

## Meeting of the Hawke's Bay Regional Council

**Date:** 27 April 2022  
**Time:** 1.30pm  
**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER

### Agenda

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14.	Confirmation of Public Excluded minutes of meeting held on 30 March 2022	65



27 April 2022

**Subject: Follow-ups from previous Regional Council meetings**

**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 reported to Council they will be removed from the list.
2. Also attached is a list of LGOIMA requests that have been received since the last Council meeting.

**Decision Making Process**

3. 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 *Follow-ups from previous Regional Council meetings*.

**Authored by:**

**Leeanne Hooper**  
**Team Leader Governance**

**Approved by:**

**Desiree Cull**  
**Strategy & Governance Manager**

**Attachment/s**

- 1 [↓](#) Follow-ups from previous Regional Council meetings



## Follow-ups from previous Regional Council meetings

## Meeting held 30 March 2022

	Agenda Item	Action	Responsible	Status Comment
1	Significant organisational activities	Information about Genesis' management of Lake Waikaremoana water levels in flood or high rainfall events to minimise impacts on downstream rivers and communities	Compliance	Genesis is regularly in contact with the Compliance Team around discharges prior to flood events and maintains regular lines of communication around this, lake levels and maintenance involving water discharges.

## LGOIMA Requests Received between 24 March and 20 April 2022

Request Date	Request ID	Request Status	Request Subject	Request Summary	Requested By
19/04/2022	OIR-22-020	Active	abatement notices	copies of abatement notices issued to Matarua Trustee Co Ltd or named individual	Barrister
5/04/2022	OIR-22-019	Completed	Copies of resource consents	resource consents for Henderson Road Hastings address, Beards Environmental Ltd	Waste Management NZ
29/03/2022	OIR-22-018	Active	Environment Court Settlement	a copy of the Environment Court settlement agreement for abatement Notices (EAC-20528, 20529, 20533, 20534)	Hansen Bate Ltd
24/03/2022	OIR-22-017	Active	NCC discharges into Ahuriri Estuary	Why doesn't HBRC start prosecuting NCC for continued & avoidable discharges of wastewater into Ahuriri Estuary?	Individual via Facebook



**Subject: Significant organisational activities looking forward through May 2022****Purpose of Agenda Item**

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

<b>Northern Catchment</b>		
<b>Project / Activity Description</b>	<b>Significant Upcoming Milestone(s)</b>	<b>Group /Team or Section</b>
Biodiversity and biosecurity	1. The Whakatipu Mahia project milestone for a ' <i>Proof of Absence</i> ' across the trapping network has been delayed by Covid and several storms in the Mahia area and is now planned to be fully installed and operational by the end of May. The network will be supported by possum dog surveys due to run in May/June.	ICM – Catchment Services
Whakakī Freshwater Improvement Fund Project	2. Resource consent and easement have been granted for the weir to be located near the new bridge 'The Landing' and construction is set to begin shortly. 3. Following the recent flood event across the Wairoa and Gisborne region, the civil contractors have been pulled in for involvement with some significant pieces of emergency flood recovery works in Wairoa. This movement of resources has caused some delays in the construction of the weir, with site establishment expected to now begin in May and start dates to be released to the community shortly.	ICM – Catchment Delivery
Wairoa flood event	4. Working alongside Wairoa and Gisborne District councils and other key agencies to support our rural communities recovering from the recent flood events. HBRC key focus will be intelligence gathering and developing relevant recovery workshops aligned with community needs in a coordinated approach with other agencies.	ICM – Catchment Delivery

<b>Central Catchments</b>		
<b>Project / Activity Description</b>	<b>Significant Upcoming Milestone(s)</b>	<b>Group /Team or Section</b>
Flood Control Schemes - Resilience Funded projects	5. Taradale stopbank strengthening physical works 50% complete. Landscape planning for reinstatement of berm underway in partnership with Waiohiki marae. 6. East Clive stopbank investigations completed and options for HDC landfill being explored in collaboration with HDC. 7. Moteo stop bank detailed design under way. 8. Ngatarawa detailed design completed and native forest planting contract awarded.	Asset Management Engineering Regional Projects
Gravel Management	9. Hearing was held in December. 10. New set of conditions is now being finalised. 11. A final decision by the Hearing Panel is anticipated by end of April.	Asset Management Consents, Schemes

<b>Central Catchments</b>		
<b>Project / Activity Description</b>	<b>Significant Upcoming Milestone(s)</b>	<b>Group /Team or Section</b>
Waitangi Regional Park	12. Stage III development of the park includes safe vehicle access to the river and two ephemeral wetlands (wet or dry depending on season) on the flat berm area with delivery expected in May-June. 13. A funding application for infrastructure for cultural events at the marquee site and to service the proposed toilets at Waitangi Regional Park was submitted to the Tourism Infrastructure Fund (MBIE).	<b>Asset Management</b> Open Spaces
Hawea Historical Park / Karamu Stream Diversion	14. The Hawea Historical Park cultural component of the Draft Management Plan is complete and currently under internal review, with the final report to be implemented by end of FY 21/22. 15. Stage 3 project delivery includes construction work for widening of the confluence and enhancement work of the old Karamū Stream (flood gate) area.	<b>Asset Management</b> Open Spaces, Regional Assets
Bayview/ Whirinaki Cycleway	16. Napier City Council believes there are many uncertainties around land acquisition and community engagement, and therefore they don't want to progress with this project and other options any further. It is suggested that this project is cancelled and funding distributed elsewhere.	<b>Asset Management</b> Regional Projects
Catchment group initiation - Sherenden.	17. A meeting is planned on 21 May for the Sherenden community to support the formation of a catchment group for the area. HBRC is working with Beef and Lamb to jointly support this.	<b>ICM –</b> Catchments Policy Implementation
Reticulated stock water workshops and Intensive winter grazing workshops	18. Earlier events were postponed due to Covid disruptions in rural areas. In May there will be a winter grazing and a reticulated stock water workshop at Tūtira. 19. Rescheduling the postponed Wairoa event is uncertain due to recent storm events.	<b>ICM –</b> Catchments Policy Implementation

<b>Southern Catchments</b>		
<b>Project /Activity Description</b>	<b>Significant Upcoming Milestone(s)</b>	<b>Group /Team or Section</b>
Upper Tukituki Flood Control Scheme	20. Two contractors are making good progress extracting gravel on the Tukipo and Makaretu. 21. The anticipated release of the next tender has been delayed due to the rain event. 22. Targeted areas require a new survey due to recent flooding, to confirm gravel quantities before sending tenders to market. 23. Chilean needle grass exemption has been received from HBRC bio-security, allowing extraction in previously prohibited areas in the Waipawa (with some restriction on use of material).	<b>Asset Management</b> Regional Projects, Schemes

<b>Whole of Region</b>		
<b>Project /Activity Description</b>	<b>Significant Upcoming Milestone(s)</b>	<b>Group /Team or Section</b>
River Flows	24. Several near-record flows were captured in the Tukipo, Waipawa and Wairoa catchments during the last storm and preparations are under way for the next weather event.	<b>ICM –</b> Environmental Information



Whole of Region		
Project /Activity Description	Significant Upcoming Milestone(s)	Group /Team or Section
Bioluminescent algae	25. Warm conditions after rain a few weeks ago led to bioluminescent algae appearing along the Napier coast, in particular Westshore beach. It lasted for several nights. We collected a water sample to confirm that it was non-toxic and spoke to the media regarding this natural phenomenon.	ICM – Environmental Science
Coastal bird survey Facebook live event	26. Surveyed 321 kilometres of HB coastline in January 2021, to record birds and marine mammals. Over 32,000 birds were counted. 27. From 6-7pm on Tuesday 10 May, the ecologist who led the survey, Nikki McArthur, will be presenting the results and talking through how they surveyed, what the results mean, and what's next.	ICM – Environmental Science




#### PMO: Strategic Projects & Key BAU Programme Reporting




Sixteen key strategic (or change) projects/ BAU programmes are being tracked by the Project Management Office (PMO) and shared monthly throughout the lifecycle of these projects. These projects were selected because of their significance in terms of investment, risks, benefits, and interdependencies.



















**\*Risk is inherent vs residual risk (i.e., RAG status prior to mitigations and controls implemented).**



















**Performance Indicators (RAG):** **Green** = On Track, **Amber** = At Risk, **Red** = Off Track, **Grey** = Not started/On hold










**Status Change Keys:**


















	Unchanged since last report
	Worsened since last report.
	Improved since last report

	Project/Programme Title	Schedule	Risks*	Budget	Comment	Status Change
1	Right Tree Right Place Pilot				Responses to the RTRP survey of landowners are coming in and the CDT continue to be involved with follow-up engagement, which is proving valuable on a range of discussion themes raised by farmers. Work will shortly begin on analysing survey responses. A 5-year planting programme has been developed for pilot farm 1 and commercial arrangements are progressing. Farm/forestry planning is underway with pilot farm 2. TNC has procured Regen Ag consultancy support, and this will be integrated with the RTRP work programme in the coming months. Alongside this, work is underway with TNC to consider appropriate naming for a RTRP/scaled-up project. Discussions continue with MPI about partnership opportunities.	Updated since 30 March

	Project/Programme Title	Schedule	Risks*	Budget	Comment	Status Change
2	Regional Water Security Programme: Project 1: Heretaunga Water Storage				Ongoing assessment of the technical viability and consent-ability of medium-scale storage in the upper Ngaruroro River Catchment. Project team has finalised scope of works for next phase of investigations based on independent peer review of technical pre-feasibility. Terrestrial and aquatic ecological assessments impacted by March weather events but nearing completion.  Lowland stream solutions investigations subject to ongoing mana whenua discussions as well as development of Kotahi Co-governance arrangements.	Updated since 30 March
	Project 2: Managed Aquifer Recharge				Technical workstreams for consenting completed. Mana whenua engagement process now extending into 18 months, but project team is hopeful that this will be concluded shortly, and the production of a CIA can pave the way for the final package of the consent application.	No change since 23 Feb
	Project 3: Regional Water Assessment				The Regional Water Assessment Interim Report (draft) was shared with Councillors and Executive at the workshop on 24 Nov 2021. Industry forum held on 17 Feb and presentation to Regional Leaders on 7 March.	No change since 23 Feb
3	Water Efficiency Programme Review (Future Water Use)				Landwise contracted to undertake scoping work and interviews with significant water users in conjunction with Regional Water Assessment engagements.	No change since 23 Feb
4	Ahuriri Regional Park				The project is in a planning phase to set up the right governance model with NCC, HBRC and Mana Ahuriri. There is a risk that this project could be protracted given the many issues that surround the Ahuriri Estuary and current resourcing of Mana Ahuriri to respond. The working group has met and recommended a Joint Committee structure comprising NCC, HBRC and Mana Ahuriri. Engagement is ongoing with Mana Ahuriri on their recommended model for the project going forward. Budget and schedule remain on track given that several years were allowed for planning, definition, and design prior to any construction.	Updated since 30 March
5	Clifton to Tangoio Coastal Hazards Strategy Implementation				The Memorandum of Transition has been agreed by all Councils and WDC and CHBDC have agreed that they support the S16 process. The team is preparing consultation material and writing to the Minister for Local Government as part of the S16 process.	Updated since 30 March

