



Meeting of the Hawke's Bay Regional Council

Date: Wednesday 30 January 2019
Time: 10.15am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

ITEM	SUBJECT	PAGE
1.	Welcome/Apologies/Notices	
2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Regional Council Meeting held on 19 December 2018	
4.	Follow-up Items from Previous Regional Council Meetings	3
5.	Call for Minor Items of Business Not on the Agenda	13
Decision Items		
6.	CCO Corporate Structure to Support Proposed Napier Port IPO Transaction	15
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Information or Performance Monitoring		
8.	Clifton to Tangoio Coastal Hazards Strategy Joint Committee Meeting Summary	25
9.	Significant HBRC Activities through February 2019	29
10.	Discussion of Minor Items Not on the Agenda	41
12.	Pan Pac Forest Products Ltd Whirinaki Wastewater Discharge (<i>late item to come</i>)	
Decision Items (Public Excluded)		
11.	Port Development Project Executive Steering Committee Update	43
13.	Napier Port Director Appointments (<i>late item to come</i>)	

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 30 January 2019

Subject: FOLLOW-UP ITEMS FROM PREVIOUS REGIONAL COUNCIL MEETINGS

Item 4

Reason for Report

1. On the list attached are items raised at Council Meetings that staff have followed up on. All items indicate who is responsible for follow up, and a brief status comment. Once the items have been report to Council they will be removed from the list.
2. Also attached is a list of LGOIMA requests that have been received since the last Council meeting.

Decision Making Process

3. Staff have assess the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision making provisions do not apply.

Recommendation

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

Authored by:

Leeanne Hooper
PRINCIPAL ADVISOR GOVERNANCE

Approved by:

James Palmer
CHIEF EXECUTIVE

Attachment/s

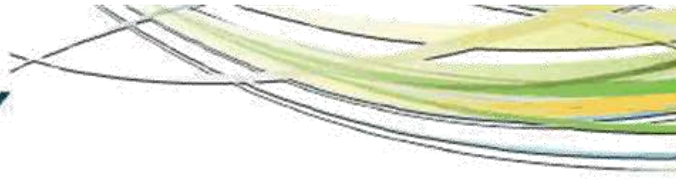
[1](#) Follow-ups from Previous Regional Council Meetings

Follow-ups from previous Regional Council Meetings

Meeting held 19 December 2018

	Agenda Item	Action	Responsible	Status Comment
1	Follow-ups from previous Council meetings	Provide councillors with a copy of the letter to NCC CE communicating the 28 November Council resolutions relating to Napier City Council stormwater and wastewater system discharges to Ahuriri Estuary	J Lawrence	Provided following (ref 1)
2	Follow-ups from previous Council meetings	Upload the 14 November NCC presentation to the Environment & Services Committee to the councillors portal	L Hooper	8 January 2019 – uploaded to the 14 November 2018 Environment & Services meeting folder on the councillors portal - and shared with RPC tangata whenua representatives via Dropbox.
3	Our Port Consultation: Analysis of Feedback and Officers' Responses to Key Themes	Distribute email from Head of the Provincial Development Unit relating to PGF funding for Port development to councillors	J Palmer	James forwarded email (ref 3 following) to councillors on 23 January 2019.
4	Report and Recommendations from the Regional Planning Committee	Provide clarity in relation to Decisions that the RPC is able to make itself and those that need to be recommended to Council	L Hooper	RPC can make decisions, in its own right, for the purposes of carrying out its functions as stated in the Terms of Reference. (Ref 4 following). The RPC cannot make decisions and is only able to recommend to Council the "public notification (and/or adoption) of any Proposed Regional Plans, Proposed Regional Policy Statements, Plan Changes or Plan Variations.
5	Clifton to Tangoio Coastal Hazards Strategy 2120 Joint Committee Terms of Reference	Confirm Cr Kirton appointment and agreement to updated Terms of Reference to the Joint Committee	L Hooper	Council minute forwarded to Joint Committee for the 18 March 2019 agenda
6	Kahutia – Ngati Kahungunu Iwi Incorporated Carbon Credit Proposal	Make 28 November 2018 PE item and minutes "public"	L Hooper	20 December 2018 – Meeting agenda and Minutes published to the HBRC website

Ref follow-up 1



20 December 2018

Mr Wayne Jack
Napier City Council
Private Bag 6010
Hawke's Bay Mail Centre
NAPIER 4142

Dear Wayne

Thank you for the presentation that you and other Napier City Council staff provided to the Environment and Services Committee on 14 November 2018. This was a follow on from the inaugural meeting of Te Komiti Muriwai o Te Whanga where representative agencies have given presentations on their activities in and around the Ahuriri Estuary.

The Regional Council's Environment and Services Committee noted your presentation on 14 November covered, among other matters, Napier City Council's stormwater and wastewater management regimes and the programme for improvements to the respective systems. The Committee considered the presentation and provided their report to the Regional Council which resolved to accept the following recommendations:

1. *Noted the Ahuriri Estuary Stormwater and Wastewater presentation made by Napier City Council on Wednesday 14 November.*
2. *Confirmed its request that Hawke's Bay Regional Council and Napier City Council staff collaborate on the sharing of data collected in Ahuriri and seek to agree on the science and the interpretation to be drawn from the data.*
3. *Registered its concern that the overflow of effluent from Napier City Council sewerage systems occurs at regular intervals caused by rainfall that is not extreme and that no effective remediation has been implemented to date.*
4. *Welcomed the proposed investment to address the sewerage overflow, but noted that the time line proposed will in all probability result in*
 - a. *further outflows of sewerage into the Ahuriri Lagoon, and*
 - b. *further development and connections to its sewerage system being likely to exacerbate the problem of sewerage overflowing into the Ahuriri Lagoon.*
5. *Requested that NCC takes all possible steps to ensure that sewerage no longer spills into the Ahuriri Lagoon and that it does nothing that exacerbates this problem.*

The Regional Council looks forward to working together with Napier City Council with respect to the science and data and welcomes your progress to address the stormwater and wastewater issues.

Yours sincerely

JAMES PALMER
CHIEF EXECUTIVE
Phone: (06) 835 9202
Email: james.palmer@hbrc.govt.nz

Attachment 1

Item 4

Ref follow-up 3

From: To'osavili Nigel Bickle @mbie.govt.nz
Sent: Tuesday, 11 December 2018 10:05 AM
To: James Palmer <james.palmer@hbrc.govt.nz>
Subject: Re: PGF funding for Napier Port

Hi James

Thanks for your email. Looking forward to joining you in the Bay next February and going gangbusters to make sure everything that the government wants delivered before I go stays on track. In relation to my previous advice about the port I can confirm this is still the position whilst adding that in point 2 any support if offered would be as described AND with the need for clear and demonstrable public benefits as per the criteria of the PGF (productivity, jobs, NEETs etc).

