



## MINUTES OF A MEETING OF THE REGIONAL COUNCIL

**Date:** Wednesday 24 October 2018

**Time:** 10.20am

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

**Present:** R Graham - Chairman  
P Bailey  
R Barker  
P Beaven  
T Belford  
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  
P Munro – Te Pou Whakarae  
J Lawrence – Group Manager Office of the CE & Chair  
T Skerman – Group Manager Strategic Planning  
I Maxwell – Group Manager Integrated Catchment Management  
L Hooper – Principal Governance Advisor  
M Collings – Chief Financial Officer  
S Lucy – Audit New Zealand

## 1. Welcome/Prayer/Apologies/Notices

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

Mr Pieri Munro acknowledged the passing of Gordon Paku and offered a karakia, followed by an acknowledgement of Gordon's work in the community from the Chairman.

RC109/18 That the apologies from councillors Fenton Wilson and Peter Beaven for departure at 12.30pm and 1.00pm respectively be accepted.

**Belford/Bailey  
CARRIED**

## 2. Conflict of Interest Declarations

There were no conflict of interest declarations.

## 3. Confirmation of Minutes of the Regional Council Meeting Held on 26 September 2018

### RC110/18 Resolution

Minutes of the Regional Council Meeting held on Wednesday, 26 September 2018, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Bailey/Wilson  
CARRIED**

### 3a. Confirmation of Minutes of the Regional Council Meeting Held on 3 October 2018

RC111/18 Minutes of the Regional Council Meeting held on Wednesday, 3 October 2018, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Hewitt/Beaven  
CARRIED**

## 4. Follow-up Items From Previous Regional Council Meetings

The item was taken as read, with queries and discussion covering:

- updates on the activities of the Tukituki water taskforce (detailed in agenda item 13) and receiving minutes of those meetings
- advice that the Thames-Tyne catchment management plan was provided to councillors via email yesterday
- discussions about the concrete (dumped in the Karamu) that has not been removed to date as discussions continue with the landowner about using it to remediate erosion of the riverbank.

### RC112/18 Resolution

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

**Kirton/Bailey  
CARRIED**

## 5. Call for Items of Business Not on the Agenda

### Recommendations

That Council accepts the following “Minor Items Not on the Agenda” for discussion ***only*** as Item 14:

Item	Topic	Raised by
1.	Whitebait	Cr Beaven

## 6. Youth Environment Council Year-end Report and Presentation

Sally Chandler introduced Jake Rookie, who has been acting as facilitator for the Youth Environment Council. Jake outlined the purpose and activities of the group over the last year as well as plans for future events, thanking all those who have participated and contributed to the group's success.

### RC113/18 Resolution

That Hawke's Bay Regional Council receives and notes the ***"Youth Environment Council Year-end Report and Presentation"***

Bailey/Barker  
CARRIED

## 7. Final Representation Arrangements and Referral to the Local Government Commission for Determination

The item was taken as read, with some discussions around proportional representation based on land area rather than population as noted in the submission from the CHB Mayor.

### RC114/18 Resolutions

1. That the Hawke's Bay Regional Council receives and considers the Central Hawke's Bay District Council submission on the Initial Proposed Representation Arrangement.
2. The Hawke's Bay Regional Council, having considered the written submission from Central Hawke's Bay District Council, confirms its initial proposal for the Hawke's Bay Regional Council representation arrangements for the elections to be held on 12 October 2019, being for:
  - 2.1. Five constituencies, as the identified communities of interest in Hawke's Bay, the proposed names and boundaries of each of the five being:
    - 2.1.1. **Central Hawke's Bay**; the constituency boundary being the same as that for the Central Hawke's Bay District Council area.
    - 2.1.2. **Hastings**; the constituency boundary being that area which encompasses the wards of Flaxmere, Hastings-Havelock North and most of Heretaunga within the Hastings District Council area.
    - 2.1.3. **Napier**; the constituency boundary being the same as that for the Napier City Council area.
    - 2.1.4. **Ngaruroro**; the constituency boundary being that area which encompasses the wards of Mohaka, Kahuranaki and parts of Heretaunga within the Hastings District Council area as well as meshblocks within the Regional boundary belonging to Rangitikei and Taupo District councils.
    - 2.1.5. **Wairoa**; the constituency boundary being the same as that for the Wairoa District Council area.
  - 2.2. Agrees to include the following meshblocks from the Ngaruroro Constituency into the Hastings Constituency in order to align with Hastings District Council ward boundaries in accordance with LEA, and resulting in an increase in population in the Hastings Constituency (+350) and a decrease in population in the Ngaruroro Constituency (-350):
    - 2.2.1. 1465506 and 1465601 (100)
    - 2.2.2. 1466710 (250).

- 2.3. Nine (9) elected members, those being:
  - 2.3.1. One (1) member elected by the Central Hawke's Bay Constituency
  - 2.3.2. Three (3) members elected by the Hastings Constituency
  - 2.3.3. Three (3) members elected by the Napier Constituency
  - 2.3.4. One (1) member elected by the Ngaruroro Constituency
  - 2.3.5. One (1) member elected by the Wairoa Constituency.
3. Notes that this proposal does not fully comply with the *Local Electoral Act 2001* section 19V(2), but that the proposal is considered the most appropriate solution for Hawke's Bay.
4. Applies to the Local Government Commission for approval to retain the Central Hawke's Bay, Napier, Ngaruroro and Wairoa constituencies as "communities of interest" with effective representation warranting non-compliance with the LEA, section 19V(2) +/-10% fair representation requirement, as shown in the table following, and with the reasons for the application being:
  - 4.1. compliance with s.19V(2) would limit effective representation of communities of interest by, in the cases of Central Hawke's Bay and Wairoa, requiring the grouping together of communities of interest with few commonalities of interest, and in Napier and Ngaruroro, would require dividing a community of interest.

#### Constituency Population Statistics

Constituency	Population	Reps	Population per Rep	Difference from average	Percentage difference
Central Hawke's Bay	13,850	1	13,850	-4,380	<b>-24.03%</b>
Hastings	59,150	3	19,700	+1,470	+8.06%
Napier	62,000	3	20,700	+2,470	<b>+13.37%</b>
Ngaruroro	20,850	1	20,850	+2,620	<b>+14.4%</b>
Wairoa	8,220	1	8,220	-10,010	<b>-54.91%</b>
<b>Total</b>	<b>164,070</b>	<b>9</b>	<b>18,230</b>		

\* The populations used are the estimated resident population as at 30 June 2017 provided by Statistics NZ.

The % difference column shows the calculation applied when determining whether an area complies with the +/-10% rule in section 19V(2) of the LEA. Where this difference falls outside the +/-10% range it is shown in **bold**.

5. Agrees to publicly notify the final proposal on 27 October 2018 to comply with the *Local Electoral Act 2001*.
6. Acknowledges the consultation procedures required for Representation Reviews under the Local Electoral Act (sections 19M and 19N).
7. Provides all of the Representation Review documentation to the Local Government Commission as soon as practicably possible to enable that body's determination of the Representation Arrangements for the Hawke's Bay Regional Council elections to be held on 12 October 2019.

**Barker/Wilson  
CARRIED**

## 8. Adoption of the Audited 2017-18 Annual Report

Stephen Lucy, Auditor from Audit NZ, was present to answer queries from councillors, advising that a qualified audit opinion has been given similar to last year due to the key uncertainty of the RWSS write-down tax value. In relation to mis-statements, Audit had

some questions in terms of the Port's revaluation of its sea defense assets (not material so does not mislead the accounts), the value of Council's investment in HBRIC Ltd and how that flows through to the Port, as well as the accounting treatment of the Tangoio Soil Conservation Reserve land.

**RC115/18 Resolution**

That Hawke's Bay Regional Council adopts the audited 2017-18 Annual Report, under Section 98 of the Local Government Act 2002, and authorises the Chairman and Chief Executive to sign the Annual Report on behalf of Council.

**Kirton/Bailey  
CARRIED**

**9. Proxy for the HBRIC Ltd Annual General Meeting**

The item was taken as read, noting the AGM is on Friday 26 October 2018 at 12noon.

**RC116/18 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.
2. Notes the date of the Hawke's Bay Regional Investment Company Limited Annual General Meeting, being Friday 26 October 2018.
3. Appoints Rick Barker as Council's proxy at the seventh Annual General Meeting of the Hawke's Bay Regional Investment Company Limited to be held Friday 26 October 2018 at 12pm in the Chamber at Hawke's Bay Regional Council, and to vote as proxy holder on behalf of the Council, and appoints Paul Bailey, to act as alternate.

**Wilson/Kirton  
CARRIED**

**10. Report and Recommendations from the Corporate & Strategic Committee**

James Palmer advised that the Kahutia lease agreement was delayed due to late receipt of the draft agreement which resulted in legal advice not being able to be prepared in time for this meeting. There was some discussion about when the information requested would be available and presentation of it to the 28 November Council meeting, along with the related Corporate & Strategic Committee recommendation deferred from this meeting.

At the Chair's request, Cr Belford provided an update on discussions around alternative funding possibilities for HB Tourism including some formulation of bed tax imposed uniformly at a national level and paid to the regional tourism bodies.

Councillor Kirton, as committee Chair, highlighted discussions on the day including the Ethical Investments Policy and the public notification of an application to transfer a water take for water bottling.

**RC117/18 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 and Risk Sub-Committee**

2. Having considered the staff advice provided, the Corporate and Strategic Committee requests that staff include the disclosure of Regional Planning Committee and Māori Committee tangata whenua representatives' remuneration in the Council's 2017-18 Annual Report, in the form following, for Council approval as part of the adoption of the Annual Report for publication on 24 October 2018.

- 2.1. List of individual members' names, the actual remuneration paid, and the actual expense reimbursements paid for the 2017-18 financial year.

### **Proposed 2019 Schedule of Meetings**

3. Adopts the 2019 Schedule of Meetings as amended from 3 October 2018.

### **Ethical Investments Policy**

4. Notes and reaffirms the current Ethical Investments Policy as initial guidance to be provided to Council's Investment Fund managers.
5. Undertakes a full ethical investment workshop and policy development process for interested councillors over the next six months.

### **Notification Decision for Application to Transfer Water Take Resource Consent**

6. Having considered the material provided on 3 October 2018, and pursuant to RMA s.95A decides that the application WP180323T from Sleeping Giant Holdings Limited to transfer resource consent WT138207T to take and use water from well no. 15391 (200 mm diameter) for the purpose of water bottling is to be processed on a *publicly notified* basis.

**For: Barker, Bailey, Beaven, Belford, Kirton, Graham**  
**Against: Dick, Hewitt, Wilson**

### **Reports Received**

7. Notes that the following reports were provided to the Corporate and Strategic Committee:
  - 7.1. Kahutia - Ngati Kahungunu Iwi Incorporated Carbon Credit Proposal (*Resolved: Endorses the Chief Executive negotiating a lease of New Zealand Units to Kahutia Limited consistent with the proposal as detailed; Requests that the Chief Executive provides a draft contract and appropriate legal and financial advice to Council on 24 October 2018 to enable consideration of a decision, to approve a lease agreement with Kahutia Limited*)
  - 7.2. 2017-18 Annual Report Update
  - 7.3. HB Tourism update
  - 7.4. Establishment of a Project Management Office.

**Kirton/Bailey**  
**CARRIED**

## **11. Affixing of Common Seal**

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

		Seal No.	Date
1.1	<b>Leasehold Land Sales</b>		
	1.1.1 Lot1		
	DP 10780		
	CT HBC2/349		
	- Agreement for Sale and Purchase	4265	18 September 2018

	1.1.2 Lot 1 DP 10780 CT HBC2/349 - Agreement for Sale and Purchase	4267	26 September 2018
	1.1.3 Lot 3 DP 14960 CT HBG4/477 - Agreement for Sale and Purchase	4270	28 September 2018
<b>1.2</b>	1.2.1 Dean Evans (Delegations under Resource Management Act 1991; (s.22, 38, 332, 333))	4268	1 October 2018
	1.2.2 Daniel Winchester Dean Evans (Delegations under Local Government Act 2002, Soil Conservation and Rivers Control Act 1941; (s126 132-133, 135); Land Drainage Act 1908; (s17-19, 23, 26-27))	4266 4269	25 September 2018 1 October 2018
	1.2.3 Matthew Short (Delegations under Biosecurity Act 1993; (s43, 106, 109, 111, 113-115, 118-121, 121A, 122-123)	4271	3 October 2018
	1.2.4 Natasha Goldring Karl Wairama Harvey Collerton (Delegations under the Civil Defence Emergency Management Act 2002 (s.86-92 inclusive) and Clause 32B Schedule 7 of the Local Government Act 2002)	4262 4263 4264	17 September 2018 17 September 2018 17 September 2018

## RC118/18 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 that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 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.

**Barker/Beaven  
CARRIED**

## 12. Report from 16 October Māori Committee

Mr Mike Mohi, Māori Committee Chairman, introduced the item and provided a recounting of discussions on the day, highlighting the introduction of and attendance by Pieri Munro as well as the Matiti urupa partnership to repatriate Hūramua Marae tupuna, adding that Pakowhai Marae is sadly experiencing similar issues, and a presentations from Paora Sciascia about the potential for revegetating part of the riverbank behind the Porangahau Marae to create whitebait habitat and two EIT students.

RC119/18 **Resolution**

That the Hawke's Bay Regional Council receives and notes the "**Report from the 16 October Māori Committee Meeting**".

Barker/Wilson  
CARRIED

19. **Chairman's October 2018 Report**

The Chairman tabled his report, which provides a summary of Council's achievements over the past two years and his focus over the next 12 months leading up to the 2019 elections.

**Resolution**

RC120/18 That Council receives and notes the "**Report from the 16 October Māori Committee Meeting**".

Graham/Beaven  
CARRIED

13. **Significant HBRC Activities through November 2018**

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

- Tukituki water taskforce activities and updates to be provided to councillors
- Regional Biosecurity Plan has been through the hearings process and has recommendations ready for the 28 November 2018 Regional Council meeting for adoption as delegated by the Council
- Central Government proposals for the 'essentially freshwater' water reform including a request for councillors to be informed of potential implications
- HPUDS implementation working group meeting scheduled 19 November and a request for inclusion of a list of recent developments referenced against whether those developments meet the rules as well as a map showing those
- Reporting on significant projects, including financials, to Council quarterly across the organisation to the Corporate and Strategic Committee, on outcomes six-monthly. The Project Management Office will report to C&S quarterly on the 19 pilot projects. Councillors appreciate the monthly 'activities' reports as provided currently.
- FEMPS for landowners in the Tutira catchment being facilitated by a dedicated resource to drive the process over the 5 years of the project (currently in year 2)
- Query how many applications for resource consent and/or harvest notices have been received since the National Policy Statement for Plantation Forestry came into force
- Correspondence and newspaper articles in relation to Whakaki
- Outdoor Burning tool is an app for landowners to be able to determine the best time to burn.

RC121/18 **Resolution**

That the Hawke's Bay Regional Council receives and notes the **Significant HBRC Activities through October 2018** report.

Wilson/Beaven  
CARRIED

14. **Discussion of Items Not on the Agenda**

	Topic	Raised by
1.	Whitebait Met with Andy Hicks and landscaping staff to discuss potential spawning habitat enhancement initiatives with reports of catches this season having increased from last year	Cr Beaven



2.	Concrete dumped in Karamu Stream (update in response to Item 4 query) James Palmer provided an update on the current status, advising an infringement for the first offence and an abatement notice issued to the offender to remove the materials was appealed to Environment Court. The appeal was subsequently withdrawn and the fine paid, but materials have not been removed. HBRC Asset Management was advised in June 2018 that another load of concrete was dumped in the river at the same address and have agreed with the landowner (& offender) that HBRC will contribute to an engineering solution (e.g. vegetated wall system) to stabilise the bank. Engineering technical view is that removing the concrete could lead to further erosion and the concrete is best dealt with at the time of construction of the bank stabilising structure – likely to occur over summer while river levels are low.	Cr Belford
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## 15. Napier Port Capital Structure Project Update

### RC122/18 Resolutions

1. That Council excludes the public from this section of the meeting, being Agenda Item 15 Napier Port Capital Structure Project Update 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

Napier Port Capital Structure Project Update

#### REASON FOR PASSING THIS RESOLUTION

7(2)(b)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which otherwise would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

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).

#### 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.

2. That Blair O'Keeffe, HBRIC Ltd Chief Executive, remains in attendance as subject matter expert to respond to councillors' queries as appropriate.

**Wilson/Beaven**

**For: Dick, Hewitt, Barker, Beaven, Wilson, Kirton, Graham**

**Against: Bailey, Belford**

**CARRIED**

## 16. Nominations for Certificates of Appreciation for Environmental Initiatives

### RC123/18 Resolution

That Council excludes the public from this section of the meeting, being Agenda Item 16 Nominations for Certificates of Appreciation for Environmental Initiatives 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
Nominations for Certificates of Appreciation for Environmental Initiatives	7(2)(a) 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 protect the privacy of natural persons.	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**Wilson/Beaven  
CARRIED**

# **17. Confirmation of Public Excluded Minutes of the Regional Council Meeting Held on 26 September 2018**

## **RC124/18 Resolution**

That the Council excludes the public from this section of the meeting being Confirmation of Public Excluded Minutes Agenda Item 17 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
Investment Funds Manager Selection	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.
Napier Port Capital Structure Project Update	7(2)(c)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide and would be likely otherwise to damage the public interest  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	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.
Confirmation of Public Excluded Meeting held on 12 September 2018	7(2)(a) 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 protect the privacy of natural persons	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**Wilson/Beaven  
CARRIED**

# **18. Confirmation of Public Excluded Minutes of the Regional Council Meeting Held on 3 October 2018**

## **RC125/18 Resolution**

That the Council excludes the public from this section of the meeting being Confirmation of Public Excluded Minutes Agenda Item 18 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
Adoption of the Proposed Amendment of the 2018-2028 Long Term Plan	7(2)(c)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide and would be likely otherwise to damage the public interest	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.
Adoption of the Supporting Information for the Consultation Document for the Napier Port Capital Structure	7(2)(c)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide and would be likely otherwise to damage the public interest	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.
Adoption of the Consultation Document for the Napier Port Capital Structure	7(2)(c)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide and would be likely otherwise to damage the public interest	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**Wilson/Beaven  
CARRIED**

***The meeting went into public excluded session at 12.00pm and out of public excluded session at 12.30pm***

**Closure:**

There being no further business the Chairman declared the meeting closed at 12.30pm on Wednesday 24 October 2018.

Signed as a true and correct record.

**DATE:** .....

**CHAIRMAN:** .....