



Meeting of the Hawke's Bay Regional Council

Date: Wednesday 18 December 2019
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

ITEM	SUBJECT	PAGE
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2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Regional Council Meeting held on 27 November 2019	
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HAWKE'S BAY REGIONAL COUNCIL

18 December 2019

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 assess 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 Meetings" staff report.

Authored by:

Leeanne Hooper
PRINCIPAL ADVISOR GOVERNANCE

Approved by:

James Palmer
CHIEF EXECUTIVE

Attachment/s

[1](#) Followups for December2019 Council mtg

Follow-ups from previous Regional Council Meetings

Meeting held 27 November 2019

	Agenda Item	Action	Responsible	Status Comment
1	Councillor Remuneration and Allowances	Complete required Remuneration Authority documentation and forward for Gazette process	L Hooper / J Palmer	A verbal update will be given at the meeting
	2018-19 Compliance Annual Report	Explanation of the Bore Security triage system and associated timeframes	N Zaman / E Lambert	Emailed to Councillors on 11 Dec 2019 (Reference 1)
	Significant Activities Update	Upload corporate structure and contacts to Stellar Library for councillors	L Hooper / J Lawrence	A copy of the current corporate structure is now in Stellar – this is an internal only document. Contact details for Group Managers and their EAs has also been added to Stellar. Other staff can be contacted through the Council's main number (06 835 9200).

Meeting held 6 November 2019

	Agenda Item	Action	Responsible	Status Comment
	Adoption of Standing Orders	Re-write of standing orders to be more specific to HBRC	R Barker / M Williams	In progress
	Adoption of Code of Conduct for Elected Representatives	Amend to reflect feedback and re-present for adoption	L Hooper / J Palmer	Amended Code adopted 27 November including further amendments agreed, and published to Stellar and Council website 5 December 2019

Reference follow-up 1

Attachment 1

From: Annelie Roets **Sent:** Wednesday, 11 December 2019 10:38 AM

Subject: Council follow ups: Explanation of the Bore Security triage system and associated timeframes

Good morning Councillors

In response to the 27 November Council meeting on the 2018-19 Compliance Annual Report -

Please find below an email response in relation to the Explanation of the Bore Security triage system and associated timeframes.

Bore security triage

As a result of the Havelock North drinking water contamination the Regulation section of Council has implemented a bore security programme. The Compliance section has risk-prioritised the compliance monitoring related to the bore security as it has doesn't currently have the resources to implement the total programme at once. Prioritisation or "triage" and associated timeframes are as follows:

1 TLA public water supplies.

These are largely complete with some CHBDC bores awaiting final inspection.

Expected completion early 2020.

2 Pre expiry compliance visits.

Currently being implemented 2019- ongoing.

Item 4

In tandem with 1 and 2 above, all new resource consents for water takes, existing consents that receive a change of consent conditions, and all new bore consents have a new consent condition requiring the consent holder to ensure the bore is secure.

Some of the large Horticulture companies who have had a consent that falls into this category have been proactive in getting all their bores secure.

3 Private water supplies servicing multiple dwellings.
Programmed for 2020.

4 Bores within the source protection zones for Public Water supplies.
Yet to be started – post 2021.

5 All other consented takes catchment by catchment.
Yet to be started – post 2021.

6 Permitted activity inspections for domestic and stock.

Yet to be started – post 2022.

A more detailed report on bore security will be presented to the Council or appropriate Committee in the New Year with estimated resources to bring forward (accelerate) the current programme.

Cheers

Nick Zaman

Manager Compliance

HAWKE'S BAY REGIONAL COUNCIL

18 December 2019

Subject: CALL FOR MINOR ITEMS OF BUSINESS NOT ON THE AGENDA

Item 5

Reason for Report

1. Hawke's Bay Regional Council standing order 9.13 allows:
 - 1.1. "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

2. That Council accepts the following "Minor Items of Business Not on the Agenda" for discussion as Item 14.

Item	Topic	Raised by
1.		
2.		
3.		

Leeanne Hooper
GOVERNANCE LEAD

James Palmer
CHIEF EXECUTIVE

HAWKE'S BAY REGIONAL COUNCIL

18 December 2019

Subject: HBRIC LTD AND NAPIER PORT HOLDINGS LTD DIRECTOR APPOINTMENTS

Item 6

Reason for Report

1. This report from Hawke's Bay Regional Investment Company (HBRIC) outlines the process for approving upcoming director re-appointment resolutions at the Napier Port AGM and seeks Council input to the resolutions so that HBRIC can vote as a 55% shareholder.

Background/Discussion

2. Following the recent IPO, HBRIC holds 55% of the shares in Napier Port.
3. When HBRIC was the 100% shareholder, Council approval was required for all director appointments to subsidiary companies of HBRIC, including Napier Port Holdings Ltd.
4. In a listed company context this is no longer Council policy for Napier Port (as adopted 25 September 2019), but remains the case for all appointments other than Napier Port.
5. The revised protocol for Napier Port director appointments is for HBRIC to seek Council input to director appointment resolutions for Napier Port.
6. The existing Board of Napier Port was reviewed and ratified as part of the recent IPO process and although no retirements are required this year, Napier Port has elected to offer two directors for re-appointment in order to spread out director appointment terms.
7. These are Alasdair MacLeod (current Chair) and Stephen Moir (current Chair of Audit and Risk).
8. The Napier Port shareholder notice is attached for information.

Decision Making Process

9. 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:
 - 9.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 9.2. The use of the special consultative procedure is not prescribed by legislation.
 - 9.3. The decision does not fall within the definition of Council's policy on significance.
 - 9.4. The decision is not inconsistent with an existing policy or plan.
 - 9.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *"HBRIC Ltd and Napier Port Holdings Ltd Director Appointments"* staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.

3. Notes and endorses the HBRIC Boards' recommendation of the re-appointment of the two nominated directors.

Authored by:

**Jessica Ellerm
GROUP MANAGER CORPORATE
SERVICES**

**Blair O'Keeffe
HBRIC LTD CHIEF EXECUTIVE**

Approved by:

**James Palmer
CHIEF EXECUTIVE**

Attachment/s

- [↓1](#) Napier Port Annual Notice of Shareholders Meeting on 20 December 2019
- [↓2](#) HBRIC Board Members Profile

The background of the entire page is a photograph of a port scene. On the right, the red hull of a ship is visible, with the name 'RIO' partially seen. To the left, a large red crane is lifting a yellow container. In the background, there are stacks of colorful shipping containers and other port infrastructure under a clear blue sky.

NAPIER^o
PORT
Te Herenga Waka o Ahuriri

NOTICE OF ANNUAL SHAREHOLDERS MEETING

Notice is hereby given that the Annual Shareholders Meeting of
Napier Port Holdings Limited (the 'Company') will be held at:

**NAPIER CONFERENCE CENTRE,
48 MARINE PARADE, NAPIER
AT 10.30AM ON FRIDAY, 20 DECEMBER 2019.**

The Company's Board and management look forward
to seeing you at the Annual Shareholders Meeting.

Item 6

Attachment 1

LOCATION & KEY DATES

The Annual Shareholders Meeting of Napier Port Holdings Limited (the 'Company') will be held at:



Napier Conference Centre,
48 Marine Parade, Napier



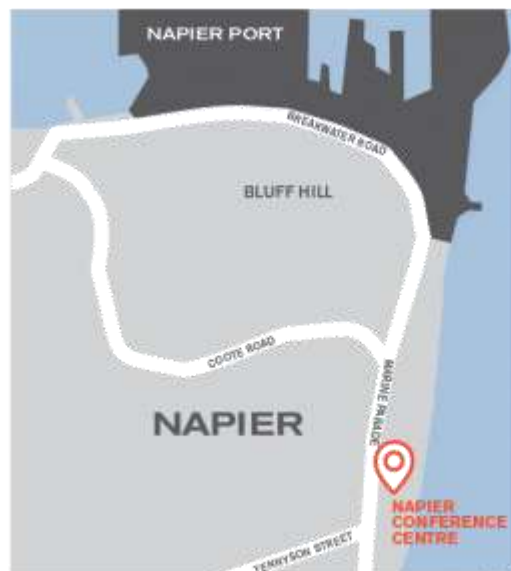
Friday, 20 December 2019
commencing at 10.30am

KEY DATES:

**VOTING ELIGIBILITY FOR THE
ANNUAL SHAREHOLDERS MEETING:**
Wednesday, 18 December 2019, 5.00pm.

**LATEST TIME FOR RECEIPT OF POSTAL VOTES
AND PROXY FORMS:**
Wednesday, 18 December 2019, 10.30am.

ANNUAL SHAREHOLDERS MEETING:
Friday, 20 December 2019, 10.30am.



BUSINESS AND AGENDA OF THE MEETING

A. CHAIRMAN'S ADDRESS

B. CHIEF EXECUTIVE'S ADDRESS

C. FINANCIAL REPORTS AND STATEMENTS

To receive and consider the Consolidated Financial Statements of Napier Port Holdings Limited and subsidiaries, Reports of the Directors and of the Auditor for the year ended 30 September 2019 as contained in the Company's 2019 Annual Report.

D. ORDINARY RESOLUTIONS

Shareholders will be asked to consider and, if thought appropriate, to pass the following resolutions:

1. RE-ELECTION OF ALASDAIR MACLEOD AS DIRECTOR:

Alasdair MacLeod retires in accordance with the provisions of the constitution of the Company and, being eligible, offers himself for re-election. For further details, see Explanatory Note 1.

2. RE-ELECTION OF STEPHEN MOIR AS DIRECTOR:

Stephen Moir retires in accordance with the provisions of the constitution of the Company and, being eligible, offers himself for re-election. For further details, see Explanatory Note 1.

3. AUDITORS:

To authorise Directors to fix the Auditor's remuneration for the ensuing year. For further details, see Explanatory Note 2.

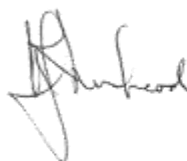
Resolutions 1, 2 and 3 are considered ordinary resolutions and, to be passed, require the approval of more than 50% of the votes of those shareholders entitled to vote and voting on the resolution, pursuant to section 105(2) of the Companies Act 1993. For further information on the resolutions, please see the Explanatory Notes.

E. GENERAL BUSINESS AND SHAREHOLDERS' QUESTIONS

Consideration of any Shareholder questions raised during the meeting.

Following the formal part of the meeting, the Directors invite Shareholders to join them for light refreshments.

On behalf of the Napier Port Holdings Limited Board,



ALASDAIR MACLEOD
Chairman

PROCEDURAL NOTES

PERSONS ENTITLED TO VOTE

The persons who will be entitled to vote at the meeting are those persons (or their proxies or representatives) registered as holding Ordinary Shares on Napier Port Holdings Limited's share register at 5.00pm, Wednesday 18 December 2019 (New Zealand time). Voting will be by way of a poll.

There are no restrictions on any shareholder or group of shareholders to prevent them from exercising their vote on any of the resolutions being considered at the meeting.

If you wish to vote in person, you should attend the Annual Shareholders Meeting where you will be issued with a voting card. Please bring your proxy form with you to the meeting to assist with your registration.

PROXIES AND CORPORATE REPRESENTATIVES

All shareholders are entitled to attend and vote at the Annual Shareholders Meeting or to appoint a proxy or representative (in case of a corporate shareholder), to attend and vote on their behalf. The appointment of a proxy or representative does not preclude a shareholder from attending and voting at the Annual Shareholders Meeting in place of the proxy or representative. A proxy need not be a shareholder of the Company. You may, if you wish, appoint 'The Chair of the Annual Shareholders Meeting' as your proxy by filling in the proxy form to that effect.

A proxy can be appointed online at:
<https://investorcentre.linkmarketservices.co.nz/voting/NPH>

Shareholders will require their CSN/Holder Number and Authorisation Code (FIN)

Alternatively, please use the **proxy form**, with which you can appoint a proxy, that accompanies the Notice of Meeting. The Chair will vote according to your instructions. If the Chair is not instructed how to vote, he will vote in favour of all resolutions.

If, in appointing your proxy, you do not name a person to be your proxy, or your named proxy does not attend the Annual Shareholders Meeting, the Chair of the Meeting will be your proxy and may only vote in accordance with your express direction.

RETURN OF PROXY FORMS

Proxy forms must be received at the office of the Company's share registrar, Link Market Services Limited, either by post to PO Box 91976, Victoria Street West, Auckland 1142, by email to: meetings@linkmarketservices.co.nz, or by fax to 09 375 5990, no later than 10.30am on Wednesday, 18 December 2019.

Results of the voting will be posted on the Company's website following the conclusion of the Annual Shareholders Meeting and finalisation of the voting results.

The Company's external auditor, Ernst & Young, will be available at our Annual Shareholders Meeting to answer questions from Shareholders relevant to the external audit.

EXPLANATORY NOTES

1. RESOLUTION 1&2: RE-ELECTION OF DIRECTORS

Under NZX Listing Rules, and in accordance with the Company's Constitution, all directors must not hold office without re-election past the third Annual Shareholders Meeting of shareholders following the director's appointment or three years, whichever is longer. Six of the seven current directors of the Company were appointed on incorporation on 12 June 2019. The seventh director was appointed on 27 June 2019. As such, no director is required to retire pursuant to the NZX Listing Rules this year. However, the board of Napier Port Holdings Limited has decided that each of Alasdair MacLeod and Stephen Moir will retire by rotation and each offer themselves for re-election at the 2019 Annual Shareholders Meeting in order to stagger the director retirements by rotation under the NZX Listing Rules in the future. If this is not done, all seven directors of the Company may be required to retire during the same year.

A BRIEF BIOGRAPHICAL NOTE ON BOTH DIRECTORS IS INCLUDED BELOW.

ALASDAIR MACLEOD

Chair of the Board and Independent Director, Alasdair MacLeod, retires by rotation pursuant to NZX Listing Rule 2.7.1 and offers himself for re-election. The Board has determined that Alasdair MacLeod is independent.

Alasdair joined the board of Port of Napier Limited in 2014 and was appointed Chair of the board of Port of Napier Limited in December 2014. Alasdair is also the Chair of the board of Napier Port Holdings Limited. Originally a civil engineer, Alasdair has a broad range of experience across the energy, infrastructure, technology and primary sectors. As a Partner at Deloitte for 12 years, Alasdair led the teams that developed New Zealand's Aquaculture Strategy, Horticulture Strategy and Red Meat Sector Strategy. Alasdair is chair of technology businesses Optimal Workshop Limited and SilverStripe Limited, and the independent member of the Board Appointments Committee for IHC New Zealand. Alasdair is Chair of the Hawke's Bay chapter of ExportNZ (a division of BusinessNZ) and was involved in authoring the Hawke's Bay Regional Economic Strategy – Matariki.

STEPHEN MOIR

Non-executive, Independent Director, Stephen Moir, retires by rotation pursuant to NZX Listing Rule 2.7.1 and offers himself for re-election. The Board has determined that Stephen Moir is independent.

Stephen was appointed as a director of Port of Napier Limited on 19 December 2016 and chairs the Audit and Risk Committee of Napier Port Holdings Limited. Stephen brings an extensive background in institutional banking and financial markets, having held senior roles at Westpac Institutional Bank, Credit Suisse (Singapore) and Citibank (Singapore, Thailand and Australia). Stephen is a director of The Guardians of the New Zealand Superannuation Fund and a director of the Todd Family Office. He was previously a non-executive director on the BNZ board, and chaired both BNZ Life Insurance Limited and BNZ Insurance Services Limited, as well as the advisory board to the Victoria University Chair of Business in Asia. Stephen was previously a member of the NZ Markets Disciplinary Tribunal.

All directors standing for re-election do so with the support of the Board.

2. RESOLUTION 3: AUDITORS

In accordance with section 70 of the Local Government Act 2002, Napier Port Holdings Limited is a public entity as defined in section 4 of the Public Audit Act 2001 and, in accordance with that Act, the Auditor-General is the auditor. The Auditor General has appointed Ernst & Young to undertake this audit on its behalf.

The proposed resolution authorises the Board of Directors to fix the remuneration of the auditors for the ensuing year.



— **ALASDAIR MACLEOD [CHAIRMAN]**

An experienced director, Alasdair joined the Napier Port board in April 2014 and took up the chairman's role in December that year. Based in Hawke's Bay, he has a keen interest in strategy and is passionate about growing businesses in our region. He chairs the Hawke's Bay chapter of ExportNZ and was involved in authoring the Hawke's Bay Regional Economic Development Strategy – Matariki.

Alasdair brings a range of experience across the energy, infrastructure, technology and primary sectors. Alongside his role as chairman of Napier Port, he is chair of Optimal Product Ltd, Hold Fast Investments Ltd and tech firm SilverStripe Ltd.



— **STEPHEN MOIR [INDEPENDENT
DIRECTOR]**

Stephen Moir joined the Napier Port board in 2017. He brings an extensive background in institutional banking and financial markets, having held senior roles at Westpac Institutional Bank, Credit Suisse (Singapore), and Citibank (Singapore, Thailand and Australia).

Stephen is a director of The Guardians of the New Zealand Superannuation Fund, the Crown entity responsible for managing the New Zealand Super Fund's global investment portfolio. He was previously a non-executive director on the BNZ board, and chaired both BNZ Life Insurance Ltd and BNZ Insurance Services Ltd, as well as the advisory board to the Victoria University Chair of Business in Asia.

HAWKE'S BAY REGIONAL COUNCIL

18 December 2019

SUBJECT: PROXY FOR THE HBRIC LTD ANNUAL GENERAL MEETING

Item 7

Reason for Report

1. The purpose of this report is for Council to appoint a proxy, and alternate, to vote at the Annual General Meeting of Hawke's Bay Regional Investment Company Limited (HBRIC Ltd).

Summary

2. HBRIC Ltd is intending to hold its Annual General Meeting on Friday, 20 December 2019 in the Council Chamber, Hawke's Bay Regional Council, 159 Dalton Street, Napier. The Council (as the shareholder) is required to appoint a proxy and alternate to attend this meeting and vote on the Council's behalf at the meeting.
3. All Councillors are invited to the Annual General Meeting which will be held at **9.00am** in the Council Chamber, Hawke's Bay Regional Council, 159 Dalton Street, Napier. A copy of the Notice of the Annual General Meeting of HBRIC Ltd is set out in Attachment 1. (Please note there has been a change of time to **9.00am**)
4. With regards to appointing a proxy to attend this meeting, it is recommended that the proxy be given to the Chairman of the Council, with the alternate being the Deputy Chairman of the Council.

Decision Making Process

5. Decisions covering the Annual General Meeting of HBRIC Ltd are required to be made under the Companies Act 1993.

Recommendations

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 have an interest in the decision.
2. Notes the date of the Hawke's Bay Regional Investment Company Limited Annual General Meeting is 20 December 2019.
3. Agrees that the Chairman of Hawke's Bay Regional Council be appointed as Council's proxy at the Annual General Meeting of the Hawke's Bay Regional Investment Company Limited to be held at 9.00am on Friday, 20 December 2019, and to vote as proxy holder on behalf of the Council, and that the Deputy Chairman of the Hawke's Bay Regional Council act as alternate.

Authored by:

Bronda Smith
CHIEF FINANCIAL OFFICER

Approved by:

Jessica Ellerm
GROUP MANAGER CORPORATE
SERVICES

Attachment/s

[1](#) 2019 AGM Letter of Notice

HAWKE'S BAY REGIONAL
INVESTMENT COMPANY LTD

159 Dalton Street Private
Bag 6006 Napier, New
Zealand Telephone: (06)
835 9200

29 November 2019

James Palmer
HBRC
159 Dalton Street
Napier 4110

Dear James

Notification of Annual General Meeting 2019

This letter is to formally notify you of the Annual General Meeting (AGM) of Hawke's Bay Regional Investment Company Limited (HBRIC).