Please let me know if you need anything else.

Regards
Nigel

Sent from my iPhone

On 10/12/2018, at 2:11 PM, James Palmer <james.palmer@hbrc.govt.nz> wrote:

Hi Nigel, I hope this finds you well and you are looking forward to your start at HDC.

You will recall we spoke on 15 August regarding Provincial Growth Fund support for the expansion of Napier Port. Since then, the Hawke's Bay Regional Council has undertaken public consultation on how to fund \$320-350m capital needs for the Port over the next decade, including \$142m for a new container wharf. During this consultation the question of PGF support for the expansion has been raised by a number of submitters.

We are presently preparing advice for the Council to consider next week on the community submissions and I have been asked by my councillors to confirm the position of the PGF on this matter. To this end I would be grateful if you could confirm the position we discussed on 15 August as follows.

- The PGF would not provide grant funding for the expansion of Napier Port as it is a commercial entity.
- Any support, if it was offered, would be in the form of an interest bearing and repayable loan covering the Crown's cost of capital, or some form of assistance in underwriting a share issue.
- The Crown is keen to avoid crowding out private capital and for PGF loan funding support Napier Port would need to demonstrate the capital is not readily available from other sources.

Thanks and regards,
James



James Palmer
Chief Executive
06 835-9202

Hawke's Bay Regional Council | Te Kaunihera ā-rohe o Te Matau a Māui
159 Dalton Street, Napier 4110 | hbrc.govt.nz

Enhancing Our Environment Together | Te Whakapakari Tahī | Tō Tātau Taiao

Reference follow-up item 4

**Excerpt from
Regional Planning Committee Terms of Reference**
*Adopted by Council 26 February 2014**

1. Purpose

- 1.1. To oversee the review and development of the Regional Policy Statement and Regional Plans for the Hawke's Bay region, as required under the Resource Management Act 1991.

2. Procedure

- 2.1. The Committee is responsible for preparing Proposed Regional Plans and Proposed Regional Policy Statements, or any Plan Changes or Plan Variations, and recommending to the Council the adoption of those documents for public notification, as provided for further in paragraph (4) below. In the event that the Council does not adopt all or any part of any Proposed Regional Plan, Proposed Regional Policy Statement, Plan Change or Plan Variation or other recommendation, the Council shall refer such document or recommendation in its entirety back to the Committee for further consideration, as soon as practicable but not later than two months after receiving a recommendation from the Committee. The Committee must take all steps reasonably necessary to enable the Council to meet any relevant statutory timeframes.

3. Functions

- 3.1. To implement a work programme for the review of the Council's Regional Plans and Regional Policy statements prepared under the Resource Management Act 1991.
- 3.2. To prepare any changes to the Regional Resource Management Plan, including the Regional Policy Statement.
- 3.3. To prepare any Plan Variations to the Proposed Regional Coastal Environment Plan.
- 3.4. To prepare Plan Changes to the Regional Coastal Environment Plan as required, once it is operative.
- 3.5. To oversee consultation on any draft Proposed Regional Plan, Proposed Regional Policy Statement, Plan Change or Plan Variation (prior to notification).
- 3.6. To recommend to Council for public notification any Proposed Regional Plans, Proposed Regional Policy Statements, Plan Changes or Plan Variations.
- 3.7. In accordance with the process outlined above, to review any documents which the Council may refer back to the Committee for further consideration.
- 3.8. To recommend to Council the membership of Hearings Panels, from appropriately trained and eligible commissioners, to hear and decide upon submissions on Proposed Regional Plans, Proposed Regional Policy Statements, Plan Variations and Plan Changes (which may include members of the Committee).
- 3.9. To determine the scope for the resolution and settlement of appeals on Proposed Policy Statements, Proposed Regional Plans, Plan Variations and Plan Changes.
- 3.10. When required, to recommend to Council that officers be delegated with the authority to resolve and settle any appeals and references through formal mediation before the Environment Court.
- 3.11. To monitor the effectiveness of provisions of Regional Policy Statements and Regional Plans in accordance with section 35 of the Resource Management Act and incorporate the monitoring outcomes into a review of the Committee's work programme.

LGOIMA Requests Received between 13 December 2018 and 24 January 2019

Request Date	Request ID	Status	Request Subject	Request Summary	Requested By
16/01/2019	OIR-19-001	Completed	Toyota funding applications	any documents, plans, proof of tenders, correspondence or other materials re Toyota NZ funding grants, subsidies or rates cuts	NZ Taxpayers Union Inc
			Response	Hawke's Bay Regional Council holds no information whatsoever in relation to your request as it has not offered, nor been approached by Toyota NZ requesting any funding or subsidy of any sort	
18/12/2018	OIR-18-073	Completed	civil defence buildings	1. # of Civil Defence centres/ community emergency hubs that are earthquake-prone 2. # of Civil Defence centres that have had Detailed Seismic Assessments conducted on them 3. Any info relating to non-structural issues in Importance Level 4 public buildings	Andrew Lawler, Office of Stuart Smith MP

Request Date	Request ID	Status	Request Subject	Request Summary	Requested By
	OIR-18-073		Response	<p>The administrating local authority for the Hawke's Bay CDEM Group is the Hawke's Bay Regional Council. As such the regional council has no responsibilities with regard to the implementation of the earthquake prone buildings provisions of the Building Act and does not hold the information you seek.</p> <p>I note the following however:</p> <ul style="list-style-type: none"> Hawke's Bay territorial authorities are not required to identify priority buildings that are <u>potentially</u> earthquake prone until 1 Jan 2020. Territorial authorities are currently working through this process. Buildings that are intended for the use of emergency shelter or centre fall under the definition of a priority building. However, under the methodology not all emergency shelters or centres may be identified as potentially earthquake prone – if this is the case the process would stop there and no detailed assessment earthquake required. If identified as potentially earthquake prone, the owner is notified and required to complete an engineering assessment which may then require a detailed earthquake assessment. This must be done by within 12 months of the territorial authority advising the building owner their building as potentially earthquake prone and be supplied to the council. The council then decides if the building is actually earthquake prone or not. Any buildings identified by the council as earthquake prone must be placed on the MBIE Register of earthquake-prone buildings which is available on the MBIE website (https://www.building.govt.nz/managing-buildings/managing-earthquake-prone-buildings/epb-register/) . For priority buildings the owner then has up to 7.5 years to complete any remedial work required. <p>Therefore the information you seek in your first and second bullet points is already publically available from the MBIE Register of earthquake-prone buildings.</p> <p>With regard to your third bullet point, I am uncertain as to what information you are specifically requesting and for me to progress this further you will need to provide me with more detail as to what you want.</p> <p>If you want more detailed information on the implementation of the earthquake prone building provisions of the Building Act I would recommend you contact the territorial authorities directly. In the case of Hawke's Bay CDEM Group that would be: Wairoa District Council, Hastings District Council, Napier City Council and Central Hawke's Bay District Council.</p> <p>Under the LGOIMA you have the right to have this decision reviewed by the Ombudsmen, however you may wish to contact me in the first instance to see if the matter can be addressed separately.</p>	

