



Meeting of the Hawke's Bay Regional Council

Date: Wednesday 24 February 2021
Time: 11.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

| ITEM | TITLE | PAGE |
|--|---|------|
| 1. | Welcome/Apologies/Notices | |
| 2. | Conflict of Interest Declarations | |
| 3. | Confirmation of Minutes of the Regional Council Meeting held on 27 January 2021 | |
| 4. | Follow-up Items from Previous Regional Council Meetings | 3 |
| 5. | Significant Organisational Activities Looking Forward through March 2021 | 21 |
| 6. | Call for Minor Items Not on the Agenda | 29 |
| Decision Items | | |
| 7. | 2019-20 Annual Report for Adoption | 31 |
| 8. | Māori Representation on Hawke's Bay Regional Council | 43 |
| 9. | Report and Recommendations from the 3 February 2021 Environment and Integrated Catchments Committee Meeting | 51 |
| 10. | Affixing of Common Seal | 55 |
| Information or Performance Monitoring | | |
| 11. | Report from the 10 February 2021 Māori Committee Meeting | 57 |
| 12. | Climate Action Campaign Results | 59 |
| 13. | Discussion of Minor Matters Not on the Agenda | 63 |
| Decision Items (Public Excluded) | | |
| 14. | HBRIC Investment in FoodEast | 65 |

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 24 February 2021

Subject: FOLLOW-UP ITEMS FROM PREVIOUS REGIONAL COUNCIL MEETINGS

Item 4

Reason for Report

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

Decision Making Process

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

Recommendation

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

Authored by:

Leeanne Hooper
TEAM LEADER GOVERNANCE

Approved by:

James Palmer
CHIEF EXECUTIVE

Attachment/s

- [1](#) Followups for February 2021 Council mtg

Follow-ups from previous Regional Council Meetings

Meeting held 27 January 2020

| | Agenda Item | Action | Responsible | Status Comment |
|---|---------------------------------------|--|-------------|---|
| 1 | Significant Organisational Activities | Compliance activities with landowners in Tukituki who are non-compliant with FEMP requirement | K Brunton | FEMP update was presented to the 3 February Environment & Integrated Catchments Committee meeting, including compliance activities relating to outstanding FEMPs |
| 2 | Significant organisational activities | Are there any urban waterways included in the 217 sites being photographed as part of the High resolution photography to create the statistical model describing the condition of riparian margins across the region, plus how were sites chosen | B Lynch | All sites are on agricultural land. Recent LIDAR work (high resolution photography) coming soon will give some information on urban waterways but until this information is extracted from LIDAR we can't be sure what information it will provide. |
| 3 | Significant organisational activities | Update on projects that received Hotspots funding | I Maxwell | An update covering all environmental restoration projects, including 'hotspots' will be reported to the May Environment & Integrated Catchments Committee meeting |

Item 4

Attachment 1

| | Agenda Item | Action | Responsible | Status Comment |
|---|---------------------------------------|--|-------------|---|
| 4 | Significant organisational activities | Update on CHBDC level of compliance as a result of wastewater treatment improvements | K Brunton | <p>CHBDC has 6 Municipal WWTP Discharge consented sites with Waipawa, Otane and Waipukurau under compliance action.</p> <p>cBOD5: carbonaceous five-day Biological Oxygen Demand</p> <p>TSS Total Suspended solids</p> <p>Otane is slightly exceeding discharge quality standards for cBOD5 and total suspended solids. Works have been undertaken to remove wetlands to improve treatment and will be de-sludged this summer to address exceedances. Treatment upgrades required by 31 March 2021 will not be undertaken, instead the wastewater will be piped to Waipawa for treatment. There will be a period of further non-compliance between 1 April and when the pipeline is commissioned mid-2021.</p> <p>Waipawa is significantly exceeding discharge quality standards for cBOD5, total suspended solids, ammonia, e coli and dissolved phosphorus. Wetland removal works have also been undertaken and desludging will occur this summer to address exceedances. CHBDC are proposing to move to a land based rapid infiltration discharge along Walker Road as well as treatment upgrades to improve quality. A resource consent application is being prepared and is anticipated to be lodged mid-2021.</p> <p>Waipukurau is significantly exceeding discharge quality standards for dissolved phosphorus and ammonia and is complaint with all other discharge standards. Works have been undertaken to remove wetlands to improve treatment and will be de-sludged this summer to address exceedances. Options are being explored whether to increase treatment at Waipukurau or pipe the discharge to an increased capacity Waipawa plant.</p> <p>Removal of the floating wetlands at all three plants has resulted in a slight reduction in cBOD5 and solids concentrations and this is expected to continue to trend downwards. Exceedances of e. coli, ammonia and dissolved phosphorus can only be addressed long term with large capital improvements to Waipawa and Waipukurau WWTPs that will be applied for in 2021 and commissioned between 2021-2025, subject to consenting and financial constraints. HBRC and CHBDC are regularly meeting to discuss treatment and disposal concerns.</p> |

| | Agenda Item | Action | Responsible | Status Comment |
|---|---|---|---------------------------------|--|
| 5 | Significant organisational activities | Food safety levels, particularly E.coli, for kaimoana gathering | Ministry for Primary Industries | MPI responsible, and Kaimoana safety information available on their website, here |
| 6 | Significant organisational activities | details of January 21-22 WDC wastewater discharge malfunction and Compliance response | K Brunton | <p>Compliance was notified by WDC of a valve failure discovered on 21/01/21 which resulted in the valve remaining shut for 5 days from 16 – 21/01 over which time no discharge occurred. WDC issued 'do not flush' comms to the community to reduce loading on the system and avoid discharging outside of consented times.</p> <p>WDC discharged in accordance with the consented time (6pm-6am) and tide (outgoing) restrictions partly due to the 'do not flush' order, however the high volume in the ponds meant they had to discharge at full capacity resulting in use of the overflow structure. Investigations are underway to determine whether the maximum volume limit (5400m3) was exceeded.</p> <p>The discharge valve has been manually operated since 21/01 and is due for replacement by end of February. Investigations of non-compliance are ongoing.</p> |
| 7 | Follow-ups from previous meetings | Provide Ombudsman advice about LGOIMA reporting to councillors in public forum | L Hooper | Advice provided as Reference 7 following |
| 8 | Report from the 4Dec20 HB Drinking Water Governance Joint Committee Meeting | What are the six fundamental principles of safe drinking water in accordance with the Drinking Water Standards and Drinking Water guidelines for NZ | E Lambert | 4 December staff presentation explaining the six principles included as Reference 8 following. |

Meeting held 16 December 2020

| | Agenda Item | Action | Responsible | Status Comment |
|---|--------------------------------|--|-------------|---|
| | Pettigrew Green Arena Car Park | Regional Indoor Sport and Events Centre Trust provides a robust indemnity and assumption of full liability and risk relative to any private property exposure generated by the types of potential flood events forecast for the site to Hawke's Bay Regional Council for agreement and signing | C Dolley | Asset Management Staff have met with the Trust and are currently awaiting a proposal from them for the development. |
| 3 | Pettigrew Green Arena Car Park | Submission to NCC PGA expansion resource consent process prepared and submitted, requesting conditions of consent to include: 1. certification by an independent engineer that the selected carpark development will not affect the integrity of the stop bank and level of flood protection provided, to the satisfaction of the HBRC Group Manager Asset Management, including integration with HBRC's own proposed programme of works; 2. minimum number of carparks to actual needs and in accordance with the National Policy Statement for Urban Development; 3. flood response management plan including flood warnings and signs warning carpark users of associated risks; 4. environmental off-setting and mitigation in the development to enable biodiversity and public river access benefits; and 5. Archaeological and cultural impact assessments are undertaken prior to implementation. | C Dolley | We understand that PGA has submitted to NCC resource consent for earthworks for building footprint only. |

Meeting held 25 November 2020

| | Agenda Item | Action | Responsible | Status Comment |
|---|---------------------------------------|--|-------------|---|
| 8 | Significant Organisational Activities | Circulate the draft conditions for the NCC / HBRC Westshore tidal gates and NCC Lagoon Farm stormwater discharge consents to councillors for information | M Miller | Emailed to Councillors 10 February 2021 |

Reference 7

Item 4

Attachment 1

From: Aimee Bryant
To: 'Leeanne Hooper'
Subject: RE: Request for contact person - LGOIMA issues

Sent: Tuesday, 7 May 2019

Hi Leeanne

We've received an inquiry from media about the propriety of Council staff reporting on open LGOIMA requests to elected members, with there being debate/discussion on these requests.

Part of this related to privacy concerns, in that unlike most Councils, HRBC appear to publish all details of the individuals concerned. In respect of privacy, the individual has been referred to the Office of the Privacy Commissioner.

However there is one aspect that I would appreciate some clarity on. As you know, LGOIMA decisions are vested with the Chief Executive, and not elected members. Elected members are not involved in decision making, but may be consulted for their views as an affected individual or receive an 'FYI' of a response that is to be sent. They should otherwise not exert influence on the decision-making process.

Does HRBC have any policies around this, or any mechanisms by which to ensure that this reporting of outstanding LGOIMA requests to Council does not result in involvement in decision-making? Are you able to provide some context as to how this practice originated?

Yours sincerely

Aimee Bryant

Acting Principal Advisor

Office of the Ombudsman | Tari o te Kaitiaki Mana Tangata

From: Leeanne Hooper
To: Aimee Bryant
Subject: RE: Request for contact person - LGOIMA issues
Importance: High

Sent: Thursday, 23 May 2019

Hi Aimee,

Each month, I provide an Information item to the Council meeting, (examples attached for you) with actions from previous meetings and a list of the LGOIMA requests received in the intervening period as an attachment.

This is for information only, in the interests of transparency, and councillors opinions, views or input to any response is never sought. If a response (information) has already been provided, that is provided alongside the request.

We began this practice 2-3 years ago at councillors' request.

I've received <complainant> query from Council's media liaison officer and, because this is the first time anyone has queried it, am considering whether I should reconsider what information I provide in the monthly reports in relation to privacy concerns. I do note that <complainant> request was not a personal one but in her role as Radio NZ Journalist.

As an aside, we've recently changed our practice to 'register' requests from officers of organisations to the organisation's name rather than the individual making the request, for example Forest & Bird, NZ Taxpayers Union and Greenpeace. This is for ease of reporting internally, and the responses are still addressed to the individual at the organisation, not the organisation itself.

I'm happy to have a chat if you have any concerns or want further information.

And also very happy to receive any advice you wish to offer in relation to the way we've been reporting LGOIMA requests to the Council and ways to improve or de-risk our practices.

Regards,

Leeanne Hooper

Principal Advisor Governance

Attachment 1

Item 4

From: Aimee Bryant
 Sent: Friday, 24 May 2019 2:56 PM
 To: Leeanne Hooper
 Subject: RE: Request for contact person - LGOIMA issues

Hi Leeanne

Thank you for providing the below.