	Project/Programme Title	Schedule	Risks*	Budget	Comment	Status Change
6	On-demand Public Transport				<p>The buses arrived and are in the process of being fitted out. Engagement with our community partners is in full swing and direct engagement with the public will begin in May.</p> <p>The operational side of the project is on track with the development of the app being finessed and customer service support being worked through. Launch date is 7 June.</p>	Updated since 30 March
7	Kotahi Plan				<p>An All Governors wananga was held on 13 April. There was discussion and agreement around the proposed governance structure for Kotahi and each takiwā, critical inputs from Governors through the plan development process and operational mahi for staff and technical advisors.</p> <p>Council acknowledged the resourcing requirements for mana whenua and committed to providing support/funding.</p> <p>Governors gave the greenlight for the project to proceed in its current form, and this, coupled with the recent appointment of a project manager will see the project gain momentum.</p>	Updated since 30 March
	Kotahi: Mohaka Plan Change				<p>The Mohaka team of staff and technical advisors to Ngāti Pāhauwera Development Trust (NPDT) met on 30 March to touch base on progress and next steps. The Māori-led workstream has been focussing on the values 'pou' desktop assessment and wananga with mana whenua. It is intended to report back to RPC at the next meeting following approval from the Leaders rūpū on the values and visions.</p>	Updated since 30 March
8	TANK Plan Change				Awaiting decision from Independent Hearings Panel.	Updated since 30 March
	Tank Plan Implementation				Awaiting decision from Independent Hearings Panel.	Updated since 30 March
9	Tukituki Plan Policy Implementation				<p>The decision has been made to stop reporting on Tukituki Plan Policy Implementation, following the completion of the Transition stage, with the move to business as usual.</p>	Updated since 30 March

	Project/Programme Title	Schedule	Risks*	Budget	Comment	Status Change
	Farm Environmental Management Plans (FEMPs)				<p>The extended deadline for 2021 FEMPs is now less than 30 working days away. Still 160 FEMPs to be received from providers plus another 25 properties with Compliance. 71.55 % of eligible land has been covered, an increase of 5.5% or 15500 ha of land since the last update.</p> <p>Auditing process still progressing, and 2024 cycle planning has begun.</p> <p>Risk and schedule will remain high due to extended deadline and number of FEMPs still to be received.</p>	Updated since 30 March
10	Erosion Control Scheme (ECS) Programme (incl. Soil Conservation Nursery & HCEF)				<p>Risks are amber due to shortages in labour market (fencers and planting crews) and rising material costs, e.g. fencing materials. Our Catchment Advisors in Wairoa and Gisborne are currently assessing the impact of the recent flood events to understand how this will affect our projects for this financial year and the upcoming winter planting season.</p> <p>In March, we counted 17,000 grade A poplar and willow poles at our nursery. These will be distributed across the region as ECS projects, after harvesting in June.</p> <p>Staff working hard to allocate last of the 2021-2022 budget, but only fencing projects now available given the time of year and time left. Since fencer availability is problematic, Catchment Advisors are reaching out to fencing contractors to advise them of our scheme and keeping an updated contractor list.</p>	Updated since 30 March
11	Ecosystem Prioritisation: Terrestrial				The decision was made to stop reporting on Ecosystem Prioritisation as it has transitioned to being an established programme with clear policies and reporting processes in place.	Updated since 30 March
12	Partial Pest Plan Review				The draft proposal has been submitted to the Biosecurity Working Party for first review. External stakeholder engagement has commenced with Forestry Groups about to be informed. A public consultation has been tentatively scheduled to commence from mid-June to mid-July. Timeline has been extended to October 2022 as there have been slight staffing resourcing changes, and an extension will allow more time to get the process correct. The EICC has been reported back to with findings from the BWP. The BWP has appointed an independent expert to run through the process and hear submissions after the public consultation period.	No change since 30 March

	Project/Programme Title	Schedule	Risks*	Budget	Comment	Status Change
13	Flood Control & Drainage Scheme – IRG: Heretaunga Flood Control & Drainage Scheme Levels of Service				Additional resources of 2 dedicated FTEs are currently being recruited to assist in programme delivery.  Physical works have commenced and are ongoing at Taradale. All investigations complete for Moteo, East Clive, Ngatarawa and Roy's Hill and design procurement ongoing for Ōmarunui. Construction for Ngatarawa, Moteo and East Clive is due to commence in Oct 2022.  Delays have occurred at Taradale over two significant weather events.	Updated since 30 March
	Flood Control & Drainage Scheme – IRG: Upper Tukituki Flood Control Scheme				First round extraction has started with two contractors on the Makaretu and Tukipo. Some delays in extraction have occurred due to adverse weather and high river levels  Spending expected to catch up when next tender rounds are sent to market and awarded.	Updated since 30 March
	Flood Control & Drainage Scheme – IRG: Wairoa River, River Parade Erosion				Temporary traffic management in place awaiting guardrail to be installed and slope earthworks to be complete. We are implementing some of the recommendations in reinstatement and planting.  Minor damage has occurred to the site as a result of two weather events. This will be made good prior to completion of landscaping	Updated since 30 March
14	Revenue & Financing Policy/ Rates Review (incl. Scheme Rating Reviews)				Project scoping has commenced following the appointment of the new CFO. Transition of resource to the project is being worked through. Phase 1 first principals to be completed before local government elections, Phase 2 post elections. Workshops to be scoped and scheduled soon.	No change since 30 March
15	Enterprise Asset Management				Mapping exercise to commence to diagram current processes and data. Demonstration from vendor to view specific asset capabilities scheduled. Workshops to be scoped and scheduled once BA resource starts (early April). Data accuracy and confidence added to scope. Risks presently being managed are resource availability, data, and covid related.	No change since 30 March
16	Urban Catchment Plans (Te Karamū Catchment Plan/ Ahuriri Catchment Plan)				Karamū Catchment Coordinator commenced on 4 April.  Ahuriri Catchment Coordinator remains vacant.  High level project plan and introduction of staff will occur in the next quarter to EICC.	Added since 30 March

## Project Summaries

<b>1</b>	<b>Right Tree Right Place</b> Pilot on up to five farms to understand the detailed set-up costs, partnership, and delivery options. Under the trial, we would offer a loan to landowners to plant trees on their erodible land. Opportunities being explored with The Nature Conservancy.
<b>2</b>	<b>Regional Water Security Programme</b> PGF funding has allowed us to investigate water supply options through two projects: Heretaunga Water Storage and Managed Aquifer Recharge in Central Hawke's Bay. A 50-year Regional Water Assessment will inform the work, including regional water supply and demand into a future challenged by climate change.
<b>3</b>	<b>Future Water Use</b> Making better use of the water, we must complement water storage. Work with water users to drive more efficient and effective use to complement water storage.
<b>4</b>	<b>Ahuriri Regional Park</b> Working alongside NCC to redevelop the Lagoon Farm site into a Regional Park will allow for stormwater detention and wetland treatment for improved environmental outcomes, as well as providing cultural, educational, and recreational opportunities.
<b>5</b>	<b>Clifton to Tangoio Coastal Hazards Strategy Implementation</b> Working with HDC and NCC to implement the long-term (100 year) adaptive strategy for responding to coastal erosion and coastal inundation in priority areas of the coast between Clifton and Tangoio.
<b>6</b>	<b>On-Demand Public Transport</b> A new form of public transport that replaces fixed routes with an on-demand service. This will be a trial in Hastings and uses innovation and technology to lower the region's transport emissions, provide better transport choices for the community, and will give more equitable access to public transport.
<b>7</b>	<b>Kotahi Plan</b> A combined resource management plan for the Hawke's Bay region. The Regional Policy Statement and Regional Plan will be combined with the Regional Coastal Environment Plan which is due for review. In addition, the NPSFM 2020 requires us to develop a plan to give effect to Te Mana o Te Wai.
<b>8</b>	<b>TANK Plan Change (Policy)</b> Proposed TANK Plan Change (PPC9) will add new rules to the Regional Resource Management Plan to manage water quality and quantity for the Tūtaekurī, Ahuriri, Ngaruroro and Karamū (TANK) catchments. <b>TANK Plan Change (Implementation): TANK Sub-catchments Community Engagement</b> An external communications project, intended to inform rural landowners about the PC9 framework and to promote catchment group formation. It is a precursor to the overall PC9 Implementation, the latter contingent on a decision awaited from Hearings Commissioners and any subsequent appeals.
<b>9</b>	<b>Tukituki Plan Policy Implementation</b> Implementation of statutory deliverables related to the Tukituki Plan, with particular focus on changes arising from the Government's response to the Science Advisory Panel's review of Overseer. <b>Farm Environmental Management Plans (FEMPs)</b> FEMPs aim to address environmental outcomes and actions to improve environmental performance on properties over 4ha within the Tukituki region at this stage of the 3 yearly submission cycle – first resubmission was due 31 May 2021.

10	<p><b>The Erosion Control Scheme (ECS)</b></p> <p>Provides access to a grant for Hawke's Bay landholders to implement soil conservation measures on highly erodible land, keeping soil on the hills and out of waterways. It provides significant financial support for erosion control work such as non-commercial tree planting, protection fencing, land retirement and assisted reversion.</p> <p><b>Hill Country Erosion Fund (HCEF)</b></p> <p>Provides Central Government funding to support ECS activities and events that are targeted at educating and supporting staff and landowners with the reduction of hill country erosion.</p> <p><b>Soil Conservation Nursery</b></p> <p>The primary purpose of the nursery is to grow poplar and willow poles for erosion control; managed primarily for the ECS and Works Group river control plantings.</p>
11	<p><b>Ecosystem Prioritisation: Terrestrial</b></p> <p>This programme focuses on protecting and enhancing 700 Ecosystem Prioritisation sites across the region. To achieve this, we have partnered with internal and external stakeholders alongside land occupiers. The main actions are deer fencing, pest plant and animal control and some enhancement planting.</p> <p><b>Ecosystem Prioritisation: Coastal and Marine</b></p> <p>The Coastal and Marine team has undertaken scientific investigations to identify biodiversity prioritisation sites off the coast of Mahia and Clive, using Zonation software to inform spatial management. The outcomes and recommendations have been concluded and can now move forward to implementation phase.</p>
12	<p><b>Partial Pest Plan Review</b></p> <p>Investigating changing the current Possum Control Area Programme from an occupier responsibility model to a large-scale contract model. A contracting model will secure the continued success long term of the outcomes delivered by low possum numbers and increase the biodiversity benefits from consistently low possum numbers.</p>
13	<p><b>Flood Control and Drainage Scheme – IRG</b></p> <p><b>Project 1: Heretaunga Flood Control &amp; Drainage Scheme</b></p> <p>Aims to review and upgrade flood protection assets across the Tūtaekurī, Ngaruroro, Lower Tukituki and Clive rivers, to increase flood protection across the scheme to a 1 in 500-year event.</p> <p><b>Project 2: Upper Tukituki Flood Control Scheme: Gravel Extraction</b></p> <p>Seeks opportunities to subsidise transportation of gravel from this scheme with a focus on competitive tendering and supporting the local economy.</p> <p><b>Project 3: Wairoa River, River Parade Erosion</b></p> <p>Provides steel sheet piled erosion protection works on left bank of the Wairoa river.</p>
14	<p><b>Enterprise Asset Management</b></p> <p>Aims to embed an Asset Management Information System which integrates into and expands on the Enterprise Resource System (ERP) that was introduced during the Finance Upgrade Systems &amp; Efficiency (FUSE) project. The goal is to provide a solution that improves HBRC operational efficiency, allowing it to confidently identify assets (both spatially and uniquely within a register), manage and maintain its current infrastructure through whole-of-life, and assess risk to determine when changes or additions are required, while aligning with strategic goals through the prioritisation of capital investment.</p>
15	<p><b>Revenue &amp; Financing Policy/ Rates Review (incl. Scheme Rating Reviews)</b></p> <p>First principles Review of Revenue and Financing policy and full review of rating system. The aim of the review is to improve transparency and fairness for who pays what, ensure legal compliance and simplify the policy thereby providing more flexibility in application.</p>
16	<p><b>Urban Catchment Plans (Te Karamū Catchment Plan/ Ahuriri Catchment Plan)</b></p> <p>Will track the development of the Te Karamū and Ahuriri catchment plans, following the appointment of the Catchment Coordinators.</p>

Key Strategic Project Pipeline		
Title	Group	Estimated Start Date
Tukituki Plan Change Policy Implementation (Land Use Consents)	Policy & Regulation (Consents)	Will be reviewed next month
Clive River Dredging 2030	Asset Management (Regional Assets)	TBC
On Demand Public Transport (Napier trial)	Policy & Regulation (Transport)	TBC

Enforcement Actions		
28. There are 11 active prosecutions before the court, at various stages therefore not able to comment publicly on. There are 3 further investigations in progress likely to lead to prosecution.		
Date	Type of Enforcement Action	Status
Oct 2021	Burning prohibited items	Before the court – First appearance
Sep 2021	Burning prohibited items	Before the court – First appearance
Jun 2021	Discharge to land/water	Before the court – First appearance
Apr 2021	Contravention enforcement order	Before the court - order granted
Feb 21	Discharge to land that may enter water	Before the court – Plea to be entered
Jan 21	Discharge to air - odour	Before the court – Plea to be entered
Nov 20	Discharge to land that may enter water	Before the court – awaiting sentencing
Jul 20	Discharge to land that may enter water	Before the court – awaiting sentencing
Jun 20	Discharge to land that may enter water	Before the court – Plea to be entered
Jun 20	Discharge to land that may enter water	Before the court – Not Guilty Plea
Mar 20	Discharge to land that may enter water	Before the court – awaiting sentencing

Environment Court Proceedings		
Date	Type of Proceedings	Status
June 2021	Three Environment Court appeals lodged against Independent Panel decisions made in June 2021 on submissions to Outstanding Water Bodies Plan Change (PC7).	Mediation continues through April amongst parties.
2021	Appeals to Environment Court on the Draft Water Conservation Order application for Ngaruroro River.	Before the Environment Court. Hearing held in 2021. Awaiting Environment Court decision – no update since previous report.

### Decision Making Process

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

### Recommendation

That the Hawke's Bay Regional Council receives and notes the *Significant organisational activities looking forward through May 2022* staff report.



**Authored by:**

**Mell Anderson**  
Project Manager Hill Country Erosion Scheme

**Michael Bassett-Foss**  
RTRP Project Manager

**Allan Beer**  
Team Leader Biosecurity - Animal Pests

**Sarah Bell**  
Team Leader Strategy & Performance

**Harry Donnelly**  
Project Engineer

**Ceri Edmonds**  
Manager Policy & Planning

**Russell Engelke**  
Team Leader Open Spaces

**Craig Goodier**  
Principal Engineer

**Martina Groves**  
Manager Regional Assets

**Sandy Haidekker**  
Senior Scientist

**Nathan Heath**  
Area Manager Northern Hawke's Bay

**Gavin Ide**  
Principal Advisor Strategic Planning

**Tim Jones**  
Project Engineer

**Dr Kathleen Kozyniak**  
Principal Scientist (Air)

**Anna Madarasz-Smith**  
Team Leader Marine, Air & Land Science

**Julie-Anne McPhee**  
Senior Project Manager

**Malcolm Miller**  
Manager Consents

**Mark Mitchell**  
Team Leader Principal Advisor Biosecurity  
Biodiversity

**Thomas Petrie**  
Programme Manager Protection &  
Enhancement Projects

**Brendan Powell**  
Manager Catchments Policy Implementation

**Becky Shanahan**  
Senior Scientist Marine & Coasts

**Mike Signal**  
Team Leader Pollution Response &  
Enforcement

**Dr Jeff Smith**  
Manager Science

**Jolene Townshend**  
Acting Manager Catchment Delivery

**Richard Wakelin**  
Senior Catchment Advisor (Policy  
Implementation)

**Approved by:**

**Katrina Brunton**  
Group Manager Policy & Regulation

**Chris Dolley**  
Group Manager Asset Management

**Iain Maxwell**  
Group Manager Integrated Catchment Management

**Attachment/s**

There are no attachments for this report.



**Subject: Call for minor items not on the agenda**

**Reason for Report**

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

**Recommendations**

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

Topic	Raised by

**Leeanne Hooper**  
Governance Team Leader

**James Palmer**  
Chief Executive



**Subject: Regional Sector Shared Services Council Controlled Organisation - Statement of Proposal for consultation**

**Reason for Report**

1. This item asks the Council to adopt the attached Statement of Proposal to consult on participating in a Council Controlled Organisation (CCO) to support shared services and collaborative activities in the regional sector.
2. This follows the Corporate and Strategic Committee's recommendation on 16 March 2022 and subsequent Council decision on 30 March to participate in the CCO subject to a streamlined consultation process.
3. The Council is required, under section 56 of the Local Government Act 2002 (LGA), to undertake consultation before establishing or becoming a shareholder in a CCO.

**Officers' Recommendation**

4. Council officers recommend that the Council adopts the Statement of Proposal to consult on participating in the new regional sector shared services CCO as proposed.

**Background**

5. At the Corporate and Strategic Committee on 16 March 2022, the rationale and benefits for joining other regional and unitary councils to establish a Regional Services CCO were discussed. The Committee concluded that the opportunities provided by a formalised CCO to do more than it can achieve on its own by utilising the collective capabilities of councils were worth pursuing and resolved to join subject to consultation.

**Statement of Proposal**

6. The attached Statement of Proposal covers the following topics and has a hardcopy submission form as its last page.
  - 6.1. What is the proposal?
  - 6.2. Background
  - 6.3. What will the structure be?
  - 6.4. What is a CCO?
  - 6.5. Scope of work
  - 6.6. Performance targets
  - 6.7. Benefits of joining
  - 6.8. Upcoming work programme
  - 6.9. Why are we consulting?
  - 6.10. What is the process from here?
7. Submissions during the two-week period 2 – 15 May, can be made online, email, post or hand delivered.

## Consultation Process

8. As noted above, Council must consult prior to establishing or becoming a shareholder of a CCO under section 56 of the LGA. In accordance with section 82- Principles of Consultation, the Council has discretion to decide the form the consultation takes.
9. After considering section 82(4) it was determined that a streamlined approach was appropriate for the following reasons:
  - 9.1. the decision to join the CCO is a relatively procedural matter with low impact on ratepayers
  - 9.2. future decisions on cost and service will be explored through the Statement of Intent process
  - 9.3. the community is likely to have low interest (given response to previous consultations to establish CCOs).
10. The key dates for the consultation are:

2 May 2022	- Consultation opens
15 May 2021 (8pm)	- Consultation closes
1 June 2022	- Verbal submissions hearing (if required)
29 June 2022	- Decision made by the Regional Council
11. The Statement of Proposal will be posted on the Council's website as soon as practicable after it is adopted. The consultation will be advertised in Hawke's Bay Today. A media release will be issued. This consultation will be posted to social media. There will be direct engagement with our Territorial Authorities as interested parties.

## Decision Making Process

12. Council is required to make every decision in accordance with the requirements of the LGA. Staff have assessed the requirements in relation to this item and have concluded:
  - 12.1. The decision does not significantly alter the service provision or affect a strategic asset.
  - 12.2. The use of a consultation process is required by legislation for the establishment of a new Council Controlled Organisation.
  - 12.3. The decision is not inconsistent with an existing policy or plan.

## Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Regional Sector Shared Services Council Controlled Organisation - Statement of Proposal for Consultation* staff report.
2. Agrees that the decision to adopt the Statement of Proposal for consultation is in accordance with the provisions of the Local Government Act 2002 and that Council can make this decision without conferring with the community or persons likely to have an interest in the decision.
3. Adopts the *Regional Sector Shared Services Council Controlled Organisation Statement of Proposal* as proposed.
4. Agrees the proposed Submissions and Decisions process timeframes proposed.

**Authored by:**

**Andrew Siddles**  
**Chief Information Officer**

**Drew Broadley**  
**Communications & Engagement Manager**

**Sarah Bell**  
**Team Leader Strategy & Performance**

**Desiree Cull**  
**Strategy & Governance Manager**

**Approved by:**

**Jessica Ellerm**  
**Group Manager Corporate Services**

**James Palmer**  
**Chief Executive**

**Attachment/s**

1 [↓](#) Regional Sector Shared Service CCO Statement of Proposal





**Consultation**  
**2 to 15 May 2022**

**Tukua mai ō  
whakaaro**

**Have your say**

## **Consultation on participating in a Regional Sector Shared Services Council Controlled Organisation**

### **What is the proposal?**

*Hawke's Bay Regional Council (HBRC) is asking the community for feedback on this proposal to participate in a council-controlled organisation (CCO) with other regional and unitary councils. The new CCO would support shared services and collaborative activities in the regional sector.*

### **What is a CCO?**

A council-controlled organisation can be a company, partnership or trust arrangement for the sharing of profits, union of interest, co-operation, joint venture or other similar arrangement in which one or more local authorities, directly or indirectly, controls the organisation.

### **Background**

The 16 regional councils and unitary authorities in Aotearoa New Zealand work together on areas of shared interest.

They now wish to take this arrangement a step further by creating a shared services company.

#### **This is in response to:**

- ▶ increased demands from central Government to deliver a broad range of reform packages
- ▶ capacity and capability challenges, and competition between councils to attract and retain staff
- ▶ expectations from our communities for councils to do more with the same, or less.

This change will lead to improved outcomes from investment in national programmes of work. It will also improve access to specialist and expensive resources, reduce costs and share risk.

*The easiest way to have your say is online at [hbrc.govt.nz](https://hbrc.govt.nz), search: #consultations*

1

**Consultation  
2 to 15 May 2022**

**Tukua mai ō  
whakaaro**  
**Have your say**

### **What will the structure be?**

***This organisation is intended to be a company with up to 16 shareholders – the 16 regional councils and unitary authorities in New Zealand.***

The company will be created by restructuring Regional Software Holdings Limited (RSHL), a current CCO created by six regional councils for this purpose. The six existing shareholders do not need to consult.

Depending on the final adopted structure of the CCO, HBRC may hold shares or some other form of ownership. HBRC will contribute to the operating costs of the CCO. These contributions will replace existing contributions to national programmes, and will be at a similar cost.

HBRC will maintain part-ownership of the CCO as long as it continues to operate, and while HBRC continues to use the services provided by the CCO.

### **Scope of work**

As an extension of the current model operated by RSHL, the new CCO will provide a framework for collaboration between the shareholders and across the regional sector. It will support the procurement or development of shared solutions in a manner that provides greater consistency in how councils operate their core processes. This model will provide a more cost-effective alternative than individual councils can achieve on their own.

The CCO will operate by facilitating collaborative initiatives between councils and through managed contractual arrangements.

The initial scope of activities for the company is limited to pre-existing shared service programmes. A business case will be developed for any additional service that is not part of the original company. This will be approved by the shareholders prior to any new service/s proceeding. The investigation of any new services will be fully funded by the councils that wish to promote that service.

### **Performance targets**

Performance targets relate to the level of services that the company will achieve to deliver on its stated outcomes. It is envisaged that these targets will change as new services are developed.

- ▶ Customers will be surveyed annually to ensure that there is at least 75% satisfaction with the services provided.
- ▶ Expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the shareholders.
- ▶ The organisation will demonstrate material benefit to the regional sector and shareholders.

The easiest way to have your say is online at [hbrc.govt.nz](https://hbrc.govt.nz), search: #consultations

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## Benefits of joining

The CCO is intended to be the delivery mechanism for projects identified by the regional sector special interest groups (SIGs) and prioritised by the regional sector chief executives through the Regional Council Collaboration (ReCoCo) programme. RSHL is already well placed to deliver this.

- ▶ RSHL is already responsible for the management and delivery of sector programmes with an annual budget of \$2.5-\$3 million.
- ▶ RSHL also has a good track record of delivering technology projects, such as the original design and build of the Integrated Regional Information System (IRIS) regulatory software.