The AGM will be held at **12.00pm on Friday 20 December 2019** in the HBRC Council Chambers.

There are two items that require shareholder voting, being:

1. Adoption of the company's Financial Statements for the year ended 30 June 2019
2. Appointment of Auditors

Yours sincerely

PP 
Blair O'Keeffe

HAWKE'S BAY REGIONAL COUNCIL

18 December 2019

Item 8

Subject: 2019-22 TRIENNIAL AGREEMENT

Reason for Report

1. This report provides the draft 2019-22 Triennial Agreement for councillors' feedback.

Officer's Recommendations

2. Officers recommend that councillors provide feedback on the draft Agreement today, for incorporation into a further draft for presentation to the Hawke's Bay Leaders' Forum at the earliest opportunity and adoption by all councils by 29 February 2020.

Executive Summary

3. The Triennial Agreement provides the framework for local government in the Hawke's Bay region to:
 - 3.1. work collaboratively
 - 3.2. improve communication and coordination at all levels
 - 3.3. maximise effectiveness and efficiencyin order to meet the purposes of Local Government to:
 - 3.4. enable democratic local decision-making by and on behalf of communities
 - 3.5. promote the social, economic, environmental and cultural well-being of communities in the present and for the future.

Background

4. In accordance with LGA section 15 the local authorities in Hawke's Bay are required to adopt a Triennial Agreement by 1 March 2020.
5. The 2016-19 Triennial Agreement was used by the HB Leaders' Forum as the basis for developing the draft version for 2019-2022 (attached).
6. The content of the Agreement is prescribed by legislation and, in particular, by [s.15 of the Local Government Act](#).
7. There are five primary signatories to the Hawke's Bay Triennial Agreement – the Wairoa, Hastings and Central Hawke's Bay District councils, the Napier City Council and the Hawke's Bay Regional Council. In addition, there are two non-primary signatories – the Rangitikei and Taupo District councils.

Process

8. The Hawke's Bay Leaders Forum, comprised of the region's Mayors and Chair of the Regional Council, considered two previous versions of the Triennial Agreement alongside a report on collaborative achievements over the previous triennium to develop the Agreement proposed for Council's feedback today.
9. Following receiving feedback on the Agreement from each of the region's councils, the HB Leaders Forum will meet to consider and agree amendments to enable the Agreement to be put to all councils again in early 2020 for adoption in time to meet the legislative deadline of 1 March 2020, to have entered into the Triennial Agreement.

Decision Making Process

10. Council is 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:
 - 10.1. The decision does not significantly alter the service provision or affect a strategic asset.

- 10.2. A Triennial Agreement is a legislative requirement contained within the Local Government Act, so there is no option for Council to not agree a new Agreement for the 2019-22 triennium.
- 10.3. Given the provisions above, Council can exercise its discretion and make these decisions without consulting directly with the community or others having an interest in the decision.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and notes the "2019-22 Triennial Agreement" staff report.
2. Agrees that the decisions to be made relate to a legislative requirement and that Council can exercise its discretion and make these decisions without consulting directly with the community.
3. Provides agreed feedback for consideration of incorporation into the 2019-22 Triennial Agreement for consideration at the next available HB Leaders Forum on 27 January 2020 in preparation for adoption by Central Hawke's Bay District, Hastings District, Hawke's Bay Regional, Napier City, Wairoa District, Rangitikei District and Taupo District councils by 29 February 2020.

Authored by:

Leeanne Hooper
GOVERNANCE LEAD

Joanne Lawrence
GROUP MANAGER OFFICE OF THE
CHIEF EXECUTIVE AND CHAIR

Approved by:

James Palmer
CHIEF EXECUTIVE

Attachment/s

- [1](#) Draft Hawke's Bay 2019-22 Triennial Agreement version 5
- [2](#) Five Pou of Matariki

Hawke's Bay Region Triennial Agreement

For the Triennium October 2019 – 2022



version 11 October 2019

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1. Parties

The parties to this Triennial Agreement (the Agreement) are:

1.1 Primary Parties

(those local authorities whose boundaries are completely encompassed within the Hawke's Bay Region)

- Central Hawke's Bay District Council
- Hastings District Council
- Hawke's Bay Regional Council
- Napier City Council
- Wairoa District Council

1.2 Non-Primary Parties

(those local authorities whose boundaries bisect the Hawke's Bay Region and whose principal identification is with another Region)

- Rangitikei District Council
- Taupo District Council

This Agreement applies to all local authorities in the Hawke's Bay Region. However, it is recognised that for Non-Primary Parties the degree of involvement in various aspects of the Agreement will be in proportion to the degree to which these parties assess how they will benefit or be affected by decisions, issues, proposals or other matters.

2. Purpose

The Triennial Agreement provides the framework for local government in the Hawke's Bay region to:

- 2.1 work collaboratively
- 2.2 improve communication and coordination at all levels
- 2.3 maximise effectiveness and efficiency

in order to meet the purposes of Local Government to:

- 2.4 enable democratic local decision-making by and on behalf of communities
- 2.5 promote the social, economic, environmental and cultural well-being of communities in the present and for the future.

This agreement is deemed to duly constitute fulfilment of the requirements of section 15 of the Local Government Act 2002.

It should be noted that as well as the encouragement towards collaboration, the Local Government Act 2002, and other legislation including the Resource Management Act 1991, recognises that regional councils and territorial authorities have different responsibilities. These differences provide an important context for collaboration between the Councils. The requirements contained in legislation for collaboration between Local Authorities are contained in Appendix Two to this Agreement.

3. Principles

Parties to this Agreement agree to work together in good faith for the good governance of their local communities and the Region; to develop our collective strategic capacity from available resources and achieve our strategies by working together, through co-design and partnership so every whānau and every household is actively engaged in growing a thriving Hawke's Bay economy to support inclusive and connected communities and sustainable and resilient environments. In doing so, we:

- 3.1 acknowledge that the communities within the Region are diverse and encompass a range of desired outcomes and objectives
- 3.2 support the establishment of processes for communication and collaboration at both governance and management levels in ways that will enhance the overall performance and reputation of local government in the region
- 3.3 recognise that collaboration and co-operation between local authorities of the Region can bring efficiencies in terms of planning, administration costs and decision-making and consultation. There is also the potential to increase available resources and promote co-operative approaches in making strategic choices
- 3.4 will investigate further opportunities for collaboration, co-operation, regional funding and shared services between local authorities of the Region in addition to those prescribed by statute or already being undertaken
- 3.5 agree that collaborative or shared services opportunities may occur between two or more parties to this Agreement, but not in every case between all parties to this Agreement. Although collaboration and co-operation are outcomes that should be strived for, each local authority has the legislative mandate to govern their own area as appropriate
- 3.6 will make every effort to accommodate, acknowledge, or at least fairly represent the dissenting view where some parties to this Agreement have a significant disagreement with the position of other parties to the Agreement
- 3.7 will show leadership to ensure the implementation of this Agreement makes a positive difference for Hawke's Bay.

4. Strategic Priorities

Insert shell diagram (attached) of 5 pillars (pou) from Business HB

4.1 Local Government priority areas for the 2019-22 triennium, aligned to the five pou of Matariki (above) and agreed by the Hawke's Bay Leaders' Forum on 25 November 2019, are (in no particular order):

- Water – *safety, security and planning*
- Climate Change – *adaptation and mitigation*
- Social Inclusion – *a thriving society where everyone can participate and make a significant contribution*
- Housing – *regionally focussed housing strategy*
- Economic Development and Tourism
- Transport.

4.2 Priority areas where cooperative approaches exist include:

- Water – Drinking Water safety and security response to Havelock North contamination Inquiry recommendations through Joint Working Group and HB Drinking Water Governance Joint Committee comprising elected representatives of the five local authorities, the District Health Board and Ngati Kahungunu
- Water – Regional Three Waters review of the provision of drinking, waste and storm water services

- Climate Change – Clifton to Tangoio Coastal Hazards Strategy development through the Joint Committee comprising representatives of NCC, HDC, HBRC and Tangata Whenua
- Transport – Regional transport planning through the Regional Transport Committee comprising representatives of the five local authorities and the NZ Transport Agency

4.3 Priority areas to develop, or further develop, cooperative approaches include:

- Water – freshwater management issues, including Three Waters infrastructure and service delivery to meet requirements of Central Government reform
- Climate change – the development of a coordinated regional response to a changing climate, including integration with regional transport and hazard management planning
- Information sharing and strategy development – regional Elected Representatives' fora (workshops) on topics of regional priority held at least twice per year.

4.4 Any new priorities or services of significance to more than one district will be communicated to the Chief Executives by the Hawke's Bay Leaders' Forum for further development in accordance with the protocols in section 5 following.

5. Protocols for communication and coordination

It is recognised that a significant level of formal and informal cooperation already exists between Hawke's Bay's local authorities. Further to this existing cooperation, parties to this Agreement will:

- 5.1 Hold monthly meetings of the Mayors of the primary parties and the Regional Chairman (aligned to the other Committee meetings as appropriate) to formally communicate and coordinate on matters of mutual interest, in accordance with arrangements detailed in Appendix Two.
- 5.2 Invite the Chief Executives of the primary parties to attend every Forum for a period of time.
- 5.3 At the first meeting following the local body elections, elect a Chair of the Forum from among the attendees. The Council whom the elected Chair represents will provide the administrative support for the Forum for that triennium.
- 5.4 Share resources where feasible for the purposes of preparing information on the various communities in the region. These resources may include information on demographics, survey data, scientific studies and the analysis of social, economic, environmental and cultural trends.
- 5.5 Develop joint approaches, where appropriate, to engage Central Government, iwi governance bodies and tribal entities, national agencies and community organisations.
- 5.6 Provide early for notification of, and participation in, decisions that may affect other local authorities in the region.
- 5.7 Make draft strategies, policies, and plans available to other local authorities in the region for discussion and development, where they may have regional implications or implications beyond the boundaries of the decision-making council.
- 5.8 Apply a "no surprises" policy whereby early notice will be given over disagreements between local authorities concerning policy or programmes before the matter is put out to the public.
- 5.9 Review the performance of the Triennial Agreement and benefits realised in the priority areas at least quarterly, as outlined in section 6 following.
- 5.10 Establish, as necessary, other forums at both political and operational levels that will help enhance and achieve the purpose of this Agreement.
- 5.11 Provide a process for initiating reviews of regional forums that are not working optimally in the view of one or more parties.

6. Benefits Realisation

Achievements in each of the priority areas will be reported to the HB Leaders Forum quarterly, in a format to be agreed by the Forum.

7. Significant New Activities Proposed By Hawke's Bay Regional Council

If the Regional Council or a Regional Council controlled organisation proposes to undertake a significant new activity, and these activities are already undertaken or proposed to be undertaken by one or more territorial authorities within the region, Section 16 of the Local Government Act applies.

However, in the spirit of this Agreement, the parties agree to an expanded consultation and communication process which includes discussion of the issues involved at the first available monthly meeting (see 5.1 above), and to provide drafts of proposals to affected Councils for early comment in accordance with the requirements of sections 77-87 of the Local Government Act (decision-making and consultation).

The parties also agree that prior to implementing the formal provisions of section 16¹:

- 7.1 the Regional Council will inform all territorial authorities within the region of
 - 7.1.1 the nature of the activity proposed to be undertaken
 - 7.1.2 the scope of the proposal (including size, districts covered, and why)
 - and
 - 7.1.3 the reasons for the proposal.
- 7.2 territorial authorities will be given a reasonable period of time, but no less than 40 working days, to respond to any such proposal. The Regional Council agrees to fully consider any submissions and representations on the proposal made by territorial authorities within the region.

8. Consultation in Relation to the Regional Policy Statement

The following consultation process will apply to any change, variation, or review of the Hawke's Bay Regional Policy Statement, and the preparation of any future Regional Policy Statement:

- 8.1 The Regional Council will seek the input of territorial authorities into the review of the Regional Policy Statement
- 8.2 The Regional Council will make available to all local authorities, for discussion and development, draft copies of:
 - 8.2.1 any change or variation of to the Regional Policy Statement
 - 8.2.2 any proposed Regional Policy Statement.
- 8.3 Territorial authorities will be given a reasonable period of time, but no less than [20] working days, to respond to any such proposal. The Regional Council agrees to consider fully any submissions and representations on the proposal made by territorial authorities within the Region.
- 8.4 The parties to this agreement acknowledge their obligation to act in accordance with the principles of collaboration set out in the Local Government Act 2002.

Nothing in this Agreement shall interfere with the rights, functions or duties given by statute to any party.

¹ Appendix Three

9. Dispute Resolution

In the event of a disagreement between the Councils as to the interpretation or implementation of this Agreement, and/ or that disagreement between the Councils as to the interpretation or implementation of this Agreement to vary the terms of this Agreement, then the matter in dispute will be referred to mediation.

If the Councils cannot agree on the appointment of a mediator, the President of the Hawke's Bay District Law Society will be requested to appoint the mediator. The costs of the mediation shall be borne by the Councils in equal shares.

10. Revision of the Agreement

- 10.1 The Agreement is effective from the date of signing until such time as the Agreement is either amended by the agreement of all parties or is renewed following the 2022 local authority elections (by 1 March 2023).
- 10.2 If a party to the Agreement requests a review of its terms within the triennium, such a review will begin within four weeks of the request being lodged. Otherwise the Agreement will be renewed following the local body elections as outlined in 10.1 above.
- 10.3 Hawke's Bay Regional Council will be the first Council responsible for servicing this Agreement.

11. Parties - Signatures

This Agreement is signed on this day _____ of _____ 2020 by the following on behalf of their respective authorities.

Primary Parties:

Central Hawke's Bay District

Hastings District Council

Mayor Alex Walker

Mayor Sandra Hazelhurst

Chief Executive Monique Davidson

Chief Executive Nigel Bickle

Hawke's Bay Regional Council

Napier City Council

Chairman Rex Graham

Mayor Kirsten Wise

Attachment 1

Item 8

Chief Executive James Pamer

Chief Executive Wayne Jack

Wairoa District Council

.....
Mayor Craig Little

.....
Chief Executive Steven May

Non-Primary Parties:

Rangitikei District Council

Taupo District Council

.....
Mayor

.....
Mayor

.....
Chief Executive

.....
Chief Executive

Appendix One: Reporting

Joint Committees

- Mayor/Chair ex-officio on all joint committees – to receive meeting invitations and copy of Agenda
- Meeting minutes and a Meeting Summary (prepared by the Technical Advisory Group (TAG) lead) will be provided to the Hawke's Bay Leaders' Forum Chair's executive assistant within 10 days of the meeting having been held for presentation to the next monthly meeting.
- A diagram of the current committee structure across Hawke's Bay is below.



Achievements

- A work programme for each of the priority areas will be developed and agreed, to enable strategic level reporting against milestones and projects (*examples following*).

Priority: Water – safety, security and planning

Activity	Lead	Achievements	Due for Completion
Regional Water Security Program (supported by PGF)	Tom Skerman (HBRC)	1.	
National Policy Statement on Freshwater Management (NPSFM)	Tom Skerman (HBRC)		
Three waters review			

Priority: Climate Change adaptation and mitigation

Activity	Lead	Achievements	Due for Completion
Regional Climate Response Strategy	Tom Skerman, Gavin Ide (HBRC)		

Appendix Two: Meetings**Hawke's Bay Leaders' Forum**

Meetings will be arranged and minutes kept by the appointed Chair - elected each three-year term - and minutes distributed to all parties to the Agreement. This does not preclude meetings being arranged, on request, by Councils other than that of the appointed Chair.

Given the importance accorded to this Agreement each Council will be represented by its Mayor/Chairperson and Chief Executive.

Where appropriate, and agreed, the Chief Executive of a Council Controlled Organisation (CCO) may attend an item related to that CCO's activities.

Media and communications contact (including the provision of information to the public on request) in relation to matters covered in the Agreement shall be shared on a rotating basis.

All public communications from these meetings shall be approved by all participants prior to their release.

Where a significant decision or issue affects a particular Council, or its community, it should, in partnership with the other Councils of the region, have the lead role in formulating the collective response of the region's local authorities to this issue or decision.

Responsibility for servicing, and making media comment on behalf of, existing specific regional and sub-regional forums, will lie within those specific forums.

Appendix Three: Legislative Context**Local Government Act****Section 15 Triennial agreement**

- (1) Not later than 1 March after each triennial general election of members, all local authorities within each region must enter into an agreement under this section covering the period until the next triennial general election of members.
- (2) An agreement under this section must include—
 - (a) protocols for communication and co-ordination among the local authorities; and
 - (b) a statement of the process by which the local authorities will comply with section 16 in respect of proposals for new regional council activities; and
 - (c) processes and protocols through which all local authorities can participate in identifying, delivering, and funding facilities and services of significance to more than 1 district.
- (3) An agreement under this section may also include—
 - (a) commitments by local authorities within the region to establish or continue 1 or more joint committees or other joint governance arrangements to give better effect to 1 or more of the matters referred to in subsection (2); and
 - (b) the matters to be included in the terms of reference for any such committees or arrangements, including any delegations.
- (4) An agreement under this section may be varied by agreement between all the local authorities within the region.
- (5) An agreement under this section remains in force until it is replaced by another agreement.
- (6) If a decision of a local authority is significantly inconsistent with, or is expected to have consequences that will be significantly inconsistent with, the agreement under this section that is currently in force within the region, the local authority must, when making the decision, clearly identify—
 - (a) the inconsistency; and
 - (b) the reasons for the inconsistency; and
 - (c) any intention of the local authority to seek an amendment to the agreement under subsection (4).
- (7) As soon as practicable after making any decision to which subsection (6) applies, the local authority must give to each of the other local authorities within the region notice of the decision and of the matters specified in that subsection.

Section 14 Principles relating to local authorities

- (1) in performing its role, a local authority must act in accordance with the following principles:
 - (e) a local authority should actively seek to collaborate and cooperate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes.

Section 16 Significant new activities proposed by regional council

- (1) This section applies if,—
 - (a) in the exercise of its powers under section 12(2), a regional council proposes to undertake a significant new activity; or
 - (b) a regional council-controlled organisation proposes to undertake a significant new activity; and

- (c) in either case, 1 or more territorial authorities in the region of the regional council—
- (i) are already undertaking the significant new activity; or
 - (ii) have notified their intention to do so in their long-term plans or their annual plans.
- (2) When this section applies, the regional council—
- (a) must advise all the territorial authorities within its region and the Minister of the proposal and the reasons for it; and
 - (b) must include the proposal in the consultation document referred to in section 93A.
- (3) A proposal included in the consultation document referred to in section 93A must include—
- (a) the reasons for the proposal; and
 - (b) the expected effects of the proposal on the activities of the territorial authorities within the region; and
 - (c) the objections raised by those territorial authorities, if any.
- (4) If, after complying with subsection (2), the regional council indicates that it intends to continue with the proposal, but agreement is not reached on the proposal among the regional council and all of the affected territorial authorities, either the regional council or 1 or more of the affected territorial authorities may submit the matter to mediation.
- (5) Mediation must be by a mediator or a mediation process—
- (a) agreed to by the relevant local authorities; or
 - (b) in the absence of an agreement, as specified by the Minister.
- (6) If mediation is unsuccessful, either the regional council or 1 or more affected territorial authorities may ask the Minister to make a binding decision on the proposal.
- (7) Before making a binding decision, the Minister must—
- (a) seek and consider the advice of the Commission; and
 - (b) consult with other Ministers whose responsibilities may be affected by the proposal.
- (8) This section does not apply to—
- (a) a proposal by a regional council to establish, own, or operate a park for the benefit of its region; or
 - (b) a proposal to transfer responsibilities; or
 - (c) a proposal to transfer bylaw-making powers; or
 - (d) a reorganisation application under Schedule 3; or
 - (e) a proposal to undertake an activity or enter into an undertaking jointly with the Crown.
- (9) For the purposes of this section,—
- affected territorial authority** means a territorial authority—
- (a) the district of which is wholly or partly in the region of a regional council; and
 - (b) that undertakes, or has notified in its long-term plan or annual plan its intention to undertake, the significant new activity
- annual plan**—
- (a) means a report adopted under section 223D of the Local Government Act 1974; and
 - (b) includes such a report that section 281 applies to
- new activity**—
- (a) means an activity that, before the commencement of this section, a regional council was not authorised to undertake; but
 - (b) does not include an activity authorised by or under an enactment

regional council-controlled organisation means a council-controlled organisation that is—

- (a) a company—
 - (i) in which equity securities carrying 50% or more of the voting rights at a meeting of the shareholders of the company are—
 - (A) held by 1 or more regional councils; or
 - (B) controlled, directly or indirectly, by 1 or more regional councils; or
 - (ii) in which 1 or more regional councils have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
- (b) an organisation in respect of which 1 or more regional councils have, whether or not jointly with other regional councils or persons,—
 - (i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the organisation; or
 - (ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the organisation.

