



Unconfirmed

MINUTES OF A MEETING OF THE REGIONAL COUNCIL

Date: Wednesday 19 December 2018

Time: 10.15am

Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Present: R Graham - Chairman
P Bailey
R Barker
P Beaven
T Belford
A J Dick
D Hewitt
N Kirton
F Wilson

In Attendance: M Mohi – Chairman – Maori Committee
J Palmer – Chief Executive
J Ellerm – Group Manager Corporate Services
P Munro – Te Pou Whakarae
J Lawrence – Group Manager Office of the Chief Executive & Chair
L Hooper – Principal Advisor Governance
Members of Forest & Bird, Hastings Havelock North
Members of Forest & Bird, Napier
C Harmsworth – Senior Associate, Bell Gully
T Dawson – Napier Port Chief Executive
B O'Keeffe – HBRIC Ltd Chief Executive

1. Welcome/Prayer

The Chairman welcomed everyone to the meeting, and Pieri Munro led those present in offering a karakia.

6. Award of Environmental Certificates of Appreciation

The Chairman introduced the awards, outlining the reasons for the awards acknowledging the work being carried out in the environment by community members.

James Hunter has been awarded a certificate for Environmental Leadership in Land Management – Te Hautūtanga Taiao me te Whakahaere Whenua *and* Environmental Action in the Community – Te Oho Mauri Taiao ki te Hapori, and will be presented with the award at a later date as he was unable to attend today.

The Forest & Bird Napier and Hastings-Havelock North branches were awarded certificates for Environmental Action in the Community – Te Oho Mauri Taiao ki te Hapori.

1. Apologies/Notices

There were no apologies.

James Palmer spoke to the late provision of the supporting documentation for item 13, and the Agenda for today's meeting outside of the Council's Standing Orders which state (9.10) "The chief executive will provide the agenda, and other materials relating to the meeting ... to members by electronic means at least 3 clear working days before the meeting ..."

The 19 December 2018 agenda was provided by electronic means late in the afternoon of Friday 14 December which is 2 clear working days before the meeting, and the additional attachments to support item 13. Kahutia – Ngati Kahungunu Iwi Incorporated Carbon Credit Proposal were emailed to Councillors at 1.47pm yesterday, 18 December.

Resolutions

That Hawke's Bay Regional Council waives standing order 9.10 requirement for provision of the agenda to members by electronic means at least 3 clear working days before the meeting and agrees to consider all the items of business as listed.

Graham/Bailey

Councillor Dick moved an amendment, seconded by Councillor Wilson, that the late provision of agenda item 13 documents be voted on separately from the rest of the Agenda.

**Dick/Wilson
CARRIED**

The amendment was carried and therefore the Substantive Motion Put

RC131/18 That Hawke's Bay Regional Council waives the standing order 9.10 requirement for provision of the agenda to members by electronic means at least three (3) clear working days before the meeting and agrees to consider all the items of business as listed, except for agenda item 13.

**Dick/Wilson
CARRIED**

RC132/18 That Hawke's Bay Regional Council waives the standing order 9.10 requirement for provision of the agenda to members by electronic means at least three (3) clear working days before the meeting in relation to Agenda Item 13. Kahutia – Ngati Kahungunu Iwi Incorporated Carbon Credit Proposal.

**Dick/Wilson
For: Barker, Bailey, Beaven, Kirton, Graham
Against: Dick, Hewitt, Wilson
CARRIED**

2. Conflict of Interest Declarations

Councillor Tom Belford declared an interest in item 13. Kahutia – Ngati Kahungunu Iwi Incorporated Carbon Credit Proposal as pertains to a business arrangement with Ngati Kahungunu.

There were no further conflict of interest declarations.

3. Confirmation of Minutes of the Regional Council meeting held on 28 November 2018

RC133/18 Resolution

Minutes of the Regional Council meeting held on 28 November 2018, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Bailey/Beaven
CARRIED**

3.1 Confirmation of Minutes of the Regional Council meeting held on 4-5-6 December 2018

Minutes of the Regional Council meeting held on 4, 5 and 6 December 2018, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Bailey/Beaven
CARRIED**

4. Follow-up Items from Previous Regional Council Meetings

The item was taken as read, with one query in relation to advice to the Napier City Council Chief Executive of Council's 28 November resolutions relating to the NCC stormwater and wastewater networks and discharges to Ahuriri Estuary, including a request for a copy of the NCC presentation made to the Environment and Services Committee meeting on 14 November 2018.