Involvement in the CCO won't initially require any additional funding. Operating costs will be covered by the existing ReCoCo subscription fees paid by all regional councils. Additional costs are incurred when each council decides to participate in and contribute funding towards a work programme.

HBRC has a long-standing relationship with RSHL, which has delivered benefits through access to:

- ▶ cost-effective solutions that are specifically designed for the unique functions of a regional council
- ▶ a sector-wide body of knowledge of business processes in the IT, regulatory, biodiversity and land management functions of a regional council.

This CCO proposal is an appropriate next step in the evolution of the long-standing relationship with RSHL.

## Upcoming work programmes

The first CCO work programme of significance to HBRC is the IRIS Next Generation programme. This programme will deliver sector alignment through consistent good practice business processes embedded in modern extensible software. The scope of the programme covers the regulatory, land management and biodiversity functions of regional councils.

Partnering with RSHL for future system implementations will enable HBRC to leverage the collective capabilities of all councils, to mitigate project delivery risks associated with current talent shortages. For more information on RSHL and IRIS Next Generation visit [rshl.co.nz](https://rshl.co.nz)

## Why are we consulting?

HBRC is consulting with anyone who may be affected or have an interest, and encourages any member/s of the community to provide their views on the proposed participation in the CCO through this consultation process.

HBRC must consult prior to becoming a shareholder of a CCO. This is stated in section 56 of the Local Government Act 2002.

## What is the process from here?

- |                            |  |
|----------------------------|--|
| ▶ <b>2 May 2022</b>        | <b>Consultation opens</b>                                      |
| ▶ <b>15 May 2022</b> (8pm) | <b>Consultation closes</b>                                     |
| ▶ <b>1 June 2022</b>       | <b>Hearing for submitters to present their views in person</b> |
| ▶ <b>29 June 2022</b>      | <b>Decision made by HBRC</b>                                   |

The easiest way to have your say is online at [hbrc.govt.nz](https://hbrc.govt.nz), search: #consultations

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**Hawke's Bay  
Regional Council  
Regional Sector  
Shared Services  
CCO Consultation**

**Tukua mai ō whakaaro  
Have your say**

The easiest way  
is online at  
**hbrc.govt.nz**



There are a number of ways to share your views with us on this proposal.  
Please read the consultation document before having your say. Thanks for taking the time to get involved.

First name: \_\_\_\_\_ Last name: \_\_\_\_\_

Email: \_\_\_\_\_

Address: \_\_\_\_\_

If you are submitting as the official spokesperson on behalf of an organisation, please give the organisation name here: \_\_\_\_\_

Do you support Hawke's Bay Regional Council participating in a regional sector shared services CCO?

☐ Yes ☐ No ☐ Don't know

Please give your reasons below (optional)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Need more room? You can attach extra pages, just make sure they include your name and address.

Do you wish to present your submission to the Regional Council at a hearing on 1 June 2022?

☐ Yes ☐ No If yes, please provide a daytime contact number and/or email address

\_\_\_\_\_  
\_\_\_\_\_

**Privacy Statement** - Submissions are public information. Your name and feedback will be included in public documents as part of the decision-making process. All other personal details will remain private. This information will be held by Hawke's Bay Regional Council but only for the purpose of this consultation process.

One submission per individual.

**Online:** [hbrc.govt.nz](https://hbrc.govt.nz), search: #consultations or scan our QR code on this form

**Email:** [haveyoursay@hbrc.govt.nz](mailto:haveyoursay@hbrc.govt.nz)

**Post:** Hawke's Bay Regional Council, Private Bag 6006, Napier 4142

**Hand deliver:** 159 Dalton Street, Napier

**HBRC must receive your submission by  
8pm on Sunday 15 May 2022**



**Subject: Appointment and Remuneration of Directors Policy for adoption****Reason for Report**

1. This item presents the Appointment and Remuneration of Directors policy (the Policy) for Council adoption.

**Officers' Recommendation**

2. Council officers recommend that Council adopts the Policy as presented given that it has been thoroughly considered in workshops, a Corporate and Strategic Committee meeting and Council meeting.

**Executive Summary**

3. On 30 March 2022, Council resolved that it "Adopts, in principle, the Appointment and Remuneration of Directors Policy as amended to incorporate the following preferences resolved by the Corporate and Strategic Committee, subject to the Policy being reworked in the intervening period and provided to the 27 April 2022 Regional Council meeting for adoption."
4. The stated preferences for the revised policies were:
  - 4.1. HBRIC Ltd should continue to be governed by a blend of commercial and councillor directors to support integrated objectives setting and strategic alignment between Council and HBRIC Ltd, while incorporating independent perspectives and commercial skills, with a minimum of two independent directors within an overall maximum of eight directors.
  - 4.2. Councillor directors are to be paid for their director duties on the board of HBRIC Ltd only if they are not already remunerated for higher duties as Council committee chairs or Council Chair or Deputy, and in such event are to be paid the difference between a base councillor salary and that of a Council committee chair.
  - 4.3. In the event a Councillor director is appointed Chair of HBRIC Ltd, remuneration should be equivalent to that which would be paid to an Independent Chair.
  - 4.4. HBRIC Ltd's commercial subsidiaries should be run by independent directors only, for commercial objectives, in order to maintain separation between active commercial investment activity and the role of councillors as community representatives overseeing this activity via HBRIC Ltd and Council, enabling councillors to hold the investment entities accountable for their performance without being conflicted.
  - 4.5. In the event that Council, by resolution, suspends the Policy in respect of 4.4 above and enables councillors to be considered for appointment by HBRIC Ltd to a subsidiary company in response to special circumstances, the appointment is to be made by independent directors of HBRIC to ensure councillors being appointed to commercial entities attracting market-based fees are only appointed following an objective and apolitical assessment of the suitability of their skills for the role.
  - 4.6. Commercial subsidiaries and CCOs must have skills-based boards, constituted of directors with the relevant industry experience and knowledge, governance and commercial skills.
  - 4.7. All boards of entities for which HBRIC holds significant shareholdings are required to consider how they support diversity and inclusion, with open and transparent appointment processes.

- 4.8. HBRIC Ltd is delegated the authority to appoint directors to its subsidiaries in consultation with Council.
- 4.9. The Chair of HBRIC Ltd should be an Independent Director.
- 4.10. Board fees should be paid for all non-councillor Director positions, and that Council supports payment of market-based fees.
- 4.11. Existing councillor directors on HBRIC Ltd subsidiaries should stand down from their roles in a managed transition that minimises disruption to the commercial interests of their entities, and Council with board fees paid for all work to that point.
- 4.12. In consultation with Council, HBRIC Ltd may appoint executive directors to HBRIC Ltd subsidiaries with directors' fees paid by the subsidiary or CCO to the parent company, unless otherwise agreed as part of a modified remuneration package for the executive that reflects adjusted responsibilities and accountabilities.
- 4.13. In consultation with Council, HBRIC Ltd will nominate two directors for the board of Napier Port for as long as a majority shareholding is held by Council via HBRIC Ltd.
5. On the basis of feedback provided by Cr Williams on issues that would improve the clarity and consistency of the draft policy revisions, staff have made a number of minor amendments to the document which are captured in the attached marked-up version.

### **Strategic Fit**

6. Leveraging the Council's balance sheet and taking a more active approach to Council's investment activity is an important element of the Council's overall financial strategy to fund more activity to achieve greater impact in the Council's strategic outcome areas. This paper supports these objectives.

### **Significance and Engagement Policy Assessment**

7. Council officers have assessed the significance of the decisions in this report as being low and therefore not requiring community engagement.

### **Climate Change Considerations**

8. There are no specific climate change considerations related to the policy proposed for amendment in this paper. However, the Council has specific climate change related objectives within its investment strategy and the maintenance of councillor director influence on the board of HBRIC assists in ensuring the Council's strategic objectives in this regard are achieved.

### **Considerations of Tangata Whenua**

9. There are no direct considerations for tangata whenua arising from this paper. The recommended inclusions in the Policy, with respect to diversity and transparency, are intended to create opportunities for Te Ao Māori perspectives to be brought to the governance of HBRIC and its subsidiaries.

### **Financial and Resource Implications**

10. There are no direct financial implications arising from this report. Director remuneration is provided via revenue generated from the investment activity that is governed by the directors. A high standard of governance arrangements assists in managing risks to the Council's investment portfolio and protecting asset values and revenues.

### **Consultation**

11. Consultation is not required for these decisions as they relate to administrative arrangements to facilitate the more substantive matter of Council's investment strategy that was consulted upon as part of the 2021-2031 Long Term Plan.

## Decision Making Process

12. 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:
  - 12.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
  - 12.2. The use of the special consultative procedure is not prescribed by legislation.
  - 12.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
  - 12.4. The persons affected by this decision are councillors and HBRIC directors.
  - 12.5. 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 *Appointment and Remuneration of Directors Policy for adoption* 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. Adopts the Appointment and Remuneration of Directors Policy as amended.

## Authored by:

**Tom Skerman**  
Regional Water Security Programme Director

## Approved by:

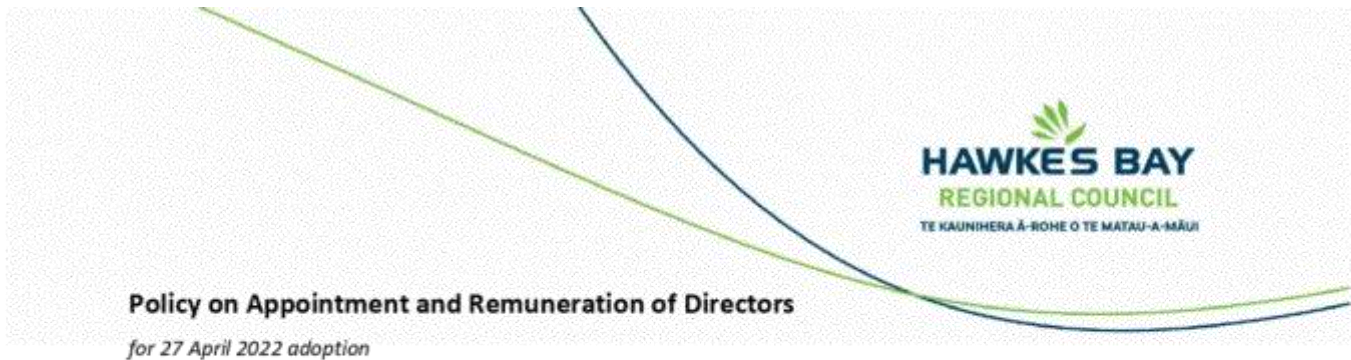
**James Palmer**  
Chief Executive

## Attachment/s

- 1 [!\[\]\(0f13e74bece43321be4542883500ac30\_img.jpg\)](#) Appointment and Remuneration of Directors Policy with Martin Williams' amendments







### Purpose

1. The purpose of this policy is to set out, in accordance with Section 57(1) of the Local Government Act 2002 (the Act), an objective and transparent process for:
  - 1.1. The identification and consideration of the skills, knowledge and experience required of directors of a Council organisation.
  - 1.2. The appointment of directors to a Council organisation
  - 1.3. The remuneration of directors of a Council organisation.

### Principles

2. The following principles underlie this policy.
  - 2.1. Appointments will be made on the basis of merit.
  - 2.2. The Council will follow corporate governance best practice, including the requirements of the NZX Listing Rules (where relevant).
  - 2.3. Directors of Council-controlled trading organisations will be appointed on the basis of the contribution they can make to the organisation, and not on the basis of representation.
  - 2.4. Where organisations are subsidiaries of the Hawke's Bay Regional Investment Company Ltd (HBRIC Ltd), then HBRIC Ltd will act as the interface and monitoring body between the Council and those subsidiaries, and HBRIC Ltd will have decision making authority for all director appointments subject to consultation with Council.
  - 2.5. All appointments of directors to the Board of HBRIC Ltd must be ratified by Council.
  - 2.6. In order to ensure an orderly implementation of the April 2022 revisions to this policy, existing councillor directors on HBRIC Ltd subsidiaries shall stand down from their roles in a managed transition that minimises disruption to the commercial interests of the respective entities and remuneration of agreed board fees should be paid up to that point.

### Definitions

3. The term "Council organisation" (CO) is used as defined in Section 6 of the Act.
4. The Act also creates two sub-categories of COs:
  - 4.1. "Council-controlled organisations" (CCOs) and
  - 4.2. "Council-controlled trading organisations" (CCTOs).
5. The Council has interests that fall into each of these 2 sub-categories.
6. The following definitions are provided for guidance purposes only. Full, detailed definitions are provided in Section 6 of the Act.

### Council organisation

7. In broad terms, a CO is an organisation in which the Council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering

a large number of bodies.

*Council-controlled organisation*

8. A CCO is a CO in which one or more local authorities control, directly or indirectly, 50% or more of the votes or have the right, directly or indirectly, to appoint 50% or more of the directors, trustees or managers (however described).

*Council-controlled trading organisation*

9. A CCTO is a CCO that operates a trading undertaking for the purpose of making a profit.
10. For the purpose of this document only:
  - 10.1. Hawke's Bay Regional Investment Company Ltd (HBRIC Ltd) is excluded from the definition of a CCTO. (There is a separate section in this Policy (page 3) for the appointment and remuneration of directors to HBRIC Ltd.)
  - ~~10.2. Napier Port Holdings Limited (Napier Port) (for the purposes of this policy only) is considered to be a CCTO (distinct from the legal position under which Napier Port has limited CCTO obligations given its NZX status). Under the Napier Port constitution, any person appointed to / removed from the Board of Directors of Napier Port is automatically appointed to / removed from the Board of Directors of Port of Napier Limited (and so any decisions made by HBRIC Ltd in relation to the composition of the Board of Napier Port will also affect Port of Napier Limited).~~
  - 10.2. All associate and subsidiary companies of HBRIC Ltd (for the purposes of this policy only) are considered to be CCTOs irrespective of whether HBRIC Ltd has a controlling interest in the company. *Note – distinct from legal position which requires 50%*
11. **Pages 3-5** set out the policy for the appointment and remuneration of directors to the Board of the Hawke's Bay Regional Investment Company Ltd.
12. **Pages 6-9** contain the policy for other Council Controlled Organisations, including CCOs and CCTOs currently subject to this policy, other than Napier Port. These CCOs are listed in Appendix 1. Any new Council organisations in which the Council will have a voting interest or the right to appoint a director, trustee or manager will be subject to this policy.
13. **Pages 11-12** contain the policy for Napier Port.
14. **Page 13** contains the policy for Council Organisations that are not Council Controlled Organisations and are currently subject to this policy. These COs are listed in Appendix 2. Any new Council Organisation will be subject to this policy.
15. **Pages 14-15** contain the HBRIC Ltd Chairperson Succession Planning Policy.

## Hawke's Bay Regional Investment Company Ltd

### Introduction

16. Hawke's Bay Regional Investment Company Ltd (HBRIC Ltd) is 100% owned by Hawke's Bay Regional Council (Council, HBRC) and, other than by exception, holds shares in the Council's CCTOs. It monitors the performance of these CCTOs and is the authorised decision maker for new director appointments for these organisations in accordance with this policy and, where appropriate, in consultation with Council.

### HBRIC Ltd Director appointment process and Identification of required skills, knowledge and experience

17. The HBRIC Ltd constitution provides for a maximum of eight directors and it is Council's preference that it comprises a minimum of two independent directors to ensure a blend of commercial and HBRC councillor and executive directors to support integrated objectives setting and strategic alignment between Council and HBRIC Ltd, while incorporating independent perspectives and commercial skills. Note that this policy does not require the appointment of HBRC executive directors, but enables such appointments to be made from time to time.
18. Only a current Councillor may be appointed as a Council Director of HBRIC Ltd. It is important that the selected HBRIC Ltd Council directors will be able to gain the confidence of the Council and the subsidiary company boards, given the confidential and commercially sensitive nature of much of the business being considered.
19. An independent Director of HBRIC Ltd will be a person who is neither a Councillor nor an employee of Council.
20. The Council will establish a Council Appointments Committee after each triennial local body election to recommend to Council the appointment of HBRC councillor and executive and independent Directors to HBRIC Ltd. This committee will be comprised of **four** members who are not seeking appointment to the HBRIC Ltd Board. **Where possible** the committee members will include the current Chair of HBRIC Ltd, two **current** councillors, and an external experienced director. The Committee will remain appointed for the duration of the electoral term and shall preside over appointment decisions during that term as required.
21. The Council Appointments Committee will, after the triennial local body elections, interview all Councillors expressing an interest in appointment to the HBRIC Ltd Board, including existing HBRIC Ltd Council directors retiring and offering themselves for re-appointment and HBRC executives duly nominated by the HBRC Chief Executive. The Council Appointments Committee will also interview any independent and HBRC executive directors retiring by rotation at the end of their term and offering themselves for reappointment at this time.
22. In the process of selecting councillor, HBRC executive and independent directors, the Council Appointments Committee, having consulted the HBRIC Ltd Board for its advice, will first determine the required skills, knowledge and experience which is necessary for an effective Board. In general terms, the committee will apply similar criteria to potential candidates to those used by HBRIC Ltd in its assessment of candidates for CCTOs (refer para 55). However, where necessary the committee will also take into account a candidate's potential to quickly acquire business and financial skills, as well as his or her existing skills and experience. The candidate's skills must be relevant to the requirements of HBRIC Ltd in terms of its governance and provide, as far as possible, that there is a suitable cross-section of skills available at the board table capable of meeting the normal criteria of good governance. **The Appointments Committee Council** shall consider how any appointments **support promote** diversity and inclusion, with open and transparent appointment processes.
23. The committee may use the services of a specialist consultant in making an assessment of the suitability of candidates for a councillor or HBRC executive Director position.
24. Following interviews, the committee will make its final recommendations in a report to the Regional Council. This report will be considered in the public excluded part of the agenda. The Council will



consider the report and make its decision.

25. Public announcement of the appointments will be made as soon as practicable after the Council has made its decision.
26. Councillor directors must resign on a date specified by the Council, being no later than three months after the triennial local body elections, although they may offer themselves for re-appointment. The date selected will be chosen to allow time to select Council and HBRC executive directors for appointment as replacement directors in accordance with this policy.

#### Chairperson

27. Council's stated preference is for the chairperson of the HBRIC Ltd Board to be an independent director, taking account of the experience and appropriate skills of the existing board. This nomination will be made in accordance with Appendix 1 to ensure that there can be continuity of knowledgeable and capable independent leadership of the HBRIC Ltd Board. The policy envisages that work commences to identify a successor to the chairperson at least a year before the planned retirement of the incumbent and that in making any replacement Board appointments that consideration be given to whether there is sufficient potential on the Board for a replacement chairperson should that be needed unexpectedly.
28. The Council Appointments Committee is responsible to make a recommendation to the Regional Council on the nomination of the HBRIC Ltd chairperson.

#### All directors of HBRIC Ltd

29. It is expected that all appointees to the HBRIC Ltd Board will undergo, or already have undergone, formal corporate governance training, or have the requisite experience in this area. HBRIC Ltd will generally pay for at least part of any such training.

#### Independent and HBRC executive director's length of tenure

- ~~30. Independent and HBRC executive directors will normally be appointed for periods of three years. Subject to a review of the director's performance after each three year period, the normal tenure for a director will be six years. Following six years of service, a director may be recommended for re-appointment by the Council Appointments Committee for a further three years.~~
30. Independent and HBRC executive directors will normally be appointed for two periods/terms of three years each, subject to a review of the director's performance after each the first three year period. the normal tenure for a director will be six years. Following six years of service, a A two-term director may be recommended for re-appointment for one further and final three year period by the Council Appointments Committee. for a further three year

#### Removal of an HBRIC Ltd director

31. The HBRIC Ltd Constitution provides that any director of HBRIC Ltd may be removed from office at any time by notice in writing from the majority shareholder (Council).
32. Without limiting the right of the Council in the constitution, the likely reasons that would justify removal of a director would be where a director:
  - 32.1. No longer has the confidence of the Board or the Council
  - 32.2. Has breached ethical standards and this reflects badly on the Board and/or Council
  - 32.3. Does not act in the best interests of the company
  - 32.4. Breaches the confidence of the Board in any way including speaking publicly on Board issues without the authority of the Board
  - 32.5. Does not act in accordance with the principles of collective responsibility.

33. Where the HBRIC Ltd Board has concerns regarding the behaviour of one of its directors it shall be considered first by the Board and, where necessary, the Board may recommend the removal of the director to the Regional Council.
34. With the exception of Napier Port, HBRIC Ltd may remove a director from any of its subsidiaries for similar reasons as set out above in consultation with Council.

#### Remuneration of HBRIC Ltd directors

35. Periodically, normally every three years but more frequently if considered appropriate, HBRIC Ltd will review the level of remuneration being paid to its directors.
36. As part of this function, independent analysis (e.g. Institute of Directors report or similar) must be used. Council supports the payment of market-based director fees.
37. Councillor directors are to be paid for their director duties only if they are not already remunerated for higher duties as Council committee chairs or Council Chairperson or Deputy, and in such event are to be paid for the difference between a base councillor salary and that of a Council committee Chair. In the event a councillor director is appointed Chairperson of HBRIC Ltd, remuneration should be equivalent to that which would be paid to an Independent Chair.
38. HBRC Executive director remuneration shall be determined by agreement between the Chair of HBRIC Ltd and the HBRC Chief Executive or, in the case of the appointment of the Chief Executive to HBRIC Ltd or an HBRIC Ltd subsidiary, the Chairperson of HBRC.
39. HBRIC Ltd will report to the Council with a recommendation with regard to the level of fees for the HBRIC Ltd Board. ~~When the Council considers this issue, those Councillors who are directors of HBRIC Ltd may not take part in discussions or vote on the issue except where a declaration permitting Councillors to discuss and vote on the issue has been granted by the Auditor General.~~
40. HBRIC Ltd will arrange and pay for directors' liability insurance, and indemnify each of the directors.

## Council-Controlled Organisations

### Introduction

41. The Council has an interest in CCOs which are not trading organisations. These are not-for-profit bodies and, in contrast with the section that deals with CCTOs, Hawke's Bay Regional Investment Company Ltd has no involvement in monitoring or the director/trustee appointment processes.
42. Appointments to a CCO are generally for a three year term, and are made after the triennial local body elections.

### Identification of required skills, knowledge and experience of CCO directors, and appointment

43. The Council will determine the required skills, knowledge and experience for each appointment to these Council Controlled Organisations and make its appointments accordingly. CCOs must have skills-based boards, constituted of directors with the relevant industry experience and knowledge, governance and commercial skills. Council ~~promotes~~ ~~supports~~ diversity and inclusion, with open and transparent appointment processes.
44. In general, the attributes required for directors of CCTOs will be applicable, but the weightings given to each attribute may vary according to the nature of the appointment.
45. In most cases, Councillors will be the appointees, but there may be instances where it is appropriate to appoint external directors or Council staff.

### Remuneration of CCO directors

46. After each triennial local body election, the Council will determine whether there are any CCOs that may more properly be classified as CCTOs for the purposes of determining an appropriate level of remuneration. If any CCOs are so classified, the remuneration of their boards will be determined by HBRIC Ltd in accordance with the policy for CCTOs set out on **page 7**.
47. In all other cases, CCO directors appointed by the Council will receive the remuneration (if any) offered by that body. Council staff members appointed to such bodies will not accept any remuneration.

