the current level of service provided by the scheme and determine new level of service measures and targets. 2015-onwards – To be defined by the level of service review.	The Level of Service (LOS) review for the drainage network is programmed to begin once the bulk of the review for the rivers is complete. This is programmed to begin this year but has not begun to date due to resourcing issues.
HBRC will protect and enhance the scheme's riparian land and associated waterways administered by the Regional Council for public enjoyment and increased biodiversity.	The level of service will be reported as the length of scheme riparian land enhanced. (Each side of a waterway measured separately and includes new planting and inter-planting). – Tutaekuri; Tukituki; Ngaruroro	Ongoing – 0.5km of riparian land enhanced a year (on average). 2012-13 – Complete Tutaekuri Ecological Management Plan and implement ecological management plans (EMP's) on Heretaunga Plains Rivers.	This year's planting programme will begin at the start of winter. The Tutaekuri Ecological Management is substantially complete following field investigation. Implementation of EMP's is ongoing. Gravel extractors are required to manage sites to allow for nesting birds, native planting ongoing.

GROUP OF ACTIVITY: LAND DRAINAGE & RIVER CONTROL

Service Levels and Performance Targets

Activity 1b – Flood Protection & Drainage Schemes: Upper Tukituki Scheme

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
<p>HBRC will maintain an effective flood control network that provides protection from frequent river flooding to communities and productive land within the Upper Tukituki Scheme.</p> <p>The level of protection in technical terms is to convey a flood discharge with a 1% probability of being exceeded in any one year (1%AEP) safely to the sea.</p>	<p>A full assessment of the capacity and integrity of flood control works is completed every twelve years by a chartered professional engineer with interim audits undertaken annually.</p>	<p>Full Scheme Reviews:</p> <ul style="list-style-type: none"> – Upper Tukituki: Start Date 2013/14; completion date 2014/15. – Waipawa: Start Date 2015/15; completion date 2015/17 – Tukipo: Start Date 2017/18 – Makaretu: Start Date 2018/19 – Manga-o-nuku: Start Date 2019/20 – Minor Streams: Start Date 2020/21 	<p>Annual maintenance of flood control scheme ongoing and managed through the annual contracts process.</p> <p>Reviews not due to begin.</p>
	<p>The level of service will be reported as:</p> <ul style="list-style-type: none"> – Kilometres and percentage of floodway that provide the design level of service. 	<p>2022</p> <ul style="list-style-type: none"> – Upper Tukituki Increasing to 98%. <p>2022</p> <ul style="list-style-type: none"> – Waipawa increasing to 100%. <p>2015-16</p> <ul style="list-style-type: none"> – River View Edge Risk: Review of the current level of service provided by the Scheme to determine whether they are still appropriate or should be increased. 	<ul style="list-style-type: none"> – There is 76.8 km of stopbank in the Upper Tukituki Scheme. Currently 95% the current design LOS (1%AEP capacity) is provided. – Some reaches remain with reduced free board (distance between design flood level and the top of the stopbank) and they will be addressed in the LOS review. – There is 212.2 km of river berm edge protection. Current assessment is that 95% are at no more than a low risk of failure. The rivers in the Upper Tukituki Scheme suffer some flood damage from time to time or are under repair with young vegetation; hence the downgrading.
<p>HBRC will protect and enhance its scheme riparian land and associated waterways for public enjoyment and increased biodiversity.</p>	<p>The length of Scheme riparian land enhanced by inter-planting with alternative native and exotic species (each side of a waterway measured separately).</p>	<p>Ongoing</p> <ul style="list-style-type: none"> – 0.5km of riparian land enhanced a year (on average). 	<p>Planting is carried out later in the year in the winter.</p>

GROUP OF ACTIVITY: LAND DRAINAGE & RIVER CONTROL

Service Levels and Performance Targets Activity 1c – Flood Protection & Drainage Schemes: Other Schemes			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
<p>HBRC will maintain an effective flood control and drainage network that provides protection from frequent flooding to communities and productive land within designated Scheme areas. These Schemes include:</p> <ul style="list-style-type: none"> – Makara Flood Control – Paeroa Drainage – Porangahau Flood Control – Ohuia – Whakaki Drainage – Esk River – Whirinaki Drainage – Maraetotara – Te Ngarue – Kopuawhara Flood Control – Poukawa Drainage – Kairakau (proposed) – Waimarama (proposed) 	<p>A full assessment of the capacity and integrity of flood control works is completed every twelve years by a chartered professional engineer with interim audits undertaken annually.</p> <p>The level of service will be reported as:</p> <ul style="list-style-type: none"> – Percentage of assets that provide the design level of service. 	<p>2012-15</p> <ul style="list-style-type: none"> – Kairakau and Waimarama Flood Protection Schemes accepted by community and operation phase begun. – No change to other schemes. <p>2015-16 to 2022-23</p> <ul style="list-style-type: none"> – Increase to 98%. 	<p>Current Levels of Service are being achieved across most the smaller schemes. Levels of Service vary across the schemes, depending on their purpose. Estimated to be operating at 95% or higher after allowing for periodic flood damage.</p> <p>The Makara No1 dam failed following a flood in April 2011 and community consultation and repair solutions are being discussed.</p> <p>Kopuawhara suffered damage in the April Floods and significant repair work is required to bring the scheme back to pre-flood protection standard. Council agreed in November how this work would be funded. Further modelling work has been carried out but to date no affordable solution has been found.</p> <p>The main Ohuia pump and pump station requires urgent replacement.</p> <p>A scheme is now in place for Kairakau.</p> <p>A Waimarama scheme has yet to be discussed with the wider community.</p>

GROUP OF ACTIVITY: LAND DRAINAGE & RIVER CONTROL

Service Levels and Performance Targets

Activity 2 – Investigations and Enquiries

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will be available to provide expert advice on drainage, flooding, and coastal erosion issues.	All queries are dealt with by appropriate qualified and experienced staff.	Ongoing – No Change.	Many flood, drainage and coastal queries are handled by staff.
HBRC will provide up to a 30% subsidy for river control and flood protection where the criteria set out in the Regional Council's guidelines for technical and financial assistance are met.	Value of subsidies provided annually.	Ongoing – \$42,000 plus inflation of subsidy money is provided each year at a subsidy rate of 30%.	To date \$7,024 of subsidy money has been taken up.
HBRC will provide a consultancy service for drainage, flooding, and coastal erosion issues according to individual project agreements on a full cost recovery basis.	Cost recovery. Satisfaction with Service.	Ongoing – Full costs of any consultation work are recovered. – Major clients are satisfied with service provided.	Consultancy work is ongoing for Gisborne District Council, Hastings District Council and Napier City Council. Work has been well received by these councils. Demand for consultancy work for developers has continued but pressure on resources has meant this work has been turned down.

GROUP OF ACTIVITY: LAND DRAINAGE & RIVER CONTROL

Service Levels and Performance Targets

Activity 3 – Sundry Works

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will ensure that the beach at Westshore has erosion checked to 1986 erosion line. <i>(The 1986 line was the extent of erosion before beach renourishment began. This line is identified on a series of posts along the foreshore)</i>	The comparison of annual beach cross section surveys to the 1986 erosion line.	Ongoing – Erosion does not extend landward of the 1986 line.	The annual nourishment project is successful in holding the Westshore coastline seaward of the 1986 measurements. The 2012/13 renourishment work has been completed.
HBRC will maintain river mouths so that they do not flood private land above a specified contour subject to suitable river, sea and weather conditions that will allow a safe and successful opening to be made.	Incidences of flooding of private land above levels as specified in the River Opening Protocol.	Ongoing – Private land above a specified contour is not flooded as a result of a river mouth being closed.	There have been no reported incidences of private land flooded as a result of a river mouth being closed.

GROUP OF ACTIVITY: REGIONAL RESOURCES

Service Levels and Performance Targets Activity 1 – Land Management			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
Viable and resilient farming systems are being achieved through sustainable land use.	Annually reporting on research project outputs and how they have contributed to sustainable land management outcomes.	Ongoing <ul style="list-style-type: none"> • 2012-13 Develop a Research Strategy. • Continue a programme of research and extension to investigate and field trial issues relevant to sustainable land management in Hawke's Bay. • Actively seek collaboration with primary product organisations undertaking research relevant to HB. 	<ul style="list-style-type: none"> • Coastal Hill Country GRAAS project initiated in collaboration with MPI • The Huatokitoki water harvesting, drainage project will be completed over the coming months. The novel crops have had limited success due to the initial weed control undertaken. The earthworm studies were presented on Rural delivery TV programme. There are four farmers in the catchment that have trials of anecic (deep burrowing) earthworms in areas on their properties. These will be monitored over the next 5 years. • The development of a research strategy is on hold while staff engage time into the RWS and plan changes processes. • Staff are in a conversation with a range of industry groups. One objective of these discussions is for more collaboration on research.
	Outputs achieved through HBRC Regional Landcare Scheme.	Ongoing <ul style="list-style-type: none"> – Regional Landcare Scheme (RLS) reviewed outcomes to be implemented by June 2014. – Report in the operation plan how RLS activity directly contributes to sustainable land management. – Annual output targets delivered from the RLS investment to be established and implemented as part of the annual operating plan. 	<ul style="list-style-type: none"> • Number of poles purchased ex the Nursery is 37,726 poles to 277 properties. • Soil conservation & environmental enhancement projects – 81 projects (26 soil conservation – 380 & 55 Environmental Enhancement – 383) • Riparian strip projects = 29 (9 within priority area of Tukituki Catchment) • Wetland projects = 8 (4 within the Tukituki Catchment)
	The operational plan will show the focus of Regional Landcare Scheme activity and alignment with the regional afforestation programme and the intensification of land use.	<ul style="list-style-type: none"> – A portion of Regional Landcare Scheme subsidy will be targeted, and the level of subsidy varied, to encourage initiatives that more effectively respond to environmental change. 	The following knowledge transfer community group work took place: <ul style="list-style-type: none"> • Sustainable Land Use Alternatives – Huatokitoki Field trip (15 participants) • Financial Resilience Workshop – Huatokitoki Group (22 participants) • Community engagement process around Trees on Farms – 2 x farmer workshops (12 participants) • Future forages systems field day (Part of East Coast Drylands Project - HBRC Sponsored) x 2 events – 75 participants

Service Levels and Performance Targets Activity 1 – Land Management			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
			<ul style="list-style-type: none"> Wairoa Hill Country Project – Ruakituri community group – shade house school day - 10 students & 15 parents Wairoa Hill Country project – Whakaki community group – 2 meetings & 16 participants Ballance farm awards - all 2012 entrants visited and selection of winner occurring now. 9 events – 165 participants
	Area of erosion prone class VIe and VIIe hill country planted through the regional afforestation programme.	2012-13 <ul style="list-style-type: none"> Regional afforestation programme will be finalised and promoted. 2013-14 <ul style="list-style-type: none"> 500ha planted. 2014-15 <ul style="list-style-type: none"> 1,500ha planted. 2015-22 <ul style="list-style-type: none"> 1,750ha planted. 	<ul style="list-style-type: none"> The Regional afforestation programme is on hold until a decision is made in the 13/14 annual plan. High UMF manuka is being trialled at Tutira as a possible opportunity for steep erodible hill country land use.
HBRC will increase its knowledge of the region's land, soil and terrestrial habitats so it is aware of any current and likely future issues that may arise. This knowledge will allow for a timely and effective response that enables land sustainably for future generations.	Design and coordinate a land use monitoring programme that enables HBRC to identify and monitor the impacts of land use intensification on soil and water quality throughout the region.	2012-13 <ul style="list-style-type: none"> Develop and monitor indicators for plains soil erosion, riparian enhancements by June 2013 	Erosion – Plans for measurement of sediment loads in selected rivers and erosion modelling of specific catchments is underway. Riparian enhancement – working in conjunction with land management, a programme is under development to monitor water quality and biodiversity of new areas of riparian protection.
	Regional baseline hill country erosion monitoring.	2012-13 <ul style="list-style-type: none"> Regional baseline hill country erosion survey to be completed by June 2012. Report completed by December 2012. Plains erosion monitoring programme to begin by December 2013. Erosion monitoring repeated (about every 5 years but contingent on any major regional storm event). 	Indicators are being developed and monitored as follows; Land use change – derived from latest GIS data and supported by ground proofing. This work is underway. Farm inputs – supported by 'overseer' and consent data is underway. A comprehensive nutrient leaching model (including overseer outputs) has been developed for the Taharua catchment. Similar work for the Ruataniwha is under development. Terrestrial habitats – An extensive aerial, ground and GIS survey of the Karamu and Tukituki catchments has been undertaken (draft reports received February 2012). This includes herpetofauna, avian and indigenous flora) and identifies areas of significance for resource management.

Service Levels and Performance Targets

Activity 1 – Land Management

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
	Integrated catchment management including staged computer modelling & monitoring of the: <ul style="list-style-type: none"> – Mohaka – Heretaunga – Tukituki 	<p>2012-15</p> <ul style="list-style-type: none"> – Catchment models developed for Taharua and the entire Mohaka catchment. <p>2014-2016</p> <ul style="list-style-type: none"> – Start modelling of Heretaunga catchments (initially investigating the Ngaruroro and Tutaekuri sub-catchments) to identify environmental issues <p>2016-2022</p> <ul style="list-style-type: none"> – Continue Tukituki and Heretaunga catchment investigations and begin prioritisation of other catchments in order to identify environmental issues 	A nutrient model for Taharua has been completed by NIWA. This establishes a relationship between Nitrogen (N) losses from land and concentrations in stream. This model needs recalibration with more recent data, but this is currently on hold as the water storage project is demanding time input from the same people. A nutrient model for N and Phosphorous (P) in the Tukituki will be completed in 2012.
Hawke's Bay's land resource is maintained for future generations	<ul style="list-style-type: none"> – Area of erosion prone land with tree cover – Baseline erosion monitoring 	See Regional Afforestation Scheme	A combination of monitoring techniques are being investigated that can be used in conjunction with the 'kiwi image' satellite imagery. This has led to a baseline erosion monitoring report for the region.

GROUP OF ACTIVITY: REGIONAL RESOURCES

Service Levels and Performance Targets Activity 2 – Air Management			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will have adequate knowledge about the level of air pollutants that may impact on public health and aesthetic values so that it can manage air quality for human health needs and aesthetic values.	State of the Environment monitoring programme for: <ul style="list-style-type: none"> – Air quality – Climate 	2012-22 <ul style="list-style-type: none"> – Monitoring undertaken in accordance with the Regional Air Quality Monitoring Strategy. 2012-22 <ul style="list-style-type: none"> – Report on breaches of the National Environmental Standards in accordance with the standard. 	Routine PM ₁₀ monitoring is on track. Screening PM10 equipment has been deployed in Waipukurau to determine the requirement for additional monitoring. Public health notices were issued for 11 exceedances measured in the winter period.
	Emissions Inventory and Airshed Modelling.	2011-12 <ul style="list-style-type: none"> – Complete an airshed modelling update. 	A strategy is being developed to determine concentrations of NES contaminants. This will be done by an external contractor.
HBRC will provide financial assistance for those who qualify for insulation and clean heat support.	Number of clean heat systems installed under financial assistance programme.	2012-22 <ul style="list-style-type: none"> – Up to 1,500 'clean heat' systems installed under HBRC's financial assistance programme a year. 2012-22 <ul style="list-style-type: none"> – Provide loan assistance to homeowners region wide for home insulation under HBRC's financial assistance programme. 	The programme has delivered 638 clean heat packages up to 20 November 2012. 395 financial assistance packages for insulation have been delivered up to 20 November 2012.
Hawke's Bay's air is suitable to breathe	Compliance with National Environmental Standard (NES) for Air Quality	<ul style="list-style-type: none"> – Napier Airshed meets NES: No more than 1 exceedance by 2016 – Hastings Airshed meets NES: No more than 3 exceedances by 2016 and no more than 1 exceedance by 2020. 	No PM ₁₀ exceedances were measured in Napier during winter 2012. One PM ₁₀ exceedance was reported for Awatoto during winter 2012. Ten PM ₁₀ exceedances were measured in the Hastings airshed during winter 2012.

GROUP OF ACTIVITY: REGIONAL RESOURCES

Service Levels and Performance Targets Activity 3 – Water Management			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will increase its knowledge of the region's water resources in terms of quantity, quality and habitats so that a policy framework can be developed to sustainably manage the water and land resources within Hawke's Bay.	State of the Environment monitoring programme for: <ul style="list-style-type: none"> – Climate – River flows – Groundwater levels – Surface water quality – Groundwater water quality – Aquatic ecosystems 	2012-15 <ul style="list-style-type: none"> – Establish 1 climate station a year. – Monitoring undertaken in accordance with State of the Environment monitoring strategy (reviewed in 2012 to reflect national reporting and regional consistency). – Upgrade rainfall sites. 	Upgrade of rainfall sites has been scheduled and is underway. Routine monitoring programmes have been established for surface and groundwater quality, surface and coastal ecology, surface flows, groundwater levels, a selection of air quality and climate variables. Surface water sampling has increased from quarterly to monthly sampling across the region. A soil quality monitoring program has also been implemented which assesses a range of land-use types on a rotational basis. These data are used for monthly, annual and five-yearly State of Environment reporting, as well as other resource management purposes.
	Knowledge available to inform environmental flow and allocatable volume review of the following river catchments and groundwater basins: Tukituki River; Ngaruroro River; Karamu Stream; Tutaekuri River; Ruataniwha Plains ; Heretaunga Plains.	2012-15 <ul style="list-style-type: none"> – Groundwater Allocation report <ul style="list-style-type: none"> • Ruataniwha Plains, Heretaunga Plains. – Environmental flow, and Allocation Reports for the: <ul style="list-style-type: none"> • Karamu Stream and Tutaekuri River 	Groundwater allocation was extensively investigated for the Ruataniwha Plains aquifer during 2012 to meet Tukituki Plan change requirements. A draft report that included assessment of environmental flows and groundwater allocation in the Karamu Stream catchment was completed during 2012. A draft report summarising surface and groundwater resource availability and demand was completed for the entire region during 2012.
	Knowledge available to inform review of water quality objectives and setting limits.	2012-15 <ul style="list-style-type: none"> – Review of water quality guidelines and objectives completed and reported. 	Water quality guidelines were investigated for the Tukituki River catchment as a component of the Tukituki Plan Change process. Technical investigation defined limits in terms of flows and concentrations of key water quality variables required to meet water quality objectives or values.
	Knowledge available to manage nutrient inputs to rivers.	2012-13 <ul style="list-style-type: none"> – Report on Nutrient limits: Tukituki River, Mohaka River. 2012-15 <ul style="list-style-type: none"> – Report on Nutrient limits: Ngaruroro River, Tutaekuri. 	Water quality guidelines were established for the Tukituki River catchment as a component of the Tukituki Plan Change process. The processes leading to these targets were summarised in a series of reports.

Service Levels and Performance Targets

Activity 3 – Water Management

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will increase its knowledge in terms of potential regional water demand and availability and how it is valued so that it can strategically plan for regional economic, social, cultural and environmental benefits.	Regional Water Values study.	2012-13 – Regional Water Values study completed.	Values were identified following consultation with stakeholders in the Tukituki River catchment in 2012. Consultation leading to identifying stakeholder values for the Tutaekuri, Ahuriri, Ngaruroro and Karamu catchments commenced in October 2012.
HBRC will encourage efficient and effective water use to maximise the benefits of the water allocated.	Number of active water user groups. Implementation of water efficiency tools by Water User Groups.	2012-22 – Continue to establish and facilitate Water User Groups on a catchment priority basis. – In conjunction with Water User Groups, investigate and apply for research grants relating to water use and resource allocation efficiency. – Continue to transfer latest water efficiency and allocation information to Water User Groups.	Work undertaken with established water user groups, facilitating meetings, workshops and developing project scopes for research grant work.
	Number of consent holders with water meters operating using telemetry or web/text systems.	2012-2013 – Cumulative total of 677 consents using telemetry or a web entry system. – Complete verification procedures and establish verification programme. 2013-2014 – Cumulative total of 1000 consents using telemetry or a web entry system. 2014-2019 – Cumulative total of 1200 consents using telemetry or a web entry system. 2019-2022 – Continue to progress consents away from manual paper reporting to direct electronic reporting methods.	Target surpassed, 613 individual resource consents are now using Council's web entry system to report their water use and a further 321 operating telemetry, total 934 consents using the system

GROUP OF ACTIVITY: REGIONAL RESOURCES

Service Levels and Performance Targets Activity 4 – Coastal Management			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
Hawke's Bay's water resource is available for future generations	Allocation limits and water quality limits. Implementation of National Policy Statement for Freshwater Management.	Refer to other performance targets listed within this table.	RRMP amended to incorporate policies. Consents issued now give regard to these policies. In September 2012 the council adopted and published its implementation programme to progressively implement the NPS for Freshwater Management by 2030.
HBRC will measure water quality at key recreation sites and make the results available to ensure public health and safety	Recreational water quality monitoring programme and website management	Ongoing – Weekly monitoring of key recreational sites as per recreational water quality monitoring plan – Recreational water information available on website and social network site within 2 days of results being available – Identification of pollution sources for sites that regularly exceed guidelines.	The recreational water quality monitoring programme commenced in November 2012. Recreational data was made available as soon as possible, following technical enhancement of the HBRC website.
HBRC will continue to monitor, research and investigate coastal processes to inform coastal planning including climate change and coastal hazards.	Annual coastal monitoring and investigation programme including: – Beach profiling – Storm monitoring – Sediment transport and processes investigation and modelling. – Hazard prediction including tsunami, inundation, erosion, storm surge	Ongoing – Annual monitoring and investigation programme completed and reported each year	3 monthly north and south surveys have been done. Annual HB series is scheduled for Dec/Jan. The annual report is programmed to be completed by end of March 2013.

Service Levels and Performance Targets

Activity 4 – Coastal Management

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will provide long term, relevant and specific information on Hawke's Bay's coastal ecosystems, so that it and the community can remain engaged with, and informed of, the current state and potential threats to the health of coastal environments.	Identify the state and health of selected regional beaches, reefs and estuaries; Identify the state and health of near-shore coastal waters and coastal sediments; Maintain an operative and relevant Coastal Monitoring Strategy.	Ongoing – Monitoring undertaken in accordance with State of the Environment Monitoring Strategy (2006) and reported on annually.	The sandy beach monitoring programme was completed during November 2012.
HBRC will increase its knowledge of coastal ecosystems through targeted research and investigations so that it is better able to understand and respond to the effects of activities on the coastal environment.	Undertaking specific investigation and/or research, and reporting on these outcomes where appropriate	– Targeted investigations into coastal receiving environments receiving stormwater discharges. – Saline transition zones in regional estuaries will be identified.	Sediment quality for the inner harbour was reported during August 2012. Loggers were deployed in the Ahuriri estuary during September 2012 and in the Waitangi estuary in November 2012.

GROUP OF ACTIVITY: REGIONAL RESOURCES

Service Levels and Performance Targets Activity 5 – Gravel Management			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
River-bed gravel is equitably allocated to gravel extractors.	The gravel allocation process complies with the Regional Resource Management Plan	Ongoing – No compliance issues with gravel extraction.	The gravel allocation process has complied with the RRMP and there are no compliance issues. The gravel allocation process for the 2013/14 year will occur from March to May 2013.
River gravel management activities have no significant adverse effects on river ecology and water quality.	No reported incidences of adverse impacts following gravel extraction or beach raking activities.	Ongoing – No reported incidences of adverse impacts following gravel extraction or beach raking activities.	Gravel extraction has been managed to avoid adverse impacts on the ecology. Ecology management plans (EMP's) for the Ngaruroro have been developed and for the other major rivers are currently being developed to manage the ecology more effectively. Gravel extractors are aware of the requirements of the EMP.
Knowledge necessary for sustainable management of riverbed gravel is improved.	Completion of investigation and research work recommended in riverbed gravel scoping study.	Ongoing – Annual Programme of work completed.	Preliminary research work on sediment modelling has been carried out for the Ngaruroro River and work has started on the Tukituki.

GROUP OF ACTIVITY: REGIONAL RESOURCES

Service Levels and Performance Targets

Activity 6 – Open Spaces

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will provide public access to, and manage existing Council owned parks and wetlands for multi-purpose benefits.	Levels of service associated with all open space areas are set out in current management plans.	2012 <ul style="list-style-type: none"> Complete an open space vision and management plan and where appropriate further development programmes for all open space areas and facilities. Ongoing <ul style="list-style-type: none"> Implement management plans to deliver levels of service established. 	Regional Park Network Plan for HBRC open space assets is being progressed. Objectives include developing a regional park framework that is consistent nationally and defines clear levels of service for parks delivery and maintenance provision (increasing opportunity for partnering & integration into initiatives such as nature central).
HBRC will actively look for opportunities to provide the public with opportunities to enjoy open space available within the region with opportunities assessed against the HBRC Open Space policy and evaluation criteria.	Open space policy and evaluation criteria. Note \$915,000 remaining in HBRC open space and community facilities to provide for opportunities.	Ongoing <ul style="list-style-type: none"> Continue to assess affordable open space opportunities in accordance with the open space vision. Action any opportunities approved by Council. 	The annual contribution of \$30,000 toward the operational costs for the Te Mata Park has been actioned.

GROUP OF ACTIVITY: REGULATION

Item 15

Service Levels and Performance Targets Activity 1 – Resource Consent Processing			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will ensure that accurate information about resource consent requirements and processes is readily available.	Application and submission guides are available in electronic and hard copy form.	2012-22 – No verified reports of inaccurate information being given in relation to resource consent requirements. 2012-22 – Electronic application and submission forms, application and submission guides are available through HBRC's website.	No verified reports of inaccurate information in relation to resource consent requirements. Forms are available through the website and are updated as required
HBRC will process resource consent applications in a timely manner.	100% of resource consents processed within statutory timeframes set down in the Resource Management Act 1991.	2012-22 – 100% of resource consents processed within statutory timeframes.	193 resource consents issued. All within statutory timeframes. 213 resource consents currently in process

Attachment 5

Service Levels and Performance Targets Activity 2 – Compliance Monitoring			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will check that consent holders comply with the resource consent conditions imposed to protect the environment.	Number of consents monitoring in accordance with the adopted compliance monitoring strategy.	2012-22 – 90% of programmed inspections/reports completed each year. – 95% of monitored consents achieve an overall grading of full compliance.	Inspections are down on previous years due to staff focus on Water Measuring Device Regulation implementation. % of compliant consents is not calculated until year end.
HBRC will provide a 24 hr/7 day a week pollution response service for reporting environmental problems.	Duty management/Pollution Management response system.	2012-22 – 24 hour duty Management/pollution management response system maintained.	Target achieved with no downtime.

GROUP OF ACTIVITY: REGULATION

Service Levels and Performance Targets

Activity 3 – Maritime Safety and Navigation

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will provide local navigation safety control of shipping and small craft movements to ensure the region's navigable waters are safe for people to use.	The Navigation Safety Bylaws and Port and Harbour Safety Management System.	2012-22 <ul style="list-style-type: none"> – Bylaws to be reviewed in 2016. – Maintain a Maritime New Zealand accredited Safety Management System for the Napier Pilotage Area. – Marine accidents and incidents are investigated and acted upon using education and enforcement as appropriate. – Region wide risk assessment and review of current work programme with forward looking recommendations by 1 July 2013. – Review community education effectiveness by 1 July 2013. 	<p>Safety Management System has been audited by MNZ. Audit passed with no corrective actions required.</p> <p>Incidents have been investigated with education and enforcement action used where appropriate.</p>

GROUP OF ACTIVITY: REGULATION

Service Levels and Performance Targets

Activity 4 – Building Act Implementation

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
Process Building Act consent applications within timeframes.	Contract with Waikato Regional Council to process dam consents on behalf of Hawke's Bay Regional Council (HBRC).	2012-22 – Maintain contract with Waikato Regional Council, for the processing of dam building consents.	Contract maintained.
Maintain an accurate Dam Register and help dam owners prepare dam safety assurance programmes in accordance with Building Act timeframes.	All known dams have been recorded on the Dam Register, and dam owners informed of Building Act requirements.	2012-22 – 100% of dams comply with regulation requirements that come into force in July 2012.	No action, regulations still not in force.
HBRC will investigate illegally built dams and will ensure that they are removed or made compliant.	An illegally built dam is made compliant or removed within six months of identification.	2012-22 – 100% of dams comply with regulations.	No illegal dams identified.