Resource Management Act 1991

Schedule 1 Preparation, change, and review of policy statements and plans

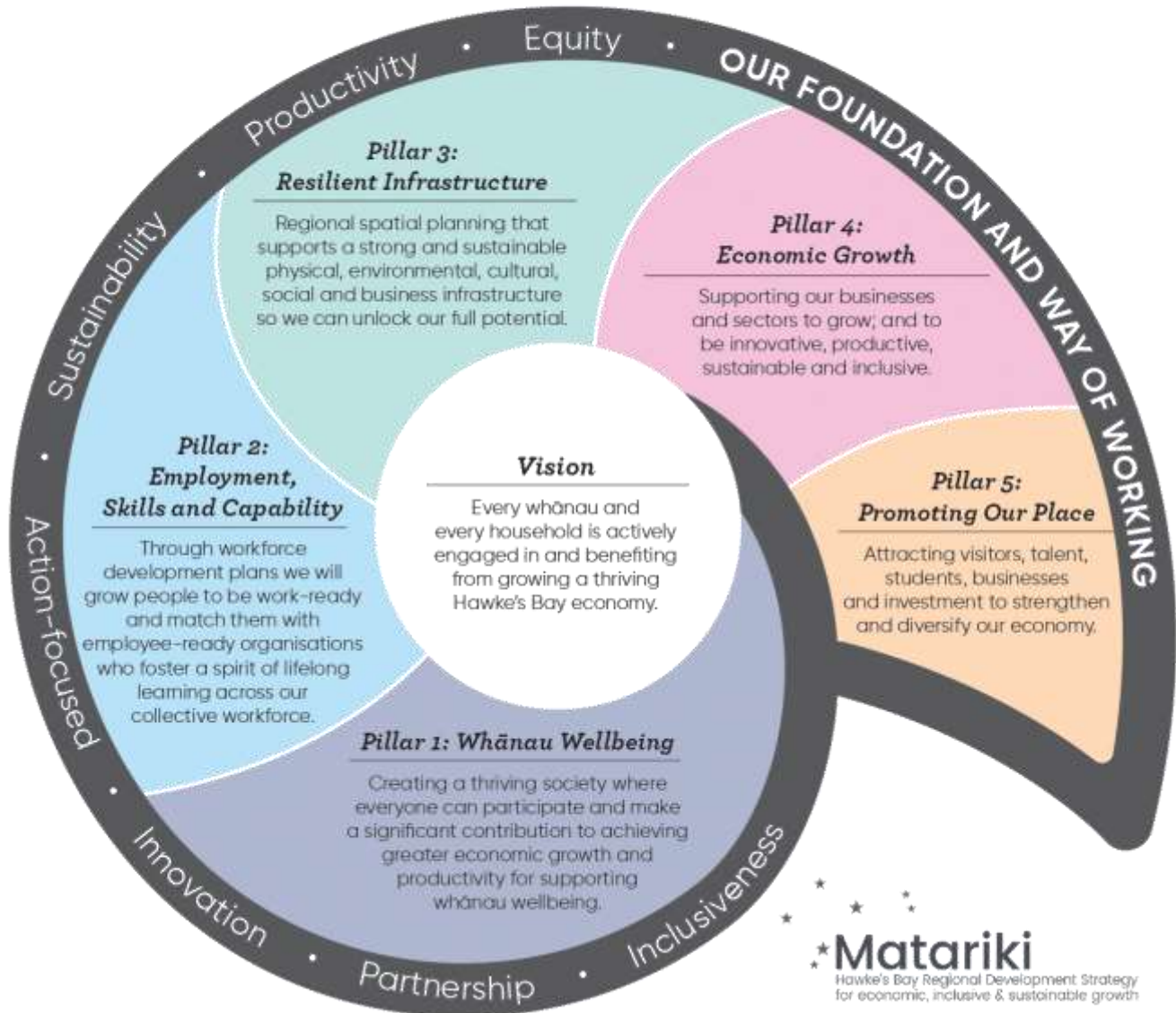
3A Consultation in relation to policy statements

- (1) A triennial agreement entered into under section 15(1) of the Local Government Act 2002 must include an agreement on the consultation process to be used by the affected local authorities in the course of—
 - (a) preparing a proposed policy statement or a variation to a proposed policy statement; and
 - (b) preparing a change to a policy statement; and
 - (c) reviewing a policy statement.
- (2) If an agreement on the consultation process required by subclause (1) is not reached by the date prescribed in section 15(1) of the Local Government Act 2002,—
 - (a) subclause (1) ceases to apply to that triennial agreement; and
 - (b) 1 or more of the affected local authorities—
 - (i) must advise the Minister and every affected local authority as soon as is reasonably practicable after the date prescribed in section 15(1) of the Local Government Act 2002; and
 - (ii) may submit the matter to mediation.
- (3) If subclause (2) applies, the parts of the triennial agreement other than the part relating to the consultative process referred to in subclause (1) may be confirmed before—
 - (a) an agreement on the consultative process is reached under subclauses (4) and (5)(a); or
 - (b) the Minister makes a binding determination under subclause (5)(b).
- (4) Mediation must be by a mediator or a mediation process agreed to by the affected local authorities.
- (5) If the matter is not submitted to mediation or if mediation is unsuccessful, the Minister may either—
 - (a) make an appointment under section 25 the purpose of determining a consultation process to be used in the course of preparing a proposed policy statement or reviewing a policy statement; or
 - (b) make a binding determination as to the consultation process that must be used.

- (6) The consultative process must form part of the triennial agreement, whether or not the other parts of the triennial agreement have been confirmed, in the event that—
 - (a) an agreement is reached under subclause (4) or subclause (5)(a) as to a consultative process, as required by subclause (1); or
 - (b) the Minister makes a binding determination under subclause (5)(b).
- (7) In this clause, **affected local authorities** means—
 - (a) the regional council of a region; and
 - (b) every territorial authority whose district is wholly or partly in the region of the regional council.

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Hawke’s Bay Regional Development Strategy
Matariki Action Plan (MAP) Overview



Item 8

Attachment 2

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 18 December 2019

Subject: FUTURE FARMING TRUST - TRUSTEE

Item 9

Reason for Report

1. This item provides the means for Council to appoint a trustee to the Future Farming Charitable Trust Board following the resignation of the current Council appointee.

Background

2. The Future Farming Initiative (FFI) was created as an outcome of the Council's consultation on the 2018-28 Long Term Plan as an independent farmer and grower led initiative to lead on-farm research and innovation focused on identifying practical, profitable and achievable options for farmers to improve environmental outcomes on their farms while maintaining and enhancing productivity.
3. The Terms of Reference and Constitution for the Trust provides for one Council-appointed trustee. Staff consider that in the formation of the Trust an expectation was created that the Council-appointee would be either a councillor or staff member. In the last triennium, following the establishment of the Trust, the then councillor Mr Tom Belford was appointed to the Future Farming Trust in accordance with the Terms of Reference and Constitution for the Trust.
4. At its meeting of 27 November 2019 Council re-confirmed Mr Belford as Council's appointee for the new triennium. Following the recent resignation of the interim-chair of the Trust, Mr Belford has resigned as the Council appointee and has been appointed at large by the Trust as a general Trustee. Consequently, Council now needs to appoint a replacement for Mr Belford as its appointee to the Trust.

Councillor Appointee

5. The Trust deed provides for a Councillor appointee to be a trustee, recognising:
 - 5.1. HBRC's role in both originating the Future Farming Initiative and supporting its progression through to final establishment
 - 5.2. An additional layer of oversight of Council's initial funding commitment through its 2018-28 Long Term Plan
 - 5.3. Council's ongoing interest and role in identifying and promoting land management practices consistent with the region's environmental aspirations.
6. The specific provisions in the trust deed in relation to this issue are:
 - 7.3.1 *It is intended that the Trust Board will include one Trustee appointed by the Regional Council on account of the Regional Council's anticipated provision of funding support to the Trust, and for this purpose:*
 - (a) *Subject to clause 7.3.1(b), the Regional Council has the power to appoint (and to remove), at any time and by ordinary resolution of the Regional Council (which the Council must notify to the Trust Board), one Trustee. [Insert name of Initial Trustee] is deemed to be the first Council-appointed Trustee under this clause.*
 - (b) *The Regional Council will not have the power to appoint a Trustee, and any Council-appointed Trustee will cease to hold office, if at any time the Trust Board and the Regional Council agree that, on account of the level of funding support (if any) provided by the Regional Council to the Trust at the relevant time or for any other reason, it is no longer appropriate for the Trust Board to continue to include a Council-appointed Trustee. Any such agreement may be subsequently rescinded by the parties.*

- (c) *The Trust Board must notify the Regional Council if a Council-appointed Trustee ceases to hold office (other than by way of removal by the Council).*

Next Steps

7. It is recommended by staff that the following actions are implemented:
 - 7.1. Council notes the resignation of Mr Belford as the Council's appointee and his appointment at large by the Trust.
 - 7.2. Council selects a replacement councillor or staff member as its appointee to the Future Farming Trust.

Decision Making Process

8. Council is 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:
 - 8.1. The decision does not fall within the definition of Council's policy on significance.
 - 8.2. Provisions of the Local Electoral Act also apply, in relation to the decision and its implementation occurring during the formal pre-election period.
 - 8.3. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the "*Future Farming Charitable Trust Council Appointment*" 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. Notes the resignation of Mr Tom Belford as Council-appointed trustee.
4. Appoints [enter name] as the Council-appointed trustee for the Future Farming Charitable Trust, effective immediately, under clause 7.3.1 of the Trust Deed.
5. Requests that staff communicate the name of the Council-appointed trustee to the other trustees.

Authored by:

Joanne Lawrence
GROUP MANAGER OFFICE OF THE
CHIEF EXECUTIVE AND CHAIR

Approved by:

James Palmer
CHIEF EXECUTIVE

Attachment/s

- [!\[\]\(09885fa7dbc7efea01a3982f2e00fbcd_img.jpg\) 1](#) Future Farming Charitable Trust - Trust Deed

TRUST DEED

HAWKE'S BAY FUTURE FARMING CHARITABLE TRUST

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TRUST TERMS

DATE

This deed is dated the _____ day of _____ 2019

PARTIES

The parties executing this deed, as the Initial Trustees, are: *[Drafting note: Name, occupation and place of residence to be added for each of the Initial Trustees, and any Council-appointed Trustee should be identified. The Initial Trustees are the only parties to the deed on the basis that they would declare the terms of the Trust in relation to property (a nominal sum) that they hold, rather than having a settlor of the Trust.]*

BACKGROUND

- A. The Initial Trustees wish to establish the Trust as a charitable trust for exclusively Charitable Purposes in New Zealand, and in particular for Charitable Purposes relating to the promotion and advancement of environmentally sensitive and sustainable Farming in the Hawke's Bay Region, that is governed in accordance with the terms set out in this deed.
- B. The context for the establishment of the Trust is the development of a Future Farming Initiative for the Hawke's Bay Region as an outcome of the Regional Council's consultation on its 2018-2028 Long Term Plan. This Trust is being establishing following work undertaken by a Hawke's Bay Future Farming Establishment Working Group, facilitated by the Regional Council, to progress this initiative.
- C. It is intended that the Trust will facilitate the implementation of the Future Farming Initiative by pursuing its purpose and functions set out in this deed, and that it will solicit and secure funding and support from the Regional Council and from other sources for this purpose.
- D. The Trust will be governed by its Trust Board, comprising the Trustees of the Trust, and it is intended that the Trust Board will be incorporated under the Charitable Trusts Act 1957.
- E. It is also intended that the Trust will be eligible for certain Tax Concessions benefitting charitable entities, and for this purpose registered as a charitable entity under the Charities Act 2005.
- F. In order to establish the Trust, the Initial Trustees hold an amount of \$100.00, which constitutes the initial Trust Fund and is to be deposited in an account for the Trust.
- G. It is intended that the Trust Board will receive and acquire further funds and other property from time to time for the purposes, and on the terms, of the Trust, as set out in this Deed.

TRUST TERMS

1. INTERPRETATION PROVISIONS

- 1.1 **General:** Clauses 1.2 to 1.11 apply to the interpretation of this deed unless the context requires otherwise.

1.2 **Definitions:**

"**Annual Meeting**" means an annual meeting of the Trust Board held in accordance with clause 10.1;

"**Annual Report**" means a report regarding the activities of the Trust for a Financial Year and, as the context requires, the most recent Annual Report, as referred to in clause 14.2;

"**Balance Date**" means 30 June or any other date adopted from time to time by the Trust Board as the end of the Trust's Financial Year;

"**Chair**" means the Trustee holding that office for the time being in accordance with clause 8.1;

"**Charitable Purpose**" means a purpose that is charitable in accordance with the law of New Zealand, and in particular falls within the "charitable purpose" definition in section 5 of the Charities Act 2005;

"**Deputy Chair**" means the Trustee (if any) holding that office for the time being in accordance with clause 8.1;

"**Farming**" includes all forms of arable, pastoral and mixed farming involving the rearing of animals and/or the growing of crops (including various forms of horticulture, and viticulture), forestry and agroforestry, and any other equivalent or similar activity as determined by the Trust Board, and the terms "farmer", "grower" and "farm" are to be read accordingly;

"**FFI Guidelines**" means the problem/mission statement and scope of activities for the Future Farming Initiative developed by the Hawke's Bay Future Farming Establishment Working Group, as set out in the Schedule to this deed;

"**Financial Statements**" means the financial statements of the Trust for a Financial Year, prepared in accordance with clause 14.1.1;

"**Financial Year**" means any 12 month or other accounting period ending on a Balance Date;

"**Hawke's Bay**", "**Hawke's Bay Region**", or "**Region**" means the region for which the Regional Council is responsible, including in particular, as at the date of execution of this deed, the districts of the Wairoa, Napier, Hastings and Central Hawke's Bay Territorial Authorities;

"**Initial Trustee**" means any individual executing this deed as one of the first Trustees, who will be an Initial Trustee until he or she first ceases to hold office as a Trustee;

"**Interested**" has the meaning given to that term in clause 13.5;

"**Officer**" means a person for the time being holding a position (as Chair, Deputy Chair or otherwise) to which that person has been appointed in accordance with clause 8;

"**Regional Council**" means the Hawke's Bay Regional Council, as referred to in Part 1 of Schedule 2 of the Local Government Act 2002, or its successor in relation to the Hawke's Bay Region;

"**Resettle**" means to settle all or any part of the Trust Fund on the terms of another trust, by way of transfer, declaration or otherwise, and the terms "resettlement" and "resettled" are to be read accordingly;

"**Tax Concession**" means any tax concession under New Zealand law directly or indirectly benefiting charitable entities, including (without limitation) exemption of a charitable entity's income from income tax and any tax concessions in respect of contributions to a charitable entity;

"**Territorial Authorities**" means the territorial authorities referred to in Part 2 of Schedule 2 of the Local Government Act 2002, or their successor(s), that are responsible for districts included, wholly or partly, in the Hawke's Bay Region;

"**Trust**" means the trust established and maintained in relation to the Trust Fund on the terms set out in this deed;

"**Trust Board**" means:

- (a) the Trustees, or a sufficient number of the Trustees in accordance with the terms of this deed, acting as a board, whether or not the Trustees are incorporated as a board under the Charitable Trusts Act 1957; and
- (b) if the context requires, the Trustees constituting the Trust Board for the time being;

"Trust Fund" means:

- (a) the amount held by the Initial Trustees to establish the Trust; and
- (b) all other funds and other property, including capital and income, paid to or held under the control of or vested in or acquired by the Trust Board on the terms of the Trust, from any source, on or after the date of this deed, whether by way of gift, bequest, devise, purchase, exchange or otherwise;

"Trustee" means any individual acting as a trustee of the Trust, whether as an Initial Trustee or as an additional or replacement Trustee;

1.3 Deed and Clauses: a reference to "this deed" is a reference to this deed (including the Schedule) executed by the Initial Trustees setting out the initial terms of the Trust and also includes, as the context requires, any subsequent variation to the terms of the Trust in accordance with this deed, and a reference to any clause is a reference to a clause of this deed;

1.4 Headings: section, clause and other headings are for ease of reference only and do not form any part of the context or affect the interpretation of the deed;

1.5 Inclusive Expressions: the terms "includes" and "including" (or any similar expression) are deemed to be followed by the words "without limitation";

1.6 Negative Obligations: any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done;

1.7 Particular References: a reference to anything of a particular nature either before or after a general statement does not limit the general statement;

1.8 Persons: a reference to a "person" includes an individual (that is, a natural person), a partnership, a firm, a company, a body corporate, a corporation, an association, an organisation, a trust (that is, the trustee or trustees of the trust), a state or government or any agency thereof, a municipal, local or regional authority, and any other form of entity or organisation, whether incorporated or not (in each case whether or not having separate legal personality);

1.9 Plural and Singular: singular words include the plural and vice versa;

1.10 Property: a reference to "property" includes real or personal property of any kind, any right or interest in any such property, any chose in action, and any other right, interest or thing capable of being held on trust;

1.11 Legislation: a reference to any legislation or to any provision of any legislation includes:

1.11.1 Legislative Amendments: that legislation or provision as from time to time amended or re-enacted and any corresponding replacement legislation or provision; and

1.11.2 Subordinate Legislation: any statutory instrument, regulation, rule or order issued under that legislation or provision (as from time to time amended or re-enacted) or issued under any corresponding replacement legislation or provision.

2. NAME OF THE TRUST

2.1 Initial Name: The name of the Trust is **THE HAWKE'S BAY FUTURE FARMING CHARITABLE TRUST.**

2.2 Change of Name: The Trust Board may, by deed, change the name of the Trust to any other name as determined by the Trust Board from time to time, provided that the new name must not be offensive or liable to mislead any member of the public.

2.3 Records and Notice: The Trust Board must ensure that any change of name is recorded in the Trust's records and, if appropriate or required by law, notified to any relevant authority (for

example, under the Charitable Trusts Act 1957, under the Charities Act 2005 if the Trust is registered under that Act, and under any relevant tax legislation).

3. TRUST FUND DEDICATED TO CHARITABLE PURPOSES

3.1 Exclusively Charitable Purposes: The Initial Trustees declare that the Trust is established and to be maintained, and the Trust Fund (including both capital and income) is to be held and administered by the Trust Board on trust, for exclusively Charitable Purposes in New Zealand, and in particular for the Trust's purpose and functions set out in clauses 3.2 and 3.3, which are to be pursued for the benefit of the public and not for private profit.

3.2 Purpose of the Trust: The Trust's purpose is to promote and advance Farming in the Hawke's Bay Region that is environmentally sensitive and sustainable (as well as being productive, high quality and economically sustainable) and thereby benefits the health of the Region's natural environment and the Region's communities, including those involved in Farming. The Trust will do this by providing, and/or promoting and supporting the provision of, a regional hub of knowledge, research, education and innovation in relation to Farming systems, practices, technologies and related matters.

3.3 Functions of the Trust: In furtherance of the Trust's purpose set out in clause 3.2, the specific functions that the Trust is intended to fulfil (which are intended to reflect but also allow for the further development of the FFI Guidelines) are as follows:

3.3.1 To facilitate an independent farmer and grower-led approach to advancing and achieving the Trust's purpose.

3.3.2 To promote and support on-farm research and innovation to identify, develop and make available to farmers and growers practical, achievable and financially sustainable options for farmers and growers to improve environmental outcomes on their farms.

3.3.3 To generate, identify, monitor, collate and disseminate knowledge and information regarding relevant research, case studies, demonstrations and innovations relating to Farming systems, practices, technologies and related matters.

3.3.4 To identify, monitor and, where appropriate, promote and support the adoption and/or adaptation of Farming systems, practices, technologies and related matters from other projects and initiatives in the Hawke's Bay Region, New Zealand or internationally.

3.3.5 To establish, promote and support the development, adoption, and advancement and achievement of environmental goals, standards, benchmarks and other such measures for Farming in the Hawke's Bay Region.

3.3.6 To work with, and provide input and advice to, the Regional Council and any other relevant governmental or non-governmental organisation in relation to matters relevant to the Trust's purpose and functions.

3.3.7 To secure funding and other support from the Regional Council and other persons, and to grow and maintain the Trust Fund, to provide a financially sustainable basis for advancing and achieving the Trust's purpose and functions.

3.3.8 To undertake other functions consistent with the charitable status of the Trust that the Trust Board considers to be necessary or expedient to achieve or advance the Trust's purpose.

3.4 FFI Guidelines and Adding Value: In pursuing the Trust's purpose set out in clause 3.2 and its functions set out in clause 3.3:

3.4.1 The Trust Board must take into account the FFI Guidelines.

3.4.2 The Trust Board must endeavour at all times to ensure that the Trust's work is additional and/or complementary to, not a replacement for, "business as usual" work that falls

within the statutory or other normal responsibility of other persons (including central and local government agencies) that are directly or indirectly involved in matters relevant to the Trust's purpose and functions.

- 3.4.3** The Trust Board may, however, use Trust funding to enhance or help to more fully realise the benefits that arise from "business as usual" work undertaken and/or funded by such other persons.

4. PARTS OF TRUST FUND MAY BE HELD ON SPECIFIC TRUST

- 4.1 Specific Trusts Permitted:** For the purpose of pursuing the Trust's purpose and fulfilling the functions set out in clauses 3.2 and 3.3, the Trust Board may receive, acquire, hold, invest and distribute or apply any part of the Trust Fund, including income from any particular source or of any particular nature, on trust for any specific Charitable Purpose or Charitable Purposes or subject to specific terms that are consistent with the general terms of the Trust set out in this deed (referred to as a **Specific Trust**).

- 4.2 Administration of Specific Trusts:** In relation to any such Specific Trust:

- 4.2.1** the Trust Board must separately identify, administer and distribute/apply, that part of the Trust Fund in accordance with both the general terms of the Trust and the terms of the Specific Trust; and
- 4.2.2** in the first instance, costs relating to the administration of the Specific Trust, including a fair proportion of the general administration costs of the Trust, will be borne by that part of the Trust Fund held on Specific Trust, provided that the Trust Board may apply any other part of the Trust Fund (but excluding any part of the Trust Fund held on another Specific Trust) to meet all or part of the costs relating to the administration of the Specific Trust.

5. GEOGRAPHICAL FOCUS OF THE TRUST

- 5.1 Hawke's Bay Region:** The Trust's purpose and the functions set out in clauses 3.2 and 3.3 are to be pursued for the benefit of the Hawke's Bay Region.

- 5.2 Impact on Activities:** For the avoidance of doubt, the Trust Board undertaking any activity or using any part of the Trust Fund outside the Hawke's Bay Region, or outside New Zealand, or in a manner that may benefit any area outside the Region, or outside New Zealand, may constitute an activity or use of the Trust Fund for the Trust's Charitable Purposes in New Zealand, for the benefit of the Hawke's Bay Region, so long as the relevant activity or use of the Trust Fund is reasonably considered by the Trust Board to be, and is pursued by the Trust Board as, an appropriate means by which to advance the Trust's purpose and its functions for the benefit of the Hawke's Bay Region.

6. RELATIONSHIP WITH REGIONAL COUNCIL AND TANGATA WHENUA

- 6.1 Regional Council:** It is intended that the Trust will have a close relationship with, but will be independent of, the Regional Council, and that the Trust Board will work with and provide input and advice to the Regional Council, in relation to advancing and achieving the Trust's purpose and functions set out in clauses 3.2 and 3.3, and the Trust Board must use all reasonable endeavours to ensure that this intention is met.

- 6.2 Tangata Whenua:** It is acknowledged that the Trust's purpose and functions set out in clauses 3.2 and 3.3 are of particular importance to tangata whenua of the Hawke's Bay Region, and the Trust Board will endeavour to actively engage with tangata whenua and ensure that the perspectives of tangata whenua are considered in its decisions.

7. ROLE AND COMPOSITION OF THE TRUST BOARD

- 7.1 Role of the Trust Board and Trustees:** In accordance with the terms set out in this deed, the role of the Trust Board, and each Trustee, is to act in the best interests of the Trust in terms of advancing

its Charitable Purposes. The Trust Board will have overall control of, and responsibility for, the Trust Fund and the administration of the Trust, and the affairs of the Trust will be managed by, or under the direction or supervision of, the Trust Board.

7.2 Role of the Initial Trustees: Without derogating from clause 7.1, the role of the Initial Trustees includes doing all things practicable and expedient to establish the Trust, incorporate under the Charitable Trusts Act 1957, and ensure that the Trust obtains any registration or approval required to become eligible for the benefit of any Tax Concession (in accordance with clause 11).

7.3 Composition of the Trust Board: The Trust Board will comprise a minimum of three and a maximum of nine individuals who hold office as Trustees, as follows:

7.3.1 It is intended that the Trust Board will include one Trustee appointed by the Regional Council on account of the Regional Council's anticipated provision of funding support to the Trust, and for this purpose:

- (a) Subject to clause 7.3.1(b), the Regional Council has the power to appoint (and to remove), at any time and by ordinary resolution of the Regional Council (which the Council must notify to the Trust Board), one Trustee. **[Insert name of Initial Trustee]** is deemed to be the first Council-appointed Trustee under this clause.
- (b) The Regional Council will not have the power to appoint a Trustee, and any Council-appointed Trustee will cease to hold office, if at any time the Trust Board and the Regional Council agree that, on account of the level of funding support (if any) provided by the Regional Council to the Trust at the relevant time or for any other reason, it is no longer appropriate for the Trust Board to continue to include a Council-appointed Trustee. Any such agreement may be subsequently rescinded by the parties.
- (c) The Trust Board must notify the Regional Council if a Council-appointed Trustee ceases to hold office (other than by way of removal by the Council).

7.3.2 The Trust Board has the power to appoint all other additional or replacement Trustees, and in relation to the exercise of this power of appointment the Trust Board must use all reasonable endeavours to ensure that, taking into account the skills, expertise, experience and connections of the existing Trustees, the Trust Board includes at all times:

- (a) a Trustee or Trustees able to fairly represent the perspectives of those involved in environmentally sensitive and sustainable Farming in the Hawke's Bay Region and other relevant stakeholders in respect of the Trust's purpose and its functions; and
- (b) Trustees who have a mix of skills, expertise, experience and/or connections relevant to advancing the Trust's purpose and its functions.

7.4 Maintaining the Trust Board: If, for any reason, the number of Trustees falls below three, the remaining Trustee or remaining Trustees (acting unanimously) can and must, as soon as practicable, exercise the Trust Board's power to appoint additional Trustees under clause 7.3.2 to increase the number of Trustees to *three*.

7.5 Term of Office: The following provisions apply in relation to an individual's term of office as a Trustee:

7.5.1 In order to ensure that the Initial Trustees do not all cease to hold office at the same time and to stagger the appointment/reappointment of Trustees in place of the Initial Trustees, the Initial Trustees (other than the Council-appointed Trustee) will cease to hold office as Initial Trustees as follows (and in each case the two Initial Trustees will be determined by unanimous agreement of the Trust Board or otherwise by lot, or if only

one or two Initial Trustees still hold office at the relevant time the remaining Initial Trustee(s) will cease to hold office):

- (a) two Initial Trustees will cease to hold office at the conclusion of the first Annual Meeting following the date of execution of this deed;
- (b) two Initial Trustees will cease to hold office at the conclusion of the second Annual Meeting following the date of execution of this deed;
- (c) two Initial Trustees will cease to hold office at the conclusion of the third Annual Meeting following the date of execution of this deed; and
- (d) two Initial Trustees will cease to hold office at the conclusion of the fourth Annual Meeting following the date of execution of this deed;

provided that an individual who ceases to hold office as an Initial Trustee under this clause may be reappointed as a Trustee under 7.3 for a further term, from or after the time that he or she ceases to hold office under this clause.

7.5.2 An individual appointed as a Trustee by the Regional Council under clause 7.3.1 will hold office until the earlier of cessation of office under clause 7.7 and removal from office by the Regional Council under clause 7.8.

7.5.3 An individual appointed as a Trustee under clause 7.3.2 will hold office until the earlier of cessation of office under clause 7.7 and the conclusion of the third Annual Meeting of the Trust Board following the date of his or her appointment under clause 7.3.2.

7.6 Reappointment: An individual who holds, or has held, office as an Initial Trustee or a Trustee appointed under clause 7.3 may be appointed for a further term or terms at any time, provided that:

7.6.1 an individual is not permitted to hold office as a Trustee for more than two consecutive terms (excluding any term as an Initial Trustee that ceased under clause 7.5.1(a) or (b), and treating as consecutive any two terms with less than six months between end of one term and the start of the other term); and

7.6.2 an individual who has held office as a Trustee for two consecutive terms (as referred to under clause 7.6.1) may, after a stand down period of at least 12 months from the end of the second of those consecutive terms, be appointed for a further term or terms.

7.7 Cessation of Office: An individual holding office as a Trustee (including an Initial Trustee) will cease to hold such office, notwithstanding that his or her term has not yet expired, immediately upon:

7.7.1 the expiry of 28 days after the individual has given the Trust Board written notice of his or her resignation (or the expiry of any shorter period approved by the Trust Board);

7.7.2 the individual's removal from office as Trustee in accordance with clause 7.8;

7.7.3 the individual becoming disqualified from holding office as a Trustee under clause 7.9; or

7.7.4 the individual's death.

7.8 Removal from Office: An individual (including an Initial Trustee) may be removed from office as a Trustee as follows:

7.8.1 in the case of an individual holding office under clause 7.3.1, by the Regional Council providing written notice of the removal to the Trust Board; and

7.8.2 in the case of any other individual holding office as a Trustee, by the Trust Board, by way of a resolution passed at a meeting by a number of Trustees that equals or exceeds 75% of the total number of Trustees, but only in circumstances where:

- (a) the individual fails to attend any three or more consecutive meetings of the Trust Board without leave of absence from the Trust Board; or
- (b) the Trust Board reasonably considers that, due to illness or injury of the Trustee, or the conduct of the Trustee in connection with the Trust or any other matter, or for any other reason, the individual's removal from office is in the best interests of the Trust, provided that the Trust Board must give the individual a reasonable opportunity to be heard by the Trust Board prior to making any decision regarding removal (unless it is impossible or impracticable to do so in the particular circumstances).

7.9 Disqualification from Office: An individual (including an Initial Trustee) is not eligible to hold office as a Trustee, or to continue to hold office as a Trustee, if he or she:

- 7.9.1** is an undischarged bankrupt, or a discharged bankrupt who is prohibited by court order from engaging in all forms or any form of business activity;
- 7.9.2** has been convicted of a crime involving dishonesty within the meaning of section 2(1) of the Crimes Act 1961, or an offence under section 143B of the Tax Administration Act 1994, and sentenced for that crime within the last seven years, or has been convicted of (and not pardoned for) an offence punishable by a term of imprisonment of two or more years or any offence for which he or she is or has been sentenced to imprisonment;
- 7.9.3** is prohibited from being a director or promoter of, or from being concerned or taking part in the management of, a company under any of the Companies Act 1993, the Financial Markets Conduct Act 2013, or the Takeovers Act 1993;
- 7.9.4** is subject to a property order made under the Protection of Personal and Property Rights Act 1988 or whose property is managed by a trustee corporation under section 32 of that Act, or is mentally incapable in relation to property or personal care and welfare, as defined in respect of a donor of an enduring power of attorney under section 94 of that Act;
- 7.9.5** is disqualified from acting as an officer of a charitable entity under section 16 of the Charities Act 2005, if the Trust is registered, or required under clause 11.2 to be registered, under that Act; or
- 7.9.6** is disqualified from acting as a Trustee under any other applicable legislation.

7.10 Records and Notice: The Trust Board must ensure that Trustee details, including the appointment, removal and cessation of office of Trustees, are included in the Trust's records and, if required, notify Trustee changes to any relevant authority (for example, under the Charities Act 2005, if the Trust is registered under that Act).

8. CHAIR, DEPUTY CHAIR AND OTHER POSITIONS

8.1 Chair and Deputy Chair: The Trust Board:

- 8.1.1** must appoint one of the Trustees (who must not be a Council-appointed Trustee under clause 7.3.1) to act as the Chair of the Trust, and may remove a Trustee from that position at any time; and
- 8.1.2** may appoint one of the Trustees (who must not be a Council-appointed Trustee under clause 7.3.1) as Deputy Chair of the Trust, and may remove a Trustee from that position at any time;

and an individual appointed to hold office as Chair or Deputy Chair will hold that position until the earlier of his or her resignation from the position, or his or her removal from the position by the Trust Board, or the end of his or her term of office as a Trustee.

- 8.2 Other Positions:** The Trust Board may appoint from time to time either one of the Trustees or some other person to hold any other position (for example, secretary or treasurer), as determined by the Trust Board, and may remove any Trustee or other person appointed to hold any such position at any time. Any appointee who is not a Trustee must not be disqualified, and will cease to hold any such position if they become disqualified, from holding office as a Trustee under clause 7.9.

9. POWERS OF THE TRUST BOARD

- 9.1 Powers of Trust Board:** In order to carry out its role, and in particular to advance and achieve the Trust's purpose and its functions as set out in clauses 3.2 and 3.3:

9.1.1 the Trust Board has, in addition to all other powers conferred by law but subject to the restrictions contained in this deed (and any other applicable law), the same powers as if it was the absolute owner of, and beneficially entitled to, the Trust Fund, including (without limitation):

- (a) full capacity to carry on or undertake any business or activity, do any act, or enter into any transaction; and
- (b) for the purposes of paragraph (a), full rights, powers, and privileges; and

9.1.2 the Trust Board's powers will not be limited or restricted by any principle of construction or rule of law or statutory power or provision except to the extent that it is obligatory.

- 9.2 Exercise of Powers:** The Trust Board, and each Trustee, must exercise their powers and discretions (including the power to invest the Trust Fund or any part of the Trust Fund):

9.2.1 to advance and achieve the Trust's purpose and functions as set out in clauses 3.2 and 3.3; and

9.2.2 in a prudent manner, exercising the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

- 9.3 Delegation of Powers:** To the full extent permitted by law, the Trust Board may delegate any of its powers or discretions, in writing and subject to such terms and/or directions as the Trust Board thinks fit, to any committee (which may include, but must not be controlled by, an individual or individuals who are not Trustees) or to any officer, employee, manager, agent, attorney or other person or body appointed by the Trust Board, provided that:

9.3.1 any committee or person to whom the Trust Board has delegated any power or discretion will be bound by, and must exercise such power or discretion in accordance with, the terms of this deed and any terms set and/or directions given by the Trust Board;

9.3.2 the Trust Board may wholly or partly revoke or modify any such delegation at any time, and no such delegation will prevent the exercise of any power or discretion by the Trust Board; and

9.3.3 no such delegation will release the Trust Board and the Trustees from their responsibilities in relation to the Trust.

10. MEETINGS AND DECISIONS OF THE TRUST BOARD

- 10.1 Trust Board Meetings:** Unless provided otherwise in this deed, the following provisions apply in relation to meetings of the Trust Board:

Frequency of Meetings

- 10.1.1** The Trust Board must meet not less than six times in each Financial Year, including an annual meeting which must be held within four months after the end of a Financial Year (starting with the 2019/2020 year) to receive and approve the Annual Report for that year and to deal with any other business as determined by the Trust Board, and may otherwise meet from time to time as the Trust Board considers necessary or expedient for the conduct of the affairs of the Trust.

Method of Holding Meetings

- 10.1.2** Meetings of the Trust Board may be held by the Trustees assembling together in one place and/or by means of audio, audio and visual, or any other form of communication suitable for conducting meetings by which all Trustees can attend, participate and simultaneously hear each other throughout the meeting.

Calling and Notifying Meetings

- 10.1.3** The Trust Board, or the Chair, Deputy Chair or any two Trustees, may convene a meeting by giving, or arranging for any Officer or employee of the Trust to give, written notice of the meeting in accordance with clause 10.1.4.
- 10.1.4** Unless the Trust Board determines otherwise, any meeting of the Trust Board is to be convened by giving each Trustee (other than a Trustee who has waived the right) not less than seven days' written notice of the meeting and such notice must:

- (a) specify the date and time of the meeting;
- (b) specify the place of the meeting at which the Trustees are to assemble and/or the manner in which each Trustee may participate in the meeting (if the meeting is to be held, wholly or partly, by means of audio, audio and visual, or any other form of communication suitable for conducting meetings); and
- (c) provide an agenda or otherwise give an indication of the matters to be discussed at the meeting, in sufficient detail to enable the Trustees to appreciate the general import of those matters, unless this is already known to the Trustees or is impossible or impracticable in the particular circumstances or in relation to a particular matter;

provided that any omission or irregularity in relation to giving such notice is waived by a Trustee if the Trustee attends the meeting without protest as to the irregularity or agrees to waive the omission or irregularity (before, after or during the meeting).

Quorum and Voting

- 10.1.5** Subject to the provisions set out in clause 13:
- (a) A quorum at a meeting of the Trust Board will be established only if:
 - (i) there are at least three Trustees in attendance (unless there are fewer than three Trustees); and
 - (ii) the total number of Trustees in attendance exceeds 50% of the total number of Trustees for the time being.

No business will be transacted at a meeting at any time unless a quorum is present at that time.
 - (b) Each Trustee in attendance at a meeting will have one vote, provided that if the number of trustees in favour of any resolution at a meeting equals 50%

of the total number of Trustees for the time being the Chair will have a second, casting vote on the resolution.

- 10.1.6** Subject to the provisions set out in clause 13, and any other provision of this deed (for example, requiring a resolution to be passed by a specified number or majority of Trustees), any resolution to be passed at a meeting of the Trust Board must be approved by a number of votes that exceeds 50% of the total number of Trustees for the time being. A resolution passed in accordance with this clause will be binding on all Trustees.

Chair of meetings

- 10.1.7** The Chair, or in the absence of the Chair the Deputy Chair, must chair any meeting of the Trust Board. If no Trustee holds office as Chair or Deputy Chair, or if neither the Chair nor Deputy Chair is present within 15 minutes after the time appointed for commencement of the meeting, the Trust Board at that meeting may appoint one of the attending Trustees to chair the meeting. Subject to the terms of this deed and any rules/regulations adopted by the Trust Board prior to any meeting, the Trustee chairing the meeting will control the conduct of that meeting.

Attendance by Officers

- 10.1.8** Unless the Trust Board determines otherwise, any Officer who is not a Trustee will be notified of, and entitled to attend and participate (but not vote) at, meetings of the Trust Board, as if the Officer were a Trustee.

- 10.2** **Trust Board Resolutions:** Subject to the provisions set out in clause 13 and any other provision of this deed (for example, requiring a resolution to be passed by a specified number or majority of Trustees), the following provisions apply in relation to Trust Board resolutions:

Resolutions at meetings

- 10.2.1** Any resolution at a meeting of the Trust Board must be passed in accordance with clause 10.1.6.

Written resolutions

- 10.2.2** A written resolution signed or approved in writing by all of the Trustees for the time being will be as valid and effectual as if it had been passed unanimously at a meeting of the Trust Board duly convened and held. Any such resolution may consist of several documents in like form each signed or approved in writing by one or more of the Trustees. An electronic scanned copy of any such signed resolution shall be as valid and effectual as the original signed document with effect from its transmission.

Rescission/variation

- 10.2.3** The Trust Board may from time to time rescind or vary any resolution of the Trust Board by way of a resolution passed by the same majority as was necessary to pass the resolution that is to be rescinded or varied.

- 10.3** **Other Matters Relating to Proceedings:** Subject to the terms of this deed, the proceedings of the Trust Board, including the manner in which meetings of the Trust Board are to be convened and conducted (including holding meetings by means of audio, audio and visual, or any other form of communication suitable for conducting meetings), will be regulated by the Trust Board, and the Trust Board may develop and adopt from time to time rules and/or regulations in relation to its proceedings, as the Trust Board thinks fit.

- 10.4** **Validity of Proceedings:** Any meeting of the Trust Board and any resolution of the Trust Board will be as valid and effective as if:

- 10.4.1** the individuals acting as Trustees had been duly appointed;

10.4.2 the individuals acting as Trustees were eligible to hold office as Trustees; and

10.4.3 the Trust Board, and the individuals acting as Trustees, had complied with any applicable rule and/or regulation adopted by the Trust Board relating to such matters;

even if it is later discovered that:

10.4.4 there was some defect in the appointment of any individual acting as Trustee;

10.4.5 any individual acting as Trustee was for any reason ineligible to hold office as Trustee; or

10.4.6 there was accidental failure to comply with any applicable rule and/or regulation adopted by the Trust Board.

10.5 **Records of Meetings/Resolutions:** The Trust Board must ensure that a record of all meetings and resolutions of the Trust Board is included in a minute book, or equivalent records, kept and maintained by the Trust Board. Once any minutes are confirmed by the Trust Board, the Chair (or, if confirmed at a meeting of the Trust Board, the Trustee chairing the meeting) must sign the minutes as a true and correct record. The signed minutes will be *prima facie* evidence of the facts stated in those minutes.

11. MAINTAINING TRUST ELIGIBILITY FOR TAX CONCESSIONS

11.1 **General Requirement:** The Trust Board must do all things practicable and expedient to ensure that the Trust is, and remains, eligible for the benefit of any Tax Concession, unless in relation to any such concession the Trust Board has determined that eligibility for the benefit of that concession is not required in the best interests of the Trust in terms of advancing its Charitable Purposes.

11.2 **Specific Requirements:** Without limiting clause 11.1, things to be done by the Trust Board under that clause may include:

11.2.1 registering under the Charities Act 2005, and maintaining such registration; and

11.2.2 complying with all relevant obligations under:

(a) the Charities Act 2005; and

(b) the Income Tax Act 2007, the Tax Administration Act 1994 or any other relevant tax legislation.

12. RESTRICTIONS RELATING TO PRIVATE BENEFITS

12.1 **General Restriction:** Nothing expressed or implied in this deed will permit the activities of the Trust, or any business carried on by, or for, or for the benefit of the Trust, to be carried on for the private profit of any person so as to affect:

12.1.1 the continued operation of the Trust and dedication of the Trust Fund exclusively for Charitable Purposes, pursued for the benefit of the public and not for private profit; and/or

12.1.2 the Trust's eligibility for the benefit of any Tax Concession for which it would otherwise be eligible, unless in relation to any such concession the Trust Board has determined that eligibility for the benefit of that concession is not required in the best interests of the Trust in terms of advancing its Charitable Purposes.

12.2 **Permitted Expenditure:** For the avoidance of doubt, the proscription of private profit under clause 12.1 does not preclude the Trust Board, acting in furtherance of the Trust's purpose and its functions as set out in clauses 3.2 and 3.3, using the Trust Fund:

12.2.1 to pay for services provided, and to reimburse expenses properly incurred, by any Trustee, in accordance with clause 17; and

12.2.2 to pay or otherwise provide consideration for the supply of any goods and/or services to the Trust Board by any other person, provided that the payment or consideration does not exceed fair market value (that is, an arm's length rate) for the supply.

12.3 Business Income Restriction: For the purpose of ensuring that any income derived by the Trust Board from any business carried on by, or for the benefit of the Trust (if any) is exempt from income tax (as at the date of this deed, under section CW 42 of the Income Tax Act 2007), no person holding any of the following positions is permitted to have, by virtue of that position, the ability, either directly or indirectly, to determine or materially influence the determination of either the nature or extent of any relevant benefit or advantage from the business or the circumstances in which any such benefit or advantage from the business is or is to be given or received:

12.3.1 Any settlor or Trustee of The trust by which the business is carried on.

12.3.2 Any shareholder or director of the company by which the business is carried on.

12.3.3 Any settlor or trustee of a trust that is a shareholder of the company by which the business is carried on.

12.3.4 Any person associated with any person referred to in clauses 12.3.1 to 12.3.3 (as determined under the Income Tax Act 2007, for the purpose of section CW 42 of that Act).

For the avoidance of doubt, for the purposes of this clause 12.3 a relevant benefit or advantage does not include any benefit or advantage to a person for any Charitable Purpose of the Trust or any other benefit or advantage that may be disregarded under section CW 42(1)(c), or under any other provision of section CW 42, in the Income Tax Act 2007.

13. MANAGING TRUSTEE/OFFICER CONFLICTS OF INTEREST

13.1 Entry into Transactions: Subject to the provisions of this clause 13, the Trust Board may enter into a transaction in respect of which a Trustee or Officer is Interested, if the Trust Board considers that the transaction is in the best interests of the Trust in terms of advancing its Charitable Purposes.

13.2 Disclosure and Records: If a Trustee or Officer is Interested in any transaction entered into, or to be entered into, by the Trust Board (other than Trustee reimbursement/remuneration, indemnification and insurance, to which separate provisions apply under clause 17):

13.2.1 the Trustee or Officer, immediately upon becoming aware that he or she is Interested in the transaction, must disclose to the Trust Board:

- (a) the fact of his or her interest in the transaction; and
- (b) the nature of his or her interest and either the monetary value of the interest, if the monetary value of the interest is able to be quantified, or, if the monetary value of the interest is not able to be quantified, the extent of the interest; and

13.2.2 the Trust Board must ensure that a record of the interest of the Trustee or Officer in relation to the transaction is included in the Trust records kept and maintained by the Trust Board.

13.3 Involvement in Transaction: Any Trustee or Officer who is Interested in any transaction entered into, or to be entered into, by the Trust Board to which clause 13.2 applies:

13.3.1 must not be involved in deliberations, and in the case of a Trustee will not be counted for the purpose of establishing a quorum and will not be entitled to vote on any Trust Board resolution, in respect of any matter relating to the transaction;

13.3.2 subject to clause 13.3.1, may attend any meeting of the Trust Board that is not limited to dealing with matters relating to the transaction and be included among the attendees at that meeting for the purpose of establishing a quorum to commence the meeting and to deal with other matters at the meeting;

13.3.3 may sign a written resolution of the Trust Board dealing with any matter relating to the transaction, provided that the majority of Trustees signing any such resolution must not be Interested in the transaction; and

13.3.4 in accordance with the Trust Board's decisions in relation to the transaction, may sign any contract or other document, or do anything else as Trustee or Officer of the Trust, in relation to the transaction.

13.4 Independent Trustee(s) or Advice: This clause applies if, as a consequence of any Trustee or Trustees being Interested in a transaction to which clause 13.2 applies, the Trust Board would be unable to establish a quorum and/or decide on a resolution in respect of the transaction. For the Trust Board to act in relation to the transaction, either the composition of the Trust Board must change (by way of the appointment and/or the removal or resignation of one or more Trustees) or, by unanimous resolution of all Trustees for the time being including any Interested Trustee (being either a resolution at a meeting or a written resolution), the Trust Board may either:

13.4.1 authorise the independent Trustee or Trustees on the Trust Board, acting unanimously (by way of a resolution at a meeting or a written resolution), to determine the Trust Board's position on the transaction; or

13.4.2 appoint or engage (as an advisory trustee, a special trust advisor or otherwise), and determine to proceed in relation to the transaction in accordance with the advice and/or recommendations of, a suitably qualified independent person.

13.5 Meaning of "Interested": For the purpose of this clause 13, a Trustee or Officer will be Interested in a transaction if the Trustee or Officer:

13.5.1 is a party to, or will or may derive a material financial benefit from, the transaction; or

13.5.2 has a material financial interest in another party to the transaction; or

13.5.3 is a director, officer, or trustee of another party to the transaction, or person who will or may derive a material financial benefit from, the transaction (unless the party or person is wholly owned or wholly controlled by the Trust Board); or

13.5.4 is the parent, child, spouse, civil union partner, or de facto partner of another party to, or a person who will or may derive a material financial benefit from, the transaction; or

13.5.5 otherwise has, directly or indirectly, any material personal interest in the transaction.

14. FINANCIAL STATEMENTS AND ANNUAL REPORTS

14.1 Financial Statements: Without limiting any financial and/or non-financial reporting requirements that may apply in relation to the Trust under clause 11 (or any other applicable law), the Trust Board must ensure that:

14.1.1 as soon as practicable after the end of each Financial Year (starting with the 2019/2020 year), financial statements for the Trust are prepared for presentation and approval at the Trust Board's Annual Meeting as part of the Trust's Annual Report. The statements must give a true and fair view of the financial position of the Trust for the relevant Financial Year and must include:

(a) a statement of financial position (or an equivalent statement, however described);

- (b) a statement of financial performance (or an equivalent statement, however described); and
- (c) notes to those statements;

14.1.2 the Financial Statements for each Financial Year are independently audited or reviewed by a chartered accountant or other appropriately qualified person appointed for that purpose by the Trust Board; and

14.1.3 the Financial Statements, and any audit or review of such statements, must be included in the Trust's records and, if required by law, filed with any relevant authority (for example, under the Charities Act 2005, if the Trust is registered under that Act).

14.2 Annual Reports: As soon as practicable after the end of each Financial Year (starting with the 2019/2020 year):

14.2.1 the Trust Board must ensure an Annual Report, including a report or reports on the Trust's activities during the relevant Financial Year and a copy of the Financial Statements (audited or reviewed, if applicable) for that Financial Year, is prepared for presentation and approval at the Trust Board's Annual Meeting; and

14.2.2 once the Annual Report for a Financial Year is finalised and approved at the Trust Board's Annual Meeting, the Trust Board must provide a copy for information to the Regional Council, and must take reasonable steps to make the Annual Report available to the general public of the Hawke's Bay for review.

15. GENERAL ADMINISTRATIVE MATTERS

15.1 Record Keeping: The Trust Board must ensure that full and accurate records are kept and maintained in respect of the Trust, in written form or in a form or in a manner that allows such records to be easily accessible and convertible into written form, including:

15.1.1 financial books, accounts, papers and other financial records of the Trust, including full and accurate records and accounts of all receipts, credits, payments, assets, liabilities, transactions and other matters necessary for giving a true and fair view of the financial position of the Trust and the Financial Statements (audited or reviewed, as applicable) for each Financial Year;

15.1.2 a minute book or similar records, which must include a full and accurate record of the appointment, removal and cessation of office of Trustees and Officers, disclosures of interest, Trust Board meetings and resolutions, delegations, and any other such matter appropriately included in the Trust's records; and

15.1.3 any other records that it may be necessary or appropriate to keep and maintain in respect of the Trust, including this deed and any other document relating to the terms upon which all or any part of the Trust Fund is held, any rules and/or regulations adopted by the Trust Board, written communications with the Trustees and other persons, and any other documents and information relating to the Trust and its activities,

and such records will be open to inspection by any of the Trustees upon request.

15.2 Financial Matters: The Trust Board must ensure that:

15.2.1 the Trust has an account or accounts, at a bank or banks, for its funds, as determined by the Trust Board from time to time, and in relation to any such account cheques, withdrawals and authorities must be signed or endorsed, as the case may be, by one or more persons, any such person being either a Trustee or another person acting on, and in accordance with, the written authority of the Trust Board; and

15.2.2 there are at all times procedures in place in relation to the Trust Board's receipt, administration and expenditure of the Trust's funds.

15.3 Method of Contracting: Unless the law requires otherwise, and subject to clause 15.4:

- 15.3.1** a deed to be executed by the Trust Board may be signed on behalf of the Trust Board by any two or more Trustees;
- 15.3.2** any contract or other obligation required by law to be in writing, and any other written contract or obligation to be entered into by the Trust Board, may be signed on behalf of the Trust Board by a Trustee or another person acting under the express or implied authority of the Trust Board; and
- 15.3.3** any other contract or obligation may be entered into on behalf of the Trust Board in writing or orally by a Trustee or another person acting under the express or implied authority of the Trust Board.

15.4 Common Seal: If the Trust Board is incorporated under the Charitable Trusts Act 1957, the Trust Board will have a common seal and the common seal:

- 15.4.1** must be held by one of the Trustees, or an Officer, as determined by the Trust Board;
- 15.4.2** must be affixed to any document required to be executed by the Trust Board under common seal, and may be affixed to any other document to be executed by the Trust Board as the Trust Board thinks fit; and
- 15.4.3** if the common seal is to be affixed to any document, it must be affixed pursuant to prior authority given by the Trust Board and it must be affixed in the presence of, and accompanied by the signatures of, two or more Trustees.

15.5 Provision and Receipt of Notices: In relation to any notice required to be given by a person (**Sender**) to any other person (**Recipient**) under this deed, including notice of any written approval, resolution or other matter:

- 15.5.1** such notice may be:
 - (a) delivered to the Recipient directly or to an address given by the Recipient to the Sender for such purpose or the Recipient's address recorded on an official New Zealand public register (for example, the Companies Register or Charities Register);
 - (b) posted to an address given by the Recipient to the Sender for such purpose or the Recipient's address recorded on an official New Zealand public register; or
 - (c) sent by electronic means in accordance with any consent provided or request made by the Recipient for notices or any notice to be sent by such means, or in accordance with the Recipient's details included on an official New Zealand public register; and
- 15.5.2** a notice given by a Sender to a Recipient in accordance with clause 15.5.1 is deemed to be given:
 - (a) in the case of delivery, when the notice is handed to the Recipient or delivered to the address of the Recipient;
 - (b) in the case of posting, two days after it is posted; or
 - (c) in the case of electronic means, at the time of transmission.

15.6 Other Administrative Matters: Subject to the terms of this deed, the administration of the Trust's activities and the Trust Fund will be regulated by the Trust Board, and the Trust Board may develop

and adopt from time to time rules and/or regulations in relation to the administrative matters set out in this clause 15 and any other administrative matters, as the Trust Board thinks fit.

16. RESOLUTION OF DISPUTES

16.1 Alternative Dispute Resolution: In the event of any dispute arising out of or in relation to this deed between the Trust Board and any Trustee or other party referred in this deed (such as the Regional Council), the Trust Board may determine, of its own accord or at the request of the Trustee or other party, that the dispute will be dealt with under the alternative dispute resolution provisions set out in this clause 16, not Court proceedings.

16.2 Mediation: If the Trust Board determines that a dispute arising out of or in relation to this deed is to be dealt with under the alternative dispute resolution provisions set out in this clause 16:

16.2.1 In the first instance, the dispute will be referred to mediation (that is, a non-binding dispute resolution process in which an independent mediator facilitates negotiation between the parties).

16.2.2 For this purpose, the Trust Board will notify the Trustee or other party in writing, identifying the dispute which is being suggested for mediation, and the Trustee or other party may decline to proceed with mediation, agree to proceed with mediation, or agree to attend a preliminary meeting with the mediator to discuss whether mediation would be helpful in the circumstances.

16.2.3 The parties will agree on a suitable person to act as mediator or, will request the Arbitrators' and Mediators' Institute of New Zealand Inc. (or its successor) to appoint a mediator, and the mediation will be conducted in accordance with the Mediation Protocol (or equivalent rules/regulations) of the Arbitrators' and Mediators' Institute of New Zealand Inc. (or its successor).

16.2.4 Mediation shall be terminated upon the earlier of:

- (a) the signing of a settlement agreement by the parties; or
- (b) notice to the parties from the mediator, after consultation with the parties, to the effect that further efforts at mediation are no longer justified; or
- (c) notice by one or more of the parties to the mediation to the effect that further efforts at mediation are no longer justified; or
- (d) the expiry of 60 days from the mediator's appointment, unless the parties expressly consent to an extension of this period.

16.3 Arbitration: If mediation is terminated as provided in clause 16.2.4(b) to 16.2.4(d), or if the Trust Board and the Trustee or other party agree at any time:

16.3.1 The dispute will be referred to, and finally resolved by, arbitration in New Zealand in accordance with New Zealand law and the current Arbitration Protocol (or equivalent rules/regulations) of the Arbitrators' and Mediators' Institute of New Zealand Inc. (or its successor).

16.3.2 The arbitration will be conducted by one arbitrator agreed by the parties or, if they fail to agree within twenty one days of the termination of the mediation or their agreement to refer the dispute to arbitration, an arbitrator appointed by the President of the Arbitrators' and Mediators' Institute of New Zealand Inc. (or its successor).

16.1 Court Proceedings: For the avoidance of doubt, this clause 16 does not preclude the Trust Board from making any application to the Court for orders or directions (under the Charitable Trusts Act 1957, the Trustee Act 1956 or otherwise) in respect of any matter arising out of or in relation to this deed.

- 17. TRUSTEE REIMBURSEMENT/REMUNERATION AND OTHER TRUSTEE MATTERS**
- 17.1 Trustee Reimbursement:** A Trustee is entitled to be indemnified and reimbursed out of the Trust Fund for all expenses properly incurred by the Trustee in connection with the Trust, including travel and other expenses.
- 17.2 Trustee Remuneration:** Subject to clause 17.3, and taking into account at all times the intention that the role of Trustee will be wholly or substantially voluntary, the Trust Board may:
- 17.2.1** approve use of the Trust Fund to remunerate a Trustee for his or her role as a Trustee and/or Officer, provided that the Trust Board must be satisfied, on reasonable grounds, that the provision of any such remuneration to any Trustee is necessary or appropriate, having regard to the Charitable Purposes and financial position of the Trust, the Trustee's duties and responsibilities, and the nature and extent of the services provided by the Trustee; and
- 17.2.2** in the case of any Trustee, including any Initial Trustee, engaged in any profession, business or trade, approve use of the Trust Fund to pay all usual professional, business and trade charges for services requested by the Trust Board that are provided by that Trustee or by that Trustee's employee, partner or firm, including acts which the Trustee, not being in the profession, business or trade, could have done personally.
- 17.3 Remuneration Restrictions:** In relation to any remuneration to be paid under clause 17.2.1 or 17.2.2:
- 17.3.1** the amount of the remuneration must not exceed fair market value (that is, an arm's length rate) for the services provided; and
- 17.3.2** if the remuneration is a relevant benefit or advantage in respect of which clause 12.3 applies, in accordance with that clause neither the Trustee receiving the remuneration nor any person associated with the Trustee may determine or materially influence, directly or indirectly, the nature or amount of that remuneration or the circumstances in which it is to be provided.
- 17.4 Trustee Standard of Care:** Despite the fact that the Trust Board may from time to time include Trustees whose profession, employment or business is, or includes, acting as a trustee or investing money on behalf of others:
- 17.4.1** the care, diligence and skill to be exercised by all Trustees at all times is the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others; and
- 17.4.2** the Trustees will not be subject to the duty to exercise special skill as set out in section 13C of the Trustee Act 1956 (or any equivalent, similar or higher standard of care under any other legislation).
- 17.5 Limitation of Trustee Liability:** Notwithstanding clause 17.4:
- 17.5.1** A Trustee (including any former Trustee) will be chargeable only for any money which that Trustee has received (for which purpose, a Trustee is deemed to have received money, even if not actually paid to the Trustee, if that money has been credited in account, reinvested, accumulated, capitalised, or otherwise dealt with on the Trustee's behalf).
- 17.5.2** A Trustee (including any former Trustee) will not be liable for any loss to the Trust Fund arising from any act or omission of the Trustee, the Trust Board or any of the Trustees, except to the extent that the loss is attributable to:
- (a) dishonesty on the part of the Trustee; or

- (b) wilful misconduct on the part of the Trustee, including any wilful act or omission of the Trustee known by the Trustee to be a breach of trust or a breach of any other obligation of the Trustee in connection with the Trust; or
- (c) gross negligence on the part of the Trustee.

17.5.3 No Trustee (including any former Trustee) will be liable for any loss to the Trust Fund attributable to any negligence, dishonesty, misconduct or delay on the part of any agent, contractor or employee engaged by the Trust Board in connection with the activities of the Trust.

17.6 Proceedings Against Trustees: Neither the Trust Board nor any Trustee will be bound to take, or liable for failure to take, any proceedings against any Trustee (including any former Trustee) for any breach or alleged breach of trust committed by the latter Trustee.

17.7 Indemnification of Trustees: A Trustee (including any former Trustee) is entitled to be indemnified out of the Trust Fund against all actions, proceedings, claims, damages, losses, demands, calls, liabilities, costs (including legal costs) and expenses (together called **Liabilities**) suffered or incurred by the Trustee in connection with their role as Trustee, except to the extent that the Liabilities suffered or incurred by that Trustee are attributable to:

- 17.7.1** dishonesty on the part of the Trustee; or
- 17.7.2** wilful misconduct on the part of the Trustee, including any wilful act or omission of the Trustee known by the Trustee to be a breach of trust or a breach of any other obligation of the Trustee in connection with the Trust; or
- 17.7.3** gross negligence on the part of the Trustee.

17.8 Insurance: If the Trust Board thinks fit, it may obtain insurance for the benefit of the Trustees in relation to any Liabilities covered by the indemnification provided under clause 17.6 and use the Trust Fund to meet the cost of such insurance.

18. RESETTLEMENT OF TRUST FUND

18.1 Resettlement Permitted: The Trust Board may, by deed, Resettle all or any part of the Trust Fund including any part of the Trust Fund held on Specific Trust as referred to in clause 4.1, on trust for exclusively Charitable Purposes in New Zealand, on terms determined by the Trust Board, provided that for any such resettlement to be valid and effective it must be approved in accordance with, and must comply with the restrictions set out, in clause 18.2.

18.2 Resettlement Approval and Restrictions: Any resettlement under clause 18.1:

- 18.2.1** must be approved by the Trust Board by way of a resolution at a meeting of the Trust Board passed by a number of Trustees that equals or exceeds 75% of the total number of Trustees for the time being or a unanimous written resolution;
- 18.2.2** must not permit any resettled part of the Trust Fund, or any income to be derived from any resettled part of the Trust Fund, to be distributed or applied other than for exclusively Charitable Purposes within New Zealand, for public benefit and not for private profit, and in particular any resettlement must only be made for one or more of the Charitable Purposes of the Trust at the time of the resettlement, to be pursued for the benefit of the Hawke's Bay Region; and
- 18.2.3** must not affect the Trust's eligibility for the benefit of any Tax Concession for which it would otherwise be eligible, unless in relation to any such concession the Trust Board has determined that eligibility for the benefit of that concession is not required in the best interests of the Trust in terms of advancing its Charitable Purposes.

19. WINDING UP AND DISPOSITION OF SURPLUS ASSETS

19.1 Approval of Winding Up: The Trust, including any part of the Trust Fund held on Specific Trust as referred to in clause 4.1, may be wound up by the Trust Board, and any surplus assets must then be distributed in accordance with clause 19.2, if a proposal to wind up the Trust is:

19.1.1 notified to all Trustees not less than 28 days prior to a meeting of the Trust Board at which the proposal is to be considered; and

19.1.2 approved at such meeting by way of a resolution passed by a number of Trustees that equals or exceeds 75% of the total number of Trustees for the time being, which resolution may also determine the proposed distribution of any surplus assets in accordance with clause 19.2.2.

19.2 Winding Up Process: In relation to winding up the Trust:

19.2.1 the Trust Board must first ensure that all debts and liabilities of the Trust, including the costs of winding up the Trust, have been or will be satisfied out of the Trust Fund or have been or will be assumed by another person;

19.2.2 subject to any specific terms on which any part of the Trust Fund is held (including any Specific Trust under clause 4.1), the remainder of the Trust Fund must be distributed or applied to advance any one or more Charitable Purposes within New Zealand, for the benefit of the public and not for private profit, and in particular, unless it is impossible or impracticable to do so, must be distributed or applied for one or more of the Charitable Purposes of the Trust at the time of winding up, to be pursued for the benefit of the Hawke's Bay Region; and

19.2.3 such distribution or application of the remainder of the Trust Fund will be made:

(a) in accordance with the resolution of the Trust Board under clause 19.1.2, or a subsequent resolution of the Trust Board; or

(b) otherwise at the direction of a Judge of the High Court of New Zealand.

19.3 Notice Requirements: The Trust Board must ensure that notice of the winding up of the Trust is filed with any relevant authority (for example, to dissolve the Trust Board under the Charitable Trusts Act 1957, to deregister the Trust under the Charities Act 2005 (if applicable), and for the purpose of any relevant tax legislation).

19.4 Application for Liquidation: For the avoidance of doubt, this clause 19 does not preclude the Trust Board from making any application to be put into liquidation under section 25 of the Charitable Trusts Act 1957, if the Trust Board considers such an application to be appropriate.

20. REVIEW AND ALTERATION OF TRUST TERMS

20.1 Review of Terms: The Trust Board must review the terms of the Trust from time to time, to ensure that the Trust's purpose and its functions are appropriately described and that the governance, administration and other terms of the Trust remain fit for purpose.

20.2 Alteration of Terms: The Trust Board may, by deed (which may be in the form of a supplemental deed, or a revised deed setting out all of the terms of the Trust as altered), alter the terms of the Trust (including, for the avoidance of doubt, the Trust's purpose and its functions as set out in clauses 3.2 and 3.3 of this deed), by adding, amending, deleting and/or replacing any term, provided that for any alteration to the terms of the Trust to be valid and effective it must be approved in accordance with, and must comply with the restrictions under, clause 20.3.

20.3 Alteration Approval and Restrictions: Any alteration under clause 20.2:

20.3.1 must be approved by the Trust Board, by way of a resolution at a meeting of the Trust Board passed by a number of Trustees that equals or exceeds 75% of the total number of Trustees for the time being or a unanimous written resolution;

20.3.2 must not affect the fundamental nature of the Trust as a charitable trust that is focused on Charitable Purposes that:

- (a) relate to environmentally sensitive and sustainable Farming (unless the Trust Board determines that it is impossible, impracticable or inexpedient to maintain the Trust for such Charitable Purposes); and
- (b) are pursued for the benefit of the Hawke's Bay Region;

20.3.3 must not permit the Trust to operate other than for exclusively Charitable Purposes in New Zealand, for the benefit of the public and not for private profit; and

20.3.4 must not affect the Trust's eligibility for the benefit of any Tax Concession for which it would otherwise be eligible, unless in relation to any such concession the Trust Board has determined that eligibility for the benefit of that concession is not required in the best interests of the Trust in terms of advancing its Charitable Purposes.

20.4 Records and Filing: The Trust Board must ensure that any alteration to the terms of the Trust is included in the Trust's records and, if required by law, filed with any relevant authority (for example, under the Charitable Trusts Act 1957, and under the Charities Act 2005 if the Trust is registered under that Act).

21. GOVERNING LAW AND JURISDICTION

21.1 Governing Law: The Trust and this deed is governed by New Zealand law.

21.2 Jurisdiction: In connection with the Trust, the Trustees submit to the non-exclusive jurisdiction of all courts having jurisdiction in New Zealand.

22. EXECUTION AND DELIVERY OF DEED

This deed may be executed and delivered by the Initial Trustees in any number of counterparts signed by one or more of the parties and all executed counterparts taken together will be deemed to constitute one document.

EXECUTED AND DELIVERED AS A DEED

SIGNED by **[INSERT NAME OF TRUSTEE]** as one of the Initial Trustees in the presence of:

[INSERT NAME OF TRUSTEE]

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

Attachment 1

Item 9

SIGNED by *[INSERT NAME OF TRUSTEE]* as one
of the Initial Trustees in the presence of:

[INSERT NAME OF TRUSTEE]

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

SIGNED by *[INSERT NAME OF TRUSTEE]* as
one of the Initial Trustees in the presence of:

[INSERT NAME OF TRUSTEE]

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

SIGNED by *[INSERT NAME OF TRUSTEE]* as
one of the Initial Trustees in the presence of:

[INSERT NAME OF TRUSTEE]

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

SIGNED by **[INSERT NAME OF TRUSTEE]** as
one of the Initial Trustees in the presence of:

[INSERT NAME OF TRUSTEE]

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

SIGNED by **[INSERT NAME OF TRUSTEE]** as
one of the Initial Trustees in the presence of:

[INSERT NAME OF TRUSTEE]

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

SIGNED by **[INSERT NAME OF TRUSTEE]** as
one of the Initial Trustees in the presence of:

[INSERT NAME OF TRUSTEE]

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

Attachment 1

Item 9

SIGNED by *[INSERT NAME OF TRUSTEE]* as
one of the Initial Trustees in the presence of:

[INSERT NAME OF TRUSTEE]

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

SIGNED by *[INSERT NAME OF TRUSTEE]* as
one of the Initial Trustees in the presence of:

[INSERT NAME OF TRUSTEE]

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

Schedule
Hawke's Bay Future Farming Initiative
Problem/Mission Statement and Scope of Activities Developed by the Establishment Working Group

Problem

Society today is challenging the environmental cost and impact of producing food. Public concerns include the degradation and loss of our soil and water resources, food safety and soil nutrition, animal welfare and agriculture's contribution to climate change.

A failure to respond to these issues at scale will guarantee a loss of confidence in New Zealand's food sector by both the community at large and individual consumers, leading to increased regulatory intervention and consumers migrating to alternative food producers and products.

Farming needs to address these public concerns while also contending with on farm production, compliance and cost issues that impact on business viability.

Response

Food producers will respond, we believe, by embracing practises or systems that lower food's environmental footprint, and in fact restore soil health, landscape function and water quality, while improving on-farm resilience productivity and profitability.

The Future Farming Initiative aims to help farmers find those solutions and ensure they are persistently presented with the best available and relevant options for navigating this changing and more demanding environment.

Mission

Our ambition is to make Hawke's Bay's farming the pride of our entire community. To shine a light on our region's existing and emerging expertise and create a local hub of knowledge, research, education and opportunity for profitable and resilient farming that ensures the health of the region's soil and water, communities and farmers into the future.

Ongoing success will be indicated by measurable improvement in farm performance (environmentally and financially), enthusiastic acceptance of our food products by domestic and overseas consumers, and the pride our community demonstrates for its farming sector.

Scope of activities

1. Know the relevant working environment
 - Identify similar projects/initiatives and, if appropriate adapt from and/or partner with them
 - Monitor literature for pertinent research, case studies, innovation, demonstrations
 - Monitor disruptive trends, technologies, consumer expectations
2. Generate Hawke's Bay hands-on knowledge focused on innovation
 - Sponsor on-farm demonstration/pilot projects, including outcome measurement
 - From focused interventions (e.g., improving soil biology) to optimal integrated farming systems
3. Spread knowledge: Continuously improve farm practices by developing tools, tactics and incentives for effective outreach and education
 - Identify, publicly recognize and promote Hawke's Bay best practices, practitioners and champions
 - Identify and promote non-Hawke's Bay/New Zealand practices with potential upside relevance to Hawke's Bay
 - Encourage/support sub-catchment farmer/grower-led initiatives

- Liaison with Hawke's Bay Regional Council Integrated Catchment Management programme/teams
 - Conduct education and extension activities for all farming sectors
4. Establish ambitious goals for superior performance by the primary sector (i.e., what do we want Hawke's Bay's best performance to look like in the future?)
- Soil Health
 - Clean Waters
 - Food Quality
 - Animal Welfare
 - Biosecurity
 - Profitability
5. Build a regional brand/celebrated identity around superior Hawke's Bay agricultural performance and proud, resilient rural communities
6. Advise Hawkes Bay Regional Council on policy, funding and regulatory matters relevant to the Future Farming Initiative mission
7. Seek external funding to accomplish/expand these activities from
- Local and central Government
 - Industry/sector groups
 - Service users
 - Philanthropies

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 18 December 2019

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.

1.2	Staff Warrants		
1.2.1	J. Byrne (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))	4367	25 November 2019
1.2.2	S. Murphy (Delegations under Resource Management Act 1991; Civil Defence Act 1983 (s.60-64); Civil Defence Emergency Management Act 2002 (s.86-91) and Local Government Act 2002 (s.174))	4366	21 November 2019
1.2.2	H. Meates B. Fahnle (Delegations under Biosecurity Act 1993; Civil Defence Act 1983 (s.60-64); Civil Defence Emergency Management Act 2002 (s.86-91) and Local Government Act 2002 (s.174))	4367 4369	21 November 2019 25 November 2019
1.3	Deed of Novation, Variation and Renewal between Hawke's Bay Regional Council, Kiwi Bee Medical Limited and Comvita New Zealand Limited	4370	5 December 2019
1.4	Deed of Lease between Hawke's Bay Regional Council and Napier Freshwater Anglers Club Inc. (Land that the Napier Freshwater Anglers Club Inc.'s hut is on at Lake Tutira)	4371	5 December 2019

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. 0 cross lease properties were sold, with 70 remaining on Council's books
 - 3.2. 0 single leasehold property was sold, with 91 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 the following:
 - 4.1 Sections 97 and 88 of the Act do not apply
 - 4.2 Council can exercise its discretion under Section 79(1)(a) and 82(3) of the Act and make a decision on this issue without conferring directly with the community or others due to the nature and significance of the issue to be considered and decided
 - 4.3 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 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.

Authored by:

Trudy Kilkolly
PRINCIPAL ACCOUNTANT RATES AND
REVENUE

Diane Wisely
EXECUTIVE ASSISTANT

Approved by:

Jessica Ellerm
GROUP MANAGER CORPORATE
SERVICES

James Palmer
CHIEF EXECUTIVE

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 18 December 2019

Subject: MĀORI COMMITTEE TERMS OF REFERENCE

Reason for Report

1. The reason for this item is to provide the Terms of Reference and membership of the Māori Committee to Hawke's Bay Regional Council for Council's confirmation and proposal to the first meeting of the Māori Committee for the 2019-22 Triennium.
2. The minutes of the Regional Council meeting of 6 November 2019, record that:
 3. *Hawke's Bay Regional Council establishes the following committee structure and adopts the Terms of Reference, membership, meeting frequency and Council Executive responsible for each committee as detailed following.*
 - 3.5 *The Māori Committee*
 - 3.5.1 *Terms of Reference for the Māori Committee to be confirmed by Council by March 2020, including membership.*
 - 3.5.2 *Appoints Councillors Rick Barker, Charles Lambert, Hinewai Ormsby and Rex Graham as representatives on the Māori Committee.*
3. The Terms of Reference can now be confirmed and this will allay some concern expressed by Taiwhenua as to the current status of the Māori Committee leading into this new 2019-22 triennium.

Officers' Recommendation(s)

4. That the Terms of Reference for the Māori Committee be confirmed by Council, for proposing to the first Māori Committee meeting of the Triennium where the names of the appointees will be confirmed, and the Chair and Deputy Chair elected.

Executive Summary

5. The Māori Committee Terms of Reference adopted 25 October 2017, and membership updated 4 July 2018, states:

Terms of Reference

Hawkes Bay Regional Council Māori Committee

1. *The Māori Committee are those 12 representatives nominated by each of the four Ngāti Kahungunu Taiwhenua / Executive in this region.*
2. *Within the first year of the Committee's establishment, a work plan for the Committee will be developed to set out, in general terms, what the Committee aims to achieve over its three-year term.*
3. *The expectation of the membership is that each Taiwhenua / Executive collective will engage with their respective constituents.*

Members

Twelve representatives nominated by the Tangata Whenua, appointed at the first meeting of the Māori Committee each triennium; plus one Proxy representative nominated to attend in an appointee's absence; being:

Bill Blake	Kaumatua (Wairoa)
Michelle McIlroy	Kahungunu Executive (Wairoa)
Kataraina Kawana	Wairoa Taiwhenua
Teresa Smith	Proxy (Kahungunu Executive - Wairoa)
Haami Hilton	Kaumatua (Hastings)
Michael Paku	Heretaunga Executive (Hastings)
Marei Apatu	Heretaunga Taiwhenua (Hastings)
Vacant (to be confirmed)	Proxy (Heretaunga Taiwhenua)
Paora Sciascia	Te Taiwhenua o Tamatea (Central Hawke's Bay)
Mike Mohi	Kaumatua (Central Hawke's Bay)

Brian Gregory	Tamatea Taiwhenua (Central Hawke's Bay)
Marge Hape	Proxy (Tamatea)
Peter Eden	Te Taiwhenua O Te Whanganui-a-Orotū (Napier)
Ata Te Tomo	(Te Taiwhenua o Te Whanganui-a-Orotū)
Api Robin	(Te Taiwhenua o Te Whanganui-a-Orotū)
tbc	Proxy

Up to **four** elected members of the Council: Councillors' Rick Barker, Charles Lambert, Hinewai Ormsby, Rex Graham

**Meeting
Frequency**

Bi-monthly, but with the Chairman of the Committee authorised to arrange additional meetings should the need arise, with Tuesday being the normal meeting day.

**HBRC
Executive
member of
staff**

Te Pou Whakarae

4. *The Chairperson is to be elected at the first meeting of the Committee of each triennium, from among the appointed Māori members of the committee. The Chairperson shall be elected for that term of the Committee but is not be precluded from a subsequent term as Chairperson if so nominated. Two key roles of the Chair will be to:*
 - 4.1 *preside over meetings of the Committee in accordance with the Regional Council Standing Orders.*
 - 4.2 *manage the nominations and appointments to the Māori Committee before the beginning of each triennium.*
5. *The Deputy Chair is to be elected at the first meeting of the Committee of each triennium from among the appointed members of the committee.*

Decision Making Process

6. 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:
 - 6.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 6.2. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

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.
2. Confirms the Terms of Reference for proposal to the Māori Committee for confirmation at its first meeting of the Triennium.

Authored by:

**Pieri Munro
TE POU WHAKARAE**

Approved by:

**James Palmer
CHIEF EXECUTIVE**

Attachment/s

- [1](#) Proposed Maori Committee Terms of Reference

Māori Committee Terms of Reference

Adopted by Council resolution 18 December 2019

1. The Māori Committee comprises those 12 representatives nominated by each of the four Ngāti Kahungunu Taiwhenua / Executive in the Hawke's Bay region.

He Toa Takitini - Strength in Unity

2. This Terms of Reference reflects the intent and expectations of both the Hawke's Bay Regional Council (Regional Council) and appointed members of the Māori Committee.
3. The Hawke's Bay Regional Council Māori Committee has been in existence since the 1990s and has served as a valuable network for the Regional Council. This Terms of Reference has been updated over the many years and this the fifth version, since the establishment of the Regional Council's Māori Committee.
4. It is important to acknowledge those who have contributed to this Committee over the years and particularly to recognise the prominent work of the late Ngarangimataeo Eru Smith and the Chairman of the Council at that time, Harry Romanes. They are remembered for their vision and commitment to:
 - 4.1. ensuring Māori input to various activities of the Council, including active participation in the decision-making process and the development of sustainable relationships with Māori.
5. The calibre of Committee members over the years, has enabled the Regional Council and Tāngata Whenua to engage more effectively on issues that have been both challenging and beneficial.
6. This Charter looks to continue the strengthening the relationship of this Committee with the Regional Council, to ensure that the role of Kaitiakitanga, through marae hapū Iwi mandated entities is enacted for the protection and enhancement of the wellbeing of the Hawke's Bay environment and its people.
7. The Treaty of Waitangi is between the Crown, Iwi, Hapū and Whānau. The Regional Council is a statutory body with powers and responsibilities delegated to it by the Crown.
8. Councillors of the Hawke's Bay Regional Council are elected by the regional community and are accountable to that whole community, with the primary focus of the Council being environmental stewardship.
9. Hapū have Mana Whenua and Mana Moana (Tino rangatiratanga — self-determination, control over their own affairs) relating to the land or sea, as established in the Treaty, and the Regional Council exercises its functions as established by legislation.
10. The Māori Committee is a standing committee under clause 30(1)9b) of Schedule 7 of the Local Government Act 2002.

Purpose

11. The purpose of the Māori Committee is to:
 - 11.1. Actively participate and contribute in the decision-making processes, policy development and other activities of the Hawke's Bay Regional Council
 - 11.2. Consider ways in which to support the development of Māori capacity to contribute to the decision-making process; and
 - 11.3. Provide leadership and relevant information to Council regarding economic, social, environmental and cultural matters regionally that support sustainable resource management and economic growth.
12. To make recommendations to the Council on matters of relevance affecting the tangata whenua of the Region, and to help fulfil the Māori consultative requirements of the Council particularly with regard to

the principles of the Treaty of Waitangi, Local Government Act 2002 and the Resource Management Act 1991.

Work programme

13. The Regional Council will engage with the Māori Committee members in the spirit that reflects authentic partnership.
14. A work programme will be developed to provide an overview of key tasks that require the Māori Committee members input and direction:
 - 14.1. To provide policy advice with respect to the Regional Plan, regarding provisions for the Wāhi Tapu, Wāhi Taonga, Wāhi Tipuna engagement processes and where relevant to Tāngata Whenua, any other amendments to the Plan.
 - 14.2. To provide input to the Long Term Plan and Annual Plan with particular reference to those issues of importance to Māori from the region.
 - 14.3. To provide insight into Māori and other strategic community issues with particular reference to the Long Term Plan, the effectiveness of the Regional Plan and the delivery of the Annual Plan.
 - 14.4. To consider and recommend Māori capacity building initiatives within budget and resource constraints of the Regional Council.
 - 14.5. To assist the Regional Council as appropriate in conducting and maintaining effective, good faith working relationships with the Māori community including advice on governance arrangements.
15. In given situations the Regional Council will communicate to and consult with Hapū/Marae/Tāngata Whenua via the contact(s) established by the Māori Committee.
16. It is vital where contact is made, or is ongoing between the Regional Council and Hapū/Marae/Tāngata Whenua, that the relevant members of the Māori Committee are kept informed of developments.
17. Following is a communication process which reflects the engagement methodology for the Māori Committee and the Regional Council.

Model of Communication



18. Following is a communication process which reflects the engagement methodology for the Māori Committee and the Regional Council.
19. Within the first year of the Committee's establishment, a work plan for the Committee will be developed to set out, in general terms, what the Committee aims to achieve over its three-year term.
20. The expectation of the membership is that each Taiwhenua / Executive collective will engage with their respective constituents.
21. The Chairperson is to be elected at the first meeting of the Committee of each triennium, from among the appointed Māori members of the Committee. The Chairperson shall be elected for that term of the Committee but is not precluded from a subsequent term as Chairperson if so nominated. Two key roles of the Chairperson will be to:
 - 21.1. preside over meetings of the Committee in accordance with the Hawke's Bay Regional Council Standing Orders
 - 21.2. manage the nominations and appointments by Taiwhenua / Executive to the Māori Committee at the end of each triennium, for re-establishment of the Committee for the next triennium.

22. The Deputy Chairperson is also to be elected at the first meeting of the Committee of each triennium from among the appointed members of the committee.

Membership

23. The Māori Committee are those 12 representatives nominated by each of the four Ngāti Kahungunu Taiwhenua and Executive in this region.

Members *Twelve* representatives nominated by the Tangata Whenua, appointed at the first meeting of the Māori Committee each triennium; plus one Proxy representative nominated to attend in an appointee's absence; being:

- Kaumatua (Wairoa)
- Kahungunu Executive (Wairoa)
- Wairoa Taiwhenua
- Proxy (Wairoa Taiwhenua)
- Proxy (Kahungunu Executive - Wairoa)
- Kaumatua (Hastings)
- Heretaunga Executive (Hastings)
- Heretaunga Taiwhenua (Hastings)
- Proxy (Heretaunga Taiwhenua)
- Te Taiwhenua o Tamatea (Central Hawke's Bay)
- Kaumatua (Central Hawke's Bay)
- Tamatea Taiwhenua (Central Hawke's Bay)
- Proxy (Tamatea)
- Te Taiwhenua o Te Whanganui-a-Orotū (Napier)
- Te Taiwhenua o Te Whanganui-a-Orotū (Napier)
- Te Taiwhenua o Te Whanganui-a-Orotū (Napier)
- Proxy

Up to *four* elected members of the Council, being:

Councillors Charles Lambert, Hinewai Ormsby, Rick Barker, and Rex Graham

Meeting Frequency Bi-monthly, but with the Chairperson of the Committee authorised to arrange additional meetings should the need arise

24. Within the first year of the Committee's establishment, a work plan for the Committee will be developed to set out, in general terms, what the Committee aims to achieve over its three-year term.
25. The expectation of the membership is that each Taiwhenua and Executive collective will engage with their respective constituents.
26. The Chairperson is to be elected at the first meeting of the Committee of each triennium, from among the appointed Māori members of the committee. The Chairperson shall be elected for that term of the Committee but is not be precluded from a subsequent term as Chairperson if so nominated. Two key roles of the Chair will be to:
- 26.1. preside over meetings of the Committee in accordance with the Regional Council Standing Orders.
- 26.2. manage the nominations and appointments to the Māori Committee before the beginning of each triennium.

27. The Deputy Chair is to be elected at the first meeting of the Committee of each triennium from among the appointed members of the committee.

Meeting Procedures

28. The Committee will meet on scheduled dates as agreed by Council for the purpose of discussing relevant agenda business put forward by either the Council or Māori Committee.
29. Such meetings will generally be every second month with the ability for the Māori Committee Chair to call extra meeting(s) if required to deal with specific and/or urgent business.
30. The meetings of the Committee shall be conducted in accordance with HBRC's Standing Orders while incorporating tikanga Māori (Māori custom and practice) as appropriate.
31. The Māori members of the Committee may hold a pre-meeting prior to the meeting proper to network and clarify issues to be raised at the meeting proper.
32. When meeting on marae the Standing Orders will be suspended to allow marae kawa.
33. Each rohe may appoint a proxy representative to attend committee meetings on occasions when the appointed representative from their area is unavailable, but this right is to be used as infrequently as is possible to ensure continuity and familiarity by appointed members.

Quorum

34. As per the Council's Standing Order 10.2:
 - 34.1. A council sets the quorum for its committees and subcommittees, either by resolution or by stating the quorum in the terms of reference.
35. In accordance with SO 10.2 the quorum for the Māori Committee, to be stated in the Terms of Reference, will be a majority of members including at least 1 HBRC councillor.

Delegated Powers

36. In its Advisory role, the Māori Committee is not delegated to exercise Regional Council powers, functions or authorities under the Local Government Act 2002 (L-GA), but rather will make recommendations to Council in relation to the matters detailed in the Māori Committee work programme and matters of significance to Māori.
37. The Māori Committee has authority to develop procedures and protocols that assist in its operation, provided that such procedures and protocols meet the statutory requirements of the L-GA, the Local Government Official Information and Meetings Act 1987 or HBRC's Standing Orders.
38. The Chairperson does not have a casting vote.

Māori Committee Members' Responsibilities

39. Ensure consultation and feedback to Hapū/marae and other Māori organisations.
40. Put forward appropriate agenda items for discussion by the Committee.
41. Ensure that the work of the Māori Committee will align with Hapū marae aspirations, which, in turn, are appropriately promoted for Council consideration when developing the Council Long Term Plan (LT P), I-TP review and/or Annual Plan.
42. Liaise with Hapū/Marae/Tāngata Whenua when required to assist direct contact with the Council.
43. Provide the Regional Council with appropriate Tāngata Whenua contacts as and when necessary
44. When requested by Consents staff, provide appropriate Tāngata Whenua contacts for those deemed 'affected' by a notified resource consent application.
45. Promote Tāngata Whenua interests in the Council's decision-making processes.
46. Assist Council to avoid disputes involving Tāngata Whenua issues.
47. Responsibilities of Councillors on the Māori committee

48. Seek an understanding of the issues relevant to the Regional Council that are of importance to Tāngata Whenua.
49. Represent and reflect the Council's policies, plans and responsibilities to the Māori Committee.
50. Promote an understanding of the concerns and reflect the resolutions of the Māori Committee to Council.
51. Assist with the promotion and support of hapū aspirations, which have been supported by the Māori Committee, when developing the Council's LT P, I-TP review or Annual Plan process.

Policies

Te Tiriti O Waitangi (Treaty of Waitangi) Policies

52. The Treaty Article relevant to each Policy is shown in brackets.
53. The Hawke's Bay Regional Council acknowledges that:
 - 53.1. Major aspects of the Resource Management Act and Local Government Act place particular responsibilities on the Council regarding its involvement with Māori (Article One)
 - 53.2. It is necessary and valuable to have Māori input into decision-making and policy development, where appropriate (Article One & Two)
54. There are special requirements of Council to consult with Tāngata Whenua over matters of interest to Māori (Article Two).

Resource Consent Process (Articles One and Two)

55. The Council will provide a documented process to enable relevant Tāngata Whenua to have a meaningful input into publically notified or limited notified resource consent applications that affect them as either hapū/marae or iwi.
56. Relevant Māori members of the Māori Committee will at times be asked to provide appropriate Tāngata Whenua contacts in relation to resource consent application(s) and in particular notified consents.
57. The appropriate contacts will be required to represent Tāngata Whenua's views in relation to the proposed activity requiring resource consent and may involve formal submissions either supporting or opposing the application and appearing at consent hearings.
58. The documented process will be reviewed at least every three years with members of the Māori Committee to ensure it is still relevant and effective.

Consultation/ Communication (Article One & Two)

59. The Council and Māori Committee acknowledge the elements of effective consultation as established through the Courts, being:
 - 59.1. That sufficient information is provided to the consulted party, so that they can make informed decisions
 - 59.2. That sufficient time is given for both the participation of the consulted party and the consideration of the advice given
 - 59.3. That genuine consideration of that advice, including an open mind and a willingness to change, is shown; and
60. That consultation must be carried out in good faith by both parties. Consultation Policy for Tāngata Whenua Issues (Article One & Two)

Kanohi ki te kanohi — Pokohiwi ki te pokohiwi

Face to face — Shoulder to shoulder

61. In a wide variety of the Council's work there will be a need for effective consultation/communication with Tāngata Whenua.
62. The Council will endeavour to identify those with Mana Whenua (authority for that land) through the appropriate members of the Māori Committee on relevant occasions and in particular for resource consent applications.
63. The Council will endeavour to meet kanohi ki te kanohi (face to face) at an appropriate venue, such as marae.
64. The Council will acknowledge the mana (integrity) of the hui (meeting) by sending senior staff and, where appropriate, Councillors. That is, those who can make the decisions.
65. Where there are ongoing meetings required, Council will ensure that the relevant member of the Māori committee is kept informed about developments and involved directly at an early stage if there is a possibility of an impasse.
66. The Council will allow such time as is reasonable for a decision to be made allowing for tikanga Māori (Māori custom and practice) and thereby maximising the chances of a decision where the Council and tāngata whenua will be pokohiwi ki te pokohiwi (shoulder to shoulder) on the issue.
67. The Council's commitment is, through a process of pokohiwi ki te pokohiwi, to achieve a result where all parties are confident that their voice has been heard and respected and that the outcome has their support. It is accepted, however, that on rare occasions the Council may have to use its statutory powers or to refer issues to the legal system as a measure of last resort.
68. The Council will, within its statutory responsibilities, exercise its duty to protect Māori taonga (treasures) to the fullest extent practicable. (Article Two & One)
69. The Council will resource Tāngata Whenua, where appropriate, to ensure adequate consultation at a meaningful level is achieved on relevant issues. (Article Two & Three)
70. The Council, in making any decision, will ensure that the results of any consultation with Tāngata Whenua are fully considered. (Article Two & Three)

Wāhi Tapu (Article Two)

71. The Council will exercise its responsibility to assist Tangata Whenua to protect and preserve wāhi tapu sites in the coastal marine area, on the beds of lakes and rivers and on Council owned or administered land through the Regional Resource Management Plan..
72. Council acknowledges that only Tangata Whenua can identify wāhi tapu and decide on the importance of any particular wāhi tapu.
73. Council will provide a facility for the registering of Wāhi Tapu, Wāhi Taonga and Wāhi Tipuna sites of significance.
74. Council will take all practical measures to protect the sanctity of wāhi tapu sites within the reasonable bounds of budgetary allocation.
75. Council will respect the wishes of hapū/marae who wish to keep the actual site of a particular wāhi tapu secret by recording a general locality indicator, or by operating a 'silent file' for limited access.
76. Council will give the utmost respect to information given by hapū /marae in confidence.
77. The Council will investigate which powers could be transferred to recognised ngā hapū. (Article Two)
78. The Council will lift the general awareness within Council of the significance of Māori issues. (Article Three)
79. The Council will provide training, particularly of Officers and Councillors of the Council, in relation to bi-cultural awareness and issues. (Article Three)
80. The Council will provide relevant training to members of the Māori Committee. (Article Three)

Regional Council's Commitment to the Māori Committee

81. The Regional Council, in acknowledging the necessity and value of Māori involvement in decision-making and policy development, will:
- 81.1. Appropriately resource the Māori Committee.
 - 81.2. Resource Māori Committee meetings on marae when appropriate and also relevant consultation hui.
 - 81.3. Maintain one position on each of the Regional Council's Committees namely: Environment & Services, Corporate & Strategic and Regional Transport committees for representatives from the Māori Committee.
 - 81.4. Maintain up to two positions on the Hearings Committee for RMA Making Good Decisions qualified representatives from the Māori Committee.
 - 81.5. Where a new Māori Committee has not been established after a local body election, Regional Council will support previous Māori Committee representatives attending, with voting rights, relevant initial Council committee meetings. This will maintain continuity until the Māori Committee nominates its new representatives. This will also include the Māori Committee representative(s) on any Hearing Panel that transverse the election process. Maintain one position on other Regional Council committees/working groups to provide Māori input where the focus of the Committee has a direct impact on Māori
 - 81.6. Have the Māori Committee Chairperson as a participant at Hawke's Bay Regional Council meetings.
 - 81.7. Councillors and appropriate staff will hold a wānanga (seminar) with kaumātua from throughout the rohe (area) to listen to the issues that are of importance for these iwi leaders at times when it is considered appropriate by either party.
 - 81.8. Maintain a strong working relationship with the Post Settlement Governance Entities (PSGE) and Ngāti Kahungunu Iwi Incorporated.
 - 81.9. As and when relevant, source appropriately experienced Māori to undertake specific work for the Council.
 - 81.10. Ensure the Chair (and through him/her the members) of the Māori Committee is provided with the background information relating to Council's meeting agendas.
82. Be particularly mindful that Tāngata Whenua are not adversely affected in the decision making process when applying Council's policy on significance when the outcome has a clear impact on Tāngata Whenua.

Hawke's Bay Regional Planning Committee Act (2015) 1

83. The purpose of the Hawke's Bay Regional Planning Committee Act is to:
- 83.1. Improve Tāngata Whenua involvement in the development and review of documents prepared in accordance with the Resource Management Act 1991 ² for the Hawke's Bay region.
84. To that end, the Act establishes the Hawke's Bay Regional Planning Committee (RPC) as a joint committee of the Hawke's Bay Regional Council. ³

¹ Hawke's Bay Regional Planning Committee Act (2015) <http://legislation.govt.nz/act/public/2015/0065/latest/DLM6059509.html?src=qs>

² Resource Management Act 1991
[http://www.legislation.govt.nz/act/public/1991/0069/latest\(DLM230265.html#DLM230264](http://www.legislation.govt.nz/act/public/1991/0069/latest(DLM230265.html#DLM230264)

³ Part 1- s3 Preliminary provisions – Purpose

85. The function of the RPC is to oversee the development and review of the RMA documents prepared in accordance with the RMA for the RPC region.
86. The construct of the Tāngata Whenua membership to the RPC is formed from the nine Treaty Entities within the Hawke's Bay region.
87. Relationship between the Māori Committee and the RPC Tāngata Whenua members:
 - 87.1. Whilst the Local Government Act provides the backdrop for engagement, the fundamental composition of the Māori Committee focuses on Hapū, Iwi and Marae. With the establishment of the RPC Act and the role of the Treaty Partners; the unfolding relationship still sits in the commitment to Whānau, Hapū, Iwi and Marae, to which this Committee has performed competently over the years.
 - 87.2. The Māori Committee members have developed a communication process for engaging with the RPC Tāngata Whenua membership. This is to strengthen the relationship between both respective committees in providing governance, oversight and engagement for the wider Tāngata Whenua of this region.
88. The Māori Committee recognises the steps of evolution that will emerge from this relationship with the RPC and offer their commitment to working together for the benefit and wellbeing of the environment, the Hapū, Iwi and Marae.

Evaluation

89. To provide an evaluation of the effectiveness of the Māori Committee, the Māori Committee may request that an evaluation of its role, functions and performance be arranged by Council. Council may also indicate its intention to evaluate the role, functions and performance of the Māori Committee. Notwithstanding this process, the Māori Committee will provide an opportunity for a discussion of its performance at the last committee meeting each calendar year.
90. The Terms of Reference will be reviewed at least once every three years.

Summary

91. This Terms of Reference is a statement of the agreed principles of participation between the Hawke's Bay Regional Council and the Māori Committee of Council.
92. It sets out the broad parameters under which the parties will interact.
93. The creation of the Māori Committee of Council is an important step in the process of strengthening Tino Rangatiratanga for Māori within the Hawke's Bay.
94. While it is not intended to be a legally binding document, this Charter is entered into by both parties with the utmost good faith.
95. The Terms of Reference is a continuation of the process to enable Tāngata Whenua to have a meaningful voice in local government, and is based on the trust that has been established between the two groups.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 18 December 2019

Subject: HBRC FINANCIALS FOR Q1 2019-20

Item 13

Reason for Report

1. This item provides Council with a financial progress report for the first three months of the 2019-20 financial year to 30 September 2019.

Financial Summary to 30 September 2019

2. The first quarter of the financial year shows expenditure below budget for both operational and capital expenditure. Commentary has been added below regarding the significant amounts.
3. For the 2019-20 budget, an annual budget was completed and for reporting purposes has always been phased evenly over the year. In reality this is not reflective of how the budgets are spent in respect to the timing of expenditure. To assist with more accurate reporting, the 2020-21 budgets are being phased based on expected expenditure to allow for a more accurate and therefore meaningful picture of budgets against actuals.
4. Reporting for the second quarter (and 6 months year to date) will include more detailed analysis including detailed capital spend commentary and full year expectations.
5. The majority of the underspend in operational expenditure, \$2.2m less than pro-rata budget for the first quarter is due to timing and phasing of budgets. This includes items such as the Erosion Control Scheme expenditure which happens between April and June based on planting timing and Water Information Scheme expenditure, which is completed over the summer months. Insurance was not applied to the activities by the end of the first quarter due to timing of the invoices from the broker. ICT costs are tracking higher than planned for ICT infrastructure and software licensing that will need to be managed for this financial year.
6. Capital expenditure is significantly behind budget due to major projects that have been delayed or are in implementation stages. The Heretaunga Plains Flood Control Scheme is a key project behind budget. This is in the planning stage only and not ready for construction. More extensive capital expenditure reporting will be provided with the half year financial reporting in February 2020. An under-spend in Q1 pro-rata capital budget aligns with historical trends and is not unexpected.
7. From a revenue/income perspective, there is expected to be a shortfall in forestry income this financial year as a result of the delayed start to the planned Tūtira harvest, the expected impact is approximately \$2m. This income will be delayed not unrealised completely, and how we offset or address the shortfall in this financial year will need to be planned as we progress through the year.
8. Current forecast returns from the diversified investment portfolio however are favourable to the 5% budgeted with Mercer currently tracking towards a *gross* return annualised rate of 11.9% and Jarden 8.2%. This is certain to fluctuate but early indications are that the investment fund will outperform the budgeted *net* return of 5% and could provide some upside this year.

Financial Information for Three Months to 30 September 2019

9. High level financial information is reflected in Council's Operating Statement following.

HAWKE'S BAY REGIONAL COUNCIL OPERATING STATEMENT Three Months Ended 30 September (Pd 03)					
GROUPS OF ACTIVITIES	NET FUNDING REQUIREMENT After 03 Months				Favourable/ Unfavourable
	ACTUAL	Budget	BUDGET	VARIANCE	
	\$,000	Pro rata \$,000	Full year \$,000	Pro Rata \$,000	
Strategic Planning	(367)	(655)	(2,619)	288	F
Asset Management	(58)	(854)	(3,416)	796	F
Integrated Catchment Management	(2,046)	(3,172)	(12,686)	1,126	F
Regulation - Consents & Compliance	(810)	(492)	(1,968)	(318)	U
Civil Defence	(16)	(35)	(138)	18	F
Transport	(132)	(55)	(218)	(78)	U
Governance & Partnerships	(778)	(735)	(2,940)	(43)	U
Regional Income Collection	109	(389)	(1,554)	1,663	F
	(4,098)	(6,385)	(25,539)	2,287	F
CAPITAL PROJECTS					
Strategic Planning	-	1	5	(1)	U
Asset Management	71	(237)	(950)	309	F
Integrated Catchment Management	(59)	(145)	(581)	87	F
Governance & Partnerships	-	(103)	(410)	103	F
Regional Income	(68)	(771)	(3,086)	703	F
	(56)	(1,256)	(5,022)	1,199	F
NET FUNDING REQUIREMENT	(4,154)	(7,640)	(30,561)	3,486	F

Investment Portfolio Update

10. A full treasury report will be provided to the first meeting of the Finance, Audit and Risk Sub-committee in February 2020, however given the significance of the performance of the fund, a brief update on investment portfolio performance is attached.

Decision Making Process

11. 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 notes the "HBRC Financials for Q1 2019-20" staff report.

Authored by:

Bronda Smith
CHIEF FINANCIAL OFFICER

Approved by:

Jessica Ellerm
GROUP MANAGER CORPORATE SERVICES

Attachment/s

- 1 Investment Portfolio Performance to 30 September 2019

Long Term Investment Fund

Mercer portfolio

Mercer											
Asset Class	Opening Balance	Purchases / Sales	Total Gain / (Loss)	Closing Balance	Gross Return	Benchmark Return	Perf. vs Benchmark	Asset Allocation	SAA Ranges		Portfolio Compliant?
Operational Cash	102,691.64	(6,012.02)	-	96,679.6	-	-	-	0.4%	-	20.0%	Y
Index Cash Portfolio	1,967,680.94	340,281.33	179,240.0	2,487,202.3	0.5%	0.4%	0.1%	10.0%	-	20.0%	Y
NZ Sovereign Bonds	2,924,597.80	456,381.06	99,753.7	3,480,732.5	3.1%	2.9%	0.2%	13.9%	5.0%	25.0%	Y
Overseas Sovereign Bonds	2,528,427.46	387,386.90	62,634.6	2,978,449.0	4.5%	3.0%	1.5%	11.9%	5.0%	25.0%	Y
Global Credit	1,894,491.94	296,205.86	46,534.8	2,237,232.6	2.3%	2.3%	0.1%	9.0%	5.0%	25.0%	Y
Other Fixed Interest ^a	1,039,728.34	166,321.67	36,526.3	1,242,576.3	1.0%	0.4%	0.6%	5.0%	-	10.0%	Y
Socially Responsible Trans-Tasman Shares	1,259,186.94	195,760.05	26,579.8	1,481,526.8	4.2%	4.4%	(0.1%)	5.9%	-	18.0%	Y
Socially Responsible Overseas Shares	6,394,931.42	931,462.74	(115,791.9)	7,210,602	4.1%	4.5%	(0.5%)	28.9%	17.0%	37.0%	Y
International Listed Property	1,440,594.80	256,144.14	190,357.1	1,887,096.1	2.7%	3.2%	(0.4%)	7.6%	-	10.0%	Y
Unlisted Property	-	-	-	-	1.3%	1.1%	0.2%	-	-	10.0%	Y
International Listed Infrastructure	1,482,864.57	247,523.86	127,602.2	1,857,990.6	4.1%	2.8%	1.2%	7.4%	-	10.0%	Y
Unlisted Infrastructure	-	-	-	-	2.8%	4.0%	(1.2%)	-	-	10.0%	Y
Total	21,035,195.85	3,271,455.60	653,436.6	24,960,088.1	2.8%	3.2%	(0.4%)	100.0%			

1. The Mercer portfolio generated a *gross* return (before fees and tax) of 2.8% for the quarter, marginally trailing their benchmark by 40bp. This corresponds to an 11.8% annualised return (on a theoretical basis).
2. When combining second and third quarter performance, the Mercer *gross* return corresponds to an annualised rate of 11.9%. Mercer has not provided an overall since inception return figure.
3. The portfolio remains compliant with the strategic asset allocation (SAA) ranges stipulated in the SIPO.
4. On an absolute and relative basis, overseas sovereign bonds were the best performing asset class over the quarter returning 4.5%, outperforming the manager's benchmark by 1.5%. Overseas shares were the weakest relative performer despite returning 4.1%, trailing the manager's benchmark by 50bp.

Jarden portfolio

Jarden											
Asset Class	Opening Balance	Purchases / Sales	Total Gain / (Loss)	Closing Balance	Gross Return	Benchmark Return	Perf. vs Benchmark	Asset Allocation	SAA Ranges		Portfolio Compliant?
Cash and short term securities	1,151,626.00	1,144,942.00	5,273.0	2,296,568.0	0.4%	(0.5%)	0.9%	9.3%	2.0%	8.0%	N
NZ Fixed Income	9,601,867.00	(500,000.00)	147,143.0	9,193,245.0	1.6%	2.2%	(0.6%)	37.4%	15.0%	24.0%	N
International Fixed Income	4,967,037.00	-	117,645.0	5,084,682.0	2.4%	2.5%	(0.1%)	20.7%	23.0%	28.0%	N
NZ Property	291,075.00	172,799.00	29,329.0	491,039.0	8.7%	8.6%	0.1%	2.0%	1.0%	4.0%	Y
NZ Equities	2,038,438.00	835,852.00	74,108.0	2,918,376.0	-	4.0%	(4.0%)	11.9%	13.0%	18.0%	N
Global Equities	2,824,301.00	1,700,000.00	71,126.0	4,595,427.0	3.4%	0.5%	2.9%	18.7%	25.0%	34.0%	N
International Property	-	-	-	-	2.1%	6.0%	(3.9%)	-	1.0%	4.0%	N
Total	20,874,344.00	3,353,593.00	444,624.0	24,579,337.0	2.0%	2.2%	(0.2%)	100.0%			

5. Jarden generated a *gross* return (before fees and tax) of 2.0% for the quarter, marginally trailing their benchmark by 20bp. This corresponds to an 8.2% annualised return (on a theoretical basis).

6. When combining second and third quarter performance, the Jarden *gross* return corresponds to an annualised rate of 8.9%.

7. The portfolio has produced a *net* return (after tax, fees, and inflation) of 6.31% since inception on 6 December 2018.

8. The portfolio is still in the process of being implemented and is only compliant with its NZ Property asset allocation so far. Overall, growth assets are approximately 17% underweight the SAA target.

9. NZ Property was the strongest absolute performing asset class over the quarter, returning 8.7% (vs 8.6% for the benchmark). Global Equities was the strongest relative performer, returning 2.1% vs 0.5%. NZ Fixed Income was the weakest performer returning 1.6% (vs 2.2% for its benchmark).

Combined portfolio

10. The combined Mercer and Jarden portfolios generated a *gross* return of approximately 2.4% over the September quarter (10% on an annualised basis). The Mercer portfolio contributed slightly more to the overall return in part because it has been fully invested in equities, which produced stronger returns than bonds.

11. The total size of the LTIF portfolio at the end of September was \$49.5m, with approximately half invested with Mercer and Jarden respectively.

Port Future Investment Fund (PFIF)

Mercer											
HBRC Ltd Portfolio											
Asset Class	Opening Balance	Purchases / Sales	Total Gain / (Loss)	Closing Balance	Gross Return	Benchmark Return	Perf. vs Benchmark	Asset Allocation	SAA Ranges		Portfolio Compliant?
Operational Cash	-	114,906.9	-	114,906.9	-	-	-	0.4%	-	20.0%	Y
Index Cash Portfolio	-	3,052,282.7	(96,161.7)	2,956,121.0	0.4%	10.0%	-	10.0%	-	20.0%	Y
NZ Sovereign Bonds	-	4,093,683.3	43,280.8	4,136,964.1	2.9%	13.9%	-	13.9%	5.0%	25.0%	Y
Overseas Sovereign Bonds	-	3,474,814.0	65,169.8	3,539,983.7	3.0%	11.9%	-	11.9%	5.0%	25.0%	Y
Global Credit	-	2,656,931.0	2,092.9	2,659,023.9	2.3%	9.0%	-	9.0%	5.0%	25.0%	Y
Other Fixed Interest*	-	1,491,885.5	(15,043.0)	1,476,842.5	0.4%	5.0%	-	5.0%	-	10.0%	Y
Socially Responsible Trans-Tasman Shares	-	1,755,944.2	4,898.8	1,760,842.9	4.4%	5.9%	-	5.9%	-	18.0%	Y
Socially Responsible Overseas Shares	-	8,355,109.0	214,926.8	8,570,035.8	4.5%	28.9%	-	28.9%	17.0%	37.0%	Y
International Listed Property	-	2,297,582.2	(54,707.0)	2,242,875.2	3.2%	7.6%	-	7.6%	-	10.0%	Y
Unlisted Property	-	-	-	-	1.1%	-	-	-	-	10.0%	Y
International Listed Infrastructure	-	2,220,259.3	(11,976.9)	2,208,282.4	2.8%	7.4%	-	7.4%	-	10.0%	Y
Unlisted Infrastructure	-	-	-	-	4.0%	-	-	-	-	10.0%	Y
Total	-	29,513,398.00	152,480.4	29,665,878.4		3.2%		100.0%			
HBRC - Port Portfolio											
Asset Class	Opening Balance	Purchases / Sales	Total Gain / (Loss)	Closing Balance	Gross Return	Benchmark Return	Perf. vs Benchmark	Asset Allocation	SAA Ranges		Portfolio Compliant?
Operational Cash	-	85,610.5	-	85,610.5	-	-	-	0.4%	-	20.0%	Y
Index Cash Portfolio	-	2,274,080.0	(71,644.5)	2,202,435.4	0.4%	10.0%	-	10.0%	-	20.0%	Y
NZ Sovereign Bonds	-	3,049,967.5	32,246.0	3,082,213.6	2.9%	13.9%	-	13.9%	5.0%	25.0%	Y
Overseas Sovereign Bonds	-	2,588,883.6	48,554.2	2,637,437.9	3.0%	11.9%	-	11.9%	5.0%	25.0%	Y
Global Credit	-	1,979,526.2	1,559.3	1,981,085.4	2.3%	9.0%	-	9.0%	5.0%	25.0%	Y
Other Fixed Interest*	-	1,111,517.9	(11,207.7)	1,100,310.2	0.4%	5.0%	-	5.0%	-	10.0%	Y
Socially Responsible Trans-Tasman Shares	-	1,308,252.8	3,649.8	1,311,902.6	4.4%	5.9%	-	5.9%	-	18.0%	Y
Socially Responsible Overseas Shares	-	6,224,910.2	160,129.6	6,385,039.8	4.5%	28.9%	-	28.9%	17.0%	37.0%	Y
International Listed Property	-	1,711,796.1	(40,759.0)	1,671,037.1	3.2%	7.6%	-	7.6%	-	10.0%	Y
Unlisted Property	-	-	-	-	1.1%	-	-	-	-	10.0%	Y
International Listed Infrastructure	-	1,654,187.3	(8,923.3)	1,645,264.0	2.8%	7.4%	-	7.4%	-	10.0%	Y
Unlisted Infrastructure	-	-	-	-	4.0%	-	-	-	-	10.0%	Y
Total	-	21,988,732.08	113,604.4	22,102,336.5		3.2%		100.0%			

Jarden										
HBRC Ltd Portfolio										
Asset Class	Opening Balance	Purchases / Sales	Total Gain / (Loss)	Closing Balance	Gross Return	Benchmark Return	Perf. vs Benchmark	Asset Allocation	SAA Ranges	Portfolio Compliant?
Cash and short term securities	-	15,413,057.0	12,993.0	15,413,057.0		(0.5%)		52.2%	2.0% 8.0%	N
NZ Fixed Income	-	8,000,000.0	1,718.0	8,001,718.0		2.2%		27.1%	15.0% 24.0%	N
International Fixed Income	-	2,226,524.0	(9,619.0)	2,216,905.0		2.5%		7.5%	23.0% 28.0%	N
NZ Property	-	128,793.0	7,053.0	135,846.0		8.6%		0.5%	1.0% 4.0%	N
NZ Equities	-	1,190,981.0	4,203.0	1,195,184.0		4.0%		4.1%	13.0% 18.0%	N
Global Equities	-	2,550,000.0	(3,296.0)	2,546,704.0		0.5%		8.6%	25.0% 34.0%	N
International Property	-	-	-	-		6.0%		-	1.0% 4.0%	N
Total	-	29,509,355.00	13,052.0	29,509,414.0		2.2%		100.0%		
HBRC - Port Portfolio										
Asset Class	Opening Balance	Purchases / Sales	Total Gain / (Loss)	Closing Balance	Gross Return	Benchmark Return	Perf. vs Benchmark	Asset Allocation	SAA Ranges	Portfolio Compliant?
Cash and short term securities	-	11,445,177.0	9,675.0	11,445,177.0		(0.5%)		52.1%	2.0% 8.0%	N
NZ Fixed Income	-	6,000,000.0	1,286.0	6,001,286.0		2.2%		27.3%	15.0% 24.0%	N
International Fixed Income	-	1,658,596.0	(7,178.0)	1,651,417.0		2.5%		7.5%	23.0% 28.0%	N
NZ Property	-	96,380.0	5,278.0	101,657.0		8.6%		0.5%	1.0% 4.0%	N
NZ Equities	-	888,273.0	3,159.0	891,432.0		4.0%		4.1%	13.0% 18.0%	N
Global Equities	-	1,900,000.0	(2,455.0)	1,897,544.0		0.5%		8.6%	25.0% 34.0%	N
International Property	-	-	-	-		6.0%		-	1.0% 4.0%	N
Total	-	21,988,426.00	9,765.0	21,988,513.0		2.2%		100.0%		

12. The PFIF portfolios started on 15 September 2019. The above tables therefore only represent a couple of weeks of performance history and inferences should be made accordingly.
13. Gross returns have not been provided by both of the managers for this short performance period.
14. The Mercer portfolios are both compliant with their respective SAA SIPO requirements.
15. Jarden is again adopting a staggered implementation approach, meaning both portfolios are not yet SIPO compliant with their target asset allocations. The Jarden portfolios had an allocation to growth assets of 13% at the end of September versus a target benchmark allocation of 50%.
16. The total size of the PFIF portfolio at the end of September 2019 was \$103.3m, with approximately half invested with Mercer and Jarden respectively.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 18 December 2019

Subject: DISCUSSION OF MINOR ITEMS NOT ON THE AGENDA

Reason for Report

1. This document has been prepared to assist Councillors note the Minor Items of Business Not on the Agenda to be discussed as determined earlier in Agenda Item 5.

Item	Topic	Raised by
1.		
2.		
3.		
4.		
5.		

Item 14

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 18 December 2019

Subject: LONG TERM HBRC STAFF ACCOMMODATION OPTIONS

That Council excludes the public from this section of the meeting, being Agenda Item 15 Long Term HBRC Staff Accommodation Options 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

Long Term HBRC Staff
Accommodation Options

REASON FOR PASSING THIS RESOLUTION

s7(2)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

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:

Stacey Rakiraki
FACILITIES AND FLEET MANAGER

Jessica Ellerm
**GROUP MANAGER CORPORATE
SERVICES**

Approved by:

James Palmer
CHIEF EXECUTIVE

Item 15

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 18 December 2019

Subject: HB CDEM OFFICE BUILDING LEASE RENEWAL

That Council excludes the public from this section of the meeting, being Agenda Item 16 HB CDEM Office building lease renewal 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(S) UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION
HB CDEM Office building lease renewal	s7(2)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

Authored & Approved by:

**Jessica Ellerm
GROUP MANAGER CORPORATE
SERVICES**

Item 16