## Council Controlled Trading Organisations

### Introduction

48. The Council has significant shareholdings, direct and indirect, in a variety of CCTOs. These all operate at arm's length from the Council on a commercial basis.
49. The Council may establish further CCTOs during the life of the Policy.
50. HBRIC Ltd has been charged by the Council with monitoring and appointing new directors, subject to consultation with Council, in respect of the CCTOs in which HBRIC Ltd directly holds shares.
51. No directors will be appointed to CCTO boards other than through the process referred to in this Policy.

### Identification of required skills, knowledge and experience of CCTO directors

52. The required skills, knowledge and experience for director appointments to a CCTO Board are assessed in the first instance by the Governance, Appointment and Remuneration Committee of HBRIC Ltd, in consultation with the Chairperson of the relevant CCTO. Reference is made to current governance best practice in this area, as encapsulated in the Institute of Directors' Principles of Best Practice for New Zealand Directors and other relevant material. External assistance may be used by HBRIC Ltd in some cases.
53. All boards of entities for which HBRIC Ltd holds significant shareholdings are required to consider how they ~~support~~ promote diversity and inclusion, with open and transparent appointment processes. The mix of skills and experience on the CCTO board will be taken into account, and consideration given to complementing and reinforcing existing skills and reducing known weaknesses where necessary. Commercial subsidiaries must have skills-based boards, constituted of directors with the relevant industry experience and knowledge, governance and commercial skills.
54. HBRIC Ltd's commercial subsidiaries should be run by non councillor directors only, for commercial objectives, in order to maintain separation between active commercial investment activity and the role of councillors as community representatives overseeing this activity via HBRIC Ltd and Council, enabling councillors to hold the investment entities accountable for their performance without being conflicted.
55. In general terms, the following qualities are sought in directors of CCTOs:
  - 55.1. Intellectual ability
  - 55.2. Commercial experience
  - 55.3. Understanding of governance issues
  - 55.4. Sound judgement
  - 55.5. High standard of personal integrity
  - 55.6. Commitment to the principles of good corporate citizenship
  - 55.7. Understanding of the wider interests of the publicly-accountable shareholder
  - 55.8. Governance experience.
56. As a general principle, HBRIC Ltd will seek to appoint a person who, while meeting all of the above criteria, has particular strengths in terms of attribute **55.7**.
57. It is expected that all appointees to CCTO boards will undergo, or already have undergone, formal corporate governance training, or have the requisite experience in this area.
58. In consultation with Council, HBRIC Ltd may appoint directors (being duly nominated by the HBRC Chief Executive) to HBRIC Ltd subsidiaries with directors' fees paid by the subsidiary or CCTO to HBRC unless otherwise agreed as part of a modified remuneration package for the executive that reflects adjusted responsibilities and accountabilities.



**Appointment process for CCTO directors**

59. HBRIC Ltd is delegated the authority to appoint directors to its subsidiaries in consultation with Council.
60. When a vacancy arises in any CCTO, the HBRIC Ltd Governance, Appointment and Remuneration Committee, having identified the skills, knowledge and experience required for the position (in consultation with the CCTO Chairperson), will then follow the process set out following.

*Search*

61. In most cases, a specialist consultant will also be contracted to assist with sourcing candidates and the initial evaluation.
62. In some circumstances, HBRIC Ltd may wish to appoint one of its own directors for a particular purpose.
63. If, after consultation with the chairperson of a particular CCTO board and the HBRIC Ltd Governance, Appointment and Remuneration Committee, the the Regional Council determines, by resolution, that there is a need for a Councillor on the Board of that CCTO to bring the specific skills and relationships of a Councillor Director to the board and suspends the policy set out in **para 54** (preference for non-councillor directors) in this regard, then the process of selection of candidates will be varied in the following manner.
  - 63.1. The HBRIC Ltd's independent directors, assisted by a specialist consultant, will call for nominations from all interested Councillors and will interview all Councillors expressing an interest in an appointment to the CCTO and make an appointment in a manner which is consistent with this policy in all other respects.
  - 63.2. If the term of appointment for a Councillor who is appointed under this clause is due for reconsideration in terms of the constitution of the CCTO they may be considered for reappointment by HBRIC Ltd without further consultation with Council.
  - 63.3. Appointments of any Councillor appointed under this clause by HBRIC Ltd shall expire 31 March in the year following a triennial election.
  - 63.4. If, following the triennial local government election, the appointee is not re-elected as a Councillor HBRIC Ltd will commence a process for selection of a new appointee to the Board, which may or may not be a Councillor.
  - 63.5. HBRIC Ltd will re-assess, in consultation with the CCTO, at no less than three yearly intervals whether there remains a need for a person to be appointed to the Board who is specifically an elected Councillor.

*Interview*

64. Following the search process, the HBRIC Ltd Governance, Appointments and Remuneration Committee will draw up a short list of candidates.
65. Where appropriate the committee will cooperate with other shareholders in the selection process.
66. Each candidate will be interviewed by the committee. The committee will then decide its preferred candidate, check all references and report back to the full HBRIC Ltd Board for ratification.

*Appointment*

67. The HBRIC Ltd Board will then consult with the Regional Council on its recommendations in a "public excluded" forum in order to protect the privacy of the individual(s) concerned.
68. Public announcement of the appointment will be made as soon as practicable after consultation with the Council.



### Reappointment

69. Where a non-councillor director's term of appointment has expired and he or she is offering him/herself for reappointment, a representative of the HBRIC Ltd Board (normally the Chairperson) will consult on a confidential basis with the Chairperson of the CCTO with regard to:
  - 69.1. Whether the skills of the incumbent add value to the work of the Board
  - 69.2. Whether there are other skills which the Board needs
  - 69.3. Succession issues.
70. The HBRIC Ltd Governance, Appointments and Remuneration Committee will consider the information obtained and, taking into account the director's length of tenure (see below), form a view on the appropriateness of reappointment or making a replacement appointment.
71. Where reappointment is considered appropriate, then the HBRIC Ltd Board is authorised to approve it without further reference to the Council.
72. Where it is not intended to reappoint the existing incumbent, the appointment process outlined in this policy will apply.

### Length of tenure

73. CCTO directors will normally be appointed for two terms of three years each, subject to a review of the director's performance after the first three year period. A two-term director may be recommended for re-appointment for one further and final three year period in special circumstances. ~~will normally be appointed for periods of three years. Subject to a review of the director's performance after each three year period, the normal tenure for a director will be six to nine years. Following nine years of service, a director may be re-appointed for a further three years in special circumstances.~~

### Chairpersons of CCTOs

74. It is the responsibility of the Board of each CCTO to appoint its own Chairperson. However, normally the CCTO Board will consult with HBRIC Ltd on the person to be so appointed, and where HBRIC Ltd considers it appropriate, it will give its view on who it considers to be the appropriate person to fill the Chairperson's position.

### Remuneration of CCTO directors

75. HBRIC Ltd has been charged with monitoring and, where appropriate, recommending to Council for approval, changes in remuneration levels for the boards of CCTOs.
76. Periodically HBRIC Ltd will review the level of remuneration made available to the boards of the CCTOs for distribution amongst directors on each board.
77. The fees will be reviewed on an overall basis for each CCTO, leaving the Board of that CCTO to apportion the fees between board members as it sees fit. Under exceptional circumstances, HBRIC Ltd may approve an application from a CCTO for additional fees, for a specific project.
78. In performing its review of remuneration, HBRIC Ltd will take account of:
  - 78.1. The need to attract and retain appropriately qualified directors
  - 78.2. The levels of remuneration paid to comparable companies in New Zealand
  - 78.3. The performance of the CCTO and any changes in the nature of its business
  - 78.4. Any other relevant factors.
79. In general, it is intended that boards of CCTOs will receive a level of remuneration that is competitive with the general market, while recognising that there will be differences from time to time, particularly in the period between reviews. Professional advice will be sought where necessary.
80. In the event of an HBRC executive being appointed to a CCTO Board, the fees for that appointee shall

either not be paid or be paid to the Council or HBRIC Ltd, unless there are special circumstances. This reflects the employee being appointed as part of their existing position.

81. The Council also supports the payment by CCTOs of directors' liability insurance and the indemnification of all directors.

## Napier Port

### Introduction

82. This document sets out the policy in relation to the appointment and removal of directors to and from the Board of Napier Port Holdings Limited (**Napier Port**).
83. Notwithstanding its status as a CCTO, it is acknowledged that, as a company listed on the NZX stock exchange, Napier Port will be required to comply with all its obligations under law, including the Financial Markets Conduct Act 2013, and under the NZX Listing Rules. Where this policy and any applicable laws, stock exchange rules or regulations conflict, those laws, stock exchange rules or regulations will take priority.

### Identification of required skills, knowledge and experience of Napier Port directors

84. The required skills, knowledge and experience for director appointments to the board of Napier Port will be assessed by the Chairperson of Napier Port. If considered necessary, the Chairperson of Napier Port may discuss any skills shortages with the HBRIC Ltd Governance, Appointment and Remuneration Committee.
85. In assessing required skills, knowledge and experience for director appointments, the Chairperson of Napier Port will have regard to corporate governance best practice materials, including the NZX Corporate Governance Code and the Napier Port Board Charter and Corporate Governance Policies.
86. Subject to applicable laws and regulations (in particular the Port Companies Act) and Council policies, a Councillor may be appointed to the Napier Port Board on merit.
87. It is expected that all appointees to the Napier Port Board will undergo, or already have undergone, formal corporate governance training, or have the requisite experience in this area.

### Appointment process for Napier Port directors

88. The Napier Port constitution requires that:
- 88.1. there be a minimum of six directors on the Napier Port Board, and
  - 88.2. no more than two directors on the Napier Port Board be members or employees of a Harbour Board, territorial authority, regional council or united council that holds shares in Napier Port
  - 88.3. For the avoidance of doubt, notwithstanding para **88.2 above**, Council affirms its preference that HBRIC Ltd's commercial subsidiaries should be run by non councillor directors only, for commercial objectives, in order to maintain separation between active commercial investment activity and the role of councillors as community representatives overseeing this activity via HBRIC Ltd and Council, enabling councillors to hold the investment entities accountable for their performance without being conflicted.
89. Pursuant to the constitution of Napier Port, and the NZX Listing Rules, directors may be appointed to the Napier Port Board in the following manner.
- 89.1. A director may be appointed to the Board of Napier Port by the Board in order to fill a vacant seat. Any director so appointed must then retire and is eligible to stand for re-election at the next annual shareholder meeting of Napier Port.
  - 89.2. A director may be appointed to, and removed from, the Board of Napier Port by shareholders at a meeting in accordance with the NZX Listing Rules. HBRIC Ltd, as a shareholder in Napier Port, will, unless otherwise prevented by law, be entitled to vote on the appointment or removal of all Directors.
  - 89.3. For as long as it remains a majority shareholding is held, HBRIC Ltd will nominate two directors for the Board of Napier Port and will review the skills, knowledge and experience of all candidates nominated for appointment or removal as a Director of Napier Port. Thereafter, following consultation with Council, HBRIC Ltd shall determine how the shareholding in Napier

~~Port will be voted in respect of each such candidate. HBRIC Ltd will nominate two directors for the Board of Napier Port for as long as a majority shareholding is held by HBRIC via HBRIC Ltd and, wherever possible, HBRIC Ltd will review the skills, knowledge and experience of all candidates nominated for election or removal as a Director of Napier Port and HBRIC Ltd shall determine how the shareholding in Napier Port will be voted in respect of each such candidate. In doing so, HBRIC Ltd shall first consult with the Regional Council.~~

90. The Napier Port Board will ensure that, prior to the appointment taking effect, proper checks are conducted in respect of any director proposed to be appointed to the Napier Port Board and shareholders are given all relevant information on any proposed director in order to provide shareholders with a basis for an informed decision.

#### *Appointment*

91. The Napier Port Board will ensure that each new director enters into an appointment letter with Napier Port outlining the terms of that director's appointment. Such letter shall include a requirement for each director to comply with the Information Protocols agreed between Napier Port, HBRIC Ltd and Council (if applicable).
92. Napier Port will make a public announcement of the appointment of any director (including a determination in relation to his/her independence) in accordance with the Listing Rules.

#### **Reappointment**

93. Each director appointed by the Napier Port Board will be required to and offer himself/herself for re-election at the first annual shareholder meeting following his/her appointment.
94. Each director appointed by shareholders will be required to retire and offer himself/herself for re-election no later than the third annual shareholder meeting following his/her appointment.
95. Where reappointment is considered appropriate then the HBRIC Ltd Board is authorised to approve it without further reference to the Council.

#### **Chairperson of Napier Port**

96. It is the responsibility of the Board of Napier Port to appoint its own Chairperson. If considered appropriate, the Napier Port Board may discuss the appointment of its Chairperson with the Governance, Appointment and Remuneration Committee of HBRIC Ltd.

#### **Remuneration of Napier Port directors**

97. The remuneration of the directors of Napier Port will be approved by shareholders pursuant to the NZX Listing Rules. Payment of all such remuneration shall be the responsibility of Napier Port.
98. Napier Port will take out appropriate directors' liability insurance policies and provide an indemnity in favour of all directors.

## Council Organisations

### Introduction

99. The Council has non-controlling interests in numerous COs. These are not-for-profit bodies and, in contrast with CCTOs, Hawke's Bay Regional Investment Company Ltd has no involvement in monitoring or the director/trustee appointment process.
100. Appointments to COs are made for a number of reasons. These include:
  - 100.1. To provide a means of monitoring where the Council has made a grant to that body
  - 100.2. To enable Council involvement where the CO's activity is relevant to the Council
  - 100.3. To satisfy a request from the CO that the Council appoints a representative
  - 100.4. Statutory requirements.
101. Appointments to a CO are generally for a three year term, and are made after the triennial local body elections.
102. The Council will endeavour to minimise the number of appointments where the benefit to the Council of such an appointment is minimal.

### Identification of required skills, knowledge and experience of CO directors, and appointment

103. The range of reasons for the appointment of Council representatives to COs results in a wider range of desired attributes for appointees to these bodies. HBRC shall consider how appointments [support](#) [promote](#) diversity and inclusion, with open and transparent appointment processes.
104. The Council will determine the required skills, knowledge and experience for each appointment. Candidates are not restricted to Councillors – in some cases, it may be more appropriate to appoint Council staff or external people with affiliations to the Council.

### Remuneration of CO directors

105. CO directors appointed by the Council will receive the remuneration (if any) offered by that body. Council staff members appointed to such bodies will not accept any remuneration.



## Appendix 1

**Hawke's Bay Regional Investment Company Limited****Chairperson Succession Planning Policy**

(This policy is specifically for the HBRIC Ltd Board Chair)

*Adopted 26 March 2014*

**Introduction**

In line with best practice, and in conjunction with the development of the policy on the appointment and remuneration of directors, this policy has been developed and is presented to Council for consideration and adoption.

**Rationale for a succession plan**

To provide for:

- Smooth transition through a planned approach
- Knowledgeable leadership of the board in the event of planned or unexpected retirement of the incumbent Chairperson
- Recognition that the term of any chairperson in that role is limited
- A Chairperson's desire to step down at any time, knowing that there is a person who is prepared to take over the role
- Appointment of a new Chairperson who should generally have knowledge of the Company.

**Principles**

- Directors would generally not be appointed for more than two (3 year) terms on a Board.
- A person appointed as Chair in their second term may be appointed for a maximum of six years as Chairperson unless, in exceptional circumstances, as agreed by the Council.
- Council and HBRIC Ltd will generally consider the need for a potential successor as they make each director appointment.
- The selection process for all HBRIC Ltd Board members, including the Chair, is the prerogative of Hawke's Bay Regional Council under the appointment policy.

**Process**

The Council Appointments Committee (refer Council policy on the Appointment and Remuneration of Directors) will work through succession planning for the Chair of HBRIC Ltd using the following process.

- Ensure that planning starts at least one year before planned retirement.
- Discuss with current Chairperson their views on the date of their retirement and who would be a good successor.
- Compose a list of required skillsets for the position following discussion (as appropriate) with the Chairperson and individual Board members and ascertain whether there is any obvious leader amongst the existing board.
- Agree a timeframe of the new appointment, allowing a bedding-in time of at least one year if the newly proposed Chairperson is new to the Board.
- Interview/discussions with the preferred candidate to ascertain their availability for the Chairperson role.
- Preliminary discussions will not guarantee appointment but give an indication that, all things being equal, they will be the next Chair.

**General Skillsets Required**

- Ability to maintain the trust of the Council.
- Ability to maintain close, but independent working relationships with HBRC Management.
- Ability to harness the collective skills of the Board and executive team to achieve the business objectives and maintain the confidence of the shareholders.
- Ability to encourage all directors to have full participation in Board deliberations.
- Ability to lead Board evaluation processes.
- Ability to demonstrate leadership and good interpersonal skills.
- Ability to efficiently conduct Board meetings.
- Ensure timeliness and relevance of information to the Board.
- Ability to be the spokesperson for the company.
- Integrity and credibility within the business community.
- Ability to retain the confidence of the region and be able to build relationships within the region's networks.

## Appendix 2

**Hawke's Bay Regional Council Controlled Organisations  
(ss at 31 December 2019)**

1. Companies in which Hawke's Bay Regional Council directly owns the shares

**Hawke's Bay Regional Investment Company Ltd**

2. Council Controlled Trading Organisations in which HBRIC Ltd holds shares\*

**Napier Port Holdings Ltd (which holds all of the shares in Port of Napier Ltd)**

**Foodeast Limited Partnership**

3. Council Controlled Organisations in which HBRC appoints Board members by virtue of a Company Constitution

**Hawke's Bay Tourism Ltd**

**Hawke's Bay Local Authority Shared Services Company**



## Appendix 3

## Council Representation on Outside Bodies

## Council Appointments as at 30 March 2022

Hawke's Bay Drought Committee	TBfree Hawke's Bay Committee
The Hawke's Bay Future Farming Charitable Trust	Te Komiti Muriwai o Te Whanga (Ahuriri Estuary Committee)
HPUDS Implementation Working Group	Local Government NZ Zone 3
HB Rural Advisory Group	HB Regional Cycling Governance Group



**Subject: Section 16 Consultation to take charge of adapting to coastal hazards**

**Reason for Report**

1. This item updates the Council on the planned approach and timeframes for the consultation with the community on the proposal for Hawke's Bay Regional Council to take charge of adapting to coastal hazards in the Clifton to Tangoio coastal area.
2. This is a significant new activity for Regional Council and as such requires public consultation under section 16 of the Local Government Act.

**Background**

3. This consultation follows on from the Council's endorsement in July 2021 of the independent review, led by Raynor Asher QC, that found that HBRC is best placed to 'take charge' of all aspects of adapting to coastal hazards in the Clifton to Tangoio coastal area.
4. The reasons put forward for HBRC to take charge include:
  - 4.1. A single entity in charge makes it clear who is responsible and accountable for decisions made and supports more streamlined decision making.
  - 4.2. HBRC is the only council of the three Partner Councils (HBRC, NCC and HDC) with jurisdiction over the whole stretch of coast in the Clifton to Tangoio area, and it is better to have an integrated and coordinated management approach rather than an approach focused on council boundaries.
  - 4.3. HBRC already administers large flood control schemes in the Hawke's Bay region and has the specialist engineering expertise and capability.
  - 4.4. HBRC is the only council of the three with the power to direct for managed retreat – moving communities and infrastructure inland before they are severely impacted by coastal hazards.
  - 4.5. Hastings District Council and Napier City Council will continue to have opportunities to contribute through an advisory committee.
5. At the Council meeting on 30 March 2022, the Regional Council endorsed the Memorandum of Transition (MOT) which is an agreement in principle between the partner councils to facilitate the transition of functions and transfer of named assets for coastal hazard adaptation in the Clifton to Tangoio coastal area to Hawke's Bay Regional Council.
6. The MOT has now been endorsed by all three partner councils.
7. Central Hawke's Bay District and Wairoa District councils have also been consulted with, as required by the Triennial Agreement, and have confirmed that they have no objection to the proposal as outlined in the MOT.
8. The next steps in the process to complete the s16 consultation are for HBRC to:
  - 8.1. advise the Minister of Local Government of the proposal and the reasons for it, and
  - 8.2. consult the public using the special consultative procedure to amend its long term plan.

**Scope of the consultation**

9. The consultation document must include an audit opinion and explain what will change in HBRC's long term plan if the proposal is adopted.

10. The amendments relate to the change in role for HBRC and the inclusion of the transferred coastal hazard assets, debt and funding to maintain these assets. Noting that the actual transfer of assets is proposed to occur in 2024, and is subject to a detailed Asset Transfer Agreement being confirmed.
11. The scope of the consultation will not include the content of the Clifton to Tangoio Strategy, the costs to implement the Strategy or how rates will be allocated to fund the implementation, all of which will be consulted on separately.
12. To inform the audit opinion, Audit NZ has asked for an independent valuation of the assets to be transferred at fair value at the date of transfer (1 July 2024). Waugh Consultants has been engaged to do this work.

### **Communication and Engagement**

13. Staff are currently working on the Consultation Document (CD) and supporting information. The CD, will be primarily an on-line document of approximately 4-8 pages including a submission form.
14. We propose a digital-focused approach to suit the Covid-19 situation, the scale of the consultation, and to enable engagement with key audiences and the wider Napier and Hastings public. We will combine the digital elements with a tactical on-the-ground engagement that will be relevant, accessible, and visible to our target audiences. All the information will direct submitters to the website for more information and to submit:
  - 14.1. Social media campaign
  - 14.2. Digital and radio marketing campaign
  - 14.3. One Facebook Live event
  - 14.4. Two community meetings in-person
  - 14.5. Leaflet drop to coastal communities (approx. 3500 households)
  - 14.6. Talking points from Joint Committee members
  - 14.7. Digitally share the consultation document, as well as hard copies at council locations.

### **Key dates**

15. The following dates are proposed to allow enough time for the audit process and aim for a decision to be made before nominations close for the elections.
  - 15.1. 25 May - Council adopt CD for consultation
  - 15.2. 27 May - 26 June - Consultation
  - 15.3. 6 or 7 July - Submissions Hearing
  - 15.4. 27 July - Council decision
16. Hearings will either be added onto the end of the Environment and Integrated Catchments Committee meeting on 6 July if there are a small number of submitters who want to be heard, or a special Regional Council meeting specifically to hear submitters on Thursday 7 July. The 7 July meeting will be added to the Council Calendar if required.

### **Next Steps**

17. A draft consultation document will be workshopped with Councillors on 4 May for any feedback, prior to presenting the final audited consultation document for adoption at the 25 May Council meeting.

**Decision Making Process**

18. 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 *Section 16 Consultation to take charge of adapting to coastal hazards* staff report.

**Authored by:**

**Rebecca Ashcroft**  
**Communications Advisor**

**Simon Bendall**  
**Coastal Hazards Strategy Project Manager**

**Desiree Cull**  
**Strategy & Governance Manager**

**Approved by:**

**Chris Dolley**  
**Group Manager Asset Management**

**Attachment/s**

There are no attachments for this report.



27 April 2022

**Subject: SUMMARY REPORT FROM THE 8 APRIL 2022 CLIFTON TO TANGOIO COASTAL  
HAZARDS STRATEGY JOINT COMMITTEE**

**Reason for Report**

1. This item provides a summary of discussions (attached) that took place at the 8 April 2022 Clifton to Tangoio Coastal Hazards Strategy Joint Committee meeting for the Council's information alongside any additional commentary the Chair, Jerf van Beek, may wish to provide.

**Decision Making Process**

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

**Recommendations**

That Hawke's Bay Regional Council receives and notes the *Summary report from the 8 April 2022 Clifton to Tangoio Coastal Hazards Strategy Joint Committee meeting*.

**Authored by:**

**Simon Bendall**  
**Coastal Hazards Strategy Project Manager**

**Approved by:**

**Chris Dolley**  
**Group Manager Asset Management**

**Attachment/s**

- 1 [📄](#) 8 April 2022 Meeting Summary







## Clifton to Tangoio Coastal Hazards Strategy

### Summary Notes of Meeting held 8 April 2022

#### 1. PURPOSE

This briefing note has been prepared to communicate the activity of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee to the Partner Councils, as the Committee progresses with Stage 4 of the Strategy. More information on the Strategy can be found on the project website at [www.hbcoast.co.nz](http://www.hbcoast.co.nz).

#### 2. JOINT COMMITTEE MEETING SUMMARY: 8 APRIL 2022

Key points from the Joint Committee meeting held 8 April 2022 are highlighted below. The full minutes of the meeting will be provided to each Partner Council in due course.

##### Signals, Triggers and Thresholds Update

- The workstream commenced last year and has been working to 'backfill' this gap in the Strategy by developing signals, triggers and adaptation thresholds for the recommended pathways.
- Initial outcome is the development of adaptation thresholds for each property unit, which have been drafted with input from community members and council staff.
- These will be tested with the community as a next step.

##### Memorandum of Transition – Council Decisions

- The Memorandum of Transition (MoT) has remained a key focus for the Strategy over the past few months.
- The MoT is now confirmed by all Partner Councils and supported by the Wairoa District Council and the Central Hawke's Bay District Council.
- The Chief Executives of HBRC, NCC and HDC will be invited to execute to the MoT in accordance with the resolutions passed by each Council.
- The Minister of Local Government will be informed of the proposal and the reasons for it, in accordance with the requirements of the s.16(2) of the Local Government Act 2019. HBRC will then notify the proposal under s.16 of the Local Government Act. This is targeted to occur in June 2022.
- A consultation document is currently being developed by HBRC for this process, with support from external advisors. The document will need to be audited, with this process booked in to occur through April/May 2022.

##### Project Managers Update

- Dashboard reporting is now being used to reflect project status. A key risk was the project timeline was 'under stress', this is now 'on track', following the confirmation of the MoT.
- The Funding / Governance and Managed Retreat workstreams have also both moved to 'on track'.
- The proposal for a new workstream Mātauranga Māori has commenced with HBRC staff.

##### Communication and Engagement Update

- Pre-consultation digital engagement with the wider community took place in March 2022.

- 81 people completed the online digital survey which was to re-engage with the community and sought input on key matters relevant to the Strategy development.
- 70% of the respondents live within 10km of the coast, 87% were concerned about coastal hazards, with erosion being a key concern. 20% of respondents had either personally or known someone who had experienced loss or damage as a result of coastal hazards in the past 5 years and 78% of respondents either support or strongly support the Regional Council leading the implementation of the strategy.
- The information collated will be built into the consultation mid-year.

#### **Current Coastal Projects Update**

- Extended consent area for sand deposition at Westshore
  - the progress of the consent has been halted and a comprehensive review of the Westshore renourishment scheme is to be undertaken, (this includes gravel and sand).
  - The gravel consent expires in 2027.
- Whakarire Ave
  - the tender was not awarded, and the team are doing some further work before it goes out for retender.
- Haumoana 18
  - the Project now been added to Hastings District Council 2022/23 Annual Plan for public consultation on the proposal, proposed rating approach and suggested public (15%), private (85%) split toward funding.
  - Public good relates to water, stormwater, power and roading issues.
  - Proposal still considering the Westlock wall system and is being promoted in a 2 stage approach of (1) Design & consents and (2) Construction, based on the lengthy approval processes.
- Whirinaki
  - no further update.

#### **Next Meeting**

- The next meeting of the Joint Committee will be held on 3 June 2022.

**Subject: Report from the 6 April 2022 Māori Committee meeting**

**Reason for Report**

1. This item provides a summary of the 6 April 2022 Māori Committee meeting discussions for Councillors' information, along with the opportunity for the Co-chairs to provide additional context to Council as they wish.

**Agenda Items**

2. The regular **Take Ripoata ā Takiwā – Taiwhenua Representatives' Updates** covered:
  - 2.1. Wairoa Taiwhenua shared photos highlighting the land slips, sediment flows into rivers and road blockages due to the impacts of recent flooding in Wairoa.
  - 2.2. Te Taiwhenua o Tamatea shared the draft concept design for Lake Whatumā development which includes a Learning Centre. A feasibility study is being developed and will investigate options for the project to meet the goals of restoring and revitalising the mauri of the lake and its environment.
  - 2.3. Te Whanganui-a-Orotū noted that they have been busy assisting with the response to Covid, including delivery of food parcels to those in need.
  - 2.4. Te Taiwhenua o Heretaunga is operating with reduced staff levels, as are many organisations, and has assisted with 15,000-18,000 food parcel deliveries. Funding from Te mana o te wai has been granted and will assist mahi in three sections of the Tukituki catchment to identify hapu selected tohu. A draft Heretaunga Emergency Strategy and Plan are being socialised with marae and hapu to encourage them to develop their own sustainable emergency response plans.
3. The **Verbal Updates on Current Issues and Activities by the HBRC Chairman** covered:
  - 3.1. Council is still operating under extreme staffing pressures, but overall performing well
  - 3.2. More planning and preparation is to be done with all HBRC Governors to set clear goals, a vision and find ways to work together effectively, and faster to progress the Kotahi Plan to meet the 2024 statutory deadline.
  - 3.3. The Council has approved the Memorandum of Transition for the transfer of assets and responsibilities to the Regional Council as the first step in the process to implement the Clifton to Tangoio Coastal Hazards Strategy.
  - 3.4. The May Environment and Integrated Catchments Committee meeting is scheduled to be held in Wairoa and the September meeting will be held in Central Hawke's Bay.
4. The **Climate Action Ambassador and work programme** item introduced Pippa McKelvie-Sebileau and the work programme for the role. Discussions covered:
  - 4.1. The role of the Climate Action Ambassador, coming from a social science perspective, will be to coordinate the development of a regional collective action plan with a shared vision to ensure a climate-resilient future for Hawke's Bay.
  - 4.2. Three Climate Action workstreams include collating and communicating what we already know and what we already do, gaining more comprehensive information about regional risk and emissions, including our own HBRC footprint, and community engagement, partnerships and collaboration.
  - 4.3. One key milestone is a Regional Climate Action Plan by July 2023, which will feed into the 2024-2034 long term plans of all the region's councils.

- 4.4. The Climate Action Ambassador will deliver regular updates to the Māori Committee and is looking forward to engaging with mana whenua and taiwhenua on how climate action can produce equitable outcomes for the community and incorporate indigenous knowledge and views.
5. The **Update on the PCA partial RPMP Review process** item advised that the Possum Control Area (PCA) programme Partial Regional Pest Management Plan (RPMP) review process timeframe for completion has been extended to 30 September 2022 to allow staff to adequately meet the requirements set out in the Biosecurity Act, with implementation to occur in 2024-2025.
6. The **Coastal Hazards Strategy update** item highlighted:
  - 6.1. Since the last update to this Committee in June 2021, the Strategy team has been implementing the Mana Whenua Engagement Plan, which has previously been tabled for feedback. Limited success and uptake, however is likely attributable to COVID impacts and other factors.
  - 6.2. A Memorandum of Transition for the transfer of coastal hazard mitigation assets and for HBRC to take the lead role in the Strategy area for responding to coastal hazards risks has been agreed by all partner councils and the Chief Executives delegated to execute it.
  - 6.3. An important new workstream is Coastal Ecology, which is looking to better understand ecological values in the Strategy area to determine potential impacts from coastal hazard mitigation projects. It is highlighted that mana whenua have consistently highlighted concerns about the potential for smothering of important ecosystems, particularly reef systems, from beach renourishment. Mana whenua input is central to next steps under this workstream.
  - 6.4. Next formal step in Strategy development is for HBRC to consult under s.16 of the Local Government Act on the proposal set out in the Memorandum of Transition.
7. The **March 2022 Statutory Advocacy update** item provided a regular update from the Policy team and reported on proposals forwarded to the Regional Council for comment.
8. The **Significant Organisational Activities through April 2022** item highlighted significant areas of Council activity, as provided to the 30 March 2022 Regional Council meeting. Wairoa Taiwhenua requested more focus and reporting on Wairoa and Mahia.

### Decision Making Process

9. 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 and the matters were all considered by the Committee, the decision-making provisions do not apply.

### Recommendation

That Hawke's Bay Regional Council receives and notes the *Report from the 6 April 2022 Māori Committee meeting*.

### Authored by:

**Annelie Roets**  
Governance Advisor

**Leeanne Hooper**  
Team Leader Governance

### Approved by:

**Pieri Munro**  
Te Pou Whakarae

**Attachment/s** There are no attachments for this report.

**Subject: Councillors' reports from meetings of outside bodies**

**Reason for Report**

1. This item provides the means and opportunity for Councillors appointed to Outside Bodies to bring issues of significant interest from recent meetings to the attention of Council.

**Background**

2. Each Triennium, Council appoints Councillor representatives on the following Outside Bodies. Appointees for this Triennium are noted beside each body.
  - 2.1. Local Government New Zealand (LGNZ) Zone 3 (Hinewai Ormsby and Martin Williams)
  - 2.2. HB TBFree Committee (Will Foley)
  - 2.3. Future Farming Trust (Will Foley)
  - 2.4. Tukituki Leaders Forum (Will Foley and Jerf van Beek)
  - 2.5. HB Drought Committee (Will Foley and Jerf van Beek)
  - 2.6. HPUDS Implementation Working Group (Jerf van Beek and Martin Williams)
  - 2.7. HB Cycling Governance Group (Jerf van Beek)
  - 2.8. Te Komiti Muriwai o Te Whanga (Neil Kirton)
  - 2.9. HB Tourism Board of Directors (Craig Foss)
  - 2.10. HBRIC Ltd (Rick Barker, Craig Foss, Neil Kirton).

**Decision Making Process**

3. 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 *Councillors' reports from meetings of outside bodies*.

**Authored by:**

**Leeanne Hooper**  
**Team Leader Governance**

**Approved by:**

**James Palmer**  
**Chief Executive**

**Attachment/s**

There are no attachments for this report.



## HAWKE'S BAY REGIONAL COUNCIL

27 April 2022

**Subject: Discussion of minor items not on the agenda**

**Item 13**

### Reason for Report

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

Topic	Raised by





27 April 2022

**Subject: Confirmation of Public Excluded Minutes**

That Hawke's Bay Regional Council excludes the public from this section of the meeting being Confirmation of Public Excluded Minutes Agenda Item 14 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	Grounds under section 48(1) for the passing of the resolution
Possible Sale of Wellington Leasehold Property	<p>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)</p> <p>s7(2)(j) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.
Report from the Public Excluded Finance, Audit and Risk Sub-committee Meeting	<p>7(2)(f)(ii) The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment</p> <p>s7(2)(j) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**Authored by:**

**Leeanne Hooper**  
Team Leader Governance

**Approved by:**

**James Palmer**  
Chief Executive