



Meeting of the Hawke's Bay Regional Council

Date: Tuesday 22 August 2017
Time: To follow Regional Planning Committee Meeting
Venue: Anchorage Motor Lodge Conference Room
28 West Quay
Ahuriri
NAPIER

Agenda

ITEM	SUBJECT	PAGE
1.	Welcome/Apologies/Notices	
2.	Conflict of Interest Declarations	
Decision Items		
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4.	Financial Implications of Ngaruroro Water Conservation Order Special Tribunal Process	5

HAWKE'S BAY REGIONAL COUNCIL

Tuesday 22 August 2017

Item 3

Subject: RECOMMENDATION FROM REGIONAL PLANNING COMMITTEE

Reason for Report

1. The following matters were considered by the Regional Planning Committee meeting on 2 and 22 August 2017 and are now presented for Council's consideration and approval.

Decision Making Process

2. These matters have been specifically considered at the Committee level, however the following recommendations relating specifically to the **Ngaruroro Water Conservation Order** may be amended by the Regional Planning Committee at its meeting prior to the Council meeting on 22 August 2017.

Recommendations

The Regional Planning Committee recommends that Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion 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.

Appointments to the HBRC Hearings, Corporate & Strategic, and Environment & Services Committees, and the Biosecurity Working Party

2. Confirms the appointment of Toro Waaka as one of two Regional Planning Committee Tangata Whenua representatives on the HBRC Hearings Committee
3. Confirms the appointment of Toro Waaka as the Regional Planning Committee Tangata Whenua representative on the HBRC Corporate and Strategic Committee
4. Confirms the appointment of Peter Paku as the Regional Planning Committee Tangata Whenua representative on the HBRC Environment and Services Committee
5. Confirms the appointments of Karauna Brown, Apiata Tapine and Nicky Kirikiri as the tangata whenua representatives on the Biosecurity Working Party, with the ability to co-opt technical assistance when required.

Ngaruroro Water Conservation Order Liaison

6. Delegates the Sub-committee comprising Toro Waaka, Liz Munroe, Peter Paku, Councillors Rex Graham, Tom Belford and Peter Beaven to attend a pre-hearing meeting with Special Tribunal on process.
7. Agrees to provide evidence on substantive matters but not take a position on whether or not a Water Conservation Order should or should not be imposed, except for provisional support for upper reaches.
8. Adopts the Ngaruroro River Water Conservation Order Submission, as recommended by the Regional Planning Committee meeting on 22 August 2017, for lodging with the Special Tribunal.

Reports Received

9. Notes that the following reports were provided to the Regional Planning Committee.
 - 9.1. Regional Planning Committee 2016-17 Annual Activity Report (*Resolved: Requests that staff undertake the production of the Annual Activity Report 2016-2017 and complete it for presentation to the Regional Planning Committee meeting on 6 September 2017.*)
 - 9.2. Resource Legislation Amendment Act 2017 Overview

- 9.3. Tukituki (Plan Change 6) Implementation Matters (*Resolved: Requests that staff take feedback from the meeting in order to report back to the Regional Planning Committee as soon as practicable on options (including scope, timing and resources) for progressing a narrow plan change to address urgent implementation matters in Tukituki Plan Change 6.*)
- 9.4. Greater Heretaunga (TANK) Project Update (*taken as read*)
- 9.5. August 2017 Statutory Advocacy Update (*taken as read*)
- 9.6. August 2017 Resource Management Planning Project Update (*taken as read*)
- 9.7. Myrtle Rust (*taken as read*)

Authored by:

Tom Skerman
ACTING STRATEGIC DEVELOPMENT
GROUP MANAGER

Approved by:

Iain Maxwell
GROUP MANAGER
RESOURCE MANAGEMENT

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Tuesday 22 August 2017

Item 4

Subject: FINANCIAL IMPLICATIONS OF NGARURORO WATER CONSERVATION ORDER SPECIAL TRIBUNAL PROCESS

Reason for Report

1. On 25 July 2017 the Special Tribunal appointed to hear the application for a Water Conservation Order (WCO) on the Ngaruroro River and Clive River publically notified the application and required submissions to be lodged within the minimum statutory allowable timeframe of 20 working days (due 4pm, 24 August 2017).
2. Despite representations to the Minister for the Environment and more latterly to the Special Tribunal itself, Council and the Regional Planning Committee have been unable to make a case for that part of the WCO that both duplicates and overrides the TANK collaborative decision to be heard after the Regional Planning Committee's has received and considered the TANK plan change.
3. This means Council will be required to participate in what are effectively parallel planning processes for a significant part of the TANK catchment. Council currently has no provision for expenditure in relation to the WCO.
4. This report comments on the Financial and Resource implications of Council's participation in the WCO hearing process.