Request Date	Request ID	Status	Request Subject	Request Summary	Requested By
18/12/2018	OIR-18-072	Completed	Progressive Leathers resource consents	provide copies of all resource consents granted to Progressive Leathers since 2003	Gina-Marie Dugdale
			Response	5 documents issued to Progressive Leathers over this period attached, for consents DP030240A, DP030240Aa, DP101118A, DP150337A (discharges) and WP160049T (water take)	
14/11/2018	OIR-18-057	Completed	Our Port consultation document distribution costs	all details including communication, (email), costings, including distribution of all materials, booking forms, correspondence re: 1. Proof that 95% urban & 90% rural residents received the CD including when & how this was formed & checked. 2. Breakdown to suburbs of distribution including when CD was delivered & when council was made aware of delivery 3. council's public consultation plan including breakdown of costings, printing, distribution areas, approval processes 4. Costings for further distribution, printing of all other communications materials and timeline for these	Anna Lorck
			Response	14/11/18 registered request and provided ID to J Lawrence for acknowledgement of its receipt (LRH) 22/11/18 draft response incl info emailed to J Lawrence for provision (LRH) 22/11/18 J Lawrence emailed info 17/12/18 A Lorck request "full costs of the public consultation including distribution costs, additional published materials + associated consultants/agencies" 21/12/18 J Lawrence emailed "full costs of the communications for the public consultation process on the future of Napier Port" attachment 21/12/18 A Lorck query "including staff time?" - same day J Lawrence response "no - will respond in January" 10/1/19 A Lorck requests "thresholds for seeking RFPs + ranges & criteria" 11/1/19 J Lawrence emailed HBRC Procurement Manual summary 15/1/19 J Lawrence emailed "staff time" 15/1/19 A Lorck requests "RFP details for any & all services for the consultation process + associated tenders committee decisions or recommendations" 15/1/19 J Lawrence emailed RFP for the independent financial review & Copy of Tenders Committee terms of reference (attached) + advice Tenders Committee not involved (within staff/CE delegations). 15/1/19 A Lorck requests CE financial delegations 16/1/19 J Lawrence emailed CE financial delegations	

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 30 January 2019

Subject: CALL FOR MINOR ITEMS OF BUSINESS NOT ON THE AGENDA

Item 5

Reason for Report

1. Hawke's Bay Regional Council standing order 9.13 allows:
 - 1.1. "A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion."

Recommendations

2. That Council accepts the following "Minor Items of Business Not on the Agenda" for discussion as Item 10.

Item	Topic	Raised by
1.		
2.		
3.		

Leeanne Hooper
PRINCIPAL ADVISOR GOVERNANCE

James Palmer
CHIEF EXECUTIVE

**Subject: CCO CORPORATE STRUCTURE TO SUPPORT PROPOSED NAPIER
PORT IPO TRANSACTION**

Reason for Report

1. This report provides Council with a recommended corporate structure to support the proposed Initial Public Offering (IPO) of Napier Port. Bell Gully will be available at the 30 January Council meeting to provide legal advice as required.
2. A decision in principle is required now to allow for more detailed legal and tax planning for the potential transaction.

Background

3. The potential IPO of Napier port requires detailed legal and tax assessment to establish a corporate structure for the IPO which will enable straightforward marketing to potential investors pre and post listing, and is in the best interests of HBRIC and Council with regard to tax efficiency and liability exposure.

Options Assessment

4. PWC and Bell Gully have reviewed a range of options for the legal and tax structures for the transaction.
5. The two key options reviewed, were:
 - 5.1. *Status Quo - both HBRIC and Napier Port sell shares.* Under this scenario HBRIC sells some of its shares in Napier Port and HBRIC directors are required to be intimately involved in and liable to investors for the product disclosure document (PDS - also previously known as prospectus) and post listing performance of the Port. In addition, Napier Port issues new shares and its directors have the same involvement and liability. For marketing purposes there are two sets of shares for sale and this makes it complex for investors to know which shares are being purchased and who the seller is.
 - 5.2. *HoldCo – a new permanent company is established to sell the shares and be the listed entity.* Under this scenario HoldCo buys Napier Port pre listing and issues equivalent shares to HBRIC in HoldCo. HBRIC liability is reduced, with Napier Port directors assuming primary legal responsibility and liability for the PDS and post listing performance. Investors purchase shares from one company making this very simple for investors to understand. HoldCo and PortCo have a common Board and for all intents and purposes are the same thing.
6. A range of other more complex options were considered and ruled out on the basis of liability risk, complexity, marketability, and based on legal and tax advisor recommendations.
7. PWC and Bell Gully recommend the establishment of the commonly used HoldCo structure as outlined in the attached memorandum.
8. The Boards of HBRIC and Napier Port have also reviewed the HoldCo structure and recommend that Council approve this structure in principle to allow for more detailed planning. Key reasons are:
 - 8.1. Simplicity for marketing to investors – one seller instead of two
 - 8.2. Limiting liability for HBRIC directors, who have currently have limited detailed oversight of the Port operations and would be required to be involved in extensive due diligence and investment workstreams prior to listing
 - 8.3. No adverse tax implications
 - 8.4. It is the recommended structure from legal and tax advisors.

Consultation

9. The establishment of a council-controlled organisation (CCO) triggers a discrete consultation requirement under section 56 of the LGA. Legal advice received considers that the Council will be able to comply with the LGA consultation requirements through a short-form and relatively 'streamlined' consultation process, in light of:
 - 9.1. the previous consultation (*Our Port – have your say*) undertaken, particularly in relation to the assumption in the consultation document "*The Regional Council retains the ability to establish the appropriate structures to manage the transaction and the Regional Council's continued ownership position in the Port, such as the possibility of creating new holding entities or corporate structures as required*"
 - 9.2. the nature of the decision (as a structural, detailed matter), and
 - 9.3. the Council's discretion under the LGA.
10. The LGA consultation requirements for the establishment of HoldCo could be met through a brief proposal document (2-3 pages of content) published on the HBRC website. The Council will invite submissions and feedback over a period of two weeks. The document will provide the purpose of having a holding company at a high level, in an easily understandable way, including a diagram of the proposed structure and an analysis of other reasonably practicable structuring options.
11. Staff will bring the 'statement of proposal' to Council for adoption for consultation at a special meeting of Council (after the Environment and Services Committee) on 13 February 2019. Submissions will then be collated, analysed and heard and the final decision to establish a CCO made by the end of March 2019. This timing aligns with the adoption of the LTP Amendment as already consulted upon.