We would certainly encourage you to give some further thought to the proactive reporting of requester's names in this way, perhaps in conjunction with some advice from the Privacy Commissioner. Recently, the Commissioner advised us that it is best if agencies, when consulting third parties, do not volunteer the name of the requester. The Commissioner considered this could amount to an interference with privacy. This would seem to suggest that there might be similar issues associated with release of the requester's name in this way.

Also, as the detail is proactively reported/published by the Council, and not released in response to a request under LGOIMA, the section 41 protections would not apply.

Thank you for confirming that councillors' opinions, views or input to requests is never sought (outside of legitimate consultation). Do you have any relevant policy or procedure surrounding LGOIMA that you could ensure encompasses this 'rule'? Perhaps this is something to consider as a matter of good practice.

If you do not mind, I will confirm to <complainant> that I have contacted the Council, and that you have advised that this reporting practice is currently under consideration.

Kind regards

Aimee Bryant

Principal Advisor

Office of the Ombudsman | Tari o te Kaitiaki Mana Tangata

From: Leeanne Hooper
 To: Aimee Bryant
 Subject: RE: Request for contact person - LGOIMA issues

Sent: Tuesday, 16 July 2019 2:39 PM

Hi Aimee,

I know it's been some time since we 'resolved' our discussions in relation to the publication of requestors' names however I've had some feedback from Councillors that they feel they are entitled to this info in the format as previously provided.

Hence I would appreciate if you are able to refer me to someone at the Privacy Commissioner's office so that I can garner some specific advice to satisfy all concerned.

Many thanks in advance for any assistance you are able to provide.

Ngā mihi,

Leeanne

From: Leeanne Hooper
Email: leeanne@hbrc.govt.nz
Phone: 027 434 1090

Question:

Can you please advise of any privacy issues/concerns in relation to publication of requestors' names as part of reporting on LGOIMA requests received.

From: Colin Trotter
To: Leeanne Hooper
Subject: Enquiry form submission (201907221609)
Sent: Tuesday, 23 July 2019 9:43 AM

Hi Leeanne

Thanks for your enquiry.

This sounds like the council doing some transparency reporting?

If that is the case, I would firstly question the public interest in releasing the names of requestors. Is there a obvious public benefit in releasing the names? Might the release of names create speculation by others about the reasons for the original request that can't then be satisfied by the Council?

Releasing the names of individuals may raise privacy issues for those individuals - those requestors will have a privacy interest in their names being published. That privacy interest will vary depending on the circumstances for why they requested information - you won't know necessarily know why. The privacy interest generally is probably low, but in individual cases, this might not be the case. The desire to publish the names for transparency purposes - you need to consider the public interest in that information - generally I would think the public interest would also be low. There will be a risk that individuals named may raise complaints against the Council.

I recommend that you contact the Office of the Ombudsman to seek their views. There will be grounds under LGOIMA to withhold personal information on privacy grounds. It's a matter of weighing the privacy interest with the public interest in disclosing the information.

You might also want to canvass your counter-parts in local government to see what their policy position is on this.

I hope that helps you a little.

Regards

Colin Trotter | Policy Adviser

Office of the Privacy Commissioner Te Mana Mātāpono Matatapu

Privacy is about protecting personal information, yours and others. To find out how, and to stay informed, subscribe to our newsletter or follow us online. Have a privacy question? AskUs

Six Principles of Safe Drinking Water

Principles of drinking water safety have been developed internationally to address the basic problem for all suppliers – that supply systems are vulnerable in countless ways to contamination and a single vulnerability has the potential to cause widespread illness in consumers.

The Havelock North Inquiry has concluded that addressing this basic problem in New Zealand requires recognition of six fundamental principles.

Six Principles of Safe Drinking Water

Item 4

Attachment 1

Principle 1: A high standard of care must be embraced

Principle 2: Protection of source water is of paramount importance

Principle 3: Maintain multiple barriers against contamination

Principle 4: Change precedes contamination

Principle 5: Suppliers must own the safety of drinking-water

Principle 6: Apply a preventive risk management approach

1. A high standard of care must be maintained

— — — — —

- Unsafe drinking-water can cause illness, injury or death on a large scale.
- "... complacency was common within the drinking water supply system in NZ... those responsible for implementing Inquiry recommendations urged to embrace undeservedly the need for high standards of care and diligence...." (Stage 2 findings)
- Vigilance, diligence and competence are minimum requirements, and complacency has no place.

1. A high standard of care must be maintained

COMMUNITY EXPECTATIONS OF PROFESSIONS

| Activity | Is doing the activity... | | |
|-------------------|---|---|---|
| | Risky? | Indispensable? | Frequent? |
| Commercial flight |  |  |  |
| Surgery |  |  |  |
| Drinking water |  |  |  |

The community expects a high level of care, well-trained professionals, and a safe experience from the aviation and medical industries.

So what about water they drink?

2. Protection of source water is of paramount importance

.....

- Protection of the source of drinking-water provides the first, and most significant, barrier against drinking-water contamination and illness.
- It is of paramount importance that risks to sources of drinking-water are understood, managed and addressed appropriately.
- As pathogenic microorganisms are found everywhere, complete protection is impossible and further barriers against contamination are vital.

3. Maintain multiple barriers against contamination

- Any drinking-water system must have, and continue to maintain, robust multiple barriers against contamination appropriate to the level of potential contamination.
- No single barrier is effective against all sources of contamination, and any barrier can fail at any time.
- Barriers with appropriate capabilities are needed at each of the following levels: source protection; effective treatment; secure distribution; effective monitoring; and effective responses to adverse signals. A “source to tap” approach is required.

4. Change precedes contamination

- Contamination is almost always preceded by some kind of change, and change must never be ignored.
- Change of any kind should be monitored for and responded to with due diligence.
- Sudden or extreme changes in water quality, flow or environmental conditions (for example, heavy rainfall, flooding, earthquakes) should arouse particular suspicion that drinking water might become contaminated.

5. Suppliers must own the safety of drinking-water

— — — — —

- Drinking-water suppliers must maintain a personal sense of responsibility and dedication to providing consumers with safe drinking-water.
- Knowledgeable, experienced, committed and responsive personnel provide the best assurance of safe drinking-water.
- Commitment from the highest levels of the organisation is required.

6. Apply a preventive risk management approach

- A preventive risk management approach provides the best protection against waterborne illness.
- Once contamination is detected, illness may already have occurred. This requires systematic assessment of risks throughout a drinking-water supply from source to tap; identification of the ways these risks can be managed; and control measures implemented to ensure that management is occurring properly.
- Adequate monitoring of performance of each barrier is essential.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 24 February 2021

SUBJECT: SIGNIFICANT ORGANISATIONAL ACTIVITIES LOOKING FORWARD THROUGH MARCH 2021

Item 5

Reason for Report

1. The commentary following is for Councillors' information, to highlight significant areas of Council activity. Significant Council resources are being directed toward various initiatives, which reflect the Council's evolving agenda and it is considered important that Council is consistently informed on progress in areas that have or may create a high external profile.

| Whole of Region | | |
|------------------------------------|--|--|
| Project / Activity Description | Significant Upcoming Milestone(s) | Group /Team or Section |
| Recreational Water Quality | 1. The <i>Swim Through Summer</i> Recreational Water Quality monitoring programme continues through to mid-March, with results provided to lawa.org.nz and available via the LAWA website. | Integrated Catchment Management Marine & Coast; Environmental Information |
| Marine and Coast | 2. A Key Ecological Areas of the Hawke's Bay Coastal Marine Area report has been received. This report: <ol style="list-style-type: none"> a) reviews significance criteria for coastal marine areas and recommends criteria for future use; b) assesses national and regional data layers of known fish/habitat/invertebrate communities to highlight areas of likely high biodiversity and/or rare habitats; c) assesses current plan protection areas (Significant Conservation Areas – RCEP) for their coverage of these area of high biodiversity/habitats. 3. This report will assist in identifying areas for survey and potential enhancement, and in the Kotahi Plan Review. | Integrated Catchment Management Marine & Coast |
| 2021-31 Long Term Plan development | 4. The 10-year budget for the 2021-31 LTP was confirmed by Council on 10 Feb, enabling the budget-driven information for the draft Consultation Document (CD) and supporting information to be developed. This material will be workshopped with Council in March. On track for adoption for consultation on 24 March. Auditing of the underlying assumptions as well as asset, financial and performance information and the draft CD is happening in parallel by AuditNZ. | All Groups |
| Risk Maturity | 5. Due to continuing border restrictions it is likely that the facilitated risk appetite workshop between the Executive Leadership Team and Councillors on 17 March 2020 will be rescheduled. The session was due to be facilitated by an Australian Risk Specialist. Sourcing of an alternative local provider continues. 6. Development of enterprise risk bowties to synthesise risks and controls continues with 6 of the 13 risks completed to date. All bowties need to be completed ahead of the facilitated risk appetite workshop. 7. HBRC Internal Assurance Framework is drafted and has been peer reviewed. ELT endorsed is being sought at the meeting scheduled for 23 February 2021. The framework will then be provided to the FARS at the meeting scheduled for 5 May 2021 prior to final framework approval being sought from C&S. | Risk and Assurance |

| Whole of Region | | |
|---|--|---|
| Project / Activity Description | Significant Upcoming Milestone(s) | Group /Team or Section |
| People & Capability (including Health & Safety) | 8. By the end of January 2021, 9 new staff will have joined Council (7 permanent and 2 fixed term roles). 9. Recruitment and selection processes have continued to be a priority for the team with a number of roles currently in process spanning January and February. 10. 64 Health and Safety Codes of Practice are under review 11. New HR/H&S induction training format developed for deliver in late February | People & Capability |
| Outstanding Water Bodies Plan Change (PC7) | 12. Hearings were held in the first week of December 2020. It is anticipated that the Panel could issue a decision prior to Easter 2021, but no date has yet been formalised. | Strategic Planning Policy & Planning |
| Regional Land Transport Plan | 13. The draft Regional Land Transport Plan was released for consultation beginning 1 February for a period of 4 weeks with Hearings to be scheduled in March. | Strategic Planning Transport |
| Catchment Services | 14. A contract has been secured with Te Uru Rakau for \$996,000 to go towards native plantings in Hawke's Bay over the next two planting seasons. HBRC will be working in partnership with HDC, Landcare Trust and QEII in delivering this programme. 15. An application totalling \$1.95m will be submitted to the Jobs for Nature Private Land Biodiversity Fund. The application focusses on protecting Ecosystem Prioritisation sites within Hawke's Bay, in partnership with QEII and private land occupiers. 16. One acutely and two chronically threatened Ecosystem Prioritisation sites will be fenced over the next four months through the MFE Public Waterways and Ecosystem Restoration Fund. These three sites will also receive pest management. 17. TB update – one further herd, located on SH5, has become infected with TB. There are currently 15 infected herds with a further 6 being investigated. | Integrated Catchment Management Biosecurity/ Biodiversity |
| Predator Free Hawke's Bay | 18. Possum eradication work will begin in the Mahia Scenic Reserve undertaken by an external contractor. 19. The PFHB team will continue to lay and refill baitstations, manage the monitoring network of wireless legholds and prepare for the barrier system to protect the peninsula long term. 20. The PFHB team will input into in a research hui with Manaaki Whenua and other PF projects around NZ to develop a research programme for next financial year that aligns outcomes to the goals of regional and national PF aspirations 21. Education and research initiatives will continue in our project partnership with EIT and the Ōtātara Outdoor Learning Centre | ICM - Biosecurity/ Biodiversity |

| Whole of Region | | |
|--|---|------------------------------------|
| Project / Activity Description | Significant Upcoming Milestone(s) | Group /Team or Section |
| Public Waterways and Ecosystem Restoration Fund - Hapara Takatu. | <p>22. MFEs Public Waterways and Ecosystem Restoration Fund projects – riparian fencing projects that will by default provide areas for future riparian planting are currently underway. This fencing is providing employment for both fencers (new and old) and materials wholesalers, to allow for the completion of this work.</p> <p>23. Catchment Delivery staff are being trained in the use of drones to provide (in certain circumstances) a safer option when considering travel across farms. This will primarily be used for the fencing inspections when signing off work, efficiencies and also for imagery that can be used for reporting and presentations.</p> <p>24. Catchment Delivery staff and ICT are working closely on resolving some of the current reporting and forecasting issues identified for managing the ECS budget.</p> <p>25. Catchment Delivery staff are currently working through adjustments to the ECS grant rate, the potential for project \$ capping and works prioritisation now required given the high demand for the ECS grant.</p> | ICM – Catchment Delivery |

| Northern Catchment | | |
|--|--|--|
| Project / Activity Description | Significant Upcoming Milestone(s) | Group /Team or Section |
| Marine Enhancement and Protection | 26. The NIWA vessel Ikatere was in Hawke's Bay in January/February mapping areas on the west coast of Mahia Peninsula. Poor weather on some of the survey days opened an opportunity to map a more sheltered area adjacent to Tangoio also. | ICM - Environmental Science Marine and Coast |
| Mohaka Plan Change | 27. Work is ongoing with Ngāti Pāhauwera and the project team to progress the co-design of the plan. This follows on from a series of iwi/HBRC led community meetings/hui held in December 2020. | ICM - Catchment Policy Implementation |
| Area Manager Activity | <p>28. Hui held with WDC, Tātau Tātau o Te Wairoa with Our Land & Water National Science Challenge (12 Feb) to find "sweet spot" between parties for working together on research project within the Tripartite agreement. Significant progress made.</p> <p>29. The realignment of Nuhaka River Road as part of the Shovel Ready funding received by WDC has been completed. An official opening of the road is planned for 6 March.</p> <p>30. Engagement with Wairoa Community Partnerships Group, Tātau Tātau o Te Wairoa, WDC Maori Standing Committee, Mahia Maori Committee, Wairoa District Council.</p> | Māori Partnerships |
| WDC Wairoa Wastewater discharge consents | 31. Hearing of the application by WDC to continue the discharge of wastewater to the Wairoa River was held 30 November & 1 December 2020. The panel has adjourned the hearing awaiting the applicant's provision of interim closing submissions. Expert conferencing is being organised. | Consents |

| Central Catchments | | |
|--------------------------------|---|------------------------------|
| Project / Activity Description | Significant Upcoming Milestone(s) | Group /Team or Section |
| TANK plan change (PC9) | <p>32. Environmental science is preparing technical responses to many submissions received on the TANK plan change</p> <p>33. Staff are preparing the S42a reports in preparation of the hearings which are scheduled for May-June 2021</p> | Policy & Planning |

| Central Catchments | | |
|--|--|---|
| Project / Activity Description | Significant Upcoming Milestone(s) | Group /Team or Section |
| Ngaruroro & Clive Rivers – Application for Water Conservation Order | 34. Environment Court hearing has been postponed due to Covid response. | ICM – Env Science |
| Heretaunga Plains Scheme review | 35. Modelling of the Tūtaekurī and Ngaruroro Rivers complete. There are no significant issues to report on with regards to containing a 1 in 500-year event, however this excludes the effects of climate change. Climate change effects will be assessed at a later date, allowing for additional data to minimise the risk of over design. 36. Modelling of the Lower Tukituki river has now commenced, this will be completed March 2021. | Asset Management Regional Projects |
| Flood Control Schemes | 37. Resilience Funding PDU projects: A pilot study of geotechnical testing on Taradale stopbank will commence this month. This will form the basis of a methodology for geotechnical assessments of stopbank across the HPFCS. 38. Moteo stopbank geotechnical assessments will follow on from the Taradale site, results from these assessments will form the basis of scope of works for engineered strengthening works at both sites. 39. Prioritisation of other key sites for HPFCS have been determined based on river modelling outputs, condition assessments and consequence of failure of assets. This will be programmed into IRG project plan for years 2 and 3. | Asset Management Engineering Regional Projects |
| Lake Tūtira | 40. Kahikanui stream bridge is currently being fabricated off-site. The physical works on site will commence in March 2021 41. Concentrations of potentially toxic algae have remained low in Tūtira – we are revisiting guidance around the swimming risk with partners. | Asset Management Regional Projects ICM - Freshwater quality and ecology |
| Tūtira | 42. Tūtira Catchment characterisation with an emphasis on detecting phosphorus sources and transport pathways underway. Also looking at Historic versus current contributors | ICM - Land Science |
| Gravel Management | 43. Contractors meetings scheduled regarding HBRC global consent and volume allocation: Lower Mōhaka Thu 18 Feb, and all other areas (Central, Southern and Northern - Waiau, Upper Mohaka) Mon 8 March. | Asset Management Consents, Schemes |
| Heretaunga Plains water take renewals | 44. Takes from the Heretaunga Plains unconfined aquifer (approx. 200 lodged) expired 31 May 2018 and are being exercised under s124. These are being processed as a group and are being kept on hold while the TANK Plan Change advances. | Regulation Consents |
| NCC / HBRC Westshore tidal gates and NCC Lagoon Farm stormwater discharge consents | 45. Draft consents conditions have been circulated to the applicants and Consents are waiting for final feedback. 46. HBRC (AMG) meeting with NCC during the week of 22 February to finalise process | Regulation Consents |

| Central Catchments | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|----------------------|-------------------------------|----|----------|-------|---|----------|----------------------------|---|-----------|-------------------------------------|---|----------|--------------------------------------|----|--------|-------------------------------------|---|-------|--|---|-------------|----------------------------|--|
| Project / Activity Description | Significant Upcoming Milestone(s) | Group /Team or Section | | | | | | | | | | | | | | | | | | | | | | | | |
| Incidents and Enforcement | <p>47. Pollution Response and Enforcement received 592 incidents (Air 377, Land 96, Surface water 93, Coastal 23, Ground Water 3) logged through our hotline for the period 1 July 2020- 20 January 2021.</p> <p>48. Total infringements for year to date 1/7/20 – 18/02/21 = 52</p> <table border="1"> <tr> <th>Infringement no.</th><th>RMA section breached</th><th>Discharge of contaminants to:</th></tr> <tr> <td>12</td><td>15(1)(a)</td><td>Water</td></tr> <tr> <td>8</td><td>15(1)(b)</td><td>Land where may enter water</td></tr> <tr> <td>3</td><td>15 (1)(c)</td><td>Industrial or trade premises to air</td></tr> <tr> <td>5</td><td>15(1)(d)</td><td>Industrial or trade premises to land</td></tr> <tr> <td>21</td><td>15(2A)</td><td>Air or land where breaches our RRMP</td></tr> <tr> <td>1</td><td>22(2)</td><td>Failure to supply information (name and address) to an enforcement officer</td></tr> <tr> <td>2</td><td>338(1) (c)</td><td>Breach of Abatement Notice</td></tr> </table> <p>49. Ten active prosecutions-initiated year to date (18/02/21) at various stages, which we are unable to comment publicly on.</p> | Infringement no. | RMA section breached | Discharge of contaminants to: | 12 | 15(1)(a) | Water | 8 | 15(1)(b) | Land where may enter water | 3 | 15 (1)(c) | Industrial or trade premises to air | 5 | 15(1)(d) | Industrial or trade premises to land | 21 | 15(2A) | Air or land where breaches our RRMP | 1 | 22(2) | Failure to supply information (name and address) to an enforcement officer | 2 | 338(1) (c) | Breach of Abatement Notice | Regulation Compliance & Enforcement |
| Infringement no. | RMA section breached | Discharge of contaminants to: | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | 15(1)(a) | Water | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | 15(1)(b) | Land where may enter water | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 15 (1)(c) | Industrial or trade premises to air | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 15(1)(d) | Industrial or trade premises to land | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | 15(2A) | Air or land where breaches our RRMP | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 22(2) | Failure to supply information (name and address) to an enforcement officer | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 338(1) (c) | Breach of Abatement Notice | | | | | | | | | | | | | | | | | | | | | | | | |
| Hawea Historical Park / Karamu Stream Diversion | <p>50. Hawea Park Draft Management plan is drafted and under review with HBRC. Awaiting cultural information from committee.</p> <p>51. Stage 3 of the development is underway with widening of the confluence and waterway enhancement to be completed by July 2021.</p> | Asset Management Open Spaces Regional Assets | | | | | | | | | | | | | | | | | | | | | | | | |
| Waitangi Regional Park | 52. Stage 3 of the development including vehicle access to the river, finalising marquee area under way. | Asset Management Regional Projects | | | | | | | | | | | | | | | | | | | | | | | | |
| NCC Municipal Wastewater | 53. NCC have completed repairs of all leaks in the waste water outfall pipe. The discharge now occurs only through the consented diffuser structure. | Regulation Compliance & Enforcement | | | | | | | | | | | | | | | | | | | | | | | | |
| Omaranui Landfill expansion | 54. The resource consent applications for the Omaranui Landfill expansion were notified on Tuesday 19 January 2021. Submissions closed Wednesday 17 February 2021. | Regulation Consents | | | | | | | | | | | | | | | | | | | | | | | | |
| Clive River Dredging and discharge of dredge materials | 55. Asset Management is planning to dredge the lower reaches of the Clive River and resource consent applications have been lodged for the dredging and the discharge of dredged material. The application has been assessed by external consultants. Further information has been requested for this application by the Consents section. | Asset Management Regulation Consents | | | | | | | | | | | | | | | | | | | | | | | | |
| Bayview/ Whirinaki Cycleway | 56. Confirmation of route selection based on property easement agreements. Liaison with TLAs, NZTA and affected landowners regarding preferred route and associated costs. Recommendation on preferred route, associated risks and costs due March 2021. | Asset Management Regulation Regional Projects | | | | | | | | | | | | | | | | | | | | | | | | |

| Southern Catchments | | |
|-------------------------------------|---|-------------------------------------|
| Project / Activity Description | Significant Upcoming Milestone(s) | Group /Team or Section |
| CHBDC Wastewater discharge consents | <p>57. CHBDC completed the removal of ineffective wetland treatment systems at Waipawa/Waipukurau WWTP as part of required upgrades under the enforcement order. An improvement in treatment quality has been noticed in sampling to date.</p> <p>58. The upgrades will be completed in 9 phases across 5 projects, more information can be found here.</p> | Regulation Consents & Compliance |

| Southern Catchments | | |
|---|---|---|
| Project / Activity Description | Significant Upcoming Milestone(s) | Group /Team or Section |
| Production land use consents - Tukituki catchment | <p>59. To date 22 complete production land use activity consents have been lodged. Letters have been sent to farmers/applicants informing them of the new deadline of 26 February 2021 for lodgement of Tukituki land use resource consent applications.</p> <p>60. The Council approach (set out in the Procedural Guidelines) was reviewed and advice sent to a group of landowners in response to their criticism of this process. The review and advice have confirmed Council's approach as set out in the guidelines and the community has been advised.</p> <p>61. Compliance staff have identified remaining properties that still have not provided a farm environmental management plan (FEMP) and are considering options including enforcement.</p> | Regulation Consents & Compliance |
| Upper Tukituki Flood Control Scheme | <p>62. Waipawa river erosion above SH50. Concrete akmons have been fabricated and are stockpiled on site. Works group will mobilise in mid-February to commence construction of groynes.</p> <p>63. Upper Tukituki gravel extraction. UAV survey of Mangaonuku, Makaretu and Tukipo complete, material testing of all rivers due to commence March. Collaborative framework agreement partially drafted.</p> <p>64. CHBDC Tukituki Trails PGF project – CHB MOU being drafted.</p> | Asset Management Regional Projects, Schemes |
| Tukipo Wetland | <p>65. Resource consents for this have been obtained.</p> <p>66. Development of Constructed Wetland in Tukipo has commenced and ongoing. Staff are planning a planting day to vegetate the wetland area.</p> | ICM – Environmental Science: Water Quality & Ecology |
| Pōrangahau Catchment | 67. Catchment characterisation focusing on sources of sediment loss and <i>E.coli</i> underway. | ICM - Land Science |
| Farm Environment Management Plans (FEMPs) | <p>68. Updates of FEMPs in the Tukituki catchment will be due by 26 February for those requiring consents. Others are due to be updated by the end of May. Activities and communications with farmers and farm plan providers over the next few months are focused on people achieving these updates by the key dates.</p> <p>69. The day to day ongoing work of this project is currently being covered by the Regulatory policy implementation team while the two vacant positions in the FEMP team are being filled.</p> | ICM - Catchment policy Implementation |
| Silver Fern Farms Takapau consents | 70. Consents for Silver Fern Farms to discharge process water from the Takapau Meat Processing Plant are in process. The applications were notified on 23 Jan 2021 and submissions will close 22 Feb. | Consents |
| Tranche 2 consents | 71. Applicants seeking Tranche 2 water have submitted modelling results for taking and offsetting effects on the environment. HBRC has provided feedback on these. Report to be finalised by the applicant and submitted with an updated AEE by March. | Consents |
| Te Mata Mushroom Company, Waipukurau site | 72. Te Mata Mushroom Company proposed compost production operation at a new site on Mt Herbert Road, Waipukurau. An updated application has been submitted. Further information has been requested. | Consents |

Decision Making Process

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

Recommendation

That the Hawke's Bay Regional Council receives and notes the **Significant HBRC Activities Looking Forward through March 2021** staff report.

Authored by:

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& ENFORCEMENT

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ACTING TRANSPORT MANAGER

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MANAGER CONSENTS

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Te Wairama Munro
MAORI ENGAGEMENT COORDINATOR

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Dr Jeff Smith
MANAGER SCIENCE

Approved by:

Katrina Brunton
GROUP MANAGER POLICY &
REGULATION

Chris Dolley
GROUP MANAGER ASSET
MANAGEMENT

Item 5

Iain Maxwell GROUP MANAGER INTEGRATED CATCHMENT MANAGEMENT

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 24 February 2021

Subject: CALL FOR MINOR ITEMS NOT ON THE AGENDA

Item 6

Reason for Report

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

Recommendations

3. That Council accepts the following "Minor Items Not on the Agenda" for discussion as Item 13.

| Topic | Raised by |
|--------------|------------------|
| | |
| | |
| | |

Leeanne Hooper
TEAM LEADER GOVERNANCE

James Palmer
CHIEF EXECUTIVE

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 24 February 2021

Subject: 2019-20 ANNUAL REPORT FOR ADOPTION

Item 7

Reason for Report

1. This item presents the Annual Report for the 2019-20 financial year to 30 June 2020 for Council adoption.

Executive Summary

2. Operating surplus is \$40.8 M, up from \$3.08 M in prior year but \$47.3 M below budget predominantly as a result of \$63M of the Napier Port IPO funds being retained within Hawke's Bay Regional Investment Company (HBRIC) and a significant shortfall in investment income resulting from the impact of Covid-19 on financial markets as at 30 June 2020.
3. The year end result, excluding impacts of the Napier Port IPO, delivers a \$3.2 M deficit for the year against a budget surplus of \$7 M.
4. The impact of the pandemic on the financial markets and subsequent investment returns reduced actual investment income from managed funds and other financial deposits to \$0.43 M (\$0.892 revenue less \$0.465 M losses), \$7.3 M short of an expected \$7.7 M.
5. The pandemic delayed some projects and increased some costs particularly those relating to Emergency Management to support Council's pandemic response. However, despite the pandemic, the levels of service were largely delivered as per the Annual Plan.
6. The annual revaluation of the Napier and Wellington investment property portfolios provided a further \$11.5 M of unrealised revaluation gains towards the operating surplus.
7. Total Other Comprehensive Revenue is \$130.5 M, up from \$66.5 M in prior year and above budget by \$125 M, mostly due to the revaluation of HBRIC/Napier Port.
8. On the balance sheet, the main movements reflect the revaluations and the Port/HBRIC transactions with non-current borrowings increasing by \$14 M to reflect the loan from HBRIC to the Council (\$16m loan increase offset by debt repayments through the year).
9. Pressure on multiple fronts; i.e. pandemic response, additional headcount as a result of securing external funding over the previous two years, increasing IT costs, additional audit fees due to complexity and implementation of new remuneration policy, saw external costs exceed budget by \$1.8 M (2.8% of total organisational spend). Specifically, general overheads (including accommodation and IT infrastructure) were \$1.25 M unfavourable.
10. The net funding requirement for 2019-20 for Operating and Capital is over budget by \$0.8 M (3.5%). Asset Management was \$2.9 M underspent mainly offset by the overspend (\$0.4M) and under-recovery in revenue (\$1.1M) in Consents and Compliance (\$1.508 M), Governance (\$869,000) due to planned debt funding discrepancy for the FUSE project, and Emergency Management (\$467,000) due to the Covid pandemic and drought responses.

| Group of Activities | Net Funding Requirement | | | |
|-----------------------|-------------------------|-----------|-------------|------------|
| | Actual | Budget | Variance \$ | Variance % |
| Strategic Planning | \$2.246m | \$2.680m | \$0.434m | 84% |
| Asset Management | \$3.623m | \$6.528m | \$2.905m | 55% |
| ICM | \$11.668m | \$12.058m | \$0.390m | 97% |
| Consents & Compliance | \$3.426m | \$1.918m | \$(1.508m) | 178% |

| Group of Activities | Net Funding Requirement | | | |
|-----------------------------------|-------------------------|----------------|-------------------|---------------|
| | Actual | Budget | Variance \$ | Variance % |
| Emergency Management | \$0.605m | \$0.138m | \$(0.467m) | 438% |
| Transport | \$0.271m | \$0.254m | \$(0.017m) | 107% |
| Governance & Community Engagement | \$3.189m | \$2.320m | \$(0.869m) | 137% |
| Total | \$25.03m | \$25.9m | \$(0.868m) | 97% |

11. Capital expenditure across the Groups of Activities was \$3 M (18%) less than budget and asset purchases (new vehicles, computers, furniture, etc) was \$1.6 M (39%) below budget.
12. The presentation of the Annual Report to the Council for adoption has been delayed due to staffing issues at Audit New Zealand and the additional audit work that has been required to assess the impact of the Covid-19 pandemic on organisations that has been mandated by the Auditor General.

Discussion

13. The main driver for the financial surplus for 2019-20 is the IPO of Napier Port with the sale of 45% of the group's holdings in the port generating \$107m in one-off revenue for the group. The net proceeds from the sale exceeded expectations by \$24 M.
 - 13.1. The 2019-20 budget for HBRC was based on all proceeds from the Port IPO being available to HBRC but tax implications have resulted in a split with \$63 M remaining with HBRIC.
 - 13.2. \$44m of the IPO receipts reverted to HBRC with all receipts being invested in managed funds. Prior to year-end, an asset/loan swap between the Council and HBRIC placed a further \$16m of managed funds under direct Council control.
14. Expected dividends received from HBRIC were down from \$10 M to \$2.5 M due to the deferral of the anticipated interim Napier Port dividend. The Port dividend is based on free cash flow which has been affected by the uncertain trading conditions and the Port commencing work on the new wharf.
15. Expected capital growth, dividends and interest from the managed funds was significantly impacted by the financial market and share price fluctuations but recovered at the end of the year resulting in small growth for the year of 1%.
16. The increase in Total Other Comprehensive Revenue is due to the:
 - 16.1. Revaluation of HBRIC based on the value of its Port shareholdings resulting in an increase of \$117 M
 - 16.2. Revaluation increases in carbon credits of \$1.2 M
 - 16.3. Unrealised growth in the managed funds of \$1.4 M.
17. Operating expenditure was up \$9.4 M from prior year and \$5.7 M (10%) over budget. This relates to \$2.5 M of cost centre overspend, \$1.7 M in activity overspend, \$1 M movement in the ACC liability, \$0.6 M fair value losses on some of the forestry assets, \$0.4 M in other expenditure offset by \$ 0.7M underspend on depreciation and finance costs.
18. The general overhead cost centres were overspent by \$1.25 M compared to budget.
19. The \$2.5M of additional overhead costs were a result of:
 - 19.1. Audit fees \$150,000 over budget due to the inclusion of cost over-runs for the 2018-19 audit and fully accruing for the 2019-20 quoted audit fees.
 - 19.2. Computer overheads \$780,000 over budget due to the increased headcount and the associated licence costs, additional software to support staff working remotely

during the pandemic, and previous under-budgeting of IT costs through not adequately budgeting for the increase in costs of IT services and not accounting for the increase in use of IT services (e.g. storage costs are increasing exponentially). The increased IT costs in the new LTP have recognised this deficiency.

- 19.3. Accommodation overheads \$110,000 over budget due to increased rental costs for additional office space and associated power, maintenance, and services.
 - 19.4. Employee expenditure due to additional headcount, redundancy costs, and implementation of the remuneration review to better align staff to market, address historic under-remuneration of some roles and the introduction of a formal performance pay mechanism.
 - 19.5. External contractor costs \$400,000 over budget providing advice and cover for staff shortfalls pending permanent recruitment.
20. Across all activity cost centres, the results were close to budget with an overspend in external costs \$192,000 offset by an underspend on staff costs of \$131,000 when allocated overheads are excluded.
21. The User Charges and cost recovery revenue across the groups of activities showed significant variances by group, overall was \$1.6 M (15%) more than budget. The increased revenue for Emergency Management is due to the expected cost recoveries from government for the welfare costs incurred, ICM obtained un-budgeted external funding for two capital projects (SkyTEM, LiDAR) that had been included in the operating budget, and the less than budgeted revenue of Consents and Compliance was comparable to prior year. The Consents and Compliance result is an expected outcome based on the LTP cost recovery expectations for S36 charges.
22. Operating expenditure across all activities for each group of activities was within 10% of budget except for Emergency Management which was 100% over budget due to the pandemic response costs.
23. Strategic Planning underspent operating expenditure over the year by \$287,000 (6%) due to delays in projects 191 Regional Coastal Plan and 192 Strategy and Planning offset by an overspend in 196 Statutory Advocacy.
- 23.1. Regional Coastal Plan work was delayed due to the team being under-staffed and staff being prioritised to other resource management planning projects.
 - 23.2. Strategy and Planning work was delayed due to TANK notification and an extended submission period resulted in the budget being off-track and associated costs (communications, IT, staff input etc) will be pushed into 2020-21. Hearings have also been delayed in TANK (RPC decision making and Covid-19) and OWB (6-month consultation) resulting in significant costs rollover to 2020-21 (est. \$800,000). A new submissions database was purchased to support accurate management of public submissions on plans. The Senior planner vacancy was not filled until April. The Covid-19 pandemic response delayed this workstream as all members of the Planning Team were deployed to assist for some time in the CDEM Group Covid-19/drought response event.
 - 23.3. Statutory Advocacy work was overspent due to additional external expenses that are primarily due to the commissioning of evidence from HBRC's experts on Environment Court proceedings for the Ngaruroro/Clive Rivers Water Conservation Order (WCO), plus associated legal services in same proceedings. Environment Court WCO proceedings have encountered delays due to Covid-19. Legal expenses were also incurred for the unbudgeted work to prepare evidence for first tranche of High Court proceedings on Marine & Coastal Area (Takutai Moana) Act applications.

24. Governance and Community Engagement was 3% overspent in operating expenditure where a \$300,000 underspend in Community Partnerships was offset by a \$400,000 overspend in 840 Community Representation. The overspend was mainly attributed to additional Executive, Governance and Project Management resources required to support meetings and Long Term/Annual plan development processes.
25. Asset Management had a \$600,000 (5%) underspend in operating expenditure and \$2.7 M (67%) underspend on capital works. The capital expenditure shortfall included:
 - 25.1. \$800,000 underspend on the planned Clive River dredging due to delays in land purchase.
 - 25.2. \$700k on HPFCS Flood and River Control as work has been focused on hydrological modelling, planning and communication (internal staff or consultant). No physical work or land acquisition has been progressed any further.
26. Works Group returned a surplus of \$65,000 from external contracts.
27. ICM was close to budget overall (1% overspend) in operating expenditure but had a \$3.9 M overspend on capital expenditure.
28. There were variances across the ICM operating projects but this reflected work carried out under complementary projects with costs attributed to one project but budgeted under the alternative project (e.g. 312 Regional Surface Water Ecology underspent and 315 Surface Water Quality being overspent by a similar margin).
29. The ICM capital expenditure did not include the SkyTEM and LiDAR work which had been classified as operating expenditure in the LTP and annual plan. The SkyTEM and LiDAR capital costs have effectively been offset by external funding.
30. The Sustainable homes programme has been very successful leading to a \$2.4 M overspend compared to budget. The cost of installation (and the debt repayments by the rate payers) is classified as capital expenditure due to the loan asset created as a result. The additional expenditure will be recouped over the next 10 years through the voluntary targeted rate applied in each case.
31. Overall Consents and Compliance was overspent by \$400,000 (8%) on expenditure and income was \$1.1 M below budget due to an under recovery in fees and charges of \$300k for 402 Resource Consent Processing and \$800,000 in 450 Compliance programmes.
32. Emergency Management was overspent by \$2.4 M (100%) due to the pandemic and drought responses. This was partially offset by an extra \$1.5 M in revenue being mainly cost recovered from the government.
33. Transport overall was overspent by \$240,000 (4%) predominantly on 790 Subsidised Transport where the cost of the bus contract has increased substantially due to increased indexation rates and payment of drivers for a ten-minute break every 2 hours worsened by lower revenues through declining patronage.
34. The systems integration projects were underspent by \$1.9 M. This was due to a lack of organisational readiness (vacancies in Finance and People & Capability delaying the start of the Finance and HR implementations), a focus on using existing capabilities to deliver solutions to ICM and other teams, and re-prioritising the work programme based on risk resulting in the work on FUSE, Telephony and customer experience solutions being prioritised. The finance system implementation is now underway and the project is progressing with pace.

Delay in Adoption of the Annual Report 2019-20

35. Officers were advised by Audit NZ on 21 December that a technical accounting policy issue had been identified during the peer review. There is a difference in the method between the value used for Council Land and Buildings and HBRIC Group Accounts that have the Port Land and Buildings consolidated into them.
36. This resulted in Council delaying the adoption of the 2019-20 Annual Report to resolve the issue.

37. Officers have been discussing options available with Audit NZ since the 21 December and the following has been agreed to resolve the issue:
 - 37.1. Council Land and Port Land will be split into two classes on the basis the nature/function of the Port land is sufficiently different to other land within the Group. Port Land will continue to be valued at cost and Council Land will continue to be valued at fair value.
 - 37.2. Port Cargo buildings will be separated into a different class due to a different use to other buildings within the Group and will be valued at cost.
 - 37.3. Port Admin Buildings will be included within the Council Buildings class and will be required to be valued at fair value. Audit NZ will note in the management report to Council that Council is outside its accounting policy for 2019-20 Annual Report and will require the 2020-21 Annual Report to have the Port Admin Building valued at fair value.
 - 37.4. Consolidation of the asset classes for Vehicles, Plant and Equipment will be required to bring the Council assets and Group assets into line.
38. Following the inclusion of the above changes in the Annual Report, officers have received the draft unmodified audit opinion from Audit NZ, which is attached.
39. Due to the late adoption, a self-disclosure has been included in the Annual Report and Council will be included in the audit statistics reported to Central Government.
40. The Finance, Audit and Risk Committee considered the above changes and the late adoption on 17 February 2021 and the Committee noted that the recommendation from the meeting on 15 December 2020 to adopt the Annual Report was not required to be amended as the issues were resolved and an unmodified audit opinion has been received.

Decision Making Process

41. 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:
42. Staff have assessed requirements of the Act in relation to this item and have concluded that as the Annual Report is a statutory report required to be adopted by Council under Section 98 of the Act, the other decision making provisions do not apply.

Recommendations

That the Hawke's Bay Regional Council:

1. receives and notes the "*2019-20 Annual Report for Adoption*" staff report and recommendation from the Finance, Audit and Risk Sub-Committee
2. Adopts the 2019-20 Annual Report for publication.

Authored by:

Tim Chaplin
SENIOR GROUP ACCOUNTANT

Bronda Smith
CHIEF FINANCIAL OFFICER

Approved by:

Jessica Ellerm
GROUP MANAGER CORPORATE SERVICES

Attachment/s

-  1 Unmodified Audit Opinion
-  2 Draft 2019-20 Annual Report for Adoption Under Separate Cover



Independent Auditor's Report

To the readers of Hawke's Bay Regional Council's annual report for the year ended 30 June 2020

The Auditor-General is the auditor of the Hawke's Bay Regional Council (the Regional Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to report on the information in the Regional Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Regional Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Regional Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 24 February 2021. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages [...] to [...]:
 - present fairly, in all material respects:
 - the Regional Council and Group's financial position as at 30 June 2020;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards;
- the funding impact statement on page [...], presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan;

- the groups of activities on pages [...] to [...]:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages [...] to [...], presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's Long-term plan; and
- the funding impact statement for each group of activities on pages [...] to [...], presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan.

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages [...] to [...], which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council's audited information and, where applicable, the Regional Council's long-term plan and annual plans.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Regional Council as set out in page [...] to [...] and [...] to [...] of the groups of activities and note 28 to the financial statements.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our

responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Regional Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Regional Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the [description used for the statement of service provision], as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Regional Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages [...] to [...], but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Regional Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on disclosure requirements, we have performed a limited assurance engagement related to the Regional Council's debenture trust deed and an agreed upon procedures engagement relating to a contract between the Regional Council and the Accident Compensation Corporation, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the Regional Council or its subsidiaries and controlled entities.

Karen Young
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 24 February 2021

Item 8

Subject: MĀORI REPRESENTATION ON HAWKE'S BAY REGIONAL COUNCIL

Reason for Report

1. This agenda item provides the means for Council to decide its next steps in relation to Māori representation on Hawke's Bay Regional Council in response to the *Local Electoral (Māori wards and Māori constituencies) Amendment Bill* currently before Parliament.

Officers' Recommendations

2. Council officers recommend that Council revokes its 18 November 2020 resolution in order to consider and resolve the process by which it wants to progress any further consideration of increased Māori representation given the removal of the ability for the establishment of Māori seats or constituencies to be decided by a binding Poll –
 - 2.1. in accordance with Standing Order 23.6 "*the local authority, on a recommendation in a report by the Chairperson, Chief Executive, or any committee or sub-committee, may revoke or alter all or part of a resolution passed by a previous meeting*".

Background

3. Māori representation in Council governance is viewed as an important expression of Council's commitment to tangata whenua and Te Tiriti o Waitangi. The Local Government Act 2002 (LGA) recognises and respects the Crown's obligations under Te Tiriti o Waitangi (the Treaty of Waitangi) by placing some specific obligations on councils. The key provision is in section 4 of the LGA, namely:
 - 3.1. In order to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi, and to maintain and improve opportunities for Māori to contribute to local government decision-making processes, [Parts 2](#) and [6](#) provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes.
4. The Hawke's Bay Regional Council currently gives effect to section 4 of the LGA through the Council's Māori Committee, which comprises representatives of the marae-based Taiwhenua network of Ngati Kahungunu and up to four councillors. The Council also gives effect to section 4 of the LGA through the Hawke's Bay Regional Planning Committee Act 2015 and the Council's Regional Planning Committee, which is comprised of representatives of the nine Treaty Settlement Entities whose rohe resides wholly or partially within the boundaries of Te Matau a Maui / Hawke's Bay. These nine representatives sit alongside the Council's nine councillors to make up the Planning Committee. Council currently includes Māori representatives as voting members in each of the Council's other committees, and as non-voting participants in full Council meetings.
5. The Council also gives effect to section 4 of the LGA and other requirements for Māori participation in decision making that sit in other legislation, such as the Resource Management Act 1991, through specific consultations, working groups and targeted engagements.
6. In addition to these existing approaches to section 4 of the LGA, the Local Electoral Act 2001 (LEA) provides for the establishment of one or more Māori constituencies and is part of a suite of legislative provisions put in place by the Crown with the aim of increasing Māori representation and participation in local authority decision making.

7. The *Local Electoral (Māori wards and Māori constituencies) Amendment Bill* is intended to “improve the democratic representation of Māori interests, ensure equity in representation and to provide a Māori voice in local decision-making”. To achieve this, the following changes have been made to the LEA:
 - 7.1. repeals the provisions in the LEA that relate to polls on the establishment of Māori wards and constituencies
 - 7.2. prohibits binding council-initiated polls on whether to establish Māori constituencies (while retaining the right for councils to initiate non-binding polls to gauge public sentiment), and
 - 7.3. establishes a transition period ending on 21 May 2021 during which any local authority may, regardless of any previous decisions or previous poll outcomes, resolve to establish Māori constituencies for the 2022 local elections.
8. Options for how Council proceeds following revocation of the 18 November 2020 resolution in light of the *Local Electoral (Māori wards and Māori constituencies) Amendment Bill* are provided following for councillors to consider.

Option 1

9. In line with Council’s intent to engage with the whole of the regional community on the question of establishing Maori constituencies Council is able to make a new resolution to hold a non-binding poll at the 2022 local elections to gauge public sentiment.
 - 9.1. A poll in this context would be quantitative (i.e. a vote one way or the other on the voting paper with no opportunity to provide rationale) as opposed to a consultation process run by Council to garner qualitative feedback.
 - 9.2. The results of a 2022 poll would inform (the new) Council’s consideration of Māori constituencies in 2023 ahead of its 2024 Representation Review process.

Option 2

10. Make a new resolution to undertake ‘public engagement’ (almost immediately) to gauge wider community sentiment within timeframes to enable the substantive decision of whether to establish one or more Māori constituencies to be made prior to the 21 May 2020 deadline in order to take advantage of the ‘transition period’ provided by the *Local Electoral (Māori wards and Māori constituencies) Amendment Bill*.
 - 10.1. This option has the potential for Māori constituencies to be available for the 2022 local election.
 - 10.2. If a substantive decision was made to establish one or more Māori Constituencies by the 21 May 2021 deadline, the Council would then be required to immediately initiate a formal Representation Review process (described in paragraphs 32-33) to determine the details of its Representation Arrangements.

Option 3

11. Make a new resolution to establish one or more Māori Constituencies for the 2022 elections, following which Council would also be required to resolve to initiate a Representation Review.
 - 11.1. This option would establish one or more Māori constituencies for the 2022 elections, with the details to be determined through a formal Representation Review process (described in paragraphs 32-33).

Option 4

12. Make no further resolutions at this time, the result of which would be that the establishment of Māori seats would be a consideration for the next Council in 2023, ahead of the required (at least once every six years) Representation Review commencing in 2024.

Discussion

Strategic Fit

13. Effective partnerships with Māori are not only a legislative requirement, but an aspiration of this Council. One of the strategic drivers in the Regional Council's Strategic Plan is partnerships with tangata whenua.
14. Increasingly there are both statutory and non-statutory drivers for improved and more formalised tangata whenua direct engagement in co-governance. Natural resource management is a very high priority focus for tangata whenua and the HB Regional Planning Committee Act 2015 has increasingly required HBRC to work closer with tangata whenua in response. Simultaneously tangata whenua have been moving through Treaty settlement processes which are providing for greater capability, influence and economic strength to Māori within the region. In tandem these developments have rapidly increased the expectation by tangata whenua on HBRC to adopt co-governance and co-management approaches the region's natural resources.

Significance and Engagement Policy Assessment

15. In considering the options, Council must have regard to its Significance and Engagement Policy. Below is an assessment against the seven criteria in the Policy. It concludes that the substantive decision is of HIGH significance. A key consideration for Council is therefore to decide whether the engagement undertaken to date is sufficient to support such a significant decision, or whether it warrants further public consultation.
16. Assessment of the significance of the substantive decision whether to establish Māori constituencies against the Significance and Engagement Policy is as follows.

| | Criteria for Assessment (from S&E Policy) | | | | | | | Conclusion |
|--------------------------------|---|--|--------------------------------|------------------------------|-------------------------|--------------------------------------|----------------------------------|--------------------|
| Decision | Likely level of Community interest | Impact on affected individuals or groups | Promotes outcomes & priorities | Impact on LOS in current LTP | Impact on rates or debt | Cost & financial impact to ratepayer | Involvement of a strategic asset | |
| Establish Māori constituencies | High | High | High | Medium | Low | Low | No | HIGH significance. |

Engagement with Tangata Whenua about Māori constituencies to date

17. Leading up to the Council's 2017 decision on whether to establish Māori representation, engagement with tangata whenua was undertaken over several months during which hui were held to provide tangata whenua with the opportunity to come together to understand and consider their aspirations in regards to Māori representation on the Council. The collective preference from the Hui a Iwi was in support of the establishment of Māori constituencies under the Local Electoral Act and put forward as a recommendation to the extraordinary Regional Council meeting on 15 November 2017.
18. Council again sought the views of tangata whenua about Māori representation in October/November 2020. Targeted consultation solely with Māori Committee and Regional Planning Committee tangata whenua representatives in 2020 was based on the principle of engagement with those most directly affected.
19. Regional Planning Committee tangata whenua representatives were asked to provide their view(s) at a Zoom hui scheduled at 8am on 17 November 2020, and the Māori Committee at their meeting on 18 November 2020.
20. Most recently, on 10 February 2021, the key message from the Māori Committee meeting was "establish without delay" and the proposed Long Term Plan branding of "Time to Act ~ Kia Rite!" was referenced. The Committee then resolved unanimously:

- 20.1. Supports the Council taking immediate action to revoke the previous (18 November 2020) resolution to hold a poll on the establishment Māori constituencies at the next (2022) election, and resolve to establish Māori constituencies for the next (2022) election.
21. The above resolution then formed the basis of a submission to the Māori Affairs Select Committee in support of the proposed *Local Electoral (Māori wards and Māori constituencies) Amendment Bill*, lodged by Michelle McIlroy (Māori Committee Co-chair) on behalf of the Māori Committee.

Further Engagement proposed

22. A proposed engagement to gauge public sentiment prior to reconsidering a decision whether to establish Māori constituencies to meet the 21 May deadline is outlined following.
 - 22.1. Three week online submissions process running from 22 March through to 16 April 2021, supported by a social media campaign including a significant educational component
 - 22.2. Submissions hearings on 3 May and 4 May (dependent on the number of submitters wishing to be heard)
 - 22.3. Feedback provided by the community through written and verbal submissions would then be incorporated into a decision item (whether to establish Māori constituencies for the 2022 election) for an Extraordinary Regional Council meeting on 19 May 2021 following the Corporate and Strategic Committee meeting.
23. Should the Council's decision today be to establish Māori constituencies, a Communication and Engagement Plan will be developed as part of the Project Plan for the Representation Review, including a significant education component.

Legislative Context for Māori Representation

24. Any Council decision to create Māori constituencies is a staged process, with the first decision being on 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, to determine constituency boundaries and names and the total number of elected councillors.
25. The number of Māori members for election is calculated in accordance with LEA clause 4 of Schedule 1A of the Act. Using this calculation, in HB's case a Council consisting of 6-8 elected representatives would include only 1 Māori representative and a Council made up of 9-14 elected representatives would include 2 Māori representatives. The number of Māori members is not discretionary but determined using the legislated formula based on population.
26. If Māori constituencies are created, those one or two members of the Council will be elected from the Māori constituencies, by electors on the Māori electoral roll. The other members will be elected from the General constituencies by electors on the General electoral roll. No one can vote in both a General and a Māori constituency. One voter, one vote.

Complexities of representation

27. Māori representation is premised on Māori being a distinct 'community of interest' that is not well served by traditional electoral arrangements and who are afforded particular guarantees of representation under Te Tiriti o Waitangi. As noted above this is currently provided for in range of ways and whether it is necessary to extend this representation to dedicated Māori constituencies is a question for Council to determine in giving effect to its obligations under section 4 of the LGA.

28. If Māori constituencies are created, Māori on the Māori roll will have guaranteed representation proportional to the percentage of the voting population they make up. The LEA Māori representation model does not, however, allow for more distinct communities of interest within Māoridom, such as individual seats for Taiwhenua or, a General constituency example such as Marewa as a sub-division of Napier. Nor does the mechanism limit representation to mana whenua, or Māori who have whakapapa or ancestral links to the region.
29. A consideration for Māori in HB, should Māori representation be established for HBRC, will be whether to enrol on the Māori roll or General roll. Under the current legislation Māori can only change rolls during a Māori Electoral Option process, with the next to occur in 2024. Only Māori enrolling for the first time or re-enrolling after having previously been removed from the roll are able to choose to enrol on the Maori Roll in the interim.
30. If the number of Māori choosing to enrol on the Māori roll increases, the number of representatives elected from Māori constituencies would also increase to reflect that. As well, each time a Māori Electoral Option process is undertaken, the Council will have the opportunity to review the number of Māori seats to reflect any percentage increases in the Māori roll.
31. In relation to candidacy, LEA s.25 provides that any person enrolled as a parliamentary elector may be a candidate for any election held under the LEA and means that non-Māori may be nominated to run for election in a Māori constituency. Similarly, a person on the Māori roll can run for election in a General constituency.
32. Nominations for candidates standing in a Māori Constituency, however, must be made by electors on the Māori roll, which is the same as for general constituencies whereby nominators must be electors for the electoral area they are nominating a candidate for (s.26, LEA).

Regional Council Representation Arrangements

33. The constituencies for the purposes of electing members to the Regional Council are what is referred to as Council's 'representation arrangements' and are determined through a formal Representation Review process involving consideration of 'fair and effective representation' for the communities of interest in the region including the number of councillors to be elected as well as the names and boundaries of the constituencies that will elect them.
34. If Council was to resolve to establish one or two Māori constituencies for the 2022 elections a Representation Review would need to be initiated by early July 2021 in order to enable public notification of an initial proposal no later than 8 September 2021, within the maximum 14 days of Council's resolution.
 - 34.1. Submissions, hearings and appeal periods following public notice of Council's initial proposal must meet the following time-bound requirements.



Financial and Resource Implications

35. If councillors wish to undertake a 'Māori representation' engagement to gauge public sentiment prior to reconsidering a decision whether to establish Māori constituencies for the 2022 election an indicative cost estimate is \$15,000. Those costs are unbudgeted in this 2020-21 financial year and because staff resources are currently fully committed to the Long Term Plan process, will include contracted external engagement expertise.
36. If Council resolves to establish one or two Māori constituencies (for the 2022 local elections) the Council is required to undertake a Representation Review in order to establish its new Governance Arrangements. The costs associated with carrying out a Representation Review are largely for staff time and public consultation, currently budgeted in 2023-24, and estimated to be in the vicinity of \$20,000 based on the 2017-18 Representation Review costs. It is envisaged that if Council does decide to proceed with Māori representation these costs would be brought forward from the 2023-24 budgets into the 2021-22 financial year budgets currently being confirmed through the Long Term Plan process.

Decision Making Process

37. Council is required to make every decision in accordance with legislative requirements. Staff have assessed the requirements in relation to this item and have concluded:
 - 37.1. The decision is allowed in accordance with Local Electoral Act 2001 Section 19.
 - 37.2. The persons affected by this decision are the electors and ratepayers of the Hawke's Bay Regional Council.
 - 37.3. The decision is not inconsistent with an existing policy or plan.
 - 37.4. The decisions and matters in this report are considered to be of high significance in accordance with Council's Significance and Engagement Policy, particularly the substantive decision whether to establish 1 or more Māori constituencies.
 - 37.5. The decisions and matters before Council will potentially be subject to public notice and consultation provisions through a Representation Review process required to be conducted in accordance with the Local Electoral Act 2001.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the "*Māori Representation on Hawke's Bay Regional Council*" staff report.
2. Revokes the previous (18 November 2020) resolution, being:
 - 2.1. Instructs the Chief Executive to give notice to the Electoral Officer that a Poll on the question of whether the region should be divided into 1 or more Māori constituencies is to be held at the next election on 8 October 2022, subject to legislative change in the interim; to be preceded by robust community engagement and consultation.

And either

3. Agrees to undertake public consultation to enable a substantive decision on whether to establish Māori constituencies before 21 May 2021.

or

4. Defers further consideration on whether to establish Māori constituencies to the 2024 representation review.

Authored by:

**Drew Broadley
COMMUNITY ENGAGEMENT AND
COMMUNICATIONS MANAGER**

**Desiree Cull
STRATEGY AND GOVERNANCE
MANAGER**

**Leeanne Hooper
TEAM LEADER GOVERNANCE**

Approved by:

**Pieri Munro
TE POU WHAKARAE**

**James Palmer
CHIEF EXECUTIVE**

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 24 February 2021

Item 9

Subject: REPORT AND RECOMMENDATIONS FROM THE 3 FEBRUARY 2021 ENVIRONMENT AND INTEGRATED CATCHMENTS COMMITTEE MEETING

Reason for Report

1. This item presents matters considered by the Environment and Integrated Catchments Committee (EICC) meeting on 3 February 2021 for Council's consideration alongside any additional commentary the Committee Chair, Councillor Hinewai Ormsby, wishes to offer.

Agenda Items

2. The **Tūtira Regional Park Replanting Plan** decision item presented two options for replanting harvested pine forest in the Tūtira Regional Park and sought the Committee's recommendation of a preferred option to Council. Through discussions at the meeting:
 - 2.1. It was agreed that any retirement to native forest needs to proceed in a staged and manageable approach to mitigate risks
 - 2.2. Commercial native forest was ruled out as a planting option due to the significant costs of establishment and maintenance and poor financial returns
 - 2.3. Additional information in relation to potential financial impacts on Council's balance sheet was sought, and is being prepared for tabling at the meeting.
3. The **Funding the Erosion Control Scheme** decision item sought and was granted the Committee's support and recommendation to Council to bring planned funding/borrowing from the 2027-28 financial year forward into 2020-21 budgets to enable completion of projects committed to by landowners and leveraged with Jobs for Nature co-funding. It was noted that further total programme budget and funding requirements will be taking place through development of the 2021-31 LTP.
4. The **Integrated Catchment Management - Catchment Delivery Section Update** information item provided an overview of the activities and achievements of the Catchment Management team, specifically in relation to the delivery and outcomes of the Erosion Control Scheme (ECS) and the Protection and Enhancement Projects (PEP) that address three of the four focus areas of the HBRC Strategic Plan 2020-2025, being:
 - 4.1. Water quality, safety and climate-resilient security
 - 4.2. Healthy, functioning and climate-resilient biodiversity
 - 4.3. Climate-smart and sustainable land use.
5. The **verbal Chilean Needle Grass Update** item updated the Committee on the mitigation activities and impacts of Chilean needle grass in Hawke's Bay, particularly in the Tukituki Catchment where a notice of direction is in effect, to suspend all gravel extraction except where it would be contained (e.g. concrete foundation) as a measure to inhibit the spread.
6. The **verbal Pest Management - Possum Control Update** presentation updated the Committee on activities responding to the Biosecurity and Biodiversity Section 17a review including indicative, staged timelines, covering:
 - 6.1. Five key programmes being reviewed are possum control area (PCA) programme, rabbit control, pest plant management, investment in Biodiversity and Surveillance and monitoring
 - 6.2. Full review of the PCA programme is underway and will be presented to the May EICC meeting, and changes to the programme will likely require a Council

- decision (26 May) followed by public consultation (June 2021), amendment of the Regional Pest Management Plan and budget adjustments through the 2021-22 Annual Plan process
- 6.3. Rabbit control is a national issue and being discussed through the regional sector BioManagers group
 - 6.4. A broader review of the pest plant management programme will be initiated in March and findings presented to the EICC meeting in September
 - 6.5. Increased resources for investment in Biodiversity are currently included in the proposed 2021-31 LTP
 - 6.6. Exploring options, through the BioManagers Group, to create an effective affordable and statistically valid regional pest plant surveillance methodology.
7. The **Farm Environmental Management Plans Update** item updated progress with Farm Environmental Management Plans (FEMPs) for landowners in the Tukituki catchment highlighting:
 - 7.1. FEMPs were first due 3 years ago and are required to be updated and reviewed every 3 years with the first review being due in Feb 2021 (200) and the remainder (870) in May 2021
 - 7.2. Auditing is the greatest value-added component in the FEMP delivery and will ensure FEMPs meet the required standards and landowners are implementing plans
 - 7.3. the FEMP audit pilot project has audited one farm, with Compliance staff having taken on the role of FEMP auditors until such time a permanent audit role can be created
 - 7.4. Farm Plans will be required nationally to align with the Government's National Freshwater Farm Plans and further details relating to national farm planning systems and an implementation strategy will be further developed later this year
 - 7.5. A National Farm Plan working group has been established involving various councils including HBRC.
 8. The **Regional Water Security Programme - 2021 Engagement** item presented the progress made with the Regional Water Security programme and the associated Treaty partner and stakeholder engagements and outlined the proposed 2021 work programme with discussions covering:
 - 8.1. Work on the set of "regional water accounts" is expected the end of February 2021
 - 8.2. Work on Stage 2 (Projections) and Stage 3 (Potential interventions for analysis) is now underway
 - 8.3. Next steps are to work with HBRC's Maori Partnership Team to commission a "Cultural Case", seek feedback/input into the Interim report during development and present the Interim result to Council in April/May 2021.

Decision Making Process

9. The above items were specifically considered by the Environment and Integrated Catchments Committee on 3 February 2021, with the following recommendations proposed for Council decision.

Recommendations

The Environment and Integrated Catchments Committee recommends that Hawke's Bay Regional Council:

1. Receives and considers the "*Report and Recommendations from the 3 February 2021 Environment and Integrated Catchments 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.

Tūtira Regional Park Replanting Plan

3. Approves the Replanting Plan for the Tūtira Forest as proposed and presented as Option 2, consisting of approximately 57 hectares of radiata pine and 51 hectares of native regeneration.

Funding the Erosion Control Scheme

4. Approves the bringing forward of \$2.45 M loan funding for the Erosion Control Scheme (ECS), budget code 379-001, from the 2027-28 financial year to the 2020-21 financial year, for a total expenditure for ECS and *Jobs for Nature* projects in 2020-21 year of \$4.7 M; and undertakes analysis of future funding requirements through to 2031 through the 2021-31 Long Term Plan process currently under way.

Reports Received

5. Notes that the following reports were provided to the Environment and Integrated Catchments Committee
 - 5.1. Integrated Catchment Management - Catchment Delivery Section Update
 - 5.2. Verbal Chilean Needle Grass Update
 - 5.3. Verbal Pest Management - Possum Control Update
 - 5.4. Farm Environmental Management Plans Update
 - 5.5. Regional Water Security Programme - 2021 Engagement.

Authored by:

Leeanne Hooper
TEAM LEADER GOVERNANCE

Annelie Roets
GOVERNANCE ADVISOR

Approved by:

Chris Dolley
GROUP MANAGER
ASSET MANAGEMENT

Iain Maxwell
GROUP MANAGER INTEGRATED
CATCHMENT MANAGEMENT

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 24 February 2021

Subject: AFFIXING OF COMMON SEAL

Item 10

Reason for Report

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

| | | Seal No. | Date |
|-------|--|----------|-----------------|
| 1.1 | Leasehold Land Sales | | |
| 1.1.1 | Lot 156 DP 6598 CT C2/357 - Agreement for Sale and Purchase | 4437 | 27 January 2021 |
| 1.1.2 | Lot 77 DP 10912 CT J2/491 - Transfer | 4438 | 3 February 2021 |
| 1.1.3 | Lot 26 DP 14448 CT G2/679 - Agreement for Sale and Purchase | 4439 | 3 February 2021 |

2. The Common Seal is used twice during a Leasehold Land Sale, once on the Sale and Purchase Agreement and once on the Land Transfer document. More often than not, there is a delay between the second issue (Land Transfer document) of the Common Seal per property. This delay could result in the second issue of the Seal not appearing until the following month.
3. As a result of sales, the current numbers of Leasehold properties owned by Council are:
 - 3.1. 1 cross lease property was sold, with 68 remaining on Council's books
 - 3.2. 2 single leasehold properties were sold, with 83 remaining on Council's books.

Decision Making Process

4. Council is required to make every decision in accordance with the provisions of Sections 77, 78, 80, 81 and 82 of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within these sections of the Act in relation to this item and have concluded:
 - 4.1 Council can exercise its discretion and make a decision on this issue without conferring directly with the community
 - 4.2 That the decision to apply the Common Seal reflects previous policy or other decisions of Council which (where applicable) will have been subject to the Act's required decision making process.

Recommendations

That Hawke's Bay Regional Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, 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.
2. Confirms the action to affix the Common Seal.

Authored by:

**Diane Wisely
EXECUTIVE ASSISTANT**

**Geoff Howes
TREASURY & FUNDING ACCOUNTANT**

Approved by:

**Jessica Ellerm
GROUP MANAGER CORPORATE SERVICES**

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 24 February 2021

Subject: REPORT FROM THE 10 FEBRUARY 2021 MĀORI COMMITTEE MEETING

Reason for Report

1. This item provides a summary of discussions at the 10 February 2021 Māori Committee along with the opportunity for the Co-chairs to provide additional context to Council as they wish.

Agenda Items

2. The regular **Take Ripoata Ā Takiwā – Taiwhenua Representatives' Updates** covered:
 - 2.1. The Wairoa Taiwhenua report highlighted continued water issues, the Wairoa District Council Wastewater consent application process, Wastewater discharges into the Wairoa River and a Planting project at Kihitu and Whakapau whenua. The report also requested information on safe E.coli levels in relation to mahinga kai gathering sites.
 - 2.2. Te Taiwhenua o te Heretaunga spoke on Council's Long Term Plan 2021-31, Recreational Water quality monitoring, the constraints on Taiwhenua resources to meet Council's regulatory requirements, and Tukituki production land use consents. The report also requested a wananga with the Regional Planning Committee for Taiwhenua to be involved in the Kotahi Plan Change.
 - 2.3. Te Whanganui-ā-Orotu covered Marae restoration projects, CDEM response plans, papakainga housing and concerns relating to water supply, the Mohaka Plan Change and Ngaruroro Water Conservation Order as well as Māori engagement and partnership.
 - 2.4. Te Taiwhenua o Tamatea highlighted the ramping up of activities during January 2021 and how the increased activity requires a more structured, formal approach by the Taiwhenua.
3. The **Verbal Updates on Current Issues** and activities from the HBRC Chair and Chief Executive covered:
 - 3.1. Predator Free Mahia, Horticulture programmes in Mahia, Waitangi Day, Three Waters service delivery challenges in Hawke's Bay.
 - 3.2. A snapshot of the organisation's activities covering Regional economic recovery, Flood Scheme upgrades, Erosion and riparian fencing, Whakatipu Mahia Predator Free, and Regional Alliances for conservation projects.
 - 3.3. Currently in Year 3 of the 2018-28 LTP with bigger focus on increased staff, tools, resources, funds and partnerships
 - 3.4. Policy and Planning team is currently focused on Kotahi and TANK (hearings scheduled in May and June 2021) plan changes while awaiting a final decision and report on Outstanding Water Bodies. The Ngaruroro Water Conservation Order is in the process of appeals through the Environment Court.
4. The **Māori Representation on Hawke's Bay Regional Council** item provided the Committee with information about the *Local Electoral (Māori wards and Māori constituencies) Amendment Bill* currently before Parliament and options available to HBRC as a result. Through discussions at the meeting it was agreed that the Co-Chair, Michelle McIlroy, would submit to the Māori Affairs Select Committee in support of the Bill with the Committee resolution following forming the basis of that submission.
 - 4.1. The Māori Committee supports the Council taking immediate action to revoke the previous (18 November 2020) resolution to hold a poll on the establishment Māori

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constituencies at the next (2022) election, and resolve to establish Māori constituencies for the next (2022) election.

5. The **Integrated Catchment Management - Catchment Delivery Section** item covered provided an overview of the activities and achievements of the Catchment Management team, specifically in relation to the delivery and outcomes of the Erosion Control Scheme (ECS) and the Protection and Enhancement Projects (PEP), including an update on the Waipuka Catchment and the benefits of the fencing and planting works undertaken in the catchment. The work of the Section address three of the four focus areas of the HBRC Strategic Plan 2020-2025, being:
 - 5.1. Water quality, safety and climate-resilient security
 - 5.2. Healthy, functioning and climate-resilient biodiversity
 - 5.3. Climate-smart and sustainable land use.
6. The **Reports from Regional Council and Committee Meetings** provided an update from recent meetings attended by the Committee Co-chairs and representatives on Council committees, highlighting the December Corporate and Strategic Committee, 3 February Environment and Integrated Catchments Committee and 20 November Regional Transport Committee workshop on the Draft Regional Land Transport Plan which is currently open for public submissions.
7. The **Significant Organisational Activities Through February 2021** item highlighted significant areas of Council activity as provided to the 27 January 2021 Regional Council meeting.
8. The **February 2021 Statutory Advocacy Update** item provided a regular update from the Policy team and reported on proposals from City and District councils forwarded to the Regional Council for comment.
9. The **Long Term Plan 2021- 31 Development Update** item was discussed in Public Excluded and provided an update on development of the 2021-31 Long Term Plan (LTP) including where previous input from tangata whenua has been incorporated and seeking feedback on a preferred title (or theme) and imagery for the Consultation Document.

Decision Making Process

making provisions do not apply.

Recommendation

1. That the Hawke's Bay Regional Council receives and notes the "*Report from the 10 February 2021 Māori Committee Meeting*" including the Māori Committee resolution that:
 - 1.1. Supports the Council taking immediate action to:
 - 1.1.1. revoke the previous (18 November 2020) resolution to hold a poll on the establishment Māori constituencies at the next (2022) election, and
 - 1.1.2. resolve to establish Māori constituencies for the next (2022) election.

Authored by:

Leeanne Hooper
TEAM LEADER GOVERNANCE

Approved by:

Pieri Munro
TE POU WHAKARAE

Attachment/s There are no attachments for this report.

Subject: CLIMATE ACTION CAMPAIGN RESULTS

Reason for Report

1. This item provides the Regional Council with the results of the Climate Action Campaign which ran between 27 October and 6 December 2020.

Executive Summary

2. The aim of this six- week campaign was to position the Regional Council as the leading local authority on the climate crisis, promote and clarify the impact of the climate crisis, and encourage behaviour and systems change with organisations and individuals.
3. The initiative was the starting point of long-term, region-wide engagement with the public and key stakeholders on the climate crisis. The goal for the climate crisis engagement has been to progressively build motivation for change through sustained engagement with businesses, primary industry, communities and whānau to lower their carbon footprint and live more sustainably.

Strategic Fit

4. This initiative aligns and supports the outcomes, goals and actions relating to water, biodiversity, and infrastructure and services in the 2020-25 Strategic Plan. The Strategic Plan promotes climate resilience across each of the four equally-weighted pillars

Background

5. On 26 June 2019, the Regional Council declared a climate emergency, accepting local and international science that we have a small window of time to act to avoid the most damaging effects of the climate crisis in the long term. The Regional Council aims to make Hawke's Bay carbon neutral by 2050.
6. There were three main objectives for this campaign:
 - 6.1 To explain the local impact of the climate crisis on Hawke's Bay using fact-based, relatable information and clear language
 - 6.2 To promote the work that the Regional Council does that mitigates and adapts to the impact of the climate crisis
 - 6.3 To provide individuals, whānau, business, and farmers clear actions they can take to mitigate the impact of the climate crisis.
7. Through our key messages, it was highlighted that:
 - 7.1 The climate crisis is the biggest environmental challenge of our time, already impacting our region
 - 7.2 The Regional Council is the lead local authority on climate change and is working hard to prevent the worst impacts of climate change through a comprehensive body of work
 - 7.3 The Regional Council has accelerated our efforts to reduce our own carbon and get our house in order
 - 7.4 We all need to work on ways to cut our emissions, adapt to the effects of climate change and foster resilient communities.
8. The campaign was a springboard and testing bed for future engagement, particularly the direction of the 2021-31 Long Term Plan, where the climate crisis is a central theme.

Discussion

9. To fulfil the campaign's goals of engaging with the community on the local impact of the crisis, we used a variety of tools, platforms and approaches to engage with the public. Councillors played a key role in engaging with the community throughout this campaign.
10. The campaign launched with the results of the Hawke's Bay Regional Council climate change perceptions survey, a climate crisis digital web hub, three case-study videos and a graphic video explaining the impact of the climate crisis on the region, Youth Environment Council videos, four pop-up events around the region, plus the stand at the Better Home & Living show.
 - 10.1 The media engagement and coverage of the campaign was exceptional with an extensive reach, boosted by the National Institute for Water and Atmosphere (NIWA) climate change and projections impacts for Tairāwhiti and Hawke's Bay report, and the occurrence of the Napier flood event.
 - 10.2 Social media was also successful with an overall reach of 109,770 over six weeks, creating hundreds of comments and conversations, with every post linking back to the Council's web hub.
 - 10.3 Staff ran a video series social media campaign aiming to inspire parts of the community to make change. This had high engagement on social media. We also worked with the Youth Environment Council on a series of climate change videos for the campaign.
 - 10.4 A \$5,000 advertising campaign targeted radio and digital focusing on local radio stations and local websites.
 - 10.5 The pop-up events in Wairoa, Napier, Hastings, and Waipukurau were advertised through social media, and attended by Councillors and staff. They had varying levels of success in terms of engagement and attendance. We had some great face-to-face interactions with the public, with many showing an interest in doing more to reduce their environmental footprint, while others had little awareness of the impacts we all face.
11. A biennial survey of community perception will show how we are tracking and whether we are making headway. This is due to be conducted again in 2021.

Key Campaign Learnings

12. The survey results revealed a lack of concern about the impact of climate change in the region, considerable barriers to personal action and a lack of understanding about the impact of climate change. The findings from the survey highlighted the need for the proposed Climate Change Ambassador role and further education.
13. The campaign highlighted the need for more sustained long-term engagement with a diverse group of regional stakeholders, including tangata whenua, local authorities, businesses, and environmental groups.
14. To have far-reaching impact and create the community partnerships required for transformational change, we need to be seen in the community more often, and engage the public meaningfully in a more sustained, structured way.
15. We need a better understanding of the community's perceptions, views, issues, and problems in order to address them, and create a region wide action plan.
16. We need to go to community events and to where the community normally gather to have more successful engagement.
17. Given the importance of the youth perspective on climate change work going forward, we think it is critical to have youth representation on Council.

Next Steps

18. Learnings from this campaign are incorporated into the Regional Council's Long Term Plan engagement.

Decision Making Process

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

Recommendation

That Hawke's Bay Regional Council receives and considers the "Climate Action Campaign Results" staff report and supports the next steps as proposed.

Authored by:

Rebecca Ashcroft-Cullen
COMMUNICATIONS ADVISOR

Jenny Keown
COMMUNICATIONS ADVISOR

Drew Broadley
COMMUNITY ENGAGEMENT AND
COMMUNICATIONS MANAGER

Approved by:

Jessica Ellerm
GROUP MANAGER CORPORATE SERVICES

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 24 February 2021

Subject: DISCUSSION OF MINOR MATTERS NOT ON THE AGENDA

Reason for Report

1. This document has been prepared to assist Councillors note the Minor Items Not on the Agenda to be discussed as determined earlier in Agenda Item 6.

| Item | Topic | Raised by |
|------|-------|-----------|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |

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HAWKE'S BAY REGIONAL COUNCIL

Wednesday 24 February 2021

Subject: HBRIC INVESTMENT IN FOODEAST

That Hawke's Bay Regional Council excludes the public from this section of the meeting, being Agenda Item 14 HBRIC Investment in FoodEast 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

HBRIC Investment in
FoodEast

REASON FOR PASSING THIS RESOLUTION

s7(2)(h) 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, commercial activities.

GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION

The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

Authored by:

**Blair O'Keeffe
HBRIC LTD**

Approved by:

**Jessica Ellerm
GROUP MANAGER CORPORATE SERVICES**

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