Assumptions

5. HBRC's involvement with a WCO application will require inputs into the following process steps:
 - 5.1. Submission
 - 5.2. Pre-hearing (if called)
 - 5.3. Hearing (plus any additional expert caucusing)
 - 5.4. Submissions to the Environment Court
 - 5.5. Environment Court Inquiry
6. Drawing from the Special Tribunal's apparent intention to proceed with hearing the application as soon as practicable, staff have considered the resourcing implications based on the following assumptions:
 - 6.1. The Submission process (i.e. up to 24 August) is managed within existing budgets.
 - 6.2. That the full Hearing process conducted by the Special Tribunal is completed on or about January 2018.
 - 6.3. Due to the uncertainty of timelines beyond that stage no subsequent processes steps are budgeted at this stage and funding for this falls into the LTP process.

Financial implications

7. Based on the forgoing assumptions at the time of writing staff estimate that the cost of participating in a WCO could be in the order of \$659,000 including \$274,000 unbudgeted external resourcing requirements. Further analysis is being completed including initial costings from external providers of expertise. Accordingly there is a large margin for error in these estimates.

	FTE	Other	Total	Comment
Strategic Development				
Policy/Planning	1.0	\$ 110,000		
Exec/Mgr	0.4	\$ 44,000		
Economic Impact	0.2	\$ 22,000		
External RMA		\$ 80,000		16 Weeks at \$5,000/week
External Legal		\$ 64,000		16 Weeks a \$4,000/week
Legal Rep at Hearing		\$ 30,000	\$ 350,000	2 Weeks at \$15,000/week
Resource Management				
Science	1.0	\$ 110,000		
Exec/Mgr	0.2	\$ 22,000		
External Experts		\$ 75,000	\$ 207,000	3 Experts at \$25,000 each
Engineering				
Staff	0.2	\$ 22,000		
Exec/Mgr	0.1	\$ 11,000		
External		\$ 25,000	\$ 58,000	1 Expert at \$25,000
GIS				
Staff	0.1	\$ 11,000	\$ 11,000	
Admin Support				
Dedicated	0.3	\$ 33,000	\$ 33,000	
Total Internal				
		\$ 385,000		
Total External (unbudgeted)				
		\$ 274,000		
			\$659,000	

8. For current staff to be able to support this process decisions will have to be made on existing work streams and project priorities. If staff cannot be diverted then the external resourcing requirements will increase. Based on current workloads and priorities, it is estimated that an additional \$200,000 external funding (over and above the \$274,000 already identified) would be required to back-fill staff unavailability.
9. Sources of funding unbudgeted activities include contingency funding which is currently approximately \$100,000. Other options include the cancellation or suspension of budgeted programmes and/or incurring an operational deficit to be recovered in the following financial year.

Decision Making Process

10. Council is required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
 - 10.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 10.2. The use of the special consultative procedure is not prescribed by legislation.
 - 10.3. The decision does not fall within the definition of Council's policy on significance.
 - 10.4. The decision is not inconsistent with an existing policy or plan.
 - 10.5. 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. Receives and notes the “Financial Implications of Ngaruroro Water Conservation Order Special Tribunal Process” staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council’s adopted Significance and Engagement Policy, and that Council can exercise its discretion 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.
3. Authorises additional operational expenditure of up to \$474,000 for costs associated with the Ngaruroro and Clive River Water Conservation Order Special Tribunal Hearing processes, noting that staff will use every endeavour to mitigate costs through re-prioritisation efforts within existing work programmes.

Authored by:

**Tom Skerman
ACTING STRATEGIC DEVELOPMENT
GROUP MANAGER**

Approved by:

**Iain Maxwell
GROUP MANAGER
RESOURCE MANAGEMENT**

Attachment/s

There are no attachments for this report.