Process Steps

12. Staff propose the consultation and decision process outlined in the table following.

Step	Date
Adopt Statement of Proposal	Special Council meeting on 13 February 2019 following E&S
Consultation opens	Monday 18 February 2019
Consultation/ Submissions close	Friday 1 March 2019
CCO Submission Hearings	Special Council meeting, 1pm Wednesday 13 March 2019
Decision of Council on CCO and 2018-28 LTP Amendment	Council meeting on 27 March 2019

Decision Making Process

13. 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:
 - 13.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 13.2. The use of the special consultative procedure is not prescribed by legislation for this particular decision, and is prescribed for the establishment of an additional CCO as outlined under "Consultation".
 - 13.3. The decision is not inconsistent with an existing policy or plan.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and notes the "**CCO Corporate Structure to Support Proposed Napier Port IPO Transaction**" staff report, and the attached Bell Gully - PWC memorandum dated 22 January 2019.

2. Agrees in principle to HoldCo as its preferred structure on the basis that it is simple, tax efficient and provides a suitable and appropriate liability regime for the listing process, with primary accountability and liability for the listing compliance and aftermarket performance of the listed company resting with the Napier Port directors.
3. Notes that a detailed tax, legal and corporate structuring recommendation will follow after further work has been completed.
4. Notes that the establishment of a new company (being a 100% owned subsidiary of HBRIC pre-listing and majority owned subsidiary of HBRIC post listing) will result in the establishment of a new Council Controlled Organisation (CCO) under the Local Government Act.
5. Notes that the establishment of a new CCO requires public consultation under section 56 of the Local Government Act.
6. Agrees to consult with the public, in accordance with with sections 56 and 82 of the Local Government Act, on the establishment of one additional Council-controlled trading organisation to be formed as a subsidiary of HBRIC Ltd for the purposes of listing Napier Port.
7. Notes that the formal establishment of the CCO is subject to the consultation process and a further Council decision to proceed.

Authored by:

Blair O'Keeffe
HBRIC LTD CHIEF EXECUTIVE

Jessica Ellerm
GROUP MANAGER
CORPORATE SERVICES

Approved by:

James Palmer
CHIEF EXECUTIVE

Attachment/s

[!\[\]\(3211b5d1d968fc1665909b34f9f16010_img.jpg\) 1](#) 20190122 Bell Gully PWC Memo re HoldCo structure for IPO transaction



Item 6

MEMORANDUM

To Blair O'Keeffe
 Of Hawke's Bay Regional Investment Company Limited

From Bell Gully and
 PricewaterhouseCoopers

Matter no. 403-1529
 Date 22 January 2019

Incorporation of new New Zealand company (HoldCo) for the purposes of the listing of Port of Napier Limited

1. Introduction

- 1.1 This memorandum has been prepared for the purposes of providing legal advice by Bell Gully and tax advice by PricewaterhouseCoopers (**PwC**) on the most suitable group structure of Port of Napier Limited (**Napier Port**) for a potential initial public offering of shares to members of the public and institutional investors in New Zealand and other selected jurisdictions (**IPO**).
- 1.2 Please refer to the paper entitled "*Suggested IPO structure and transactions steps: Key tax and legal features/issue*" for more detailed information.

2. Executive Summary

- 2.1 It is proposed that the IPO structure would involve establishing a newly formed holding company (**HoldCo**).
- 2.2 Effectively, HoldCo would combine the HBRIC shares being sold and the new shares to be issued by Napier Port - and then offer 45%* of the shares to the market. HoldCo would be the listed entity on the NZX and own Napier Port. HBRIC would own 55%* of the shares in HoldCo. The use of the HoldCo structure would not alter the dilution protections that HBRIC would have if the HoldCo structure was not being used.
- 2.3 The Board of HoldCo would be common with Napier Port and, from an operational and shareholder perspective, Napier Port and HoldCo would effectively be one entity (represented by two companies).
- 2.4 HoldCo would be named something appropriate, such as "Napier Port Holdings Limited" or "Napier Port Group Limited".

3. Reasons for incorporating HoldCo and having it issue new shares

- 3.1 Of the structural options considered for the potential IPO, incorporating HoldCo and having it issue new shares is considered to be the most suitable because:

(a) Simplicity:

- (i) HoldCo would be the sole "offeror" of shares under the IPO (as opposed to both HBRIC and Napier Port each being an offeror of shares). The description of the IPO in the

Attachment 1

BLAIR O'KEEFE
22 JANUARY 2019

Attachment 1

Item 6

Product Disclosure Statement (**PDS** – previously called a prospectus) would therefore be simpler for investors to understand; as

- (ii) the IPO would comprise only an offer of newly issued shares by HoldCo (as opposed to a mix of existing sale shares by HBRIC and newly issued shares by Napier Port); and
 - (iii) there would be a streamlined due diligence and approval process involving only HoldCo and its representatives and the proposed directors of HoldCo.
- (b) **Liability management:**
- (i) primary liability under the Financial Markets Conduct Act 2013 (**FMCA**) for the PDS and Register Entry would sit with HoldCo and its directors;
 - (ii) "due diligence" and "reasonable reliance" defences would clearly sit with HoldCo and its directors; and
 - (iii) HBRIC directors and employees and Napier Port directors', executive team and employees' potential liability would be limited to accessory liability under the FMCA.
- (c) **Future flexibility:** HoldCo provide would more flexibility in the future and potential operating efficiency, such as the ability to add new subsidiaries (e.g. for new investment or business activity (e.g., an inland Port JV); and
- (d) **Tax:**
- (i) no adverse tax consequences would arise as a result of the HoldCo structure;
 - (ii) the issue of new shares to subscribers under the IPO would create available subscribed capital (**ASC**). ASC can be of benefit to the shareholders as qualifying capital returns can be made to shareholders without attracting tax up to the ASC amount; and
 - (iii) only minor increase in tax and accounting compliance due to the extra entity.

4. Proposed pre-IPO step

Prior to the potential IPO, Napier Port could pay a fully imputed dividend of up to circa \$51 million, with the dividend left outstanding as a payable to HBRIC until the IPO. Note, this is another form of extracting funds from Napier Port, not additional, but is more tax efficient. Once the proceeds from the IPO had been received, the payable would then be satisfied by way of inter-company advances. This would enable HBRIC to repay part of its debt and retain cash for other investment uses as well as accessing (circa \$20m) imputation credits from Napier Port such that it could then distribute cash up to a certain level to Hawke's Bay Regional Council in a tax efficient manner.

5. Proposed IPO structure steps

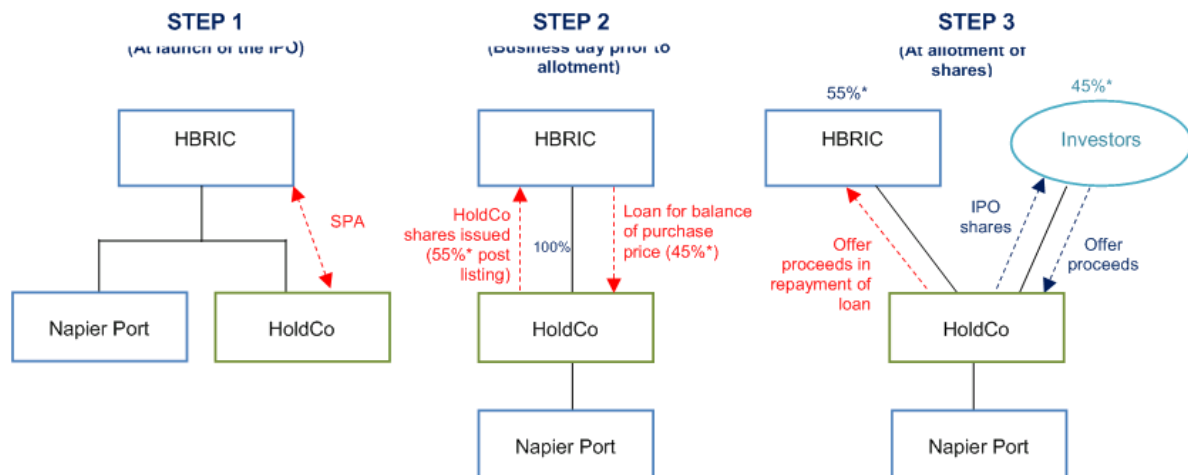
5.1 The proposed IPO structure steps would involve:

- (a) **Step 1:** HoldCo is established as a wholly-owned subsidiary of HBRIC. HoldCo would be a council controlled organisation (**CCO**) under the Local Government Act 2002. Consultation will therefore be required to establish HoldCo. Upon launch of the IPO, HoldCo would enter into a sale and purchase agreement with HBRIC to acquire all of the shares in Napier Port and lodges the PDS.
- (b) **Step 2:** On the business day prior to allotment of the shares under the IPO, HoldCo would acquire 100% of the shares in Napier Port in consideration for:
 - (i) such number of HoldCo shares that HBRIC wishes to hold post-IPO; and
 - (ii) an inter-company loan for the remaining balance of the purchase price, which would be repaid in full from the net proceeds of the IPO under Step 3.
- (c) **Step 3:** Upon completion of the IPO:
 - (i) HoldCo would issue the IPO shares and be listed, resulting in HBRIC's shareholding being diluted from 100% to its chosen post-IPO holding (55%*); and
 - (ii) HoldCo would use the net proceeds from the IPO to pay IPO costs and repay the inter-company loan which arises from Step 2.

DOC REF 23827262

BLAIR O'KEEFE
22 JANUARY 2019

The steps involved in this are diagrammatically depicted below:



6. Other considerations

- 6.1 Regulatory relief based on the HoldCo structure would be required from the Financial Markets Authority to permit the historical and prospective financial information in the PDS to be presented on a pro-forma basis in respect of the post-listing HoldCo group.
- 6.2 We note that using HoldCo structures in public offers in the New Zealand and Australian markets is not unusual. The proposed structure will need to be explained to and accepted by the JLMs and Council.
- 6.3 Other options considered are included in the attached paper. Those options would present more complexity and increased liability risk for HBRIC and Napier Port than the option proposed and were ruled out on that basis.
- 6.4 A briefing document on the consultation requirements follows.

Bell Gully / PwC

* Subject to confirmation. (Council has currently agreed that further work should be undertaken on the IPO option on the basis of an initial sell-down of no less than 33% and no more than 45%)

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 30 January 2019

Subject: AFFIXING OF COMMON SEAL

Item 7

Reason for Report

- 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 46 DP 12517 CT D4/978 - Agreement for Sale and Purchase	4288	14 January 2019
1.1.2	Lot 150 DP 12780 CT E1/751 - Agreement for Sale and Purchase	4289	14 January 2019
1.1.3	Lot 33 DP 9653 CT C2/437 - Agreement for Sale and Purchase - Transfer	4291 4294	21 January 2019 23 January 2019
1.1.4	Lot 71 DP 6598 CT C2/301 - Agreement for Sale and Purchase	4292	21 January 2019
1.2	Staff Warrants		
1.2.1	G. Morton S. Grant P. Davis <i>(Delegations under Resource Management Act 1991; Soil Conservation and Rivers Control Act 1941; Land Drainage Act 1908 and Civil Defence Act 1983 (s.60-64); Civil Defence Emergency Management Act 2002 (s.86-91) and Local Government Act 2002 (s.174))</i>	4284 4285 4287	17 December 2018 17 December 2018 18 December 2018
1.2.2	T. Edwards <i>(Delegations under Resource Management Act 1991; Civil Defence Act 1983 (s.60-64); Civil Defence Emergency Management Act 2002 (s.86-91) and Local Government Act 2002 (s.174))</i>	4286	17 December 2018
1.2.3	M. Adye <i>(Delegations under the Civil Defence Emergency Management Act 2002 (s.86-92 inclusive) and Clause 32B Schedule 7 of the Local Government Act 2002)</i>	4293	16 January 2019
1.3	Regional Pest Management Plan 2018-2038	4290	21 January 2019

2. As a result of sales, the current numbers of Leasehold properties owned by Council are:
 - 2.1. 1 cross lease properties were sold, with 74 remaining on Council's books
 - 2.2. 3 single leasehold property was sold, with 106 remaining on Council's books.

Decision Making Process

3. 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 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 that Council can exercise its discretion and make decisions on this item without conferring directly with the community.
2. Confirms the action to affix the Common Seal.

Authored by:

Trudy Kilkolly
PRINCIPAL ACCOUNTANT RATES AND
REVENUE

Diane Wisely
EXECUTIVE ASSISTANT

Approved by:

Jessica Ellerm
GROUP MANAGER CORPORATE
SERVICES

James Palmer
CHIEF EXECUTIVE

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 30 January 2019

Item 8

Subject: CLIFTON TO TANGOIO COASTAL HAZARDS STRATEGY JOINT COMMITTEE MEETING SUMMARY

Reason for Report

1. To provide a regular update of progress of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee.

Background

2. The Clifton to Tangoio Coastal Hazards Strategy 2120 represents a coordinated approach to identifying and responding to coastal hazards and influence of sea level rise over the next 100 years. It provides a platform for long term planning and decision making.
3. The Strategy is being developed through a Joint Committee formed by elected representatives from the Hawke's Bay Regional Council, He Toa Takitini, Napier City Council, Mana Ahuriri Incorporated, Hastings District Council and the Maungaharuru-Tangitū Trust.
4. The Strategy:
 - 4.1. Covers the coastal area between Clifton and Tangoio
 - 4.2. Seeks to develop a planned response to coastal hazards out to year 2120
 - 4.3. Will assess and respond to the following coastal hazards:
 - 4.3.1. Coastal Erosion (storm cut, trends, effects of sea level rise
 - 4.3.2. Coastal Inundation (storm surge, run up, overtopping and sea level rise
 - 4.4. Incorporates climate change as an overriding influence.
5. The vision of the strategy is:
 - 5.1. That coastal communities, businesses and critical infrastructure from Tangoio to Clifton are resilient to the effects of coastal hazards.

Decision Making Process

6. Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision making provisions do not apply.

Recommendation

That the Hawke's Bay Regional Council receives and notes the "Clifton to Tangoio Coastal Hazards Strategy Joint Committee Meeting Summary" report.

Authored & Approved by:

Chris Dolley
GROUP MANAGER ASSET MANAGEMENT

Attachment/s

- [1](#) Clifton to Tangoio Coastal Hazards Strategy Joint Committee Meeting Summary



Clifton to Tangoio Coastal Hazards Strategy Summary Notes of Meeting held 10 December 2018

1. PURPOSE

This briefing note has been prepared to communicate the activity of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee to the Partner Councils, as the Committee progresses with Stage 4 of the Strategy. More information on the Strategy can be found on the project website at www.hbcoast.co.nz.

2. JOINT COMMITTEE MEETING SUMMARY: 10 DECEMBER 2018

Key points from the Joint Committee meeting held 10 December 2018 are highlighted below. The full minutes of the meeting will be provided to each Partner Council in due course.

Joint Committee Membership and Delegations

- The Joint Committee confirmed a final updated Terms of Reference. The key changes are:
 - Increase the number of partner council appointees from two per council to three;
 - Enables the Joint Committee to engage in various public processes that may have implications for Strategy implementation;
 - Increase the quorum to 6 members, with at least one member required from each council; and
 - Improvements to reporting back to each Partner Council.
- The updated Terms of Reference have already been endorsed by the Hastings District Council, with the Napier City Council and Hawke's Bay Regional Council considering it at their next meeting.

Port of Napier Consent Application Update

- The Joint Committee received a memo and verbal update. The key points were:
 - The Port applied for a resource consent to dispose of capital and maintenance dredging material offshore from Marine Parade
 - The consent was granted by independent commissioners following a hearing with no requirement to dispose of sand inshore at Westshore.
 - After the hearing, and separate to the resource consent, the Port and Napier City Council agreed to continue disposing suitable sandy material in the Westshore area.
- An update was also provided by the Napier City Council CEO confirming that Council were in the process of developing an application to the Provincial Growth Fund to develop a "sand engine" concept for Westshore.

Funding Workshop

- The remainder (and majority) of the meeting was dedicated to workshopping a range of funding-related matters.
- The intent was to provide sufficient discussion time and debate to assist the Technical Advisory Group to develop a proposed funding model for Joint Committee consideration in 2019.

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- ## Item 9

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Ngaruroro River & Clive River WCO application		Project description	Activity Status Update
Group/Section	Team(s)		
ICM	Hydrology/ Hydrogeology	WCO evidence	11. Expert witness evidence is being delivered by Dr Jeff Smith, Dr Thomas Wilding and (external consultant) Ian Jowett, to support HBRC's submission to the Stage 2 Hearings.
ICM	Water quality and ecology	WCO evidence	12. Dr Andy Hicks providing evidence on water quality and fish communities.

CHB Water		Project description	Activity Status Update
Group/Section	Team(s)		
ICM	Groundwater Science	Science to inform CHB Water Taskforce Group	13. Pre-feasibility assessment for a Groundwater Replenishment Scheme continues for the Ruataniwha Basin 14. The Ruataniwha groundwater models have been reviewed externally and found not fit-for-purpose for simulating TWTG applications. Preparation of new model inputs and updated data is underway. A GETS notification is anticipated during February, requesting tenders for developing a suite of fit-for-purpose groundwater models for the TWTG applications.
	WQE	Sub catchment summaries Tuki (PC6) implementation	15. Developing a dashboard to present DIN, MCI and DRP up to date data online for farmers in the Tukituki 16. Exploring whether constructed wetlands in the Tukituki catchment would help address DIN levels
Strategic Planning	Policy	Scoping potential for plan change to amend dates for minimum flows	17. As agreed at RPC meeting on 12 December and Council meeting on 19 December 2018, policy planning staff are currently scoping potential suitability for a plan change that would amend (defer) 2018 dates for new minimum flows in the Tukituki catchment. A fuller report from staff is intended to be presented to 20 February RPC meeting.

Hawke's Bay Drinking Water		Project description	Activity Status Update
Group/Section	Team(s)		
Strategic Planning	Policy	Joint Working Group	18. In late 2018, the JWG presented recommendations to the RPC re drinking water policy for TANK plan change. Ongoing refinement of proposals. 19. Policy planning staff continuing to provide advisory support to the Drinking Water Governance Joint Committee. 20. Next JWG meeting for 2019 TBC.
Office of CE & Chair	Governance	HB DW Governance Joint Committee	21. Joint Committee met most recently on 7 November. 22. 2019 meetings scheduled 13 March, 12 June, 4 September and 11 December (1 st meeting of 2019-22 triennium).

Clifton to Tangoio Coastal Hazards Strategy		Project description	Activity Status Update
Group/Section	Team(s)		
Asset Management	Engineering	Stage 4 Develop pathway options and solutions for priority cells, including funding considerations for consultation	23. Modelling of Tangoio to Clifton with pathway options. Wave and shoreline modelling. Options (groynes) being examined for Haumoana.
Office of CE & Chair	Governance	Joint Committee	24. Meeting scheduled 18 March to continue discussion on funding.

Significant Team Activities

Integrated Catchment Management Group		Project description	Activity Status Update
Section	Team		
Environmental Science	Water Quality & Ecology	WQE	<p>25. An ambitious timetable for SOE reporting has been committed to with draft reports due June 2019. These reports cover data collected to the end of June 2018, and include 8 x 5-year technical reports, contribution to the 5 year summary report and 2 annual report cards.</p> <p>26. Frequent heavy rain has interrupted out summer data collection, but we have made a start on Ecosystem Health collections and macroinvertebrate samples.</p> <p>27. A fish monitoring in our braided rivers, to assess effects of low flows, has not been possible due to ongoing high flows</p> <p>28. Monitor ecological effects of new herbicides will occur in has been planned for February</p> <p>29. Developing a project to help enhance whitebait populations around the region</p>
	Hydrology / Hydrogeology	Heretaunga Plains	30. Field investigations of groundwater and surface water interaction continue for the Paritua/Karewarewa stream. This was an area of unfavorable uncertainty with the Heretaunga groundwater model and the field investigation is intended to remedy this. The project is part of the Regional Council's commitment to (collaboratively) resolve Paritua flow issues.
		Regional State of the Environment	<p>31. Preparation and analysis for 5-yearly State and Trends reporting continues for:</p> <ul style="list-style-type: none"> a. Climate and air quality b. Regional river flows c. Regional groundwater levels d. Regional groundwater quality e. Land science f. Wetlands g. Recreational water quality h. Coastal water quality i. Coastal ecology

Integrated Catchment Management Group		Project description	Activity Status Update
Section	Team		
	Land science		<p>32. Started field work data collection for new regional riparian monitoring program. Beginning with 87 sites in Tukituki Catchment</p> <p>33. Draft report and map received for forage crop mapping project</p> <p>34. Draft report for shelter belt mapping completed and being reviewed</p> <p>35. Reviewing five point analysis reports for Ahuriri, Whangawehi, Tutira, Whakaki and regional scale</p> <p>36. Continue compilation of regional wetland inventory</p> <p>37. Continue with wind erosion study across Heretaunga Plains.</p> <p>38. Deployment of 4 more automatic sediment samplers (ISCO's) to monitor sediment loads during high flow events. One ISCO currently deployed at bottom of Tukituki catchment and four more to follow placed at the bottom of Ngaruroro, Tutaekuri, Esk and Karamu catchments</p>
	Marine & Coast		<p>39. HBRC are trialing a ColiMinder machine which provides near-real time results for faecal contamination of waters. The equipment and support is being provided by NIWA, and if successful may look at introduction of this to Pandora Pond for more timely advice on health risk to water users.</p> <p>40. HBRC have been successful in accessing funding for a NIWA glider to be deployed in the Bay. This glider is an autonomous vehicle and will take a 4 week voyage of the bay and describe salinity and dissolved oxygen. Its primary purpose is to describe any potential areas where dissolved oxygen may be low.</p> <p>41. Further seafloor mapping of the Clive Hard is scheduled for March/May.</p> <p>42. HBRC has been successful in accessing funding for a geological assessment in the area known as the 'Springs Box/Napier Springs'. This is an area described on charts as freshwater springs and may provide useful in identifying groundwater entry into the Bay and the unique subtidal environments therein.</p>
	Climate & Air		<p>43. Continued work on the outdoor burning tool</p> <p>44. Climate briefings ongoing over summer and early autumn</p>
Environmental Information	Environmental Monitoring		<p>45. Summer monitoring programmes are underway.</p> <p>46. Fish Barrier survey started.</p>

Integrated Catchment Management Group		Project description	Activity Status Update
Section	Team		
	Data management		47. Draft Data strategy for ICM produced. 48. WIS busy with upcoming irrigation season 49. Continued data management support provided to Hydrology and Water quality teams
Freshwater Improvement Fund projects /Hotspots	Tutira		50. Cyanobacterial have established in Waikopiro despite the air curtain operation. Ongoing power outages have probably contributed to this problem, but ideal growing conditions (freshes plus hot weather) are also making things difficult. 51. Lake Opuahi sampling will now commence in July 2019 due to resourcing issues
	Whakaki		52. Ongoing meetings with the community are occurring trying to secure the last of the affected party approvals required for resource consent to be submitted (and hopefully be non-notified) 53. Landowners for the area proposed to be part of the Waikatuku realignment were not supportive, and so this component has been removed.
	Ahuriri		54. Source modelling for the Ahuriri Catchment progressing well. 55. Planting and fencing effort ongoing. 56. An aerial survey of the Ahuriri Estuary was undertaken in December. This will allow us to estimate the volume of invasive tubeworm in the estuary and inform ongoing removal efforts. 57. An area of remnant native bush has been identified and work is ongoing to protect this area as a seed source for replanting in this catchment.
	Whatuma	WQE	58. Lake Inflows and outflows are being monitored and showing signs of extremely elevated phosphorus levels in both the inflows and the lake outflows. These data will be more thoroughly analysed in the new year.

Asset Management Group		Project description	Activity Status Update
Section	Team(s)		
Regional Assets	Engineering	Northern	59. Nuhaka River Road – river realignment – delayed for redesign. 60. Wairoa Playground sheet pile wall – construction complete.

Asset Management Group		Project description	Activity Status Update
Section	Team(s)		
		Central	<p>61. Bridge and gauging structure for forestry road at Tutira – being designed.</p> <p>62. Flood report – Esk/Mangaone – Report completed, presentation to E&S Committee 13/2</p> <p>63. Westshore renourishment – completed.</p> <p>64. Awanui Stopbank – planning and discussion for last portion – right bank.</p> <p>65. Tutaekuri Stopbank Extension – upstream of Puketapu. Private funding, HBRC design and construction. Stopbank eventually to become part of HPFCS.</p>
		Southern	<p>66. UTTFCS – work is progressing on analysis of options for changes to rating system. Engineering is working with rates dept. Report back through rates dept.</p>
		Gravel Resource Consents	<p>67. Significant work completed answering Section 92 requests for further information now completed. Consent to be notified in February.</p>
	Open Spaces	Pākōwhai Regional Park Carpark	<p>68. Construction of the new carpark is complete (reopened Friday 21 December).</p>
		Hawea Park / Karamu Stream Diversion	<p>69. Draft park management plan preparation.</p> <p>70. Trust Deed lodged with Māori Land Court – hearing held on December 5 but awaiting advice from the court.</p>
		Waitangi Regional Park	<p>71. Estuary enhancement Stage 2 – draft plan complete.</p> <p>72. Lower Tūtaekurī Floodplain Wetland (funded by NKII/Port/Te Wai Maori Fund/HBRC) earthworks in progress.</p>
		Forestry	<p>73. Final stage of Tūtira forest access road commenced December 2018.</p> <p>74. Tūtira Regional Park management plan and forest replanting plan in development.</p>
	Cycle Networks	NZCT Priority Project Waimarama Road Safety Project	<p>75. MBIE approval gained for new plan and funding, including adding of HDC section. Project plan is now to complete safer off-road section between existing off-road sections parallel to road, for trail users. Awaiting on HDC before proceeding.</p>
		New Zealand Cycle Trail Business Case Hawke's Bay Trails 2018-2023	<p>76. Completed with MartinJenkins Cost Benefit Analysis, have provided feedback and now with panel for final approval.</p>
		NZCT Priority Project Ahuriri Underpass Flooding Safety Issues	<p>77. Working with NZTA around solutions.</p>
		Hawke's Bay Trails Paper Map re-print/review with HBT	<p>78. New 2019 Trail map has been updated, printed and in circulation in conjunction with HB Tourism.</p>
		Hawke's Bay Regional Cycle Plan 2015 - Review	<p>79. Review requested and workshop to be facilitated with key stakeholders in February.</p>

Regulation Group		Project description	Activity Status Update
Section	Team(s)		
Compliance		IRIS Implementation	<p>80. The IRIS implementation project continues with the monitoring function completed. Data entry has been completed and staff will now be undertaking monitoring visits and entering the results into the IRIS system. There have been some expected glitches to date, that have been or will be resolved. There are likely to be more in the next phase that will not unduly effect the implementation.</p> <p>81. The Incidents and enforcements module is currently being developed with completion within the next few months.</p>
		PanPac Outfall leak	<p>82. In association with other parts of Council, the compliance team is overseeing the repair work being undertaken by PanPac. The initial attempts at repair were unsuccessful and PanPac will be providing a new remediation plan in the next few days. An investigation is in progress in relation to whether or not PanPac has carried out sufficient maintenance of their infrastructure that might have contributed to the pipeline failure.</p>

Regulation Group		Project description	Activity Status Update
Section	Team(s)		
Resource Consents		Large/ significant application Processes	<p>83. Te Mata Mushrooms Air discharge remains on hold waiting for the application for related consents required from HDC to catch up. The application has been lodged with HDC as required. The application is on hold at HDC awaiting further information. If the HDC application is notified it is likely to require a joint hearing.</p> <p>84. A separate application has now been lodged to initially process the stage 1 mushroom composting on a site on Mt Herbert Road Waipukurau. The site has the potential to accommodate the full mushroom operation. On hold under s 92 requesting more information.</p> <p>85. HBRC gravel extraction Ngaruroro Tukituki, Waipawa and Tutaekuri. Further information has been provided. Addresses of land owners to be provided. Applications now likely to notified end of Jan.</p> <p>86. There are four resource consent applications in process for discharging stormwater and drainage water into the Ahuriri Estuary. Landcorp farm discharge consent is on hold pending application by NCC for the Onehunga Road pump station. NCC have two other discharge consents lodged for stormwater discharges from the West Shore tidal gates and from Lagoon Farm. These are on hold pending discussion with affected parties.</p> <p>87. Ruataniwha Tranche 2 groundwater takes. There are 8 applications for this water. These applications are on hold while applicants complete modelling work. Further information may be requested.</p> <p>88. Wairoa District Council waste water discharge replacement consent application has been lodged.</p> <p>89. Takes from the Heretaunga Plains unconfined aquifer are expiring this year (31 May). Applications have been coming in since November and are being placed on hold at the applicants request and will be processed as a group.</p>
		Appeals/ Environment Court	<p>90. PanPac Expert witness mediation held 18 – 19 September. One s274 party (CEAC) has since withdrawn. Court hearing scheduled for 12 February 2019 has now been cancelled and is to be rescheduled.</p>

Strategic Planning Group	Project description	Activity Status Update
Section / Team(s)		
Project Management Office		91. The PMO roll-out is progressing well. The pilot is due to finish end March, leading to identified improvements to the framework and then enterprise-wide roll-out. Three monthly status reports have been presented to the Executive Team. The first quarterly report was presented to Corporate and Strategic in December.
RMA Planning		92. Next full update report to be presented to 3 April RPC meeting. 93. Two expert panel workshops to be held to explore criteria and nominees for potential outstanding waterbodies in HB, intended to further inform preparation of the outstanding waterbodies plan change. Further update report to be presented to 20 February RPC meeting.
Statutory Advocacy		94. Next update report to be presented to 3 April RPC meeting. 95. Anticipating Bill for Stage 1 of RMA amendments early 2019. Details pending Bill drafting. 96. More generally, 2019 is shaping up for a 'wave' of proposals from central government on a number of resource management-related initiatives as Cabinet and various Government-appointed working groups complete their tasks.
	Heretaunga Plains Urban Development Strategy & NPS for Urban Development Capacity	97. HPUDES Implementation Working Group (IWG) met 19 November. Next IWG meeting anticipated ~March/April 2019 (TBC). Mayor Sandra Hazelhurst has been elected Chair so secretariat/logistics support transfers to HDC. 98. Continued support for quarterly reporting on urban development metrics as required by the NPS for Urban Development Capacity.

Strategic Planning Group	Project description	Activity Status Update
Section / Team(s)		
Transport	Public Transport Regional Land Transport Planning	<p>99. Draft Regional Public Transport Plan has been reviewed by RTC and will be presented to Council 27 February for adoption for public consultation.</p> <p>100. First phase of testing of HBRC's new ticketing system took place in early January, with no significant issues noted.</p> <p>101. Major top priority roading projects in the Regional Land Transport Plan are now open and functioning well. The Pakowhai Links roundabout and Whakatu Arterial Link facilitate the free flow of traffic across the Heretaunga Plains and to Napier Port.</p> <p>102. RTC agreed to review the Heretaunga Plains Transport Study and widen its scope to be region-wide. The study will evaluate the performance of the HB transport system with all the major roading improvements now complete, identify future issues or opportunities and consider all transport modes and will inform the 2021 Regional Land Transport Plan.</p>

Decision Making Process

- Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision making provisions do not apply.

Recommendation

That the Hawke's Bay Regional Council receives and notes the **Significant HBRC Activities through February 2019** report.

Authored by:

Mike Alebardi
TEAM LEADER POLLUTION RESPONSE

Genevieve Bennett
PROJECT MANAGER HB BIODIVERSITY STRATEGY

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STRATEGY AND PROJECTS LEADER

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MANAGER POLICY AND PLANNING

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PRINCIPAL SCIENTIST (AIR)

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MANAGER CATCHMENT SERVICES

Dr Barry Lynch
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**Tom Skerman
GROUP MANAGER STRATEGIC
PLANNING**

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 30 January 2019

Subject: DISCUSSION OF MINOR ITEMS NOT ON THE AGENDA

Reason for Report

1. This document has been prepared to assist Councillors note the Minor Items of Business Not on the Agenda to be discussed as determined earlier in Agenda Item 5.

Item	Topic	Raised by
1.		
2.		
3.		
4.		
5.		

Item 10

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 30 January 2019

Item 11

Subject: PORT DEVELOPMENT PROJECT EXECUTIVE STEERING COMMITTEE UPDATE

1. That Council excludes the public from this section of the meeting, being Agenda Item 11 Port Development Project Executive Steering Committee Update 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
Port Development Project Executive Steering Committee Update	<p>7(2)(b)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which otherwise would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>7(2)(j) 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 prevent the disclosure or use of official information for improper gain or improper advantage.</p>	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

2. That Blair O'Keeffe (HBRIC Ltd Chief Executive) remains in attendance as a member of the Executive Steering Committee and subject matter expert.

Authored by:

Blair O'Keeffe
HBRIC LTD CHIEF EXECUTIVE

Jessica Ellerm
GROUP MANAGER
CORPORATE SERVICES

Approved by:

James Palmer
CHIEF EXECUTIVE