



MINUTES OF A MEETING OF THE REGIONAL COUNCIL

Date: Wednesday 27 June 2018

Time: 10.15am

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

Present: R Graham - Chairman
P Bailey
P Beaven (*until 11.37am*)
T Belford (*until 11.37am*)
A J Dick
D Hewitt
N Kirton
F Wilson

In Attendance: M Mohi – Chairman – Maori Committee
J Palmer – Chief Executive
J Ellerm – Group Manager Corporate Services
L Hooper – Principal Governance Advisor
E Lambert – Group Manager External Relations
D Cull – Programme Leader
A Redgrave – Transport Manager

1. Welcome/Prayer/Apologies/Notices

The Chairman welcomed everyone to the meeting and Mike Mohi offered a karakia.

Resolution

RC75/18 That the apology for absence from councillor Rick Barker, and the apologies from councillors Tom Belford and Peter Beaven for early departure are accepted.

**Kirton/Graham
CARRIED**

2. Conflict of Interest Declarations

There were no conflict of interest declarations.

3a. Confirmation of Minutes of the Regional Council Meeting held on 22, 23 and 24 May 2018

RC76/18 Resolution

Minutes of the Regional Council Meeting held on 22, 23 and 24 May 2018, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Kirton/Bailey
CARRIED**

3b. Confirmation of Minutes of the Regional Council Meetings held on 30 May 2018

RC77/18 Resolution

Minutes of the Regional Council Meeting held on Wednesday, 30 May 2018, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Belford/Kirton
CARRIED**

Resolution

RC78/18 That Council accepts the late item 16. Sale of RWSS assets for consideration as item 16, in public excluded session in accordance with the provisions of LGOIMA.

**Wilson/Belford
CARRIED**

15. Public Excluded Recommendations from the Corporate and Strategic Committee

RC79/18 Resolution

**GENERAL SUBJECT OF THE
ITEM TO BE CONSIDERED**

Public Excluded
Recommendations from the
Corporate and Strategic
Committee

REASON FOR PASSING THIS RESOLUTION

7(2)(b)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to ensure a trade secret is not disclosed.

7(2)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage,

**GROUND 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.

negotiations (including commercial and industrial negotiations).

7(2)(j) 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 prevent the disclosure or use of official information for improper gain or improper advantage.

**Bailey/Kirton
CARRIED**

16. Sale of RWSS Assets

RC80/18 That Council excludes the public from this section of the meeting, being Agenda Item 16 Sale of RWSS Assets with the general subject of the item to be considered while the public is excluded; the reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution being:

| GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED | REASON FOR PASSING THIS RESOLUTION | GROUND UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION |
|--|--|--|
| Sale of RWSS Assets | 7(2)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | The Council is specified, in the First Schedule to this Act, as a body to which the Act applies. |

**Bailey/Kirton
CARRIED**

The meeting went into public excluded session at 10.20am and out of public excluded session at 10.40am

4. Follow-up Items from Previous Regional Council Meetings

The item was taken as read.

RC81/18 Resolution

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

**Wilson/Kirton
CARRIED**

**5. Call for Items of Business Not on the Agenda
Recommendations**

That Council accepts the following “Items of Business Not on the Agenda” for discussion as Item 14

| Topic | Raised by |
|---------------------|-----------|
| Te Puukenga Atawhai | Bailey |
| Water take consents | Bailey |
| Wairoa river | Wilson |
| Hotspots funding | Hewitt |

6. **Recommendations from the Corporate & Strategic Committee**

The item was taken as read, with discussions about:

- the Treasury Policy, which incorporates the Investment and Liability Management policies, as included in the LTP and the Statement of Investment Policy Objectives including amendments being agreed
- future debate on Ethical Investments and what Council considers should be on the list of industries
- Councillor Belford, upon request, spoke about how he sees his contribution to HB Tourism in his role as a director on the board.

RC82/18 **Resolutions**

That 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 and persons likely to be affected by or to have an interest in the decision.

Recommendations from the Finance Audit & Risk Sub-Committee

2. Participates in and continually monitors results of the Public Transport Operating Model review and/or any central government policy changes that necessitate the reassessment of the GoBus contract to align with legislation and its own internal policies accordingly.
3. Requests that staff amend Council's procurement policy to give favourable weighting to contractors who are paying the living wage, alongside other important factors such as environmentally friendly business practices and overall affordability, in Tender evaluation processes.
4. Requests that Council's procurement policy is published on the HBRC website (in line with the Procurement Review recommendations from Crowe Horwath).
5. Uses the Napier Port valuation provided by HBRIC Ltd as the basis for the valuation of HBRIC Ltd.
6. Considers undertaking a further valuation of HBRIC Ltd and Napier Port in the 2019-20 financial year.

Appointment of an Independent Member to the Finance, Audit and Risk Sub-Committee

7. Initiates the following process for the appointment of an Independent member of the Finance, Audit and Risk Sub-committee to replace David Benham; being:
 - 7.1. Chief Executive to seek expressions of interest from suitably qualified candidates
 - 7.2. Sub-committee to assess Expressions of Interest received and determine a shortlist of candidates for interview
 - 7.3. Sub-committee to undertake interviews of shortlisted candidates, after which the Sub-committee recommends the appointment of the preferred appointee to Council.

HBRC Representation Review

8. Initiates the review of the Hawke's Bay Regional Council's representation arrangements as required by the Local Electoral Act 2001 (LEA) and the Local Government Act 2002.
9. Requests that staff present a proposal for Council's consideration and resolution

of the HBRC initial proposal for public notification to the 25 July 2018 Regional Council meeting based on the Council's current representation arrangements with the inclusion of the meshblock changes from the Ngaruroro Constituency to the Hastings Constituency as aligned with the Hastings District Council ward boundary changes.

Councillor Appointment to HB Tourism Board of Directors

10. Appoints Councillor Tom Belford to the HB Tourism Board of Directors as Council's representative, replacing Councillor Fenton Wilson.

Draft Statement of Investment Policy Objectives and Treasury Policies

11. Agrees to the new borrowing limits to align them to the Local Government Funding Agency lending policy requirements.
12. Adopts the Statement of Investment Policy Objectives (attached) as amended as agreed by the Corporate and Strategic Committee meeting on 13 June 2018.
13. Adopts the Treasury Policy (includes Investment and Liability Management policies) as amended as agreed by the Corporate and Strategic Committee meeting on 13 June, and included in the HBRC 2018-28 Long Term Plan, part 7.
14. Agrees to progress the Request for Proposals (RFP) process for the provision of Diversified Investment Portfolio management services, confirming an Open competitive procurement process will be undertaken, and that the RFP Assessment Panel will include all councillors.

HBRIC Ltd Draft 2018-19 Statement of Intent

15. Approves the HBRIC Ltd submitted 2018-19 Statement of Intent and notes that the Statement of Intent reflects Council's objectives for HBRIC Ltd and has been prepared in accordance with the requirements of the Local Government Act 2002.

Consideration of Debt Facility - HBRC to HBRIC Ltd

16. Agrees to provide an initial \$6 million loan facility, with potentially up to \$10 million, to HBRIC Ltd and to reduce the funds available to the Diversified Investment Portfolio to \$44 million to enable provision of that loan facility. Interest rates are to be reviewed and agreed annually.

Reports Received

17. Notes that the following reports were provided to the Corporate and Strategic Committee
 - 17.1. **Procurement and Contract Management Internal Audit** (*resolved: Endorses the Procurement and Contract Management Internal Audit Report, including the commentary, and any follow-up actions, provided against each of the report's recommendations by HBRC Executive staff*)
 - 17.2. **Water Management Internal Audit** (*resolved: Requests that staff provide a comprehensive report on progress responding to the Crowe Horwath Water Management Internal Audit report findings and recommendations to the 3 October 2018 Corporate and Strategic Committee meeting*)
 - 17.3. Health and Safety Update.

**Kirton/Beaven
CARRIED**

7. Adoption of the HBRC 2018-28 Long Term Plan

There was discussion around the community outcome measures as discussed at several workshops with council throughout development of both the Strategic Plan and LTP, levels of service and performance (output) measures, as well as the LTP document itself. Audit has provided clearance through provision of the Audit Opinion

tabled, and now included in the LTP document.

RC83/18

Resolutions

That the Hawke's Bay Regional Council:

1. Receives the "Adoption of the HBRC's 2018-28 Long Term Plan" staff report.
2. Authorises the Chair and Chief Executive to sign the Audit New Zealand Letter of Representation on behalf of the Council.
3. Adopts the audited 2018-2028 Long Term Plan including the Audit New Zealand audit opinion as presented, including changes referenced on the Change Sheet following and any further minor editorial corrections as necessary, in accordance with Section 93 of the Local Government Act 2002.

CHANGE SHEET

| Section | Pages | Change made |
|------------|--------------------|---|
| FS | 34 | Change to reflect risk to assumptions page 279 |
| IS | 42, 57, 60, 62, 63 | "Figure Error" fixed |
| IS | 43, 44 | Physical asset descriptions changed to be consistent with CD |
| IS | 52 | Bullet points inserted in table. |
| IS | 57, 60 | Graphs increased in size for better readability |
| IS | 60 | Definition of AEP added as a footnote "12 A 1% AEP flood flow has a 1% or 1 in 100 chance of occurring in any one year and a 10% chance of occurring in any 10 year period". |
| GOAs | 82 | Bolded text added into performance measure for clarity "Number of submissions on resource-related proposals made to local and central government per annum". "Baseline: Three year rolling average to 2017 = 5.67" added to "Previous Performance" column. |
| GOAs | 89 | Bolded text added into performance measure "A 5-yearly State of the Environment Monitoring Report is produced along with annual scorecards and monthly updates. Results are made available primarily through digital media and summarised in the Annual Report. " |
| GOAs | 99 | Definition of AEP added as a footnote "A 1% AEP flood flow has a 1% or 1 in 100 chance of occurring in any one year and a 10% chance of occurring in any 10 year period." |
| GOAs | 109 | Numbering in "Activity" column corrected from 4.1 to 6.1 etc. |
| GOAs | 110 | Baseline data from Maritime NZ for "Number of maritime incidents occurring per year reported to Maritime New Zealand" added to the "Previous Performance" column "Baseline: Three year rolling average to June 2018 = 43*. Target: Maintain or decreasing trend. * For the three years between June 2015-2018, there were 129 incidents reported. For the year ending June 2018, there were 82 incidents reported. This significant increase in reporting is consistent with a national increase and reflects a joint focus by the Harbourmaster and Maritime NZ to make people aware of their obligation to report incidents" |
| GOA | 111 | Correct Consents and Compliance Graph axis |
| Financials | 131 | Update headings for consistency |
| Financials | 145-148 | Rates Comparison include wording re GST inclusive |

| | | |
|------------|---------|---|
| Financials | 151-175 | Update Rating headings/wordings etc. |
| Financials | 177-185 | FIS headings |
| Policies | 209 | Reword LGFA from consultation to joining |
| Policies | 229 | Provided general funding wording |
| Policies | 262 | Change financial statements to prospective financial statements |
| Policies | 279 | Change HBRIC Dividend risk assumption wording |

FS = Financial Strategy

IS = Infrastructure Strategy

GOAs = Groups of Activities

- Instructs staff to publish the HBRC 2018-28 Long Term Plan in its final form, within one month of today in accordance with legislative requirements.

**Graham/Kirton
CARRIED**

Councillors Peter Beaven and Tom Belford left the meeting at 11.37am

8. Recommendations from the Regional Transport Committee

Mrs Anne Redgrave, Transport Manager, introduced the item and outlined the variations to the Regional Land Transport Plan as a result of mid-term review and the change of government bringing in considerable policy changes before Cr Alan Dick provided additional contextual comments. Discussions traversed:

- New government's policy signals transformational change
- Road safety initiatives including rural intersections, speed limits and additional funding available to assist local authorities with road safety improvement initiatives
- Public transport challenges around Ahuriri
- Napier Port access and traffic volumes

RC84/18 Resolutions

That Council:

- 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 issues without conferring directly with the community.

Regional Land Transport Plan 2015-25 -2018 Review

- Approves the Regional Land Transport Plan 2015-25 as amended by the 2018 review.
- Forwards the Regional Land Transport Plan to the New Zealand Transport Agency no later than 30 June 2018, as required under the Land Transport Management Act 2003.

Reports Received

- Notes that the following reports were provided to the Regional Transport Committee meeting:
 - Advisory Representatives' Verbal Updates
 - June 2018 Transport Manager's Report
 - NZTA Central Region - Regional Director's Report June 2018
 - June 2018 Public Transport Update
 - Roadsafe Hawke's Bay June 2018 Update

**Dick/Wilson
CARRIED**

9. Remuneration Review for Tāngata Whenua Members of the Māori Committee

Mrs Liz Lambert introduced the item, which seeks Council's agreement to the remuneration level for the tai whenua representatives appointed to the Maori Committee as recommended by the Shannon report and as provided for in the 2018-19 budgets.

RC85/18

Resolutions

That the Hawke's Bay Regional Council:

1. Receives and notes the Remuneration Review for "Tāngata Whenua Members of the Māori Committee" staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision.
3. Agrees, with effect from 1 July 2018, that Tāngata Whenua Members of the Māori Committee will be paid a meeting fee of \$400 per day plus payment of disbursements (travel and accommodation, where required).

**Dick/Bailey
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 | Lots 1 & 2 DP 11873 CT J1/822 - Agreement for Sale and Purchase | 4229 | 29 May 2018 |
| 1.1.2 | Lot 96 DP 13055 CT E2/18 - Agreement for Sale and Purchase | 4231 | 12 June 2018 |
| 1.1.3 | Lot 1 DP 14447 CT G2/650 - Agreement for Sale and Purchase | 4232 | 12 June 2018 |
| 1.1.4 | Lot 35 DP 4488 CT 55/136 - Agreement for Sale and Purchase | 4233 | 12 June 2018 |
| 1.1.5 | Lot 52 DP 13039 CT E2/11 - Transfer | 4234 | 12 June 2018 |
| 1.1.6 | Lot 68 DP 12207 CT D1/1442 - Agreement for Sale and Purchase - Transfer | 4235 4236 | 15 June 2018 15 June 2018 |

| | | | |
|-----|--|------|-------------|
| 1.2 | 1.2.1 D. Carruth (Delegations under Resource Management Act 1991; Soil Conservation and Rivers Control Act 1941; Land Drainage Act 1908 and Civil Defence Act 1983 (s.60-64); Civil Defence Emergency Management Act 2002 (s.86-91) and Local Government Act 2002 (s.174) | 4230 | 8 June 2018 |
|-----|--|------|-------------|

RC86/18

Resolutions

That Council:

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

**Wilson/Dick
CARRIED**

11. Report from 12 June Maori Committee

Mr Mohi introduced the item, adding that the meeting was well attended by local members of the public and provided the opportunity for the community to raise local issues as well as speak with managers directly and share information. Although not put forward through this item, there was a recommendation from the Māori Committee for Council to advocate for a rahui on commercial eel fishing in Hawke's Bay.

RC87/18

Resolutions

1. That the Hawke's Bay Regional Council:
 - 1.1. receives and notes the "**Report from 12 June Māori Committee**".
 - 1.2. requests that the Māori names are used next to Scientific names in any papers presented to the Māori Committee in future.
 - 1.3. advocates for a rahui on commercial fishing of eels be introduced in an effort to place a moratorium on the industry in Hawke's Bay pending investigations.
 - 1.4. requests that staff draft a letter for the signature of the Chairman, to the Ministry for Fisheries, advocating for a rahui on commercial fishing of tuna (eels) in Hawke's Bay.

**Bailey/Graham
CARRIED**

12. Report from the Regional Planning Committee

The item was taken as read, being that the RPC meeting did not establish a quorum and so all items were deferred to the 1 August meeting.

RC88/18

Resolution

That Council receives and notes the Report from the Regional Planning Committee.

**Graham/Wilson
CARRIED**

13. Significant HBRC Staff Projects and Activities Through July 2018

Discussions traversed:

- interest in Carbon Forestry field days about different carbon forestry options available, gaining carbon credits for different planting purposes and assessing farm greenhouse gas footprints
- Applications for plantation forestry consents are advised weekly via the regular 'consents received' report, potential 'value' of slash materials if recovery possible/economic
- Yellow bristle grass in Wairoa, and coordination with WDC around stock movements in control areas
- Landcorp and NCC Ahuriri stormwater discharges, and request for a briefing about the NCC stormwater strategy
- Results of the high level assessment of 4 of Hawke's Bay's shallow lakes (Poukawa, Whatuma, Oingo and Runanga) will go to future Environment and Services committee.

RC89/18

Resolution

That Council receives and notes the ***Significant HBRC Staff Projects and Activities through June 2018*** report.

Kirton/Wilson
CARRIED

14. Discussion of Items Not on the Agenda

| Topic | Raised by |
|--|---------------|
| Attended a Te Puukenga Atawhai at Kahungunu marae in Nuhaka about marae protocol such as powhiri, with interesting discussions about te Tiriti and Māori structures. | Paul Bailey |
| Water take consent applications coming in and whether those on Heretaunga Plains have come in since the moratorium came into effect | Paul Bailey |
| Wairoa River public meeting held by WDC, which challenged HBRC work to shore up the bank to protect the playground and Ferry Hotel. Steve Cave has been working to design and build a protection wall. | Fenton Wilson |
| Hotspots – invitation to a hot spot opening tomorrow at 11.30 in CHB | Debbie Hewitt |

Mr Mohi offered a karakia to close the meeting.

Closure:

There being no further business the Chairman declared the meeting closed at 12.36pm on Wednesday 27 June 2018.

Signed as a true and correct record.

DATE:

CHAIRMAN: