



Meeting of the Corporate and Strategic Committee

Date: Wednesday 6 March 2019
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

ITEM	SUBJECT	PAGE
1.	Welcome/Notices/Apologies	
2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Corporate and Strategic Committee held on 12 December 2018	
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**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Wednesday 06 March 2019

**SUBJECT: FOLLOW-UPS FROM PREVIOUS CORPORATE AND STRATEGIC
COMMITTEE MEETINGS**

Item 4

Reason for Report

1. In order to track items raised at previous meetings that require follow-up, a list of outstanding items is prepared for each meeting. All follow-up items indicate who is responsible for each, when it is expected to be completed and a brief status comment.
2. Once the items have been completed and reported to the Committee they will be removed from the list.

Decision Making Process

3. 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 Corporate and Strategic Committee receives and notes the "*Follow-ups from Previous Corporate and Strategic Committee Meetings*" report.

Authored by:

**Leeanne Hooper
PRINCIPAL ADVISOR GOVERNANCE**

Approved by:

**Jessica Ellerm
GROUP MANAGER CORPORATE
SERVICES**

Attachment/s

[!\[\]\(2bae76de5ebbd5c4d7d47162f1673734_img.jpg\) 1](#) Follow-ups for March 2019 Corporate and Strategic meeting

Follow-ups from Previous Corporate and Strategic Committee Meetings

3 October 2018

	Agenda Item	Follow-up / Request	Responsible	Status Comment
1	HB Tourism	Provide an update on the Living Wage promotion activities across the Tourism sector	T Skerman	Verbal update to be provided by Hawke's Bay Tourism at the meeting.
2	Report and Recommendations from the Finance, Audit & Risk Sub-committee	Financial Treatment of the conservation estate report to go to C&S in 2019	M Collings / C Dolley	Conversation in progress with audit and LINZ.
4	Ethical Investment Policy	Ethical Investment Policy Development workshop to be scheduled 2019	M Collings	Councillors no longer require this. Will track ethical investments as we go.

Item 4

Attachment 1

HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 06 March 2019

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

Item 5

Reason for Report

1. Standing order 9.13 allows

"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."

Please note that nothing in this standing order removes the requirement to meet the provisions of Part 6, LGA 2002 with regard to consultation and decision making."

Recommendations

That the Corporate and Strategic Committee accepts the following "Minor Items of Business Not on the Agenda" for discussion as Item 13:

Topic	Raised by

Leeanne Hooper
PRINCIPAL ADVISOR GOVERNANCE

James Palmer
CHIEF EXECUTIVE

HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 06 March 2019

**Subject: REPORT AND RECOMMENDATIONS FROM THE FINANCE AUDIT AND
RISK SUB-COMMITTEE**

Item 6

Reason for Report

1. The following matters were considered by the Finance Audit and Risk Sub-committee meeting on 12 February 2019 and are now presented for the Committee's consideration.

Agenda Items

Six Monthly Report on Risk Assessment and Management

2. This item provided the sub-committee with the key changes to internal processes and to the register itself, with discussions at the meeting covering:
 - 2.1. attracting and retaining appropriately qualified staff
 - 2.2. the level of detail provided in the reports to the sub-committee and whether the reporting provides sufficient awareness of the underlying detail contained within the risk management software
 - 2.3. Wider societal risks and whether those risks that are currently considered at a national level should be noted or included in Council's risk register and framework in some way
 - 2.4. whether Civil Defence risks are adequately addressed and sufficiently detailed in the Council's risk register
 - 2.5. considerations to be taken into account through the Risk Assessment and Management review scheduled for the 2019-20 financial year.
3. The sub-committee resolved:
 - 3.1. confirms the Sub-committee's confidence that Council management has a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's significant risks
 - 3.2. recommends that the Corporate and Strategic Committee receives and notes the resolutions of the sub-committee, confirming the robustness of Council's risk management systems, processes and practices
 - 3.3. notes that a review of the Risk Assessment and Management framework will be undertaken in the 2019-20 financial year.

Proposed Scope for Follow-up Water Management Internal Audit

4. This item proposed the scope for an internal audit to review Council's progress of implementing and maintaining agreed action points that were stated as a response to the original audit report. The scope proposed by Crowe Horwath was accepted without change, and the sub-committee resolved:
 - 4.1. Receives and notes the *"Proposed Scope for the Follow-up Water Management Internal Audit"* staff report.
 - 4.2. Confirms the proposed Scope for the Follow-up Water Management Internal Audit.

Data Analytics Internal Audit Report

5. This item provided the Crowe Horwath report on the Council's financial data analytics internal audit, essentially following up on the previous internal audit. This second audit demonstrated progress has been made to improve internal controls and process

through a significant reduction of the number of duplicate payments made and a decrease in the number of duplicate vendors contained in Council's accounts payable system. The Sub-committee resolved:

- 5.1. receives and notes the "Data Analytics Internal Audit Report"
- 5.2. confirms its confidence that appropriate action has been taken by management in response to the Data Analytics Internal Audit recommendations
- 5.3. recommends that the Corporate and Strategic Committee receives and notes the resolutions of the sub-committee, confirming that appropriate action has been taken by management in response to the Data Analytics Internal Audit recommendations.

Financial Delegations

6. Separate paper brought to the Corporate and Strategic Committee.

2017-18 Audit NZ Management Report

7. This item provided the Audit NZ "Report to the Council on the Audit of Hawke's Bay Regional Council for the year ended 30 June 2018" to the sub-committee for review and discussion, with discussions on the day covering:
 - 7.1. Qualified Audit issued due to insufficient evidence provided by HBRIC to determine the tax effects of losses on the sale of Ruataniwha assets
 - 7.2. HBRIC tax write-off has received a binding ruling from IRD subsequent to Audit having been completed
 - 7.3. Napier Port valuations and tax/financial treatment of sea defences
 - 7.4. Inconsistencies identified in relation to the way staff apply contract management policies and processes
 - 7.5. Flow of information required for the Audit process from Napier Port (via special purposes financial statements) and HBRIC Ltd to HBRC to proactively deal with any issues that may be influenced by the IPO transaction process and October elections.
8. The resolutions of the sub-committee were:
 - 8.1. That the Finance, Audit and Risk Sub-committee receives and notes the *"2017-18 Audit NZ Management Report"*.
 - 8.2. The Finance, Audit and Risk Sub-committee recommends that the Corporate and Strategic Committee:
 - 8.2.1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that the Committee can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to be affected by or have an interest in the decision.
 - 8.2.2. Confirms the Finance, Audit and Risk Sub-committee's satisfaction that the *"2017-18 Audit NZ Management Report"* is sufficient and that there are no outstanding issues of concern.

Treasury Report

9. This report was essentially an update on the processes associated with transferring funds to the Investment managers, with the funds to be fully allocated by 22 February, and Council's accession to the Local Government Funding Agency (LGFA) as an unrated guaranteeing Local Authority, which should be complete by the end of March.

Resource Management Information System (IRIS) Implementation Update

10. This update on progress with the implementation of IRIS advised:
 - 10.1. Phase 1 of the project is on schedule and will finish on 31 March 2019

- 10.2. the Incidents and Enforcements modules 'went live' on 11 February 2019
- 10.3. the Water Information Services module has been deferred to Phase 2
- 10.4. learnings from a lessons learnt workshop in mid-February will be used in the planning and implementation of Phase 2
- 10.5. Phase 2 of the project will be initiated shortly, with scoping, planning and budgeting under way to deliver modules for Biosecurity, Integrated Catchment Management and Water Information Services.

February 2019 Sub-Committee Work Programme Update

- 11. This standing item provides the sub-committee with an update on the status of the work programme and schedule of internal audits. Of note at this meeting, was advice that staff are currently undertaking a review of supplier contracts and a survey of suppliers to gather data for undertaking an exercise to quantify the financial impact of enforcing a Council procurement policy which requires suppliers to pay the Living Wage.

Decision Making Process

- 12. These matters have all been specifically considered at the Committee level except where specifically noted.

Recommendations

The Finance, Audit and Risk Sub-committee recommends that the Corporate and Strategic Committee:

- 1. Receives and notes the ***“Report and Recommendations from the 12 February 2019 Finance, Audit and Risk Sub-committee Meeting”***
- 2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that the Committee can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to be affected by or have an interest in the decision.

Six Monthly Report on Risk Assessment and Management

- 3. Receives and notes the resolutions of the sub-committee, confirming the robustness of Council's risk management systems, processes and practices
- 4. Notes that a review of the Risk Assessment and Management framework will be undertaken in the 2019-20 financial year.

Data Analytics Internal Audit Report

- 5. Receives and notes the resolutions of the sub-committee, confirming that appropriate action has been taken by management in response to the Data Analytics Internal Audit recommendations.

Financial Delegations

- 6. Reviews and considers the proposed Financial Delegations and provides feedback for recommendations to Council for decision.

2017-18 Audit NZ Management Report

- 7. Confirms the Finance, Audit and Risk Sub-committee's satisfaction that the ***“2017-18 Audit NZ Management Report”*** is sufficient and that there are no outstanding issues of concern.

Reports Received

- 8. Notes that the following reports were provided to the Finance Audit and Risk Sub-committee.
 - 8.1. Proposed Scope for Follow-up Water Management Internal Audit (*Resolved: Confirms the proposed Scope for the Follow-up Water Management Internal Audit*)
 - 8.2. Treasury Report

8.3. Resource Management Information System (IRIS) Implementation Update

8.4. February 2019 Sub-Committee Work Programme Update.

Authored by:

Leeanne Hooper

PRINCIPAL ADVISOR GOVERNANCE

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
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 06 March 2019

Subject: 2019 LOCAL GOVERNANCE STATEMENT UPDATE

Item 7

Reason for Report

1. This item proposes an updated Local Governance Statement for consideration and recommendation to Council for adoption and publication to the HBRC website.

Background

2. Within 6 months after each triennial general election, the Local Government Act (section 40) requires that each Council prepares and makes publicly available a "Local Governance Statement" that includes (but is not limited to) information on the functions, responsibilities, and activities of the local authority, any legislation that confers powers on the local authority, representation arrangements, including the option of establishing Māori wards or constituencies, and the opportunity to change them, members' roles and conduct (with specific reference to the applicable statutory requirements and code of conduct) and key approved planning and policy documents and the process for their development and review.

Options Assessment

3. Several changes over the past few months suggest to staff that it is appropriate to update the statement now, to reflect:
 - 3.1. Establishment of the Hawke's Bay Drinking Water Governance Joint Committee in October 2017
 - 3.2. Adoption of new 2018 Navigation Safety Bylaw (replacing 2012 Bylaw)
 - 3.3. Confirmation of the electoral system (First Past the Post) to be used for the 2019 elections
 - 3.4. LGC determination issued December 2018 that changes the constituency boundaries of the Hastings and Ngaruroro constituencies.
4. Council could choose to leave the update until after the election, when the LGA requires preparation of a new Local Governance Statement, however staff recommend that an update is published prior to the upcoming elections so that candidates and voters have access to the most up to date information about Council that is available.

Strategic Fit

5. In addition to governance and organisational structure changes, Council adopted a new "2017 Strategic Plan" and it is timely for this to be incorporated in an updated Local Governance Statement.

Suggested Changes

6. The changes suggested (as attached) are to:
 - 6.1. Include the updated committee structure with the HB Drinking Water Governance Joint Committee and updated membership as appropriate
 - 6.2. Include the updated organisational structure
 - 6.3. Update date references for Navigation Safety Bylaw, Regional Pest Management Plan, transport plans, LTP, annual plans, etc as appropriate
 - 6.4. Include updated vision, goals, etc from 2017-21 Strategic Plan

- 6.5. Include updated population statistics and constituencies map from December 2018 Local Government Commission determination of HBRC representation arrangements
- 6.6. Include updated Significance and Engagement Policy as per 2018-28 LTP.

Decision Making Process

7. 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:
 - 7.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 7.2. The use of the special consultative procedure is not prescribed by legislation.
 - 7.3. The decision does not fall within the definition of Council's policy on significance.
 - 7.4. The decision is not inconsistent with an existing policy or plan.

Recommendations

1. That the Corporate and Strategic Committee receives and notes the "2019 Local Governance Statement Update" staff report.
2. The Corporate and Strategic Committee recommends that Hawke's Bay Regional Council:
 - 2.1. 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 this decision without conferring directly with the community.
 - 2.2. Accepts the "2019 Local Governance Statement" incorporating amendments as agreed by the Corporate and Strategic Committee on 6 March 2019, for publication to the Hawke's Bay Regional Council website.

Authored by:

Leeanne Hooper
PRINCIPAL ADVISOR GOVERNANCE

Approved by:

Joanne Lawrence
GROUP MANAGER OFFICE OF THE
CHIEF EXECUTIVE AND CHAIR

Attachment/s

- [!\[\]\(b6d55d0b173caf9b2505126db01e6158_img.jpg\) 1](#) Proposed Updated 2019 Local Governance Statement

CONTENTS

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1. What is a Governance Statement ?

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

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

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

This updated Governance Statement was adopted by Council on **27 March 2019**.

2. Functions, Responsibilities and Activities

Hawke's Bay Regional Council was established as part of the framework of Local Government {Local Government (Hawke's Bay Region) Reorganisation Order 1989} whose purpose is to enable democratic local decision-making and action by, and on behalf of, communities. These decisions and actions are to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

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

Functions

It is important to note that there are numerous statutes, which specifically identify regional councils as having a specific function and role in various activities and these have, to date, principally directed and determined the present responsibilities and activities of the Council.

Activities

Hawke's Bay Regional Council is this region's environmental management and economic development authority. We are all about the wise use of Hawke's Bay's natural resources, now and for generations to come. We are also all about the people of this region, employing our own passionate team of around 170 people who live all over Hawke's Bay and take pride in the work we do on your behalf.

Our Role

As an organisation, Hawke's Bay Regional Council enables the wise use of the region's natural resources, taking on a leadership role in the areas of:

- Natural resource knowledge and management
- Natural hazard assessment and management
- Regional strategic planning
- Regional scale infrastructure and services, and
- Economic development.

Insert vision, goals, etc from 2017-21 Strategic Plan as follows

OUR STRATEGY AT A GLANCE

OUR VISION: WE WANT

a healthy environment, a vibrant community
and a prosperous economy

OUR PURPOSE: WE WORK

with our community to protect and manage
the region's precious taonga of rivers, lakes,
soils, air, coast and biodiversity for health,
wellbeing and connectivity

OUR FOCUS: WE PRIORITISE

1. Water quality, safety and certainty
Kia kouna, kia haumarū, kia pūmau te pai o te wai
2. Smart, sustainable land use
Kia koi, kia ukauka te whakamahinga o te whenua
3. Healthy and functioning biodiversity
Kia ora, kia mahi tika te kanorau koiora
4. Sustainable services and infrastructure
Kia ukauka ngā ratonga me ngā hanganga a-rohe

OUR VALUES: WE BELIEVE IN

- **Partnership and Collaboration**
we work with our community in everything we do
- **Accountability**
we hold ourselves to account to deliver results, be responsive to community expectations, and the best use of ratepayers' funds and assets
- **Transparency**
we report on what we do and the value this delivers for our community
- **Excellence**
we set our sights and expectations high, and never stop striving to do better

OUR MISSION STATEMENT:

ENHANCING OUR
ENVIRONMENT TOGETHER

TE WHAKAPAKARI
TAHI I TŌ TĀTAU TAIAO

CLIMATE CHANGE IMPACTS OUR REGION'S PHYSICAL AND BIOLOGICAL RESOURCES, AND IS A KEY CONSIDERATION IN EVERYTHING WE DO

OUR APPROACH: WE WILL

- **Inspire**
provide inspirational and inclusive regional leadership that addresses difficult issues, motivates and mobilises action
- **Collaborate**
develop our skills and capacity to partner with Tangata Whenua, communities, councils, central government, businesses, farmers and growers for collective action
- **Prioritise**
clearly identify the core business priorities for our communities and target our resources and capabilities for tangible results, alongside the resources of partners
- **Invest**
drive environmentally sound and sustainable regional growth to leverage Hawke's Bay's comparative advantages, regional provenance and values
- **Monitor, Learn & Adapt**
track and transparently report our progress and performance, use 'systems thinking' and adaptive management to address complex issues and causes
- **Innovate**
adopt new technology and data to deliver more effective and efficient services

OUR ORGANISATION: WE ARE

- outcome and result focused
- agile and forward looking
- open and outward facing
- data driven and science informed
- in tune with the community we serve
- committed to continuous improvement
- an employer of choice
- committed to health and safety
- passionate about our work

3. Regional Council / District and City Councils – What is the Difference?

The boundaries of a region are generally based on river catchments, while district and city council territories are based on population and communities of interest.

The Regional Council has historically, and through legislative direction, concentrated more on the 'natural environment' - water, air, land, the coast - with a long-term view to make sure these are used sustainably, and are just as available and just as good (if not better) in the future as they are today. The Resource Management Act 1991 is one of the principal Acts behind the work of regional councils and many of our activities are aimed primarily at benefiting the environment. We also have responsibility for functions that are more appropriately carried out on a regional basis such as economic development, land transport planning, river control and land drainage and plant and animal pest control.

City and district councils concentrate more on the built environment and deliver services to their local communities, including drinking water, sewage and rubbish disposal, roading, swimming pools, libraries and parks, and deal with subdivisions.

Responsibilities

Responsibilities of Hawke's Bay Regional Council include:

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

4. Legislation

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

4.1 National Acts

- Biosecurity Act 1993 *incorporating all amendment Acts up to and including Biosecurity Amendment Act (no 2) 2015*
- Building Act 2004
- Civil Defence Emergency Management Act 2002 (CDEMA) *incorporating all amendment Acts up to and including CDEMA Amendment Act 2016*
- Land Drainage Act 1908
- Land Transport Management Act 2003, *incorporating Land Transport Amendment Act 2016*
- Local Electoral Act 2001 *incorporating all amendment Acts up to and including Local Electoral Amendment Act 2013*
- Local Government Act 2002 (LGA) *incorporating all amendment Acts up to and including LGA 2002 Amendment Act 2015*
- Local Government Official Information Meetings Act 1987 (LGOIMA) *incorporating LGOIMA Amendment Act 2013*
- Local Government (Rating) Act 2002 (LGRA) *incorporating LGRA Amendment Act 2006*
- Maritime Transport Act 1994 (MTA) *incorporating MTA Amendment Act 2013*
- Resource Management Act 1991 (RMA) *incorporating all amendment Acts up to and including RMA Amendment Act 2013*
- Soil Conservation and Rivers Control Act 1941 (SCRCA) *incorporating SCRCA Amendment Act 1988*

4.2 Local Acts

- Hawke's Bay Regional Council (Surplus Funds Distribution) Empowering Act 1999 *incorporating amendments required resulting from the Income Tax Act 2007 & Local Government (Rating) Act 2002*
- Hawke's Bay Endowment Land Empowering Act 2002
- Hawke's Bay Regional Planning Committee Act 2015

4.3 By-Laws

- Hawke's Bay Navigation Safety By-Law 2018
Copies are available at the Council's Napier office.

5. The Electoral System and the Opportunity to Change that System

5.1 Electoral System Adopted

Hawke's Bay Regional Council currently operates its elections under the 'First Past the Post' (FPP) electoral system. This form of voting is used in parliamentary elections to elect Members of Parliament

to constituency seats. Electors vote by indicating their preferred candidate(s), and the candidate(s) that receive the most votes is declared elected regardless of the proportion of votes that candidate(s) obtained.

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

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

5.2 Process to Change the Electoral System

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

Hawke's Bay Regional Council reviewed its electoral system in September 2017 and decided to retain the status quo and continue with the First Past the Post electoral system for the 2019 election.

6. Representation Options

6.1 Māori Constituencies

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

At an Extraordinary meeting on 15 November 2017, Hawke's Bay Regional Council resolved to **not** establish Māori constituencies in the Hawke's Bay region for the 2019 and 2022 elections, and publicly notified the electors' rights to demand a poll on this issue. This issue can be re-examined by Council through a representation review, either as required in 2023 or earlier if it so chooses.

6.2 Review of Representation

The Local Electoral Act 2001 requires the Council to determine its representation arrangements at least once in every period of six years after the first determination. Following the procedures set out in the Local Electoral Act 2001 and guidelines published by the Local Government Commission, the Council was required to conduct a Review of Representation during 2018, for the 2019 and 2022 elections.

6.3 Constituencies

In accordance with the Local Government Commission's December 2018 Determination, the Hawke's Bay region is divided into five constituencies. The following table shows the number of representatives and the approximate population of each constituency.

Constituency Population Statistics

Constituency	Population	Reps	Population per Rep	Difference from average	Percentage difference
Central Hawke's Bay	13,850	1	13,850	-4,380	-24.03%
Hastings	59,150	3	19,700	+1,470	+8.06%
Napier	62,000	3	20,700	+2,470	+13.37%
Ngaruroro	20,850	1	20,850	+2,620	+14.4%
Wairoa	8,220	1	8,220	-10,010	-54.91%
Total	164,070	9	18,230		

* The populations used are the estimated resident population as at 30 June 2017 provided by Statistics NZ.

The % difference column shows the calculation applied when determining whether an area complies with the +/-10% rule in section 19V(2) of the LEA. Where this difference falls outside the +/-10% range it is shown in **bold**.

The following link is to a map of the region's constituencies, showing the boundaries of each.

Insert link to constituencies map

<http://hbrc.maps.arcgis.com/apps/webappviewer/index.html?id=300367f3dbbb4adfb63d2a546b3db535>

6.4 Re-organisation Processes for Local Authorities

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

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

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

Proposals for the establishment of a new district or the creation of a unitary authority will be dealt with by the Local Government Commission.

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

7. Members' Roles and Responsibilities

Good governance requires clarity of roles and respect between those charged with responsibility for the leadership of the council and those responsible for advice and the implementation of council decisions.

The key roles are:

7.1 Members' Roles

The role of the governing body includes:

- representing the interests of the people of the region (on election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgement in the best interests of the region)
- setting the strategic direction of Council and formulating its policy
- developing and adopting plans, policies and budgets
- monitoring the performance of the council against stated goals and objectives set out in its long term plan
- providing prudent stewardship of the council's resources
- employing and monitoring the performance of the chief executive and
- ensuring the council fulfils its responsibilities to be a 'good employer' and meets the requirements of the Health and Safety at Work Act 2015.
- The Chairperson is elected by the members of the Council at the first meeting. In addition to the role as a member, the Chairperson is:

- Presiding member at Council meetings, and responsible for ensuring the orderly and effective conduct of business during meetings (as determined by standing orders).
- Advocate on behalf of the community - promoting the community and representing its interests.
- Ceremonial Head of Council.
- Provider of leadership and feedback to other elected members on teamwork and Chairmanship of committees.

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

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

7.2 Code of Conduct

Elected members have specific obligations governing their conduct, set out in the following legislation.

- Schedule 7 of the Local Government Act 2002, which includes obligations to act as a good employer in respect of the Chief Executive and to abide by the current code of conduct and standing orders
- The Local Authorities (Members' Interests) Act 1968 which regulates the conduct of elected members in situations where there is, or could be, a conflict of interest between their duties as an elected member and their financial interests (either direct or indirect)
- The Secret Commissions Act 1910, which prohibits elected members from accepting gifts or rewards which would be seen to sway them to perform their duties in a particular way
- The Crimes Act 1961 regarding the acceptance of gifts for acting in a certain way and the use of official information for private profit
- Under Schedule 7 Part 15 of the Local Government Act 2002 Council is required to adopt a Code of Conduct for members of the Council, which Hawke's Bay Regional Council did by resolution at its meeting held on 30 November 2016. A copy can be provided by request to the Principal Advisor Governance (ph 833 8017) or viewed on HBRC's website.

8. Governance Structures and Processes

Regional Council and Committee meetings are open to the public, except where items of business specifically exclude the public. Meeting dates and times are published in Hawke's Bay Today and on Council's website www.hbrc.govt.nz. The Council's current committee structure follows. **Insert following from LTP**



8.1 Committee Purpose, Membership

The Regional Council

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

Members:

- Elected Members: Alan Dick, Debbie Hewitt, Fenton Wilson, Neil Kirton, Paul Bailey, Peter Beaven, Rex Graham, Rick Barker, Tom Belford
- Chairman: Rex Graham; Deputy Chairman: Rick Barker
- The Chairman of the Maori Committee (Mike Mohi) attends all Council meetings and has speaking rights only

Environment and Services Committee

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

Members:

- Elected Members: All Councillors

- Appointed Members: Brian Gregory Maori Committee representative and Peter Paku RPC Tangata Whenua representative
- Chairman: Councillor Tom Belford; Deputy Chairman: Councillor Peter Beaven

Corporate and Strategic Committee

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

Members:

- Elected Members: All Councillors
- Appointed Members: Mike Paku Maori Committee representative and Toro Waaka RPC Tangata Whenua representative
- Chairman: Councillor Neil Kirton; Deputy Chairman: Councillor Debbie Hewitt

Finance, Audit and Risk Sub-committee

This sub-committee considers and recommends – to the Corporate and Strategic Committee – processes, policies and guidelines to ensure effective management of audit, risk management and Health & Safety for the organisation.

Members:

- Elected Members: Councillors Neil Kirton (Chairman), Rick Barker, Alan Dick and Paul Bailey
- Appointed Members: one independent person with expertise in Audit & Risk management, being – **Ms Rebekah Dinwoodie**

Regional Planning Committee

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

Members:

- Elected Members: All Councillors
- Appointed Members: Treaty Claimant Group representatives (9)
- Co-chairperson: Rex Graham and Toro Waaka (*Ngati Pahauwera Development & Tiaki Trust*)
- Deputy Co-chairperson: Rick Barker and Tania Hopmans (*Mangaharuru Tangitū Trust*)

Hearings Committee

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

Under its Terms of Reference, the Committee is delegated functions, powers and/or duties pursuant to the Resource Management Act (RMA) and the Biosecurity Act (BA)

Members:

- Elected Members: Councillors Peter Beaven, Paul Bailey and Rick Barker
- Appointed Members: **Mike Mohi, Brian Gregory and Toro Waaka**
- Chairman: Peter Beaven

Tenders Committee

This committee's role is to consider and accept tenders which exceed the delegated authority of the Chief Executive; and to consider and decide on exemptions to Council's Contracts and Tenders policy.

Members:

- Elected Members: Councillors Rex Graham (Chairman), Rick Barker (Deputy Chairman), Neil Kirton and Tom Belford

Māori Committee

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

Members:

- Elected members: Councillors Rick Barker, Rex Graham, and Fenton Wilson
- Appointed Members: insert updated membership

Mr Bill Blake	Kaumatua (Wairoa)
Ms Michelle McIlroy	Kahungunu Executive (Wairoa)
Mr Adrian Manuel	Wairoa Taiwhenua
Ms Kataraina Kawana	Proxy (Wairoa Taiwhenua)
Ms Teresa Smith	Proxy (Kahungunu Executive - Wairoa)
Mr Haami Hilton	Kaumatua (Hastings)
Mr Michael Paku	Heretaunga Executive (Hastings)
Mr Marei Apatu	Heretaunga Taiwhenua (Hastings)
Ms Joella Brown	Proxy (Heretaunga Taiwhenua)
Mr Paora Sciascia	Te Taiwhenua o Tamatea (Central Hawke's Bay)
Mr Mike Mohi	Kaumatua (Central Hawke's Bay)
Mr Brian Gregory	Tamatea Taiwhenua (Central Hawke's Bay)
Ms Marge Hape	Proxy (Tamatea)
Mr Peter Eden	Te Taiwhenua o Te Whanganui-a-Orotū (Napier)
Ms Ata Te Tomo	Te Taiwhenua o Te Whanganui-a-Orotū (Napier)
Mr Api Robin	Te Taiwhenua o Te Whanganui-a-Orotū (Napier)
Mr George (Hori) Reti	Proxy

- Chairman: Mr Mike Mohi

Regional Transport Committee

This committee is a statutory committee whose purpose is to meet the objectives of the Land Transport Management Act 2003 and its amendments. This includes the RTC's preparation and monitoring of the Regional Land Transport Plan (which prioritises state highway and major local road investment) and the Regional Public Transport Plan, which the Committee prepares for approval by the Council. This committee also considers other matters relating to transport, such as a regional walking and cycling strategy, and other freight transport modes such as rail and coastal shipping. It advises Council on performance of the urban subsidised public transport system, including the mobility voucher assistance scheme for transport disabled persons. The RTC also operates and monitors road safety initiatives through its Roadsafes programmes.

Members: To be updated with current membership

- Elected Members: Councillors Alan Dick (Chairman) and Fenton Wilson (Deputy Chairman)
- Appointees from: Wairoa District Council – Mayor Craig Little, Hastings District Council – Cr Tania Kerr, Napier City Council – Cr Keith Price, Central Hawke's Bay District Council – Mayor Alex Walker, NZ Transport Agency Regional Director – Lisa Rossiter
- Non-voting advisory members: Cultural Interests – Brian Gregory, HBRC Maori Committee; NZ Police – Inspector Matt Broderick; Private motorists – David Murray, HB Automobile Assn; Port & Coastal Shipping – Chris Bain, Napier Port; Road Transport Industry – John Emmerson, Emmerson Transport; Rail Transport – Kim Santer, KiwiRail.
- A Technical Advisory Group (TAG) comprising transport professionals from the councils and NZTA serves as advisor to the Committee and participates in RTC meetings but does not have voting rights.

Hawke's Bay Civil Defence Emergency Management Group Joint Committee

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

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

Members:

Chairman Rex Graham – Hawke's Bay Regional Council (Chairman), Bill Dalton - Mayor Napier City, Sandra Hazlehurst - Mayor Hastings District, Craig Little - Mayor Wairoa District, Alex Walker - Mayor Central Hawke's Bay District.

Clifton to Tangoio Coastal Hazard Strategy Joint Committee

The Clifton to Tangoio Coastal Hazard Strategy Joint Committee comprises elected representatives from Hastings District Council (HDC), Napier City Council (NCC), Hawke's Bay Regional Council (HBRC) and members appointed from the Maungaharuru-Tangitū Trust, Mana Ahuriri Incorporated and He Toa Takitini, and has the responsibility delegated by the Partner Councils for:

- Guiding and providing oversight for the key components of the strategy
- Considering and recommending a draft strategy to each of the Partner Councils for public notification
- Considering comments and submissions on the draft strategy and making appropriate recommendations to the Partner Councils
- Considering and recommending a final strategy to each of the Partner Councils for approval.

Members: To be updated with current membership

- Napier City Council: Crs Tony Jeffery and Larry Dallimore
 - Hastings District Council: Crs Tania Kerr and Rodney Heaps, Cr Ann Redstone as alternate
 - Hawke's Bay Regional Council: Crs Peter Beaven and Paul Bailey
 - Maungaharuru-Tangitū Trust: Mrs Tania Hopmans
 - Mana Ahuriri Inc: Mr Terry Wilson
 - He Toa Takitini: Mr Peter Paku
 - The Committee Elected Cr Peter Beaven as Chair and Crs Tania Kerr and Tony Jeffery as Deputies
- The Joint Committee is supported by a Technical Advisory Group consisting of senior staff from each of the partner councils with consultant advisors as required.

8.4 Hawke's Bay Regional Councillors



Rex Graham
Position: Chair - Hastings
 06 877 4122
 021 424 972
 rex.graham@hbrc.govt.nz



Rick Barker
Position: Deputy Chair - Hastings
 06 878 0010
 027 444 2555



Tom Belford
Position: Hastings
 06 874 7937
 027 3070 315



Paul Bailey
Position: Napier
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 paul.bailey@hbrc.govt.nz



Alan Dick, QSO
Position: Napier
 06 844 4645
 027 224 0012
 alan.dick@hbrc.govt.nz



Neil Kirton
Position: Napier
 027 2866 200
 neil.kirton@hbrc.govt.nz



Peter Beaven
Position: Ngaruroro
 06 877 7823
 027 235 5322



Debbie Hewitt
Position: Central Hawke's Bay
 027 405 2882
 debbie.hewitt@hbrc.govt.nz



Fenton Wilson
Position: Wairoa
 06 835 9200
 027 4984 483
 fenton.wilson@hbrc.govt.nz

9. Meeting Processes

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

All Council and committee meetings must be open to the public unless there is reason to consider some items 'in committee'. The LGOIMA contains a list of the circumstances where Councils may consider items with the public excluded. These circumstances generally relate to protection of personal privacy, professionally privileged or commercially sensitive information, and the maintenance of public health, safety and order. The Council agenda is a public document, although parts may be withheld if the above circumstances apply.

Although meetings are open to the public, members of the public do not have speaking rights unless prior arrangements are made with Council.

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

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

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

For an ordinary meeting of Council, at least 14 days notice of the time and place of the meeting must be given. Extraordinary meetings can be called by the Chairperson or Chief Executive provided notice of that Extraordinary meeting is given to each member of the council, by whatever means reasonable in the circumstances, at least 24 hours before the time appointed for the meeting.

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

10. Consultation **To be updated with current version adopted with LTP**

Part 7 – Policies | Wāhanga 7 - Ngā Kaupapa Here
Significance and Engagement Policy

Part 7 | page 256

Special Consultative Procedure

In some cases, and as we are required under the Act, HBRC will use the special consultative procedure to issue a proposal. When that happens, the proposal will be open to the community to provide their views for at least a month. The process we will follow is to:

- Prepare and adopt a statement of proposal, and in some cases a summary of the statement of proposal which is:
 - a fair representation of the statement of proposal
 - in a form determined by HBRC, i.e. published online, in the newspaper and/ or in HBRC's regional newsletter, so long as it is distributed as widely as reasonably practical
 - indicates where it is available
 - states how long it is open for public submission
- Make publicly available (at Council offices, through interest group distribution lists, at Public Libraries, on HBRC's website):
 - the statement of proposal
 - a description of how people can present their views
 - a statement of the period the proposal is open for comments
- Make the summary of proposal widely available
- Allow people to present their views to HBRC ensuring that they have a reasonable opportunity to do so and know how and when this opportunity will be available to them
- Allow people to present their views by audio link or audio-visual link, or as agreed.

HBRC may also request advice or comment from a Council officer or any other person.

Where HBRC is required to use the special consultative procedure as part of making or amending bylaws, the statement of proposal must include:

- A draft of the proposed bylaw, or the proposed amendment of the bylaw
- The reasons for the proposal
- A report on any determinations made under the Act on whether a bylaw is appropriate.

Where HBRC is required to or chooses to use the special consultative procedure, the statement of proposal is a draft of any plan, policy or similar document or in any other case a detailed statement of the proposal which must include:

- The reasons for the proposal
- An analysis of options
- Any other relevant information.

Partnerships with Māori **To be updated with current version from LTP**

Council is in partnership with the Treaty Settlement Groups with interests within Hawke's Bay for the management of natural and physical resources, through the Regional Planning Committee. This Committee has been established by statute, in 2015, and is tasked with preparing the regional council's planning documents under the Resource Management Act.

The principle of membership of the Regional Planning Committee is equal representation. The Hawke's Bay Regional Planning Committee Act 2015 has identified representation from ten Treaty partners within Hawke's Bay. Council is represented by its nine elected representatives and one appointee, to ensure equal membership.

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

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

11. Management Structures and Relationships

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

The Chief Executive and staff are responsible for managing day-to-day issues and implementing Council's decisions and policies. The organisation is structured under seven Groups, each of which is headed by a Group Manager as per the Corporate Structure below. They are:

Integrated Catchment Management	Asset Management	Strategic Planning
Corporate Services	Regulation	Emergency Management
Office of the CE & Chair		

Insert current corporate structure here

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

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

11.1 Chief Executive

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

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

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

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

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

12. Council Controlled Organisations

Insert section from amended LTP as adopted 27 March

13. Equal Employment Opportunities (EEO) Policy

13.1 Introduction

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

13.2 Council Policy

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

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

13.3 Equal Employment Opportunity Goals

The programme goals are:

- To provide equal employment opportunities for any person applying for a position with the Council
- To establish a workplace that is free from harassment and discrimination

- For all staff to have an understanding of, and commitment to, Equal Employment Opportunity policies and practices
- The achievement of equitable training and personal development for all staff employed by the Council.

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

14. Key Approved Planning and Policy Documents

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

The Council has prepared a number of plans and strategies under various pieces of legislation, including the Local Government Act 2002, Resource Management Act 1991, Biosecurity Act 1993 and the Land Transport Management Act 2003.

Biosecurity Act

Plan	Detail	Purpose
Regional Pest Management Strategy 2019	Operative February 2019	Provides the framework for managing defined pests in the region and sets out objectives Council wishes to achieve.
Regional Phytosanitary Pest Management Strategy 2013	Operative March 2013 A review of the Strategy has been initiated, with the Cost-Benefit process under way, in anticipation of an updated Strategy being adopted by December 2018.	Provides the framework for managing pests arising from pipfruit production sites.

Resource Management Act

Plan	Detail	Purpose
Regional Coastal Environment Plan	Operative 8 November 2014	To assist Hawke's Bay Regional Council's role under the RMA of promoting the sustainable management of natural and physical resources within the coastal environment, including the coastal marine area.
Regional Policy Statement & Regional Resource Management Plan	Operative August 2006 Subject to issue-by-issue rolling review	To assist Hawke's Bay Regional Council's role under the RMA by setting out a policy framework for managing natural and physical resource use in an integrated manner across the whole of the region (the regional policy statement), and regional planning provisions applicable for the region, excluding the coastal environment.

Local Government Act

Plan	Detail	Purpose
Annual Report year end 30 June 2018	Operative November 2018	This report compares actual performance with proposed performance set out in Council's planning documents, and contains audited financial statements, set of accounts, and annual financial reports which assess Council's financial performance against budget

Plan	Detail	Purpose
Long Term Plan (LTP) 2018-28	Operative July 2018	This plan, which includes the Annual Plan 2018-19, includes information on Council's policies, actions and funding that are to be undertaken over the ten years of the planning period. This Plan includes community outcomes, policies and statements required by the Local Government Act 2002.
Annual Plan 2019-20	Will be Operative July 2019	This plan includes budgets, funding and financial statements for that year, which are contained within the LTP 2018-28.
Asset Management Plans	Operative 2018	These plans focus on the management of flood control and drainage scheme assets; the level of service they provide; and their improvements and replacement. There are 3 plans for Council's flood and drainage schemes, and these are updated regularly.
HBRC Significance & Engagement Policy	Adopted by Council resolution 27 June 2018 (<i>due to be reviewed November 2019</i>)	This policy: <ul style="list-style-type: none"> • Enables Council and our communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities • Provides clarity about how and when communities can expect to be engaged in decisions made by Council • Informs Council from the beginning of a decision-making process about the extent, form and type of engagement required.
Triennial Agreement	Adopted by Council resolution 22 February 2017	This agreement promotes cooperation between local authorities for communication and coordination, also to avoid duplication when engaging communities and exercising general empowerment.
Navigation Safety Bylaws	Operative 3 September 2018	The Navigation Safety Bylaws 2018 provide for Council to regulate or control navigation of vessels in the navigable waters within its region out to the 12 mile limit and also to regulate related activities for the purpose of safety, such as the mandatory carriage of lifejackets. In addition, the bylaws enable certain areas to be reserved for certain activities in the interest of separating conflicting recreational activities.

Land Transport Management Act 2003 to be updated with current status

Plan	Detail	Purpose
Regional Land Transport Plan 2015-25	Adopted April 2015	The Regional Land Transport Plan sets out the region's land transport objectives, policies and measures for a ten year period. It includes the region's funding application to the New Zealand Transport Agency for local road and state highway maintenance and improvements, public transport, walking and cycling, road safety education, transport planning and other activities.
Regional Public Transport Plan 2015-25	Adopted April 2015	The Regional Public Transport Plan sets out which public transport services are integral to the region's network. The Plan is also a statement of policies and procedures that

apply to the public transport services provided in the region, and describes how they will be managed.

Council Policies

Plan	Detail	Purpose
HBRC 2017-21 Strategic Plan	Adopted August 2017	To describe the vision, purpose, focus areas, values and intended approaches for the Council's operations over the next 5 years.

15. Information Processes

15.1 Complaints

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

15.2 Requests for Official Information

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

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

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

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

HAWKE'S BAY REGIONAL COUNCIL

CORPORATE AND STRATEGIC COMMITTEE

Wednesday 06 March 2019

Subject: FINANCIAL DELEGATIONS

Item 8

Reason for Report

1. To provide the Corporate and Strategic Committee with the opportunity to discuss the current financial delegations for the Chief Executive (CE) and Group Managers.
2. Any changes to financial delegations need to be approved by Council, so this item enables debate through the Corporate and Strategic Committee and then recommendations to Council.

Background

3. Council last changed the financial delegations for the CE and Group Managers in 2009, and the levels decided then are still current as below.

Financial Delegations (As resolved by Council on 27 May 2009)

Financial Delegations – Where provision has been made in Annual Plan	
<ul style="list-style-type: none"> Individual delegations to selected members of management/staff as specifically delegated by a Group Manager or the Chief Executive 	Various levels under \$75,000
<ul style="list-style-type: none"> Group Manager 	Up to \$75,000
<ul style="list-style-type: none"> Chief Executive 	Up to \$200,000
<ul style="list-style-type: none"> Co-signature with Chief Executive/Chief Financial Officer (or in CFO's absence another Group Manager) 	Up to \$300,000
<ul style="list-style-type: none"> Fee for service contracts (eg Ministry of Tourism, Ministry of Primary Industries) – Group Manager or Chief Executive can sign where these contracts have been approved by Council 	\$400,000
<ul style="list-style-type: none"> Tenders Committee (when approved by Tenders Committee, Group Manager or CEO can sign) 	>\$400,000

Note exception to the above: Chief Executive has power to enter into contracts of employment and contracts of insurance irrespective of the sums involved, providing such sums have been provided in the Annual Plan.

Financial Delegations – If sums have not been provided in the Annual Plan	
Operating Expenditure	
<ul style="list-style-type: none"> Chief Executive 	Up to \$15,000 from contingency provision in the Annual Plan.
<ul style="list-style-type: none"> Council 	In excess of \$15,000 from contingency provision in the Annual Plan.
Capital Expenditure	
<ul style="list-style-type: none"> Chief Executive¹: <ul style="list-style-type: none"> Accumulative level with the provision that such expenditure can be funded from the Asset Replacement Reserve 	Up to \$250,000
<ul style="list-style-type: none"> <ul style="list-style-type: none"> If expenditure needs to be funded from other sources 	\$15,000
<ul style="list-style-type: none"> Council 	In excess of the limits as above.

¹ The above delegations are limited to sign off from the Chief Executive, with the exception of Capital purchases not budgeted subject to Group Manager's signature up to \$2,500 per item.

4. Since 2009 Council's annual expenditure has increased from \$32 million to \$45 million but the delegation limits have remained the same. Staff believe that an update of the financial delegations is well overdue and should be updated to allow for efficient operation, especially to implement the ambitious workload of the 2018-28 long term plan.
5. Staff have investigated the delegation limits of other regional councils whose delegations were online, with the results shown below.

Council	Role	Delegation
Greater Wellington	CE	Authority to implement the Annual Plan
	Group Managers	\$200,000
Environment Canterbury	CE & Group Manager (Jointly)	Authority to implement the Annual Plan
	CE	\$250,000
	Group Manager	\$250,000
Bay of Plenty	CE	\$2,000,000
	Group Manager	Delegated by CE

Proposal

6. Staff propose that the financial delegation levels for the CE and Group Managers be increased to levels that reflect the organisational growth over the last 10 years, align more closely to other regional councils and allow for the organisation to operate efficiently.
7. The following recommendations are based on simplifying the current system and allowing for practical governance.

Financial Delegations – Where provision is made in the LTP / Annual Plan	
CE	Authority to implement the LTP/Annual Plan as approved by Council
Group Manager - Office of the Chair and Chief Executive	Up to \$200,000 for any one commitment
Other Group Managers	Up to \$150,000 for any one commitment
Emergency Management – Group and Local Controllers	Up to \$100,000 for any one commitment
Staff	Delegations provided by their Group Manager up to a level of \$100,000 for any one commitment

Financial Delegations – Where no provision is made in the LTP / Annual Plan	
Operating Expenditure	
Council	In excess of \$50,000 for any one commitment from contingency provision
CE	Up to \$50,000 for any one commitment from contingency provision

Capital Expenditure	
Council	In excess of the limits below
CE	Up to \$50,000 per asset if funded via asset replacement reserve Up to \$20,000 if funded elsewhere
Group Managers	Up to \$20,000 per asset if funded via asset replacement reserve Up to \$5,000 if funded elsewhere

8. The Tenders Committee is only used for competitive procurement processes over \$400,000.

Decision Making Process

9. Council and its committees are 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:
- 9.1. The decision does not significantly alter the service provision or affect a strategic asset, and is not inconsistent with an existing policy or plan.
 - 9.2. The use of the special consultative procedure is not prescribed by legislation.
 - 9.3. The decision does not fall within the definition of Council's policy on significance.
 - 9.4. The decision of the sub-committee is in accordance with the Terms of Reference and decision making delegations adopted by Hawke's Bay Regional Council 9 November 2016, specifically:
 - 9.4.1. The purpose of the Audit and Risk Sub-committee is to report to the Corporate and Strategic Committee to fulfil its responsibilities for the provision of appropriate controls to safeguard the Council's financial and non-financial assets, the integrity of internal and external reporting and accountability arrangements.
 - 9.5. The decision is not inconsistent with an existing policy or plan.
 - 9.6. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

Recommendations

That :

1. That the Corporate and Strategic Committee receives and notes the ***"Financial Delegations"*** staff report.
2. That the Corporate and Strategic Committee provides feedback on the ***"Financial Delegations"*** levels proposed.
3. The Corporate and Strategic Committee recommends that Council:
 - 3.1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that the Committee can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to be affected by or have an interest in the decision.
 - 3.2. Reviews and considers the proposed Financial Delegations and provides feedback for recommendations to Council for decision.

Item 8

Authored by:

**Manton Collings
CHIEF FINANCIAL OFFICER**

Approved by:

**Jessica Ellerm
GROUP MANAGER CORPORATE
SERVICES**

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 06 March 2019

Item 9

Subject: HB TOURISM UPDATE

Reason for Report

1. This information paper provides the Corporate and Strategic Committee with:
 - 1.1. An update on the joint funding review of Hawke's Bay Tourism (HBT).
 - 1.2. An update on some national industry developments (provided as Appendix 1).
 - 1.3. Hawke's Bay Tourism update report for March 2019 is attached hereto.

Executive Summary

2. The regional review of HBT's funding model is taking place in the wider context of a national debate about tourism funding. This debate is investigating at the national level some funding solutions, including a visitor levy and/or bed tax, that HBRC was investigating at a regional level.
3. On 25 February 2019 the Regional Leader's Forum endorsed the development of a targeted Regional Visitor Strategy to develop a funding framework that addresses how a new national funding model would be sensibly allocated in Hawke's Bay between organisations charged with marketing, infrastructure and event attraction.
4. Notwithstanding these initiatives, staff will continue to progress analysis of changes to HBT's targeted rate formula to ensure that those who benefit commercially from tourism contribute more to the promotion and marketing of the region as a tourism destination in the next LTP in the event that these issues are not resolved through the review.

Background

5. Following consultation on the 2018 - 2028 Long Term Plan (LTP) Council decided to support HBT at a rate of \$1.52 million (M) per annum, for three years, with subsequent funding levels to be reviewed through the 2021 - 2031 LTP process. HBRC also agreed to adjust the economic development rating split (where funding for HBT comes from) to become more weighted to the commercial sector, as consulted on.
6. Council also requested that:
 - 6.1. Hawke's Bay Tourism examine levels of accommodation in private homes achieved through hosting websites to recommend to HBRC possible differentiated rating levels for accommodation providers based on occupancy rates.
 - 6.2. HBRC staff work with Hawke's Bay Tourism to investigate the possibility of introducing a bed tax via enabling legislation to support the activities of HB Tourism.
7. Council staff and Hawke's Bay Tourism (HBT) are working together on this funding review. The objectives being:
 - 7.1. To develop a long-term sustainable funding model for Hawke's Bay Tourism that ensures those who benefit commercially from tourism contribute to the promotion and marketing of the region.
 - 7.2. To lessen the burden on the Hawke's Bay ratepayer.
8. A joint HBRC and HBT item was provided to the Corporate and Strategic Committee on 12 December 2018. This identified:
 - 8.1. The issue of tourism funding, for both infrastructure and tourism promotion, is a national issue and one for which there are multiple national and regional initiatives under active consideration and review.

- 8.2. While the current funding model can be improved to ensure better linkages between HBT funding and the beneficiaries and/or users of tourism activities, the complexities, and transaction costs of more targeted funding models, particularly at a regional level, should not be underestimated and perhaps point to the need to retain a degree of core community funding via the economic development rate.
- 8.3. There is no one-size fits all approach. A review of international case studies of peer-to-peer accommodation and how some councils in New Zealand treat peer-to-peer accommodation by HBT and council staff has confirmed the complexity of the issues.
- 8.4. The introduction of a local bed tax/visitor levy would require legislation meaning change could be slow. Discussions with the region's Mayors and Chair indicated strong support for an all-of region approach to the development of a sustainable funding model and strategy that encompasses not only visitor attraction but also tourism infrastructure and event management.
9. The December report outlined HBT's objective is to raise \$2M per annum to fund the promotion of Hawke's Bay and ensure a long-term sustainable approach to marketing of the region. This is in-line with HBT's current revenue from all sources.

Funding Review Developments

10. **Regional Visitor Strategy:** In anticipation of the introduction of a visitor tax/bed levy either at a national or local level, HBT is recommending the development of a targeted Regional Visitor Strategy to inform the development of a sustainable multi-agency funding model and strategy that encompasses not only visitor attraction but also tourism infrastructure and event management. The Hawke's Bay Local Government Leaders' Forum formally endorsed the development of the strategy at its meeting on 25 February 2019 and agreed that Councils and HBT would contribute financially to the cost of engaging a consultant for the development of the strategy.
11. Note that the scope of this initiative falls short of a fully-fledged Regional Tourism Strategy. While HBT envisages the strategy will be developed in conjunction with iwi, all Councils and the wider tourism industry the primary engagement will rest with the principle organisations involved in regional visitor attraction, the provision of tourism infrastructure and regional event management.
12. **Tourism Industry Aotearoa (TIA) - Regional Funding Project:** Of note, is the selection of HBT's General Manager Annie Dundas to join a national group for a project run by TIA to identify preferred regional funding models to support long-term local government funding and investment. The group is meeting in mid-March for five days with the work to be considered be the Productivity Commission ahead of releasing its draft report of its inquiry into Local Government Funding and Financing.
13. **Local Government New Zealand (LGNZ):** HBT is also participating in a visitor levy workshop LGNZ is holding later this month. HBT has advised LGNZ intends to undertake economic work to understand the costs and benefits of a visitor tax/levy up and down the delivery chain. HBT is a trustee of Regional Tourism New Zealand and will be part of the working group providing input and feedback on this work.

Next Steps

14. Hawkes' Bay Tourism to develop Terms of Reference and Request for Proposal for the development of a Regional Visitor Strategy, and get a costing for this work.
15. HBT and HBRC to identify, if necessary, further potential funding opportunities for the development of the strategy.
16. Hawkes Bay Tourism to provide feedback on TIA's regional funding model work and LGNZ's visitor levy workshop.
17. HBRC staff to continue to progress analysis of changes to HBT's targeted rate formula to ensure that those who benefit commercially from tourism contribute more to the promotion and marketing of the region as a tourism destination in the next LTP in the event that issues are not resolved through the review.

18. Continue to closely track industry developments and report back to the Corporate and Strategic Committee when new information comes to light.

Decision Making Process

19. 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 Corporate and Strategic Committee Meeting receives the ***“HB Tourism Update”*** report.

Authored by:

Mandy Sharpe
PROJECT MANAGER

Approved by:

Tom Skerman
GROUP MANAGER STRATEGIC
PLANNING

Attachment/s

- [↓1](#) HBT - Appendix 1
- [↓2](#) Hawkes Bay Tourism Report - March 2019

Appendix 1:

Some national industry developments since the previous report to the Corporate and Strategic Committee in December 2018.

1. **Local Government New Zealand (LGNZ) – Local Tourist Levy:** As stated in the report a visitor levy workshop is being held later this month with HBT participating. HBT is a trustee of Regional Tourism New Zealand and will be part of the working group providing input and feedback into LGNZ's work around visitor levies.
2. **Draft Aotearoa New Zealand Government Tourism Strategy:** Submissions were due on 4 February 2019. HBRC staff consulted with HBT and endorsed their submission to the Draft Aotearoa-NZ Government Tourism Strategy. MBIE (Ministry of Business, Innovation and Employment) are looking to finalise the strategy in late March.
3. **Productivity Commission's Local Government Funding and Financing Inquiry:** Submissions for the Productivity Commission's Issues Paper closed on 15 February 2019. The release of the commission's draft report is scheduled for June 2019, with the final report to Government scheduled for 31 November 2019.
4. The commission's Issues Paper identifies pressure points driving local government costs and includes recommendations in response to these, including tourism pressures.
5. SOLGM (Society of Local Government Managers) lodged its submission to the Productivity Commission's Issues Paper making 32 recommendations for the Commission to consider over a wide range of issues. It made the following recommendations in regards to taxation of tourism:
 - That the Commission recommend an increase in the Visitor Levy.
 - That the Commission recommend local taxation for tourist related purposes subject to the appropriate basis and accountability.
- 5.1. SOLGM says "some form of taxation of tourism may make a real difference with little real impact on the industry

New Zealand has become an international destination – but many of our most popular tourist places are in communities that are ill-placed to afford them. There are a variety of options for taxing tourists – a levy on accommodation, increasing tax taken at the border, or local taxes (such as the Stewart Island levy). Given we are the last stop on the planet and the distances to travel (and price) are so great we'd need convincing that the elasticity of demand is so high that taxation on a small level would have much of an impact at all."

- 5.2. SOLGM consider that powers to set coercive taxes should not be issued "holus-bolus". "However, the process could be streamlined by passing a single enabling Act that would allow access to these forms of taxes with approval of:
 - the Minister of Local Government (and/or the Minister of Finance), or
 - the Governor-General in Executive Council".
6. Tourism Industry Aotearoa also made a submission to the Productivity Commission's Issues Paper. It says it is not convinced that wholesale changes are required to the way local government is funded. "Through a combination of better long-term planning and a regional vision for tourism, improved destination planning and regulatory systems, better use of council balance sheets, thoughtful use of current funding mechanisms, and more user-pays, regions can continue to benefit from tourism in a sustainable way."

- 6.1. Driven by concerns that many debates on funding tourism at a regional level default to a bed-tax, TIA is undertaking a project (as referred to in point 12 in the report) to identify a suitable regional funding model for tourism. It says the goal is to identify a possible solution(s) that is practical, meets the need of local government and does not have undue impact on business.
- 6.2. TIA says central government must remain a significant investor in regional tourism infrastructure. TIA's policy on tourism funding commences from the basis that international visitors pay taxes and are more than paying their way. These taxes, including the International Visitor Levy and GST, need to be taken into account when additional charges on visitors are contemplated.
- 7. **Inland Revenue (IRD) proposal for short-term accommodation providers:** IRD is seeking feedback on a proposal where people who rent out their property as short-term accommodation can claim a standard nightly amount as costs. IRD says if someone gets money from renting out their house, a room, holiday home or a sleep-out it is income and they have to file a tax return.
 - 7.1. The proposed amount is \$50 a night for costs if the host is the home owner and \$45 a night if the host rents the property. They may qualify if the space is rented for up to 100 days a year.
 - 7.2. "Qualifying hosts may be able to use the standard costs from the Determination and don't have to work out their actual costs. If they don't meet the criteria, or choose not to use the standard costs, all income must be returned and the actual costs calculated to claim as deductions," IRD says.
 - 7.3. IRD has drafted the new rules to simplify the tax obligations for people who occasionally host short-term accommodation guests in their home, using websites such as Airbnb or Bookabach and to incentivise property owners to declare income.
 - 7.4. IRD is also consulting on draft guidance about how the existing rules apply for other short-term accommodation hosts who can't use the proposed standard deductions (either because they rent out the space for more than 100 nights per year or because the accommodation isn't their home).
 - 7.5. This proposal demonstrates other agencies/organisations are trying to capture the peer-to-peer sector which until recently has been able to operate under the radar.

ENDS



Hawke's Bay Tourism Ltd – March 6 2019

Prepared by Annie Dundas, GM Hawke's Bay Tourism

General outlook

The summer season to date has been busy, driven by a very strong event calendar which has drawn large out of town numbers. The region has had five large concerts in January alone, two international one-day cricket matches, the Elite Cycling National Champs and the Potts Classic as well as record numbers at The Mission Concert and Art Deco Weekend.

The cruise season has seen over 45 ship visits with seven the week of the Art Deco Festival.

However, there are some signs of growth slowing from accommodation and attraction providers who are reporting similar numbers to the previous year or slightly down. This is reflective of trends at a national level.

Tourism New Zealand has scaled back its visitor arrivals growth expectations for this year to 2.5% – almost half of the Ministry of Business, Innovation and Employment's forecast of around 4.6%. The predicted growth slowdown comes on the back of what the agency is seeing domestically, plus increasing global economic headwinds which are expected to drag the tourism sector internationally. MBIE's annual tourism forecasts for 2018 – 2024 released at TRENZ in May last year put total international visitor arrivals to New Zealand on track to reach 5.1 million in 2024, up from 3.7 million in 2017. This equates to a growth rate of 4.6% per year and was estimated to push international visitor spend to reach nearly \$15bn by 2024 – up almost 40%. According to Stats NZ's latest international visitor numbers, in the year to December 2018, there were 3.86 million visitor arrivals, up 3.5% on the previous 12 months but noticeably down from the 6.7% growth seen in the previous 12 months.

Three slips at Cape Kidnappers has halted the operation of Gannet Beach Adventures, one of our most popular family attractions, and only open in the summer season. We are waiting on HDC to fully assess the situation and make a decision on the beach being re-opened. We are working closely with Gannet Beach Adventures to support them and an industry group is being formed to look at way to support this operator.



Areas of Focus

Additional Funding Streams for HBT

HBT continues to work on efforts to develop alternative funding streams. As this is a national issue and all regions are facing similar challenges, we are seeking a national solution.

Hawke's Bay Tourism has been asked to join a national group to formulate a position on regional funding. The newly established Regional Funding Models Project is being led by Tourism Industry Aotearoa and will have a week-long workshop in March to progress the regional bed levies discussion. The core group consists of Richard Lauder (Wayfare/Real Journeys Queenstown and Chair of TIA), Gilliam Millar (Accor Hotels), Brendan Taylor (Scenic Hotel Group), Chris Roberts (TIA), Fergus Brown (Holiday Parks of NZ), David Perks (WREDA), Annie Dundas (Hawke's Bay Tourism), Bobbi Brown (Venture Southland). This is a huge opportunity for us to have a say in regional tourism funding.

LGNZ are also holding a Visitor Levy workshop on 26 March of which HBT will be involved directly. The Productivity Commission, LGNZ, MBIE and TIA will present their views on levies which will be a useful starting point to establish the scope of work. Outcomes from the Regional Funding Models Project will be fed into this process as well.

HBT has also met with the regions CEO's and Mayors to discuss a regional position relating to this topic. All are in agreement that a regional position is the way forward and this will also be linked to a Regional Visitor Strategy which all have agreed to help resource both financially and with key staff.

Maori Tourism

HBT has approached Hawke's Bay Maori Tourism for a meeting and hopes the meeting will establish a better and productive working relationship.

We have started the development of our Maori Guide on www.hawkesbaynz.com and we are working with our Maori Board representative on shaping this content into a meaningful platform to share stories, and promote those businesses offering Maori tourism experiences.

We have been approached by Mahi Kāinga – a locally based company that has built an online training tool for people to learn Te Reo. We are trailing this programme and will push out the programme to industry partners.

Summary of activity undertaken this quarter

Marketing

Summer activity has centred around a theme of road trips, with a range of videos and written content highlighting some of the opportunities to explore the region. These have been housed in a microsite at <https://www.hawkesbaynz.com/summer-road-trips/>. The paid promotion schedule for this content will run through till approximately Easter. Additional advertising has occurred for the international cricket season, Art Deco Festival, Bridge Pa Wine Festival and the summer concert line-up.

HBT has hosted 18 media files this financial year including three international film crews from India, Brazil and the Philippines.

One great example published in February from Stuff.co.nz <https://www.stuff.co.nz/travel/destinations/nz/110536441/hawkes-bay-the-mediterranean-of-new-zealand>



Events

The Big Easy 2019 is on sale now as is The Little Easy CHB on Friday 19 April, Big Easy on Saturday 20 April. HBT, NCC, HDC and HBRC all work on this event together.

The Hawke's Bay Marathon in May – NCC, HDC and HBT have resigned a 3 year contract to secure the Marathon for Hawke's Bay. Registrations are +107% on last year. Over 70% of participants come from out of town.

Two Mission Concerts in 2020 will provide a large lift in visitor numbers. Accommodation is already booked for both events.

Travel Trade Activity

HBT continues to build on trade relationships to ensure Hawke's Bay is sold by key sellers. Three leading inbound tour companies were here for Art Deco Weekend and experiences several new businesses as well as the Festival. All will be rejigging future itineraries to incorporate more of the region.

Ctrip, China's largest online travel seller will start bringing groups to Hawke's Bay from April. HBT has been working on this opportunity alongside TNZ for three years.

Industry support

Year to date industry support for our travel agent famil programme has seen 232 agents/travel professionals hosted since July. 78% of costs (\$70,000) has been covered by the industry, 9% (\$8,000) by Hawke's Bay Tourism and the remainder by Tourism New Zealand.

At the end of February HBT had 405-member listings on the regional website. Regional collateral and distribution has also been subsidized by members with solid advertising support.

Stakeholder Collaboration

Hawke's Bay Tourism now has region-wide support for a Regional Visitor Strategy to be developed. Terms of reference are being developed and all councils have agreed to support this project.

One initial survey has been distributed to the tourism industry asking for information about the Living Wage.

HBT has started work with Eastern Bridge to build capability for future Chinese visitors to Hawke's Bay. This is a project that will involve Learning Hawke's Bay, HDC and NCC. Information for this sector will be housed on the new Chinese language Hawke's Bay website.

Financial Position

HBT is just over half way through the financial year. HBT is slightly behind on revenue generation due to the rollover period on membership renewals (November). These are actively being chased.



Appendix

Commentary around statistics –

All spend data is based on estimates by MBIE. The Monthly Regional Tourism Estimates (MRTes) provide an estimate of regional monthly expenditure on tourism from both international and domestic consumers – provided by MBIE.

Commercial Accommodation (CAM) represents approximately 30-40% of all nights spent in Hawke's Bay and allows us to see trends across hotel, motel, backpacker and holiday park accommodation. This report is provided by Statistics New Zealand.

The Net Promoter Score is sourced from AA Traveller Research and is based on domestic visitor assessment only.

Visitor Arrivals and Spend

The matrix below highlights Commercial Accommodation, the Monthly Regional Tourism Estimates, Air BNB data and a Net Promoter Score for the region.

Hawke's Bay Tourism dashboard

CAM = Commercial Accommodation Monitor, provided by Statistics NZ
 MRTE = Monthly Regional Tourism Estimates, provided by MBIE
 AirBNB = provided by AirDNA data scraping service
 Net Promoter Score = provided by Automobile Association research

November CAM Domestic Nights 68,602 Last year ↑3.9%	Annual CAM Domestic Nights 896,993 Last year ↓0.5%	Net Promoter Score 43 Last month Last year ↓1 ↑4	Nov MRTE Spend Domestic \$38.6m Last year ↓4.8%	Annual MRTE Spend Domestic \$477m Last year ↑0.4%	AirBNB Dec room nights booked 23,479 Last year ↑34%
November CAM International Nights 32,053 Last year ↓5.6%	Annual CAM International Nights 324,354 Last year ↓4.7%	Annual average length of stay nights 2.29 Last year ↑0.05 nights	Nov MRTE Spend International \$16.4m Last year ↑10.2%	Annual MRTE Spend International \$167m Last year ↑6.8%	AirBNB annual room nights booked 163,530 Last year ↑60%
November CAM Overall Nights 100,655 Last year ↑0.3%	Annual CAM Overall Nights 1,221,617 Last year ↓1.6%	Annual average occupancy (excl) 62.0% Last year ↑3.7%	Nov MRTE Spend Overall \$55.0m Last year ↓0.8%	Annual MRTE Spend Overall \$645m Last year ↑2.0%	AirBNB Dec revenue \$2.52m Last year ↑42%
November CAM Overall Nights 100,655 Last year ↑0.3%	Annual CAM Overall Nights 1,221,617 Last year ↓1.6%	Annual average occupancy (excl) 62.0% Last year ↑3.7%	Nov MRTE Spend Accom \$6.9m Last year ↓9.2%	Annual MRTE Spend Accom \$83.1m Last year ↑1.3%	AirBNB annual revenue \$16.3m Last year ↑84%

Regional Comparisons

The chart below details where we sit against comparable regions and those close to us geographically. The first four columns are related to visitor spend as estimated by MBIE. The next two columns show Commercial Accommodation only and the last in the AA Traveller net promoter score – a measure of domestic travellers only.



	Annual Spend Estimate 12 months to Nov 2018	Overall Growth	Domestic Growth	International Growth	Annual CAM guest nights 12 months to Nov 2018	CAM Growth	Net Promote Score - Dec
Wellington	\$2,390m	4.9%	5.3%	4.2%	2,718,414	1.1%	33
Hamilton & Waikato	\$1,560m	5.8%	5.6%	6.7%	1,418,071	0.2%	6
Bay of Plenty	\$1,030m	3.6%	2.9%	6.2%	1,193,783	-3.6%	47
Rotorua	\$816m	2.7%	3.6%	1.4%	2,330,051	3.4%	46
Nelson	\$663m	1.1%	1.3%	0.7%	1,484,854	-1.9%	52
Taupo	\$648m	5.0%	6.3%	2.0%	1,166,380	3.5%	52
Hawke's Bay	\$645m	2.0%	0.4%	6.8%	1,221,347	-1.7%	45
Manawatu	\$476m	4.2%	3.6%	12.1%	570,765	4.0%	-15
Coromandel	\$462m	6.2%	4.8%	11.5%	929,419	1.6%	59
Taranaki	\$408m	9.2%	9.6%	7.5%	668,527	3.0%	30
Marlborough	\$404m	12.2%	14.1%	8.6%	744,605	-5.7%	34
Wairarapa	\$190m	10.7%	12.6%	3.4%	264,971	9.5%	32

Accommodation

Overall nights spent in region

- Commercial guest nights for the month of November rose only slightly over the previous November. Domestic nights were up 3.9% but international was down 6.6%.
- Commercial occupancy for November was 71.2%, up from 67.6% in 2017
- Year end November 18 was -1.7% for commercial nights

Below is a summary of guest nights by season. We have compared and tracked the Air BNB numbers and commercial nights to see over time what is happening in Hawke's Bay. Air BNB currently makes up between 10-12% of paid nights in the region. There has been huge growth in the last two years as the platform has become more popular. We do expect this to plateau within the next eighteen months, particularly if we see bed levies etc. introduced. Please remember Air BNB is just a distribution channel and this does not account for other competing platforms.

	Summer 16	Autumn 16	Winter 16	Spring 16	Summer 17	Autumn 17	Winter 17	Spring 17	Summer 18	Autumn 18	Winter 18	Spring 18
aid Guest nights	402,900	300,006	187,043	262,296	466,467	348,900	216,948	301,914	479,382	342,642	241,248	315,918
UEST NIGHTS (CAM Private + Airbnb)	1,636,877	936,270	701,186	837,249	1,709,468	1,001,152	735,938	882,305	1,675,709	991,865	758,484	900,541
hare of paid accommodation												
ommercial	100.0%	99.8%	99.0%	96.4%	94.0%	92.7%	93.2%	92.1%	88.6%	87.7%	89.9%	88.5%
irbnb	0.0%	0.2%	1.0%	3.6%	6.0%	7.3%	6.8%	7.9%	11.4%	12.3%	10.1%	11.5%
uest night growth												
AM + AirBNB	11.4%	5.4%	19.5%	20.4%	15.8%	16.3%	16.0%	15.1%	2.8%	-1.8%	11.2%	4.6%
AM only	11.4%	5.2%	18.3%	16.1%	8.8%	8.0%	9.1%	10.0%	-3.1%	-7.0%	7.3%	0.5%
irBNB only					39044.4%	4847.5%	708.3%	152.8%	94.3%	64.6%	64.5%	53.0%
ARKET SHARE												
ommercial	24.6%	32.0%	26.4%	30.2%	25.6%	32.3%	27.5%	31.5%	25.3%	30.3%	28.6%	31.0%
ivate	75.4%	68.0%	73.3%	68.7%	72.7%	65.2%	70.5%	65.8%	71.4%	65.5%	68.2%	64.9%
irbnb	0.0%	0.1%	0.3%	1.1%	1.6%	2.5%	2.0%	2.7%	3.3%	4.2%	3.2%	4.0%

***Air BNB***

Some Air BNB revenue is accounted for in MRTE visitor spend – ie all Air BNB properties booked in NZ are accounted, bookings made out of NZ are not counted.

HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 06 March 2019

**Subject: MATTERS ARISING FROM AUDIT NZ 2018-28 LONG TERM PLAN
AUDITS**

Item 10

Reason for Report

1. This item provides the opportunity for the Committee to consider and discuss the Auditor General's report on *Matter arising from our audits of the 2018-28 long-term plans*.

Background

2. The Office of the Auditor General (OAG) has released a 91-page report on common themes from the 2018 long term plans. The OAG publish such a report after each LTP of which there have been five audited LTPs completed to date. The OAG is required to present this report to the House of Representatives under the Public Audit Act 2001.

Headline points

3. Three key points noted in the report include:
 - 3.1. Rising capital expenditure;
 - 3.2. Increased debt to fund it based on the principle of intergenerational equity; and
 - 3.3. Uncertainty and cost of addressing the effects of climate change.
4. The 2018-28 LTPs show significant forecast capital expenditure compared with previous LTPs. This was in response to unprecedented levels of growth (particularly 11 "high-growth" councils, none of which are in Hawke's Bay), increased levels of service to meet growing community expectations, and historical underinvestment.
5. Like the national trend, HBRC's long-term plan included significant new capital expenditure for projects with intergenerational benefits, such as the erosion control scheme, funded through debt with total new borrowing of \$71 million over the ten years. HBRC forecasts a debt balance of \$38 million by the end of the plan after repayments.
6. Unlike some "high-growth" councils, even at the height of its borrowing, HBRC will remain conservatively under the debt limit it has set itself which is net external debt not exceeding 150% of total revenue. Regional Council staff highlighted throughout the 2018-28 Long term plan development and consultation that its balance sheet will very likely be called upon heavily in future long term plans as the region begins to future proof its infrastructure in response to climate change.
7. For the 2021-31 LTP, the OAG consider that there is a need for a comprehensive discussion about resilience and climate change issues with the community, and that it makes little sense for all councils to individually think about how to improve reporting on these particular issues.
8. We expect climate change to feature strongly in the next iteration of HBRC's Strategic Plan and to form the basis of early engagement with the community and a call to action leading up to the next LTP.

Specific mention of HBRC

9. HBRC is specifically mentioned twice in the report. On p12 it is noted that HBRC disclosed 23 specific outcomes measures. This is referred to as a good example of how to demonstrate achievement of, or progress towards, the outcomes that council seek.
10. On page 44, it is noted that HBRC referred in its Infrastructure Strategy to the work it is doing to implement the *Clifton to Tangoio Coastal Hazards Strategy 2120*. This is used as a good example of a council disclosing risk and how it plans to address it.

Non-standard audit reports

11. Only once council received a modified audit opinion, being Westland District Council because the auditors believed the council did not have reliable information about the condition of its three water assets.
12. Nine councils received unmodified opinions with “emphasis of matter” paragraphs, including Central Hawke’s Bay (CHBDC) and Wairoa District Councils.
13. The auditors drew attention to disclosures in the Central Hawke’s Bay District Councils LTP about the resource consent breach for the Waipukurau and Waipawa wastewater treatment plants. It noted that more investigative work is required to find a viable solution before remedial work can be carried out that will meet resource consent requirements and that the cost of this work is uncertain and could be significant. These costs will be in addition to those included in the financial forecasts in the plan. As a result, the Council expects to carry out formal consultation with the community once viable options have been identified and funding options determined.
14. Wairoa District Council’s audit report drew attention to its failure to adopt the plan before 1 July 2018, which is a breach of section 93 of the Local Government Act.

Areas for improvement for HBRC

15. Staff completed a project review or lessons learnt exercise shortly after the LTP was adopted. This covered what went well, what didn’t and areas for improvement. The lessons learnt session was split by deliverables including:
 - 15.1. Project management
 - 15.2. Reviews of existing project/workstreams, business cases for new projects and budgeting
 - 15.3. Council workshops and meetings
 - 15.4. Consultation document
 - 15.5. Financial Strategy and Funding Policies
 - 15.6. Infrastructure Strategy
 - 15.7. Performance framework (Groups of Activities, levels of service and measures)
 - 15.8. Stakeholder management and consultation, submissions and hearings
 - 15.9. Audit process
 - 15.10. Final document
16. The findings from this OAG report will be combined with the lessons learnt exercise to improve the approach for the 2021 LTP. In particular, staff have noted the increasing use of spatial planning highlighted in the OAG report as a means to better communicate information to the public (e.g. in Infrastructure Strategies) and the challenge set by the Auditor-General to prepare a financial strategy in up to five pages (our current Financial Strategy is 13 pages).

Decision Making Process

17. 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 Corporate and Strategic Committee receives and notes the **“Matters Arising from Audit NZ 2018-28 Long Term Plan Audits”** staff report and the Auditor General’s report titled **“Matters arising from our audits of the 2018-28 long-term plans”**.


Authored by:

**Manton Collings
CHIEF FINANCIAL OFFICER**

Approved by:

**Jessica Ellerm
GROUP MANAGER CORPORATE
SERVICES**

Attachment/s

 **1** Auditor General Matters arising from 2018-28 LTP audits
Report

Under Separate
Cover

 **2** HBRC Project Review and Closure template



2018-2018 Long Term Plan Project Review and Closure

Prepared by:	Desiree Cull, Strategy and Projects Leader
Prepared for:	Jess Ellerm, Corporate Services Group Manager
Date:	17 September 2018
Version:	0.1
File name and location:	https://herbi.hbrc.govt.nz/site/hbrcpolicy/longtermplan/Forms/By%20LTP%20Year.aspx

Document Control

Purpose of Document

A Project Review and Closure document is used to complete the Closure Phase of a project. It may also be used to review a project at any time during its execution. When a project is completed, a review takes place against the original scope, budget etc. as per the Project Brief using the Change and Issues Register. Any lessons learned are documented and recorded on the PMO Hub for future reference and continuous improvement.

Typically, the intended audience is the Project Sponsor and Steering Group. The Steering Group formally closes the project by approving this document.

Document History

Version	Issue Date	Event	Status
0.1		Draft circulated to Project Sponsor	Draft

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1. Project Manager's Summary

This was the sixth Long Term Plan produced by Hawke's Bay Regional Council. A cross-functional project team was established with as assigned Project Manager with the aim to do more than just copy over the previous Long Term Plan document. The project team worked consistently well together and produced a much improved consultation document and final plan.

The LTP reflects and aligns with the Council's Strategic Plan, includes a streamlined performance framework that mirrors our organisational structure, and improved Financial Strategy, Funding Policies and Infrastructure Strategy.

The Long Term Plan was adopted on time unanimously by all councillors with an unmodified audit opinion. There was a record number of submissions and a wide community reach (reflecting the significant rates increase of 19.6%).

2. Review of Project Performance

2.1 Review of Project Objectives

All five of the key objectives from the Project Plan were achieved. There were to:

1. To develop a "fit for purpose" Long Term Plan
2. To adopt the final Long Term Plan by 30 June 2018.
3. To complete the project within budget.
4. To ensure that elected members own the process and the final Long Term Plan by involving them in all major steps (including designing the approach).
5. To ensure that HBRC staff are well informed about the project; the consultation options and final decisions.

A "fit for purpose" long term plan:

- reflects the council's new Strategic Plan
- is a living document used by HBRC staff and provides better "line of sight" for staff
- is a robust 3 year plan (unlikely to need LTP amendments each year and remains a relevant reference for its three year life and for developing the next plan)
- complies with legislation and receives an unqualified audit report

3. Lessons learned

Area/Deliverable	Notes	What went well	What didn't go so well	Recommendations
Project set up and management	Project Plan was presented to Ex on 31 July 2017.	<p>Start date of August was good and allowed us to use rates invoices for pre-engagement.</p> <p>Cross-functional team of key people but not too many.</p> <p>Asset mgmt. representation. Was good when David was on board.</p> <p>Fortnightly meeting frequency of meetings worked well</p>	Decision to use rates survey was very last minute.	<p>Labour hours budgeted for project team members.</p> <p>Start earlier.</p> <p>Integrated business cases by strategic priority by mid-2020.</p> <p>Strategic Plan refresh:</p> <ol style="list-style-type: none"> 1. Success against outcomes in SP 2. Efficiencies 3. New initiatives
Project reviews And prioritisation by Exec	<p>Enterprise-wide review of existing project codes using Stephen's one-page template. Reviewed in terms of:</p> <ul style="list-style-type: none"> • why we do it (including alignment with new strategic plan priorities), • what we do (FTEs, OPEX, CAPEX) • success measures (input into LOS and p/m review) <p>Plus signalling changes for Years 1-3 of 2018 LTP (input into Business cases)</p>	In principle a good concept.	<p>August/Sept is a bad time of year for Finance.</p> <p>From finance point of view it was really messy. Some requests for additional funding didn't make it into business cases and staff interpreted instructions differently (e.g. different treatment of depreciation)</p>	<p>Finance is implementing a financial system that will replace it. The new system will be ok for tweaking existing codes (including justification) but not major new stuff.</p> <p>Start earlier with greater focus on new initiatives.</p>

Area/Deliverable	Notes	What went well	What didn't go so well	Recommendations
	Exec had an away day 25-26 Sept and the intent was to review consolidated existing and new projects "mother of all summaries" and prioritise which "projects" to go forward to business case stage.		No feedback to budget holders.	Rec: Greater focus on project justification for new stuff against the outcomes. Get indication early on from Councillors on appetite for new initiatives as part of SP review.
Business cases	Original intent was to provide council with an integrated "package" of proposals for new funding that aligns cross-functionally under the four strategic priorities (L/W/B/Services)	Indicative business cases were produced for key topics	These were discrete rather than by domain. Some major funding proposals were light on detail (with thinking done post adoption).	
Budgeting			Reorganisation changes created rework and still messy. Finance under pressure until December. Annual Report not done until end October. Convincing Audit that dividend assumption was secure. Budget holders confused about what funding they had and how that compared to what they originally asked for.	Rec: Budget and schedule external advice on forecasting and interest rates. Rec: personalised communication to budget holders (on what made it in/out of the budget post prioritisation).
Financial Strategy and Funding policies.	Including R&F, Treasury, Rates Remission and Postponement Policies	Whiteboard session to re-do the structure.		

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Area/Deliverable	Notes	What went well	What didn't go so well	Recommendations
		Treasury Policy much improved. Revamp of funding policies so more confident operate as a package and legally compliance.		
Council workshops and/or meetings	Council workshops/ meetings were held on: 23 August 11 October 25 October 8 November 29 November 11 and 13 December 31 January 14 February 28 February 14 March to adopt support docs and CD 22-27 May for hearings and delibs 27 June to adopt final LTP.		Presentations, material on the day that they hadn't seen it before. Too much going on and complexity Too much change detracted from Capital review and late decision not to consult on change from LV to CV dominated a lot of scheduled council meetings. Desire for double debate.	Rec: Give Councillor visibility of pathway/sequencing of big rating financial changes: Strategic pathway. E.g. Year 2: LV to CV Year 2: \$100M forestry Year 3: Timing of rates invoices and penalties. Year 3?: consultation on increasing flood protection in Upper Tukituki Rec: Produce roadmap.
Consultation Document	The Consultation Document is the primary engagement tool with the community. The objective was to develop a "fit for purpose" consultation document that: <ul style="list-style-type: none"> is an easy, interesting and relevant read for our residents and ratepayers 	Tailored letter to Wairoa and CHB. Macro strategic view from James was good and used to write the CD. Ideally earlier.	We had back and forth with the auditor on what to include/exclude as a significant issue that required options e.g. Civil Defence; Regulation; Writing to every ratepayer generated a lot of irate	High bar set now on what to include with key consultation with options: Daylight these earlier: <ul style="list-style-type: none"> Coastal Hazards MARS/water storage

Area/Deliverable	Notes	What went well	What didn't go so well	Recommendations
	<ul style="list-style-type: none"> articulates the right debate i.e. provides policy and service delivery choices for informed submissions from residents complies with legislation, including describing significant issues and choices facing the council and the consequences of those choices and the consolidated impact of the various proposals on rates, debt and levels of service 		phone calls and drop-ins resulting in a lot of staff time and returned mail.	
AMPs/ Infrastructure Strategy		<p>Having David on the project team gave us visibility of the IS and confidence that it would be completed on time. AMPs done earlier with good flow into IS. Better than last time but Audit still had concerns over readability.</p> <p>Integration between IS and FS was better largely via Gary and Manton but too late, particularly big \$\$ and changes to timing.</p>		

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GOAs, LoS and performance measure	<p>Objective was produce a logical grouping of activities that:</p> <ul style="list-style-type: none"> • Simplifies the structure of the Long Term Plan so that it is easy to read and get a good understanding of Council business and its value to the community • Provides an effective basis for meeting the current legislative requirements for performance measurement and management (and facilitates a reduction from 145 to around 40 performance measures) <p>To conduct a Level of Service (LoS) Review by that:</p> <ul style="list-style-type: none"> • Updates current Levels of Service to reflect the new strategic direction of the Council • Prepares key staff to provide effective advice to councillors on future work programs • Develops workshop material that provides clear guidance and recommendations to Council concerning proposals for changes in LoS and funding • Produces Council decisions on LoS and funding that anchor the future work program and provide major topics for consultation ("Right Debate") • Provides a clear basis for the development of 10-year budgeting 	<p>Mirrors our organisational structure to make it relevant to staff.</p> <p>Reduction of measures from 145 to 60 with strong focus on major matters (output/outcomes vs. activity measures "busy being busy")</p>	<p>Staff at third tier and below had limited opportunities to input into LOS, performance measures and GOA section of LTP.</p>	<p>Rec: Set baselines and metadata for 23 outcome measures.</p>
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	<p>To develop a Performance Measurement Framework that:</p> <ul style="list-style-type: none">• Specifies performance measures and targets for the ten years of the LTP for each key Level of Service• Shows the linkage between performance measures and council outcomes in a logical framework with good narrative• Shifts the organisation from output to impact measures and reduces the total from 145 to around 40.			
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Area/Deliverable	Notes	What went well	What didn't go so well	Recommendations
Other supporting documents	Financial statements, FIS, significant Accounting Policies SEP, Statement on Maori capacity, Assumptions, CO, CCOs, Schedule of Fees and Charges			Oppt to revamp our financial statements. .
Audit		Reasonably smoothly. Much better than last time.	Audit gave late feedback on documents despite having them for some time and/or wanted changes made to things we had discussed with them months earlier, for example ...	Rec: agree what are key consultation topics.
Consultation		Video of locals which in CD meetings, radio. Wufoo forms had some good points (1. easy for submitters to complete; 2. easy to search and find a submitter).	Writing to every ratepayer generated a lot of irate phone calls and drop-ins resulting in a lot of staff time and returned mail. No daytime meetings.	Rec: letterbox drops is cheaper and just as effective. What we do effects whole community vs just ratepayers. Summary too short. Cleaner process if one document.
Submissions, hearings and deliberation process		Positive feedback HB Tourism forum	Our process for assigning submissions to staff to respond to is manual so time consuming and prone to error.	Rec: it would help GMs if submissions were tagged with a theme to help with recommendations. Rec: look how Wairoa, Napier were using Wufoo. Rec: More forums by topic (similar to tourism forum).

Area/Deliverable	Notes	What went well	What didn't go so well	Recommendations
Tāngata whenua	11-13 December material was sent to RPC T/W advisors.	Much of what the MSC asked for was achieved – greater presence in document through bilingual heading, Mike Mohi's foreword, Statement on Maori capacity upfront. Photo on front cover.	T/W Co-Chair declined to write a Foreword to demonstrate Co-Governance resulting in missed opportunity. We set an expectation upfront of greater involvement but it wasn't followed through any genuine way.	
Final document		Reduced pages from 306 to 281. CO measures for first time. Bilingual headings.	Print quality was bad e.g. photos too dark, printing from a PDF.	Rec: Summarise policies to reduce pages from 80. Rec: external proof read of final document. Rec: agree conventions e.g. commas at the end of bullet points so multiple authors are using consistent formatting. Rec: print from word.

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

Wednesday 06 March 2019

**Subject: ORGANISATIONAL PERFORMANCE UPDATE FOR THE PERIOD 1
JULY 2018 TO 31 JANUARY 2019**

Item 11

Reason for Report

1. This report provides an update on operational activities and performance (financial and non-financial) for the first seven months of the 2018-19 financial year to 31 January 2019.

Decision Making Process

2. 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 Corporate and Strategic Committee receives and notes of the “***Operational Update for Seven Months Ending 31 January 2019***” and provides feedback to Council staff.

Authored by:

**Kelly Burkett
BUSINESS ANALYST**

**Manton Collings
CHIEF FINANCIAL OFFICER**

**Peter Wallwork
PRINCIPAL ADVISOR -
ORGANISATIONAL PERFORMANCE**

Approved by:

**James Palmer
CHIEF EXECUTIVE**

**Jessica Ellerm
GROUP MANAGER CORPORATE
SERVICES**

Attachment/s

[!\[\]\(097cdd6c9c875b64d9b8c9a2409491c4_img.jpg\) 1](#) Organisational Performance Report 1 July 2018 - 31 Jan 2019

HAWKE'S BAY REGIONAL COUNCIL Organisational Performance Report

1 July 2018 to 31 January 2019

Item 11

Attachment 1



Prepared 25 February 20

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Executive Summary

The purpose of the Organisation Performance (OP) report is to provide a snapshot of the programme of activities agreed to deliver the objectives of the annual plan, Long-Term Plan (LTP) and corporate support that underpins the organisation. This report covers both financial and non-financial measures and is for the period 1 July 2018 to 31 January 2019.

The Financial Information section of the report covers operating and capital expenditure and income to Council. The report also covers the following functions:

- Human Resources
- Media
- LGOIMA
- Risk
- Maori Partnerships
- Integrated Catchment Management (ICM)
- Corporate Services
- Asset Management
- Civil Defence Emergency Management (CDEM)
- Policy and Planning
- Transport
- Regulation

The **financial summary** performance indicators are:

- ✓ Operating expenditure is largely on budget with some underspend due to delays in recruiting of planned new staff, however full year-end operating expenditure is expected to be on budget.
- ✗ Capital expenditure is significantly underspent due to the timing of some significant projects, and some are still in implementation phase. A number of these capital expenditure projects run over several years and we should have an accurate forecast as to how this expenditure is tracking against budget later in the year.
- ✗ Income is behind budget due to the selection and process for initiation of dual fund managers being more complex than anticipated.

The **non-financial activities** of the report cover:

- The agreed Performance Measure for each activity
- Actual performance achieved year-to-date (YTD)
- Commentary/Highlights on the Actual Performance which explain why the performance level is at the level achieved
- Explanation where necessary when any reforecasting of future performance is required.

High-level non-financial performance indicator results show:

- ICM Science section published 9 reports in this report period
- 1270 Biosecurity Total Control sites visits including 38 high risk sites, have occurred

- Significant pest control and eradication programmes are occurring resulting in the culling of identified pests
- Cross organisation discussions with a number of entities including Horizons, Department of Conservation (DOC) and Gisborne District Council (GDC), is resulting in timely and co-ordinated working strategies such as pest management
- There is a new CDEM/Police command control centre being built in Hastings which will improve response capability and timeliness
- With the appointment of our new Te Pou Whakarae within the Maori Partnership group, we are aiming to improve Council-wide understanding and embracement of Maori culture, customs and practices
- The Council has a pro-active and structured approach to managing risk and the quality of information has improved significantly over the last year with the result of a far higher awareness of our key risks
- The Council established a dedicated Project Management Office (PMO) during the year, which is currently actively supporting 19 pilot projects. The consistent framework with templates, training and tools implemented by the PMO will be reviewed in April this year and the results of this review will be published in a report for C&S in June 2019.

Given this is the first comprehensive performance report produced by Council, it is anticipated that extra functionality will be introduced over time. Future reports will cover:

- Communications
- Works Group activities
- Road Safe Hawkes Bay
- Council's progress to be carbon neutral

It is anticipated that future reports will also include outcomes reporting against the LTP and the Strategic goals.

Financial Information

Operating

Overall operating expenditure is largely on budget, with some exceptions; delays in recruitment of new staff as budgeted in the LTP has resulted in some cost savings, however, additional Westshore renourishment and Port Consultation costs have significantly exceeded budget by \$139,000 and \$231,000 in external costs respectively, staff are considering ways to mitigate the impact to the year end results.

Capital

Overall capital expenditure is significantly behind budget due to major projects that have been delayed or are in implementation stages. These are River design and construction for the Heretaunga Plains uplift and the renewal programme for Heretaunga Plains pump stations. These projects are behind budget due to the challenges related to hiring staff with the appropriate skills and experience in this area. Farm Environmental Management Plans (FEMP) has had slow uptake from the public outside of the Tukituki and Erosion Control Schemes (ECS) are behind budget due to timing and should progress from here. Biodiversity capital spend is behind budget as they are in the process of forming agreements with land occupiers of the candidate sites for access and long term protection.

