



MINUTES OF A MEETING OF THE REGIONAL COUNCIL

Date: Wednesday 24 February 2021

Time: 11.00am

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

Present: Cr R Graham - Chairman
Cr R Barker
Cr W Foley
Cr C Foss
Cr N Kirton
Cr C Lambert
M McIlroy – Māori Committee Co-chair
Cr H Ormsby
M Paku - Māori Committee Co-chair
Cr J van Beek
Cr M Williams

In Attendance: J Palmer – Chief Executive
P Munro – Te Pou Whakarae Māori Partnerships
J Ellerm – Group Manager Corporate Services
I Maxwell – Group Manager Integrated Catchment Management
C Edmonds – Manager Policy & Planning
L Hooper – Team Leader Governance
B Smith – Chief Financial Officer
C Dolley – Group Manager Asset Management

1. Welcome/Karakia/Apologies/Notices

The Chair welcomed everyone and Pieri Munro welcomed visitors with a mihi, advising the launch of the HB Councils' Te Kupenga app, before leading the offering of a karakia to open the meeting.

Michael Paku and Michelle McIlroy advised their participation at the Council meeting as advisory members only, with no voting rights.

2. Conflict of Interest Declarations

There were no conflicts of interest declared.

3. Confirmation of Minutes of the Regional Council Meeting held on 27 January 2021

RC9/21 Resolution

Minutes of the Regional Council Meeting held on Wednesday, 27 January 2021, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Barker/Ormsby
CARRIED**

4. Follow-up Items from Previous Regional Council Meetings

The item was taken as read with queries and discussions covering:

- Reporting LGOIMA requests received to Council will be re-started without names of individuals
- None of the 217 sites being photographed as part of the High resolution photography of riparian margins across the region are urban waterways as the focus is on rural waterways due to the extent of waterways being largely rural and only a small proportion in urban areas
- Consents and Compliance staff engagement with WDC and NCC in relation to wastewater discharge issues is ongoing and on a reasonably informal basis while meetings at the more formal Executive level with asset management teams are recorded and minuted and suggested that the meetings about consent compliance issues should be minuted in the same way
- Suggested that discussions in relation to PGA carpark need to incorporate "cycle right of way" on the stopbank if the carpark does end up on the other side of the stopbank
- Ongoing issues with Wairoa wastewater, with two abatement notices and 7 infringements having been served on WDC

RC10/21 Resolutions

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

**Ormsby/Barker
CARRIED**

5. Significant Organisational Activities Looking Forward Through March 2021

The item was taken as read with James Palmer highlighting Council's having received \$996k from the Billion Trees fund for native planting across the region over the next two years. Discussions traversed:

- TB update – TB management is the legislated and funded role of Ospri, and HBRC is working very closely with Ospri to assist with possum control as a TB preventative measure
- Marine & Coast – ecological report is available and an update will be provided to the a future EICC meeting

- Recent field day deer were raised as an issue several times, and there's significant investment in deer fencing through the ecosystem prioritisation and high value biodiversity sites programmes to protect native plantings
- Swim through summer – recreational water quality data is uploaded to LAWA website where people can go to see whether it's safe to swim although advice not to swim after rainfall events is always relevant, sites along the Karamu included
- An update on what compliance action is being taken in relation to 3 Tukituki FEMPs still outstanding will be provided through future Significant Organisational Activities updates, including info about the 'accredited FEMP provider' regime
- Lake Tutira – James Palmer advised that last weekend, for the first time in many years, people were able to swim in the Lake as a result of improvements made in the catchment
- The abatement notice issued to NCC has now been satisfied as the outfall pipe repair has been completed. NCC also planning for replacement of the pipe.
- Matariki Tu Rākau (Billion Trees) funding includes for funding for land preparation and care and maintenance
- In relation to pest control, request to be mindful that pigs are a main source of mahinga kai for tangata whenua
- Approx 200 renewal applications for takes from the Heretaunga Unconfined aquifer expired in 2018 and are being exercised under s.124 while awaiting processing in accordance with new TANK provisions and intent is to start processing them once commissioners have made relevant plan provision decisions.

RC11/21

Resolution

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

**Barker/van Beek
CARRIED**

6. Call for Minor Items Not on the Agenda

Recommendations

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

Topic	Raised by
Goats on Napier Hill	Cr Martin Williams
National Freshwater Conference	Mike Paku
Fast gate	Cr Jerf van Beek

7. 2019-20 Annual Report for Adoption

James Palmer introduced the item before Jess Ellerm ran through the financial results. Discussions covered:

- The 2019-20 annual report summarises an extraordinary year that started with a major step up in organisational activity in year 2 of the 2018-2028 LTP, involved a major drought response and an even bigger Covid-19 welfare response
- Two delays to adoption due to internal resource challenges at Audit NZ and then discovery during peer review of the use of a different methodology for valuing land and buildings by the Port which required remedying in order to achieve an unmodified Audit
- \$107M revenue from Port IPO flowed through financial statements and achieved

\$24M above forecast result but was counter balanced by investment returns of \$7M below forecast

- Increasing tension between ratepayer and community expectations and the level of rates required to adequately fund council's activities to improve the environment, in particular water quality
- Confirmed that different accounting treatment of valuations between HBRC, HBRIC and the Port has no implications for Napier Port financials.

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.