Item 15

Attachment 5

GROUP OF ACTIVITY: BIOSECURITY

Item 15

Attachment 6

Service Levels and Performance Targets

Activity 1 – Regional Biosecurity Programme

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will develop and implement regional pest management strategies that improve biodiversity and economic prosperity.	Pest Management Strategies: Maintain a current Regional Pest Management Strategy.	2016-2017: – Review the current Regional Pest Management Strategy (RPMS) by 2017 unless required by legislation to undertake a review before that.	The Regional Pest Management Strategy (RPMS) and Regional Phytosanitary Pest Management Strategy have been reviewed. Proposed documents were adopted by HBRC in December 2011, submissions received and heard in February 2012. The reference made to the Environment Court has had its second mediation and mediation looks likely to have resolved the appeal. There are a number of initiatives underway that will inform the next review of the RPMS which will be required within eighteen months due to a review of the Biosecurity Act. These include a regional goat stakeholder working group, forming a regional biosecurity coordination forum and initiatives associated with identifying effective long term management strategies for argentine ants.
	Undertake research and investigation to quantify and/or increase the economic, biodiversity or animal/human health benefits of pest control.	Ongoing – Undertake at least one research/investigation initiative annually.	There is one research project that is currently being scoped to re run the survey of the PCA programme that was previously completed in 2006.
HBRC will provide effective pest management programmes that improve regional biodiversity and economic prosperity.	Regional Animal Pest Control and Bovine Tb Vector Control Programmes: Hectares of rateable land kept at low possum numbers. Low possum numbers means no more than five possums caught per 100 traps set out at night.	2016-17 – By 2016 all rateable land will be reduced to low possum numbers (total rateable land in Hawke's Bay = 1,000,000ha). Rateable land in transition from the Animal Health Board programme: 2012-13: 20,000ha 2013-14: 30,000ha 2014-15: 30,000ha 2015-16: 40,000ha 2016-22: unable to predict. Rateable land in Possum Control Area (PCA) Programme: June 2013: 490,000ha June 2014: 534,000ha June 2015: 584,000ha June 2016: 624,000ha	There are currently 16,082ha's or 4 projects that will be included into PCA programme in the 12/13 financial year. These projects are Cross Hills (3,937), Eripiti (3,735), Mangaroa (3,620) & Pohora (4,790). All PCA projects are being carried out in the Wairoa District. At 30 June 2013 a total of 907,740ha's of rateable land is being kept at low possum numbers. This comprises 507,740ha's of PCA's and 400,000ha's of AHB vector control operations.

Service Levels and Performance Targets

Activity 1 – Regional Biosecurity Programme

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012																														
		Of the PCAs monitored, less than 10% of the monitoring lines exceed 5% trap catch.	<div><p>Cumulative Rateable Land Under Possum Control PCA & AHB</p><table><thead><tr><th>Year</th><th>LTCCP Targets</th><th>Actual</th></tr></thead><tbody><tr><td>2008</td><td>797,000</td><td>797,000</td></tr><tr><td>2009</td><td>825,715</td><td>825,715</td></tr><tr><td>2010</td><td>843,711</td><td>843,711</td></tr><tr><td>2011</td><td>867,224</td><td>867,224</td></tr><tr><td>2012</td><td>891,558</td><td>891,558</td></tr><tr><td>2013</td><td>905,000</td><td></td></tr><tr><td>2014</td><td>935,000</td><td></td></tr><tr><td>2015</td><td>970,000</td><td></td></tr><tr><td>2016</td><td>1,000,000</td><td></td></tr></tbody></table></div>	Year	LTCCP Targets	Actual	2008	797,000	797,000	2009	825,715	825,715	2010	843,711	843,711	2011	867,224	867,224	2012	891,558	891,558	2013	905,000		2014	935,000		2015	970,000		2016	1,000,000	
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The number of active rook nests treated annually across the region.	Ongoing – Monitoring indicates a downward trend in active rook nest numbers in both areas (North and South of SH5).	<p>Aerial rook control has been carried out and completed in all known rookeries across the region during the 2012 rook breeding season. 29 new rookeries were located across the region this year, 3 in the eradication zone and 26 in the control zone. A total of 95 active nests were aerial treated across the eradication zone north of SH5 compared with 90 in the 2011/2012 financial year.</p> <p>A total of 686 active nests were aerial treated across the control zone south of SH5 compared with 657 in the 2011/2012 financial year.</p>																															

Service Levels and Performance Targets

Activity 1 – Regional Biosecurity Programme

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012																																	
			<div><h3>Rook Program</h3><table><thead><tr><th></th><th>03-04</th><th>04-05</th><th>05-06</th><th>06-07</th><th>07-08</th><th>08-09</th><th>09-10</th><th>10-11</th><th>11-12</th><th>12-13</th></tr></thead><tbody><tr><td>Control Zone</td><td>658</td><td>1,075</td><td>2,091</td><td>2,360</td><td>1,955</td><td>1,956</td><td>905</td><td>824</td><td>657</td><td>686</td></tr><tr><td>Eradication Zone</td><td>561</td><td>564</td><td>493</td><td>429</td><td>313</td><td>214</td><td>92</td><td>59</td><td>90</td><td>95</td></tr></tbody></table></div>		03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	Control Zone	658	1,075	2,091	2,360	1,955	1,956	905	824	657	686	Eradication Zone	561	564	493	429	313	214	92	59	90	95
		03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13																									
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Eradication Zone	561	564	493	429	313	214	92	59	90	95																										
Response time to rabbit complaints/enquiries.	Ongoing – An initial response is given within 5 working days of receipt of each rabbit related complaint/enquiry	2 rabbit enquires have been received and followed up with to date. All enquires have been responded to within 5 working days of receiving their initial call. Assistance was provided in the form of environmental topic’s, one on one advice, and where appropriate a demonstration on best use of either Pindone rabbit pellets or magtoxin, which is used for fumigating rabbit burrows.																																		
Responsiveness to properties identified with rabbit populations over McLean Scale 4.	Ongoing – A management plan is prepared within four months for each property identified with rabbit numbers above McLean Scale 4.	McLean Scale four indicates that there are pockets of rabbits with signs and fresh burrows very noticeable. Two properties have had rabbit management plans prepared in 2012/13.																																		

Service Levels and Performance Targets Activity 1 – Regional Biosecurity Programme			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
	Plant Pest Control: Routine plant pest inspections of areas infested with plants controlled under HBRC Regional Pest Management Strategy.	Ongoing <ul style="list-style-type: none"> – All known infestations of ‘occupier responsibility’ Total Control plant pest sites are visited annually. – All known ‘service delivery’ Total Control plant pest sites are visited annually and plants controlled. – All Privet sites identified through complaints controlled within 6 months of complaint. – The land around all known infestations of Total Control plants is inspected at least every 3 years. – All areas of high potential risk are visited annually and checked for possible new plant pest incursions. 	<p>A total of 750 visits have been made this year on total control plant pest properties. Of these 361 were urban visits.</p> <p>Total Control Service delivery visits and control have been undertaken on Spiny emex and White edged nightshade by Council officers. Control work has been completed by contractors for Nassella tussock.</p> <p>The urban Privet programme continues to perform well with a total of 141 properties having had Privet removed by the contractor or council staff.</p> <p>Leaflets were distributed for Purple Ragwort in the Te Mata Peak area and for Blue passionflower in the Taradale and Clive area. Control for Blue passionflower has started. Inspections have been carried out on land around known infestations of total control plants, as time has allowed.</p> <p>The Taradale sites were revisited in the Autumn. Inspections were carried out on land around known infestations of total control plants in years 1-3.</p> <p>New infestations of Purple ragwort outside of Havelock North have been controlled. New Chilean needle grass sites have been monitored and controlled. All known high risk sites continue to be visited annually to check for possible plant pest incursions. A total of 20 Earthmoving machines were inspected after being washed down.</p>

GROUP OF ACTIVITY: EMERGENCY MANAGEMENT

Item 15

Attachment 7

Service Levels and Performance Targets

Activity 1 – HB Civil Defence Emergency Management Group

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will reduce the impact of long term natural and man-made hazards to life and property, eliminating these risks if practicable, and if not seek the reduction of their impact.	Assessment of natural and manmade hazards will be completed for at risk areas in Hawke's Bay.	2012/15 <ul style="list-style-type: none"> Review Hazardscape Assessment as part of the review of the HBCDEM Plan. 2012-22 <ul style="list-style-type: none"> Advocate to Territorial Authorities for the consideration and inclusion of hazard information as part of their land use planning functions In conjunction with TAs, provide public advice on the impacts of hazards. Complete changes to the Resource Management Act 1991 statutory plans that reflect the integrated approach of the Joint Hazard Strategy. 	<ul style="list-style-type: none"> Hazardscape Assessment completed following Risk Assessment Workshop 23 July 2012 - determines priorities for significant CDEM Group risks. Results will be published in the Reduction Section of the new HBCDEM Group Plan to be approved by the Joint Committee. On-line Hazard database has been maintained – a report on the on-going management of hazard information in the HB Region will be presented to CEG in November 2012. Advocacy continues to be made & CEG have endorsed the "HB Joint Hazard Strategy for Local Authority Land-Use Planning" and a proposed implementation plan has been developed.
	Number of hazards research projects commissioned each year.	2012-22 <ul style="list-style-type: none"> At least one new research project commissioned each year. 	<ul style="list-style-type: none"> Faultline mapping is proposed for the Ruataniwha-Makaroro area in Central HB – GNS are to provide proposal. Tsunami mapping work is to be completed by HBRC for CHB by June 2013 Natural Hazards Platform has been approached to assist HB in an updated evaluation of liquefaction potential.
	Percentage of surveyed residents that are aware of hazard risks & can identify earthquake, flooding, and tsunami as major hazards in Hawke's Bay.	2012-22 <ul style="list-style-type: none"> Awareness of earthquake, flooding/heavy rainfall and tsunami hazard risks show an increase over time. Specific target more than 50% of residents can identify tsunami as one of the region's major hazards by 2018. As measured in a 3 year survey. 	<ul style="list-style-type: none"> The last regional survey in 2008 asked residents to identify hazard risks to their livelihood: <ul style="list-style-type: none"> 94% identified earthquake 60% identified flooding/heavy rain 34% identified tsunami Survey planned in Sept 2011 was cancelled and the HBRC is currently reviewing future survey requirements.
	Satisfaction of Territorial Authorities and professionals involved in land use planning decision making with the quality, format & relevance of hazard information supplied.	2012-22 <ul style="list-style-type: none"> All Territorial Authorities and planning professionals are satisfied with the quality, format and relevance of hazard information supplied/available as assessed by an evaluation and feedback form every 3 years. 	<p>A survey undertaken June 2011 resulted in 67% of the responders rating the quality of hazard information from the HBRC has excellent, very good or good, while 33% gave no response. 83% said the information was relevant. Next survey due 2014.</p>

Service Levels and Performance Targets

Activity 1 – HB Civil Defence Emergency Management Group

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will maintain and where appropriate increase the readiness of Hawke's Bay Civil Defence Emergency Management (HBCDEM) and the community to respond to a civil defence emergency.	HBRC response to a Civil Defence emergency is coordinated, appropriate, effective and efficient.	2012-13 <ul style="list-style-type: none"> Complete the Review of the HBCDEM Plan Complete framework for Training Needs Analysis and Training Programme with partner organisations. 2012-22 <ul style="list-style-type: none"> Complete HBCDEM Group Training Directive. Maintain three yearly exercise programmes. Corrective Actions that the HBCDEM group has responsibility for are implemented in accordance with the Corrective Action Plan. 	<p>The review of the Group Plan has commenced. The Hazardscape review and risk analysis is complete. A draft of the strategic sections has been completed and agreed to in principle. A part time fixterm position to coordinate the review of the plan was filled in November 2012. It is expected to complete the review by August 2013.</p> <p>The training directive will be completed post the Group Plan review.</p> <p>The corrective actions plan for the recommendations of the CAR is being reviewed quarterly by the Coordinating Executives Group.</p>
	The level of support provided to the HBCDEM Group in directing and co-ordinating personnel and resources for response and recovery operations.	2012-13 <ul style="list-style-type: none"> Complete the review of the HBCDEM Plan. 2013-14 <ul style="list-style-type: none"> Completed welfare work plan. Conduct induction training for incoming Joint Committee members post 2013 elections. 2012-22 <ul style="list-style-type: none"> An active Welfare Advisory Group which meets at least 4 times a year. 	<p>The review of the Group Welfare Plan will be conducted post the Group Plan review.</p> <p>The Welfare Advisory Group is meeting at least quarterly and is making good progress in coordinating welfare planning and cooperation between different welfare agencies.</p>
	The percentage of surveyed residents prepared to cope for at least three days on their own.	2012-22 <ul style="list-style-type: none"> 90% residents have enough food stored for three days and had some way of cooking without electricity. 75% have enough water stored. As measured by three yearly survey. 	<p>Survey results in 2008 showed 96% had enough food stored, with 92% having some alternative way of cooking without electricity. 55% had enough water stored not including water in the hot water cylinders. Survey planned in Sept 2011 was cancelled and the HBRC is currently reviewing future survey requirements.</p> <p>A National MCDEM survey in July 2011 showed 66% of NZers had taken steps to prepare themselves or their household, up from 44% the previous year.</p>
HBRC will ensure that appropriate levels of response capabilities are in place and maintained across	Established Emergency Management Plans including training and procedures.	2012-13 <ul style="list-style-type: none"> Continue to develop the capability of the Group Emergency Coordination Centre in Hastings. Complete capacity review of existing Emergency 	<p>The GECC is equipped fully and operational. Minor enhancements identified during training and testing are being implemented.</p>

Service Levels and Performance Targets

Activity 1 – HB Civil Defence Emergency Management Group

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
the Hawke's Bay Civil Defence Emergency Management (HBCDEM) Group.		<p>Operations Centre facilities in HBCDEM Group.</p> <p>2012-22</p> <ul style="list-style-type: none"> – Maintain Plans and Standard Operating Procedures and ensure Group Emergency Coordination Centres can be ready for operation within 6 hrs of event. – Effectively and efficiently manage any emergency events from initial warning until a safe situation returns. 	Reviews will occur in parallel with the implementation of EMIS.
	Maintain the CDEM Group's emergency management and civil defence capacity with the capability of effectively responding to an emergency event.	<p>2012-22</p> <ul style="list-style-type: none"> – Maintain established teams, training programmes, Emergency Operations Centre, Manuals, in accordance with HBCDEM Group Plan. 	<p>Contact List of trained team members are maintained</p> <p>Development of Training activities incorporating the new EMIS operating platform is on schedule for delivery in early 2013.</p>
HBRC will ensure the recovery from emergencies is managed in accordance with the scale of the event.	<p>Facilitate and maintain Lifelines Group who have effective input into Civil Defence Emergency Management (CDEM) Group plans.</p> <p>Dedicated CDEM Group Recovery Manager appointed.</p> <p>A relevant CDEM Group Recovery Plan is adopted and maintained.</p>	<p>2012-13</p> <ul style="list-style-type: none"> – Appoint Group Recovery Manager. – An active Lifelines Group which meets at least 4 times a year. <p>2014-13</p> <ul style="list-style-type: none"> – Complete Group Recovery Plan. – Complete an engineering Lifelines work programme. <p>2012 – 2022</p> <ul style="list-style-type: none"> – Partner Territorial Authorities have appointed local recovery managers. 	<p>A Group Recovery Manager has been appointed by the Joint Committee.</p> <p>The HB Engineering Lifelines Group has appointed a new Chairman.</p>

Item 15

Attachment 7

GROUP OF ACTIVITY: EMERGENCY MANAGEMENT

Service Levels and Performance Targets			
Activity 2 – Hazard Assessment & Hawke’s Bay Regional Council Response			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will ensure it has an emergency response capability that can provide regional hazard assessments and warning systems to the Civil Defence Emergency Management (CDEM) Group and to manage Council assets.	Effectiveness of response capacity and capability.	Ongoing <ul style="list-style-type: none"> – Maintain established Teams, training programmes, Emergency Operations Centre, Manuals and Business Continuity Plan. 	CDEM teams maintained, with RT & Call Centre training sessions held to date and 8 new staff inducted in the Council’s emergency requirements. EOC’s and manuals maintained. A biennial review of the BCP was commenced Nov 2012 with IT risks identified. Due to be completed by April 2013.
	24hour duty management system is in place.	Ongoing <ul style="list-style-type: none"> – Operate an effective 24-hour Duty Management Service and respond to urgent public enquiries and complaints in a timely professional manner. 	24 hour duty mgt response system maintained with 249 calls logged to date. 80 warnings or watches of severe weather or other hazardous events have been received ytd and have been effectively and efficiently managed including 3 volcanic eruptions, Tongariro 6/7 August & 21 Nov and White Island 8 Aug.
HBRC provide reliable warning of flooding from the region’s major rivers to at risk communities in the Wairoa, Tutaekuri, Ngaruroro and Tukituki areas.	Percentage of time that priority telemetered rainfall and river level sites are operational throughout the year. <ul style="list-style-type: none"> – Priority sites: 98% – Overall: 92% 	Percentage of time that priority telemetered rainfall and river level sites are operational throughout the year: 2012-19: 98% average for all key sites	99.66% on key sites 99.71% overall
A flood forecasting system is available on the web to advise the community on likely rainfall and flooding.	Percentage of the region at risk of flooding from large rivers, covered by a flood forecasting model.	Percentage of the region covered by a flood forecasting model 2014-15: 70% 2021-22: 100%	The Ngaruroro, Tukituki and Tutaekuri rivers make up the central and southern flood forecasting model. In the North the Wairoa River catchment is covered by a flood forecast model. To date 70% of the region is covered with a model.
		Ongoing <ul style="list-style-type: none"> – No decrease in model performance. 	Verification work is carried out when there is a flood event to improve the models.

Service Levels and Performance Targets

Activity 2 – Hazard Assessment & Hawke's Bay Regional Council Response

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
	Information available on HBRC's website during storm events.	Ongoing – No change	Currently information on the Council web is available for larger flood events.
	Peak flood forecast river flows agree within 25% of the actual flows.	Ongoing – No decrease in performance.	Apart from providing flooding potential advice to Wairoa, no significant events occurred during the period.
HBRC will continue to improve its knowledge and understanding of flood risks from the areas exposed to severe weather events and the effects of runoff onto low lying land and into the network of drains, streams and rivers of the region.	Percentage of area mapped for flood hazard, including the impact of climate change.	2014-15: 100% – To update flood hazard information for high risk communities. 2021-22: 100% – Up to date flood hazard information available for lower risk communities.	97% of the high risk communities have been mapped (excluding climate change effects). 20% of the low risk communities have been mapped (excluding climate change effects).
HBRC will respond to oil spills within the Hawke's Bay Coastal Marine boundary and maintain a Tier 2 oil spill response plan which identifies priority areas in HB for protection in the event of a major spill.	Current Tier 2 Oil Spill Plan is in place and training is being implemented.	– Operative Marine Oil Spill Plan is maintained, along with trained personnel.	The current operative plan dated Aug 2010 has been maintained and is available on-line and 2 staff attended MNZ Regional Responder training. 2 oil spills incidents have been responded on 7 Sept and 21 Nov 2012. The Sept spill was significant – the largest diesel spill response in HB to date. The Team were commended for their efforts with both responses managed so environmental impacts were minimised. Oil Spill exercise on boom deployment held at PONL on 29 November 2012.

Item 15

Attachment 7

GROUP OF ACTIVITY: TRANSPORT

Item 15

Service Levels and Performance Targets

Activity 1 – Regional Road Safety

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will engage, co-ordinate and implement sustainable regional road safety initiatives so that Hawke's Bay roads and pathways are safe and accessible, and that the emotional and financial costs of road traffic crashes are reduced.	Effectively implement Regional Safety Action Plans with the relevant objectives of the Regional Land Transport Strategy; Safer Journeys 2020; and the New Zealand Injury Prevention Strategy.	2012-22 <ul style="list-style-type: none"> Regional Safety Action Plans for Wairoa, Napier, Hastings, and Central Hawke's Bay will be reviewed quarterly with a focus on key issues to be addressed. Road safety programmes are implemented to reduce the incidence and severity of road traffic crashes and to align with the key outcomes and issues in the RoadSafe Strategic Plan. 	2012-22 <ul style="list-style-type: none"> Key road safety partners have attended the scheduled Road Safety Action Plan meetings, including ACC, Police, Hawke's Bay District Health Board, New Zealand Transport Agency and traffic safety engineers. Completion /or non-completion of activities are reviewed and the following three months activities discussed. Implementation of key road safety priorities are on track for delivery to date. The RoadSafe team have a scheduled meeting to review all work plans in December 2012.

Attachment 8

Service Levels and Performance Targets

Activity 2 – Regional Land Transport Strategy

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
Through the region's transport strategy HBRC will promote improved integration of all transport modes, land use and efficient movement of freight.	Approved Regional Land Transport Strategy in place.	2012-13 <ul style="list-style-type: none"> Complete review of Regional Land Transport Strategy (RLTS) by July 2012. Implement and report on current RLTS as required by statute. 2015 <ul style="list-style-type: none"> Review of RLTS completed by July 2015. 	2012-13 <ul style="list-style-type: none"> The Regional Land Transport Strategy for 2012-2042 (RLTS) was adopted in June 2012. RLTS is monitored by the Transport Advisory Group and regular reports are provided to the Regional Transport Committee.
	Three yearly Regional Land Transport Programme approved.	2012-15 <ul style="list-style-type: none"> Implement and report on Regional Land Transport Programme 2012-15 as required by statute. 2015-18 <ul style="list-style-type: none"> Regional Land Transport Programme submitted to New Zealand Transport Agency by July 2015, following public 	2012-15 <ul style="list-style-type: none"> The Regional Land Transport Programme is monitored by the Transport Advisory Group and regular reports are provided to the Regional Transport Committee.

Attachment 8

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Service Levels and Performance Targets			
Activity 2 – Regional Land Transport Strategy			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
		consultation.	

GROUP OF ACTIVITY: TRANSPORT

Service Levels and Performance Targets Activity 3 – Subsidised Passenger Transport			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will provide an accessible bus service and appropriate service infrastructure within and between the Napier, Hastings and Havelock North urban areas that will be expanded to meet the increasing need for public transport for the people of Hawke's Bay.	In accordance with Regional Land Transport Strategy.	2012-15 – Build on the improvements made over the last 3 years and ensure current levels of services are maintained and target any increase in funding towards improving existing services.	2012-15 – Improvements on Route 20 (Flaxmere services) were introduced in October to address overloading issues. – Improvements to Route 17 (Parkvale, Akina services) were introduced in November to provide an expanded service on this route.
	Continue improving signage, infrastructure and information at all bus stops.	2012-13 – Implement bus-stop service level standards (as outlined in Regional Public Transport Plan). 2012-15 – Install four additional bus shelters each year (two in Hastings and two in Napier).	2012-13 – In consultation with Napier City and Hastings District Councils appropriate signage and infrastructure at bus stops have been installed in Hastings and Napier. This continues to be a key focus through both cities. Unique bus stop signage is due to be rolled out in early 2013 commencing in Hastings. 2012-15 – Four additional bus shelters are installed each year (two in Hastings and two in Napier).
	Where bus routes exist, at least 90% of residences and businesses are in the following walking distances of a bus stop: – 500m: normal conditions – 600m: low density/outer areas.	2012-15 – Increase the number of bus stops in Hastings and Napier to meet the measure by 100%.	2012-15 – Where appropriate, and in consultation with Napier City Council and Hastings District Council, additional bus stops are installed.
	Changes in technology to be utilised to provide a better service.	2012-13 – Investigate a text-to-bus service. – Investigate online top-ups for smartcards.	2012-13 – A text-to-bus service has been investigated, due to cost and limitations of this service it is not proposed to implement this at this stage. Other options will continue to be looked at. – Due to limitations of the current electronic ticketing system online top-ups are not yet available.

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Attachment 8

Service Levels and Performance Targets

Activity 3 – Subsidised Passenger Transport

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
Fare payment systems are to be simple to understand; reviewed regularly and accurately record passenger trip information.	Fare levels will be reviewed annually.	2012-13 – An in-depth review of fares and fare structure to be undertaken. 2013-19 – Fare reviews to be undertaken annually.	2012-13 – An in-depth review of fares and the fare structure will be undertaken in early 2013.
Integration with other modes.	Improve integration between public transport and walking and cycling.	2012-13 – Investigate installation of bike racks on buses and all options to carry bikes on buses. 2012-15 – Investigate installation of secure bike racks at major bus stops.	2012-13 – Bike racks were installed on 14 buses on Council's main routes in August 2012. 2012-15 – Secure bike racks were installed during 2012 at Havelock North and Hastings main bus stops. Napier City Council installed a secure bike facility at the main bus stop in Napier.
Continue to provide and deliver the Total Mobility scheme in Napier, Hastings and Waipukurau for those unable to use public transport due to serious mobility constraints.	Membership is increased and service delivered in accordance with New Zealand Transport Authority guidelines.	2012-15 – Increase by at least 5% a year.	2012-15 – Membership increased to 11% as at October 2012 compared to October 2011.

GROUP OF ACTIVITY: GOVERNANCE AND COMMUNITY ENGAGEMENT

Service Levels and Performance Targets Activity 1 – Community Partnerships			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will engage in strategic relationships that help better achieve its vision and purposes.	Formalisation of strategic alliances that are sector and institutionally-based.	2012-15 <ul style="list-style-type: none"> – Create a bi-annual forum of primary production sector associations. – Determine shared services opportunities with Hawke's Bay Councils and wider regional sector allies. 2016-22 <ul style="list-style-type: none"> – HBRC continues to work in partnership with strategic allies to progress strategic goals. 	<p>Pan-sector group of primary production sector agencies meets 3-4 times per year. This is coordinated by the Land Management Team and is focussed on sustainable land use and mitigation of land use effects on water quality.</p> <p>Initial documentation developed for establishment of HB Local Authority Shared Services company. To be brought to Council in December 2012.</p> <p>"Nature Central" wider regional sector initiative -scope of the partnership has been agreed and work is underway on implementation through relevant work programmes</p>
HBRC will work in partnership with treaty claimant groups to govern natural resources and to jointly explore sustainable economic opportunities in Hawke's Bay.	Regional Planning Committee operating successfully.	2012-15 <ul style="list-style-type: none"> – Regional Planning Committee permanently established. 	Draft legislation to establish the committee permanently is being considered by Regional Planning Committee members, in the expectation that it will be included as an attachment to the Treaty settlement legislation for Maungaharuru-Tangitu Iwi Inc in April 2013.
HBRC will contribute to support the development of Regional Public Infrastructure projects.	Evaluation of Regional Public Infrastructure projects and which to support.	2012-22 <ul style="list-style-type: none"> – Assess projects to be funded under HBRC's Community Facilities Fund as follows: <ul style="list-style-type: none"> • Projects proposed by Hastings District Council up to the value of \$2.5m. • Projects proposed by Wairoa District Council up to the value of \$500,000. 	Council approval has been given for funding of \$500,000 to both the Wairoa Community Centre upgrade (WDC) and the Te Mata Visitor and Education Centre in Hastings district. A further \$2M is earmarked for regional hockey facilities subject to an agreed plan for hockey facilities from all parties.

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Attachment 9

GROUP OF ACTIVITY: GOVERNANCE AND COMMUNITY ENGAGEMENT

Service Levels and Performance Targets

Activity 2 – Community Engagement & Communications

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will communicate its purpose and direction to the community. The community will know what it is being done and why.	On-time delivery of Annual Plan, plan change, State of the Environment and statutory documents.	2012-15 – Long Term Plan, State of the Environment, Annual Report, Tukituki Plan change. 2016-22 – Long Term Plan, State of the Environment, Annual Report.	2012-22 Long Term Plan, Tukituki Choices, Our Place (including special Tukituki Choices edition) and SOE Report have been delivered on time, in print and electronic formats.
	Councillors, Executive and staff available to speak/inform on HBRC activities.	2012-15 – Measure number of interactions. 2016-22 Measure number of interactions.	Supported HBRC community engagement for Tukituki Choices, Ruataniwha Water Storage, Wineries Ride launch, with presence at CHB Show and HB Home & Garden Show.
	Number of media releases generated; uptake of digital technologies.	2012-15 – 90 Releases; Number of social media posts. 2016-22 – 90 Releases; Number of social media posts.	60 HBRC releases up to 20 November 2012. Active use of HBRC's refreshed website, social media, video and images, including digital portals i.e. Giggle TV.
	Regional newsprint media coverage averages > 90% positive/neutral.	2012-15 – Not less than 95% average 2016-22 Not less than 95% average	Media coverage at 95.75% positive/neutral from July-October 2012.
HBRC will provide opportunities for the community to be involved in its decision making processes. Community engagement will be a key component of all major programmes and projects.	Number of council meetings and workshops.	2012-15 – Open reporting of Council/Committee items. 2016-22 – Review of Council/Committee meeting communications coverage and approach.	Twenty Council and Committee meetings held in reporting period. Of these, 5 meetings had a public-excluded component, covering a combined total of four topics.
	Clearly flagged opportunities for input, submissions and other feedback into HBRC documents.	2012-15 – Refresh and maintain annual HBRC Communications Plan 2016-22 – Review of Communications structure and processes.	Continuous improvement is an element of all communications strategy and individual communications plans are prepared around projects and activities.
	Number of public meetings, workshops and public events (includes awards and field days).	2012-15 – Meetings, workshops & events strongly considered for major projects and in HBRC's statutory role 2016-22 – Consider best approach to engage public: meetings,	Tukituki Choices: 6 well-attended public events. 164 public comments received which were loaded to Council website.

Service Levels and Performance Targets

Activity 2 – Community Engagement & Communications

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
		workshops, events	
HBRC will provide information that is relevant to the community and communities of interest. Information will be audience appropriate.	Delivery of updates on HBRC activities and progress.	2012-15 – Generate region, community and consent holder/ catchment newsletters 2016-22 – Conduct review of all newsletters	Generated newsletters to Tutira, CHB and Wairoa, plus Leaders Briefing, “In the Zone” (water management), HuB (biodiversity) and Step Out (education).
	Facilitation of agreed stakeholder groups.	2012-15 – Audit number of groups 2016-22 – Audit and revalidate groups	Yet to be undertaken
	Timely delivery information to communities of interest.	2012-15 – Appropriate ‘tool’ selected according to programme needs 2016-22 – Audit of communication tools	Monthly meetings held i.e. RWSP Stakeholder Group, Water user Groups, Pan-sector Group.

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Attachment 9

GROUP OF ACTIVITY: GOVERNANCE AND COMMUNITY ENGAGEMENT

Service Levels and Performance Targets

Activity 3 – Response to Climate Change

Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will increase the community's resilience to climate change	HBRC's corporate total annual Greenhouse Gas emissions measure in carbon dioxide equivalents (excluding Port of Napier Ltd)	2012-22 <ul style="list-style-type: none"> – Reduce corporate (excluding Port of Napier Ltd) carbon emissions from 2005/06 by: <ul style="list-style-type: none"> • 10% by 2014 • 20% by 2020 • 30% by 2050 	<ul style="list-style-type: none"> – Monitor and report on HBRC carbon emissions. – Quantify current and future carbon off-sets
	Number of sectors through which HBRC promotes/influences reduction in carbon emissions and adaptation to climate change	2012 <ul style="list-style-type: none"> – Establish a process to monitor and report regional carbon emissions with the first report completed by 30 June 2012 – Funding for conversion of 100 dwellings to solar hot water. 2013-19 <ul style="list-style-type: none"> – Continue to increase HBRC's influence in initiatives to improve regional resilience to the impacts of climate change. – Continue to update and report regional carbon emissions at least every 3 years. 2013-17 <ul style="list-style-type: none"> – Funding for conversion of 200 dwellings in Year 2; and 300 dwellings per annum in Years 3-5. 	<ul style="list-style-type: none"> – Establish a process to monitor and report on regional carbon emissions – Proactively seek initiatives through which HBRC is able to influence or promote a reduction in regional carbon emissions – Proactively seek opportunities to make investments that provide a satisfactory return and result in sustainable use of the region's resources for HBRC's investment portfolio. – Establish appropriate financial procedures for the repayment of loans through voluntary targeted rates.

GROUP OF ACTIVITY: GOVERNANCE AND COMMUNITY ENGAGEMENT

Service Levels and Performance Targets Activity 4 – Community Representation & Regional Leadership			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will provide the community with a channel for representation through elected members and Iwi to enable access and influence on decision making.	Councillors' attendance at monthly Council and Committee meetings achieving at least 90% attendance of elected and appointed members.	2012-22 – Attendance rate of 90%.	Council held 8 meetings over this period, with attendance rate of 87.5%. 12 meetings of other Committees were held during this period with attendance rate of 85.63%.
	Attendance at Maori Committee meetings.	2012-22 – Attendance rate of 80%	The Maori Committee has held 2 meetings to date with an attendance rate of 86.67%.
	10 Year Plan/Annual Plan consultation during April and May with the final Plan being adopted by HBRC by 30 June.	2012-22 – Consultation and submission period of at least 30 days.	Annual Plan for 2013/14 currently being complied.
	Comply with the provisions of the Local Electoral Act 2001.	2012-22 – Determine the appropriate representation for the region. – Elections to be held every three years. The next election is in October 2013.	Next Election is in October 2013.
HBRC will aim to maximise Local Government effectiveness and efficiency.	Facilitate and report on Local Government efficiencies achieved.	2012-22 Complete a review, in consultation with territorial authorities within the region, which will cover: – Opportunities for inter-regional and central government collaboration. – How the Hawke's Bay economy might be further diversified and made more resilient. – The role of Local Government in Hawke's Bay in enabling socioeconomic development, and the effectiveness of Local Government structures including planning and compliance frameworks are to be studied.	The Study on Improving the Social and Economic Performance of Hawke's Bay was initiated in April 2012 with the appointment of McGredy Winder & Co. The Terms of Reference called for two phases of work. The first phase was completed in August 2012 and comprises the following: <ul style="list-style-type: none"> • An analysis of historic and current economic and social performance of the region, the trends in these areas and what they mean for Hawke's Bay. • An analysis of current policies, priorities, interventions, legislative requirements and structural settings in or affecting Hawke's Bay and any apparent gaps, inconsistencies or policy clashes. • An identification and analysis of significant inhibitors to prosperity that affect Hawke's Bay. • How the Hawke's Bay economy might be further diversified and made more resilient Phase 2, which will evaluate the changes, initiatives and priorities

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Attachment 9

Service Levels and Performance Targets Activity 4 – Community Representation & Regional Leadership			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
			identified in Phase 1, is currently underway.

GROUP OF ACTIVITY: GOVERNANCE AND COMMUNITY ENGAGEMENT

Service Levels and Performance Targets Activity 5 – Investment Company Support			
Level of Service Statement	Level of Service Measure	Performance Targets	2012/13 Progress Report for 5 months to 30 November 2012
HBRC will provide support services to the Investment Company and to any associated subsidiaries of the Investment Company.	A number of Board meetings to be supported by HBRC staff.	2012-22 <ul style="list-style-type: none"> – Provide support for the Board meetings of the Investment Company and subsidiaries. – Finalise the Statement of Corporate Intent. 	Finance, administration and Executive level support have been provided for the Board Meetings and committees. The 2013-14 Statement of Corporate Intent is pending.

Reason for Report

1. This report provides Council with an update on the Representation Review Process currently under way.

Background

2. At the Regional Council meeting held on 14 December 2011, Council was advised of the need for a representation review prior to the 2013 Local Body elections, including the underlying statutory principles and requirements and the timeline to undertake this review.
3. At its meeting on 15 August 2012 Council completed the first stage of the representation review and determined its initial proposal by resolution. This proposal was publically notified on 18 August 2012 and open to submissions for a period of one month.
4. Council considered the submissions received on its initial proposal on 25 October 2012, and advised its final proposed Representation Arrangements for the 2013 and 2016 elections by public notice on 27 October 2012.

Appeals and Objections

5. During the period for appeals and objections, which closed Tuesday 27 November 2012, Council staff received 2 appeals and 1 objection.
6. The appeals from Hastings District Council and the Hastings District Rural Community Board both argue that the proposed single Hastings constituency should be split into 1 rural constituency with 1 elected representative and 1 urban constituency with 3 elected representatives.
7. The objection by Napier City Council relates to their support for Council's initial proposal to have Hastings North and Hastings South constituencies, each with 2 elected representatives, and their opposition to Hastings being split into Urban and Rural constituencies.
8. The appeals and objection are attached in full.

Current Status

9. In line with Council's agreed timeframes and legislative requirements, staff are collating all of the relative documentation for submission to the Local Government Commission (the Commission). This documentation will include:
 - 9.1. Copies of the resolutions on the initial and final proposals
 - 9.2. A copy of the public notice of the final proposal
 - 9.3. All submissions made on the local authority's initial proposal
 - 9.4. All appeals and objections received
 - 9.5. Information concerning the communities of interest and population of the district, region or community, or any proposed electoral subdivision, as is held by the local authority and is necessary for the Commission's determination of the appeals and objections
 - 9.6. Detailed maps showing the existing electoral subdivisions of the local authority or community and the proposed subdivisions
 - 9.7. Officer reports to the local authority, which provide background information and make recommendations, including financial impacts of any proposals.

The Role of the Commission

10. In accordance with the Local Electoral Act section 19R, the Commission must consider the appeals, objections and other information forwarded to it and determine the representation arrangements for the local authority. In making its determination, the Commission is able to make any enquiries that it considers appropriate and may, but is not obliged to, hold meetings (Hearings) with the parties.
11. Once the Commission has received Council's documentation, the Commissioner will advise whether a Hearing will be held and when that will take place (likely February or March 2013).
12. The Commission must complete its duties and issue its determination before 11 April 2013.

Decision Making Process

13. 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 *Representation Review Process Update* report.



Leeanne Hooper
GOVERNANCE & CORPORATE
ADMINISTRATION MANAGER



Paul Drury
GROUP MANAGER
CORPORATE SERVICES

Attachment/s

- 1 Hastings District Council Appeal Against HBRC Final Proposed Representation Arrangements
- 2 Hastings District Rural Community Board Appeal Against HBRC Proposed Final Representation Arrangements
- 3 Napier City Council Objection to HBRC Final Proposed Representation Arrangements



If calling ask for Jude Pani

File Ref CG-01-02-12-119

22 November 2012

To the Local Government Commission

Appeal on the Hawke's Bay Regional Council – Review of Representation Arrangements Final Proposal

This appeal is from the Hastings District Council, Private Bag 9002, Hastings 4156.

The Hastings District Council wishes to appear before the Local Government Commission to speak to its appeal.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Jude Pani", is written over a faint circular stamp.

Jude Pani
Democratic Support Manager
judep@hdc.govt.nz

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TE KAUNIHERA O HERETAUNGA

Attachment 1

Item 16

**Hastings District Council
Appeal to the Hawke's Bay Regional Council Final Proposal
Review of Representation Arrangements for 2013 Elections**

Introduction

Thank you for the opportunity to present an appeal to the Final Proposal for the Hawke's Bay Regional Council Review of Representation Arrangements.

This appeal is from the Hastings District Council and was authorised by way of a Council resolution on 1 November 2012.

The Hastings District covers a large and diverse area of 5,229 square kilometres from Cape Kidnappers to Te Mata Peak and across the Heretaunga Plains.

The principal urban settlements in the Hastings District are the city of Hastings itself and the nearby towns of Flaxmere and Havelock North. These main centres are surrounded by thirty-eight rural settlements, including Clive, Haumoana and Bridge Pa.

Hastings is the largest urban area in Hawke's Bay with an urban population of over 50,000. The Hastings District population increases to over 70,000 when the large rural area is included.

Hastings District Council Appeal Points

Hastings District Council:

- **Does not support** the Regional Council Final Proposal of one Hastings Constituency comprising the Hastings District Council area as well as area units from the Rangitikei and Taupo District Councils.
- **Supports** splitting the Hastings District into two constituencies as presented in the Hastings District Council's submission (**Attachment 1**) to the Initial Proposal that retains an urban constituency and a rural constituency,
- **Supports** the alternative resolution (**Attachment 2**) aligned with the Hastings District Council submission to the Regional Council Initial Proposal prepared by Regional Council officers (tabled at the 25 October 2012 Regional Council meeting).

Deputy Mayor  Date 21 Nov. 2012

Chief Executive  Date 21-11-2012

Attachment 1

Item 16

2.

(Attachment 1)

**Hastings District Council
Submission to the Hawke's Bay Regional Council
Review of Representation Arrangements for 2013 Elections**

Introduction

Thank you for the opportunity to present a submission on the Hawke's Bay Regional Council Review of Representation Arrangements.

This submission is from the Hastings District Council and was authorised by way of a Council resolution on 13 September 2012.

The Hastings District covers a large and diverse area of 5,229 square kilometres from Cape Kidnappers to Te Mata Peak and across the Heretaunga Plains.

The principal urban settlements in the Hastings District are the city of Hastings itself and the nearby towns of Flaxmere and Havelock North. These main centres are surrounded by thirty-eight rural settlements, including Clive, Haumoana and Bridge Pa.

Hastings is the largest urban area in Hawke's Bay with an urban population of over 50,000. The Hastings District population increases to over 70,000 when the large rural area is included.

Hastings District Council Submission Points

Hastings District:

- **Does not support** the Regional Council Initial Proposal of splitting of the Hastings District into Hastings North Constituency and Hastings South Constituency.
- **Supports** splitting the Hastings District into two constituencies.
- **Supports** (in part) the Regional Council proposal 5 (as presented in the attachment to the letter to the Hastings District Council, dated 22 August 2012) of creating a Hastings Rural Constituency and a Hastings Urban Constituency.
- **Does not support** the elements of the Regional Council proposal 5 that separates splitting the urban areas of the Hastings District, and
- **Presents** below a proposal including alternative Regional Council constituencies to replace the Regional Council Initial Proposal of creating a Hastings South Constituency and a Hastings North Constituency:

3.

Hastings District Council Proposal

Ideally, Hastings District Council would propose that in accordance with Section 19U of the Local Electoral Act constituency boundaries coincide with Hastings Ward boundaries, i.e. a Hastings Urban Constituency (incorporating Hastings, Flaxmere and Havelock North Wards) and a Hastings Rural Constituency (incorporating the wards of Heretaunga, Mohaka and Kahuranaki) be established.

This however does not provide a contiguous constituency for the urban area. Neither does it comply with the provisions of Section 19V of the Local Electoral Act that states that membership of constituencies is required to provide approximate population equality per member (the '+/-10% rule').

Hastings District Council considers that including meshblocks with community of interest commonalities around the three urban wards would provide the necessary balance in terms of fair representation and compliance with the '+/-10% rule'. The communities of interest in the meshblocks identified, particularly Whakatu with a large industrial focus, are not dissimilar to the community of interest of the Hastings Urban Constituency.

The following is presented as the Regional Council constituencies for the Hastings District:

Two Constituencies (as depicted on the attached map)

1. **Hastings Urban Constituency** – incorporating the wards of Hastings, Flaxmere and Havelock North, and parts of the rural area (meshblocks as detailed on the attached) – electing 3 councillors.
2. **Hastings Rural Constituency** – the balance of the District incorporating the wards of Heretaunga, Mohaka and Kahuranaki (less the meshblocks detailed on the attached) – electing 1 councillor.

Constituency	Population**	Councillor	Population/ Councillor	Deviation Population Average++	% Deviation from Average
Hastings Urban	55,605	3	18,535	-524	-2.7%
Hastings Rural	19,905	1	19,905	+846	+4.4%

** Population figures based on the Hastings District Council representation review

++ Deviation Population Average calculated on the Regional Council population figures

Fair Representation

The population applied in the formula by the Regional Council (taking into account Wairoa and Central Hawke's Bay as separate 'communities of interest') is 133,410. With the Regional Council Initial Proposal of 7 councillors, this equals 19,059 per complying constituency. This places the +/-10% complying population for fair representation within the range of 17,153 – 20,965.

In presenting its submission position, the Hastings District Council considers that there is fair representation for the Hastings Urban and Hastings Rural communities.

Hastings District Council is proposing that population from meshblocks surrounding the urban ward be placed into the Hastings Urban Constituency to enable both constituencies to comply with the population formula in Section 19V of the LEA.

The Council has consulted with the Rural Community Board who supports this Council's position. The Rural Community Board will be making a separate submission to the Regional Council on the Hawke's Bay Regional Council Review of Representation Arrangements and will address representation of the rural community of the Hastings District in their submission.

Communities of Interest

It is proposed that the Hastings District be retained as much as possible as a distinct community of interest and be split along the recognised communities of interest into a Hastings Rural Constituency and a Hastings Urban Constituency.

Hastings District contains three principal communities of interest – urban, plains and rural. The urban community of interest is made up of – Hastings, Havelock North and Flaxmere.

Effective representation of communities of interest

While Hastings District currently has six wards it is considered desirable to group together the communities of interest for the Hastings District into urban and rural constituencies as near as possible along the ward boundaries.

To achieve the most effective representation of these communities of interest, constituency boundaries should, as far as is practicable coincide with the boundaries of these wards. This will avoid splitting of recognised communities of interest and avoid the grouping of communities of interest with few commonalities.

Further, it is clear that the urban interests within the Region, and particularly Hastings District, are reasonably distinct from the interests that are relevant to the rural constituency. The Hastings District Council considers that effective representation is best addressed in the manner it proposes. One of the issues that must be recognised is the size of the urban population being disproportionate to the "rural" population. A consequence of the Regional Council's proposal is this "rural" community of interest not being appropriately reflected.

Meshblocks to be transferred into a Hastings Urban Constituency

Havelock Connect	=165
1472801	20
1472900	40
1473000	100
1472701	5
Whakatu Area	=990
1405900	105
1405800	30
1406101	70
1406102	300
1406200	90
1405700	10
1471600	20
1406200	90
1471900	15
1471800	115
1471700	70
1471500	5
1472000	70
Flaxmere Connect	=590
1470000	50
1469903	50
1469904	60
1470101	20
1470103	30
1470102	40
1468800	120
1469100	30
1469500	70
1468000	120
TOTALS	1745

(Attachment 2)

Alternative Resolutions for Final Proposal – Prepared by Regional Council officers and tabled at the 25 October 2012 Regional Council meeting – Aligned with the Hastings District Council submission to the Regional Council Initial Proposal.

Recommendations

That, having considered the written and verbal submissions made on the Council's initial proposal, the Hawke's Bay Regional Council adopts the following preferred Representation Arrangement for the election to be held on 10 October 2013.

1. Nine Councillors representing 5 constituencies. The Wairoa constituency status as a special community of interest will be retained, and Council will apply for Central Hawke's Bay to be a special community of interest. After consideration of the key factors of community of interest, effective representation of communities of interest and fair representation for the Hastings District Council specifically, Council has split the Hastings District into predominantly urban and predominantly rural constituencies.
 2. The proposed names and boundaries of each of the five proposed constituencies as depicted on the map following are:
 - 2.1 **Central Hawke's Bay**; the constituency boundary being the same as that for the Central Hawke's Bay District Council area and apply for this to be a 'community of interest'.
 - 2.2 **Hastings Urban**; the constituency boundary being that area which encompasses the wards of Hastings, Flaxmere and Havelock North and adjacent area units from the Heretaunga wards with community of interest commonalities around the three urban wards within the Hastings District Council area.
 - 2.3 **Hastings Rural**; the constituency boundaries being the area which encompasses the majority of the ward of Heretaunga and the entirety of Mohaka and Kahuranaki, within the Hastings District Council area, as well as area units within the Regional boundary belonging to Rangitikei and Taupo District councils.
 - 2.4 **Napier**; the constituency boundary being the same as that for the Napier City Council area.
 - 2.5 **Wairoa**; the constituency boundary being the same as that for the Wairoa District Council area and retaining the 'community of interest' for that area.
- Map to be inserted following Council's decision.*
3. The LEA s19V(2) population parameter requirements, once Wairoa and Central Hawke's Bay are treated as a 'community of interest' become $155,270 - 8,430$ (estimated Wairoa area population) $- 13,430$ (estimated Central Hawke's Bay population) $= 133,410 \div 7$ (9 councillors less 1 representative each for Wairoa and Central Hawke's Bay) $= 19,059$ per complying constituency. Taking the +/-10% into account, this requires each of the remaining three constituency's number of electors to be within the range of 17,153 – 20,965 (+/- 10% of 19,059) as reflected in following table.

7.

Population Statistics with Wairoa & CHB being 'community of interest' – Whakatu in Urban Havelock Hills & Te Mata Hills in Rural

Name of Constituency	Number of Members	Population*	Population per Member	% Population Parameter
Central Hawke's Bay	1	13,430	13,430	n/a
Hastings Urban	3	55,530	18,510	+5.5%
Hastings Rural	1	20,100	20,100	-3%
Napier	3	57,780	19,260	+1%
Wairoa	1	8,430	8,430	n/a
Regional Total	9	155,270		

* based on 2011 rounded population estimates from the Government Statistician

4. The Wairoa constituency was accepted by the Local Government Commission in 2007 as a 'community of interest', with the size and diversity of the constituency and reasonable access to representation having been proved, and Council will seek to retain this status. Specifically, the Commission ruled:
 - 4.1 *"We first addressed the issue of the proposed Wairoa Constituency and its non-compliance with the +/- 10% rule. After carefully considering the points raised by the Council and also those made by the Mayor of Wairoa and the Wairoa Constituency Councillors, as set out earlier in this determination, we agree that a separate Wairoa Constituency is necessary to ensure effective representation of this community of interest. In summary we agree that:*
 - *Wairoa has a community of interest distinct from the rest of the region, both physically and socio-economically, and this presents particular challenges for community consultation and provision of services;*
 - *The physical realities of the area give rise to particular issues not experienced elsewhere including hill country erosion, pressure on coastal development, pest management, transport infrastructure, biodiversity protection, wetland enhancement, flooding and other natural hazards;*
 - *Effective representation is most unlikely to be achieved by merging Wairoa into another constituency in order to comply with the +/- 10% rule as this would result in a very large area (70% of the land area of the region) with few commonalities of interest and still eligible for only one councillor;*
 - *Effective representation would be compromised in terms of both access to a councillor and representation of the diversity of the constituency; and*
 - *The demands on a councillor servicing an enlarged area would be unreasonable."*
5. In respect to the Central Hawke's Bay constituency, Council believes there is a case for applying for a distinct 'community of interest' status, and that the size of the constituency would compromise reasonable access of the electors to an elected member for this area if enlarged to include areas of Hastings District to meet the +/-10% rule. The elected member would be unlikely to realistically be able to attend public meetings throughout

8.

the area and provide reasonable opportunities for constituents to have face to face meetings due to long distances having to be travelled given the size of the constituency required to meet the population parameters.

- 5.1 The physical realities of the area give rise to particular issues including hill country erosion, pressure on coastal development, biodiversity protection, flooding and other natural hazards. Several communities suffered extensive damage in the 2011 Easter floods and recovery work continues 18 months later.
- 5.2 In addition to the physical challenges associated with that area, the community is also the site for the proposed Ruataniwha Water Storage Dam, and should this proceed will be faced with land use intensification challenges not faced elsewhere in the Region.
6. Council has amended its initial proposal for the following reasons.
 - 6.1 *to be inserted at the meeting if required*

cg-01-02-12-118

Population Data Supporting Final Proposal

Hastings Rural	Taupo	Hastings	Hastings	541503 Taharua	80	90
541503 Taharua	Hastings	Hastings	Hastings	545710 Twyford	1100	1110
545710 Twyford	Hastings	Hastings	Hastings	545730 Clive	1620	1700
545730 Clive	Hastings	Hastings	Hastings	545740 Haumoana	2260	2290
545740 Haumoana	Hastings	Hastings	Hastings	545750 Brookvale	540	550
545750 Brookvale	Hastings	Hastings	Hastings	545811 Tangoio	680	730
545811 Tangoio	Hastings	Hastings	Hastings	545812 Eskdale	600	630
545812 Eskdale	Hastings	Hastings	Hastings	545821 Sherenden-Puketapu	2500	2640
545821 Sherenden-Puketapu	Hastings	Hastings	Hastings	545822 Omaha	430	430
545822 Omaha	Hastings	Hastings	Hastings	545831 Waiohiki	350	370
545831 Waiohiki	Hastings	Hastings	Hastings	545832 Pakowhai	610	600
545832 Pakowhai	Hastings	Hastings	Hastings	545841 Maraekakaho	1190	1250
545841 Maraekakaho	Hastings	Central Hawkes Bay	Hastings	545842 Bridge Pa	1150	1150
545842 Bridge Pa	Hastings	Hastings	Hastings	545851 Poukawa	1350	1440
545851 Poukawa	Hastings	Central Hawkes Bay	Hastings	545852 Pakipaki	880	890
545852 Pakipaki	Hastings	Hastings	Hastings	545860 Waimarama	1050	1150
545860 Waimarama	Hastings	Hastings	Hastings	545911 Tutira	670	660
545911 Tutira	Hastings	Hastings	Hastings	545912 Puketitiri	350	380
545912 Puketitiri	Hastings	Hastings	Hastings	545913 Whanawhana	260	250
545913 Whanawhana	Hastings	Central Hawkes Bay	Hastings	548822 Havelock Hills	770	870
548822 Havelock Hills	Hastings	Hastings	Hastings	548833 Te Mata Hills	970	1080
548833 Te Mata Hills	Hastings	Hastings	Hastings	559000 Ngamatea	40	40
559000 Ngamatea	Rangitikei	Hastings	Hastings	Total estimates		20100

cg-01-02-12-118

Hastings Urban	Hastings	Hastings				
545721 Karamu	Hastings	Hastings	545721 Karamu	1010	1280	
545722 Whakatu	Hastings	Hastings	545722 Whakatu	870	880	
545761 Irongate	Hastings	Hastings	545761 Irongate	560	610	
545762 Longlands South	Hastings	Hastings	545762 Longlands South	940	1000	
547600 Mahora	Hastings	Hastings	547600 Mahora	3900	4070	
547700 St Leonards	Hastings	Hastings	547700 St Leonards	2880	2930	
547800 Frimley	Hastings	Hastings	547800 Frimley	1570	1810	
547900 Raureka	Hastings	Hastings	547900 Raureka	4330	4370	
548000 Mayfair	Hastings	Hastings	548000 Mayfair	4320	4400	
548100 Parkvale	Hastings	Hastings	548100 Parkvale	3150	3140	
548200 Hastings Central	Hastings	Hastings	548200 Hastings Central	3030	2970	
548300 Akina	Hastings	Hastings	548300 Akina	4420	4520	
548400 Woolwich	Hastings	Hastings	548400 Woolwich	50	80	
548500 Camberley	Hastings	Hastings	548500 Camberley	2070	2040	
548611 Kingsley-Chatham	Hastings	Hastings	548611 Kingsley-Chatham	3100	3120	
548612 Lochain	Hastings	Hastings	548612 Lochain	3070	3070	
548620 Flaxmere East	Hastings	Hastings	548620 Flaxmere East	4050	4000	
548810 Anderson Park	Hastings	Hastings	548810 Anderson Park	1540	1550	
548821 Iona	Hastings	Hastings	548821 Iona	2920	2970	
548831 Te Mata	Hastings	Hastings	548831 Te Mata	3110	3500	
548832 Havelock North Central	Hastings	Hastings	548832 Havelock North Central	3160	3220	
Hastings Urban			Total estimates		55530	
Hastings Rural						
			Total Hastings - Rural and Urban		74480	

11.

Attachment 1

Item 16

**Hastings District Rural Community Board
Appeal to the Hawke's Bay Regional Council Final Proposal
Review of Representation Arrangements for 2013 Elections**

Introduction

Thank you for the opportunity to present an appeal to the Final Proposal for the Hawke's Bay Regional Council Review of Representation Arrangements.

This appeal is from the Hastings District Rural Community Board and was authorised by way of a Board resolution on 26 November 2012.

The Hastings District covers a large and diverse area of 5,229 square kilometres from Cape Kidnappers to Te Mata Peak and across the Heretaunga Plains.


The rural area of the Hastings District is made up of thirty-eight rural settlements, including Clive, Haumoana and Bridge Pa. This large rural area surrounds the urban settlements of Hastings city and the nearby towns of Flaxmere and Havelock North.

This large Hastings Rural area has a population of over 20,000 which increases to over 70,000 when the urban population of over 50,000 is included.

Hastings District Rural Community Board Appeal Points

Hastings District: Rural Community Board

- **Does not support** the Regional Council Final Proposal of the Hastings Constituency comprising the Hastings District Council area as well as area units from the Rangitikei and Taupo District Councils.
- **Supports** splitting the Hastings District into two constituencies as presented in the Rural Community Board's submission to the Initial Proposal (**Attachment 1**) that retains an urban constituency and a rural constituency,
- **Supports** the proposal (**Attachment 2**) prepared by Regional Council officers (tabled at the 25 October 2012 Regional Council meeting) in response to the Rural Community Board submission creating a Hastings Rural Constituency and Hastings Urban Constituency
- **Endorses** the appeal to the Hawke's Bay Regional Council presented by the Hastings District Council.

Community Board Chairman.....  Date 26-11-2012

Chief Executive.....  Date 26-11-2012

(Attachment 1)

**Hastings District Rural Community Board
Submission to the Hawke's Bay Regional Council
Review of Representation Arrangements for 2013 Elections**

Introduction

Thank you for the opportunity to present a submission on the Hawke's Bay Regional Council Review of Representation Arrangements.

This submission is from the Hastings District Rural Community Board and was authorised by way of a Board resolution on 17 September 2012.

The Hastings District covers a large and diverse area of 5,229 square kilometres from Cape Kidnappers to Te Mata Peak and across the Heretaunga Plains.

The rural area of the Hastings District is made up of thirty-eight rural settlements, including Clive, Haumoana and Bridge Pa. This large rural area surrounds the urban settlements of Hastings city and the nearby towns of Flaxmere and Havelock North.

This large Hastings Rural area has a population of over 20,000 which increases to over 70,000 when the urban population of over 50,000 is included.

Hastings District Rural Community Board Submission Points

Hastings District: Rural Community Board

- **Does not support** the Regional Council Initial Proposal of splitting of the Hastings District into Hastings North Constituency and Hastings South Constituency.
- **Supports** splitting the Hastings District into two constituencies.
- **Supports** (in part) the Regional Council proposal 5 (as presented in the attachment to the letter to the Hastings District Council, dated 22 August 2012) of creating a Hastings Rural Constituency and a Hastings Urban Constituency.
- **Does not support** the elements of the Regional Council proposal 5 that separates splitting the urban areas of the Hastings District, and
- **Endorses** the submission to the Hawke's Bay Regional Council presented by the Hastings District Council, and
- **Presents** below a proposal including alternative Regional Council constituencies to replace the Regional Council Initial Proposal of creating a Hastings South Constituency and a Hastings North Constituency:

Hastings District Rural Community Board Proposal

Hastings District Rural Community Board would as much as possible wish to retain the "rural" community of interest and ideally would propose that in accordance with Section 19U of the Local Electoral Act constituency boundaries coincide with Hastings Ward boundaries, i.e. a Hastings Urban Constituency (incorporating Hastings, Flaxmere and Havelock North Wards) and a Hastings Rural Constituency (incorporating the wards of Heretaunga, Mohaka and Kahuranaki) be established.

This however does not provide a contiguous constituency for the urban area. Neither does it comply with the provisions of Section 19V of the Local Electoral Act that states that membership of constituencies is required to provide approximate population equality per member (the '+/-10% rule').

Hastings District Council considers that including meshblocks with community of interest commonalities around the three urban wards would provide the necessary balance in terms of fair representation and compliance with the '+/-10% rule'. The communities of interest in the meshblocks identified, particularly Whakatu with a large industrial focus, are not dissimilar to the community of interest of the Hastings Urban Constituency.

The following is presented as the Regional Council constituencies for the Hastings District:

Two Constituencies (as depicted on the attached map)

1. **Hastings Rural Constituency** – incorporating the wards of Mohaka, Kahuranaki and Heretaunga (less the meshblocks detailed on the attached) – electing 1 councillor.
2. **Hastings Urban Constituency** – the balance of the District incorporating the wards of Hastings, Flaxmere and Havelock North, and parts of the rural area (meshblocks as detailed on the attached) – electing 3 councillors.

Constituency	Population**	Councillor	Population/ Councillor	Deviation Population Average++	% Deviation from Average
Hastings Rural	19,905	1	19,905	+846	+4.4%
Hastings Urban	55,605	3	18,535	-524	-2.7%

** Population figures based on the Hastings District Council representation review

++ Deviation Population Average calculated on the Regional Council population figures

Fair Representation

The population applied in the formula by the Regional Council (taking into account Wairoa and Central Hawke's Bay as separate 'communities of interest') is 133,410. With the Regional Council Initial Proposal of 7 councillors, this equals 19,059 per complying constituency. This places the +/-10% complying population for fair representation within the range of 17,153 – 20,965.

In presenting its submission position, the Hastings District Rural Community Board considers that there would be fair representation for the Hastings Rural communities.

Hastings District Rural Community Board supports the position of the Hastings District Council and is proposing that population from meshblocks surrounding the urban ward be placed into the Hastings Urban Constituency to enable both constituencies to comply with the population formula in Section 19V of the LEA.

Communities of Interest

It is proposed that the Hastings District be retained as much as possible as a distinct community of interest and be split along the recognised communities of interest into a Hastings Rural Constituency and a Hastings Urban Constituency.

Hastings District contains three principal communities of interest – urban, plains and rural. The rural community of interest is made up of – Kahuranaki, Mohaka and Heretaunga.

Effective representation of communities of interest

While Hastings District currently has six wards it is considered desirable to group together the communities of interest for the Hastings District into urban and rural constituencies as near as possible along the ward boundaries.

To achieve the most effective representation of these communities of interest, constituency boundaries should, as far as is practicable coincide with the boundaries of these wards. This will avoid splitting of recognised communities of interest and avoid the grouping of communities of interest with few commonalities.

Further, it is clear that the rural interests within the Region are reasonably distinct from the interests that are relevant to the urban constituency.

The Hastings District Rural Community Board considers that effective representation is best addressed in the manner contained within the proposal presented in this submission. One of the issues that must be recognised is the size of the urban population being disproportionate to the "rural" population. A consequence of the Regional Council's proposal appears to be that the "rural" community of interest is not appropriately reflected.

Meshblocks to be transferred into a Hastings Urban Constituency

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1472701	5
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1406200	90
1405700	10
1471600	20
1406200	90
1471900	15
1471800	115
1471700	70
1471500	5
1472000	70
Flaxmere Connect	=590
1470000	50
1469903	50
1469904	60
1470101	20
1470103	30
1470102	40
1468800	120
1469100	30
1469500	70
1468000	120
TOTALS	1745

(Attachment 2)

Alternative Resolutions for Final Proposal – Prepared by Regional Council officers and tabled at the 25 October 2012 Regional Council meeting – Aligned with the Hastings District Council submission to the Regional Council Initial Proposal.

Recommendations

That, having considered the written and verbal submissions made on the Council's initial proposal, the Hawke's Bay Regional Council adopts the following preferred Representation Arrangement for the election to be held on 10 October 2013.

1. Nine Councillors representing 5 constituencies. The Wairoa constituency status as a special community of interest will be retained, and Council will apply for Central Hawke's Bay to be a special community of interest. After consideration of the key factors of community of interest, effective representation of communities of interest and fair representation for the Hastings District Council specifically, Council has split the Hastings District into predominantly urban and predominantly rural constituencies.
2. The proposed names and boundaries of each of the five proposed constituencies as depicted on the map following are:
 - 2.1 **Central Hawke's Bay**; the constituency boundary being the same as that for the Central Hawke's Bay District Council area and apply for this to be a 'community of interest'.
 - 2.2 **Hastings Urban**; the constituency boundary being that area which encompasses the wards of Hastings, Flaxmere and Havelock North and adjacent area units from the Heretaunga wards with community of interest commonalities around the three urban wards within the Hastings District Council area.
 - 2.3 **Hastings Rural**; the constituency boundaries being the area which encompasses the majority of the ward of Heretaunga and the entirety of Mohaka and Kahuranaki, within the Hastings District Council area, as well as area units within the Regional boundary belonging to Rangitikei and Taupo District councils.
 - 2.4 **Napier**; the constituency boundary being the same as that for the Napier City Council area.
 - 2.5 **Wairoa**; the constituency boundary being the same as that for the Wairoa District Council area and retaining the 'community of interest' for that area.

Map to be inserted following Council's decision.

3. The LEA s19V(2) population parameter requirements, once Wairoa and Central Hawke's Bay are treated as a 'community of interest' become $155,270 - 8,430$ (estimated Wairoa area population) $- 13,430$ (estimated Central Hawke's Bay population) $= 133,410 \div 7$ (9 councillors less 1 representative each for Wairoa and Central Hawke's Bay) $= 19,059$ per complying constituency. Taking the $\pm 10\%$ into account, this requires each of the remaining three constituency's number of electors to be within the range of $17,153 - 20,965$ ($\pm 10\%$ of $19,059$) as reflected in following table.

Population Statistics with Wairoa & CHB being 'community of interest' – Whakatu in Urban Havelock Hills & Te Mata Hills in Rural

Name of Constituency	Number of Members	Population*	Population per Member	% Population Parameter
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Wairoa	1	8,430	8,430	n/a
Regional Total	9	155,270		

* based on 2011 rounded population estimates from the Government Statistician

4. The Wairoa constituency was accepted by the Local Government Commission in 2007 as a 'community of interest', with the size and diversity of the constituency and reasonable access to representation having been proved, and Council will seek to retain this status. Specifically, the Commission ruled:
 - 4.1 *"We first addressed the issue of the proposed Wairoa Constituency and its non-compliance with the +/- 10% rule. After carefully considering the points raised by the Council and also those made by the Mayor of Wairoa and the Wairoa Constituency Councillors, as set out earlier in this determination, we agree that a separate Wairoa Constituency is necessary to ensure effective representation of this community of interest. In summary we agree that:*
 - *Wairoa has a community of interest distinct from the rest of the region, both physically and socio-economically, and this presents particular challenges for community consultation and provision of services;*
 - *The physical realities of the area give rise to particular issues not experienced elsewhere including hill country erosion, pressure on coastal development, pest management, transport infrastructure, biodiversity protection, wetland enhancement, flooding and other natural hazards;*
 - *Effective representation is most unlikely to be achieved by merging Wairoa into another constituency in order to comply with the +/- 10% rule as this would result in a very large area (70% of the land area of the region) with few commonalities of interest and still eligible for only one councillor;*
 - *Effective representation would be compromised in terms of both access to a councillor and representation of the diversity of the constituency; and*
 - *The demands on a councillor servicing an enlarged area would be unreasonable."*
5. In respect to the Central Hawke's Bay constituency, Council believes there is a case for applying for a distinct 'community of interest' status, and that the size of the constituency would compromise reasonable access of the electors to an elected member for this area if enlarged to include areas of Hastings District to meet the +/-10% rule. The elected member would be unlikely to realistically be able to attend public meetings throughout

8.

the area and provide reasonable opportunities for constituents to have face to face meetings due to long distances having to be travelled given the size of the constituency required to meet the population parameters.

- 5.1 The physical realities of the area give rise to particular issues including hill country erosion, pressure on coastal development, biodiversity protection, flooding and other natural hazards. Several communities suffered extensive damage in the 2011 Easter floods and recovery work continues 18 months later.
 - 5.2 In addition to the physical challenges associated with that area, the community is also the site for the proposed Ruataniwha Water Storage Dam, and should this proceed will be faced with land use intensification challenges not faced elsewhere in the Region.
6. Council has amended its initial proposal for the following reasons.
 - 6.1 *to be inserted at the meeting if required*

Population Data Supporting Final Proposal

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545710 Twyford	Hastings	Hastings	545730 Clive	1620	1700
545730 Clive	Hastings	Hastings	545740 Haumoaia	2260	2290
545740 Haumoaia	Hastings	Hastings	545750 Brookvale	540	550
545750 Brookvale	Hastings	Hastings	545811 Tangoro	680	730
545811 Tangoro	Hastings	Hastings	545812 Eskdale	600	630
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545852 Pakipaki	Hastings	Hastings	545860 Waimarama	1050	1150
545860 Waimarama	Hastings	Hastings	545911 Tuhiira	670	690
545911 Tuhiira	Hastings	Hastings	545912 Puketutu	350	380
545912 Puketutu	Hastings	Central Hawkes Bay	545913 Whanawhanga	360	250
545913 Whanawhanga	Hastings	Hastings	548822 Havelock Hills	770	870
548822 Havelock Hills	Hastings	Hastings	548833 Te Mata Hills	970	1080
548833 Te Mata Hills	Hastings	Hastings	559000 Ngamatea	40	40
559000 Ngamatea	Rangitikei	Hastings	Total estimates		20100

10.
CG-01-02-12-117

Attachment 2

Item 16

Hastings Urban	Hastings	Hastings	Hastings			
545721 Karamu	Hastings	Hastings	545721 Karamu	1010	1280	
545722 Whakatu	Hastings	Hastings	545722 Whakatu	870	880	
545761 Irongate	Hastings	Hastings	545761 Irongate	560	610	
545762 Longlands South	Hastings	Hastings	545762 Longlands South	940	1000	
547600 Mahora	Hastings	Hastings	547600 Mahora	3900	4070	
547700 St Leonards	Hastings	Hastings	547700 St Leonards	2880	2930	
547800 Frimley	Hastings	Hastings	547800 Frimley	1570	1810	
547900 Raureka	Hastings	Hastings	547900 Raureka	4330	4370	
548000 Mayfair	Hastings	Hastings	548000 Mayfair	4320	4400	
548100 Parkvale	Hastings	Hastings	548100 Parkvale	3150	3140	
548200 Hastings Central	Hastings	Hastings	548200 Hastings Central	3030	2970	
548300 Akina	Hastings	Hastings	548300 Akina	4420	4520	
548400 Woolwich	Hastings	Hastings	548400 Woolwich	50	80	
548500 Camberley	Hastings	Hastings	548500 Camberley	2070	2040	
548611 Kingsley-Chatham	Hastings	Hastings	548611 Kingsley-Chatham	3100	3120	
548612 Lochain	Hastings	Hastings	548612 Lochain	3070	3070	
548620 Flaxmere East	Hastings	Hastings	548620 Flaxmere East	4050	4000	
548810 Anderson Park	Hastings	Hastings	548810 Anderson Park	1540	1550	
548821 Iona	Hastings	Hastings	548821 Iona	2920	2970	
548831 Te Mata	Hastings	Hastings	548831 Te Mata	3110	3500	
548832 Havelock North Central	Hastings	Hastings	548832 Havelock North Central	3160	3220	
			Total estimates		55530	
Hastings Urban						
Hastings Rural						
Total Hastings - Rural and Urban					74480	

11.
CG-01-02-12-117

27 NOV 2012

FILE REF REP10

ALCHEMY
ID 328 033



26 November 2012

Leeanne Hooper
Hawke's Bay Regional Council
Private Bag 6006
NAPIER 4142

Dear Leeanne

Objection to the Hawkes Bay Regional Council Final Proposal for Representation

Attached is the Napier City Council objection to the Hawke's Bay Regional Council Proposed Representation Arrangements for 2013 and 2016 elections, for the attention of the Electoral Commission.

Napier City Council objects to the changes to the representation arrangements contained in the final proposal and have outlined the reasons for this objection in the attachment enclosed.

Yours faithfully

BARBARA ARNOTT
MAYOR

Introduction

Napier City Council **objects to** the Hawke's Bay Regional Council final proposed representation arrangements for the 2013 and 2016 elections.

Napier City is a key provider for the rural areas of Hawke's Bay. Napier is of critical importance in providing transport links and services for rural Hawke's Bay.

Napier City receives comments and suggestions from the Whirinaki, Eskdale and Te Pohue communities which lie to the north of Napier and are within the Hastings District Council electorate. Much of this comment is in regard to issues of representation of these communities.

Based on opinions received from these communities Napier City Council supported the initial proposed arrangements for the 2013 and 2016 elections for the Hawke's Bay Regional Council representation review as shown in the map at the conclusion of this objection.

The Hastings District Council initial proposal, advertised as part of the Hastings District Council representation review, was similar to the proposal issued by Hawke's Bay Regional Council. The Hastings District Council proposal designated the northern area of the Hastings electorate as a ward to be known as Kaiwaka. The similar area identified in the Hawke's Bay Regional Council initial proposal was called Hastings North. The initial proposals from both Councils identified this northern area of Hastings District Council as a separate constituency/ward in needing separate representation. Being in agreement with both proposals, regarding the need for separate representation for this area, Napier City Council did not submit to either proposal.

The option presented by submitters to the Hawke's Bay Regional Council initial proposal, to split the Hastings constituency on the basis of a rural urban split, is not supported by Napier City Council.

Napier City Council also supports the Hawke's Bay Regional Council in regard to separate constituencies for Wairoa and Central Hawke's Bay with higher per head of population representation than the balance of the constituencies on the basis of, amongst other reasons already stated by Hawke's Bay Regional Council, the provision of effective representation.

General

The environment, environmental impacts through the management of regional resources, natural hazards management, land drainage and river control and regional biosecurity are a concern for all members of the community – both current **and** future generations. A negative effect generated by any business or private activity within the region ultimately affects the whole region in the short, medium or long term.

Candidates and Elections

Constituency boundaries do not dictate where a candidate's normal residential address is located nor does this determine a candidate's understanding or special skills in regard to urban and rural issues.

Candidates stand in local government elections in full knowledge that they are required to act on behalf of the whole community and not solely the constituency from which they are elected. In reference to submissions received to the Hawke's Bay Regional Council initial proposal it is denigrating the skills and experience of elected candidates to assume that elected candidates have no awareness of the rural impacts of local government.

It is also denigrating the skills and experience of elected candidates to assume that candidates are unable to make balanced decisions based on facts presented and can be considered to be predetermined as either pro-urban or pro-rural.

Some submissions to the initial proposal also implied a predetermined view that voters make their vote based on self-interest only. This was also implied as being with either a pro-urban or a pro-rural view. This is incorrect. Hawke's Bay people who vote for regional council members generally vote on the basis of their view of who will provide the best representation for the long term management of regional resources, natural hazards management, land drainage and river control and regional biosecurity.

Consequently Napier City Council does not support a split of constituencies on the basis of rural representation versus urban representation as proposed in the submissions to the initial proposal.

Accessibility to representation

Napier City Council supports the Regional Council initial proposal in that it provides for fair representation for all peoples of Hawke's Bay in regard to the environment, environmental impacts through the management of regional resources, natural hazards management, land drainage and river control and regional biosecurity.

The initial proposal comprised 5 constituencies with 3 of similar population sizes. This arrangement had the potential to significantly improve direct accessibility to representation within the proposed Hastings North constituency. It is of note that both the current Hastings constituency and also the arrangements proposed in the submission to the initial proposal are spread over a significant land area.

The residential location of current members, being based in the Havelock North and Hastings south areas, means these members face significant challenges in representing populations in the large area north of Hastings.

Over the last 2 elections the majority of candidates have resided in what would be the Hastings South electorate. The initial proposal to form 2 constituencies from the current single constituency of Hastings should significantly improve this situation. The reduced land area covered by 2 constituencies is also consistent with the basis for separate constituencies for Wairoa and Central Hawke's Bay.

Land use as a basis for determining Communities of Interest

In response to the objections to the Hawke's Bay Regional Council initial proposal, Napier City Council does not believe that land use is a valid basis for determination of communities of interest. The land use across Hawke's Bay is a mix of urban, lifestyle block, horticulture, cropping, forestry and animal farming. On a stand-alone basis none of these activities,

combined with the size of population, is sufficiently predominant over another in the current Hastings constituency to justify a separate constituency based solely on land use, that is, an urban – rural based split without a significant increase in the number of members.

The objections to the initial proposal suggested formation of an urban constituency as an island within a rural constituency. However this proposed arrangement does not recognise significant urban communities that would be considered to be within the proposed Hastings rural constituency. To name a few, these populations include Clive, Haumoana, Te Awanga, Waimarama and Whirinaki. These populations would likely consider themselves more part of the urban communities to which they have the closest proximity rather than part of a rural community and are certainly serviced in terms of community needs from the urban communities to which they are affiliated.

A land use split of constituencies would more logically move in bands based on distance from the coast and the land use type. However this type of split would also be problematical in that it would split other existing communities of interest.

In summary the Hawke's Bay community does not contain metropolitan areas which may perceive they are separate entities to rural Hawke's Bay. The urban and rural communities, in the Napier City and Hastings District areas, are closely interlinked in their dependence on each other from an economic perspective. This means that urban service providers are acutely aware of the issues which the rural sector face and build these into their own business plans. In addition land use across much of the region is of mixed use, particularly within the Heretaunga plains and foothills areas. Consequently there are no clearly distinct communities of interest from a land use perspective.

Political Affiliation as a basis for determining Communities of Interest

The initial proposal put forward by the Hawke's Bay Regional Council more closely aligns the 3 Northern constituencies proposed with the Napier parliamentary electoral boundary and the 2 Southern constituencies proposed being a significant part of the Tukituki parliamentary electoral boundary in the South.

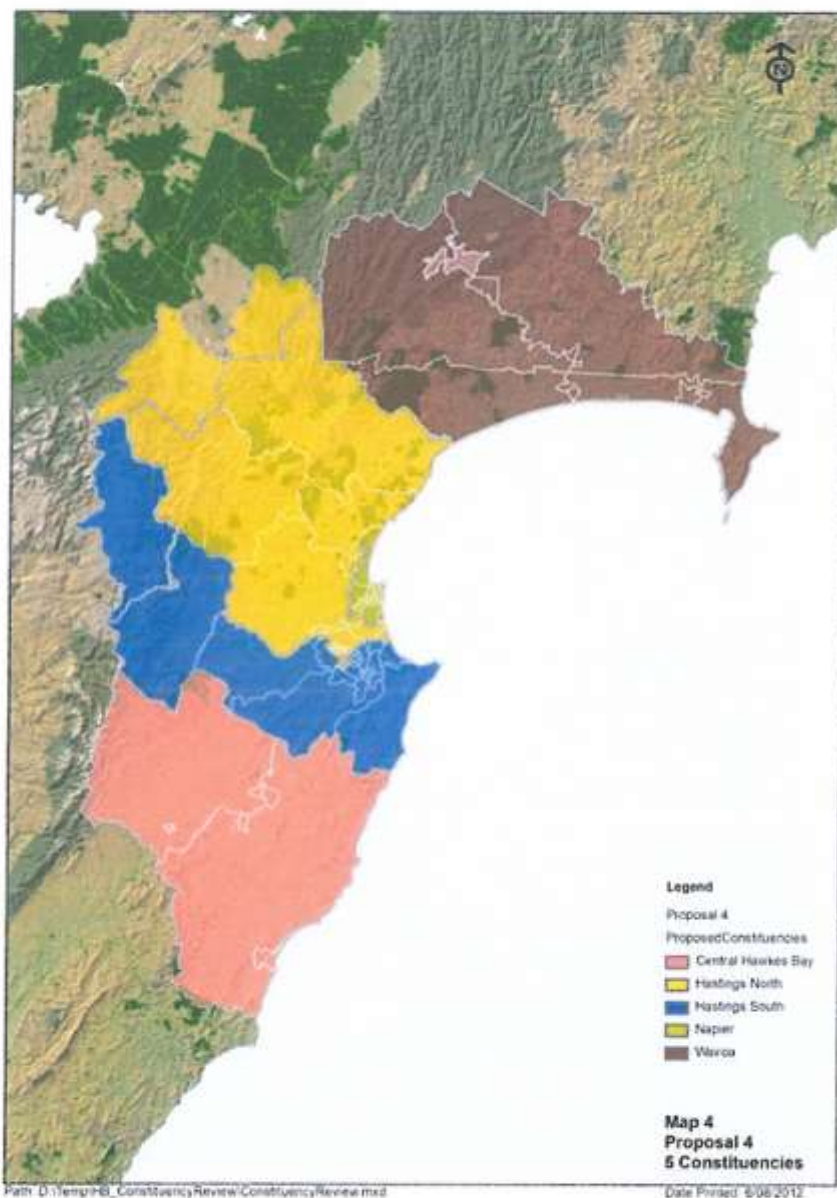
The arrangement proposed in the initial proposal does not fully conform to current local government boundaries. However, it is not inconsistent with the majority of local government boundaries. The Local Government constituencies of Central Hawke's Bay, Napier and Wairoa are equivalent to the Local Government boundaries of each of these constituencies. The Hastings District Council boundaries would comprise 2 constituencies. However Hastings District Council did itself submit on the basis that there were 2 constituencies, with different boundaries, for Hastings District.

Based on the population of Hastings North and Hastings South, there is some further room for alignment of the mesh blocks to better align the Hastings South constituency with the Hastings District Council urban ward boundaries.

However it is also noted that legislation currently before the House of Representatives may result in significant changes to representation arrangement for the 2016 elections. Consequently the General Electorate Districts are considered to be the predominant community of interest boundary from a political perspective rather than the Local Government ward boundaries.

Summary

Napier City Council supports the Regional Council initial proposal for representation on the basis of provision of accessibility to members and believes that from a functional, political (being government) and perceptual perspective this is the best option for Hawke's Bay Regional Council representation.



SUBJECT: LEASEHOLD LAND ISSUES

Reason for Report

1. The purpose of this paper is to update and report on issues related to Napier Leasehold endowment land portfolio and the relevant Council policies.

Background

2. With the creation of the Regional Council in November 1989, 1983 lessees were transferred from the Hawke's Bay Harbour Board. All the leases are controlled by lease agreements identifying annual rentals and lease renewal dates under a 21 year "Glasgow" lease renewal period.

Concession on Lease Payments

3. Council has over the years applied slight modifications to the management of leases consistent with the lease agreements.
4. In the early 1990's, Council changed the method of valuing cross lease properties for lease renewal purposes. Previously the land under each cross lease unit had been valued individually, but following the methodology change the total area of land was valued and the rent divided equally amongst the cross lease lessees. This resulted in lower rentals paid by cross lease lessees.
5. At the same time a reduction of market value of the land was granted to lessees with unused potential on single site properties (one dwelling) on sections sized 600 or more square metres. The unused portion being the garden areas. Again, this move was beneficial to lessees.
6. Council also introduced the deferred rental payment system to assist those lessees who were experiencing financial hardship.

Fair Annual Ground Rental

7. In 2000, Council resolved to abide by the wording of the lease agreement when determining the basis of the renewal rent. All leases created prior to 1970 have the renewal basis as 5% of the land market value and after 1970, the leases are subject to "Fair Annual Ground Rental" wording which in recent years has been equated at 6.25% of the land market value. Both lease renewal methodologies are subject to a valuation and the valuers regularly review the "Fair Annual Ground Rental" percentage.

Freeholding

8. Following the introduction of the Hawkes Bay Endowment Land Empowering Act 2002, some lessees have had the opportunity to freehold their leasehold land at a greater allowance or discount above the previous limit of 30% of the land market value.
9. Since August 2011, 373 lessees have freeholded for a total discounted price of \$25m whereas the land market value was \$40m.
10. At present, the Council only has 654 lessees left on 482 properties.

Lease Renewal

11. Invariably, at the time leases are renewed at the expiry of each 21 year renewal period, lessees become concerned by the increase of the new rent. However there has only been one arbitration on the valuation for renewal purposes, and in this case the arbitration referee found for the Council's valuer and actually increased the annual rent.
12. There was another valuation arbitration in November 2011 for freeholding purposes which resulted in the referee confirming the valuation of the Council's valuer.

Arrears of Rent

13. One time consuming aspect of managing the portfolio is dealing with lessees who repeatedly have rent arrears. Staff attempt to work with the lessee to remedy the situation. When rent payments are not being received, the first step is for Council to use a debt collection agency then, if this is unsuccessful, a demand is made on the mortgagee banks of the lessees for the payment of arrears.
14. In time Council may also have to apply to the High Court to auction the properties when the rent arrears accumulate to unmanageable levels. Under the lease agreement, when a lessee is in default of the lease, the Council can re-enter and claim the property.

Current Statistics

15. Set out in **Attachment 1** are some updated statistics for Council's Napier leasehold land.

Decision Making Process

16. 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 Council receives the report.



John Keenan
REVENUE ACCOUNTANT



Paul Drury
GROUP MANAGER
CORPORATE SERVICES

Attachment/s

- 1 Napier Leasehold Land Statistics as at 30 November 2012

NAPIER LEASEHOLD LAND STATISTICS AS AT 30 NOVEMBER 2012

Number of lessees with Annual Rent up to:	Number
up to \$1,000	122
\$1,000 to \$2,000	231
\$2,000 to \$3,000	119
\$3,000 to \$4,000	57
\$4,000 to \$5,000	25
\$5,000 to \$6,000	22
\$6,000 to \$7,000	57
\$7,000 to \$8,000	10
\$8,000 to \$9,000	6
\$9,000 to \$10,000	1
Over \$10,000	4
Total Lessees	654

Lessees subject to 5% Lease renewal basis	401
Lessees subject to Fair Annual Ground Rental	253
Total Lessees	654

Lessees per suburb	Lessees	Properties
Hill/Rural	12	7
Napier South	106	63
Marewa	130	83
Onekawa	79	54
Pirimai	107	87
Tamatea	220	188
Total	654	482

Freeholdings Since Aug 2011	Lessees	Price
to 30 June 2012	197	\$14,812,334
From 1 July to 30 November	176	\$10,563,309
Total	373	\$25,375,643
Possibly Freeholding	25	\$1,700,000
Possible Total	398	\$27,075,643

SUBJECT: BIODIVERSITY STRATEGY UPDATE

Reason for Report

1. This report is to provide an update to Council on the preparation of the regional biodiversity strategy.

Background

2. The 2012-22 Long Term Plan (LTP) Outlines Councils intent to prepare a regional biodiversity strategy which will include a wide range of stakeholders in its preparation and the ultimate commitment to a regional strategy.
3. The specific LTP outputs are as follows:
 - 3.1. 2012-13 finalise scope of strategy and begin preparation of draft strategy
 - 3.2. 2013-14 Consult on the draft strategy and prepare the final biodiversity strategy
 - 3.3. 2014-15 prepare the programme for work relevant to HBRC for inclusion in the next long term plan

Proposed governance structure

4. The current structure proposed to assist in the preparation and finalisation of the strategy is to have a core working group (CWG) to provide technical expertise, help deliver information to the steering group and facilitate integration of steering group ideas into the strategy. The CWG membership is a cross functional HBRC project team and key external stakeholders with relevant expertise such as the Department of Conservation. The steering group (SG) will comprise a wider range of organisations with an interest in regional biodiversity and will provide governance level guidance on strategy development, content and process.
5. Over the last few months there have been a range of activities undertaken by the CWG in preparation for the first SG meeting which is proposed for February 2013. These include:
 - 5.1. A Landcare Research biodiversity outcomes based workshop to set some initial context on higher level strategy outcomes for discussion at the SG.
 - 5.2. An initial analysis of where the key areas for alignment may be with other national or regional biodiversity related initiatives
 - 5.3. Collating draft stakeholder GIS data relevant to regional biodiversity current state to present an initial snapshot at the first SG meeting.
 - 5.4. Preparation of a draft CWG and SG terms of reference for discussion at the first SG meeting
 - 5.5. Initial broad areas for early SG advice including the scope of the strategy, and the role (if any) of a biodiversity accord and regional biodiversity forum in more integrated regional biodiversity management.
 - 5.6. Identifying the potential SG participants.
6. Activities to be completed prior to Christmas include -
 - 6.1. Send out a letter of invitation to all potential SG members.
 - 6.2. Final CWG meeting for the year.
 - 6.3. Gain confirmation from Councillors on who wants to participate in the Regional Biodiversity Strategy Steering Group. It is recommended that the number is limited to 3 Councillors.

- 6.4. Draft an initial broad project plan to set some deliverables context for the biodiversity strategy over the next two years.

Decision Making Process

1. 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 update report on the Regional Biodiversity Strategy.
2. Confirm the names of Councillors who wish to participate in the regional biodiversity strategy Steering Group process.



Campbell Leckie
MANAGER LAND SERVICES



Mike Adye
GROUP MANAGER ASSET
MANAGEMENT

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 12 December 2012

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
1.		
2.		
3.		
4.		
5.		

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 12 December 2012

Item 21

SUBJECT: UPDATE ON THE SALE OF NAPIER LEASEHOLD LAND CASH FLOWS

That Council excludes the public from this section of the meeting, being Agenda Item 21 Update on the Sale of Napier Leasehold Land Cash Flows 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

Update on the Sale of Napier
Leasehold Land Cash Flows

REASON FOR PASSING THIS RESOLUTION

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).

GROUND UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION

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



Paul Drury
GROUP MANAGER
CORPORATE SERVICES



Andrew Newman
CHIEF EXECUTIVE