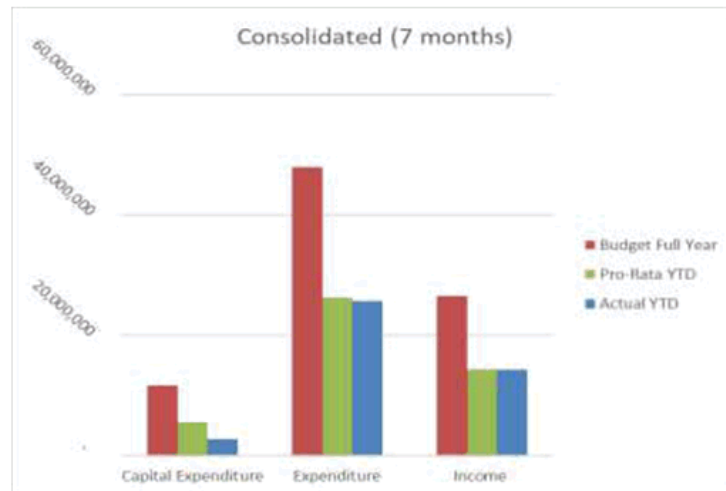
Income

The returns on investment income are behind budget. The process of selecting and appointing dual fund managers and distributing funds has taken much longer than anticipated. The time delay has meant that funds have been in short term deposits earning less than 3% compared to a budgeted return of 4.5% for much of the year to date. There is currently a \$478,000 negative variance however with the funds now fully placed there may be some recovery by the end of the year. Council will continue to be updated on the overall performance and of any mitigation that may be required.

Reforecast

A full year reforecast will take place at the end of March based on 9 months actuals, it will be presented to Council in April. This will account for all variations from budget both favourable and unfavourable and will give an anticipated year end position.

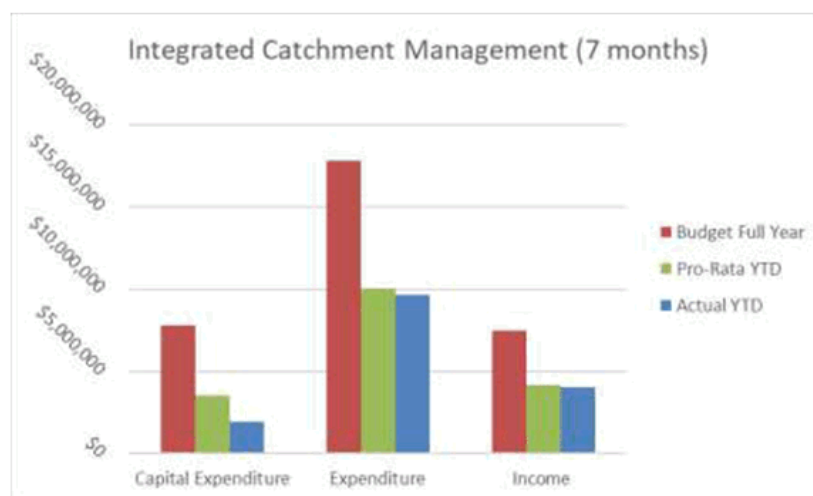
Individual Groups of Activities



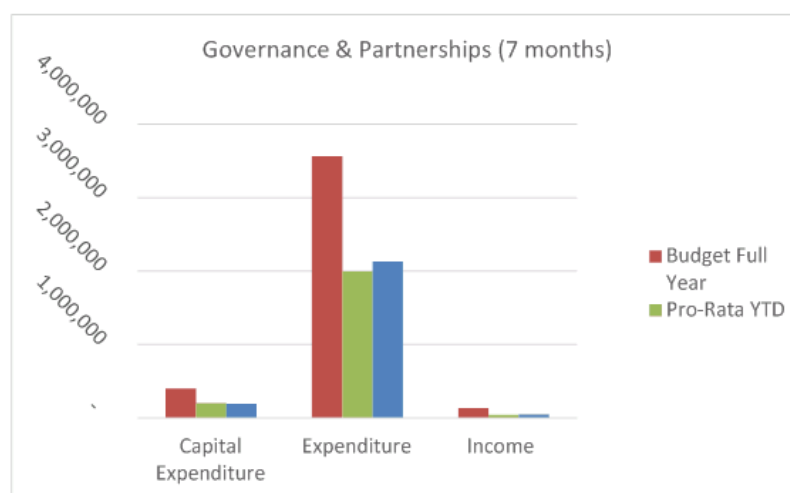
Operating expenditure slightly behind pro-rata budget due to the delays in recruitment of extra staff factored into the Long Term Plan and the slower than anticipated spending on external consultancy which will increase over the next few months for projects such as the Water Conservation Order.



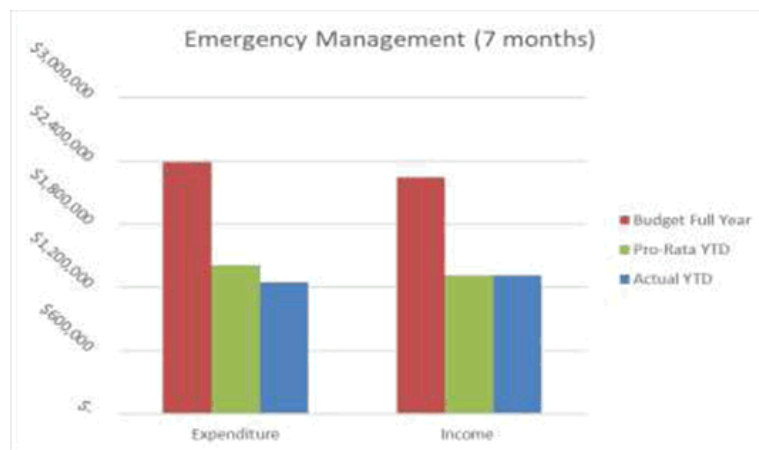
Operating expenditure largely on track for the seasonal maintenance programme. There has been additional spending for the Westshore renourishment programme to be funded by an increase in general funding next year. Income remains on target as the majority of these projects are funded by targeted rates. Capital expenditure is well behind budget mostly due to internal resourcing which has been addressed and will be included in the 2019/20 Annual Plan. This includes the capital work on river design and construction for the Heretaunga Plains Flood Control Scheme uplift and the renewal programme for Heretaunga pump stations.



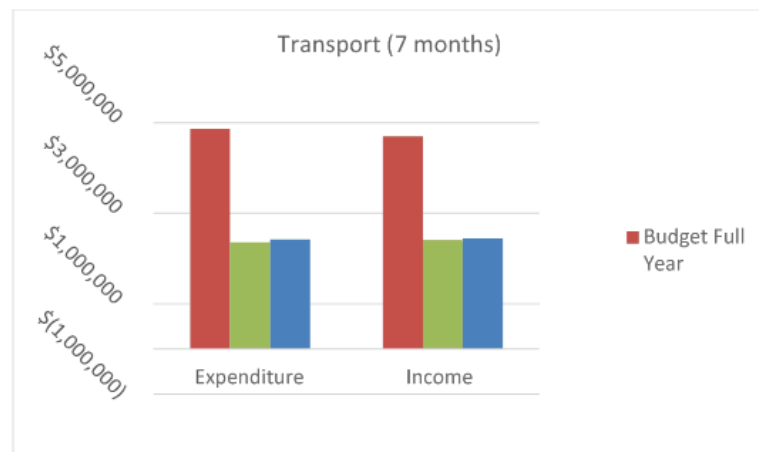
Operating expenditure is behind budget due to slow progress in the environmental hotspot projects and the start of the future farming project. Environmental hotspots are tracking as expected with the majority of the costs occurring closer to winter. Future farming is still in the implementation stage and a working group has been established who are looking at future structures. The budget for the year will be underspent. The rest of the business as usual projects are tracking on budget. Capital expenditure is slower than anticipated for the FEMP scheme, ECS and Biodiversity capital spend. This is due to set up of the policy, networks and the uptake from the public. These are all loan funded and therefore the funding is only drawn down when required.



There are two projects with significant variances to budgets. The Tangata Whenua Engagement project is under budget due to delays in recruitment of planned staff as per the LTP and an existing vacancy. Port Consultation costs exceed the budget. They are currently \$360k vs the budget of \$100k. There is consideration about where these costs should sit with potential to move some of these to Hawkes Bay Regional Investment Company (HBRIC) Ltd and effectively wrap up into the costs of the transaction.



Emergency management is slightly behind budget YTD due to staff vacancies and replacement timing.



Transport is on track for this time of the year with monthly New Zealand Transport Agency (NZTA) reimbursements.



Consents are well ahead of income targets as there has been significant work done on Pan Pac and Port Consents in the first 6 months of the year. There is still a concern that Compliance are spending more time in non-chargeable pollution response than in chargeable compliance but overall income from the regulation space is on track.

Organisational Information

Human Resources

The Human Resources (HR) team has been predominantly focused on recruitment in the last seven months with an exceptional number of new roles created as part of the LTP process. The HR team was increased from 1 FTE with .5 FTE administration support to 3 FTE in 2018. This team also deals with health and safety with external assistance.

A new performance management process was also developed and introduced this financial year which focuses on a number of key aspects of staff performance. This will be further refined to ensure it is workable and adding value.

A review of the remuneration structure is also under way to ensure it is fit for purpose and meets the varied requirements of a modern work force.

A manager and team leader development programme has been expanded this year after very positive feedback from an initial group of managers who undertook the initial 12 month programme.

An external audit of health and safety processes and practices was undertaken in the latter part of 2018 and identified a number of measures that should be taken to improve and implementation of these are currently underway.

	January 2019	2018-19 YTD	2017-2018
Full - Time Equivalents (FTE)	242.5	242.5	237
Number of positions	258	258	253
Number of part time positions	39	39	38
Number of fixed term positions	11	11	15
Vacancies	6	6	47
Resignations	5	11	16
Accidents/Incidents	9	43	67

Current staff percentages

	January 2018 (%)	July 2018 (%)
Male Staff	50.4	46.6
Female Staff	49.6	53.4
Male Staff - 3 rd tier manager and above	61.1	63.5
Female Staff - 3 rd tier manager and above	38.9	36.5

Leave

	January 2019	June 2018
Average Annual Leave Balance *	10 days	15 days
Average Sick Leave taken*	3.18 days (YTD)	5.7 days (full year)

*Excluding Works Group

Of the 14 councils, nine record the average sick leave days taken metric with HBRC at the lower end of the scale in terms of days taken

Recruitment and Retention

Turnover in the YTD period has remained low but we have had significant issues recruiting in the area of river and drainage engineers despite doing extensive advertising and passive applicant identification through sources like LinkedIn. There is a national and indeed worldwide shortage of experienced and qualified river engineers.

We have a good package of benefits offered to applicants that compare well with other employers and salaries that are assessed against the market to ensure we are able to compete in the market. Salary data is reviewed annually.

Some roles will always take significantly more time and resource to fill. We have recently adopted a new recruitment process which has helped in some areas, e.g. senior planners but has not worked well in engineering roles. We are currently exploring another option to more clearly identify and approach passive applicants who may not normally apply but who have the skills we need. We also need to accept that overseas search is another option requiring more focus.

Recruitment expense is currently \$125,598 for the YTD from a total year budget of \$140,000. This budget was significantly increased from previous years due to the anticipated increases in recruiting the staff signalled in the LTP. It also reflects in part, the use of relevant specialist recruitment consultants to recruit for difficult to fill roles, e.g. river engineers. Council has tried to play a small part in addressing the shortage of river engineers by employing an engineering cadet each year during vacation period with the option of a year's full time employment at the end of their study. Unfortunately, we have been unsuccessful in getting any of the students we have hired over the last 5-6 years in the cadetship, into the final year employment option, for a variety of reasons. It is a programme we will continue with. Nationally, there is a programme of work underway, sponsored by the river engineers special interest group (SIG) and initiated by the human resources SIG, to consider a range of initiatives to improve the national situation. However it will be a few years before any direct benefit comes from this programme once commenced.

Health and Safety

We are proactive in the health and wellbeing of employees and encourage staff to utilise the workplace programmes on offer, in the 7 months to date 40 mole maps were completed with 10 staff being advised to have further treatment, and 3 pre-cancerous lesions were identified. Eye tests (3) and work station assessments (2) have also been completed by staff.

For the next two months our wellbeing focus will be on 'moving well'

Resulting from the recent Crowe Horwath audit recommendations, the following draft documents have been prepared:

- An implementation plan has been prepared which outlines the actions planned over the next 12 months to address the audit recommendations. This will be considered shortly by the Executive.
- A Health and Safety governance charter for Council has been drafted for Executive consideration.
- A Council Health and Safety Strategic Plan 2019-2021 has been drafted to outline longer term goals and which links to the governments Health and Safety at Work Strategy 2018-2028, for Executive consideration.

Health & Safety risks across the organisation are currently being reviewed.

Recently the government announced the availability of funding for initiatives to improve health and safety. We have initiated a meeting with the other four councils in the region to discuss a regional application for a health and safety initiative with contractors to compliment what we presently achieve using Sitewise for pre-engagement H&S documentation from contractors.

A process to have Executive and Councillors undertake appropriate site visits is being developed.

Media Summary

From the beginning of this year all media enquiries that come into the Regional Council are now recorded. This gives us the ability to analyse how many enquiries we are receiving on certain subjects and the types of media requesting information.

For the month of January, we received 30 media enquiries on a variety of subjects including 7 on Pan Pac wastewater, 3 on the Port sale and 3 on the Clifton cliff collapse. Three media releases were issued. The Media log is as Appendix 2.

Local Government Official Information Management Act (LGOIMA) Summary

In the period of this report we had 50 LGOIMA requests to respond to, out of these 1 was withdrawn, 2 were partially withheld, 1 partially refused and 2 were refused. For the same period in the 17/18 year we had 52 to respond to. A LGOIMA log is attached as Appendix 3.

Risk

Council's risk management policy is to hold six monthly risk management workshops with Group Manager's and their direct reports. Strategic level risks were assessed and reanalysed in these workshops and Executive members have additionally committed to further driving risk mitigation strategies. The risk matrix was presented to the finance, audit and risk sub-committee in both September 2018 and February 2019. These presentations consisted of providing the most up to date organisational risk matrix, along with a summary of "what's changed" and detail surrounding further progress and capability within HBRC. Sub-committee members were comfortable with both updates, with questions raised around level of detail within the matrix for CDEM, staff retention and welfare, and environmental protection which will be a focus for the next sub-committee update. There is a planned review of risk management to occur within Quarter 1 of 2019/20.

Group Information

Integrated Catchment Management

Science

The Science team finalised its contributions to the Tutaekuri, Ahuriri, Ngaruroro and Karamu (TANK) policy process, including final work with the various focus groups and the main TANK collaborative group. Several significant reports on associated technical work were completed, particularly from groundwater-surface water modelling. Technical contributions and evidence on water quality and hydrology were provided to the hearing on the proposed Water Conservation Order for the Ngaruroro River. Improved methods for delineating proposed source protection zones around aquifer drinking water supplies were completed and discussed with the Joint Working Group on Drinking Water. The National Institute of Water and Atmosphere (NIWA) were persuaded to operate a subsea 'glider' in Hawke Bay to collect new ocean data. A draft 'suitable to burn' app was created to help reduce the impact of agricultural burning.

Performance Measure	Actual Performance
Publish 12 monthly State of Environment (SOE) reports and publish annual SOE reports for 2018/19, and 5-year summary report	Trend reports have been published monthly. The annual report cards have been published for 2018. The 5-year report is being designed and written
Analysis & reporting - publish investigative reports on particular environmental science topics	<p>The following reports were published:</p> <ul style="list-style-type: none"> • Surface water quantity scenario modelling in the Tūtaekurī, Ngaruroro and Karamū catchments • Heretaunga Aquifer Groundwater Model Scenarios Report final • GNS Science Heretaunga Modelling Uncertainty Runs Letter Report White 2018 • Aqualinc Irrigation water demand land surface recharge assessment Heretaunga • Aqualinc TANK upper catchments Irrigation demand modelling Final 20180713 • Stochastic source protection zone delineation in Heretaunga Aquifer using a numerical groundwater model • Design of a Riparian Monitoring Survey for the Hawke's Bay Region • Heretaunga Plains Model Stochastic Scenario Analysis Results Letter Report • Design of a Riparian Monitoring Survey for the Hawke's Bay Region <p>Approximately 700 historical reports have also been prepared for publishing. These historical reports have now been able to be published due to improvements within the publishing process.</p>













Environmental Information

The summer programmes have all started and are progressing well through these hot dry days. Some of these include the Recreational Water Quality programme, Macrophyte and Periphyton assessments, Ecosystem health as well as numerous low flows for the compliance team. Samples have been collected on time and to the relevant National Environmental Monitoring Standards (NEMS). The two summer students have helped immensely and allowed us to continue to gather the large amount of information required for Scientific reporting. Jay Barnard, Tom Edwards and

Graham Morton have also joined the team and have fitted in extremely well. The full team is now located together on the 2nd floor Southern wing of Dalton street which has made life easier on a day to day basis.

Activity	YTD Total
Water Quality (WQ), bug and Phormidium samples taken	1010
Ecology assessments completed	167
Recreational WQ samples taken	319
Flow gaugings	297
Hydrology site inspections	685
Loggers deployed	68
Groundwater inspections & samples	1149
Data requests	39

Catchment Services - Biodiversity

Performance Measure	Actual Performance	Status
Purchase new releases of biological control agents & financially support new agent research	1 release of bio control for Japanese honeysuckle released	
Actions in response to Total Control plant pests, high risk areas & identification of privet sites	1270 Total Control sites visited 38 high risk areas visited 131 privet sites notified	
Annual trend & education programme prepared	Due for completion 30 May, process on target to complete before due date	
Review management of Possum Control Areas (PCA) boundaries & implement Good Neighbour rules	Southern regional boundary subject to agreement with Horizon Biosecurity staff undertake possum control Staff in discussions with Gisborne District Council (GDC) for similar agreement on northern boundary Pest Management Plan operative as at 1 Feb Discussion with DOC over Good Neighbour rules to occur over the next 6 months	
Undertake possum control along boundaries where there is a risk of re-infection	Controls in place for Ruahine PCA, Ruahine Extension & Erepeti PCA	
Provide effective possum control product subsidy	Scheme well supported, products available from Farmlands & PGG Wrightsons	
Monitor at least 10% of area under PCA programme	All scheduled chew card monitoring on target Residual Trap Catch Indices (RTCI) for current season is 1.6% with 12% (33 monitoring lines) exceeding 5%. Total monitoring area is 92,391 ha's.	
Annually treat every rook nest in HB	45 active nests north of SH5 treated 223 south of SH5 treated 269 rooks poisoned due to 9 enquiries being made to Council	
Record & respond to where rabbits are damaging neighbouring properties	No owner complaints received 37 enquiries received & responded to within 5 days, assistance provided as appropriate. Rabbit night-counts scheduled between April & July	
Prepare management plan where rabbit numbers above McLean Scale 4	No properties identified	
Schedule, facilitate & record meetings with Biodiversity Forum to develop Biodiversity Action Plan	Plan agreed by Biosecurity Foundations & Guardians	
Work with Accord partners to establish & administer a charitable trust	Trust established, ongoing discussions occurring to become independent	

Catchment Management

Since July 2018 the main focus of the Catchment Management team has been on the establishment of the Erosion Control Scheme (ECS). This has included the development of core operational procedures and supporting documentation/tools to establish the scheme. Catchment Management are managing live applications and are now in a position to manage landowners from eligibility through development of a multi-year erosion control plan, guide the application and contracting process, audit completed works are to specification and provide first level approval for payment of invoices. Client services are linked in through the contracting and financial management functions.

Projects	Target	Results YTD
Erosion Control Scheme (ECS)	Targeting areas of highly erodible land within the Hawke's Bay. Approximately 252,000 hectares of Hawke's Bay hill country has been identified through modelling as being at high risk of erosion.	The start of this Financial Year (FY) were focused on scheme establishment. Currently staff are engaging with landowners and establishing erosion control plans. We have 13 applications being process with a total value of \$402,141. And as an indication of the value of potential projects arising from landowner engagements, our pipeline shows a total values of \$1.2M for year one.
Hot Spot – Ahuriri	<p>Ficopomatus removal: To estimate the total areal extent of Ficopomatus establishment in the estuary. To remove biomass to try and reduce foothold.</p> <p>Catchment works: Continue to work with landowners identified in the Ahuriri Catchment Land Action Plan.</p> <p>Wharerangi Stream Ecological Restoration: work with landowners and DOC to establish an ecological restoration plan, and undertake works.</p> <p>Catchment Hydrology: SOURCE model development to support the development of a better understanding of the environmental flow needs of the Ahuriri Estuary.</p>	<p>Ficopomatus removal: Aerial survey completed in December.</p> <p>Wharerangi Stream Ecological Restoration: HBRC engineers will start the Wharerangi Stream stabilisation plan in February.</p> <p>Catchment works: 6 key/large landowners committed to fencing, planting and/or wetland enhancements. \$40k allocated to date. Landowner contribution equals 50% of total work cost).</p> <p>The Ministry for the Environment/Hohepa lower Taipo Stream wetland project has been successfully completed and the HBRC contribution for this from the funding has been approved (\$24k).</p>
Hot Spot – Lake Whatuma	This year our focus is on collaborating with tangata whenua, and other key stakeholders, to establish options for Lake Whatuma.	Key stakeholders and iwi agreed a collaborative approach to understand local community and iwi vision and values. This understanding was needed prior to the establishment of any management plan for the lake Furthermore a large portion of the lake is privately owned by a consortium of 15 individuals, and with the possibility that the lake could be purchased a lake/land valuation has been completed. The and the findings are currently being reviewed by the lake/landowners
Aramoana (McHardy) potential land acquisition 44ha of coastal land.	Discussion with landowner, undertake a valuation, establish a	Initial discussion with landowner. Valuation assessment completed and

	management plan then potential purchase.	is being reviewed by the consortium of landowners.
External Funding		\$5.4M - Hill Country Erosion Fund (MPI): Catchment Management team have successfully secured \$5.4million in funding which includes work on the ground, capability building (4.5 new staff), monitoring, and reporting. Funding starts July 2019 for four years. \$100k - Whakaki Economic and Cultural Assessment (MPI) – secured. Funding has started and the project will be completed 2020.

Water Information Services Projects	Targets	Results YTD
Irrigation Check Up Programme 18/19	Undertaking approximately 50 irrigation system checks	54 systems checked to date.
Landowner/ consent holder engagement	Minimum of 200 site visits annually to consent holder properties, spanning whole Hawke's Bay region	59 visits
Water User Groups	Regular meetings and contact with the three local water user groups and other relevant industry groups (HortSector).	Maintaining contact with three local water users group Ran two facilitated meetings with Big water users in Hawkes Bay.

Corporate Services

ICT

Integrated Regional Information System (IRIS) phase one has been completed and the project team are currently working on lessons learned and some system corrections on the billing and invoicing backend.

IRIS phase two which will provide integrated platforms and tools for the ICM group will shortly be under way, suppliers are currently reviewing ICM process maps and matching them to the product in order for the budget to be finalised.

The Customer Relationship Management System (CRM) Project is expected to begin in March. Preparatory work is taking place, with a review of existing systems to collate contacts data. This is a significant project which will change the way in which we manage customer data. It will eventually integrate and support all areas of the organisation, and provide for improved stakeholder and customer management. It will offer complete mobility and create a better experience for both the organisation and its customers.

The Council drone policy has been reviewed to give options for storage and recommendations for metadata standards.

There is a review of Council reporting for level of service measures and outputs. This will take into account current use, future plans and possible integrations with enterprise applications.

Finance

Rates for the year were due at the end of January and penalty letters were issued in the first week of February. There were just under 10,000 penalty letters sent out in comparison with 11,000 the previous year. This is mostly due to a major push for direct debt sign ups.

Debt recovery is ahead of this time last year even with the increased rate take which is an excellent result.

Client Services

Heatsmart numbers are slightly down over summer as expected with an increase in uptake expected heading into winter.

Heatsmart	Actual (# of properties)	Pro-rata (# of properties)	% Acheived
Insulation loans	110	300	37%
Clean heat loans	89	117	76%
Clean heat grants	258	292	88%
Totals	457	709	

The Sustainable Homes programme launched in October with encouraging enquiries and uptake.

Sustainable Homes	Actual Spent YTD (\$)	Pro Rata Budget (\$)	% Spent of budget
Solar hot water	9,565	There is one budget to cover all activities	
Solar PV	-		
Double glazing	-		
Water storage	15,217		
Waste water	14,583		
Ventilation	-		
Clean heat	26,304		
Insulation	245,652		
Total	311,321	290,000	107%

Erosion Control Scheme administration is in its early stages with the number of applications increasing over the last month.

Erosion Control Scheme	Volume	\$ Committed 18/19 year	\$ Spent Current Year	Future Year Commitments – years 2 & 3
Poles	901	26,840		
Fencing	47,273 meters	288,424	\$34,516	
Planting	2,200 plants	254,027		
Weed control	4 applications	1845		
Other	6 applications (diggers, dams)	34,400		
Totals		\$605,536	\$34,516	\$336,109

Procurement and Contracts management policy and processes are currently being reviewed and recommendations from an earlier Crowe Horwath audit are being addressed. A revised procurement policy will be presented to the 22 May 2019 Finance Audit and Risk Committee for consideration with an update on the contract management review.

Fleet and Facilities

The internal redevelopment of the Dalton Street office continues with the compliance team moving back into the building from Raffles Street and walls being removed from the Engineering area to

make that space more open plan. Painting and carpeting in a number of areas throughout the building will continue over the next few months.

A total accommodation review is underway to determine the long term needs of the organisation. This will be presented to Council for consideration later in the year.

Vehicle Fleet	January 2018	January 2017
Total Fleet Numbers	68	58
Plug in Hybrid Electric Vehicle	3	2
Hybrid Vehicle	2	2

Total fleet numbers increased from 58 to 68 during the period due to increase staff numbers as per planned. Fully electric vehicles have increased from 2 to 3, hybrid remains at 2. The Regional Council has an EV first policy although this is a little hamstrung at the moment given there are no EV options available for 4x4 utilities and they make up 70% of the Council fleet.

Marketing and Communications (MarComms)

The MarComms team is currently in a process to restructure this department, it is a review of resource requirements and the appropriate structure to support the organisation.

The MarComms team promoted a Swim thru Summer campaign from 1 December to 31 January. Drawing public attention to the region's great swim spots, it used radio and newspapers, digital channels, videos, vehicle wraps and bus-backs. This complimented the concurrent joint-councils' water conservation campaign running from 1 November to 31 March.

Facebook Likes for January sat at 5,093. The 5 most popular posts in January related to Water Quality, Swim thru Summer and Rates.

Website page views in January were 51,162. 57% of sessions were viewed using a desktop and 43% using mobile or tablet. The most popular pages were: Rates, River levels, Quick Facts, How to Pay (rates) and Swimming.

Maori Partnerships

Māori Partnerships welcomed its Te Pou Whakarae in October 2018, Pieri Munro, with a pōwhiri substantially planned and organised by HBRC staff. During the current year, the capability of the unit has achieved the introduction of a Māori card set designed to assist staff to access Māori words and phrases, it has also investigated the digital application Te Kete Maruaiti (Worksafe) as a replicable product. In addition, the group is scoping a cultural capability framework as a modular tool to lift the cultural competency for HBRC staff. A key upcoming focus will be the development of HBRC's first Māori Partnership strategy, which will provide an overarching strategy designed to embed a far better understanding on the way the Council embraces Māori culture, customs and practices and uses this in every facet of its business. During this period the Maori Standing Committee met 4 times, the Regional Planning Committee 5 times and there were 4 Bi-Lateral meetings with 3 Post Settlement Group Entities (PSGE), Maungaharuru Ki Tangitū, Mana Ahuriri Trust and Ngāti Pāhauwera Development Trust. A further meeting with Maungaharuru Ki Tangitū was scheduled but cancelled at the last minute.

Asset Management

The focus of Asset Management Group over the last seven months has been recruitment of team going forward.

A minor restructure lead to the creation of two new roles being Asset Management Lead and Manager Regional Projects. The Asset Management Lead was created to deliver a roadmap for modernising asset management practices and improved automation and control of scheme asserts. The Manager Regional Projects role was created to focus on delivery of major capital projects such as the Heretaunga Flood Control and Drainage scheme level of service increase from 1:100 to 1:500 level of projection.

Appointments have been made to the following roles: Manager Regional Projects (commencing 1st July), Manager Regional Assets, Team Leader Open Spaces, Team Leader Scheme.

Recruitment continues for Project Engineer, Design Engineer, Principal Engineer and Asset Management Lead.

Performance Measure	Actual performance
Investigations and Enquires	Many ratepayer enquiries dealt with by all team members.
Consultancy Services	Consultancy in this period has been for GDC - Waipaoa stopbank upgrade, modelling and appearing at hearing, as well as Awapuni analysis. Dam break analysis for client in Central Hawkes Bay (CHB). Dam break analysis for client in Wairarapa. Bridge hydraulic analysis for client in Gisborne (not GDC). Stopbank analysis for proposed Ebbett extension on Tutaekuri.
Westshore Coastal Works	Renourishment completed.
Coastal Processes	Coastal Strategy on track. Modelling work for Clifton to Tangoio is progressing well. Joint project funded by Napier City Council (NCC) and Hastings District Council (HDC).
River Cross Sections	On track - survey work is to be done in summer.
Regional Park Network	Regional Park assets are being maintained protected and enhanced as per plan
Flood Risk Assessment	This project is mainly used to perform analysis or design, or answer queries to do with flood issues, or the risks associated with flooding. During this period, staff time was used to produce analysis for the Esk flood in March 2018.
Flood Warning System	Flood warning system has been working well, no operational concerns.
Flood Forecasting and Hydrological Flow Management	Latest river surveys (Waipawa) have been incorporated into models. Several projects allocated to this budget are being worked on.
Waitangi Regional Park	Regional park assets are being maintained, protected and enhanced as per plan. Phase 2 planning of the Compass Wetland is currently in progress. Waitangi-Lower Tūtaekuri Flood Plain (Horseshoe Extension) Wetland currently in progress.
Pakowhai Regional Park	Pakowhai Regional Park assets are being maintained, protected and enhanced as per individual park plan. New car park completed in December.
Tutira Regional Park	Maintenance of park assets and park being progressed satisfactorily. Overall park plan and post-pine harvest planting options

	for the park currently being developed pending completion of farm environmental plan.
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CDEM

A key focus of the CDEM group is the completion of their new building in Hastings. The new office will be combined with New Zealand Police and becomes the response command centre for the Hawkes Bay. The activities completed this period support CDEM's agreed Performance Measures.

Performance Measure	Actual Performance
Response Management	The Emergency Procedures, Standard Operating Procedures (SOP) and team structures have been maintained, including inductions & training for new staff, and the Business Continuity Plan was reviewed September 2016 with current version on Herbi. The Duty Management Service continues to operate well, and has been maintained with rosters and manuals.
Reduction - Hazard Risk Assessment and Mitigation	Ministry of Civil Defence and Emergency Management (MCDEM) Resilience Fund - Hikurangi Response Plan Project commenced to mitigate risks. Project plan adopted, stakeholder workshop to be held across 5 Groups Feb/Mar. Media & educational videos being prepared. 10-year Research Plan work - Proposal provided by GNS to assist identify high hazard and high risk areas for Hawke's Bay rockfall and cliff collapse - under negotiation. East Coast Life At the Boundry (LAB) promotes public hazard awareness. Subcontracted to contribute to several science projects including MBIE Hikurangi/Seismogenesis Hikurangi Integrated Research Experiment (SHIRE) research, GNS Citizen Science, National Science Challenge Kura & Participatory Technology (P-Tech) projects, and Natural Hazard Research Platform (NHRP) Agent-based tsunami evacuation modelling. Hosted Napier Tsunami resilience workshop September.
Readiness & Response	No issues
Recovery & Coordination	On track - no issues
Local Emergency Management	On track

Strategic Planning

Strategy and Projects

The Project Management Office (PMO) was established to act as a centre of excellence for project management. HBRC now has dedicated resources to implement a consistent best practice project management (PM) framework across the whole organisation in a structured and supported manner.

19 pilot projects were selected and approved by the Executive Team as a mix of size, type, phase and cross-function across the organisation.

The reporting on these 19 projects has commenced with both the Executive Team and the Corporate and Strategic Committee and will be continuing through this organisational performance report.

The PMO report is attached as Appendix 1.

Policy and Planning

A more extensive snapshot is provided to the Regional Planning Committee (RPC) every second month so this information is already shared with Councillors and the tāngata whenua representatives

Project	Update
'Plan Change (PC) 5' Integrated land & freshwater management	Publicly notified, decisions on submissions partly subject to appeal
'PC7' Outstanding waterbodies plan change	Under preparation. Not yet Notified
'PC8' Taharua & Mohaka Catchment plan change	Under preparation. Not yet Notified
'PC9' Greater Heretaunga/Ahuriri catchment area plan change (a.k.a TANK project)	Under preparation. Not yet Notified
Timing of minimum flows in the Tukituki River catchment	Policy planning staff have been scoping out the merits of a preliminary plan change process to defer dates for some of the minimum flows in the Tukituki River catchment
Responsiveness to 'National Direction' (i.e. legislation incl NPSs, national Regulations, national standards, etc)	Staff in the HBRC policy and planning team continue to maintain active exchanges with officials within the various relevant government ministries who are leading the below workstreams and a variety of related workstreams not featured below. <ul style="list-style-type: none"> • Resource Management Act (RMA) Amendments • National Policy Statement for Freshwater Management (NPSFM) Amendments • Review of National Environment Standards (NES) on Air Quality • Review of NES for Human Drinking Water Sources • Preparation of RMA National Planning Standards • NES for Plantation Forestry • National Policy Statement (NPS) on Urban Development Capacity
Statutory Acknowledgements of Treaty settlements	No further Treaty settlement legislation relating to parts of the Hawke's Bay region has been passed into law since the previous update (21 September 2018)

Transport

During the period of this report most of the services between Napier and Hastings had patronage increases, while most of the suburban services showed decreases, including Route 14 Napier-Maraenui-Onekawa and Route 20 Hastings-Flaxmere. Our new website (www.goBay.co.nz) went live at the end of December and feedback has been very positive, with over 64,000 page views since the site went live. The project to implement a new bus ticketing and smartcard system for nine regional councils across New Zealand is now well into the implementation phase. Initial testing has been carried out but the project has been delayed due to further development and testing requirements. In April HBRC will be making some minor changes to the bus timetable.

Transportation	YTD	Monthly Average	Full Year 17/18	Monthly Average 17/18
Bus Passenger Numbers	323274	53879	666127	55511
Total Mobility Trips	48813	8135	94024	7835

Regulation Group

A number of activities have been going on in the Regulation group during this reporting period, including; IRIS going live in November for consents and compliance, forestry NES operative (June)

and implementation commenced, participation in CHB wastewater review, participation in Tukituki taskforce as well as contributing to TANK.

Consents processed include:

- Wantara Farms application to take ground water. The last of the Otane basin allocation. Limited notified - granted.
- Clifton coastal protection works Hastings District Council. Notified - granted - no appeals.
- Port of Napier wharf extension and dredging works and disposal. Notified - granted - no appeals.
- Pan Pac direct referral (prehearings) (to be heard April 8th 2019)
- HBRC gravel consents notified (February)
- Te Mata Mushrooms Brookvale (pending hearing awaiting HDC process decisions)
- Te Mata Mt Herbert Rd Waipukurau applications lodged and in process.
- Silver Fern Takapau meat processing plant discharge permit replacement application lodged and in process
- Unconfined aquifer (Gimblett gravels, Raupare areas) consents lodged and being processed as a group
- Wairoa wastewater discharge permit replacement application lodged and in process
- Feedlot Declaration started and withdrawn

Compliance

- PanPac break in pipe
- Napier City Council damaged pipe and outfall monitoring

Harbourmaster

- Mahia speed restriction area piles installed
- Bylaw requiring Jet Ski registration implemented (85 jet skis registered). Less complaints as a result.
- Successful prosecution of boat skipper for damage to HDC outfall and navigation buoys.
- Sunken boat salvaged from inner harbour.

Consents

Performance Measure	YTD
Applications Received	217
Consents Issued	274
Consents processed within Timeframe	100%

Compliance

The decrease in resource consents monitored is attributed to the amount of time staff have been involved in implementing IRIS and inputting data. This has cut down on the available time to monitor resource consents.

Pollution Response

We have issued 50 infringement notices, 23 abatement notices and initiated 1 prosecution during this period. The infringement notices were issued for a variety of offences, 50% for discharge of

contaminant into air (smoke and/or burning), 24% for discharge of contaminant into water/land and 18% for discharge of contaminant into environment from industrial or trade premises.

Performance Measure	YTD	YTD 17/18
Number of Pollution Calls received	703	662
Number of resource consents monitored	707	846

Item 11

Attachment 1

Appendix 1

PMO

Overall Status (Change from previous report to C&S in December 2018)	Project Name	Escalations
Red (No change)	Regional Integrated Ticketing System (RITS) *This is a national project to implement a new bus ticketing and smartcard system for nine regional councils across NZ. It is run by a consortium of the nine councils.	Schedule – The project has been delayed due to INIT (the provider) being behind schedule with system development, and a recent site acceptance testing phase has identified further issues with the back end of the system and regional inter-operability. It is likely the revised implementation date for HBRC's system will be July 2019 (previously scheduled for April 2019). Budget - Further delays to the project are requiring budget revisions. Project management team is negotiating redress with the supplier. Risks – As noted above, HBRC's implementation date is to be rescheduled. There are several further phases of testing which we will take part in and at which we will specifically test our own fares, routes, zone structures etc. HBRC has been assured that no region will go live until it is satisfied with the system's functioning. All risks are being managed at the consortium level.
Red (No Change)	Public Access to Rivers	Scope, Budget and Schedule – This project requires a critical review to ensure clarity in scope and budget. Current project shows a duration of 10 years. It may be replaced by a number of smaller projects. The review will occur when project management resources are available. The project currently has no project manager, recruitment is continuing. Manager Regional Projects has been appointed and will start in July 2019. Team Leader open spaces has been appointed and is a key stakeholder for project scope.
Red (No change)	Heretaunga Plains Flood Protection Scheme (HPFPS) Levels of Service (LOS) increase	Scope and Budget – This project also requires a critical review to ensure scope and budget clarity. It may also need to be divided into smaller projects. The project currently has no project manager, recruitment is continuing. Manager Regional Projects has been appointed and will start in July 2019. Budget is \$1.1million (M) per year for construction and \$0.1M per annum for enhancement. A total of \$20M over a 20-year period. With significant project planning and

		<p>design required it is unlikely that construction will commence this financial year. Cash flow based on schedule needs to be produced.</p> <p>Schedule – There is currently no high level schedule of Initiation, Planning, Execution and Closure. There are significant land issues to be resolved depending on the option selected to increase LOS from 1:100 to 1:500 which may require consultation and time to resolve.</p>
Amber (Improved)	Whakaki Hot Spot	<p>Risk - The Hot Spot catchment works are not at risk. The risk relates to obtaining Ministry for the Environment funding for the Freshwater Improvement Fund. In terms of the application, we are in a critical phase in that we need to get the remainder of the Affected Party forms signed by mid-March. There is difficulty in identifying landowners/managers of non-administered blocks. There is also a risk that the consent process may not be completed in time for the application. The process will be slowed down also if it is identified as needing to go to limited notification. The consent process is being closely monitored, no intervention is needed at this stage.</p>
Amber (Improved)	Implementation of HBRC MERI framework (Monitoring, Evaluation, Reporting and Improving)	<p>Risk – Internally, lack of knowledge and/or external resourcing for the social science aspects of the MERI. Financial implications of engaging an external consultant for this.</p> <p>Budget – A new job code has been established for council staff to put their time against for MERI implementation work. Funding has been requested for external consultants for the social science aspect of the MERI.</p>
Amber (No Change)	State of the Environment Monitoring - Lakes	<p>Risk – Diatoms look to be crashing in Waikopiro, and the lurking cyanobacteria may yet cause further problems. The lack of telemetry to enable automated warnings is a risk because it means we are unable to act as quickly.</p>
Amber (No change)	TANK (Tutaekuri, Ahuriri, Ngaruroro and Karamu) to becoming operative	<p>Schedule – Minor amendments to the schedule resulting from the Outstanding Water Bodies (OWB) programme (allowing for workshops to occur early 2019).</p> <p>Budget – Consideration is being made to the appropriate options for advertising the plan change mid-2019. There will be budget implications regardless, just varying</p>

Item 11

Attachment 1

		<p>degrees of cost.</p> <p>Additional budget is required to enable consultant to complete the s32 evaluation report. This is yet to be finalised.</p> <p>Risks – The timeframe for the OWB has the potential to significantly delay the notification of the TANK plan change (should there be further delay in the process beyond the anticipated timeframe). This would be beyond control of staff, Regional Planning Committee (RPC) and Council.</p> <p>The GNS peer review of the numeric modelling is being discussed by the Joint Working Group (JWG) on 28 February. There is potential risk involved should there be disagreement to support the peer review, potentially leading to JWG and HBRC having opposing opinion. This would then be reported to the RPC for their determination of model to be adopted in the plan.</p> <p>Scope - No further change to scope this period.</p>
Green	<ol style="list-style-type: none"> 1. IRIS Phase 1 (Integrated Regional Information System Implementation) (Improved) 2. Napier Port Consultation (Improved) 3. Ecosystem Prioritisation and Implementation 4. Te Waiu o Tutira 5. Ahuriri Hot Spot 6. Ruataniwha Groundwater 7. Predator Free Hawkes Bay 8. Future Farming Initiative 9. Hawke's Bay Tourism Funding Review 10. Farm Environmental Management Plans 11. Improving Quality of Council Reports 12. Establishment of the Erosion Control Scheme 	

Appendix 2

Media Log

Date	Media	Topic	Outcome
13/1/19	Astrid Austin-HB Today	PanPac wastewater outfall leak	Liz spoke to her
14/1/19	Anusha Bradley – RNZ	PanPac Wastewater outfall leak & Te Mata Mushrooms	Liz spoke to her
14/1/19	Kate Gudsell – RNZ	LAWA Rec Water Quality	Anna MS spoke to her
14/1/19	Ann - Wairoa Star	Port sale – local shares	Sent a reply about process now
15/1/19	Georgia-May Gilbertson	Update on Tutira Manuka Plantation	Sent some info and Ben Douglas speaking with her
15/1/19	Erik Fykberg - RNZ	More details for his Irrigation documentary	Gave him details on Heretaunga groundwater allocation
15/1/19 & 16/1/19	Anusha Bradley	Seeking details about water quality around PanPac wastewater leak	Liz spoke to her – doing interview 17/1/19 Supplied water test results
16/1/19	Chris Hyde – HB Today	What are river levels looking like	Checked with Craig – no issues and told media that
17/1/19	Anusha Bradley	Came to see me. Wants interview with James around Kahutia Carbon proposal and baybuzz advertising and also potential port petition	Interview organised for next week
17/1/19	Astrid Austin	Waimarama Beach Day called off because of toilets overflowing – what are we doing	Mike Alerbadi contacted HDC – we will send pollution response team out there in the morning
18/1/19	Anusha Brandley RNZ	Wanting a lot more info on Panpac	Jo dealt with this and sent her info
18/1/19	Astrid Austin	Waimarama Beach Day	Let her know that samples taken and staff visited site
18/1/19	Georgia May Gilbertson	Death by Chocolate pest query	I was away Friday – Susan CC'd in but didn't deal with it. Susan following up 21/1/19
21/1/19	Astrid Austin	Panpac wastewater pipe	Is legal action being taken? Where are things at
22/1/19	Sam Farrell - Newshub	PanPac wastewater pipe leak	Arrange TV interview with James Palmer
23/1/19	Anusha Bradley - RNZ	Kahutia Accord deal	Interview in person with James Palmer about the deal between NKII and Council
23/1/19	Bonnie Flaws – DomPost Business Reporter	General meet and greet	Meeting with James to meet and discuss potential stories
24/1/19	Radio NZ Morning Report	Wanting interview with HBRC on Clifton Cliff collapse	After discussion left with HDC as the lead agency
25/1/19	Daniel at Newshub	Wanting interview on Cliff collapse	Gave them Jane McKay at HDC's number
25/1/19	Australian media through Jonathon	Around port sale and who will be involved	Blair to speak directly with media involved – with prepared statement

Item 11

Attachment 1

28/1/19	Anusha Bradley – RNZ	Wanting to know when Panpac investigation will be completed	Suggested she call back in a couple of weeks
28/1/19	Patrick OSullivan	Wanting to interview Keiko about black billed gulls	Contacting Keiko
28/1/19	Wairoa Star	Asking about kids jumping off protection works by playground	Told them meeting planned tomorrow with HBRC and HDC to discuss safety concerns
29/1/19	Sean Hogan-One News	Asking about the tomorrow/'s council meeting – Cape slip, Panpac, Port	Discussed and will text tomorrow if needs more
29/1/19	Anusha Bradley – RNZ	RFP talking about listing on NZX and ASX – why did we not consult on this	Statement sent from Rex & Blair
30/1/19	Wairoa Star	Follow-up questions on Kids jumping off protection works	Sent a response
31/1/19	Laura HB Today	WCO	Sent details of our submission and when the Special Tribunal is sitting 26 Feb
31/1/19	Newshub Ruwani Perera	Concerns about incorrect info in story on maori burial grounds and climate change	Held meeting and drafted statement and sent to reporter raising concerns
31/1/19	Laura Radio NZ	Wanted comment on LGNZ report on sea level rise effect on infrastructure	Put in touch with Peter Beaven for interview
31/1/19	DomPost- Marty Sharpe	Request for photo of Councillor Peter Beaven	Photo found and sent

Appendix 3

LGOIMA Log

Requests Received	Response Due	Date Responded	Request Status
Whakaki Lake Trust	9/07/2018	11/06/2018	Completed
Council income	6/07/2018	19/06/2018	Completed
Provincial Growth Funds	13/07/2018	27/08/2018	Completed (partially withheld)
Enforcement actions for discharge contaminants to water	18/07/2018	22/06/2018	Completed
Publicly owned property sold	19/07/2018	16/07/2018	Completed
Tukituki water take data	20/07/2018		Withdrawn – 27/06/18
Non-compliant wood burners and Hawkes Bay Air Quality	24/07/2018	26/06/2018	
Sale of Ruataniwha Water Storage Scheme (RWSS) assets and intellectual property	31/07/2018	19/07/2018	Completed (partially withheld)
Information relevant to Te Pohue property	1/08/18	16/07/2018	Completed
Tegel Enforcement Actions	1/08/18	5/07/2018	Completed
Thompson and Clark Private Investigators	2/08/2018	9/07/2018	Completed
Greywater recycling systems	8/08/2018	20/07/2018	Completed
Wastewater compliance	14/08/2018	24/07/2018	Completed
Resource consents on Coast from Napier south to regional boundary	15/08/2018	23/07/2018	Completed
Territorial Local Authorities (TLA) compliance with wastewater and stormwater discharge consents	23/08/2018	6/08/2018	Completed
Sale of RWSS Intellectual Property (IP)	28/08/2018	3//08/2018	Refused
Dairy effluent discharges	31/08/2018	7/08/2018	Completed
Regional fuel tax	31/08/2018	6/08/2018	Completed
Smoke complaints	13/09/2018	16/08/2018	Completed
Council travel expenditure	17/09/2018	10/09/2018	Completed
Provincial Growth Fund Application staffing	19/09/2018	4/10/2018	Completed
Vehicle Provided for Chairman	25/09/2018	14/09/2018	Completed
Water bottling operations	25/09/2018	17/08/2018	Completed
Maori staff	1/10/2018	11/09/18	Completed (Partially refused)
IT Staff remuneration	9/10/2018	20/09/2018	Completed
Audit and Borrowing	17/09/2018	19/09/2018	Completed
Building efficiency	29/10/2018	7/11/2018	Completed
Lobbying	15/11/2018	29/10/2018	Completed
Hawkes Bay Chamber of Commerce Sub-contract	16/11/2018	26/10/2018	Completed
Port of Napier Ltd (PONL) Annual Reports	20/11/2018		Refused
Provincial Growth Fund Applications	23/11/2018	31/10/2018	Completed

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Our Port consultation document distribution	28/11/2018	14/11/2018	Completed
Ngaruroro and Clive rivers Water quality and quantity data	30/11/2018	15/11/2018	Completed
Our Port consultation document distribution costs	13/12/2018	22/11/2018	Completed
Baybuzz advertising	14/12/2018	14/11/2018	Completed
Walnut trees cut down and Karamu planting	13/12/2018	20/11/2018	Completed
Bullying and harassment complaints	13/12/2018	19/11/2018	Completed
Our Port consultation	13/12/2018	21/11/2018	Completed
Water discharge consents for Napier Port	14/12/2018	19/11/2018	Completed
Koru Club membership	19/12/2018	28/11/2018	Completed
Feedlots	20/12/2018	20/12/2018	Completed
Koha	21/12/2018	3/12/2018	Completed
Water take resource consent	7/12/2018	21/11/2018	Completed
Staff Christmas celebrations	19/12/2018	5/12/2018	Completed
Bore pumptest results	14/01/2019	27/11/2018	Completed
Local Government Funding Agency accession deed	19/12/2018	30/11/2018	Completed
Ngaruroro Karamu water allocation	21/12/2018	11/12/2018	Completed
Chicken farming resource consents	24/01/2019	7/01/2019	Completed
Progressive Leathers resource consents	24/01/2019	7/01/2019	Completed
Civil defence buildings	25/01/2019	8/01/2019	Completed

Appendix 4

Financial Information

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HAWKE'S BAY REGIONAL COUNCIL OPERATING STATEMENT Seven Months Ended 31 January (Pd 07)						
	NET FUNDING REQUIREMENT After 7 Months				ANNUAL BUDGET \$,\$000	ACTUAL / ANNUAL BUDGET (%)
	ACTUAL \$,\$000	PRO RATA BUDGET \$,\$000	ACTUAL / PRO RATA \$,\$000	Favourable/ Unfavourable		
GROUPS OF ACTIVITIES						
Strategic Planning	(1,210)	(1,331)	122	F	(2,733)	44%
Asset Management	(1,686)	(1,573)	(113)	U	(2,553)	66%
Integrated Catchment Management	(5,315)	(5,655)	340	F	(10,101)	53%
Consents & Compliance	(1,174)	(1,289)	115	F	(1,679)	70%
Emergency Management	(43)	(83)	39	F	(149)	29%
Transport	(152)	(169)	16	F	(173)	88%
Governance & Partnerships	(2,025)	(1,906)	(120)	U	(3,212)	63%
	(11,606)	(12,005)	399	F	(20,600)	56%
CAPITAL PROJECTS						
Asset Management	(155)	(400)	245	F	(520)	30%
Integrated Catchment Management	(0)	(4)	4	F	(89)	0%
	(155)	(404)	249	F	(604)	26%
NET OPERATIONS GROUP ACTIVITIES	193	169	24	F	290	67%
NET FUNDING REQUIREMENT	(11,568)	(12,240)	672	F	(20,914)	55%
REGIONAL INCOME						
Investment Company						
HBRC Dividends (Napier Port)	-	-	-	F	10,000	0%
Other Investments						
HBRC Forestry Estate	150	150	(0)	U	258	58%
Restricted Leasehold Land Rental	85	85	(0)	U	146	58%
Investment Property Rental	494	486	8	F	833	59%
Interest	1,028	1,507	(478)	U	2,583	40%
Other Funding						
General Rate/Uniform Annual General Charge	4,048	4,043	5	F	6,931	58%
Other Income	35	16	18	F	28	123%
TOTAL REGIONAL INCOME	5,840	6,288	(448)	U	20,779	28%
OPERATING SURPLUS /(DEFICIT)	(5,729)	(5,953)	224	F	(136)	

HAWKE'S BAY REGIONAL COUNCIL			
CONSOLIDATED BALANCE SHEET			
	Actual 31-Jan-19 \$'000	Actual 30-Jun-18 \$'000	Management Comments
Non Current Assets			
Property, plant & equipment	22,500	21,453	1
Infrastructure assets	173,743	173,004	2
Investment property	45,846	47,102	3
Intangible assets	5,014	5,273	4
Financial assets	1,934	1,901	5
Managed Funds	15,000	0	6
Investment in Council-controlled organisations	283,500	283,500	
Advances to home owners (Sustainable Homes)	6,781	7,630	7
Forestry assets	10,800	10,698	8
	565,117	550,561	
Current Assets			
Inventories	133	122	
Accounts receivable	6,188	6,736	9
Loan to HBRIC Limited	6,500	0	10
Prepayments	376	255	11
Accrued income	1,767	2,743	11
Work in progress	227	235	11
Financial assets	13,487	56,368	5
Advances to home owners (Sustainable Homes)	753	848	7
Cash & cash equivalents	44,999	27,309	5
	74,430	94,616	
TOTAL ASSETS	639,546	645,177	
Equity	590,126	595,746	
Non Current Liabilities			
Borrowings	17,175	19,125	12
Employee entitlements	709	542	
Other liabilities	14,099	14,128	
	31,982	33,795	
Current Liabilities			
Accounts payable	1,043	3,664	13
Accrued expenses	40	4,450	14
Deposits and retentions / Income in advance	10,729	1,781	15
Employee entitlements	951	1,096	
Borrowings	3,900	3,900	12
Other liabilities	775	745	
	17,438	15,636	
TOTAL LIABILITIES	49,420	49,431	
TOTAL EQUITY & LIABILITIES	639,546	645,177	

Management Comments on Balance Sheet Movements		
Note Ref	Activity	Management Comment (major variances)
1	Property, Plant and Equipment	Property, plant and equipment have increased by \$1,047,000 for the budgeted capital purchasing programme offset by depreciation.
2	Infrastructure Assets	Infrastructure assets have increased by \$739,000 since the beginning of the year reflecting capital expenses made for the maintenance and improvement of infrastructure assets offset by depreciation.
3	Investment Property	Investment property has decreased by \$1,256,000 reflecting the disposal of leasehold land properties to the leaseholders.
4	Intangible Assets	Intangible assets have decreased by \$259,000 due to the amortisation on existing assets. The IRIS project just completed phase one and should be fully complete by the end of the financial year.
5	Financial Assets	Total cash, cash equivalents and financial assets have decreased by \$25,158,000 since the beginning of the year reflecting the \$6,500,000 loaned to HBRIC Limited, the \$15,000,000 transferred to managed funds and the day to day activity of the Council through the first four months of the year before rates and dividend income is received.
6	Managed Funds	Funds transferred to investment fund managers has increased to \$15,000,000 with another \$25,000,000 to be transferred before the end of February.
7	Sustainable Homes	Advances to Home Owners through the sustainable homes programme have decreased by \$944,000 reflecting the up-take from the public since the beginning of the year offset by repayments of existing clean heat loans.
8	Forestry Assets	Forestry Assets have increased by \$102,000 reflecting the capital spending on the harvest roading for Tutira.
9	Accounts Receivable	Accounts Receivable have increased by \$548,000 since the beginning of the year reflecting the influx of rates income received before the end of January.
10	Loan to HBRIC Limited	Council approved a loan facility for HBRIC Ltd of which \$6,500,000 has been drawn down.
11	Accrued Income, Prepayments and Work in Progress	Accrued Income has decreased by \$863,000 reflecting a decrease in accruals, prepayments and work in progress provisions compared to year end.
12	Borrowings	Borrowings have decreased by \$1,950,000, being the repayments made for the year to date. 2018/19 borrowing will occur in March/April this year when Council has joined the LGFA.
13	Accounts Payable	Accounts payable have decreased by \$2,621,000 reflecting the normal operating cycle against a year end position with more payments due.
14	Accrued Expenses	Accrued expenses have decreased by \$4,408,000 compared to last year due to the payment to ACC for annuity costs and Napier leasehold sales being paid in July.
15	Deposits and Retentions	Income in advance has increased \$8,948,000 more than the end of last year due to rates income received in advance.

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HAWKE'S BAY REGIONAL COUNCIL**OTHER INFORMATION****Seven Months Ended 31 January (Pd 07)**

INTEREST RATE	31-Jan-19	31-Jan-18	30-Jun-18
	\$'000	\$'000	\$'000
Average Interest Rate on Liquid Investments	2.86%	3.64%	3.23%

ACCOUNTS RECEIVABLE	31-Jan-19	31-Jan-18	30-Jun-18
	\$'000	\$'000	\$'000
Rates Receivable	3,601	1,444	1,518
Payments in Advance	(711)	(341)	(1,651)
Rate Receivables	4,312	1,103	(133)
Other Receivables	2,610	2,168	5,241
Provision for Impaired Receivables	(23)	(23)	(23)
TOTAL ACCOUNTS RECEIVABLE	6,188	3,248	6,736

ACCOUNTS PAYABLE	31-Jan-19	31-Jan-18	30-Jun-18
	\$'000	\$'000	\$'000
Aged Accounts Payable			
1-30 days	3,976	4,019	3,664
31-60 days	0	0	0
61-90 days	0	0	0
Over 91	0	13	1
TOTAL ACCOUNTS PAYABLE	3,976	4,032	3,665

<p style="text-align: center;">HAWKE'S BAY REGIONAL COUNCIL</p> <p style="text-align: center;">EXTERNAL AND INTERNAL LOANS</p> <p style="text-align: center;">Seven Months Ended 31 January (Pd 07)</p>
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EXTERNAL LOANS	ACTUAL to 31 JANUARY 2019				Year 1 LTP to 30 JUNE 2019			
	Balance	Repayments	Borrowing	Balance	Balance	Repayments	Borrowing	Balance
	1/07/2018			31/01/2019	1/07/2018			30/06/2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Regional Infrastructure	2,365	(200)	-	2,165	2,070	(405)	100	1,765
Regional Parks	1,794	(174)	-	1,620	1,446	(326)	160	1,280
Systems Integration	1,764	(220)	-	1,544	2,631	(495)	1,555	3,691
Sustainable Homes	13,562	(1,116)	-	12,446	14,315	(2,408)	2,700	14,607
Upper Tukituki Flood Control	100	(15)	-	85	70	(30)	-	40
Karamu & Tributaries Flood Control & Drainage	120	(20)	-	100	80	(40)	-	40
Monitoring Bores	40	(5)	-	35	30	(10)	-	20
HPFCS Flood Protection & River Control	205	(23)	-	183	160	(45)	-	115
Dalton Street Building Remediation	397	(30)	-	367	138	(31)	-	107
Science Equipment	1,719	(105)	-	1,614	1,514	(262)	495	1,747
Solar Hot Water	0	-	-	0	0	-	-	0
Energy Futures	150	(10)	-	140	130	(20)	-	110
Air Quality Site Loan	60	(2)	-	58	52	-	-	52
Erosion Control Scheme	0	-	-	0	0	(38)	1,500	1,462
FEMPs	0	-	-	0	0	(82)	500	418
Operations Group Office Extension	450	(30)	-	420	390	(60)	-	330
TOTAL	22,725	(1,949)	0	20,776	23,025	(4,252)	7,010	25,783

INTERNAL LOANS	ACTUAL to 31 JANUARY 2019				Year 1 LTP to 30 JUNE 2019			
	Balance	Repayments	Borrowing	Balance	Balance	Repayments	Borrowing	Balance
	1/07/2018			31/01/2019	1/07/2018			30/06/2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transport Electronic Ticketing	-	-	-	0	40	(25)	250	265
Computer Equipment	500	(40)	-	460	420	(80)	-	340
Science Equipment	1,140	(80)	-	1,060	980	(165)	100	915
Tutira Easements	0	-	-	0	100	(10)	-	90
Biodiversity	-	-	-	0	-	(5)	100	95
Makara Scheme Loan	206	(3)	-	203	199	(9)	-	190
TOTAL	1,846	(123)	0	1,723	1,739	(294)	450	1,895

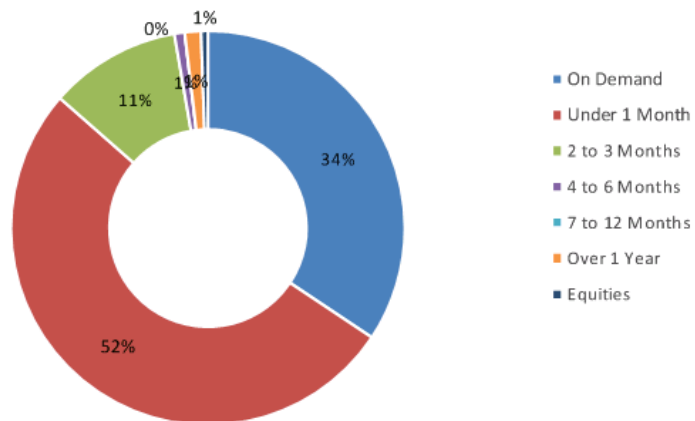
Management Comments on Borrowings

The external loan requirement for 2018/19 are to be drawn once HBRC has officially joined the LGFA. The amount that can be borrowed internally (as per HBRC Liability management policies) is limited to the funds held in the Infrastructure Asset Depreciation Reserve and the Asset Replacement Reserve.

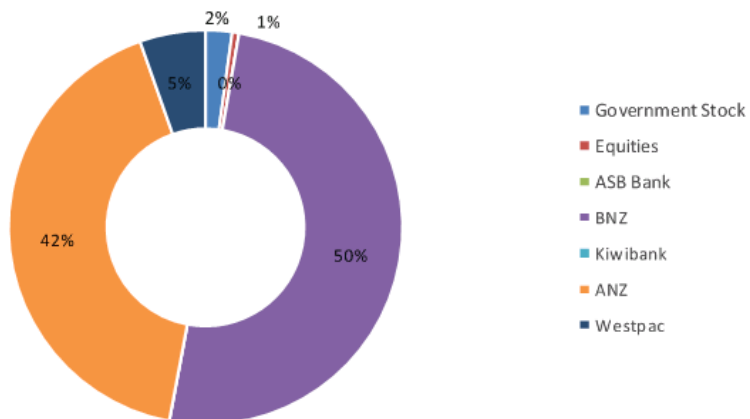
HAWKE'S BAY REGIONAL COUNCIL

FINANCIAL ASSETS AT 31 JANUARY 2019

MATURITY PROFILE



ALLOCATION BY INSTITUTION



HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 06 March 2019

Subject: HEALTH AND SAFETY WORK PROGRAMME

Item 12

Reason for Report

1. This item updates the Committee on progress with activities on the Health & Safety (H&S) work programme in response to the 2018 internal audit of Council's H&S processes.

Background

2. The Finance, Audit and Risk Sub-committee (FARS) were presented with a report on 21 November 2018 which was completed by Crowe Horwath resulting from their audit of health and safety practices and processes in Council.
3. The audit did not include any 'field' monitoring.
4. The audit noted, *"It is important to note that our findings are written on an exception basis, there were many examples of good practice within Council"* and further, *"Throughout our review, it is clear that staff were engaged in health and safety and truly understood its importance"*.
5. This report focuses on progress against the audit recommendations. Health and Safety metrics are recorded separately in the overall Council performance report.
6. The following documents have been prepared in draft form:
 - 6.1. An Implementation Plan has been prepared to address the high risk issues and recommendations identified in the Crowe Horwath audit report (Attached).
 - 6.2. A draft Health and Safety Charter for councilors has been created to meet one of the recommendations from the audit for councilors to consider and 'sign off' (Attached).
 - 6.3. A draft Strategic Plan has been developed which is linked to the government's Health and Safety at Work Strategy 2018-2028 and draws on strategic health and safety planning guidelines in the Business Leaders' Health and Safety Forum Strategic Plan. It provides some high level targets and will be focused, in the first 12 to 18 months, on the objectives set in the Implementation Plan (Attached).
7. Work has commenced on reviewing risks across the organisation with a view to identifying Council wide risks, Group risks and section risks and associated controls at each level. This 'cascading' approach should encourage strong discussion at each level and ensure improved focus on relevant risks in the workplace.
8. The classification of risks required in Hasmate, (Council's health and safety software tool), to ensure they are classified in terms of significance, will commence shortly.
9. In relation to the recommendation that Executive members should undertake 'regular' monitoring visits to work sites with higher level risks, it is proposed to have the executive assistants schedule appropriate times for these visits to occur when the work visits are relevant and appropriate e.g. high risk site or operation. They will be scheduled when the group manager is available and staff from a relevant section are visiting a relevant site. This will need some flexibility to arrange.
10. Another part of this recommendation was to have councilors visit various work sites to ensure they have an improved understanding of the risks staff face and their role in governance responsibilities under health and safety requirements. In the past, councilors would undertake a day or two 'tour' of various activities and workplaces which would go a significant way to meeting the recommendation for health and safety

awareness reasons. Councilors' feedback on how best to implement the requirements of this recommendation will help determine a course of action.

Decision Making Process

11. 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 Corporate and Strategic Committee receives and notes the ***"Health and Safety Work Programme"*** staff report.

Authored by:

Viv Moule
HUMAN RESOURCES MANAGER

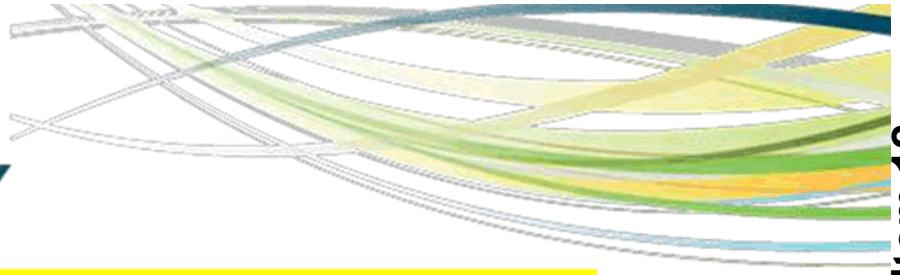
Joanne Lawrence
GROUP MANAGER OFFICE OF THE
CHIEF EXECUTIVE AND CHAIR

Approved by:

James Palmer
CHIEF EXECUTIVE

Attachment/s

- [↓1](#) Health and Safety Implementation Plan 2019
- [↓2](#) HBRC Governance Charter
- [↓3](#) Health and Safety Strategic Plan 2019



HEALTH AND SAFETY IMPLEMENTATION PLAN - 2019

INTRODUCTION

While significant inroads have been made to improve our health and safety performance, we still have room for improvement. We require step-changes to achieve our vision for health and safety.

The Hawkes Bay Regional Council believe there is no single factor which presents an opportunity to improve health safety performance; rather, there are opportunities across a full range of health and safety components, supported by strong governance and sound leadership. The Health and Safety At Work Act 2015 also recognises that a health and safety system relies on leadership, worker participation and risk management.

Hawkes Bay Regional Council is striving to improve its health and safety performance against the backdrop of the Health and Safety At Work Act 2015 and good health and safety practice To enable this step-change in our health and safety performance:

- We must have committed and sustainable leadership in health and safety at every level
- We must have the competence to identify risks and ensure that these risks are effectively controlled
- All workers must be fully engaged and take personal responsibility for health and safety both for themselves and others
- We must have effective health and safety systems, processes and practices integrated with the management of our assets
- We must have in place effective forums and systems for communicating our health and safety challenges

OUR VISION

Our vision is for Hawkes Bay Regional Council is to actively ensure that everyone goes home safe every day and be a business within local government, which others use as a benchmark.

OUR BELIEFS

1. All staff should be able to work in an environment where risks to their health and safety are controlled to enable them to go home safe.
2. Each individual has a personal responsibility for health and safety.
3. All incidents are preventable
4. Everyone has a contribution to make and a role to play, to bring about a positive improvement in our health and safety performance
5. Working cooperatively with service providers/contractors to achieving our vision for health and safety.

OUR HEALTH AND SAFETY POLICY STATEMENT

Hawke's Bay Regional Council including its management is committed to the achievement of the highest levels of health and safety practices. In carrying out our business activities we will continuously strive to be leaders in our management of the workplace, seeking to manage or guard against all factors, which could lead to the injury or illness of our workers, contractors, volunteers or members of the public. In meeting this policy Hawke's Bay Regional Council will aim to:

Attachment 1

- Promote a culture where managers and workers are individually responsible for working safely and that health and safety responsibilities are clearly understood and followed.
- Assist all workers to take ownership for creating a safe and healthy work environment by encouraging active participation from workers and workers' representatives (where appropriate) in all areas of health and safety and recognising achievements.
- Ensure our health and safety objectives have equal status with other business objectives and that the appropriate resources, training and tools are made available to achieve these.
- Maintain purchasing policies that support the overall objective of a healthy and safe work place.
- Identify and manage risks and hazards.
- Ensure there are effective processes in place for accurate reporting and recording of all health and safety processes including near miss, incident, hazard, risk and injury reporting.
- Provide opportunities for managers, including senior managers, to be up-skilled in health and safety management.

Item 12

- Evaluate Hawke's Bay Regional Council performance regularly and correct any deficiencies should they arise. Hawke's Bay Regional Council health and safety management practices will be subject to continuous improvement processes.
- Comply with the relevant health and safety legislative requirements, for example the Health and Safety at Work Act 2015, its regulations and amendments, the Resource Management Act 1991, the Accident Compensation Act 2001, Approved Codes of Practice and Good Practice Guidelines.
- Maintain our rehabilitation process with dignity and respect and have worker views and needs considered as described within the 'Code of ACC Claimants' Rights'.
- Hawke's Bay Regional Council will endeavour to promote a supportive workplace environment and provide rehabilitation opportunities for non-work injuries and illness cases. Where applicable, management will be involved in the rehabilitation or return to work programme of workers who have sustained non-work injuries and illnesses, by providing alternative duties when available, and access to preferred providers.
- Commits to maintaining a safe fleet of vehicles across council, with no vehicle rated below ANCAP 4 and a target of all vehicles being ANCAP 5. It also commits to monitoring the legal driving speed and staff driving time, in order to further promote safe driving techniques among drivers.

Implementation Plan

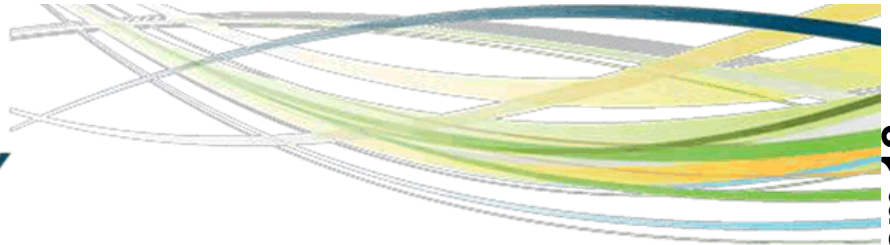
The implementation plan is based on the high risk finding of the Crowe Horwath report date September 2018. The finding identified as medium or low risk will be included in the planned health and safety strategic plan as identified under Leadership and Governance below.

Leadership and Governance						
Activities	Activity Ownership	Crowe Horwath	Timeline	Person/s responsible	Resource requirement	Monitoring
<ul style="list-style-type: none"> •Develop a draft health and safety strategic plan for the next three years. Consider using the risk findings in the Crowe Horwath Report dated September 2018* •The health and safety implementation plan 2019 to be reviewed by the senior leadership team and submitted to Councillors •Approve health and safety strategic plan 2019/ 2021 •Begin implementation of the health and safety strategic plan 2019/2021 •Develop a draft Council health and safety governance charter* 	Councillors / Senior Leadership Team	Pg 6 - 2.2 Pg 7 - 2.3	By Feb 2019 By Mar 2019 By Jun 2019 By July 2019 By Feb 2019	<ul style="list-style-type: none"> •HR manager •HS advisor 	<ul style="list-style-type: none"> •Estimate 20 hours to develop 	<ul style="list-style-type: none"> •Councillors •Senior leadership team •HS Committee <p><i>“*Progress: Draft developed 7/2/19</i></p>
<ul style="list-style-type: none"> •Develop key performance indicators that includes both lead and lag indications •Develop a monthly health and safety report for the senior leadership and councillors that includes progress on the KPI's •Develop a quarterly health and safety statistics report that includes key performance indicators, progress against the health and safety implementation plan 2019, the draft health and safety strategic plan 2019/2021 and key discussion points 	Senior Leadership Team	Pg 12 - 3.7 Pg 13 – 3.8	By Feb 2019 By Mar 2018 By April 2018	<ul style="list-style-type: none"> •Group managers •HR manager 	<ul style="list-style-type: none"> • Estimate 9 hours •2 hours per month •3 hours per quarter 	<ul style="list-style-type: none"> •Councillors •Senior leadership team •HS Committee
<ul style="list-style-type: none"> •Health and safety governance-based training for councillors 	Group Manager - Corporate	Pg 15 – 4.10	After new Council elected	<ul style="list-style-type: none"> •HR manager 	2 sessions for 2 hours	<ul style="list-style-type: none"> • HR Department

•Health and safety governance-based training for the senior leadership team						
Risk Management						
Activities	Activity Ownership	Crowe Horwath	Timeline	Person/s responsible	Resource requirement	Monitoring
<ul style="list-style-type: none"> •Identify key risks for the Hawkes Bay Regional Council. •Identify key risks for each group within council •Identify key risks within each section within the group 	Councillors / Senior Leadership Team	Pg 16 – 4.11 Pg 21 – 5.15	By Jun 2019	<ul style="list-style-type: none"> •HR manager •HS advisor 	•Estimate 40 hours	•HS Committee
<ul style="list-style-type: none"> •Review of the risk assessment process that includes the three phases of risk assessment namely <ul style="list-style-type: none"> - Council wide - Site - Task/project/equipment (Some of these are currently covered in the current Code of Practices) <p><i>Note: Risk assessments are currently included in Hasmate (needs review), Safety Plans, Job Safety Analysis and Code of Practices</i></p>	HR Department	Pg 20 – 5,14	By May 2019	<ul style="list-style-type: none"> •HR manager •HS advisor 	•Estimate 24 hours	•Senior Leadership Team
•Review the risk module within HASMATE (health and safety database)	HR Department	None	Mar 2019	<ul style="list-style-type: none"> •HR manager •HS advisor 	•Estimate 2 hours	•HS Committee
Incident Reporting						
Activities	Activity Ownership	Crowe Horwath	Timeline	Person/s responsible	Resource requirement	Monitoring
<ul style="list-style-type: none"> •Review the process for near miss, incident and injury reporting and recording •Review how corrective actions are identified following a health and safety related investigations or when health and safety corrective actions are set. 	HR Department	Pg 26 – 8.20	By Mar 2019 By Apr 2019	<ul style="list-style-type: none"> •HR manager •HS advisor 	•Estimate 16 hours to develop	<ul style="list-style-type: none"> •Councillors •Senior leadership team

Contractor and Service Provider Management						
Activities	Activity Ownership	Crowe Horwath	Timeline	Person/s responsible	Resource requirement	Monitoring
<ul style="list-style-type: none"> •Review the induction processes related to contractors and service providers •Review what additional health and safety information may be required from contractors/service providers other than that supplied for the Sitewise accreditation. •Develop a process for high risk contractor auditing based on council's health and safety expectations. <p><i>Note: Was identified as a moderate risk in the Crowe Horwath audit but promoted for additional focus in the Briefing Paper dated 13 November 2018</i></p>	Senior Leadership Team/ HR Department	Pg 25 - 7.19	By Jun 2019 By Jun 2019 By Jun 2019	<ul style="list-style-type: none"> •HR manager •HS advisor 	<ul style="list-style-type: none"> •Estimate 24 hours to develop •Ongoing for site inspections and inductions 	<ul style="list-style-type: none"> •Senior leadership team •HS Committee

Workfit 365						
Activities	Activity Ownership	Crowe Horwath	Timeline	Person/s responsible	Resource requirement	Monitoring
<ul style="list-style-type: none"> •Discuss with ACC funding to assist with the Workfit 265 programme •Develop a framework for a Workfit 365 plan 	HR Department	None	By Mar 2019 By Jul 2019	<ul style="list-style-type: none"> •HR manager •HS advisor 	<ul style="list-style-type: none"> •Estimate 16 hours to develop 	<ul style="list-style-type: none"> •Senior leadership team



HEALTH AND SAFETY GOVERNANCE CHARTER

1. PURPOSE

The Health and Safety Governance Charter outlines governance responsibilities and provides a high level overview of health and safety leadership at Hawke's Bay Regional Council (Council).

This Governance Charter is Council's highest level statement regarding health and safety and is supported by a Health and Safety Implementation Plan.

The Councilors (the Council) has a core governance role that requires strong leadership and proactive oversight on all matters relating to health and safety. The Council is committed to ensuring that it complies with its health and safety duties.

2. COMMITMENT STATEMENT

Council will establish and maintain an effective governance framework in accordance with the Health and Safety at Work Act (HSWA) 2015, other relevant legislative requirements, and established principles to ensure a thorough oversight of health and safety across the full scope of Council's activities.

This framework will be implemented and regularly reviewed to ensure that Council is continuously acting in accordance with good practice for the governance of health and safety, and in order to manage Council's health and safety risks.

3. VISION

Our vision is for Hawke's Bay Regional Council to be a benchmarking health and safety business within local government where we all actively ensure that everyone goes home safe every day.

4. SCOPE

The requirements of Council's Health and Safety Governance Charter apply to all Council controlled activities. This includes all Council workplaces and workers (employees, contractors or volunteers) where Council acts as principal to the contract or has significant influence or control over the workers in the workplace.

5. RESPONSIBILITIES

As officers under the Health and Safety at Work Act 2015 (HSWA), Councilors are required to exercise due diligence, and in doing so take all reasonably practicable steps to manage health and safety risk. Councilors are responsible for:

- A personal commitment to attaining a thorough understanding of the day to day risks faced by employees and contractors doing work for and on behalf of the Council
- Ensuring health and safety is integrated into business strategies, processes and included in performance measures
- Ensuring that the Council has processes for complying with its health and safety duties under relevant legislation and regulations.
- Ensuring that the council leadership manage health and safety risks through the implementation and review of effective risk identification and management strategies
- Ensuring continuous improvement of health and safety practices within Council by establishing measurable and reporting on, appropriate health and safety lead and lag indicators
- Reviewing any serious incidents in consideration of the adequacy of the management response and provision of any support required
- Attending to other health and safety matters that the Council considers prudent from time to time

6. MONITOR AND REVIEW

- Council will receive quarterly health and safety reports regarding progress against the health and safety implementation plan, including lead and lag indicators.
- The Council will review the objectives and responsibilities set out in this charter regularly to ensure it adequately sets out the Council's governance role.

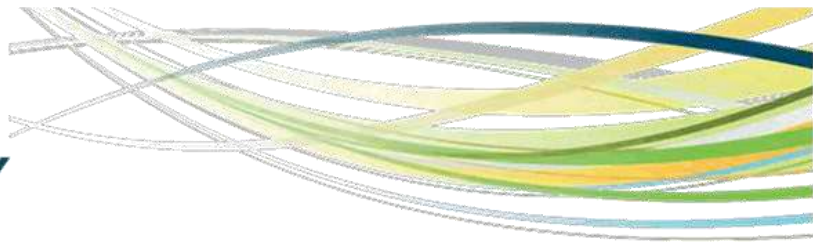
7. KEY HEALTH AND SAFETY DOCUMENTS

- Progressive Implementation Plan 2019 (Based on Crowe Horwath report date September 2018)
- Health and Safety Strategic Plan 2019/2021
- Health and Safety Policy
- Health and Safety Manual

Chair (Council)

Chair (Audit and Risk Committee)

Next review January 2020



HEALTH AND SAFETY STRATEGIC PLAN 2019 - 2021

Item 12

Attachment 3

INTRODUCTION

While inroads have been made to improve our health and safety performance, we still have room for improvement. We require a step-change to achieve our vision for health and safety.

Hawkes Bay Regional Council is striving to improve its health and safety performance against the backdrop of the Health and Safety at Work Act 2015 and good health and safety practice.

To enable this step-change in our health and safety performance:

- We must have committed and consistent leadership in health and safety at every level
- We must have the competence to identify risks and ensure that these risks are effectively controlled
- All workers must be fully engaged and take personal responsibility for health and safety both for themselves and others
- We must have effective health and safety systems, processes and practices integrated with the management of our assets
- We must have in place effective forums and systems for communicating our health and safety challenges
- We effectively manage workloads and work pressures through appropriate work flow planning and resourcing

CURRENT STATE

Health and Safety has been a significant focus within Council for a number of years and processes and policies have been developed over that time to provide effective protection for staff who work in a variety of situations and face a range of risk, of varying significance.

Council has a reasonable sized workforce of 258 staff who undertake a variety of work ranging from office based activities through to working in challenging and isolated locations with a number of risks. We have to be flexible in our approach to health and safety and develop various relevant ways to meet the diverse work and work places our staff encounter. This will confirm we have done as much as we can to ensure our staff go home safely at the end of the work day.

Awareness of the importance of health and safety in the workplace and the need to assess risk in all activities we undertake has been a constant 'work on' and is an important part of induction to ensure new staff are appropriately introduced to Council's commitment to health and safety.

Regular reporting to the Executive and Council on a range of metrics is undertaken and there are two health and safety committees in operation that have good staff representation and meet quarterly.

A recent audit of the Council's health and safety processes acknowledged that: *"Throughout the review, it was clear that staff were engaged in health and safety and truly understand its importance."* The audit report also indicated: *"It is important to note that our findings are written on an exception basis, there are many examples of good practice within Council."*

The findings from the **Crowe Horwath 2018** report will form the health and safety implementation plan for 2019 for the next 12-18 months.

OUR VISION

Our vision is for Hawkes Bay Regional Council is to actively ensure that everyone goes home safe every day and be a business within local government, which others use as a benchmark.

OUR BELIEFS

1. All staff should be able to work in an environment where risks to their health and safety are controlled to enable them to go home safe. We are mindful of the impact of injuries to our workers and the pain and suffering that these injuries can cause. This provides a major driver for the HBRC to ensure that the right things are done in the right way, which will deliver a safer work environment and increased commitment from our workers, improved productivity and enhanced reputation with our stakeholders. We recognise that our work is not risk-free; however, where hazards and associated risks exist, we will actively work to ensure they are properly controlled.
2. Each individual has a personal responsibility for health and safety. Personal responsibility for health and safety must exist through all levels within HBRC and within our service providers. Individual responsibility will differ, but shared responsibility will enable us to build a "Safety" culture. Our health and safety leadership must start at the top with our Council and Senior Leadership Team having collective and individual responsibility for health and safety. We are responsible for championing health and safety and are accountable for its delivery such that no business objective is so important that we will undertake it at the sacrifice of safety.
3. All incidents are preventable - we are mindful of the potential for incidents to occur, and we will act on the warning signs as we have a moral duty to learn from the past. Past near misses and incidents are a valuable source of information that, if properly acted upon, can reduce the risk of someone being injured in future. We must share learnings with all industry participants to enable us to actively contribute to improving health and safety within our sector. We must create an environment where near misses and incidents are always reported. HBRC will encourage a fair minded and constructive culture which will enable open and accurate reporting.
4. Everyone has a contribution to make and a role to play, to bring about a positive improvement in our health and safety performance, we need everyone working together towards a common set of goals. For this to become a reality, each stakeholder within our health and safety system has to understand their role and actively become better at executing their responsibilities. While clear responsibility is placed on HBRC as an organisation to manage its risks, there is also a duty of care from our staff for their own safety and the safety of others. We must develop genuine management and employee partnerships based on mutual trust, respect, and cooperation. We will engage and consult with our staff and service providers to jointly address hazards and associated risks to improve health and safety performance.
5. Working cooperatively is a key to achieving our vision for health and safety. We engage a range of service providers that support us in delivering a safe and reliable network. To assist us in achieving our health and safety goals, we will require a cooperative working relationship with them to achieve the step-change required. This will require us to share a common set of beliefs to provide the framework within which we will operate.

OUR RESPONSE

This document describes our health and safety strategic direction for 2019 -2021, It sets out how we will achieve these five goals and the objectives we have set out to achieve during this period. We believe these goals will enable us to achieve a positive health and safer environment for all our workers. We will supplement this health and safety strategy with an annual implementation plan, approved by the Board. We will review and report our progress against this annual implementation plan to the board.

This Strategic Plan will be built around the following health and safety cornerstones:

- Improving workplace health and safety leadership
- Actively identifying, managing and monitoring risk
- Improving health and safety awareness within the Council
- Enabling an effective implementation plan and reviewing annually
- Improving reporting and provision of relevant information

GOALS AND OBJECTIVES (2018-2020)

Our strategic plan for the next three years is ambitious. However, our vision and the changing legislation requires HBRC to make a step-change in health and safety practices. The goals and objectives we have set will be challenging. Moving forward, we intend to focus our efforts on the areas we believe will lead to the greatest improvement in our health and safety performance.

Goal 1: Health and Safety Leadership

We will have strong and sustainable leadership in health and safety and leadership must start at the top. Councilors have a collective and individual role to set the direction for our health and safety management and ensure active commitment. Health and safety leadership must also be visible throughout our management, supervisory, and our workforce. Our focus is on visible and demonstrable health and safety leadership where our leaders, at all levels, are actively involved in developing and sustaining a safety culture within HBRC.

Goal 2: Risk Management

We will have the competence to identify hazards and ensure that risks are appropriately controlled (as low as practicable possible). Effective health and safety management requires competency across every aspect of HBRC and through each level of our workforce. Competence of every manager, supervisor, and employee to recognise the risks associated with our activities enables the right emphasis to be applied in managing our risks. In managing risk, we will ensure that specific focus and attention is placed on our high consequence risks. We will work with our training providers to improve our competence. We will put in place appropriate measures to effectively and demonstrably manage our risks.

Goal 3: Worker Engagement

Our staff are fully engaged in health and safety "How we do things". We recognise that the effective management of health and safety within HBRC requires the engagement of our staff and our contractors/consultants. Collectively, they are best positioned to identify hazards/risks in the field, and adopt the most appropriate practices to mitigate the risks. An engaged workforce will actively maintain

high safety and quality standards. A healthy and safe work environment will result in higher levels of employee satisfaction which will enhance performance. We must therefore make best use of the skills, knowledge and experience of our people when it comes to health and safety. We will actively seek ways to secure a sustainable level of engagement and participation on a wide range of health and safety matters.

Goal 4: Communications

We will effectively communicate health and safety issues and performance. We will focus on getting the right information to the right people in an effective, timely and consistent manner. Communication represents our most important challenge. We realise the manner in which we communicate health and safety matters is particularly important. Communication (in its broadest sense) includes interactions between individuals, managers, employees and our stakeholders. These interactions will play an integral role in achieving our vision.

Goal 5: Workfit 365

Our people are our most important asset. A key factor in health and safety performance is our workers wellbeing. We realise that workers need to be fit for work, fit while at work and be fit to return home. We will actively seek ways to promote a health and safety wellness programme that includes minimising soft tissue injuries, improved fitness and improved mental well-being.

2019 – 2021 HEALTH AND SAFETY STRATEGIC BUSINESS PLAN

Although we have a three-year health and safety strategic plan as our overriding goal/objective for health and safety. An annual health and safety implementation plan will also be developed with will assign actions to our goals/objectives.

Goal 1 – Health and Safety Leadership

Objectives

1.1	Visible senior management commitment and ownership to lead the changes required to support a sustainable health and safety improvement and supporting culture (safety leadership model)
1.2	Demonstrate to all our employees and contractors providers that senior management at the highest level are accountable for the delivery of improved health and safety performance
1.3	Develop an understanding amongst all our employees of each individual's health and safety leadership roles and responsibilities
1.4	Develop the competency of our Council in health and safety governance
1.5	Develop the competency of our senior leadership team in health and safety management
1.5	Ensure that our senior managers actively participate in our change initiatives and their performance is monitored against their respective responsibilities
1.6	Ensure that our health and safety representatives are trained, recognised and supported by managers
1.7	Undertake worksite visits to understand the various work activities undertake by employees
1.8	Actively encourage and support health as well as safety initiatives

Goal 2 – Risk Management**Objectives**

2.1	Improve senior management understanding of risk management in key areas
2.2	A 'cascading' risk assessment model be developed to look at risks at different levels in the Council
2.3	Review and develop good practice guidelines and tools that can improve hazard identification and risk control, prioritising risks
2.4	Undertake a review of existing Risk Registers to identify any changes to controls required by changes by the Health and Safety Regulations, Approved Code of Practices and Good Practice Guidelines.
2.5	Develop competence standards for key roles required to manage risks
2.6	Investigate the feasibility of technology to simplify and improve hazard reporting requirements

Goal 3 – Worker Engagement**Objectives**

3.1	Actively seek ways to expand employee engagement and participation in our health and safety initiatives and activities to improve our performance
3.2	Identify and consult with employees on 'good practice' engagement
3.3	Develop and implement a conflict resolution process that will fairly resolve issues existing within the workplace
3.4	Promote the active engagement of relevant employees in major accident/incident investigations and reviews
3.5	Review forums so that they clearly encourage and support engagement and participation employees
3.6	Identify and remove any barriers to employee engagement and consultation
3.7	Develop user-friendly health and safety management procedures and guides
3.8	Review and improve our service provider (contractor) health and safety requirements to align with and enable us to collaboratively manage our risks

Goal 4: Communications**Objectives**

4.1	Develop smart technology to provide information, guides and reporting
4.2	Develop and implement an education programme to ensure that workers understand our health and safety strategy and their role to support HBRC improving its health and safety performance
4.3	Develop a suite of lead and lag health and safety performance measures that can be used to monitor progress towards the step-change required to achieve our vision
4.4	Develop effective reporting formats for Council, management and employees to enable quality and informed health and safety communication at an appropriate level
4.5	Communicate the step-change in safety vision and activities to all stakeholders in an effective and consistent manner
4.6	Identify opportunities and implement solutions to improve communications with our contractors and other local government agencies

Goal 5: Workfit 365**Objectives**

5.1	Liaison with ACC to develop an injury prevention programme focusing of soft tissue related injuries.
5.2	Identify opportunities for implement solutions for employee mental wellbeing
5.3	Develop an overall employee well-being programme that takes into account “being fit for work”, “being fit while at work” and “being fit to return home”.

Item 12**Attachment 3**

HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE

Wednesday 06 March 2019

Subject: DISCUSSION OF MINOR ITEMS NOT ON THE AGENDA

Item 13

Reason for Report

This document has been prepared to assist Committee Members to 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.		