**Kirton/Barker
CARRIED**

8. Māori Representation on Hawke's Bay Regional Council

Pieri Munro introduced the item including briefly outlining the background to today's consideration of whether Māori constituencies are established for Hawke's Bay Regional Council. Discussion traversed:

- *Local Electoral (Māori wards and Māori constituencies) Amendment Bill* repeals the provisions in the LEA that relate to polls on the establishment of Māori wards and constituencies, prohibits binding council-initiated polls on whether to establish Māori constituencies and 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
- Suggested Council should state a position however councillors conscious of the need to go into consultation with open minds

RC12/21

Resolutions

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.
3. Undertakes community engagement and consultation on a proposal to establish one or more Māori constituencies, including public submissions, to enable a substantive decision on whether to establish Māori constituencies before 21 May 2021.

**Williams/Barker
CARRIED**

12. Climate Action Campaign Results

Jenny Keown and Drew Broadley presented the results of the Climate Action Campaign, highlighting:

- Six week campaign in 2020 to position council as lead climate crisis authority, educate the community and inspire change in the community, primary industry and business

- Good to have the survey results to have a baseline to work from to raise awareness of the climate emergency and increase activities to address climate change impacts, through mitigation and adaptation
- More substantial and longer term engagement required with dedicated resource in the form of the 'climate ambassador' working with the community and TLAs on initiatives
- Increased expectations on TLAs in relation to managing water supply demand and priorities for their LTPs will mostly around 3 waters infrastructure requirements
- Breakfast on 10 March is an opportunity to raise the profile of the Climate Emergency as part of the LTP engagement process, as well as the 'Facebook Live' LTP engagement
- Suggested Council needs a two pronged approach focused at the under forties and over forties to get messages across

RC13/21

Resolution

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

**Barker/Williams
CARRIED**

9. Report and Recommendations from the 3 February 2021 Environment and Integrated Catchments Committee Meeting

Councillor Hinewai Ormsby introduced the item, as Chair of the Committee, thanking staff who worked over the Christmas break as well as those who worked with Maungaharuru-Tangitu hapu and the Tutira community on the Tutira replanting plan. Additional financial information in relation to the Tutira Regional Park Replanting Plan was distributed to councillors via email yesterday and is replicated following, for the record.

Based on questions at the meeting of the Environment and Integrated Catchments Committee on 3 February my understanding is that Finance are to:-

1. show the impact on the asset valuation between the full replanting option and the composite option proposes
2. show the impact on council cashflows between the two options.
3. What is Council's discount rate?

Asset Value (Council's Balance Sheet)

Following the harvest of the existing trees the remaining asset on Council's balance sheet will be the land.

Going forward, over time the asset value will increase as the trees grow so in the future (bearing in mind we have a 30 year timeframe) the value of the forestry asset on the balance sheet will be higher under the status quo than under option 2.

The difference is best represented in the comparison of net present values

Impact on Councils cashflows (and on future revenues)

To simplify the comparison we have used a discount rate of 5%

This is the minimum Council would expect based on the assumed returns from investments in the 2021-31 LTP.

We have not done any detailed analysis of the financial projections so reliance is placed on the data as presented in the report.

The trade off is the difference between a "pure commercial" approach whereby Council seeks to maximise its financial return and the proposed approach with 50% of the land allowed to revert to native species.

From a cashflow perspective the initial cash outlays, in particular over the term of the next LTP will be lower under option 2 as only 50% of the land needs to be replanted.

Further out Council will receive considerably less when the forest is harvested.

Table 3 – Comparison including sale of carbon – NPV at 5%

Option 1(Status QUO)	Option 2 (Composite – 50% Pine & 50% native regeneration)	Trade off – potential future lost income
\$620,057	\$388,408	\$231,649

Table 4 - comparison with no carbon sale – NPV at 5%

Option 1(Status QUO)	Option 2 (Composite – 50% Pine & 50% native regeneration)	Trade off – potential future lost income
\$620,057	\$192,100	\$427,957

- Extensive consultation on the Tutira replanting options was undertaken with the Tutira community

RC14/21

Resolutions

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.

**Ormsby/Barker
CARRIED**

10. Affixing of Common Seal

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

RC15/21 Resolutions

That Hawke's Bay Regional Council:

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

**Barker/van Beek
CARRIED**

11. Report from the 10 February 2021 Māori Committee Meeting

Michelle McIlroy introduced the item, as Chair of the meeting, highlighting concerns raised by tangata whenua in relation to the hydrochloric acid spill in Ahuriri and the unanimously carried resolution supporting the Council establishing Māori constituencies for Hawke's Bay in light of Minister Mahuta's legislation.

RC16/21 Resolutions

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.

**McIlroy/Barker
CARRIED**

13. Discussion of Minor Matters Not on the Agenda

Topic	Raised by
Goats on Napier Hill Concerns raised about goats running amuck on Hospital Hill is being resolved through liaison between HBRC biosecurity staff, NZ Police, NCC animal control and the concerned resident.	Cr Martin Williams
National Freshwater Conference Attended the conference last week and found it refreshing to hear the approaches being taken by others outside the region, at a more national level. At times a wider view will assist with making decisions for the Region.	Mike Paku
Fast gate Attended a Farm Foresters' field day where concerns were raised by farmers about the costs of consenting dams, for example, and requested staff investigate a 'fast gate' (streamlined) type of resource consent application process with quick turn around and low cost for activities that will benefit the environment.	Cr Jerf van Beek

14. HBRIC Investment in FoodEast

RC17/21 Resolution

That Hawke's Bay Regional Council:

1. 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.

GROUNDINGS 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.

2. That Blair O'Keeffe remains in attendance for this item as subject matter expert and HBRIC commercial advisor.

**Barker/van Beek
CARRIED**

The meeting went into public excluded session at 12.47pm and out of public excluded session at 2.07pm

Closure:

There being no further business the Chairman declared the meeting closed at 2.08pm on Wednesday, 24 February 2021.

Signed as a true and correct record.

DATE:

CHAIRMAN: