



## Meeting of the Corporate and Strategic Committee

**Date:** Wednesday 5 June 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 meeting held on 6 March 2019	
4.	Follow-ups from Previous Corporate and Strategic Committee meetings	3
5.	Call for Minor Items of Business Not on the Agenda	9
<b>Decision Items</b>		
6.	Report and Recommendations from the Finance Audit and Risk Sub-committee	11
7.	HBRC 2019-20 Annual Plan	17
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<b>Information or Performance Monitoring</b>		
9.	Organisational Performance Report for Period 1 February to 30 April 2019	41
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11.	<b>11am</b> Business HB Update	79
12.	Discussion of Minor Items Not on the Agenda	87



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

**Wednesday 05 June 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:**

**James Palmer**  
**CHIEF EXECUTIVE**

**Attachment/s**

- [!\[\]\(54a282d3ed55c9b1ac66d6fb81d5de2b\_img.jpg\) 1](#) Follow-ups from Previous Corporate & Strategic Committee Meetings



## Follow-ups from Previous Corporate and Strategic Committee Meetings

## 6 March 2019

	Agenda Item	Follow-up / Request	Responsible	Status Comment
1	Follow-ups from previous meetings	Fund managers to provide information on their Ethical Investment policies and how they align with Council's policy for the June C&S meeting	J Ellerm	On 5 June C&S agenda, replacing previously requested council workshop (ref item 9 following)
2	HB Tourism Update	Draft proposal on identified preferred regional Tourism funding models to be shared with Council when available	T Skerman	On 5 June C&S agenda.
3	HB Tourism Update	Results of HB Tourism Living Wage survey to be circulated when available	T Skerman	On 5 June C&S agenda.
4	Organisational Performance Update for the Period 1 July 2018 to 31 January 2019	Brief report to E&S meeting outlining the Heretaunga Plains scheme activities to increase the level of service	C Dolley	It was agreed with the Chair of E&S that this paper would be distributed for information rather than a paper E&S Committee. The paper is currently being prepared.
5	Organisational Performance Update for the Period 1 July 2018 to 31 January 2019	Current vacancies be shared with PSGEs	HR	Liaising with Te Pou Whakarae as to best method of delivery.
6	2019 Local Governance Statement Update	Provide information on the next opportunity for Council to consider establishing Māori constituencies	J Lawrence	Information emailed (ref 6 following) on 8 March 2019
7	Health and Safety Work Programme	Re-drafted H&S Governance Charter to be provided to the March Council meeting for adoption	V Moule	Presented to 27 March Council meeting, where it was adopted as amended.

## 3 October 2018

	Agenda Item	Follow-up / Request	Responsible	Status Comment
8	Report and Recommendations from the Finance, Audit & Risk Sub-committee	Financial Treatment of the conservation estate report to go to C&S in 2019	C Dolley	
9	Ethical Investment Policy	Schedule Ethical Investment Policy Development workshop	M Collings /J Ellerm	Councillors decided that the current policy is adequate and a workshop will be offered to interested councillors in 2019 as resolved by Council on 24 October 2018, that: 4. Notes and reaffirms the current Ethical Investments Policy as initial guidance to be provided to Council's Investment Fund managers. 5. Undertakes a full ethical investment workshop and policy development process for interested councillors over the next six months.

Reference follow-up 6 above

**From:** Joanne Lawrence **Sent:** Friday, 8 March 2019  
**To:** Neil Kirton; Mike Paku; Debbie Hewitt; Toro Waaka; Rex Graham; Cr Rick Barker; Alan Dick; Peter Beaven; Paul Bailey; Fenton Wilson; Tom Belford  
**Cc:** James Palmer ; Lianne Hooper **Subject:** Corporate and Strategic Committee - 6 March - follow up information

Good morning everyone

At Wednesday's Corporate and Strategic Committee you will remember when we were going through the Local Governance Statement that Mike Paku asked about Maori wards. I promised to confirm the current status for him and wanted to share this with the group.

Below are the key points from the 15 November 2017 extraordinary Council meeting agenda and minutes. If you want to explore the full detail, the papers are attached.

#### Reason for Report

1. To enable Council to consider the establishment of one or more Māori constituencies, as part of its Representation Arrangements, for the election of representatives of Tangata Whenua by electors on the Māori Electoral Roll, with effect from the 2019 triennial elections.

#### Background

2. The Local Electoral Act 2001 (LEA) provides that Māori constituencies may be established, either by way of a local authority resolution (s19Z) or as the outcome of a poll of electors (s19ZB and s19ZD).
3. A Council resolution or a poll decides whether or not Māori constituencies will be established **only**. The LEA requires that a Representation Review must be undertaken when a decision is made to establish Māori constituencies, and so if Māori constituencies are to be established the details of the number constituencies, constituency boundaries and names, and the total number of elected representatives will be determined through Council's Representation Review being undertaken in 2018.

#### Application of Legislation

4. The number of Māori members for election is calculated in accordance with LEA clause 4 of Schedule 1A of the Act. Using this calculation, the Council could have two Māori members when the Council's total membership ranges from 9 (current) to 14 members.
5. If Māori constituencies were created, two members of Council would be elected from the Māori constituencies, and the other members would be elected from the general constituencies. Only electors on the Māori electoral roll are entitled to vote for candidates in a Māori constituency, and only electors on the general electoral roll are entitled to vote for candidates in general constituencies. No one can vote in both a general and a Māori constituency.

#### Considerations of Tangata Whenua

13. As is usual HBRC practice, as a first step in the process staff asked Council's Māori Committee to consider the matter of Māori constituencies. In the past the Māori Committee has always responded with "no we don't want Council to pursue this" but this time the answer was "we want to hear the views of iwi and hapu and offer a collective view/recommendation to Council".
14. As a result of the Māori Committee resolutions, the Committee invited staff and Regional Planning Committee Tangata Whenua representatives to a workshop to discuss how best to collect Māori views, resulting in the scheduling of four Hui-a-Iwi in October.
17. The feedback from the Hui-a-Iwi, in the form of an agreed recommendation to Council, is attached. Mike Paku (Te Taiwhenua o Heretaunga), Deputy Chairman of the Māori Committee, will address the Council to present the feedback and recommendation.

And following is the record from the 15 November minutes:

Technical queries and discussions traversed:

- If the council passes a resolution to establish Maori constituencies the detail of constituency boundaries and names will be determined through the 2018 Representation Review
- A separate poll on Maori Constituencies is estimated to cost between \$215-230,000, while a poll conducted as part of the next local body elections would be less expensive as a proportion of the total election costs

- If HBRC establishes Maori constituencies, those representatives will be elected by the voters on the Maori electoral roll
- Mike Paku, Deputy Chairman of the Māori Committee, advised Councillors that the feedback and results of discussions with the Māori Community were overwhelmingly in favour of Māori representation at this council decision-making table, also supported by the RPC.

The next opportunity for Council to resolve to establish Maori constituencies will be September-November 2020, and if the result is Yes to establishing then HBRC would have to undertake another representation review in 2021 (rather than 2024 required by LGA).

Otherwise, so as not to trigger another representation review, the establishment could be considered ahead of the next required Rep Review (Sept-Nov 2022) for effect in 2024 elections.

**Mike**, if you wish to chat further about this just let me know and I'll organise with Leeanne Hooper, our Principal Advisor Governance to go through it with you; she's very happy to do so.

Kind regards and I hope you all have a lovely weekend.

Ngā mihi

**Joanne Lawrence**

Group Manager

Office of the Chief Executive and Chair





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

**Wednesday 05 June 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 12.

Topic	Raised by

**Leeanne Hooper**  
**PRINCIPAL ADVISOR GOVERNANCE**

**James Palmer**  
**CHIEF EXECUTIVE**



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

**Wednesday 05 June 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 22 May 2019 and are now presented for the Committee's consideration.

**Rating Invoice – Proposed Issue, Due and Penalty Date Changes**

2. This item proposed a change to the date Hawke's Bay Regional Council's rate invoices are sent out and the date payment is due with the objective of improving Council's cash flow as well as lessen payment pressures on ratepayers over the Christmas period.
3. During discussions on the item concerns were raised in relation to bringing forward the payment due date by six months potentially adding to the financial burden for some ratepayers. To add context to the discussion, staff provide the attached table that provides a picture of the rates paid across the region.
4. The sub-committee resolved:
  - 4.1. That the Finance, Audit and Risk Sub-committee receives and considers the *"Rating Invoice – Proposed Issue, Due and Penalty Date Changes"* staff report.
  - 4.2. The Finance, Audit and Risk Sub-committee recommends that the Corporate and Strategic Committee:
    - 4.2.1. 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.
    - 4.2.2. Recommends that Hawke's Bay Regional Council approves the proposed rates issue, due and penalty dates following, for implementation 1 July 2020.
      - 4.2.2.1 Invoices sent out – early to mid-August
      - 4.2.2.2 Rate assessment/invoice date – 20 September
      - 4.2.2.3 Payment due date – 20 September
      - 4.2.2.4 Penalty date – 21 September.

**Proposed schedule of 2019-20 internal audits**

5. This item provided the sub-committee with a proposed internal audit programme for the 2019-20 financial year. Discussions of this item included a suggestion that Council staff consider options and opportunities for monitoring operational achievements against sustainability targets, and reporting these through to Council. Agreeing the schedule of internal audits, the sub-committee resolved:
  - 5.1. Agrees to the 2019-20 schedule of Internal Audits, including associated budget allocations, being:
    - 5.1.1. IT Security (subject to inclusion of an assessment of vendors cyber security in the scope)
    - 5.1.2. Data Analytics
    - 5.1.3. Risk Management
    - 5.1.4. Asset Management.

- 5.2. The Finance, Audit and Risk Sub-committee recommends that the Corporate and Strategic Committee takes note of the agreed 2019-20 schedule of Internal Audits within associated budget allocations.

### **Water management follow-up internal audit report**

6. This item provided the Crowe Horwath report on the results of the follow-up Water Management internal audit undertaken. The discussions at the meeting covered the matters identified as Partially Implemented and there was a request for a further audit in six months to determine further progress towards implementation, with the sub-committee resolving:
  - 6.1. That the Finance, Audit and Risk Sub-committee receives and notes the "*Water Management Follow-up Internal Audit Report*" staff report and that Crowe Horwath be engaged for a further follow-up audit to be undertaken within 6 months".

### **Draft 2019-20 Annual Plan for feedback**

7. The Annual Plan for 2019-20 was presented for review and feedback and will be presented to the 5 June Corporate and Strategic Committee meeting for final adoption by Council on 26 June 2019.

### **Living wage update**

8. This item provided the Sub-committee with an update on developments with living wage provisions including feedback from a survey conducted with suppliers providing direct services to Council for review and consideration. The sub-committee resolved:
  - 8.1. That the Finance, Audit and Risk Sub-committee:
    - 8.1.1. Receives and notes the "*Living Wage Update*" staff report
    - 8.1.2. Notes that considerations of living wage related procurement policy decisions are addressed in a separate "*Procurement and Contract Management*" item.
    - 8.1.3. Continues to await the feedback of the Public Transport Operating Model report.
  - 8.2. The Finance, Audit and Risk Sub-committee recommends that the Corporate and Strategic Committee recommends that Hawke's Bay Regional Council:
    - 8.2.1. Considers the addition of a statement in the Procurement Policy that "*Council gives preference to suppliers who pay employees the Living Wage*"
    - 8.2.2. If the inclusion of a weighting for payment of the Living Wage in a contract decision is to be considered, that the decision will be determined based on the type and value of the contract, and should also weigh up other best business practices.
    - 8.2.3. If the inclusion of a weighting for payment of the Living Wage in a contract decision is to be considered, that the decision will be determined based on the type and value of the contract, and should also weigh up other best business practices.

### **Procurement and Contract Management Update**

9. This item provided the sub-committee with an update on progress made in response to recommendations from the 2018 internal audit to review and amend the Regional Council's Procurement Policy and Procurement Manual, with discussions including the release of new guidelines from the Office of the Auditor General and the Ministry of Business, Innovation and Employment in late 2018, HBRC has reviewed and amended the current procurement policy and manual to reflect current best practice.
10. Staff presented to the committee the policy and manual which cover the procurement life cycle, from planning, to selection and contract delivery. National templates for selection of suppliers and contracting have been adopted and recommendations for improvement included following and external audit of our processes and procedures by

Crowe Horwath in 2018. The changes also reflect HBRC being supportive of sustainable purchasing, local buying and the living wage being included in selection criteria.

11. The sub-committee resolved:

- 11.1. That the Finance, Audit and Risk Sub-committee Receives and considers the “*Procurement and Contract Management Update*” staff report and provides feedback to staff on the Procurement Policy and Procurement Manual documents.
- 11.2. The Finance Audit and Risk Sub-committee recommends that the Corporate and Strategic Committee:
  - 11.2.1. Agrees support for the proposed Hawke’s Bay Regional Council Procurement Policy May 2019 and Procurement Manual as revised to reflect the feedback provided by FARS.
  - 11.2.2. Recommends that Hawke’s Bay Regional Council agrees support for the Hawke’s Bay Regional Council Procurement Policy May 2019 and Procurement Manual as revised, including that Policy 5.9 is amended to read “HBRC will give preference to suppliers who have adopted the living wage and will consider this as part of the procurement evaluation process”.

### **May 2019 Sub-committee Work Programme Update**

12. This standing item provided an overall update on the Sub-committee’s work programme.

### **Treasury Report**

13. This “Late Item” was received too late for proper consideration, and so is provided to today’s Committee meeting.

### **Proposed 2019-20 Council Insurance Programme**

14. This item provided the Sub-committee with details covering the annual renewal of Council’s current insurance policies and terms and conditions of renewal.

### **Decision Making Process**

15. 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 22 May 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 Council 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.

### **Rating Invoice – Proposed Issue, Due and Penalty Date Changes**

- 3. Recommends that Hawke’s Bay Regional Council approves the proposed rates issue, due and penalty dates following, for implementation 1 July 2020.
  - 3.1. Invoices sent out – early to mid-August
  - 3.2. Rate assessment/invoice date – 20 September
  - 3.3. Payment due date – 20 September
  - 3.4. Penalty date – 21 September.

### **Proposed schedule of 2019-20 internal audits**

4. Takes note of the agreed 2019-20 schedule of Internal Audits within associated budget allocations, being:
  - 4.1. IT Security
  - 4.2. Data Analytics
  - 4.3. Risk Management
  - 4.4. Asset Management
  - 4.5. Water Management follow-up.

### **Living wage update**

5. Considers the addition of a statement in the Procurement Policy that “*Council gives preference to suppliers who pay employees the Living Wage*”
6. If the inclusion of a weighting for payment of the Living Wage in a contract decision is to be considered, that the decision will be determined based on the type and value of the contract, and should also weigh up other best business practices.
7. If the inclusion of a weighting for payment of the Living Wage in a contract decision is to be considered, that the decision will be determined based on the type and value of the contract, and should also weigh up other best business practices.

### **Procurement and Contract Management Update**

8. Agrees support for the proposed Hawke’s Bay Regional Council Procurement Policy May 2019 and Procurement Manual as revised to reflect the feedback provided by FARS.
9. Recommends that Hawke’s Bay Regional Council agrees support for the Hawke’s Bay Regional Council Procurement Policy May 2019 and Procurement Manual as revised, including that Policy 5.9 is amended to read “HBRC will give preference to suppliers who have adopted the living wage and will consider this as part of the procurement evaluation process”.

### **Reports Received**

10. Notes that the following reports were provided to the Finance Audit and Risk Sub-committee.
  - 10.1. Water Management Follow-up Internal Audit Report
  - 10.2. Living wage update
  - 10.3. Draft 2019-20 Annual Plan for review and feedback
  - 10.4. May 2019 Sub-committee Work Programme Update.

### **Authored by:**

**Leeanne Hooper**  
**PRINCIPAL ADVISOR GOVERNANCE**

**Jessica Ellerm**  
**GROUP MANAGER**  
**CORPORATE SERVICES**

### **Approved by:**

**James Palmer**  
**CHIEF EXECUTIVE**

### **Attachment/s**

- [1](#) Summary of Rates 2018-19

## Summary of Rates Invoiced 2018/19

	Napier	Hastings	Central HB	Wairoa	Taupo	Rangitikei	Total	%
	Qty	Qty	Qty	Qty	Qty	Qty	Properties	Properties
\$40,000.00 - \$80,000.00	1	1	1	1			4	0.01%
\$20,000.00 - \$40,000.00		8	1	3		2	14	0.02%
\$10,000.00-\$20,000.00	7	33	27	9	3		79	0.11%
\$5000.00-\$10,000.00	37	86	70	43	4	2	242	0.34%
\$1000.00-\$5000.00	480	1545	618	253	3	5	2904	4.08%
\$500.00 - \$1000.00	868	2345	294	135	6		3648	5.13%
\$300.00-\$500.00	7972	6038	347	179	8		14544	20.45%
\$150.00-300.00	15248	18977	1404	1124	11		36764	51.70%
Less than \$150.00	1018	2214	4717	4957	10	1	12917	18.16%
<b>TOTALS</b>	<b>25631</b>	<b>31247</b>	<b>7479</b>	<b>6704</b>	<b>45</b>	<b>10</b>	<b>71116</b>	<b>100.00%</b>





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

**Wednesday 05 June 2019**

**Subject: HBRC 2019-20 ANNUAL PLAN**

**Item 7**

**Reason for Report**

1. The Annual Plan full document for 2019-20 is attached (in hard copy for Committee members only) for review, feedback and recommendation for Council to adopt on 26 June 2019. It has been through the Financial Audit & Risk Sub-Committee for their feedback which will be incorporated together with any feedback from the Corporate and Strategic Committee to a final version presented to Council for adoption on 26 June 2019.
2. As Council agreed to a no consultation approach due to no material or significant differences to what was forecast in year 2 of the Long Term Plan (LTP), and the forecasted average rates increase of 7.9% has not changed, a detailed two page spread of key highlights will be published (through newspapers and social media) after the Corporate and Strategic Committee meeting to inform the community.
3. Feedback from the Finance Audit & Risk Sub-Committee has been incorporated into this two pager and the updated version is attached. The narrative used in this two pager will be incorporated into the final version of the Annual Plan 2019-20 document for consistency and presented to Council on 26 June 2019.
4. Requests to carry forward a number of 2018-19 budgeted operating and capital expenditure items are detailed for approval to be included in the Annual Plan 2019-20. A summary is provided in this paper and full details are in the attached document. The Annual Plan document will be updated to reflect these figures and a summary of key variations to year 2 of the 2018-28 Long Term Plan presented to Council on 26 June 2019.

**Notes**

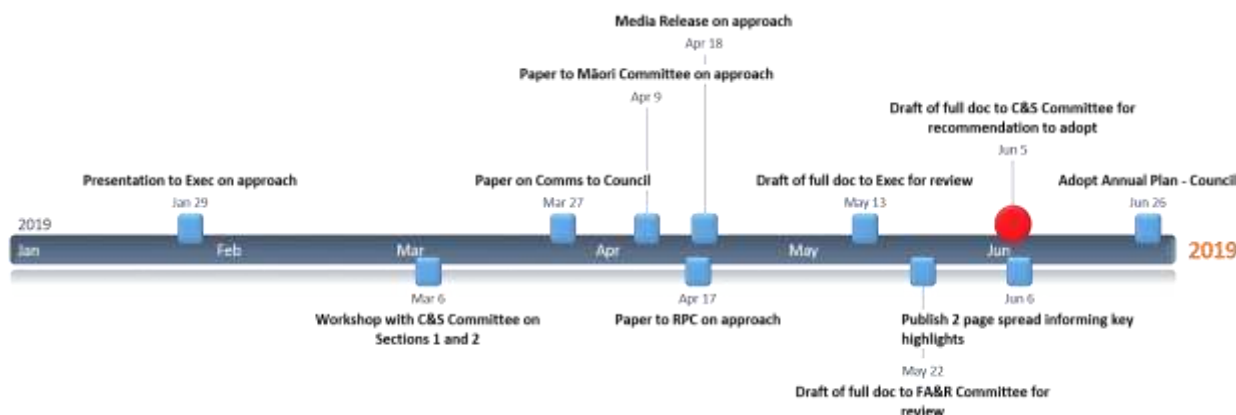
5. Any feedback received from the Finance Audit and Risk Sub-Committee on the full Annual Plan document has not yet been implemented as further changes will need to be made subject to carry forward approvals and any feedback/changes from the Corporate and Strategic Committee meeting. A final updated version will be available for adoption by Council on 26 June 2019.
6. However – the two page spread which will be published on 06 June to inform the community of key highlights has been updated and is attached for reference. The information from this two page spread will also be incorporated into the final Annual Plan document when presented for adoption on 26 June 2019.
7. There are four attachments to this paper:
  - 7.1. The draft Annual Plan 2019-20 document
  - 7.2. The two page spread for public information
  - 7.3. The carry forwards information for Capital and Operating expenditure
  - 7.4. A copy of the letter sent out to all commercial entities informing the change in allocation of the Economic Development rate.

**Background**

8. The Annual Plan document has three sections:
  - 8.1. Section 1: Introduction
  - 8.2. Section 2: Highlights

### 8.3. Section 3: Financial information

9. A draft of sections 1 and 2 were presented to Council in a workshop early March. A media release on 18 April 2019 signified our non-consultation approach and provided a high level overview to the public. The full Annual Plan document was presented to Finance Audit & Risk Sub-Committee on 22 May for review and feedback.
10. A timeline of events for the Annual Plan is below.



### Rates and Rating Differentials

11. Note that the forecast average rate increase of 7.9% as forecast from year 2 of the Long Term Plan has not changed. There are some minor variances as to the spread across various rating types e.g. the Uniform Annual General Charge (UAGC) has increased by 5%/\$136k, however this is balanced out by a decrease in targeted rates of 5% including biosecurity schemes by \$99k, sustainable land management by \$27k and economic development by \$23k.
12. As per the Long Term Plan consultation, in 2019-20 a larger percentage of the Economic Development rate ratio shifts to commercial ratepayers; those who benefit the most from this activity. The ratio shifts from 50:50 commercial:urban to a 70:30 split. A letter was sent out 28 May to all commercial entities informing of this change and is attached to this paper.
13. Below is a sample of property values showing the likely effect on commercial ratepayers, from 1 July 2019.

	CV \$210,000	CV \$560,000	CV \$850,000	CV \$1,010,000	CV \$3,300,000	CV \$5,650,000
<b>2018-19</b>	\$55.26	\$147.74	\$188.36	\$223.82	\$731.28	\$1,440.19
<b>2019-20</b>	\$59.45	\$198.74	\$272.34	\$323.60	\$1,057.32	\$2,005.19

### Carry Forward of Expenditure and Revenue from 2018-19 to 2019-20

14. Operating and capital expenditure carry forwards from 2018-19 to 2019-20 are detailed in full in the attachment and a summary in the table below.
15. When considering whether to approve the carry forwards to expenditure consideration has been taken to factors such as resourcing, delays in funding approvals etc, with the understanding that planned work can now take place in the 2019-20 year.
16. Summary of Effects of Operating expenditure carry forwards on the 2019-20 Annual Plan.

Proposed Carry Forwards OPERATING	Expenditure
Erosion Control Scheme	(\$600,000)
Hot Spot Tutira	(\$245,000)
Hot Spot Lake Whatuma	(\$180,000)
Regional Land Transport Strategy	(\$146,000)
Future Farming Initiative	(\$130,000)
Heretaunga Plains Flood Control Scheme	(\$89,000)

<b>Proposed Carry Forwards OPERATING</b>	<b>Expenditure</b>
Karamu Drainage	(\$45,000)
Upper Tuki Tuki	(\$44,000)
Asset Management – Minor Items	(\$40,000)
Heretaunga Plains Special Projects	(\$34,000)
Napier, Meanee, Puketapu Drainage	(\$33,500)
Muddy Creek	(\$12,000)
Karamu Enhancement	(\$11,000)
Central Southern Rivers	(\$10,000)
<b>TOTAL OPERATING</b>	<b>(1,619,500)</b>

17. Summary of Effects of Capital expenditure carry forwards on the 2019-20 Annual Plan.

<b>Proposed Carry Forwards CAPITAL</b>	<b>Expenditure</b>
Ngaruroro Water Investment (Regional Freshwater Security)	(\$1,420,000)
IT Infrastructure Refresh	(\$610,000)
IRIS Resource Management System Phase 2	(\$520,000)
Regional Groundwater Research	(\$430,000)
Executive Performance Management Tool	(\$330,000)
Heretaunga Plains Flood and River Control	(\$183,000)
Environmental Data Management System	(\$175,000)
Bus Service Ticketing System	(\$154,000)
Customer Relationship Management (CRM)	(\$75,000)
Data Warehousing	(\$70,000)
Regional Cycling Project	(\$60,000)
<b>TOTAL CAPITAL</b>	<b>(\$4,027,000)</b>

### Decision Making Process

18. 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:
- 18.1. The decision does not fall within the definition of Council's policy on significance.
  - 18.2. The persons affected by this decision are the region's ratepayers.
  - 18.3. 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

1. That the Corporate and Strategic Committee:
  - 1.1. Receives and notes the "*HBRC 2019-20 Annual Plan*" staff report.
  - 1.2. Receives and notes the two page public notice informing the community of key highlights of the 2019-20 Annual Plan included in this staff report.
  - 1.3. Receives and notes the 2019-20 Annual Plan Carry Forward Budget Considerations included in this staff report.
2. The Corporate and Strategic Committee recommends that Hawke's Bay Regional Council:
  - 2.1. Adopts the 2019-20 Annual Plan, incorporating amendments agreed at today's meeting, in accordance with Section 95 and Section 82(A)(3) of the Local Government Act 2002.

Authored by:

Karina Campbell  
SENIOR PROJECT MANAGER

Melissa des Landes  
ACTING CHIEF FINANCIAL OFFICER





Trudy Kilkolly  
PRINCIPAL ACCOUNTANT RATES AND  
REVENUE

Approved by:

Jessica Ellerm  
GROUP MANAGER CORPORATE  
SERVICES

James Palmer  
CHIEF EXECUTIVE

Attachment/s

- |  |  |                      |
|--|--|----------------------|
|  1  | Draft 2019-20 Annual Plan ( <i>for committee members only</i> )                          | Under Separate Cover |
|  2  | Annual Plan Two Page Spread for public information ( <i>for committee members only</i> ) | Under Separate Cover |
|  3  | Carry forwards detail for Capital and Operating Expenditure                              | Under Separate Cover |
|  4 | Letter to all commercial ratepayers explaining the change in ratio                       | Under Separate Cover |

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

**Wednesday 05 June 2019**

**Item 8**

**Subject: HB TOURISM FUNDING REVIEW AND ORGANISATIONAL UPDATES**

**Reason for Report**

1. This item provides the Corporate and Strategic Committee with an update on the Hawkes' Bay Tourism (HBT) funding review, national industry developments, and seeks feedback on identified options for capturing the peer-to-peer sector.
2. This item also provides the Committee with the Hawke's Bay Tourism fourth quarter organisational report and proposed Key Performance Indicators (KPIs) as attached.

**Executive Summary**

3. Nationally and locally, conversations are continuing around tourism funding, and multiple initiatives are under active consideration and review. These include:
  - 3.1. Tourism Industry Aotearoa (TIA) recommendation that local government receive a 20% share of GST from international visitors
  - 3.2. The recently released *New Zealand-Aotearoa Government Tourism Strategy*
  - 3.3. The judicial review of Auckland Council's Accommodation Provider Targeted Rate (APTR) that commenced May 27
  - 3.4. Queenstown Lakes District Council's referendum on a proposed visitor levy, with the last day of voting being 5 June
  - 3.5. A remit to LGNZ proposed by Christchurch City Council to require registration of short-term accommodation providers is on the agenda for consideration at the LGNZ Annual General Meeting
  - 3.6. Development of *Hawke's Bay Visitor Strategy & Destination Management Plan*.
4. Notwithstanding these initiatives, staff are continuing to look into HBT's current funding mechanism which is via the Economic Development (ED) rate to ensure those that benefit commercially from tourism (directly or indirectly) contribute appropriately to the promotion and marketing of the region.

**Background**

5. Following consultation on the 2018-28 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 allocation (where funding for HBT comes from) to become more weighted to the commercial sector, as consulted on.
6. As per the LTP 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 Hawke's Bay Tourism.
7. The objectives of the funding review are:
  - 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.

### Hawke's Bay Visitor Strategy & Destination Management Plan

8. HBT is driving the development of this plan and has the support of the region's Mayors and Chairs for an all-of-region approach. HBT Acting General Manager Hamish Saxton will be at the Corporate and Strategic meeting and will be available to answer any questions in regards to this.

### Funding Review Developments

#### Economic Development Rate Split

9. As the sole local government funder of HBT, HBRC collects funding through a targeted Economic Development rate on behalf of the region's territorial authorities; Napier, Hastings, Central Hawke's Bay and Wairoa councils.
10. Of the approximate \$2.1M collected through this rate \$1.52M is allocated to HBT as agreed to in the HBRC's 2018-28 Long Term Plan. This funding level was committed to for three years and will be reviewed through the 2021-31 LTP.
11. The Economic Development rate is charged out using two differentials; residential ratepayers pay a Uniform Annual Charge (UAC) and organisations classified as commercial/industrial pay rates based on Capital Value (CV) – the market value of their land and improvements. In previous years Wairoa ratepayers have been capped to 5% of the total ED rates collected.
12. As per HBRC's Long Term Plan the rating allocation between residential and commercial/industrial sectors has been adjusted over three years to become more weighted to the commercial/industrial sector as it is considered this sector benefits more directly from tourism than urban rated properties.
13. The rating allocation has moved from 30% commercial/industrial: 70% residential (2017-18), to a 50:50 split in 2018-19, to, 70% commercial/industrial: 30% residential for 2019-20, effective from 1 July. Please see the table below for how this has impacted the Economic Development rate collection.

**Table 1 – Effects of Rating Split Implementation**

Sector Economic Development Rate collected from	2017-18 (30:70)	2018-19 (50:50)	2019-20 (70:30)
Commercial/Industrial	\$796,830.00	\$1,063,792.00	\$1,506,306.00
Residential	\$1,859,270.00	\$1,063,792.00	\$645,560.00
Total Economic Development Rates collected	\$2,656,100.00*	\$2,127,584.00	\$2,151,866.00

*\*This total amount is higher than the other years as it includes the higher HBT funding allocation before it was reduced.*

14. As part of this funding review and given the change to the rating allocation, it is sensible to further analyse this rate to help ensure those that benefit commercially from tourism contribute more to the promotion and marketing of the region as a tourism destination.

### Capturing the Peer-to-Peer Sector

15. Councils around the country, and internationally, are grappling with the issue of how to capture the peer-to-peer sector.
16. HBT says the peer-to-peer accommodation market has a long standing presence in Hawke's Bay through domestic websites. However, like much of New Zealand, the growth of the sector in the region has seen a meteoric rise with the arrival of global player AirBnB.
17. It is difficult to get an accurate understanding of the total number of properties that offer peer-to-peer accommodation in the region, however HBT report the number of entire properties available for rent peaked in February this year at 1,190. This figure comes from AirDNA - a subscription service that "scrapes" AirBnB for data and more recently also HomeAway (another international platform). Total listings in March 2019 show there were 1,060 entire places to rent.

18. HBT reports that the revenue the peer-to-peer sector collects has also significantly increased. In the 12 months to April 2019, revenue more than doubled from \$13.0M to \$26.4M.
19. It does not appear any research has been done on the wider impact on Hawke's Bay of the peer-to-peer sector, which is potentially taking long-term rentals off the market for more lucrative short-term stays. It is reported the region is in a housing crisis with a lack of affordable housing.
20. In a paper to Christchurch City Council's Regulatory Performance Committee (13 June 2018) Council staff say there are potential benefits and adverse impacts from a significantly increased use of residential houses for short-term accommodation. This is particularly the case where units are predominantly used for accommodation and where the owner is not resident on site. These impacts can include:
  - 20.1. Reduced availability and increased cost of long-term rentals
  - 20.2. House prices may be higher than if all units used for short-term accommodation were returned to either the long-term rental market or the pool of houses for sale
  - 20.3. Potential reduced amenity and sense of community for neighbouring properties due to transience of occupants particularly in neighborhoods where this activity tends to cluster; and
  - 20.4. Reduced demand for traditional accommodation types and any subsequent impact on investment.
21. If peer-to-peer providers are operating at a commercial level and benefiting from tourists coming into the region it is fair they contribute through a commercial differential rather than the smaller residential differential (\$9.76 for each household) to the promotion and marketing of the region.
22. The challenges however are firstly identifying the providers and secondly deciding how to treat them – when are they considered to be operating on a commercial basis and how can this be identified and confirmed?
23. Christchurch City Council has proposed a remit to LGNZ to give local authorities the ability to require registration of short-term accommodation providers. The remit is on the agenda for consideration at its Annual General Meeting in July.
24. The table below looks at some options available to HBRC in seeking a contribution from the peer-to-peer sector to tourism.

<b>Option 1: Creating a voluntary subscription/membership group or join HBT's membership group</b>
Peer-to-peer providers could be written to (or flyers dropped in all homes in the region) and asked to pay a voluntary annual subscription fee to contribute to tourism promotion as part of a membership group. A new accommodation providers group could be formed or it may be that providers could join HBT's existing membership group.
<b>Pros</b> <ul style="list-style-type: none"> <li>• Providers may contribute to tourism promotion.</li> <li>• Providers may want to belong to membership group.</li> <li>• Benefits may be achieved for providers and the sector through having or being part of a membership group.</li> <li>• This could be managed externally.</li> <li>• Would not see a rate increase.</li> </ul>
<b>Cons</b> <ul style="list-style-type: none"> <li>• People may choose not to join unless they perceive a benefit/s for belonging to such a group.</li> <li>• Wouldn't expect to raise significant contribution towards tourism promotion. It was reported to the Corporate and Strategic Committee in December last year it had at that time 386 paying members and expected to collect about \$120,000 through membership and support partners for the year.</li> </ul>
<b>Considerations</b> <ul style="list-style-type: none"> <li>• Resource to administer/manage a new membership group if one was formed.</li> <li>• Would need to incentivize providers to join e.g. What's in it for me?</li> </ul>

<b>Option 2: HBRC invoices a charge or fee to contribute towards Economic Development/tourism promotion</b>	
<b>Pros</b>	<ul style="list-style-type: none"> <li>Provides a mechanism for providers to contribute.</li> <li>Invoiced separate to rates therefore no rate increase.</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>Need to identify providers.</li> <li>Resource to manage the issue of invoices and record payment.</li> <li>Resource to maintain the peer-to-peer database.</li> <li>The charge or fee may not reflect the amount of business they do or commercial benefit they receive from promotion and marketing of the region.</li> <li>Not as easy to enforce payment of a charge or fee, compared to a rates invoice.</li> </ul>
<b>Considerations</b>	<ul style="list-style-type: none"> <li>This is a fluctuating sector and providers may withdraw their property at the time a database is updated and re-offer/re-register their property at a later date. A way around this could be invoicing more than once a year. Again, this requires resource.</li> <li>Does potential revenue secured this way justify the costs to set up and operate this option?</li> <li>Would need to publicly consult, needs Council resolution and policy, and amendments to Council plan as required.</li> </ul>
<b>Option 3: Charge a peer-to-peer targeted rate</b>	
<b>Pros</b>	<ul style="list-style-type: none"> <li>Those that benefit from tourism promotion contribute.</li> <li>Rates could be reduced for the indirect beneficiaries of tourism.</li> <li>A new rate can be established if the need for more expenditure through the ED rate has been identified.</li> <li>Ability to charge penalties.</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>The contribution would not reflect the level of business they do or the benefit they receive.</li> <li>What basis is the rate charged? I.e. is it a flat fixed rate or is it based on nights (actual, intended or capacity).</li> <li>Need to identify providers.</li> <li>Need to determine an appropriate fixed rate.</li> <li>Resource to manage the issue of invoices and record payment.</li> <li>Resource to maintain the peer-to-peer database.</li> </ul>
<b>Considerations</b>	<ul style="list-style-type: none"> <li>Would need to publicly consult, needs Council resolution and policy, and amendments to Council plan as required.</li> </ul>
<b>Option 4: Treat peer-to-peer providers as commercial entities using the current Economic Development Rate</b>	
<b>Pros</b>	<ul style="list-style-type: none"> <li>Existing ED rate is based on CV so would be consistent with what is currently applied.</li> <li>Assuming whole house is to be rented, CV would generate more income and reduce the total amount residential ratepayers would be required to pay.</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>Need to identify providers.</li> <li>Resource to manage enquiries if implemented.</li> <li>Resource to maintain the peer-to-peer database.</li> <li>ED rate is based on capital value for commercial entities, so this would see a significant rise in rates. For example, a Napier south home with a CV of \$375,000 currently pays \$9.76 towards ED. If this home was classified as commercial, the rates would be \$120.15. (Napier commercial rate of \$32.04 per \$100,000.)</li> <li>If the above house was only occasionally rented out, or part of the house rented out, it could be deemed disproportionate.</li> <li>At what point do homes become commercial?</li> <li>Doesn't reflect proportion of property being used for accommodation.</li> </ul>



<p><b>Considerations</b></p> <ul style="list-style-type: none"> <li>• Need to determine when a house changes from residential to commercial. Is it number of nights – is so, need to decide what measurement to use i.e. available nights, intended booked nights or actual booked nights.</li> <li>• Would need to publicly consult, needs Council resolution and policy, and amendments to Council plan as required.</li> </ul>
<p><b>Option 5: Treat peer-to-peer providers as commercial entities using a different differential. i.e. Land value (LV), Improvement Value, fixed charge per SUIP (Separately Used Inhabited Parts)</b></p>
<p>For the options discussed below HBRC would need to publicly consult, they need Council resolution and policy, and amendments to Council plan as required.</p> <p><b><u>Land value</u></b></p> <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>• Provides a mechanism for providers to contribute.</li> <li>• Reflects the value of the location.</li> <li>• Value is irrespective of whether building is being used or not.</li> <li>• Existing ED Rate is based on LV so would be consistent with what is currently applied.</li> </ul> <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>• Compared to CV, HBRC would receive less in rates.</li> <li>• It doesn't reflect the use of the property.</li> </ul> <p><b>Considerations</b></p> <ul style="list-style-type: none"> <li>• Rural peer-to-peer providers have large land value, but the property for rent may be a small cottage, but they will be charged on the LV not the income they receive from renting the place out.</li> </ul>
<p><b><u>Improvement value</u></b></p> <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>• It reflects the income that is available – the bigger the house, the more income it is able to generate.</li> </ul> <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>• It doesn't reflect income earned.</li> <li>• It doesn't reflect location.</li> <li>• It doesn't reflect the value of the land that the improvement is sitting on.</li> </ul>
<p><b><u>Fixed Charge per SUIP (Separate used or inhabited part of a rating unit)</u></b></p> <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>• Provides a mechanism for providers to contribute.</li> <li>• It is simple to rate based on UACS.</li> <li>• It reflects the number of units to rent.</li> <li>• Ratepayers must register one or more SUIPS.</li> <li>• Can apply a penalty for non-payment.</li> </ul> <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>• Doesn't reflect use so ratepayer would be charged regardless of use.</li> <li>• Need to establish the number of units.</li> <li>• Only accurate as at July 1 (start of financial year).</li> <li>• Resource required to keep register up to date.</li> </ul> <p><b>Considerations</b></p> <ul style="list-style-type: none"> <li>• Need to identify appropriate fixed rate.</li> </ul>

25. As illustrated above, there is no clear answer and this is something Councils are grappling to find an appropriate solution for.

### National Tourism Developments

26. Eyes are on the judicial review of Auckland Council's Accommodation Provider Targeted Rate (APTR). A group have come together, Commercial Accommodation Rate Payers (CARP), and are challenging the legality of the targeted rate.
27. It was reported the group are seeking to rescind the rate "due to its unfairness and the lack of consultation by Auckland Council" (NZ Herald 25 May 2018). High Court action started on 27 May (scheduled to last a week), with Auckland Council expecting the judgement to be released around August or September.

28. The last day of voting for Queenstown Lakes District Council's non-binding referendum on a proposed visitor levy is 5 June. The Council has proposed a 5% charge to the costs of accommodation payable by visitors. A Government legislation change is required for the levy to be put in place. If the Government is supportive, the levy would not be introduced until July 1, 2021.

28.1. Tourism Minister Kelvin Davis has said any levy would be for Queenstown alone.

29. Tourism Industry Aotearoa (TIA) has recently advocated that central government give local government a 20% share of the GST paid annually by international visitors to help fund regional tourism activities and infrastructure. This recommendation was made to the Productivity Commission's Local Government Funding and Financing Inquiry (please see Attachment 2), with the draft release of this report due in June.

29.1. TIA recommends the money is redistributed to local government in accordance with the tourism burden borne by each Territorial Local Authority (TLA).

29.2. It says the distribution could be via a trust, with funds allocated in direct proportion to visitor impact.

29.3. The table below shows what each TA in Hawke Bay would receive in annual funding based on the funding model, using 2018 data. The measure of visitor impact is based on total visitor nights per region (TA) - (Guest nights data source – Accommodation Survey/Commercial Accommodation Monitor Year End March 2018)

Territorial Authority	Proportion of International Visitor GST attributed
Wairoa District	\$407,315
Hastings District	\$3,351,751
Napier City	\$6,339,198
Central Hawke's Bay District	\$162,800
<b>Total</b>	<b>\$10,261,064</b>

30. A national tourism strategy has been released – *New Zealand-Aotearoa Government Tourism Strategy*. One of the top priorities for 2019/20 is long-term sustainable funding mechanisms, but the strategy does not provide strong direction in regards to that – it does however include an action to implement any tourism-related actions arising from the Productivity Commission's inquiry.

30.1. Destination management and planning is another top priority – to work with regions to take a strategic, coherent approach when deciding how they want to pan, manage market and develop their destinations.

30.2. It has actions points around the minimum wage and building capacity in Maori tourism operators.

31. The tourism industry released its updated growth framework *Tourism 2025 & Beyond. A Sustainable Growth Framework Kaupapa Whakapakari Tāpoi*. Managing destinations ("All of New Zealand needs to be covered by Regional Destination Management Plans") and investing in infrastructure and amenities are among the top 10 actions.

32. The International Visitor Conservation and Tourism levy (IVL) will be implemented from July 1 2019. The IVL costs \$35 and is expected to raise over \$450M over five years.

### Next Steps

33. Based on feedback today on whether or not to progress a specific solution for Hawke's Bay to capture peer-to-peer providers (or wait for a coordinated approach across local government), HBRC staff will further develop the Committee's preferred option/s for capturing the peer-to-peer sector and methods of identification.
34. HBRC staff continue to progress analysis of changes to HBT's targeted rate formula.
35. HBRC staff continue to closely track industry developments and report back to the Corporate and Strategic Committee when new information comes to light.

36. HBRC staff continue to provide support to Hawke's Bay Tourism in its development of the Hawke's Bay Visitor Strategy & Destination Management Plan.

### Decision Making Process

37. 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:
- 38.1 The decision does not significantly alter the service provision or affect a strategic asset.
  - 38.2 The use of the special consultative procedure is not prescribed by legislation.
  - 38.3 The decision does not fall within the definition of Council's policy on significance.
  - 38.4 The decision is not inconsistent with an existing policy or plan.

### Recommendation

1. That the Corporate and Strategic Committee receives and notes the "*HB Tourism Funding Review*" staff report.
2. The Corporate and Strategic Committee recommends that Hawke's Bay Regional Council:
  - 2.1 Adopts the Key Performance Indicators proposed, subject to the Hawke's Bay Tourism Board of Directors ratifying them, and incorporating any amendments agreed by the Committee today.

### Authored by:

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**PRINCIPAL ACCOUNTANT RATES AND REVENUE**

### Approved by:

**Tom Skerman**  
**GROUP MANAGER STRATEGIC PLANNING**

### Attachment/s

- [1](#) Hawke's Bay Tourism Quarterly Report April - June 2019
- [2](#) Tourism Industry Aotearoa Submission





## Hawke's Bay Tourism Ltd – Fourth Quarter Report FY2019

### Prepared by Hamish Saxton, Acting General Manager Hawke's Bay Tourism

#### Areas of Focus

##### **Additional Funding Streams for HBT**

##### International Conservation and Visitor Levy

The IVL commences on 01 July 2019. Most visitors will be charged \$35 per person. It is expected to raise over \$80m per year (or \$450m over 5 years).

The income will be split 50-50 between Conservation (DOC) and tourism. For DOC, the funds are to be directed towards biodiversity, amenities, and infrastructure. For tourism, the funds are to be directed towards research (c. \$8m), national networks of infrastructure (e.g. responsible camping initiatives) and landscape destination development (e.g. Milford Sound – capacity projects).

##### GST

Tourism Industry Aotearoa is recommending the Government provides local government with a 20% share of the GST paid by international visitors to help fund regional tourism activities and infrastructure.

International visitors currently pay \$1.7 billion annually in GST.

TIA has calculated what each territorial authority could receive in annual funding based on the GST funding model, using 2018 data. The measure of visitor impact is based on total visitor nights per region (territorial authority).

Wairoa District	\$ 407,315
Hastings District	\$ 3,351,751
Napier City	\$ 6,339,198
Central Hawke's Bay District	\$ 162,800
<b>TOTAL</b>	<b>\$10,261,064</b>

In the LGNZ "Front Page" newsletter, there appeared to be broad support for some type of tax to assist local government with infrastructure development for growing pressure points – and they noted both Queenstown's referendum and the Tourism Industry Association's call for a cut of GST.

##### Accommodation levy

Tourism Minister Kelvin Davis said at tourism tradeshow TRENZ that a proposed bed tax would be for Queenstown alone. "I'm not going to have the Far North District Council saying we want one too," Kelvin Davis said at the TRENZ tourism conference in Rotorua. "It's just not going to happen."

If the Queenstown non-binding referendum, in May, finds itself in favour of a bed tax, it would not be applicable until July 2021. Mayor Boulton acknowledged that government had not shown "strong" support.

TIA notes that technology may now allow for some peer-to-peer accommodation like AirBNB to charge a bed tax. However, they say that a bed tax unfairly targets one sector who host only a proportion of total visitors. Only 30% of international visitors stay in commercial accommodation, and even including AirBNB that number would be less than 40%. A bed tax



also misses those who stay with friends and family, and freedom campers. A bed tax is also paid by more New Zealanders than international visitors (32m bed nights compared to 17m bed nights for international).

#### **Maori Tourism**

Annie and Hamish met with Oscar Nathan, who has created an online and app-enabled programme called "Manaaki", which is currently being applied to Rotorua. Still emerging as a customer service and destination training programme, the aim is to create a greater confidence in the delivery of basic Te Reo, local place name pronunciation, key insights and local knowledge.

Hinewai and Hamish were to attend a free workshop put on by Te Puni Kokiri and delivered by Karl Wixon. The Waipukurau event was cancelled due to a lack of numbers. Instead, they met with Karl in Napier to discuss concepts of the programme. Karl has led the Maori focus with the national "NZ Story" programme. The discussion highlighted the need for the development of a "regional story" within the proposed visitor strategy and destination management plan.

Board member Hinewai Hawaikirangi has worked with the Board and management to draft up a strategy focusing on Maori tourism development.

#### **Living Wage**

A Living Wage Survey of members was conducted and results in have 36% of members saying they already pay all staff the Living Wage with many more paying additional. Of those who filled out the survey:

- 42% were in the hospitality sector
- 17% Accommodation
- 17% Attractions
- 36% already pay the living wage
- 9% intend to pay the living wage
- 21% can not afford to pay the living wage

The remainder made the following comments:

- "We employ a lot of younger students who we greatly value but they are not to a standard where we would employ them at the start on the living wage. Some of our more mature FOH staff are already paid above the min wage".
- "We pay them more than the living wage"
- "We pay well above the living wage"
- "We would love to pay the living wage, but this cost has to be absorbed somewhere & which in turn means an increase in pricing".
- "We appreciate and recognise the importance of the living wage however I think this needs to be calculated around the actual realities of the living costs of the individual. Majority of our front of house staff are still in high school, living at home, with no financial burdens or liabilities. When assessing the 'living wage' hourly rate I don't think it is fair that one blanket pay rate is given to all individuals regardless of their actual living situation".
- "All our full-time staff are on living wage, those that are still at high school/being supported by their parents & working casually or those that have absolutely no experience are not "
- "Currently all permanent full-time staff are paid the living wage".

#### **Summary of activity undertaken this quarter**



### **Advertising**

Autumn activity on seen a continuation of the road trip theme, with highlights being videos for Marine Parade, Sea Walls, Photography and Central Hawke's Bay. Hawke's Bay strong regional events line-up has continued, with Horse of the Year, Triple Peaks and Hawke's Bay Marathon in particular being key focuses for advertising spend. A successful promotion was delivered with Air New Zealand's Grabaseat team in early May, resulting in national distribution of a video documenting a weekend escape to Hawke's Bay.

### **Managed events**

The Big Easy was delivered over Easter Weekend, in partnership with colleagues at Hawke's Bay Regional Council, Hastings District Council and Napier City Council. Approximately 1,600 riders officially participated with another 175 attending the concert. While the Little Easy event in Central Hawke's Bay attracted approximately 250 riders. Official entries were at record levels for both events.

Preparation is in full swing for Winter F.A.W.C! 2019, which runs from 7-30 June in venues across Napier, Hastings and CHB locations. 65+ events are on offer, a record number for Winter, with early ticket sales on par with the past two years.

### **Travel Trade Activity**

The "TRENZ" annual tradeshow was made up of 386 buyers from 30 markets. Hawke's Bay had 10 businesses attend including Napier Maori Tours (1st time attending), The Crown Hotel, Gannet Safaris Overland, Kennedy Park, Odyssey NZ, National Aquarium of NZ, Prinsy's Tours, Craggy Range, Art Deco Trust, and Hawkes Bay Tourism. Interest in the region was high, with buyers keen to hear about products and connect with businesses.

Hawke's Bay businesses will have collectively invested c.\$100,000 in order to showcase the region.

### **Industry support**

Recent media famils have included:

- Tabi Salada, Japanese travel show
- Bonnie Monday, freelance journalist for Canadian Geographic Traveller, Best Health and Good times
- Fujin Gahou, Japanese women's magazine
- Marten Hahn and Madlen Kippendorf, Brigitte magazine (Germany)
- Air New Zealand's Taiwanese brand ambassador
- Lisa Young, UK photographer
- Pip Casey, Tourism New Zealand

To date, 251 travel professionals have been hosted over 37 famil programmes have been hosted. Industry has significantly supported each famil with discounted rates and contra to a total of \$103,605 (or \$412 per person)

### **Stakeholder Collaboration**

As at May 21 2019, we have 417 listings on the site – 299 are live, 36 are yet to be completed, 65 have expired. There has been 7 new listings since the last report (March 2019).

### **Financial Position**





Membership revenue is forecast to be done by the end of the financial year, reflecting the auto-renewal processes for membership website listings, the need to have a well-populated website, and the need to develop an integrated database system. Expenditure is also slightly down, reflecting the change in management.

#### Proposed KPIs

Key Performance Indicator	Measure	Performance
1. Visitor spend, benchmarked against national performance. Data provided by MBIE's Monthly Regional Tourism Estimates.	National growth 3.0% in year to March 2019	
2. Visitor nights and occupancy, benchmarked against national performance. Data supplied by MBIE's Commercial Accommodation Monitor.	National growth 0.6% in year to March 2019 National occupancy 68.8% in year to March 2019	
3. Annual delivery of regional marketing activity: 3.1 Marketing 3.2 Public relations & media hosting 3.3 Regional events delivery  3.4 Trade marketing programme  3.5 Conference attraction activity	<ul style="list-style-type: none"> <li>• Delivery of annual plan</li> <li>• Delivery of annual plan</li> <li>• Delivery of Summer and Winter F.A.W.C.I, Big Easy and Spring Fling</li> <li>• Delivery of annual plan, including attendance at TRENZ tradeshow</li> <li>• Delivery of annual plan, including attendance at Meetings tradeshow</li> </ul>	
4 Report on value of industry and partner contributions to regional marketing activity, including membership fees, brochure advertising, support for trade and media familiarisations, and event support and sponsorship.	Complete detailed collection, identifying total annual value of industry support.	
5 Industry advocacy: 5.1 Support existing Maori tourism businesses to development international business 5.2 Support existing tourism operators to develop new products, and expand into new markets 5.3 Deliver annual Hawke's Bay Tourism Awards 5.4 Deliver annual series of workshops to build industry capability 5.5 Support industry in adoption of the Living Wage 5.6 Support industry adoption of sustainable environmental practices 5.7 Support Hawke's Bay Regional Council with tourism expertise and support	<ul style="list-style-type: none"> <li>• Identify support given</li> <li>• Identify support given</li> <li>• Successful delivery</li> <li>• Detail annual workshop programme</li> <li>• Identify actions taken</li> <li>• Identify actions taken</li> <li>• Business as usual</li> </ul>	





6	Tourism operators value Hawke's Bay Tourism's leadership and contribution to growth of industry	Industry survey conducted, to set benchmark for future years	
7	Support Hawke's Bay Regional Council in efforts to address long-term sustainable funding options for Hawke's Bay Tourism	Identify support given	
8	Lead the development of a regional visitor strategy for Hawke's Bay	Demonstrate progress toward completion	
9	Comply with quarterly reporting to Hawke's Bay Regional Council on agreed activity and related expenditure.	Reports submitted on-time and to agreed standard	

Item 8

Attachment 1



## Appendix

### Commentary around statistics

All spend data is based on estimates by MBIE. The Monthly Regional Tourism Estimates (MRTE) 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 peer-to-peer data is sourced from a subscription-based data scraping service provided by AirDNA, covering the AirBNB and HomeAway platforms (not the peer-to-peer market in its entirety).

### Visitor Arrivals and Spend

The matrix below details Commercial Accommodation, the Monthly Regional Tourism Estimates, and peer-to-peer data.

March CAM Domestic Nights	Annual CAM Domestic Nights	Feb MRTE Spend Domestic	Annual MRTE Spend Domestic
87,818	908,792	\$42.4m	\$482m
Last year	Last year	Last year	Last year
↑8.8%	↑2.5%	↑10.4%	↑2.1%
March CAM International Nights	Annual CAM International Nights	Feb MRTE Spend International	Annual MRTE Spend International
38,041	307,816	\$24.7m	\$171m
Last year	Last year	Last year	Last year
↓2.8%	↓8.6%	↑5.6%	↑7.1%
March CAM Overall Nights	Annual CAM Overall Nights	Feb MRTE Spend Overall	Annual MRTE Spend Overall
125,829	1,216,876	\$67.1m	\$652m
Last year	Last year	Last year	Last year
↑5.0%	↓0.5%	↑8.6%	↑3.3%
March peer-to-peer Overall Nights	Annual peer-to-peer Overall Nights	Feb MRTE Spend Accom	Annual MRTE Spend Accom
28,782	240,856	\$9.1m	\$82.3m
Last year	Last year	Last year	Last year
↑49%	↑85%	↑5.9%	↑0.8%
March overall nights CAM + Peer-to-peer	Annual overall nights CAM + Peer-to-peer	Peer-to-peer Mar revenue	Peer-to-peer annual revenue
154,611	1,457,732	\$3.06m	\$24.8m
Last year	Last year	Last year	Last year
↑11.1%	↑7.7%	↑54%	↑93%



### 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.

	Annual \$\$ Estimate Year to Feb 2019	Overall \$\$ Growth	Domestic \$\$ Growth	International \$\$ Growth	Annual CAM nights Year to Mar 2019	Overall CAM Growth
Coromandel	\$479m	9.8%	9.2%	11.8%	956,182	3.8%
Taranaki	\$412m	8.0%	7.5%	10.2%	668,526	3.0%
Wairarapa	\$190m	7.0%	8.6%	1.2%	266,858	7.5%
Marlborough	\$398m	5.1%	5.7%	3.9%	735,551	-7.2%
Manawatu	\$479m	5.0%	4.6%	7.0%	582,112	6.9%
Waikato	\$1,572m	4.9%	4.5%	6.1%	1,451,441	2.1%
Wellington	\$2,432m	4.8%	4.4%	5.6%	2,721,694	1.0%
Taupo	\$659m	4.7%	4.7%	4.7%	1,155,589	0.5%
<b>Hawke's Bay</b>	<b>\$652m</b>	<b>3.3%</b>	<b>2.1%</b>	<b>7.1%</b>	<b>1,216,607</b>	<b>-0.5%</b>
Bay of Plenty	\$1,043m	2.7%	1.6%	6.9%	1,185,238	-4.0%
Nelson	\$665m	1.2%	1.6%	0.4%	1,469,051	-1.3%
Rotorua	\$810m	0.1%	2.8%	-3.1%	2,265,961	-2.7%

### Accommodation

In the 12 months to March 2019, overall commercial nights were down -0.5% on the prior 12 months, against a national average of +0.6%. Domestic was up 2.5%, while International was down -8.5%. Commercial occupancy (excluding holiday parks) for the 12 months to March was 62.3%, up from 59.3% for the prior 12 months. Hawke's Bay has maintained a position in the top 10 among all RTOs since August 2016.

Peer-to-peer accommodation continues its remarkable rise, recording an 85% increase in room nights in the 12 months to March 2019. Please note, our data only accounts for transactions via the AirBNB and HomeAway platforms,

When combining the Commercial Accommodation Monitor and peer-to-peer results for an estimate of overall paid accommodation, the small decline in CAM is more than matched by the increase in peer-to-peer with an overall combined guests nights increase of nearly 8% for the 12 months ended March 2019.

The impact of the peer-to-peer market continues to be monitored, with the latest data suggesting it accounted for more than 20% of all paid accommodation nights during the Summer season – a marked increase on 12% for the previous Summer.

### Visitor spend

Spend data for the Summer season was at a record level, coming in at \$223.6m for the December-February period, a 3.6% or \$8m YOY increase. Yearly spend now sits at \$652.3m, an annual increase of 3.3% - slightly above the national average growth rate of 3.0%. Annual domestic growth currently sits at 2.1% while international continues to perform strongly at 7.1% annual growth.

Among key international markets, Australia is now worth \$52.9m each year, and is currently growing at 9.0%. The United Kingdom has rebounded on the back of a strong summer, with February 2019 being the largest spend month since February 2009. China continues its positive trend, albeit on a smaller base, now worth \$5.8m annually.



## Profit & Loss

### Hawke's Bay Tourism Limited

For the 9 months ending 31st March 2019

	YTD Actual	YTD Budget	Var NZD	U/F	Full Year Budget
	\$	\$	\$		\$
<b>Income</b>					
EV-FAWC Eventfinder Ticket Sales Income	202,388	200,000	2,388	F	400,000
External/Other Revenue	207,566	221,994	(14,428)	U	322,100
HB Regional Council Grants	1,140,000	1,139,994	6	F	1,520,000
Industry Partner Membership	58,820	102,000	(43,180)	U	120,000
<b>Total Income</b>	<b>1,608,774</b>	<b>1,663,988</b>	<b>(55,214)</b>	<b>U</b>	<b>2,362,100</b>
<b>Less Cost Of Sales</b>					
Consumer Marketing	529,784	510,653	19,131	U	776,000
Events	340,472	380,497	(40,025)	F	645,000
Partner Programme	4,205	1,750	2,455	U	3,250
Trade Marketing	55,465	64,400	(8,935)	F	87,500
<b>Total Cost Of Sales</b>	<b>929,926</b>	<b>957,300</b>	<b>(27,374)</b>	<b>F</b>	<b>1,511,750</b>
<b>GROSS PROFIT</b>	<b>678,848</b>	<b>706,688</b>	<b>(27,840)</b>	<b>U</b>	<b>850,350</b>
<b>Less Operating Expenses</b>					
Admin & Accounting/Legal	5,279	5,169	110	U	8,542
Board Expenses	8,142	6,750	1,392	U	9,000
Director's Fees	25,833	37,500	(11,667)	F	50,000
Excel Database Maintenance	0	0	0	F	500
IT & Telecommunications	13,272	13,644	(372)	F	19,320
Meetings & Travel	22,380	19,000	3,380	U	21,000
Motor Vehicle Expenses	3,567	3,744	(177)	F	5,000
Motor Vehicle Purchase - NBS	5,709	5,706	3	U	8,000
Office Costs	18,269	15,258	3,011	U	21,860
Premises - Other	5,578	5,355	223	U	10,896
Premises - Rent	20,624	20,610	14	U	27,480
Salaries & Other Staff Expenses	507,373	498,485	8,888	U	655,252
Tax - FBT & Income	1,776	3,000	(1,224)	F	3,500
Tourism Development	1,200	0	1,200	U	10,000
<b>Total Operating Expenses</b>	<b>639,002</b>	<b>634,221</b>	<b>4,781</b>	<b>U</b>	<b>850,350</b>
<b>NET PROFIT</b>	<b>39,846</b>	<b>72,467</b>	<b>(32,621)</b>	<b>U</b>	<b>0</b>





4 April 2019

Steven Bailey  
Inquiry Director  
New Zealand Productivity Commission  
PO Box 8036  
Wellington 6143

By Email: [steven.bailey@productivity.govt.nz](mailto:steven.bailey@productivity.govt.nz)

Dear Steven

**LOCAL GOVERNMENT FUNDING AND FINANCING – ISSUES PAPER (NOV 2018)  
TOURISM INDUSTRY AOTEAROA SUBMISSION #2**

**Introduction**

Tourism Industry Aotearoa (TIA) appreciates the opportunity to provide further information in response to your Issues Paper on local government funding and financing. This letter follows our [first submission](#) to the Commission on 15 February 2019 which provided detailed commentary responding to the issues identified by the Commission.

We concur that there are regions under pressure from tourism growth and the current funding systems are inadequate to manage that growth. Other regions want to attract more visitors but have limited financial ability to do so. To support a solution-driven approach we have since February undertaken a programme of work to identify a preferred regional funding model. This letter details the outcomes of that work and we are grateful to the Commission for agreeing to receive our findings for consideration into their Draft Report due for release in June 2019.

**Process**

At its 29 November 2018 meeting, the TIA Board agreed to undertake a project to identify a preferred regional funding model to support long-term local government funding and investment. After considering different ways to undertake this work a Design Sprint approach was adopted, which ran in Wellington over the week 11-15 March 2019, facilitated by CreativeHQ. A core group of eight industry leaders representing tourism operators and local government came together for the week to develop and test regional funding prototypes. The process included interviews with 20 experts across industry, local government and central government. The Design Sprint process was not guaranteed to identify a preferred regional funding model. What was more assured is that we would be better informed about regional funding options.

The Design Sprint team decided a national solution was needed and that for it to be of a size that could have meaningful impact, a funding stream of more than \$200m p.a. was needed. In comparison the new International Visitor Conservation and Tourism Levy, to be introduced in July 2019, will raise \$80m p.a. The government's current Tourism Infrastructure Fund provides \$25m p.a.

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The Design Sprint process allows for all ideas to be considered. The team identified more than 30 possible models for directing funding to local government for regional tourism initiatives. These models were tested and rejected if they were unfair, insufficient, unworkable or the technology did not yet exist to make them possible.

Agreement was reached on a distribution system, which would effectively allocate any available funds (see further below). In terms of a collection system, several options were shortlisted and vigorously tested. One option was selected for socialising with five selected stakeholders. Further analysis and comment was sought immediately following the Design Sprint to inform a discussion by the TIA Board.

### **TIA Preferred Funding Model**

The TIA Board met on 20 March to consider the prototypes developed through the Design Sprint. The Board concluded that the investigation had been extremely useful, but had reinforced its view that the cleanest and fairest method for collecting a contribution from visitors is the GST system. To commit a small portion of the GST take from international visitors to be redistributed to local government to address local issues, remains the most logical approach.

International visitors currently pay \$1.7 billion p.a. in GST, collected by central government as part of the overall GST-take. While it might be argued the government already returns a portion of this to the industry via current tourism-related funds such as the Tourism Infrastructure Fund and Provincial Growth Fund, both are short-term solutions.

It is the recommendation of the TIA Board that central government annually sets aside 20% of the GST collection from international visitors and redistributes this to local government in accordance with the tourism burden borne by each TLA. The distribution could be via a Trust, with funds allocated in direct proportion to visitor impact.

### **Regional funding model options**

While the Board did not endorse any of the shortlisted collection systems developed in the Design Sprint, it is worthwhile providing a summary for the Productivity Commission. The options are listed in order of preference of the Design Sprint team.

#### Collection system

1. A Tourism Tax of 2.5% collected from international visitors through the GST system. This would effectively create a two-tier GST system – 15% for New Zealanders (no change) and 17.5% for international visitors. Based on the current annual GST collection from international visitors of \$1.7b, this would raise an additional \$280m a year. The advice received was that while the GST differential of 2.5% is technically achievable there would be significant push-back from IRD on any proposals to change the GST system. In addition there was concern from industry operators about the continual reminder international visitors would get at each purchase that they were paying a tax differential while in New Zealand, negatively impacting on their experience.
2. A Foreign Exchange transaction tax on all purchases in New Zealand by overseas visitors (and possibly on all pre-visit purchases of New Zealand travel products). Based on an annual in-country visitor spend of \$11.2b, a 2% tax would raise \$220m. This

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option was the 'invisible tax' – most visitors would not notice they were paying it. A serious flaw in this model was the ability to enforce the charge. The advice received was that credit card companies can move where they perform the currency exchange and there is no way for the receiving New Zealand bank to enforce a "fee" onto the payer's side of the transaction.

3. A Departure Tax on all international visitors based on the number of days spent in New Zealand. Based on 73 million stay days pa, a \$3 per day tax would raise \$220m pa (if Australian visitors are included). A departure tax is a common form of tax around the world. However there was concern about having more taxes at the border. There is the existing Border Clearance Levy (BCL), the incoming International Visitor Levy (IVL) and other charges which already make our border one of the most heavily taxed in the world. If the IVL was used as the mechanism, it would have to increase to more than \$100 because it excludes Australians and Pacific Islanders, which would cause brand damage and deter significant numbers of visitors from coming to New Zealand.
4. An accommodation levy or 'bed tax' was investigated. Levying a tax on commercial accommodation is relatively easy, and technology may now allow this to be extended to some peer to peer accommodation like Airbnb. Queenstown District Council are currently in the process of undertaking a community referendum to gauge support for introducing a bed tax of between 5% - 10%. However, a bed tax unfairly targets one sector, who host only a proportion of total visitors. Only 30% of international visitors stay in commercial accommodation, and even including Airbnb that number would be less than 40%. A bed tax misses those who stay with friends and family or freedom camp. A bed tax is also paid by more New Zealanders than international visitors (23 million bed nights pa compared to 17 million bed nights for international visitors) and many New Zealanders feel they are already paying through existing taxes and rates.

The short-listed options all have pros and cons. Other than the bed tax, they all avoid imposing additional taxes on New Zealanders. They all raise considerable funds. All would undoubtedly put some people off from coming to New Zealand, so there would be some revenue leakage. To different degrees they are open to avoidance. On further investigation there may be fatal flaws (e.g. an inability for New Zealand to place a tax on Australians that New Zealanders are not required to pay). And all would require commitment by Government and Parliament to a unique solution.

#### Distribution system

The Design Sprint team identified a distribution system that it believes would work effectively with whatever funding source is made available. The basic features of the system are:

- At least \$200m per year is collected by the Government (most likely by IRD).
- The funds as they are collected are immediately passed through to a Trust.
- The Trust has four members all appointed by the Government; an independent Chair, one trustee nominated by LGNZ, one trustee nominated by TIA and one government nominee.
- The Trust has 3-4 staff, including a Finance and Investment Manager.
- The Trust invests the funds as they are received and adds the interest and other earnings to the funds.
- The overhead costs for the Trust are intended to be less than 1%. 99% of its funds will be distributed.

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- The Trust adopts an algorithm for allocating the funds based on the impact of visitors. Initially, this could be the Commercial Accommodation Monitor, which indicates where visitors, domestic and international, spend the night. It may be possible to complement this with a measure of peer-to-peer accommodation like Airbnb. A more accurate measure of visitor impact could be developed by using mobile phone data to create 'heats maps' showing where visitors spend their time.
- The recipients of the funds would be the 67 territorial local authorities. The TLAs would be encouraged to form regional groupings to receive the funding, but the entitlement would remain with the TLA.
- The TLAs would be expected to have committed to a Regional Destination Plan; if no Plan is in place, funding could be withheld. The TLAs would have to spend the funds to achieve the aims of the Regional Destination Plan but otherwise would be unrestricted.
- The TLAs would receive an estimation by 1 February each year of the annual funds they are likely to be allocated, so that they can build it into their planning processes.
- The funds would be paid out annually on 1 July.
- The Trust would issue an Annual Report detailing how the funds had been distributed and spent.

#### Conclusion

TIA has explored a wide range of options on how tourism can help address local government funding needs. Providing local government with a share of the GST paid by international visitors is seen by TIA as the most effective, efficient and fairest approach. Distributing these funds through a Trust and aligning the spend to Regional Destination Plans are suggested features of any funding model.

Should you require any further information please do not hesitate to contact me.

Yours sincerely

**Chris Roberts**  
Chief Executive

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

**Wednesday 05 June 2019**

**Subject: ORGANISATIONAL PERFORMANCE REPORT FOR PERIOD  
1 FEBRUARY TO 30 APRIL 2019**

**Item 9**

**Reason for Report**

1. This report provides an update on operational activities and performance (financial and non-financial) for the period 1 February - 30 April 2019.

**Background**

2. This is the second organisational performance report since the creation of the Organisational Performance team. Monthly reports are provided to the Executive Leadership Team.
3. Feedback arising from the first report has been addressed below with further information in the body of the report. In addition there are a wider range of business activities now covered by the organisational performance report.

**Feedback from 6 March 2019 Corporate and Strategic Committee Meeting**

4. Underperforming areas – this has been included in this report and the performance team is working across the business to ensure this information is captured more significantly in future reports. It is expected that the maturity and sophistication of analysis will strengthen once the new Principal Advisor Organisational Performance is on board.
5. Question forum – this has been created in the Councillors' Portal and is accessible to all councillors to ask questions regarding this report ahead of the meeting. Instructions for participating will be emailed to councillors with the advice that the Agenda is available on the Portal.
6. Quality of document resolution – a number of solutions are being trialled to help improve the resolution quality of reports in the agendas.
7. Performance indicators for dealing with tāngata whenua – There are a number of measures already in place and in development to help us monitor and, where necessary, improve our tāngata whenua engagement. For example, the Long Term Plan 2018-28 includes a measure that HBRC engages in strategic relationships to better achieve its vision and purpose.
8. Electric vehicles – Electric vehicles are introduced to the Dalton Street fleet where possible. While it would be desirable to increase our electric vehicle percentage outright, in most cases it is more practical and cost effective to increase electric vehicle uptake as our existing vehicles reach end of life and need replacement.

**Decision Making Process**

9. 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 "*Organisational Performance Report for Period 1 February to 30 April 2019*".

## Item 9

### Authored by:

**Kelly Burkett**  
**BUSINESS ANALYST**

**Melissa des Landes**  
**ACTING CHIEF FINANCIAL OFFICER**

### Approved by:

**Jessica Ellerm**  
**GROUP MANAGER CORPORATE**  
**SERVICES**

**Joanne Lawrence**  
**GROUP MANAGER OFFICE OF THE**  
**CHIEF EXECUTIVE AND CHAIR**

**James Palmer**  
**CHIEF EXECUTIVE**

### Attachment/s

[↓](#) 1 30 April 2019 HBRC Organisational Report

# HAWKE'S BAY REGIONAL COUNCIL Organisational Performance Report

1 February to 30 April 2019



Prepared on 29 May 2019

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Item 9

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## Executive Summary

The purpose of the Organisation Performance report is to provide a snapshot of the programme of activities and corporate support that underpins the organisation. This report covers both financial and non-financial measures and is for the quarterly period 1 February to 30 April 2019.

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

- Human Resources
- Media
- Local Government Official Information & Meetings Act (LGOIMA)
- Risk
- Air Travel
- Asset Management
- Strategic Planning
- Regulation
- Maori Partnerships
- Civil Defence Emergency Management (CDEM)
- Integrated Catchment Management (ICM)
- Corporate Services

The **financial summary** performance indicators are:

- ✓ Operating expenditure is still on budget overall.
- ✗ Capital expenditure is significantly behind budget due to major projects that have been delayed or are in implementation stages
- ✗ Income is behind budget due to the process of selecting and appointing dual fund managers and distributing funds taking much longer than anticipated

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

- 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 of future performance if required.

Organisational non-financial performance indicator results:

- 18 incidents/accidents this quarter, made up of strains/sprains, cuts, stings, vehicle incidents, public complaints and abusive customers
- 95 media enquiries received this quarter
- 20 Local Government Official Information and Meetings Act (LGOIMA) responded to

Group non-financial performance indicator results:

- The Māori Partnerships focus from February to April has been on recruitment, facilitation of two workshops to lift functionality of the Regional Planning Committee, supporting meeting of Māori Standing Committee, bi-laterals with post settlement governance entities (PSGEs) and assisting with policy and planning related to Resource Management Act (RMA) plan changes.



- The Future Farming Establishment Working Group met in Feb and March and a report was presented to the Environment and Services Committee on 10 April.
- The Tutaekuri Ahuriri Ngaruroro Karamu (TANK) Plan change was released for targeted pre-notification consultation in February.
- A draft report for the Regional Coastal Environmental Plan (RCEP) effectiveness review has been completed
- Terms of Reference have been prepared for a joint transport study to evaluate traffic patterns in Hawke's Bay.
- The Project Management Office (PMO) six-month pilot programme ended in March and a review is underway.
- Focus has been on further analysis of options for the funding of Hawke's Bay Tourism, reporting through to the Corporate and Strategic Committee
- The Science section is giving significant attention to completing a suite of draft technical reports for the 5-year State of the Environment reporting. Draft reports are scheduled for completion in September 2019 with publication before end of this calendar year.
- The Ecosystem Health project wrapped up in early April, with ecological assessments at 50 sites across the Tukituki and TANK catchments completed
- Erosion Control Scheme - To date 50 applications have been received. These have a total value of \$2.58m, of which \$1.89m will be funded by Council's Erosion Control Grant Fund (75%), over the next three planting seasons.
- 11 consents currently in progress or pending
- 197 calls received on the pollution hotline
- A key focus of the Civil Defence Emergency Management (CDEM) group is the completion and commissioning of their new building in Hastings.
- In April the council received 89 items of feedback via our website (25 in Apr, 38 in Mar and 26 in Feb). Ten of these were complaints relating to pollution, dry wood scheme, councillor walkout, pest weeds, rates database, consultation processes and public transport.

**Areas not reported on in this report but will be included in the next report are:**

- Works Group
- ICT
- Client Services
- HBRC's carbon footprint

**Feedback from previous Corporate & Strategic committee**

The feedback received at the Corporate & Strategic committee meeting on 6 March has been addressed below.

**Underperforming Areas**

This quarter we have had mostly positive reports from the staff in their areas with the exception of Asset Management which notes an issue related to evacuation maintenance on our open waterways being suspended and also in our Customer Feedback area where a number of feedback items remain unresolved.

This underperforming area will continue to be developed as we look to do some further analysis with our business groups to ensure we are capturing all relevant information.

### Question Forum

A question forum has been included on the Councillors' Portal. This should be accessible to all councillors to ask questions relating to this report before the meeting on 5 June.

### Performance Indicators for dealing with tāngata whenua

The question was raised 'Do we have performance measures for how we deal with tāngata whenua? Is this something on the horizon?'

HBRC has varied dealings with tāngata whenua, for example consultation and engagement, including relationship management. It is important that when staff deal with tāngata whenua, we do so in a consistent manner that among other things, upholds our values as an organisation and is culturally appropriate for tāngata whenua needs. There are a number of measures already in place and in development to help us monitor and where necessary, improve our tāngata whenua dealings. For example, the Long Term Plan 2018-2028 (LTP) includes a measure that HBRC engages in strategic relationships to better achieve its vision and purpose. To achieve this measure, HBRC has established a Māori Partnerships team who are working to establish a strategy to enable HBRC staff to develop internal capability and capacity to effectively engage with tāngata whenua. The Māori Partnerships team is already actively supporting staff across a range of business units with this function and will continue to do so, in addition to representing the council at hui with tāngata whenua.

### Electric Vehicles (EV)

EV's are introduced to the Dalton Street fleet where possible. While it would be desirable to increase our EV percentage outright, in most cases it is more practical and cost effective to increase EV uptake as our existing vehicles reach end of life and need replacement. In other cases such as Wairoa and Central Hawkes Bay (CHB), range is somewhat of an issue and towing capacity also has to be considered. As we run an EV first policy at Council, as vehicles come up for replacement every 3-4 years, where practical EV's will be reintroduced to replace the fleet.

### Resolution of reports

It was noted that the reports that are provided to council via Infocouncil do not have the best resolution.

We are trying a number of things to try and improve this to ensure we get great quality documents including;

- Ensuring the text is of a reasonable size and a dark colour
- Attach the document another way to see if that makes any difference

This is another area that is under development and we are working to find a suitable solution.



## Financial Information

### Reforecast

A 9 month reforecast was recently presented to Councillors at Council meeting 1 May. The reforecast showed some budget exceedances and budget savings, resulting in a net variance of nil to the overall total.

### Operating

As presented in reforecast update - operating expenditure is still on budget overall. Key items to note are delays in recruitment of new staff as budgeted in the Long Term Plan (LTP) has resulted in some cost savings, however additional Westshore re-nourishment and Port Consultation costs have exceeded budget.

### Capital

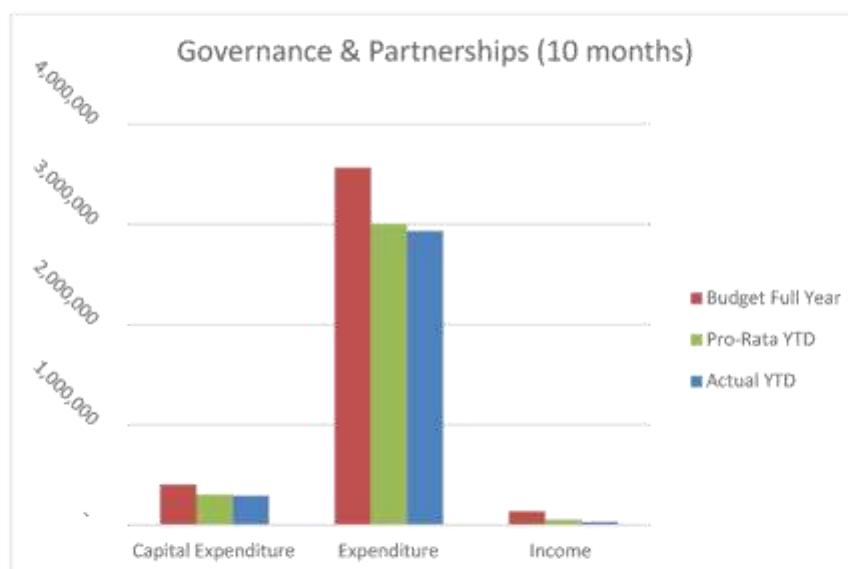
Capital expenditure is significantly behind budget due to major projects that have been delayed or are in implementation stages. River design and construction for the Heretaunga Plains uplift and the renewal programme for Heretaunga Plains pump stations are key projects behind budget. This is due to the challenges related to hiring staff with the appropriate skills and experience in this area. Carry forward requests to continue with the commitment to these projects and others, will be presented to Council in conjunction with the Annual Plan proposal.

### Income

The returns on investment income are behind budget. The process of selecting and appointing dual fund managers and distributing funds took 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. Latest reforecast resulted in a \$350,000 negative variance however with the funds now fully placed there may be some recovery by the end of the year. At time of writing, a treasury update would have been provided to Finance, Audit & Risk sub-committee 22 May with an update of fund manager performance to the quarter ended 31 March.



Overall operating expenditure and income are largely tracking to budget, with a few exceptions: delays in recruitment of extra staff factored into the LTP and additional Westshore re-nourishment. Overall capital expenditure is significantly behind budget due a few major projects that have been delayed or are in implementation stages: River design and construction for the Heretaunga Plains Flood Control Scheme (HPFCS) uplift, the renewal programme for HPFCS pump stations, Farm Environment Management Plan (FEMP) scheme, Erosion Control scheme and Biodiversity capital spend.



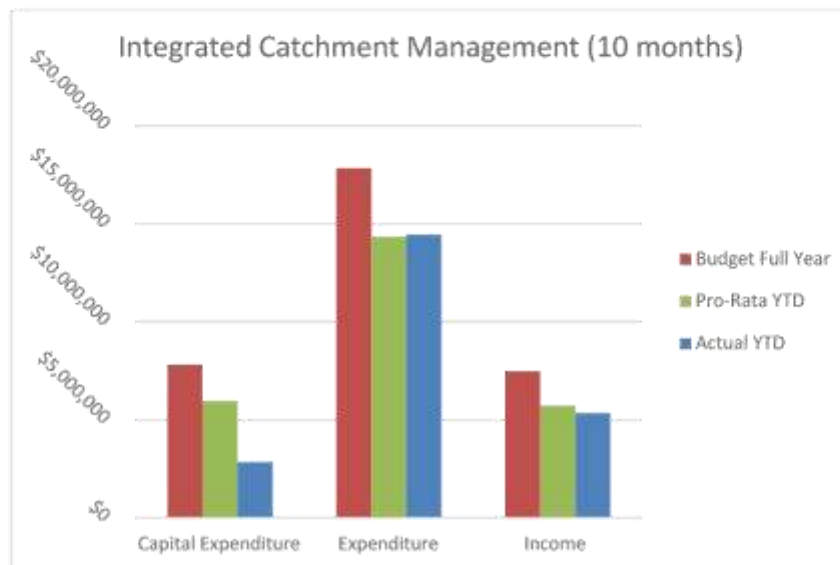
There are two projects outside budgets. The tāngata whenua engagement project is under budget due to delays in recruitment of staff factored into the LTP. Port Consultation costs far exceed the budget. They are currently \$200k vs a budget of \$100k.



Operating expenditure slightly behind pro-rata budget due to the delays in recruitment of extra staff factored into the LTP and the slow spending on consultancy which will increase over the next few months for projects like the Water Conservation Order (WCO).



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



Operating expenditure Business as Usual (BAU) projects are tracking on budget. Capital expenditure is slower than anticipated for the FEMP scheme, Erosion Control schemes 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.



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 is to be included in the 2019/20 Annual Plan. This includes the capital work on river design and construction for the HPFCS service level increase and the renewal programme for HPFCS pump stations.



Consents are tracking on budget and expenditure will be mostly recoverable. It is noted that in response to public reporting Compliance are spending more time in non-chargeable pollution response than in chargeable compliance but overall the regulation space is on track.



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

## Organisational Information

### Human Resources (HR)



The Council is currently undertaking a remuneration structure review. One of the benefits of the review is that it gives us a chance to ensure we are appropriately placed to attract and retain suitable applicants who expect a salary commensurate with their experience and skills and the relevant market rates. While remuneration has not been a significant issue in terms of staff leaving or being recruited, we want to ensure we are well placed with a suitable structure that is fair and equitable. The review will also be an opportunity to assess our pay equity position and pay gender gap, this particular aspect has yet to be completed.

There have been some changes to employment law which in the main do not have any significant impact. However, the level of administration to deal with some of the changes will increase HR workload, particularly for new staff starts.

### Recruitment and Retention

Recruitment has been a significant function and focus for HR during the four month period January-April 2019 as we continue to fill new roles and re-fill roles resulting from seven resignations in the period. Four of those that left indicated career change or advancement as the reason for the move, two left as partners were moving out of the region and one retired.

We will have a number of difficult positions to fill over the next couple of months but have also had good success in securing quality candidates for some historically hard to fill roles. River engineering roles are a particular problem country wide and in fact, worldwide. As has been previously noted, the River and Human Resources Special Interest Groups (SIG's) have a project underway to try and address this issue in the medium to longer term. For this Council we have proposed two cadet roles in the annual plan as a step to engage suitable young people into the profession.

### Health & Safety

There have been 18 incidents/accidents reported as indicated in the above table.

Five accidents required some time off work, three accidents required no time off work.

The makeup of the accidents was: four sprains/strains, one cut and one wasp sting. The sprains and strains were in the main resulting from the types of environment and work we encounter, e.g. working on uneven ground and in dense vegetation, loading bikes onto trailers. As noted in previous reports there is an increase in wasp sting incidents and a new protocol has been introduced for staff to follow after an attack.

In addition, there were: four vehicle incidents, two near misses, three public complaints and two abusive customers, both of whom have been trespassed from Council buildings. The vehicle incidents involved vehicle damage e.g. backing into objects, speeding infringements or incidents with other vehicles e.g. taking evasive action to avoid a collision, meeting a truck on a corner on a narrow metal road

One of the public complaints related to our drain maintenance work and the removal of eels with the content removed from the drain. This work received significant public attention and Ministry for Primary Industries (MPI) involvement. Drain maintenance work has been discontinued until new protocols can be confirmed to minimise the impact on eel populations.

Council offered the annual flu injections and buccaline tablets. 94 staff took advantage of the flu jab and 37 the buccaline tablets.

Progress on the health and safety audit is continuing with a number of recommendations having been addressed. An Implementation Plan has been created, a Health and Safety Strategic Plan adopted, a Governance Charter adopted by Council and an Executive Health and Safety Commitment displayed around the Council.

The next focus is to review the overall risks for Council and have these assessed against likelihood and consequences criteria. This will give us a revised picture of our most significant health and safety risks and the measures in place to minimise the chance of harm. Driving remains a significant risk, both on road and off road and a number of new initiatives have been introduced over the last couple of years.

New reporting measures are being developed to present various lead and lag indicators to both Executive and Council. This will provide relevant information on various measures that shows what Council is doing to prevent harm in the workplace.

Council is offering a range of wellbeing for staff ranging from short seminars on particular health or safety related topics through to support that is available for those requiring special assistance.

A Health and Safety role is proposed in the Annual Plan which will assist with maintaining the focus on Council's health and safety development and will bring a particular focus on supporting and coaching staff, specific requirements of the audit and offer improved options for field monitoring.

### Media Summary

From 1 Feb – 30 April 2019 we had 95 media enquiries.

The bulk were from Hawke's Bay Today, followed by local Dominion Post and Radio New Zealand reporters, the rest were from a range of media outlets around the country.



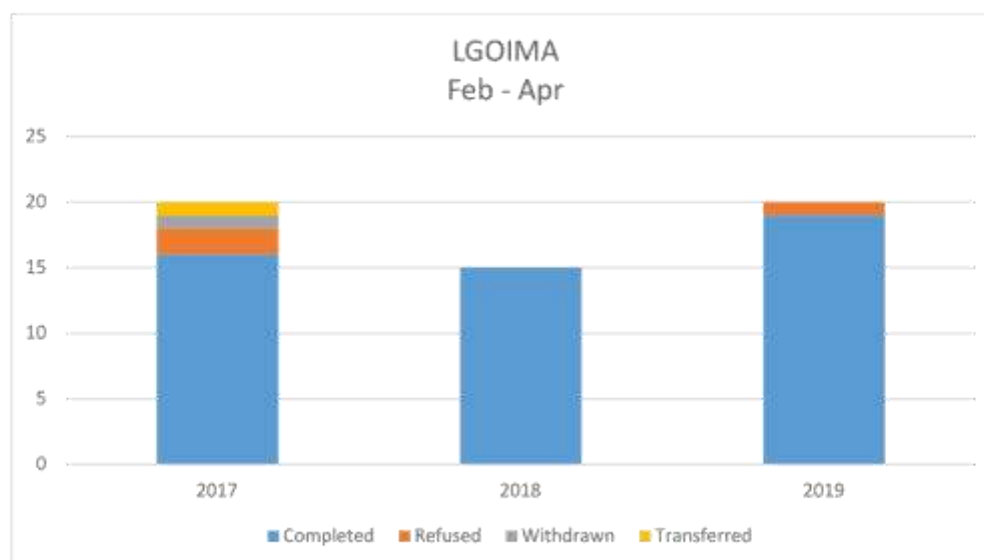
The enquiries were on a range of topics including:

- PanPac outfall pipe leak
- Hawke's Bay Trails Government funding boost
- Wairoa Wastewater concerns
- Napier Wastewater
- Napier Port proposed listing on the stock exchange
- The lack of bus drivers in Hawke's Bay
- Te Mata Mushrooms progress on resource consent

There were 30 media releases put out.

#### Local Government Official Information Management Act (LGOIMA) Summary

In the period of this report we had 20 LGOIMA requests to respond to, of which one was refused.



A LGOIMA log is as Appendix 1.

#### Risk

Council's risk management policy is to hold six monthly risk management workshops with Group Managers 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 external audit review of risk management to occur within Quarter 3 of 2019/20.

#### Air Travel

Excluding GST.

	2018	2019
February	\$13437	\$21068
March	\$18568	\$16009
April	\$14473	\$16520

## Group Information

### Māori Partnerships

Te Pou Whakarae was joined by two new staff, the Māori Engagement Coordinator, Joella Brown, and the Senior Adviser Māori Partnerships, Amy Minster. This is a significant boost to numbers and capability of the unit, added skills being executive admin support, ecology, legal and policy. The unit now has a full complement of staff to support HBRC engagement with Māori (includes tāngata whenua, mana whenua, treaty settlement entities and taura here) and to support capability growth across staff and services. Focus February to April has been on recruitment, facilitation of two workshops to lift functionality of the Regional Planning Committee, supporting meeting of Māori Standing Committee, bi-laterals with post settlement governance entities (PSGEs) and assisting with policy and planning related to RMA plan changes. Once new staff settle into their roles and become familiar faces to our staff and councillors, the unit will become more embedded in drafting HBRC's māori strategy, reviewing and growing relationships with māori and it's entities, benchmarking and setting targeted internal capability build.

### Strategic Planning

The Future Farming Establishment Working Group (EWG) met on 13 Feb, 26 March and 7 May, and a report was presented to the Environment and Services Committee on 10 April.

The EWG group has commissioned and received a draft Initiatives Inventory report that identifies alignment and funding opportunities for the Future Farming Initiative (FFI). Legal advice has been procured and received in relation to the preferred legal structure of the permanent entity and the EWG has recommended the establishment of a Charitable Trust which has subsequently been initiated. A formal recruitment and appointment process has been adopted and commenced to ensure the permanent entity can attract high calibre trustees.

### Policy and Planning

A more extensive snapshot is provided to the Regional Planning Committee (RPC) every month so this information is already shared with Councillors and the tāngata whenua representatives and the most recent report is set out below.

Particular areas of focus are:

**TANK** – The TANK Plan change was released for targeted pre-notification consultation in February. Feedback was to be received by 29 March. Staff reviewed the comments and provided the Regional Planning Committee (15 May) with a report summarising the feedback and providing recommendations. The RPC concluded that they were unable to digest the information in light of Outstanding Water Bodies which was also presented on the 15 May, so agreed to defer this item to the next RPC meeting on the 3 July. It was also agreed that a targeted workshop would be held prior to the RPC meeting.

**MOHAKA Plan Change** – was the catalyst for a tour by the RPC of the Mohaka Catchment hosted by Ngāti Pāhauwera on 3 April.

**OUTSTANDING WATER BODIES (OWB)** – Staff report and recommendations completed for RPC on 15 May. RPC agreed the draft Plan Change should be released for pre-notification consultation. It was

noted that are gaps in the cultural and spiritual values information. It was agreed that resourcing would be provided to obtain this information.

National Direction – As a part of the Regional Sector, ongoing insight, analysis and feedback required ahead of the further development and release of Central Government's reform agenda, in particular Essential Freshwater reform and the Zero Carbon Bill.

We have drafted the report for the regional coastal environmental plan effectiveness review. A survey monkey questionnaire has been prepared for circulation amongst consents and other staff who use the plan, after which one-on-one interviews will be held to discuss any outstanding issues. The final report is dependent on State of the Environment (SOE) reporting, which is due June 2019.

#### Status Report on HBRC Resource Management Plan Change Preparation & Review Projects

Project	Narrative update	Next intended reporting to RPC												
<b>Plan Change 5 (PC5) Integrated land &amp; freshwater management</b>	Publicly notified. Decisions on submissions partly subject to appeal. Part of the last remaining appeal (by Fish and Game) relating to wetlands in the Regional Resource Management Plan (RRMP) and PC5 is almost settled. Environment Court hearing was held 11-12 September 2017. In October 2018, the Court issued an interim decision and directed HBRC to prepare revised maps and re-word provisions for the Court's approval. As at 5 February, Court's approval of submitted documents was still pending. In 2019, it is likely the RPC will be presented with a final version of PC5 to consider recommending to Council to make it 'operative.' Staff have followed up with the Court for an update May 2019. No further updates are available.	July 2019, otherwise earlier if Court issues approved documents sooner.												
<b>Plan Change 7 (PC7) Outstanding waterbodies plan change</b>	Under preparation. Not yet notified. As reported to RPC meeting in December, some of the feedback from targeted stakeholder discussions indicated a likely risk of legal challenge being encountered on the basis of content, methodology and overall process as had been determined by the RPC in 2018. In particular, Forest and Bird's National Office had called into question the robustness of the RPC's agreed approach. In response, the PC7 project team initiated an extra feature to the project, being the formation of a small panel of experts who would convene for two workshops. Panellists were Andrew Curtis, Bernie Kelly, John Cheyne, Morry Black and Tom Winlove. The Panel met in February 2019 to assess 42 candidate water bodies that had been identified by the RPC and stakeholders. The panel are finalising their recommendations to HBRC staff on which water bodies in Hawke's Bay should be classified as 'Outstanding Water Bodies', together with their reasoning. Hui-a-iwi have been and are due to be held with iwi authorities across the region. Confirmed details so far are: <table border="1"> <tr> <td>Napier</td><td>4 March</td><td>Pukemokimoki Marae</td></tr> <tr> <td>Maungaharuru-Tangitu Trust</td><td>18 March</td><td>HBRC office</td></tr> <tr> <td>Wairoa</td><td>18 March</td><td>Wairoa War Memorial Hall</td></tr> <tr> <td>Te Taiwhenua o Tamatea</td><td>13 May</td><td>Taiwhenua o Tamatea</td></tr> </table>	Napier	4 March	Pukemokimoki Marae	Maungaharuru-Tangitu Trust	18 March	HBRC office	Wairoa	18 March	Wairoa War Memorial Hall	Te Taiwhenua o Tamatea	13 May	Taiwhenua o Tamatea	May 2019
Napier	4 March	Pukemokimoki Marae												
Maungaharuru-Tangitu Trust	18 March	HBRC office												
Wairoa	18 March	Wairoa War Memorial Hall												
Te Taiwhenua o Tamatea	13 May	Taiwhenua o Tamatea												

	Further update reporting on feedback from the expert panel and any further targeted consultation with groups is being presented to the RPC's meeting on 15 May.	
<b>Plan Change 8 (PC8) Mohaka Catchment plan change</b>	<p>Under preparation. Not yet notified.</p> <p>Preliminary project re-design is underway with Ngati Pāhauwera, iwi and Māori Trusts. Initial engagement has indicated that there is support for the development of a Mana Enhancing Agreement between Council and iwi. This is currently being prepared.</p> <p>Contact with the Taharua catchment landowners is also being re-established.</p> <p>The intention is to re-engage the wider community and progress this plan change from later this year, following notification of the OWB and TANK plan changes.</p>	July 2019
<b>Plan Change 9 (PC9) Greater Heretaunga/ Ahuriri catchment area plan change (a.k.a. TANK project)</b>	<p>Under preparation. Not yet notified.</p> <p>At meeting on 12 December 2018, the RPC agreed that Draft PC9 version 8 be adopted as a draft for targeted consultation with relevant iwi authorities, territorial local authorities and relevant Ministers of the Crown. The RPC also agreed that this pre-notification consultation phase would commence in early 2019 and run for a period of six weeks. Draft PC9 version 8 is available for public viewing on HBRC's website. Work is underway to contact parties for the targeted consultation phase which will involve project staff meeting with various targeted groups through February and early March.</p> <p>RPC agreed (meeting 20 February) to an extension of time to allow for the pre-notification parties to respond to the draft Plan to the 29 March 2019.</p> <p>To date feedback has been received from:</p> <ul style="list-style-type: none"> <li>• Ngati Kahungunu Iwi Inc (NKI)</li> <li>• Mana Ahuriri</li> <li>• Heretaunga Tamatea Settlement Trust (HTST)</li> <li>• Te Taiwhenua o Heretaunga (TToH)</li> <li>• Napier City Council (NCC)</li> <li>• Hastings District Council (HDC)</li> <li>• DoC, and</li> <li>• HortNZ</li> </ul> <p>Staff have summarised the responses received, provided comment in response to the feedback and suggested recommendations. This will be reported back to the RPC on the 15 May 2019.</p>	May 2019
<b>Ngaruroro and Clive Rivers Water Conservation Order</b>	Stage 2 of the hearing commenced on 26 February 2019. 8 March 2019 was the final sitting day of the hearing although the hearing will remain adjourned to allow for comprehensive closing submissions from the Applicant. The full written <a href="#">closing submissions</a> and <a href="#">Version 5 of the draft Order</a> were provided to the Environmental Protection Agency on 29 March 2019.	Staff will provide an update as and when new information becomes available.
<b>Statutory Acknowledgements of Treaty settlements</b>	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). <i>Refer to Pātaka online mapping tool for further information [<a href="#">website link</a>] about current Statutory Acknowledgements in Hawke's Bay region that have been passed in various Treaty settlement statutes.</i>	4 April 2018
<b>Responsiveness to 'National Direction' (i.e. legislation incl</b>	<b>RMA Amendments</b> – Minister has announced an intention to amend the RMA in two phases. The first phase will focus on rolling-back some of the amendments passed in 2017. A Bill is being drafted, but yet to be	July 2019, or earlier if specific national direction



<b>National Policy Statements (NPS), national Regulations, national standards, etc).</b>	<p>referred to a Select Committee and opened for public submissions. The second phase is not so well developed, but it will address some broader issues about the overall resource management system. Details and scope of the Phase 2 reforms are not yet available.</p> <p><b>National Policy Statement for Freshwater Management (NPSFM) Amendments</b> - Minister has announced a package of proposals ('branded as Essential Freshwater') to make further amendments to the NPSFM, although details or specifics are not yet clear. More on this will be revealed in 2019.</p> <p><b>Review of National Environmental Standards (NES) on Air Quality (AQ)</b> – New Environment Minister is determining next steps. Likely a proposal for a revised NESAQ will be released for public feedback ~April/May 2019.</p> <p><b>Review of NES for Human Drinking Water Sources</b> – New Environment Minister is determining next steps, partly informed by 'Three-waters' review workstream. More on this will be revealed in 2019.</p> <p><b>Preparation of RMA National Planning Standards</b> – Officials at the Ministry for the Environment (MFE) are refining proposals for national planning standards that will prescribe the form, function and style of Regional Policy Statements (RPS), regional plans and district plans. The first set of National Planning Standards are due to come into effect in May 2019. Details from the Government on the revised Planning Standards will emerge in April 2019. The Standards will mean the RRMP (RPS) and Regional Coastal Environment Plan (RCEP) will need to be amended to 'fit' the new template style prescribed by the National Planning Standards.</p> <p><b>NES for Plantation Forestry</b> – NES has been finalised and came into effect from 1 May 2018. 'Plan alignment' amendments to RRMP and RCEP are being drafted now that capacity of planning team members can accommodate this. Likely that plan alignment amendments will be re-published in early 2019 and revised RRMP and RCEP will be uploaded on HBRC's website.</p> <p><b>National Policy Statement (NPS) on Urban Development Capacity</b> – in effect Dec 2016. This influences HBRC's role in ongoing implementation of the Heretaunga Plains Urban Development Strategy ('HPUDS') and also the RPS. NPSUDC has implications for all TLAs, irrespective of projected rates of residential and business land growth demands.</p> <p>Staff in the HBRC policy &amp; Planning team continue to maintain active exchanges with officials within the various relevant government ministries who are leading the above workstreams and a variety of related workstreams not featured above.</p>	<p>proposals emerge that warrant RPC input and/or briefing.</p>
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## Transport

### *Regional Transport Planning*

Terms of Reference have been prepared for a joint transport study to evaluate traffic patterns in Hawke's Bay, predict future demand and programme any necessary future improvements to the transport network and services. The study will be overseen by the Regional Transport Committee with technical support from the Transport Technical Advisory Group. The study will update and expand the findings of the Heretaunga Plains Transport Study, on which recent major projects, including the Whakatu Arterial Link (between SH2 and Pakowhai Rd) and the Pakowhai Rd-Expressway-Links Rd roundabout, are based.

### Public 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](http://www.goBay.co.nz)) went live at the end of December and feedback has been very positive, with over 229,600 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 and will now be in place in September. In April, HBRC made some minor changes to the bus timetable.

The Regional Public Transport Plan was released for public consultation during April and early May, with 35 submissions received. The final plan will be confirmed by the Council in late June.

Subsidised Transport	YTD	Monthly Average	Full Year 2017/18	Monthly Average 2017/18
<b>Bus Passengers</b>	541,167	54,117	666,127	55,511
<b>Total Mobility Trips</b>	79,952	7,995	94,024	7,835

### Roadsafe

Probations road safety education days have continued during this period, along with a range of other activities in conjunction with key partners such as Police. Preparation for the Road Safety Expo in May accelerated in April. This event runs for a week and is attended by Year 11 students of almost all schools in Hawke's Bay.

### Strategy & 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 six-month pilot ended in March and a review is underway.

### Economic Development

Focus has been on further analysis of options for the funding of Hawke's Bay Tourism, reporting through to the Corporate and Strategic Committee.

Ongoing liaison with Business Hawke's Bay in relation to its funding agreement now that their position as regional Matariki Regional Economic Development Strategy programme manager has been agreed.

HBRC was offered (and accepted) a two year extension for the delivery of the Regional Business Partner programme as both NZ Trade and Enterprise and Callaghan Innovation (joint contract owners) were sufficiently satisfied with HBRC's performance to not require a request for proposal for that programme in Hawke's Bay.

## Integrated Catchment Management

### Science

The Science section is giving significant attention to completing a suite of draft technical reports for the 5-year State of the Environment (SoE) reporting. Draft reports are scheduled for completion in September 2019 with publication before end of this calendar year. The NIWA glider 'Betty' completed a 4-week voyage of Hawke Bay. This provided the first information on the oceanography of the Bay since the 1970's. Began identifying potential sites for constructed wetland in the Tukipo catchment to help reduce instream nitrate concentrations and meet PC6 dissolved inorganic nitrogen (DIN) target. An online water quality 'dashboard' for the Papanui catchment is being tested with the public. Air quality monitoring has commenced in Ahuriri for 1-2 months, to gauge levels of some NES contaminants. Continued work on an outdoor burning advisory app and held a stakeholder workshop with NIWA on improving seasonal climate forecasts. Soil quality monitoring of orchard and vineyard sites is almost complete and will enable us to determine the health of soils under orchard/vineyard systems. A methodology has been developed for monitoring our riparian margins and is currently being implemented in the Tukituki Catchment.

A productive workshop was held in Hawke's Bay with Regional Council staff and NIWA scientists, sharing the latest developments in science, data management and Regional Council policy issues, along with opportunities to collaborate.

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. Annual report cards are being progressed for 2019. 5-year technical reports are being written, with publication expected end of 2019. The summary report is expected to be published early August 2019.
Analysis & reporting - publish investigative reports on particular environmental science topics	<p>The following reports have been published this year:</p> <ul style="list-style-type: none"> <li>• Surface water quantity scenario modelling in the Tūtaekurī, Ngaruroro and Karamū catchments</li> <li>• Heretaunga Aquifer Groundwater Model Scenarios Report final</li> <li>• GNS Science Heretaunga Modelling Uncertainty Runs Letter Report White 2018</li> <li>• Aqualinc Irrigation water demand land surface recharge assessment Heretaunga</li> <li>• Aqualinc TANK upper catchments Irrigation demand modelling Final 20180713</li> <li>• Stochastic source protection zone delineation in Heretaunga Aquifer using a numerical groundwater model</li> <li>• Design of a Riparian Monitoring Survey for the Hawke's Bay Region</li> <li>• Heretaunga Plains Model Stochastic Scenario Analysis Results - Letter Report</li> <li>• Design of a Riparian Monitoring Survey for the Hawke's Bay Region</li> </ul>

### Environmental Information






Hydrological data collection and processing continues with numerous data requests completed. Data continues to be supplied to Land Air Water Aotearoa (LAWA).

Water Quality and Ecology are in the midst of spring surveys, with the intertidal reef and estuarine fish monitoring recently completed. The Ecosystem Health project wrapped up in early April with ecological assessments undertaken at 50 sites across the Tukituki and TANK catchments. Fish passage monitoring also wrapped up in early April with great results. Some of the team have also been involved in assessments to monitor the impact of a new herbicide being used around waterways.








Data Management and innovation are busy sorting water take info and enquiries as well as completing the Data Strategy which will shape the way we work in the future.

Activity	YTD Total
Water Quality (WQ) samples	792
Ecology assessments completed	386
Recreational WQ samples taken	282
Flow gauging's	95
Hydrology site inspections	270
Loggers deployed & site visits	133
Groundwater inspections & samples	119
MCI Samples	42
Phormidium surveys	98
Sonde profiles	41
Data requests	45

### Catchment Services

	Actual Performance	Status
Purchase new releases of biological control agents & financially support new agent research	1 release of bio control for Japanese honeysuckle released 1 release of Green thistle beetle collected and then released on a farm in Takapau	
Actions in response to Total Control plant pests, high risk areas & identification of privet sites	1691 Total Control sites visited 42 high risk areas visited 180 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 1.5% with 50 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 210 south of SH5 treated 329 rooks poisoned due to 9 enquiries being made to Council	
Record & respond to where rabbits are damaging neighbouring properties	No owner complaints received 59 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

Projects	Target	Results YTD
Erosion Control Scheme (ECS)		Currently staff are engaging with landowners and establishing erosion control plans. To date 50 applications have been received. These have a total value of \$2.58m, of which \$1.89m will be funded by Council's Erosion Control Grant Fund (75%), over the next three planting seasons.
Hot Spot – Lake Whatuma	This year has mainly been about investigating the potential opportunity to invest in significant long-term mitigations to enhance Lake Whatuma	Currently this investigation is still underway, we will know more late June/early July when this process is concluded and options presented.
Aramoana (McHardy) potential land acquisition 44ha of coastal land.	To have a final decision on the potential purchase and if approved, land purchased by 1 July	Land valuation, business case and draft Memorandum of Agreement completed
External Funding		<b>MfE Freshwater Improvement Fund – Whakaki Lake.</b> Our application 'Work Programme' (6 years) is currently being reviewed by MfE. We expect to be in Deed with MfE in the upcoming weeks,

		<p>which will allow us to start the project.</p> <p><b>Total Project: \$3,180,277.</b></p> <p><b>FIF Contribution: \$1,383,044.</b></p> <p>\$49,400 in co-funding from National Institute of Water and Atmosphere (NIWA) for the Multi Beam Echo Sounder (MBES) survey of the Clive Hard</p>
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Water Information Services Projects	Targets	Results YTD
Irrigation Check Up Programme 18/19	Undertaking approximately 60 irrigation system checks	60 systems checked or re-checked to date. Draft Report produced
Landowner/ consent holder engagement	Minimum of 200 site visits annually to consent holder properties, spanning whole Hawke's Bay region	81 visits
Water User Groups	Regular meetings and contact with the three local water user groups and other relevant industry groups (HortSector).	<p>Maintaining contact with three local water users group, and HortSector industry group as required.</p> <p>Preparing for future groups as a result of changes in policy and feedback where required – Tuki Tuki &amp; TANK</p> <p>Building relationships to develop a media series on irrigation in the rural sector, leading to a developing a new big water user group in TANK catchment.</p> <p>Bringing together NCC, HDC &amp; HBRC to develop a water conservation campaign.</p> <p>Attended 4 Tukituki taskforce meetings and individual surface take water user meetings.</p>

## Asset Management

### Regional Assets

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

- Recruitment has been challenging with a general shortage of engineers and project managers in the NZ and wider markets.

- Recruitment continues for Project Engineer, Design Engineer, and Asset Management Lead. We are on the second round of recruitment for these roles. In addition, pending the approval of the annual plan recruitment will commence for 2 x Cadet Engineers and a Ranger position.

Staff based in Dalton St have now transitioned to a modern open plan work environment.

Major capital investment projects are on hold pending the resourcing of the Regional Projects team, this includes projects such as the Heretaunga Plains Flood Control Scheme 1:500 level of service upgrade. Manager Regional Projects commences on 1 July with recruitment for Project engineer and Design engineer to support our major capital projects underway.

#### Highlights:

- March 2018 Esk Flood Report has been completed and presented to Council, community and internal stakeholders.
- Meeting with Onga Onga community confirming acceptance of current level of flood mitigation
- Project team assembled and consent planning has commenced in dredging of Clive River, initial indications are that the consenting process will be significant
- Consent application for a new sand disposal location, located closer to Westshore has been commenced in partnership with Napier City Council
- Design and specification has been completed for Nuhaka River realignment on behalf of Wairoa District Council, this is now with contractors for pricing
- Short term consent advice contract has been put in place to continuity of service to cover staff leave
- Works Group continue to be in demand contracting to private industry during the current hot civil contracting market conditions
- Hosted Institute of Public Works Engineering Australasia (IPWEA) East Coast quarterly meeting
- Earthworks completed for Waitangi Horseshoe Wetland
- \$3.6m cofounding approved for three new extensions to Hawkes Bay Trails Great Ride

#### Issues:

- Excavation maintenance on our open waterways was suspended while an improved work methodology is being developed. This is being achieved through a dedicated task team which is widely consulting with iwi, NKI, NCC, HDC, across HBRC, DOC and Fish & Game. A new operating procedure will be in place for next maintenance season. (This activity is not undertaken through winter)

Performance Measure	Actual performance
HPFCS - Rivers Maintenance	The maintenance programme is forecast to be around 15% underspend. This is due to contract tree work being deferred into 19/20.
HPFCS - Flood & River Control Capital Works	Level of service increase from 1:100 to 1:500 on hold pending recruitment

HPFCS - Special Projects	Planning on Public Use of Rivers continues with focus on consultation of preliminary plans for Ngaruroro and Tutaekuri
HPFCS Drainage- Summary	The maintenance program is on track Mechanical excavation maintenance of open waterways currently on hold Renewal of Plantation PS building deferred pending additional structural assessment of foundations
Upper Tukituki Scheme	The maintenance programme is in progress as per schedule.
Southern & Central Schemes	General maintenance on track, however underspend due to Hawea Park progressing more slowly than estimated
Northern Schemes	Wairoa Playground sheetpile completed Some treework in Wairoa River deferred until next year due to wet ground conditions/ access
Subsidised Investigations & Minor Projects	The programme is in progress as per specific stream improvement and flood control projects.
Consultancy Services	Consultancy in this period has been for Gisborne District Council (GDC) -Awapuni analysis. Bridge hydraulic analysis for client in Gisborne (not GDC). Stopbank analysis for proposed Ebbett extension on Tutaekuri. Nuhaka river realignment design complete, with contractor for pricing
River and Lagoon Opening	Work has been carried out as required.
Westshore Coastal Works	Renourishment completed- Reserve created for future years requirements to smooth market fluctuations
Coastal Processes	Coastal Strategy on track. Modelling work for Clifton to Tangoio is progressing well.
Gravel Management	Additional work required as part of the global consent for gravel as a result of submissions
River Cross Sections	On track - Ngaruroro Cross sections completed
Regional Park Portfolio	On track- likely forecast to be \$178k over budget due to resourcing model and security services
Public Access to Rivers	We continue to experience issues with vandalism and rubbish dumping. Private Security currently deal with vandalism
Forestry	On track- planning around Tutira and Devils Elbow harvest and revegetation plans.
Flood Risk Analysis	On Track Currently working with HDC on flood risk to new development areas
Cycling Network	All activities on track but Waimarama Rd Safety project has been delayed due to Hastings District Council processes.

## Regulation

### Consents

Consents in process or pending include:

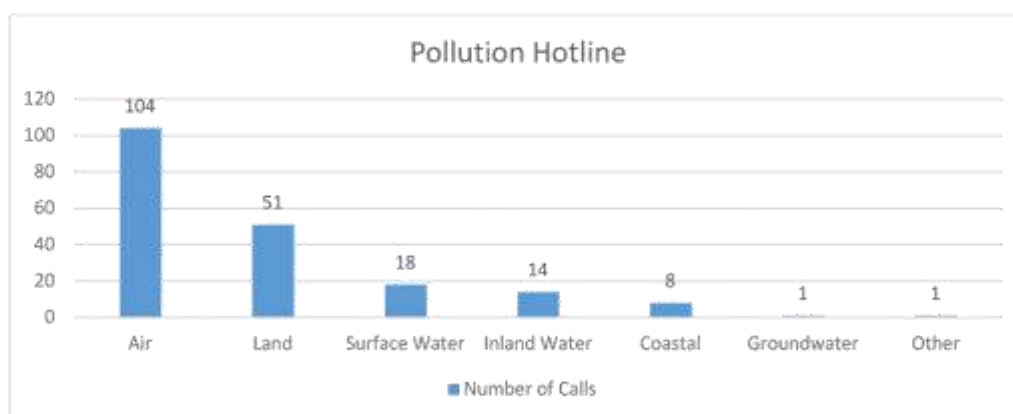
- Tranche 2 (Ruataniwha) water takes, still on hold while applicants complete modelling of effects. One application withdrawn.
- Pan Pac direct referral. This was heard by the Environment Court on 8 April 2019. A final decision is pending. The Court wanted reference to the fact that the outfall pipe had a leak and that it would be repaired in a specific time period.
- HBRC gravel consents were notified in February. There were no submissions in opposition. The applicant is meeting with submitters to resolve any issues that were raised by submitters with the aim of settling these without the need for a hearing.
- Te Mata Mushrooms Brookvale hearing has been scheduled for 31 July – 2 August.
- Te Mata Mushrooms Mt Herbert Rd Waipukurau applications lodged and in process. On hold until end of June while further information is provided.
- Silver Fern Takapau meat processing plant discharge permit replacement application lodged and on hold until end of June.
- Unconfined aquifer (Gimblett gravels, Raupare areas) consents lodged and being processed as a group.
- Wairoa wastewater discharge permit replacement application lodged and in process
- NCC new water permit applications lodged (to relocate and group their existing takes).
- Ravensdown bulk storage of phosphate rock at Awatoto
- Tukituki landuse consents required as of 1 June 2020. Procedural guidelines in preparation. Discussions held with stakeholders on 1 May.

Performance Measure	YTD
Applications Received	467
Consents Issued	384
Consents processed within Timeframe	100%

### Compliance

Enforcement actions for this period were 3 Abatement Notices served and 5 Infringement Notices served.

A total of 197 calls were made to the pollution hotline during this period. These are categorised below.





### CDEM

A key focus of the CDEM group is the completion and commissioning of their new building in Hastings. The new office will provide for an alternative district operations centre for the New Zealand Police and becomes the group coordination centre for the Hawke's Bay region. 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	<p><b>Ministry of Civil Defence and Emergency Management</b></p> <p><b>(MCDEM) Resilience Fund</b> - Hikurangi Response Plan Project commenced to mitigate risks. Project plan adopted, stakeholder workshop to be held across 5 Groups Feb/Mar. Media &amp; educational videos being prepared.</p> <p><b>10-year Research Plan work</b> - Proposal provided by GNS to assist identify high hazard and high risk areas for Hawke's Bay rockfall and cliff collapse - under negotiation. <b>East Coast Life At the Boundry (LAB)</b> 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 &amp; Participatory Technology (P-Tech) projects, and Natural Hazard Research Platform (NHRP) Agent-based tsunami evacuation modelling. Hosted Napier Tsunami resilience workshop September.</p>
Readiness & Response	The following programmes are on track and are being reported to the coordinating executives group and the Joint Committee: Community Resilience Plans programme Training and exercise programme Operational Readiness Plan development and review programme
Recovery & Coordination	Recovery capability continues to be developed in conjunction with TLAs. This includes planning and training.

## Corporate Services

## Fleet and Facilities

## Vehicles

Vehicle Fleet	January 2019	April 2019
Total Fleet Numbers	68	67
Plug in Hybrid Electric Vehicle	3	4
Hybrid Vehicle	2	2

## Energy Use

Electricity usage kWh/mth

	2018	2019
January	31,692	32,645
February	29,889	28,971
March	30,208	29,057

Gas usage kWh/mth

Reporting shows spikes in consumption that often indicates poor performing plant e.g. HVAC systems which may require maintenance.

When large spike in gas use was shown in January, the maintenance provider was contacted to investigate. It was discovered there had been a glitch in the Building Management System software which had corrupted the start-up timing of the HVAC. The boiler programming was affected causing start up at 2am every Wednesday of which was remedied immediately. Given our commitment to controlling and reducing our environmental impact, further energy efficiencies were implemented as evidenced by the reduction in consumption.

	2018	2019
January	2,180	8,353
February	2,266	3,090
March	5,073	1,894

Carbon emissions (electricity)

	2018	2019
January	4.342	4.505
February	4.095	3.998
March	4.139	4.010

## Marketing and Communications (MarComms)

There was a strong focus for March on the Sustainable Homes programme. Compared to the HeatSmart programme activity in April 2018 (1,840 page views), Sustainable Homes had a total of 7,570 page views for April 2019.

Website page views for April were 46,299 (46,016 in March). The most popular site pages were Sustainable Homes, Rates and River Levels.



The monthly page views for other popular Regional Council-managed sites were: goBay 38,492; HBTrails 5,176; Biodiversity (603)

HBRC			
Users		Top pages	
Pageviews	46,299	Sustainable Homes	3,163
Sessions	19,854	Rates	2,827
Individual Users	12,324	River Levels	2,486
Device		Job Vacancies	1,837
Desktop	11,779	Quick Facts	1,191
Mobile	6,599	Rainfall	966
Tablet	1,476	My property	929
Acquisition		replacing my woodburner	873
Organic Search	10,983	double glazing	755
Direct website address	3,760	insulation and ventilation	740
Referral (other websites etc)	3,287		
Social Media Referral (facebook)	1,824		

Facebook Likes for April sat at 5,396 (5,316 in March). There were 55 posts in March (53 in March) with a total reach of 172,008 (198,267 in March).

The most popular posts in April related to outdoor burning, the regional public transport plan and sustainable homes.

Top 5 Popular Posts	Reach
This is the time of year to remind Napier and Hastings people that outdoor burning inside the	14,553
You have until Monday 6th May to 'Have Your Say' on the Regional Public Transport Plan!	6,293
Did you know that through our Sustainable Homes programme we can help you to replace your open fire or older model wood burner to achieve a warmer, healthier home - inside and	6,120

#### Customer Feedback

The Feedback Register captures comments, compliments and complaints provided to Hawke's Bay Regional Council.

In April there were 25 items of feedback (38 - Mar, 26 - Feb). Two of these were complaints relating to consultation processes and public transport.

92% of items (23 of 25) were responded to inside 4 business days. The key categories of feedback were Pest Control (4), Sustainable Homes (3), Parks & Trails and Transport (2 each).

18% of March items (7 of 38) remain unresolved. 15% of February items (4 of 26) remain unresolved. 21 of January items (8 of 38) remain unresolved. The items unresolved are due to continuing investigation.

## Appendix 1

## LGOIMA Log

Requests Received	Response Due	Date Responded	Request Status
Toyota funding applications	14/02/2019	17/01/2019	Completed
Discharges over Heretaunga Plains aquifer	14/02/2019	28/01/2019	Completed
Kahutia – Ngati Kahungunu Iwi Inc Carbon Credit Proposal	28/02/2019	30/01/2019	Completed
Advertising costs	28/02/2019	1/02/2019	Completed
2019 Ratepayers report	1/03/2019	4/02/2019	Completed
Kahutia Carbon Credit loan	6/03/2019	5/02/2019	Completed
Council decision to sell minority stake in Napier Port	13/03/2019	12/02/2019	Completed
Our Port Consultation related information	28/02/2019	13/02/2019	Completed
Councillors business connections	22/03/2019	22/02/2019	Completed
Quarry consents	25/03/2019	19/02/2019	Completed
Landfill sites in HB	29/03/2019	19/03/2019	Completed
Dairy in HB	2/04/2019	11/03/2019	Completed
2018 Christmas celebrations costs	2/04/2019	5/03/2019	Completed
Chicken farming resource consents	3/04/2019	8/03/2019	Completed
Tukituki Procedural Guidelines	4/04/2019	11/03/2019	Completed
Department of Conservation resource consents	10/04/2019	28/03/2019	Completed
Tukituki farm environmental management plans	11/04/2019	29/03/2019	Completed
Port Development funding	11/04/2019	13/03/2019	Completed
Damaged Pan Pac pipe	19/04/2019	21/03/2019	Refused
Ethical investments	15/04/2019	26/03/2019	Completed



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

**Wednesday 05 June 2019**

**Subject: STRATEGIC PLAN IMPLEMENTATION**

**Item 10**

**Reason for Report**

1. This information paper updates the Committee on progress with the implementation of Council's 2017-21 Strategic Plan.
2. This paper also satisfies a new level of service measure in the 2018-28 Long Term Plan for "Annual reporting to Council on the development and/or implementation of the Strategic Plan to maintain its currency and relevance".

**Background**

3. Hawke's Bay Regional Council adopted a new 5-year Strategic Plan in August 2017. It embodies the ambition and aspirations of the new Council and our new Chief Executive and signalled a significant change in direction for the organisation. Major differences between the new Strategic Plan and the old one adopted in 2011 include:
  - 3.1. Our Mission Statement
  - 3.2. Our Purpose
  - 3.3. Our Focus areas
  - 3.4. Strategic Goals for each of the four focus areas.
4. The new mission reinforces HBRC's core role in environmental management and deliberately takes a more proactive, forward looking and aspirational approach. These along with "working together" are common themes throughout the Strategic Plan. The new purpose statement signals a greater focus on managing for outcomes (versus a functional approach) and puts the environment at the centre of everything we do.
5. The introduction of goals with targets for each of the four focus areas further demonstrates a desire to shift from managing and reporting on activity to reporting quantifiable outcomes. The intention was for council to be less granular on activity and more flexible on delivery.

**Implementation to date**

6. In response to the strategic direction set in the Strategic Plan the Council has:
  - 6.1. Accelerated and scaled-up activity through the 2018-28 Long Term Plan via
    - 6.1.1. more staff including a greater presence in Wairoa and CHB
    - 6.1.2. increased operating and capital expenditure
    - 6.1.3. increased incentives and regulation to influence behavior change
    - 6.1.4. increased debt funding for long term projects with intergenerational benefits
    - 6.1.5. leveraged all funding sources (fees and charges, investment income, external grant funding, debt and rates) to fund its new strategic agenda
  - 6.2. Re-organised to better align the organisation to deliver on strategic outcomes, and
  - 6.3. Referenced the four focus areas and values from the Strategic Plan in the new *Personal Performance and Development Charters* and required all staff to say how their work contributes.

### Further implementation planned

7. Work is underway to monitor and report on the 23 long-term goals in the Strategic Plan. This will involve defining in detail how the goals will be measured (what, where, how and when), determining a baseline for each and setting short to medium term targets to enable us to track progress. This will tell us if our strategic goals are being achieved.
8. Parallel work is underway to quantify and map our approximately 126 existing budget (or workstream) codes directly to our 60 Level of Service Measures (LOSM's) and, ultimately, the twenty three 2017-21 Strategic Plan goals. This will enable us to better assess over time if what we are doing (council's interventions or workstreams and projects) is contributing to the achievement of our strategic goals. Noting that the council does not have full control over whether these outcomes are achieved, but has a clear statutory role in achieving them, along with others.

### Strategic Snapshot

9. In the interim, the attached Strategy Snapshot has been produced to give an holistic view of council "activity" at a point in time (i.e. May 2019). The four colored columns represent the four focus areas from the 2017-2021 Strategic Plan.
10. The Y axis uses the policy cycle as an indicator of time for strategic work (i.e. where in the cycle is a plan, strategy or policy) and the method (e.g. non/regulatory) to display operational work. Across the bottom are a range of initiatives that underpin all four focus areas categorized "People, Processes, Customer and Results".
11. Together these constitute the programme of work for council at this point in time. It attempts to be exhaustive (i.e. cover everything we do) with the caveat that it focuses on big outputs or services (e.g. plan changes vs stat advocacy).
12. It is designed to demonstrate how all the pieces contribute to achieving the 23 strategic goals from the Strategic Plan (listed at the bottom of the page) and to aid in a discussion about resourcing and future pressure points for the organisation.
13. The Chief Executive will take Councillors through the snapshot as part of this meeting.

### Decision Making Process

14. 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 "*Strategic Plan Implementation*" staff report.

### Authored by:

**Desiree Cull**  
STRATEGY AND PROJECTS LEADER

### Approved by:

**Joanne Lawrence**  
GROUP MANAGER OFFICE OF THE  
CHIEF EXECUTIVE AND CHAIR

**Tom Skerman**  
GROUP MANAGER STRATEGIC  
PLANNING

### Attachment/s

[!\[\]\(41aea2746216b27a6939d696d8e035da\_img.jpg\) 1](#) Strategic Snapshot



# STRATEGIC SNAPSHOT

AS AT MAY 2019



Item 10

Attachment 1

		SMART SUSTAINABLE LAND USE	WATER QUALITY, SAFETY & SECURITY	HEALTHY & FUNCTIONING BIODIVERSITY	SUSTAINABLE SERVICES & INFRASTRUCTURE
STRATEGIC	Investigate	Future Farming Right Tree Right Place	Mohaka Plan Tukituki Taskforce	Coastal Marine Science Programme	Hawke's Bay Tourism Funding Review Heretaunga Plains Flood Protection
	Strategies Plans & Policies	Integrated Catchment Management Plans & Data Management Strategy			Coastal Hazards 30 year Infrastructure Strategy and Asset Plans
	Implement	Heretaunga Plains Urban Development Strategy	Tukituki Plan Regional Freshwater Security	Regional Pest Management Plan Hawke's Bay Biodiversity Strategy	Gravel Management Strategy Hawke's Bay Civil Defence Emergency Management Group Plan
	Evaluate	Regional Policy Statement & Regional Resource Management Plan			Regional, Land Transport, Public Transport & Cycling Plans
OPERATIONAL	Non-regulatory	Karamū Tūtira Whakakī Ahuriri Whātuma	HB Biodiversity Foundation Ecosystem Prioritisation Predator Free HB	Asset Management Schemes & Ecological Enhancement	
		Erosion Control Scheme			Open Spaces Sustainable Homes
	Regulatory	Farm Plans Consents & Compliance Pollution Response	3 Waters Water Information Services	Possum Control Areas Pest Monitoring & Compliance	Navigation Bylaw & Harbourmaster Airshed Monitoring & Compliance
	Monitor Evaluate Report Improve	State of Environment Monitoring & Reporting Tukituki Monitoring, Evaluation, Reporting, Improvement		Terrestrial Biodiversity Outcome Monitoring	Flood Assessment & Warning Asset Design & Engineering

## PEOPLE, PROCESSES, CUSTOMER & RESULTS

- LEARNING & DEVELOPMENT STRATEGY • HEALTH & SAFETY STRATEGY • CULTURAL COMPETENCY • INFORMATION COMMUNICATION TECHNOLOGY STRATEGY
- CUSTOMER RELATIONSHIP MANAGEMENT • INTEGRATED REGULATORY INFORMATION SYSTEMS • BRAND STRATEGY • COMMUNICATION & ENVIRONMENTAL EDUCATION
- AWARDS • PERCEPTION SURVEY • MĀORI ENGAGEMENT • PROJECT MANAGEMENT OFFICE • FINANCIAL STRATEGY & INVESTMENT POLICY • STAFF SURVEYS
- CAPITAL STRUCTURE REVIEW • NAPIER PORT INITIAL PUBLIC OFFER • LONG TERM PLAN, ANNUAL PLAN & REPORT • ORGANISATIONAL PERFORMANCE REPORTING

## STRATEGIC GOALS

SMART SUSTAINABLE LAND USE	WATER QUALITY, SAFETY & SECURITY	HEALTHY & FUNCTIONING BIODIVERSITY	SUSTAINABLE SERVICES & INFRASTRUCTURE
<ul style="list-style-type: none"> <li>• By 2025, stock is excluded from all year-round flowing streams and rivers and at least 30% are fenced and planted to filter contaminants</li> <li>• By 2025, Land Use Suitability information is available to all commercial land owners to inform smarter land use</li> <li>• By 2030, all commercial farms, orchards and vineyards operate under a Farm Environment Management Plan or an independently audited industry best-practice framework</li> <li>• By 2030, all farms in critical source areas have phosphorous management plans being implemented, with at least 50% of highly erodible land treated with soil conservation plantings</li> <li>• By 2030, there is 20% less contaminants from urban and rural environments into receiving waterbodies.</li> <li>• By 2050, all highly erodible land is under tree cover</li> <li>• By 2050, there is 50% less contaminants from urban and rural environments to waterbodies.</li> </ul>	<ul style="list-style-type: none"> <li>• By 2025, plans for catchments where life supporting capacity is compromised are in place and actively implemented</li> <li>• By 2025, Tāngata Whenua values for all catchments are identified and embedded in the Regional Resource Management Plan</li> <li>• By 2030, all aquifers, lakes and rivers have community-agreed quantity and quality limits in force</li> <li>• By 2030, cultural monitoring tools in use in all catchments</li> <li>• By 2030, all popular Hawke's Bay swimming sites are swimmable 80% of the time, and 90% of the time by 2040</li> <li>• By 2050, there is an increasing trend in the life-supporting capacity of all of the region's degraded rivers and major streams.</li> </ul>	<ul style="list-style-type: none"> <li>• By 2020, regional priority locations for ecosystem restoration - including in the coastal marine area - have been identified</li> <li>• By 2030, key (target) species and habitat (sites) are prioritised and under active restoration (source: HB Biodiversity Strategy 2015-2050 and Action Plan 2017-2020)</li> <li>• By 2050, a full range of indigenous habitats and ecosystems, and abundance and distributions of taonga species are maintained and increased in every catchment in Hawke's Bay (source: HB Biodiversity Strategy 2015-2050 and Action Plan 2017-2020)</li> <li>• By 2050, Hawke's Bay is predator free in line with NZ 2050 target (source: Regional Pest Management Plan).</li> </ul>	<ul style="list-style-type: none"> <li>• By 2025, regional air quality consistently meets World Health Organisation guidelines</li> <li>• By 2025, coastal hazards are being managed to meet foreseeable climate change risks to coastal communities out to 2100</li> <li>• By 2025, the Napier Port is future-proofed with the addition of a new wharf with supporting land transport infrastructure</li> <li>• By 2030, flood risk is being managed to meet foreseeable climate change risks out to 2100</li> <li>• By 2030, Hawke's Bay has environmentally sustainable, harvestable water identified and stored or plans to be stored if required</li> <li>• By 2040, Hawke's Bay is carbon neutral.</li> </ul>





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

**Wednesday 05 June 2019**

**Subject: BUSINESS HB UPDATE**

**Item 11**

**Reason for Report**

1. Business Hawke's Bay will update the Committee on its recent activities and work programme ahead.

**Background**

2. Hawke's Bay Regional Council has provided financial support for Business Hawke's Bay (BHB) since 2013. BHB also receives funding from Territorial Authorities and the private sector and is governed by a board of local business leaders – see <https://www.businesshb.nz/> for a comprehensive summary of BHB's services and activities.
3. To date, HBRC's support for funding has been predicated on providing BHB with the resources to champion and support all-of-region economic development activity. This contrasts with, for example, territorial authority support which can logically focus on localized outcomes. HBRC funding KPI's were linked to BHB's management of the then 2013 Regional Economic Development Strategy.
4. Following the development of the 2016 Matariki Regional Economic Development Strategy, BHB has continued to focus on its core activities of Business Attraction, Business Enabling and Business Growth in anticipation of a final decision on Matariki programme management by the Matariki Governance Group.
5. During this interim period, BHB and HBRC have operated under a funding extension agreement that allowed HBRC to terminate BHB's funding in the event that Matariki's confirmed delivery model resulted in a restructure of regional economic development activity that negatively impacted BHB.
6. BHB has recently been confirmed as programme manager. Accordingly, the regions local government CE's and BHB are developing a single Service Level Agreement that encapsulates all local government funding under a single set of KPI's for the period 1.7.18 to 20.6.21. At the time of writing it is premature to provide this committee with draft terms for review, but worthy of note are the following intentions:
  - 6.1. Full quarterly P&L financial reporting.
  - 6.2. Quarterly reporting against KPI's
  - 6.3. Service commitments in areas including Matariki programme management, business diversity and sector development, inwards investment and skills attraction, support for Great Things Grow Here economic development brand platform and key project reporting.
7. BHB's report is attached.

**Decision Making Process**

8. 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 "*Business HB Update*" report.

## Item 11

**Authored by:**

**Tom Skerman  
GROUP MANAGER STRATEGIC  
PLANNING**

**Approved by:**

**Tom Skerman  
GROUP MANAGER STRATEGIC  
PLANNING**

### **Attachment/s**

[!\[\]\(a870788d6ed9b8fd294b7654a8c8526b\_img.jpg\) 1](#) Business Hawke's Bay Annual Report to Councils June 2019



## BUSINESS HAWKE'S BAY ANNUAL REPORT

Hawke's Bay Regional Council – June 2019

### INTRODUCTION TO BUSINESS HAWKE'S BAY

Making sure that Hawke's Bay has the right climate for business to thrive and grow is the mission of Business Hawke's Bay, a business-led economic development agency with a region-wide focus; providing business leadership and support for business and economic growth. Business Hawke's Bay (BHB) is funded by key partners; local councils, central government and the business community.

We work closely with stakeholders to develop business, and support economic growth at a regional level, with a genuine passion for seeing the region thrive. BHB works to **Attract, Build and Connect** the business community through:

- Attraction of business, investment and a skilled workforce
- Building sectors, businesses, capability and innovation
- Connecting the business community, with Business Hawke's Bay, Hawke's Bay Business Hub services, and Matariki the Regional Development Strategy for economic and social growth.

Business Hawke's Bay (BHB) works collaboratively with all councils in the region; and through the co-working community at Hawke's Bay Business Hub with organisations such as Callaghan Innovation, Hawke's Bay Chamber of Commerce, Te Kāhui Ōhanga o Takitimu, Regional Business Partners, NZTE, Export New Zealand, Business Central, Young Enterprise, Food Innovation Network and more.

Strong relationships and local connections continue to be a cornerstone for BHB. We have the people, track record and connections to make a difference.

## 1. ATTRACT – BUILD - CONNECT

### 1.1 BUSINESS, SKILLS AND INVESTMENT ATTRACTION

Part of BHB's brief is to promote Hawke's Bay as New Zealand's best regional location in which to work, invest, live and grow, and to provide on-the-ground, practical advice and support to the businesses and the people that choose to relocate to the region.

#### Think Hawke's Bay For Your Business

Think Hawke's Bay is a collective group that includes the economic development teams from the region's TLAs, Business Hawke's Bay and representatives from Napier Port and Hawke's Bay Airport. With common goals for inwards investment attraction the collective collaborates on key projects, pools their resources and achieves more together than they would alone. This group is co-ordinated by BHB. Through the work of the collective group, for the first time, Hawke's Bay promoted itself at the National Fieldays as part of a new initiative to focus on agribusiness and innovation. This action was led by BHB. Several large-scale business attraction projects are being worked on collectively through an extended group and smaller business relocations have been successfully completed eg a contact centre, a distributor and a nutraceuticals company.

**Skills Board & Gig Board**

BHB has developed an online skills board service to help local businesses connect with people new to the region who are looking for work. This service was previously introduction based. More than 30 individuals have registered with BHB's connection service with 18 connecting with businesses in the region. Following demand BHB has recently launched a Gig Board in April to assist freelancers in finding their next assignment by leveraging our connections. There are currently four freelancers on the board, and this will be actively promoted from next month.

**Great Things Grow Here**

BHB has been an active participant in the Independent Advisory Panel and contributes to funding and supporting regional attraction promotional activity.

**Investment Readiness & Capital Education**

Workshops on Capital Education and Investment Readiness are being facilitated through BHB and run in partnership with Callaghan Innovation and NZTE. These follow earlier workshops on Private Equity Funding, Venture Capital, Capital Raising and Angel Investment.

**Investment Attraction Taskforce Roundtable**

An opportunity for a two-way briefing with the National Taskforce of senior leaders from Central Government Agencies. This event co-ordinated by BHB offered an opportunity for regional leaders across Councils, Business and Iwi to find out about the work of the Taskforce in the attraction of quality foreign direct investment, relocation of R&D activity to NZ and expanding the capital pool of investors and entrepreneurs residing in NZ and to hear an update on the Provincial Growth Fund.

**2. ATTRACT - BUILD - CONNECT****2.1 LAND TO BRAND (Agri-FoodTech Sector and Business Development)****Future Foods Conference**

The Future Foods Conference was held in October-18 and attracted 175 attendees from around New Zealand and Internationally (40% from outside the region). Ten national speakers presented on a range of innovation topics from global food and business model trends to local alternative protein and hemp start-up success stories. There is strong interest in our next bi-annual Future Foods conference, planned for 2020, and we continue to develop the interaction on important topics relevant to the region such as land diversification opportunities in hemp and goat/sheep dairy. NZTE have offered BHB the opportunity to take the national lead in this area.

**BHB's NZ Road Trip**

In March and April, BHB attended four events focusing on various aspects of the future of food and agribusiness growth which included the East Coast Farming Expo in Wairoa, Agri-food Week in Palmerston North, BOMA Agri-Summit in Christchurch and a Callaghan Hemp Extraction Workshop in Wellington. The events enabled further learnings from a range of local and international speakers with common themes of adding value and diversification in primary industry, producing sustainably and the role of tech in the future of food and farming. The networking opportunities helped grow regional access to expertise and developed a pool of contributors for future events and mentorships.

### Sheep and Goat Dairy and Ecosystem

Ongoing work on sheep and goat dairy and the wider ecosystem has led to BHB being recognised as the regional co-ordinator in the national Sheep and Goat Dairy project (funded through the Provincial Growth Fund), taking the role of co-ordinating and progressing discussions with those interested in the sector and forming a regionally focused working group with national support.

### Land Diversification Opportunities Discussion

The next follow up event scheduled is the Land Diversification Opportunities Discussion on Tuesday 25 June-19. This event has a line-up of 12 speakers including companies who will pitch their land use opportunities, mana whenua activities, as well as technology, government funding and investment opportunities. This event will be held in Central Hawke's Bay and a sponsored coach service will run.

### Food and Beverage Workshops

BHB also continue to run our annual Food and Beverage training series with workshops held on New Product Development and Food Safety attracting 30 attendees; and a further Food Labelling and Claims workshop scheduled.

### Hawke's Bay Food Innovation Hub

BHB has been on the Governance Group of the Food Innovation Hub since work began on this regional project in 2017. We remain an active contributor through the BHB CE & Land to Brand Manager and have supported this project through discovery, feasibility and business case phases to Provincial Growth Fund application.

## 2.2 START-UPS AND TARGETED SUPPORT FOR EMERGING BUSINESSES

### Co-Starters Programme

In 2019 BHB has brought new, targeted support for emerging business to the region with the launch of the Co-Starters programme in April. Co-Starters is currently operating in more than 50 locations across the US and NZ. This nine-week programme is aimed at helping business start-ups, entrepreneurs and those with great business ideas to develop them further. There are ten local businesses (15 people) enrolled in the programme and six facilitators for the programme have been accredited, two of which are running the current programme.

### Soda Inc

Soda Inc is a start-up incubator programme based in Hamilton but delivering across the Central North Island with part-funding for programme delivery through Callaghan Innovation. BHB is their Hawke's Bay partner. Access to the programme provides start-up founders with the right resources, connections and world class mentors to help them develop strategies that will scale their knowledge and business quickly. Three businesses have pitched for the programme, with two accepted.

## 2.3 INNOVATION, DESIGN AND TECHNOLOGY

### Hawke's Bay Year of Innovation and Entrepreneurship

2019 is BHB's Year of Innovation and Entrepreneurship (I&E). Initiated after hosting a Future of Work Roundtable BHB have started a nationwide conversation that celebrates and draws attention to Hawke's Bay as a place where people with great ideas can flourish. Great Things Grow Here, Great Businesses and Great Ideas. Telling a fuller broader story of Hawke's Bay's I&E potential will help our region grow, attract more inventors, businesses and people with skills that will add value to the region and so we are sharing Hawke's Bay I&E stories nationally through a new media programme. The year will culminate in a bi-annual I&E Conference (a first for the region).



**AgriSpace Challenge**

This national innovation and start-up challenge is being co-ordinated locally by BHB with the regional launch held in March, and the challenge running through until October. There are two regional participants working in teams to pitch projects for consideration for stage two of the challenge.

**TechWeek NZ 2019**

BHB have been the regional co-ordinators for TechWeekNZ in Hawke's Bay. As well as supporting organisations such as Xero to create their own events (eg Girls in Tech) BHB also developed a Tier One Highlight Event that was promoted nationally. The Innovation Tour of the Bay was held on Friday 24 May and was a sold-out event. Eight local businesses provided a showcase of innovation in action in Hawke's Bay. The tour was extremely well received by the businesses who were showcased, investors and other participants; there are plans to run a second innovation tour later this year.

**3. ATTRACT - BUILD - CONNECT****3.1 HAWKE'S BAY BUSINESS HUB**

A key initiative of Business Hawke's Bay supported by key business partners is the Hawke's Bay Business Hub. To support the capability and growth of business the Hawke's Bay Business Hub initiative provides training, support, growth advisory services and connections to unleash the potential of businesses, helping to lift the region's economic performance. The Business Hub is an important connection point for the business community, a place where people from business, iwi, social enterprises and start-ups gather for support, to learn, to share ideas and network.

**Hub Connect 1, 2, 3**

BHB's focus for the Business Hub in 2018-19 has been 'Activation' and 'Connection'. The Hub Forum provides an opportunity for Hub Members to connect. While initiatives such as the Hub Check-In led by trained BHB team members connects businesses with the services available through the Hub - 159 referrals to date this year. Visitor sign-ins at the Business Hub will be over 7,500 for the year with over 26,500 visitors since opening. More than 450 people participated in BHB led training initiatives at the Business Hub over the past year (eg Coffee Talks, Tech Talks, Digital Upload).

**3.2 BHB'S E-PANUI NEWSLETTER**

This is a new initiative in 2018. Giving prominence to Hawke's Bay stories, insights to what's happening locally and celebrating success is the ethos for e-Panui, BHB's bi-monthly newsletter. Content is a mix of contributed, curated and created stories organised along BHB key themes of attract, build and connect. We have a regional list of regular contributors; a growing database of more than 2000 recipients across central and local government and the business community; and consistent, positive feedback about the quality and relevance of our publication.

**3.3 ECONOMIC DEVELOPMENT NEW ZEALAND**

BHB are active members of Economic Development New Zealand. The CE is on the EDNZ Board, and we support the recently launched EDNZ training programme. Team members have attended the national EDNZ conference and a recent Social Inclusion Conference. This enables Hawke's Bay to have a voice nationally, to be exposed to best practice, and to connect with economic development agencies throughout NZ.

### 3.3 MATARIKI HAWKE'S BAY REGIONAL DEVELOPMENT STRATEGY

From September 2018, Business Hawke's Bay has been providing the programme management service for Matariki Hawke's Bay Regional Development Strategy (HBRDS) for economic and social growth. BHB is also a lead delivery agency in areas related to business innovation, growth, inwards attraction, start-ups and agri-foods actions.

#### Matariki HBRDS Action Plan Refresh and Success Indicators

A stocktake of work completed against current activities is well progressed; in order to respect the work that has been completed and acknowledge success. The District Health Board undertook an equity assessment against all current actions to help inform the action plan refresh. The information from the stocktake is helping to inform the refresh to develop a tighter work programme of specific actions that will be SMART – Specific, Measurable, Achievable, Relevant and Time-bound and project managed through the online reporting system.

Setting up key indicators and success measures for the regional economic and social growth is well progressed. Work continues to align the success measures and revised work programme to the Living Standards and Four Wellbeings Frameworks. A lack of authentic Māori data has been identified as a gap. We are working to scope a qualitative study from a Māori kaupapa lens over the next quarter to help inform strategies and ensure there is good baseline data to measure progress.

#### Other Ongoing Matariki HBRDS Work in Progress/Completed

There have been three recent external submissions to Central Government:

- Review of Vocational Education (ROVE) regional submission to MoE.
- Submission to NZTA on proposed changes to the drivers licensing system.
- Outreach to appropriate Ministers socialising the HBDHB Health Equity Report advocating for support to reduce inequities in the region.

Matariki Governance Group and Executive Steering Group meeting administration processes are now well established. Terms of reference, interests register, and delegation of authority processes are in place.

Communications actions are well progressed to raise regional visibility and understanding of Matariki HBRDS – a new logo has been established to reflect the merger of both the regional economic development and social inclusion strategies; the website has been updated and will continue to have regular news stories added; a message house has been developed for consistent messaging and telling the Matariki HBRDS stories through all key partners; and BHB's e-Panui newsletter includes regular Matariki HBRDS related stories and messaging.

**Carolyn Neville**  
**CE Business Hawke's Bay**  
 28 May 2019





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

**Wednesday 05 June 2019**

**Subject: DISCUSSION OF MINOR ITEMS NOT ON THE AGENDA**

**Item 12**

**Reason for Report**

1. 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.

Topic	Raised by