RC134/18 Resolution

That the Council receives and notes the "Follow-up Items from Previous Meetings" staff report.

**Beaven/Bailey
CARRIED**

5. Call for Items of Business Not on the Agenda

Recommendation

That Council accepts the following "**Minor** Items of Business Not on the Agenda" for discussion as Item 17

Item	Topic	Raised by
1.	Napier Gisborne rail tourism excursions	Cr Dick
2.	Tukituki taskforce update	Cr Hewitt

Item - 6. Award of Environmental Certificates of Appreciation - was addressed immediately following opening of the meeting.

7. **Napier Port: Engagement and Consultation Undertaken as Part of the Decision Making Process**

The Chairman introduced the item, acknowledging the significant amount of work done by staff in preparing the papers, including substantial research and analysis.

James Palmer introduced Claire Harmsworth, Senior Associate with Bell Gully, who is available to answer any questions councillors have in relation to legal aspects of the consultation process, before outlining the process to arrive at the point of the decisions to be considered today. Queries and discussions traversed:

- Important to recognise the considerable work undertaken over the best part of the last 2 years to understand the issues in great depth in relation to the Port's commercial and capital needs in the context of Council's overall work programme and obligations, with first steps undertaken by the Capital Structure Review panel to help Council define the problem and identify options to achieve its objectives
- Advisors that provided technical, commercial and financial advice into the process include Bell Gully, PriceWaterhouse Coopers, Flagstaff, Napier Port executive management, HBRIC CE Blair O'Keeffe and director Dan Druzianic, Jonathan Hill (Series Two) and HBRC staff – specifically PWC carried out a peer review of the Napier Port wharf 6 justification information, Deloitte provided a peer review of the Port's forecast financials, and Simpson Grierson provided legal advice in relation to the requirement for Council to have a preferred option for the Special Consultative Procedure
- Consultation process the largest undertaken by this Council, with enormous efforts made to ensure that the people in the region were aware of the consultation taking place and that everybody who genuinely wanted to give feedback had the opportunity to do so. Process included over 700 radio ads, newspaper ads in HB Today and community newspapers, a strong social media campaign, and more than 200,000 documents distributed throughout the region.
- Claire Harmsworth (Bell Gully) echoed the view expressed by James that the consultation process run by council was extensive, robust and fullsome
- Groups engaged with directly throughout include Hastings & Napier Grey Power, Port staff and union, business associations, territorial authorities, industry and interest groups, as well as Central Government ministries, ministers and officials.
- In response to a query, Claire Harmsworth reiterated the Bell Gully legal opinion that Council has been fullsome and met all the requirements of the Local Government Act. Bell Gully examined the consultation document prior to its publication, reviewed this consultation process paper and the option decision making paper in relation to ensuring the LGA decision making requirements have been met.
- Auditor General's Audit Opinion included in the Consultation Document specifically states "*In my opinion: the information in the consultation document ... provides an effective basis for public participation in the Council's decisions ...*"

RC135/18 **Resolution**

That the Hawke's Bay Regional Council receives and notes the "*Napier Port: Engagement and consultation undertaken as part of the decision making process*" staff report.

**Kirton/Wilson
CARRIED**

8. **Our Port Consultation: Analysis of Feedback and Officers' Responses to Key Themes**

James Palmer introduced the item, and invited Todd Dawson, Napier Port Chief Executive, and Blair O'Keeffe, HBRIC Ltd Chief Executive, to respond to any questions councillors may have.

Evident from feedback that a proportion of the community doesn't see the Port as a

financial asset of the Council's or a commercial business but rather see it as a strategic asset with criticisms of the Council's approach to this issue premised on the notion that the Council doesn't hold it as a financial asset and that the Port should be serving some higher purpose rather than as a business.

Port Companies Act 1988 requires, as stated in Part 1 (5) "the principle objective of every port company shall be to operate as a successful business". The Port is operated as a commercial, profit making business governed by its own independent Board of Directors separate from the Council and Council's role is as its shareholder, with no influence on the day-to-day operations of the Port.

There has been a prudent balancing act over many years to take a reasonable dividend to subsidise rates while allowing the Port to retain sufficient earnings by Napier Port to fund efficient operations and capital development. If dividends not paid to Council over the last 10 years, Port debt may be \$0 however ratepayers would have paid an additional \$80 million for council's activities.

Queries and discussions traversed:

- Feedback from submitters not necessarily statements of fact, but expressions of views or perceptions, mis
- Differences between a partnership with a single investor or consortium of investors, and a public share offering in relation to control and different 'levels' of control
- Todd Dawson expressed the Port's view that the dividends paid to Council over the last decade have not been extraordinary and have been prudent and enabled the Port to reinvest in capital developments over time, with the issue now being a quantum leap in the capital required to fund development of the new wharf
- Port view that it could self-fund the development but that it would require withholding dividend payments to Council
- Raising user charges to fund the development would result in customers moving their business to other ports as its charges become uncompetitive. Port users will pay for the development over time, just not up front.
- The 'ring-fencing' of additional capital raised beyond what the Port requires, for intergenerational benefits
- Future double digit rates increases required to fund significant increased costs for Council's own infrastructure assets (currently valued at \$200 million) including Heretaunga flood protection level of service increase to 500 years and Coastal protection works to mitigate against coastal erosion and sea level rise including the potential impacts on Council's borrowing
- James Palmer advised that the written advice from the Head of the Provincial Development Unit as stated in the paper was "that the Provincial Growth Fund would not provide grant funding as Napier Port is a commercial entity. Additionally, any support – if provided in the future – would likely be in the form of an interest-bearing loan which would be required to cover the Crown's cost of capital"

RC136/18 **Resolution**

That the Hawke's Bay Regional Council receives and notes the "*Analysis of Feedback and Officers' Responses to Key Themes*" staff report.

**Barker/Dick
CARRIED**

9. Option Selection Decision on the Capital Restructure of the Napier Port

James Palmer introduced the item which requests an in principle decision from Council to direct further investigative and due diligence work to be undertaken to progress Napier Port's capital restructure. Discussions traversed:

- Iwi/hapu interests in relation to the Port including treaty settlements, iwi boundaries and priority share allocations
- Materiality test should Council decide to progress an option other than B, in order to

- assess whether a further special consultative procedure must be undertaken
- Maximise local participation, and possibility of exploring ways to retain locally long term, through the book build process without compromising the short and long term success of the IPO transaction in relation to liquidity and turnover
- The option of a Bond issue to raise the capital needed was considered during the Capital Structure Review process and not progressed through the consultation process as they are effectively a different form of debt. Bond issue is a mechanism the NZX offers to listed companies.
- Costs of next phase to point of IPO transaction design will be \$5 million, with a further \$5million required for the final phase to conclusion of the transaction itself
- Decision in the best long term interests of the Region, to release Council investment in the Port for investment needed to address critical Environmental issues

RC137/18 Resolutions

That Hawke's Bay Regional Council:

1. Receives the information provided in this decision report, including the information provided in the attachments.
2. Notes that the Council is tasked with making an in-principle decision on which of the consulted options to fund the growth of Napier Port (if any) it wishes to progress further, and notes that this is not a final decision to proceed with one of the options.
3. Notes that an amendment will need to be made to the Council's current Long Term Plan before any final decision to transfer the ownership or control of the Napier Port from the Council, through its subsidiary, Hawke's Bay Regional Investment Company Limited, could be made.
4. Notes that each of the four options consulted on have various advantages and disadvantages when considered against the Council's and the Port's objectives.
5. Notes that an Initial Public Offering (IPO) of up to 49% of Napier Port (Option B below) is currently Council's preferred option as outlined in the Special Consultative Procedure.
6. Notes that in deciding which option (if any) to progress, the selection of None of the Options (i.e. the decision not to proceed with any of the consulted options, which of itself was not an option consulted on) may result in a delay to the construction of Wharf 6 and that the selection of any option, other than Option B, may also have timing implications.
7. Agrees that the Council's staff are to make available to persons who made submissions, a record of the decisions made by Council in respect of the future of Napier Port, along with explanatory material, at an appropriate time.
8. Agrees to pass one of the following five possible sets of resolutions (Option A, Option B, Option C, Option D or None of the Options) in relation to the future of Napier Port (noting that None of the Options is not an option consulted on and therefore passing this set of resolutions will result in the Council needing to reconsider its previously stated objectives).

Option B: Up to 49% Port public share offer

That Hawke's Bay Regional Council:

9. Agrees that the Council should progress with, and further refine, the option of its subsidiary, Hawke's Bay Regional Investment Company Limited, offering shares on the New Zealand stock exchange through an Initial Public Offering in a stake of Napier Port of up to 49% (the IPO Transaction).
10. Agrees that the structural outcomes that the Council will want the Initial Public Offering (IPO) Transaction to achieve, and against which Council's decision to give final approval to proceeding with the IPO Transaction will be determined, following

consideration of further detailed advice (the Outcomes), include:

- 10.1. Majority ownership and control of Napier Port is to remain with Hawke's Bay Regional Council (via appropriate investment structures, such as HBRIC Ltd), with no more than 49% shareholding to be sold or diluted at any point in the future, unless further special consultation is conducted.
- 10.2. The initial sell-down is to be no less than 33% and no more than 45%, with the exact percentage to be determined following consideration by Council of expert advice and which will be based on Napier Port's capital needs, with the minimum initial offer size to support trading liquidity and long term share value, noting Council has a low risk appetite for:
 - 10.2.1. value destruction or share price volatility post-listing
 - 10.2.2. recourse to ratepayers or Council due to insufficient funds being raised
 - 10.2.3. additional capital calls from the Port in the next 10 years, and
 - 10.2.4. unpredictable income flows from investments in the next 10 years.
- 10.3. Without compromising the short and long term success of the IPO Transaction, the IPO Transaction will be structured with a view to maximising priority allocation to:
 - 10.3.1. constituents of Hawke's Bay
 - 10.3.2. employees of Napier Port, and
 - 10.3.3. local iwi.
- 10.4. Without compromising the short and long term success of the IPO Transaction and timetable, the IPO Transaction is to be structured with a view to providing flexibility for Crown participation, with Council staff being charged with immediately engaging with Crown now that a decision on the preferred capital structure has been made.
- 10.5. Surplus funds raised, following necessary investment in Napier Port and the payment of sale and transaction costs, are to be invested in a diversified investment fund preserved for long term capital growth, with appropriate governance, safeguards and investment objectives.
- 10.6. The final IPO Transaction design not departing significantly from the bounds of content consulted on.
- 10.7. The final IPO Transaction design being consistent with proven and established good commercial practice.
- 10.8. An appropriate corporate and governance structure be established for the listed entity.
- 10.9. Subject to market conditions, target completion of the offering by the 3rd Quarter of 2019.
11. Agrees that the final Initial Public Offering Transaction will not proceed until such time as the Port's Board of Directors has approved the detailed business case for Wharf 6.
12. Requests that Council's Chief Executive, HBRIC Ltd and Napier Port undertake further work and analysis, and seek advice from appropriately qualified experienced advisors, to progress the design and details of the Initial Public Offering (IPO) Transaction consistent with the Outcomes in order to enable Council's staff to report back to Council with recommendations, to put Council in a position to then be able to:
 - 12.1. adopt any necessary amendments to the Council's current Long-Term Plan to

- give authority for a decision to proceed with the IPO Transaction, and
- 12.2. subsequently make a decision to implement the IPO Transaction.
13. Requests that the Council's staff be charged with delivering, by no later than April 2019, a comprehensive proposal for implementing the Initial Public Offering (IPO) Transaction, including an analysis of how the Outcomes have been satisfied, with recommendation(s) for final Council approval or adoption (as applicable) of:
 - 13.1. an amendment to the long-term plan
 - 13.2. the decision to sell (or dilute) shareholding in Napier Port
 - 13.3. the parameters for the share offer
 - 13.4. the corporate and governance structure to be established for the listed entity, and
 - 13.5. any delegation or approval framework necessary to complete the IPO Transaction.
 14. Notes that HBRIC Ltd and/or Napier Port will incur costs necessary to progress the Initial Public Offering (IPO) Transaction, of approximately \$5 million, which will be funded by the existing Council loan facility to HBRIC and Port dividends, which will need to be recovered through a capital transaction or Council contribution in due course.

Dick/Wilson

Paul Bailey left the meeting at 12.54pm and returned to the meeting at 12.56pm

For: Dick, Barker, Beaven, Wilson, Belford, Kirton, Graham
Against: Hewitt, Bailey
CARRIED

The meeting adjourned at 1.05pm and reconvened at 1.43pm

10. Report and Recommendations from the Corporate & Strategic Committee

The item was taken as read.

RC138/18 Resolutions

The Corporate and Strategic Committee recommends that Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted 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.

Bus Service Update and Review of Fares

2. Agrees to maintain bus fares at current levels, with a further review in November 2019.

Amendment to the Treasury Policy and Investment Funds Statement of Investment Policy Objectives

3. Adopts the amended HBRC Statement of Investment Policy Objectives and Treasury Policy including the amendment to include carbon credits in the Forestry Assets.

Regional Three Waters Review

4. Having considered all matters raised in the "Regional Three Waters Review" staff report:
 - 4.1. Confirms its support for HBRC participating in the development of a regional business case on 3 Waters management.

- 4.2. Notes the cost of the review is apportioned across the Hawke's Bay councils as being 35% Napier City Council, 35% Hastings District Council, 15% Hawke's Bay Regional Council, 7.5% Wairoa District Council, and 7.5% Central Hawke's Bay District Council.
- 4.3. Agrees that HBRC's funding contribution come from the Drainage and River Control Consultancy Services budget.

Reports Received

5. Notes that the following reports were provided to the Corporate and Strategic Committee
 - 5.1. HB Tourism Update
 - 5.2. Report from the Finance, Audit and Risk Sub-committee
 - 5.3. Annual Plan Progress Report for the First Four Months of the 2018-19 Financial Year
 - 5.4. HBRC Works Group Six Monthly Update
 - 5.5. Human Resources and Health & Safety 2017-18 Annual Reports
 - 5.6. Future Operational Performance Reporting
 - 5.7. Project Management Office Pilot Update and Project Status Report.

**Kirton/Barker
CARRIED**

11. Report and Recommendations from the Regional Planning Committee

James Palmer introduced the item, advising that the Tangata Whenua Remuneration and Tukituki Taskforce Request items were resolved by the Committee at the time, as decisions in and of themselves rather than recommendations to Council. Discussions traversed:

- Staff to use a 'fast fail' approach to scoping a potential Tukituki plan change to defer low flow dates, whereby if in the early stages of consultation staff encounter significant opposition or objection RPC will be briefed and further guidance sought on whether to continue.

RC139/18 Resolutions

That the Hawke's Bay Regional 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.
2. That Hawke's Bay Regional Council receives and adopts the Report and recommendations from the Regional Planning Committee including the Regional Planning Committee resolutions as follows.

TANK Plan Change (Version 8) Recommendation to Council

3. Agrees that TANK Plan Change (PC9 Version 8) pre-notification consultation should commence early in 2019, and
4. Agrees to provide for a pre-notification consultation period of six weeks.

**Belford/Barker
CARRIED**

5. Endorses the Committee's instruction to the Chief Executive to work collaboratively with the Regional Planning Committee Co-chairs to commission an independent

review of the remuneration of RPC tāngata whenua members in accordance with the 2014 Regional Planning Committee Terms of Reference, for presenting to the Committee for agreement prior to the appointments of reviewers is made.

**Dick/Beaven
CARRIED**

Reports

6. Notes that the following reports were provided to the Committee
 - 6.1 TANK Plan Change (Version 8) Recommendation to Council (*resolved: 1. receives and notes the staff report; TANK Plan Change (PC9 Version 8); 2. makes an in-principle decision about the spatial extent of the SPZ for the draft TANK Plan Change 9 following a verbal report of the findings from the Drinking Water Joint Working Group; and 3. agrees that Draft TANK Plan Change 9 as provided, be recommended to the Council for adoption as a draft for targeted consultation with relevant iwi authorities, territorial local authorities, and relevant Ministers of the Crown.*)
 - 6.2 RPC Performance Review – Summary of Feedback from Appointers (*no resolution*)
 - 6.3 Request from the Tukituki Water Taskforce (*resolved: The Regional Planning Committee directs staff to scope and initiate a preliminary Tukituki plan change process.*)
 - 6.4 Draft TANK Plan Change (PC9) – Pre-Notification Planning Pathway
 - 6.5 Draft TANK Plan Change (PC9) – Update on Supporting Documents
 - 6.6 Resource Management Policy Project Updates
 - 6.7 Statutory Advocacy Update.

**Dick/Wilson
CARRIED**

12. Clifton to Tangoio Coastal Hazards Strategy 2120 Joint Committee Terms of Reference

Peter Beaven introduced the item as Chair of the Joint Committee, advising where the Terms of Reference have been changed and noting that Cr Kirton has been invited to participate as Council's third appointee to the Joint Committee.

RC140/18 Resolutions

That Hawke's Bay Regional 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.
2. Receives the "Clifton to Tangoio Coastal Hazards Strategy Joint Committee Terms of Reference" staff report.
3. Approves the updated Terms of Reference for the Clifton to Tangoio Coastal Hazards Strategy Joint Committee dated 28 September 2018.
4. Nominates and appoints Councillor Neil Kirton as HBRC's third representative on the Clifton to Tangoio Coastal Hazards Strategy Joint Committee.

**Beaven/Bailey
CARRIED**

13. Kahutia – Ngati Kahungunu Iwi Incorporated Carbon Credit Proposal

James Palmer introduced the item, advising that the late receipt of the set of documents, from solicitors, required to confirm the agreement meets Council's requirements was highly unsatisfactory however out of staff's control. Discussions covered:

- Need for resolution of the matter arises from Kahutia Limited Partnership's concern that delays will hinder initiating activities in time to take advantage of the first available growing season.
- Proposal uses Council's safe carbon units, to achieve afforestation objectives at very little cost and with minimal risk, for a return that would not otherwise be achieved if the carbon units were left on Council's balance sheet as currently
- Scope within legislation as per legal advice to enter into the arrangement without going to RPF as objectives are more than just commercial as outlined in the recommendations
- Separate bilateral agreement with Kahungunu Asset Holding Company to provide security is confirmed as per documents provided
- Entering into this agreement enables the council to enter into a working partnership with regional tangata whenua

RC141/18 Resolutions

That Hawke's Bay Regional Council:

1. Agrees that the decision to be made is not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make this decision without conferring directly with the community and persons likely to be affected by or to have an interest in the decision.
2. Receives and confirms that the Sainsbury Logan & Williams legal, Crowe Horwath financial and HBRC staff advice contained within this report, and attached, fulfils Council's requirements, as resolved on 28 November 2018, to enable its decision on whether or not to enter into the Kahutia Limited Partnership Carbon Credit Loan agreement.
3. Agrees that the objectives for the loan agreement proposal are:
 - 3.1. Enhancing Council's afforestation programme
 - 3.2. Partnership with Kahutia Limited Partnership as an example of putting the Kahutia Accord into action
 - 3.3. The recruitment of Māori owned land for this proposal that may not ordinarily be available to Council for afforestation projects
 - 3.4. To preserve the value of Council's carbon unit (NZUs) holdings
4. Agrees that the proposal is not primarily commercial and achieves the objectives stated above.
5. Agrees to enter into the Kahutia Limited Partnership Carbon Credit Loan agreement and authorises the Chief Executive to sign the loan agreement on Council's behalf.

Graham/Barker
For: Barker,
Against: Hewitt, Wilson
Abstained: Dick, Belford
CARRIED

14. Affixing of Common Seal

1. 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 1 DP 17492 CT K1/1047 - Transfer	4280	22 November 2018
1.1.2	Lot 253 DP 10775 CT J4/1134 - Agreement for Sale and Purchase	4281	28 November 2018
1.1.3	Lot 202 DP 6598 CT C2/396 - Transfer	4282	3 December 2018
1.1.4	Lot 253 DP 10775 CT J4/1134 - Transfer	4283	5 December 2018

RC142/18 Resolutions

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 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.
2. Confirms the action to affix the Common Seal.

**Barker/Wilson
CARRIED**

15. Report from 27 November 2018 Māori Committee Meeting

Mike Mohi, as Chair of the Committee, introduced the item, highlighting:

- Updates from HBRC Chair and CE taken by tangata whenua reps back to taiwhenua to share with tangata whenua
- An update on the TANK plan change process and acknowledgement of Marei Apatu's significant contributions through stakeholder groups
- An update on Wairoa River impacts on urupa and Council's support for the repatriation of graves

RC143/18 Resolution

That the Hawke's Bay Regional Council receives and notes the "**Report from 27 November 2018 Māori Committee Meeting**".

**Wilson/Barker
CARRIED**

Mike Mohi left the meeting at 3.15pm

16. Report from the 7 December 2018 Regional Transport Committee Meeting

Alan Dick, as Chair of the Committee, introduced the item, highlighting:

- The Committee's endorsement of Provincial Growth Fund applications for transport related projects including a Hastings District Council application to four lane the expressway and an application from the Committee for development of an integrated transport priority plan.
- As well, an application will be lodged jointly by NCC and the Committee for development of a detailed business case for investment to improve safety, efficiency and community cohesion outcomes for SH50 through Ahuriri.
- The endorsement of the applications was on behalf of the Committee itself, and not a recommendation to Council, while changes to Planning and Policy documents such as the Regional Passenger Transport Plan are recommended to Council for adoption and a public consultation process.

RC144/18 Resolutions

1. That the Hawke's Bay Regional Council receives and notes the "Report from the 7 December 2018 Regional Transport Committee Meeting" including its endorsement of the Committee's decisions to endorse the Provincial Growth Fund Applications following.
 - 1.1 to develop an integrated transport priority plan including updating the transport model be developed and submitted in the name of the Regional Transport Committee
 - 1.2 from Hastings District Council for four laning the expressway
 - 1.3 approach by TLAs to prepare a joint application for HPMV capability on rural roads
 - 1.4 the HPMV Capability through to Palmerston North freight hub access Provincial Growth Fund application for development by the Manawatu-Wanganui Transport Committee
 - 1.5 the development of the Ahuriri Detailed Business Case – the investment case to improve safety, efficiency and community cohesion outcomes for State Highway 50 **through** Ahuriri.

**Dick/Belford
CARRIED**

17. Discussion of Items Not on the Agenda

Item	Topic	Raised by
1.	Napier Gisborne rail tourism excursions advice from Kiwirail that the line will be limited to freight when it first reopens as the primary focus, with passenger services assessed as higher risk being considered at a later stage	Cr Dick
2.	Tukituki taskforce update Fourth meeting held, with positive progress being made on developing a roadmap of exploring and implementing a range of long term solutions to benefit the community and the river. On a sad note, the recent suicide of a farmer was drawn to Council's attention along with a reminder for everyone to "be kind to one another"	Cr Hewitt

18. Confirmation of Public Excluded Minutes of the Regional Council meeting held on 28 November 2018

RC145/18 Resolution

That the Council excludes the public from this section of the meeting being Confirmation of Public Excluded Minutes Agenda Item 18 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:

GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION	GROUND UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION
Confirmation of Public Excluded Meeting held on 24 October 2018	7(2)(a) 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 protect the privacy of natural persons	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.
Kahutia – Ngati Kahungunu Iwi Incorporated Carbon Credit Proposal	7(2)(b)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which otherwise would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**Beaven/Wilson
CARRIED**

18. Confirmation of Public Excluded Minutes of the Regional Council meeting held on 28 November 2018

RC146/18 Minutes of the Regional Council Meeting held on Wednesday 28 November 2018, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Wilson/Beaven
CARRIED**

James Palmer advised that Ngati Kahungunu and Kahutia Limited Partnership have given their agreement to making the 28 November 2018 Public Excluded Agenda and minutes available to the Public.

Resolution

RC147/18 That the meeting moves out of Public Excluded session.

**Bailey/Beaven
CARRIED**

The meeting went into public excluded session at 3.26pm and out of public excluded session at 3.27pm

Closure:

There being no further business the Chairman declared the meeting closed at 3.27pm on Wednesday, 19 December 2018.

Signed as a true and correct record.

DATE:

CHAIRMAN: