



MINUTES OF A MEETING OF THE REGIONAL COUNCIL

Date: Wednesday 24 June 2020

Time: 11.00am

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

Present: Cr R Graham - Chairman
Cr W Foley
Cr C Foss
Cr N Kirton
Cr C Lambert
M McIlroy (*Māori Committee Co-Chair*)
Cr H Ormsby (*via Zoom*)
M Paku (*Māori Committee Co-Chair*)
A Tapine (*RPC Tangata Whenua Rep*)
Cr J van Beek
Cr M Williams

In Attendance: J Palmer – Chief Executive
P Munro – Te Pou Whakarae Māori Partnerships
J Ellerm – Group Manager Corporate Services
I Maxwell – Group Manager Integrated Catchment Management
T Skerman – Group Manager Strategic Planning
E Lambert – Group Manager Regulation
C Dolley – Group Manager Asset Management
L Hooper – Governance Lead
H Saxton – HB Tourism General Manager
G Hickton – HB Tourism Chairman
Dr G McDonald – Market Economics Ltd (*Zoom for item 19*)
K Premadasa – Management Accountant

1. Karakia /Welcome /Apologies/Notices

Pieri Munro offered a karakia and invited everyone to the Celestial Compass at 6am tomorrow to welcome Matariki, before the Chairman welcomed everyone to the meeting.

Resolution

RC78/20 That the apology for absence from Cr Rick Barker be accepted.

van Beek/Foley
CARRIED

2. Conflict of Interest Declarations

There were no conflicts of interest declared.

3. Confirmation of Minutes of the Regional Council Meeting Held on 27 May 2020

RC79/20 Resolution

Minutes of the Regional Council Meeting held on Wednesday, 27 May 2020, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

Williams/Kirton
CARRIED

4. Follow-up Items from Previous Regional Council Meetings

James Palmer introduced the item, which was taken as read.

RC80/20 Resolution

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

van Beek/Foley
CARRIED

5. Significant Organisational Activities through July 2020

James Palmer introduced the item, which was taken as read, with queries and discussions traversing:

- staff are awaiting a proposal from RPC tangata whenua in relation to the appointment of an independent advisor
- Recruiting through Work and Income for PGF projects is being coordinated with an MSD work broker, Regional Commissioner and regional advisor
- Concerns raised in relation to a second wave of impacts from Covid-19
- Freshwater Improvement funding has been provided for Te Rahui bridge at Lake Whakaki, aligned with the weir, to be built
- With Freshwater Reform coming into effect, infringement notices for consent non-compliance will increase from \$750 to \$4000 max
- Hyperlinks to reports in the agenda item will be distributed by email to councillors
- Ahuriri operational plan is under development in collaboration with Te Komiti, Napier City Council and other statutory bodies and expected to be available in August.
- Staff estimate that approximately half of the consents required for the Tukituki Catchment have been submitted.

RC81/20 Resolution

That the Hawke's Bay Regional Council receives and notes the ***Significant HBRC Activities through April 2020*** staff report.

Foley/van Beek
CARRIED

6. Call for Minor Items not on the Agenda

That Council accepts the following “Minor Items Not on the Agenda” for discussion as Item 21

Topic	Raised by
Te Ronga Park Hui	Cr Rex Graham

7. HB Tourism Quarterly Report and Key Performance Indicators

Hamish Saxton and George Hickton introduced the item, updating the meeting on the Tourism sector’s recovery in an incredibly competitive domestic market with assistance provided by Central Government.

RC82/20

Resolutions

That Hawke’s Bay Regional Council:

1. Receives and considers the “*HB Tourism KPIs Update*” staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council’s adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Confirms that Council accepts the KPI performance variance with respect to HB Tourism’s results for 2019-20 due to the regional tourism impacts of Covid-19.

**Foss/Lambert
CARRIED**

8. Strategic Plan Adoption

Tom Skerman introduced the item, which was taken as read.

RC83/20

Resolutions

That Hawke’s Bay Regional Council:

1. Receives and considers the “Strategic Plan Adoption” staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council’s adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Adopts the *Strategic Plan 2020-2025* for publication.

**Kirton/Williams
CARRIED**

13. Hawke's Bay Disaster Relief Trust - Council Controlled Organisation Exemption

Ian Macdonald introduced the item, which was taken as read.

RC84/20

Resolutions

That Hawke’s Bay Regional Council:

1. Receives and considers the “*Hawke's Bay Disaster Relief Trust Council Controlled Organisation Exemption*” staff report.
2. Agrees that the decisions to be made are not significant under the criteria

contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.

3. As provided for in sections 6 and 7 of the Local Government Act 2002, grants the Hawke's Bay Disaster Relief Trust an exemption from being a Council Controlled Organisation, as defined by section 6 of the local Government Act 2002, for a period of three years to 30 June 2023.

**Foss/Kirton
CARRIED**

17. Report from the 8 June 2020 HB Civil Defence Emergency Management Group Joint Committee Meeting

Ian Macdonald introduced the item, including a report on the Covid-19 event response.

RC85/20 **Resolution**

That Hawke's Bay Regional Council receives and notes the "*Report from the 8 June 2020 HB Civil Defence Emergency Management Group Joint Committee meeting*".

**van Beek/Kirton
CARRIED**

9. Report and Recommendations from the Regional Planning Committee

Ceri Edmonds introduced the item which makes recommendations to Council for decisions relating to an HBRC TANK Plan submission and Proposed Plan Change 6A: Tukituki Catchment Table 5.9.1D.

RC86/20 **Resolutions**

That Hawke's Bay Regional Council:

1. Receives and notes the "*Report and Recommendations from the Regional Planning Committee*".
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision.

HBRC TANK Plan Change Submission

3. Lodges a submission on the Proposed TANK Plan Change 9 before 3 July 2020 that seeks replacement of Policy 39 with a new policy along the following lines.

Hawke's Bay Regional Council will:

- 3.1. consult with iwi and other relevant parties to investigate the environmental, technical, cultural and economic feasibility of options for stream flow maintenance and habitat enhancement schemes including water storage and release options and groundwater pumping and discharge options that:
 - 3.1.1 maintain stream flows in lowland rivers above trigger levels where groundwater abstraction is depleting stream flows and
 - 3.1.2 improve oxygen levels and reduce water temperatures
- 3.2. determine the preferred solutions taking into account whether:
 - 3.2.1 wide-scale aquatic ecosystem benefits are provided by maintaining stream flow across multiple streams
 - 3.2.2 multiple benefits can be met including for flood control and climate

- change resilience
- 3.2.3 the solutions are efficient and cost effective
- 3.2.4 scheme design elements to improve ecological health of affected waterbodies
- 3.2.5 opportunities can be provided to improved public access to affected waterways.
- 3.3. develop and implement a funding mechanism that enables the Council to recover the costs of developing, constructing and operating stream flow maintenance and habitat enhancement schemes from permit holders, including where appropriate,
 - 3.3.1 management responses that enable permit holders to manage local solutions and
 - 3.3.2 commitment to develop any further plan change within an agreed timeframe if necessary to implement a funding solution
- 3.4. ensure that stream flow maintenance and habitat enhancement schemes are constructed and operating within ten years of the operative date of the Plan while adopting a priority regime according to the following criteria:
 - 3.4.1 solutions that provide wide-scale benefit for maintaining stream flow across multiple streams
 - 3.4.2 solutions that provide flow maintenance for streams that are high priority for management action because of low oxygen levels
- 3.5. review as per Policy 42 if no schemes are found to be feasible.
- 3.6. Makes amendments to TANK Rules 9 and 18 and Schedule 36, plus other consequential amendments as necessary to enable the new policy to be implemented including removing a choice between contribution to stream flow maintenance and a ban on abstraction at trigger flows.

Proposed Plan Change 6A: Tukituki Catchment Table 5.9.1D

4. Approves Proposed Plan Change 6A Tukituki Catchment – Table 5.9.1D for notification and the associated report, *Section 32 Evaluation of proposed plan change 6A Tukituki Catchment – Table 5.9.1D*
5. Requests staff apply to the Minister for the Environment to use the streamlined planning process
6. As a default, should there no response from the Minister for the Environment by 15 July 2020, then approve the use of the Part 1 Schedule 1 RMA plan making process to enable a Council decision for the date of notification
7. Requests staff inform all those who provided pre-notification feedback of the Regional Planning Committee's decision to approve Proposed Plan Change 6A Tukituki Catchment – Table 5.9.1D for notification.
8. Requests staff contact iwi authorities of the Tukituki Catchment to nominate a suitably qualified and accredited RMA hearing commissioner
9. Requests staff prepare a proposal to review nutrient management as part of the review of freshwater management provisions in the Regional Resource Management Plan, with notification of the reviewed provisions to occur by 31 December 2024. Resourcing for this review will be included in the Proposed Long Term Plan 2021-2031.

Reports Received

10. Notes that the following reports for information were provided to the Regional Planning Committee

- 10.1. Mana Ahuriri Trust - Post Settlement Governance Entity Presentation by Piri Prentice *(resolved to receive)*
- 10.2. Presentation of Petition *(resolved: That the Regional Planning Committee receives the petition, which reads "We ask that Hawke's Bay Regional council maintain its current policy of making consent application for water bottling plants publicly notifiable" from Mr Paul Bailey)*
- 10.3. Policy on Notification of Water Bottling Related Consent Applications *(resolved: The Regional Planning Committee provides feedback to Hawke's Bay Regional Council in relation to how resource consent applications for activities relating to water bottling should be assessed for notification.)*
- 10.4. Update on Tukituki Regulatory Implementation *(resolved to receive)*
- 10.5. Christian Jirkowsky presentation and Air Quality June 2020 Update *(resolved: That the Regional Planning Committee receives and notes the "Air Quality June 2020 Update" staff report and presentation made by Mr Christian Jirkowsky.)*
- 10.6. Update on Government's Healthy Waterways Reform Package *(resolved to receive)*
- 10.7. Resource Management Policy Projects Update *(resolved to receive)*
- 10.8. June 2020 Statutory Advocacy Update *(resolved to receive).*

**Williams/Graham
CARRIED**

10. Notification Policy for Resource Consent Applications to take Water for Water Bottling Purposes

Liz Lambert introduced the item, including an explanation of the intention of the policy introduced by Council in 2016 and an overview of the options available. Queries and discussions covered:

- RMA does not define water bottling
- Existing water take consents take precedence over new applications
- TANK has been determined to be fully allocated so there will be no new consents granted to take water
- RPC raised concerns about the sustainable use of water and full or over allocation of water in the region and preference to retain public notification due to public interest and opposition to water bottling.

RC87/20 Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the "*Notification Policy for Resource Consent Applications to Take Water for Water Bottling Purposes*" staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision.
3. Amends the definition of water bottling in the current policy to be where the water content of the container is more than 99%.
4. Retains the requirement for public notification of any new applications for water bottling, but leaves discretion with staff to consider the requirement for public notification on a case-by-case basis for amendments to the conditions for any existing water takes.

**Graham/Kirton
CARRIED**

The meeting adjourned at 12.55pm and reconvened at 1.28pm

19. Hawke's Bay Region Water Security Economic Impact Assessment

Tom Skerman introduced the item and Garry McDonald, who provided a presentation on the modelled the economic impacts of a do nothing scenario on water security in the TANK and Tukituki catchments under climate change.

- This report provides context and scene setting, building on previous work done in relation to impacts of changed water security on the primary sector, asking questions around the impacts of mother nature, and will be built on and expanded over time through the water security work programme to analyse other aspects of water security.
- NIWA's water-flow reliability and soil moisture deficit maps provided data for modelling
- Modelled the revenue impacts on irrigated horticulture, fruit growing and pastoral farms as well as non-irrigated drystock and dairy farms
- Did not model forestry or municipal water use

Apiata Tapine left the meeting at 1.49pm

Conclusions of the report include:

- Beyond 2040, the impacts of climate change on water security are very significant
 - Socio-economic impacts will compound over time, also through increased volatility of extreme events – wider climate change impacts not considered
 - Impacts on the environment, habitats and ecosystems underpin all human activities
 - Wellbeing of many communities in the TANK and Tukituki catchments depend on water and are in lock-step with the primary sector
 - Impacts of HB water security changes will not only be felt locally, but also throughout NZ
-
- There are likely to be effects on expenditure as well as revenue
 - Conservative estimate of \$5-6 billion cumulative loss 2020-2060
 - Assessment of climate change impacts on the environment, wider than water security, are being modelled as part of the national science challenge, using the New Zealand earth systems model and HBRC will engage to investigate opportunities for regional scale analyses.

RC88/20 Resolution

That Hawke's Bay Regional Council receives and notes the "Hawke's Bay Region Water Security Economic Impact Assessment" staff report and presentation.

**van Beek/Williams
CARRIED**

11. Report and Recommendations from the Corporate and Strategic Committee

Neil Kirton, as Chair of the Committee, introduced the item and provided an overview of of the items considered.

RC89/20 Resolutions

The Corporate and Strategic Committee recommends that Hawke's Bay Regional Council:

1. Receives and considers the "*Report and Recommendations from the Corporate and Strategic Committee*".
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 these items without conferring directly with the community or persons likely to have an interest in them.

Risk Maturity Roadmap

3. Endorses the approach proposed by staff to formally launch the proposed Risk Management Maturity Roadmap with the goal of embedding consistency in risk-intelligent decision making across all levels and functions of the organisation.

Health & Safety Governance Charter

4. Adopts the Health and Safety Governance Charter as proposed, for the signatures of the Regional Council and Finance, Audit and Risk Sub-committee Chairs.

Reports Received

5. Notes that the following reports were provided to the Corporate and Strategic Committee
 - 5.1. Remit to Local Government New Zealand Annual General Meeting (*resolved: Confirms support for the proposed Hauraki District Council Climate Change Coastal Hazard remit, to be supplied by the Hawke's Bay Regional Council Chairman via email.*)
 - 5.2. Quarterly Treasury Report for period to 31 March 2020 (and presentation from Mercer Investment Managers)
 - 5.3. Water Security Governance Model (*not considered*)
 - 5.4. Heretaunga Water Security Scoping Report (*Public Excluded*)
 - 5.5. HBRIC Ltd 2019-20 Statement of Intent (*Public Excluded*)
 - 5.6. Napier Port Verbal Update (*Public Excluded*)
 - 5.7. Request for Remissions of Leasehold Rent – Wellington Property (*Public Excluded*).

**Kirton/Foss
CARRIED**

12. Adoption of Amended Tenders Committee Terms of Reference

Jessica Ellerm introduced the item, which was taken as read.

RC90/20 Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the "Adoption of Amended Tenders Committee Terms of Reference" staff report.
2. Agrees that Council can exercise its discretion and make these decisions without consulting directly with the community or others having an interest in the decision
3. Adopts the Terms of Reference for the Tenders Committee as proposed, with the inclusion of the Finance, Audit and Risk Sub-committee Chair as a member.

**Graham/van Beek
CARRIED**

Item - 13. Hawke's Bay Disaster Relief Trust - Council Controlled Organisation Exemption - was considered immediately following item 8.

It was suggested and agreed that item 18 be referred to the August Finance, Audit and Risk Sub-committee meeting.

14. Councillor Remuneration

Joanne Lawrence introduced the item, as confirmed and gazetted by the Remuneration Authority, which was taken as read.

RC91/20 **Resolutions**

That Hawke's Bay Regional Council:

1. receives and considers the "Councillor Remuneration" staff report
2. notes the consequential changes to the remuneration of councillors resulting from the Local Government Members (2019-20) Amendment Determination (No 2) 2020
3. notes the consequential changes to the remuneration of the HBRC Chairman resulting from the Local Government Members (Temporary Reduction COVID-19) Determination 2020.

**Foley/Foss
CARRIED**

15. Affixing of Common Seal

1. The Common Seal of the Council has been affixed to the following documents and signed by the Chairman or Deputy Chairman and Chief Executive or a Group Manager.

		Seal No.	Date
1.1	Staff Warrant R. Saunders <i>(Delegations under s. 34A(1) and s.38 Resource Management Act 1991; Civil Defence Emergency Management Act 2002 (s.86-91) and Local Government Act 2002 (Clauses 32(1) and 32B Schedule 7))</i>	4396	25 May 2020
1.2	Application for new record of Title Incorporating Accretion Record of Title No: 894724 <i>(the land affected by the boundary change has a moveable water boundary shown on Survey Plan 540720, which defines the original boundary, and on survey plan 540720 which defines the boundary as changed by accretion. The change in position of the water boundary has occurred gradually and imperceptibly over time and now Council are applying for a new record of title)</i>	4397	2 June 2020

RC92/20 **Resolutions**

That Hawke's Bay Regional Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community.
2. Confirms the action to affix the Common Seal.

**van Beek/Lambert
CARRIED**

16. HBRIC Ltd 2020-21 Statement of Intent for Adoption

Jessica Ellerm introduced the item, which presents the finalised Statement of Intent for adoption to meet legislative requirements, following which Kishan Premadasa, HBRC Management Accountant who will be working on HBRIC financials, introduced himself including a brief history. Strategic conversation with HBRIC will be had during development of the long term plan, including Council's revenue and financing strategy.

RC93/20 **Resolutions**

That Hawke's Bay Regional Council:

1. Receives and considers the "HBRIC 2020-21 Statement of Intent for Adoption" staff report.
2. Adopts the HBRIC Ltd 2020-21 Statement of Intent as proposed.

**Kirton/Foss
CARRIED**

Item - 17. Report from 8 June HB CDEM Group Joint Committee Meeting - was considered immediately following item 13.

24. HBRIC Ltd Managed Funds Transfer to HBRC

Jessica Ellerm introduced the item, including the rationale for the proposed approach to transferring funds from the Napier Port IPO to HBRC given tax implications.

RC94/20 **Resolutions**

That Hawke's Bay Regional Council:

1. Receives and considers the "HBRIC Ltd Managed Funds Transfer to HBRC" staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Approves the proposed transfer of managed fund investments totaling circa \$18 M from HBRIC Ltd to Hawke's Bay Regional Council, in consideration for the interest bearing loan.
4. Approves the 2% interest rate for the loan between HBRIC Ltd and Hawke's Bay Regional Council.
5. Approves HBRIC Ltd liquidating any tax paid capital gains from the HBRIC Ltd held managed funds by June 30, 2020.
6. Delegates authority to the Chief Executive and the Group Manager Corporate Services to formalise and execute the resolutions above.

**Kirton/Foss
CARRIED**

18. Procurement Policy Amendments and Activity Report

This item was referred to the 12 August 2020 Finance, Audit and Risk Sub-committee meeting.

Item - 19. Hawke's Bay Region Water Security Economic Impact Assessment - was considered at 1.29pm immediately upon the meeting reconvening.

20. Councillors' Reports from June 2020 Meetings of Outside Bodies

Cr Will Foley reported that at a TBFree HB meeting recently, concerns were raised about the Central Government decision that vector control was not an essential service and so not allowed to be carried out during level 4 lockdown and anecdotal evidence that possum numbers are increasing. HBRC monitoring targets and frequency are under review. Cr Craig Foss reported that HBRIC is in discussions with HBRC around the SIPO and about potential opportunities for investment in longer term infrastructure and economic well-being in the region.

21. Discussion of Minor Matters Not on the Agenda

Topic	Raised by
Hui – there is a hui tonight with the hapu involved in Te Ronga Park on the Waimarama Road side of Te Mata Peak to find a way forward.	Cr Rex Graham

Pieri Munro offered a karakia to close the public part of the meeting.

22. Public Excluded Recommendations from the Corporate and Strategic Committee

RC95/20 Resolutions

GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION	GROUND UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION
Public Excluded Recommendations from the Corporate and Strategic Committee	<p>7(2)(f)(ii) The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment.</p> <p>s7(2)(b)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to ensure a trade secret is not disclosed.</p> <p>s7(2)(b)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which otherwise would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**Kirton/van Beek
CARRIED**

23. Confirmation of Public Excluded Minutes of the Regional Council Meeting Held on 27 May 2020

RC96/20 Resolution

That the Council excludes the public from this section of the meeting being Confirmation of Public Excluded Minutes Agenda Item 23 with the general subject of the item to be considered while the public is excluded; the reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution being:

GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION	GROUND UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION
Section 36 Charges Review	s7(2)(b)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which otherwise would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

of the information

**Kirton/van Beek
CARRIED**

The meeting went into public excluded session at 2.42pm and out of public excluded session at 2.51pm

Closure:

There being no further business the Chairman declared the meeting closed at 2.52pm on Wednesday, 30 June 2019.

Signed as a true and correct record.

DATE:

CHAIRMAN: