



# HAWKE'S BAY REGIONAL COUNCIL

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

## Minutes of a Meeting of the Regional Council

**Date:** Wednesday 31 August 2022

**Time:** 1.30pm

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

**Present:** Cr R Barker, Chair  
Cr W Foley  
Cr C Foss  
Cr N Kirton  
Cr C Lambert (*online*)  
M McIlroy (Māori Committee Co-Chair)  
Cr H Ormsby  
M Paku (Māori Committee Co-Chair)  
A Tapine (Regional Planning Committee Co-Chair)  
Cr J Taylor  
Cr J van Beek  
Cr M Williams

**In Attendance:** J Palmer – Chief Executive  
K Brunton – Group Manager Policy and Regulation  
C Dolley – Group Manager Asset Management  
I Maxwell – Group Manager Integrated Catchment Management  
P Munro – Te Pou Whakarae Māori Partnerships  
S Young – Group Manager Corporate Services  
S Bell – Team Leader Strategy and Performance  
D Cull – Strategy and Governance Manager  
D Broadley – Marketing Communications Manager  
S Bendall – Traverse Environmental  
A Roets – Governance Advisor

**1. Welcome/Karakia/Apologies/Notices**

The Chair welcomed everyone to the meeting and Pieri Munro opened with a karakia.

**2. Conflict of Interest Declarations**

Cr Martin Williams noted that whilst he does not have a direct interest in matters relating to Item 13 *Freshwater Science Charges – Water Holdings Hawke’s Bay*, he was part of a legal team involved in the applications for the original resource consents.

There were no conflicts of interest declared.

**3. Confirmation of Minutes of the Regional Council meetings held on 27 July and 23 August 2022**

**RC67/22 Resolution**

Minutes of the Regional Council meetings held on Wednesday 27 July 2022 and Tuesday, 23 August 2022, copies having been circulated prior to the meeting, were taken as read and confirmed as true and correct records.

**Ormsby/van Beek  
CARRIED**

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

The item was taken as read.

**RC68/22 Resolution**

That Hawke’s Bay Regional Council receives and notes the “Follow-up Items from previous Regional Council meetings”.

**Ormsby/Taylor  
CARRIED**

**5. Call for Minor Items not on the Agenda**

There were no minor items raised.

**6. Significant Organisational Activities looking forward through September 2022**

The item was taken as read. Discussions highlighted:

- Although Council activities have been significantly impacted by recent flooding events in CHB and Wairoa, staff are now back at work and operations are returning to normal.
- Council manages 25 flood and drainage schemes across the region and some of these include pump stations, primarily to drain agricultural land. The Council is seeking consents for these pump stations.
- Regional Water Security programme - projects 1 & 2 (Heretaunga Water Storage) consultation with mana whenua beyond immediate hapū level is being undertaken as the projects have a wider impact.
- A refresh of the Matariki Regional Economic Development and social inclusion strategy is underway. The HBRC water security programme sits under Pou 3 - for a resilient community infrastructure. Matariki governance group (local government and tāngata whenua leaders) will continue to be involved in water security discussions as part of the consultation process
- Hawea Historical Park / Karamū Stream Diversion project has been slow moving and a revision of the operational plan is underway, working collaboratively with hapū.

**Resolution**

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

**Foley/Foss  
CARRIED**

**7. Deliberations on the future of our coastline**

Chris Dolley introduced the item which was taken as read. Discussions noted:

- Submissions Hearing was held on 23 August 2022
- Council now needs to decide whether to agree in principle to taking charge of the coastal hazards strategy affecting the coastline Clifton and Tangoio; subject to confirmation through its Long Term Plan
- A brief summary was provided on the activities undertaken over the last eight years
- An independent funding review undertaken by Raynor Asher QC, found that HBRC is best placed to 'take charge' of all aspects of adapting to the coastal hazards involved. The review also recommended that an advisory committee be established to support HBRC, with membership being the same as the existing Coastal Hazards Joint Committee
- Currently, no physical works recommended in the Strategy are budgeted for in any of the partner Council's Long Term Plans
- A total of 60 submissions were received with 87% supporting option 1 - HBRC to take charge of the Coastal Hazards Strategy.
- Council will not immediately adopt the Strategy. The public will be further consulted on this through the Long Term Plan process. It is expected that if the Strategy is adopted this will happen in August 2023
- The Strategy continues to be worked upon. Matters being considered include how trigger points (that might initiate infrastructure decisions) are identified and how funding (rates) might be managed
- Council is satisfied that the consultation process undertaken from 1-31 July 2022, was sufficient, raised awareness in the community and complied with Section 82 of the Local Government Act.

**Resolutions**

As amended  
by  
resolution  
on 28  
September  
2022

That Hawke's Bay Regional Council:

1. Receives and considers the *Deliberations on The future of our coastline* staff report in conjunction with the written and verbal submissions previously received and considered by Council.
2. Agrees in principle to take charge of adapting to ~~coastal hazards~~ ~~Coastal Hazards Strategy~~ between Clifton and Tangoio, subject to confirmation through its Long Term Plan 2024-2034.

**Williams/van Beek  
Against: Kirton  
CARRIED**

**8. Report and Recommendations from the Corporate and Strategic Committee**

The report was taken as read.

**2021-2022 Carry Forwards**

- Many challenges delivering on projects due to ongoing Covid-19 interruptions, floods and rain events, staff vacancies and contractors being unavailable.
- The Council has made changes to the proposed out year financial profile, particularly across capital and borrowing, to reflect a recalibration on what is believed to be deliverable in the

upcoming financial year. Executive Leadership team and Managers are more confident that the planned projects are deliverable in 2023

*HBRIC Quarterly update:*

- HBRIC is able to fund its annual operations and meet Council's dividend expectations without recourse to borrowing or further drawdown of its overall capital gains from within its investment portfolio
- HBRIC remains aware of the need to proactively optimise its profitability and yield in the current uncertain financial conditions.

RC71/22

## Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Report and recommendations from the Corporate and Strategic Committee*.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on these issues without conferring directly with the community or persons likely to have an interest in the decision.

## Hawke's Bay Regional Council shareholding in the Regional Sector Shared Services Organisation (RSSSO)

3. Notes the approach to shareholding and appointment of directors related to establishing the Regional Sector Shared Services Organisation, and as incorporated into the Shareholders' Agreement and Constitution.
4. Delegates authority to the Chief Executive to sign the Shareholder's Agreement - Deed of Accession on behalf of the Council.

## 2021-2022 Carry Forwards

5. Approves the carry forward of all expenditure requests from the 2021-2022 to the 2022-2023 budgets, being:

### Operating expenditure carry forward requests

Activity / Project		Amount Requested	Source of funds			
			General	Reserve	External	Debt
<b>Integrated Catchment Management (ICM)</b>						
1	Biodiversity	\$712,566			\$512,566	\$200,000
2	Erosion Control Scheme grants	\$324,000				\$324,000
3	Predator Free Hawkes Bay	\$82,000	\$18,224	\$42,522	\$21,255	
4	Environmental Enhancement Programme	\$293,000	\$113,543		\$179,457	
5	Air quality science	\$10,000	\$10,000			
<b>Asset Management</b>						
6	Makara Dam	\$100,000	\$14,099	\$85,901		
<b>Governance &amp; Partnerships</b>						
7	Climate change engagement	\$80,000		\$80,000		
8	Tāngata whenua Partnerships	\$300,000	\$300,000			
9	Corporate sustainability	\$33,000	\$33,000			
<b>Policy &amp; Regulation</b>						
10	Kotahi (policy & planning)	\$1,000,000	\$1,000,000			
11	Enforcement proceeds	\$244,000	\$244,000			

<b>Transport</b>						
12	On Demand/My way	<b>\$124,388</b>		\$124,388		
<b>Other</b>						
13	Staff remuneration	<b>\$729,000</b>	\$729,000			
<b>Total</b>		<b>\$4,031,954</b>	<b>\$2,461,866</b>	<b>\$332,811</b>	<b>\$713,278</b>	<b>\$524,000</b>

### Capital expenditure carry forward requests

Activity / Project		Amount Requested	Type of funding	
			Reserve	Debt
<b>Integrated Catchment Management (ICM)</b>				
1	3D Aquifer mapping	\$294,931		\$294,931
2	Hydrodynamic modelling	\$25,000		\$25,000
3	SOE Ground water monitoring drilling	\$176,903		\$176,903
4	Right Tree Right Place (RTRP)	\$507,000	\$507,000	
5	Ruataniwha ground water model	\$325,877		\$325,877
6	LiDAR Mapping	\$187,956		\$187,956
7	Enviro info technical equipment	\$105,000	\$105,000	
<b>Asset Management</b>				
8	Clive river dredging	\$100,000	\$100,000	
9	Flood warning system (Mt Misery)	\$50,000		\$50,000
10	Forestry (Tangoio)	\$30,388	\$30,388	
11	Hawkes Bay Trails/cycleways	\$100,000		\$100,000
12	Heretaunga Plains flood control scheme (HPFCS)	\$698,687	\$546,437	\$152,250
13	IRG HPFCS	\$1,583,578	\$1,583,578	
14	Regional Parks	\$247,854		\$247,854
15	Water Security	\$1,745,825	\$1,745,825	
<b>Corporate Services</b>				
16	Office renovations	\$1,375,025	\$70,944	\$1,304,081
17	Fleet	\$55,448	\$55,448	
18	Radio network	\$203,686	\$203,686	
19	ICT network & equipment	\$306,340	\$34,670	\$271,670
20	ICT projects	\$1,200,000		\$1,200,000
<b>Total</b>		<b>\$9,319,498</b>	<b>\$4,982,976</b>	<b>\$4,336,522</b>

### Reports Received

6. Notes that the following reports were provided to the Corporate and Strategic Committee:
  - 6.1. 1 April – 30 June 2022 Financial Report
  - 6.2. HBRIC Quarterly Update
  - 6.3. Organisational Performance Report for the period 31 March – 30 June 2022
  - 6.4. 2021-2022 Annual Report – Interim Non-Financial Results
  - 6.5. Hawke's Bay Tourism Six-Monthly update
  - 6.6. Report from the Finance Audit and Risk Sub-committee meeting.

**Kirton/Foss  
CARRIED**

### 13. Freshwater Science Charges - Water Holdings HB

James Palmer introduced the item and provided an overview of s.36 freshwater science charges attributable to resource consents that are currently unable to be exercised.

Discussions highlighted:

- Council is required under the Resource Management Act 1991, to undertake State of the Environment monitoring across the region, which involves gathering environmental information and scientific data collection that provides evidential base for the Council to develop and administer the Resource Management Plan and Regional Coastal Environment Plan. This enables the Council to make consenting decisions in relation to specific activities or discretionary matters that might require authorisation. These science activities cost approx. \$10m p.a.
- Section 36 charges help pay for this science and monitoring work of the region's freshwater resources in accordance with Council's policy to recover 35% of the total cost of its science effort (water science and monitoring) from the resource consent holder where there is a water take or discharge involved under Section 36 of the Resource Management Act 1991.
- The matter before Council today, is an unusual set of consents held by Water Holding HB Ltd. These are unusual in their scale and the total volume of water take. The authorisations that exist under these consents are the largest collective water take consents by volume in the region and therefore attract the largest portion of the water science charges.
- The consents were initially obtained by HBRIC for the development of the Ruataniwha Water Storage Scheme, then sold to CHB Water Holdings, now Water Holdings HB (WHHB)
- WHHB is aware of the outstanding charges, which increased considerably since a change in methodology used by Council to apportion science charges. These were the subject of public consultation during the 2021-2031 Long Term Plan and charges are now based on a regional basis rather than a zone basis.
- Council needs to decide whether to continue to apply its policy and require full payment of these charges or whether to defer them whilst issues around the exercising of the consents are navigated. Deferral would be a departure from Council's existing policy and be unusual
- Council should consider whether the charges are 'reasonable' given that the consents are unable to be legally exercised, regardless of the intentions or actions of the consent holder. WHHB is not seeking a waiver of the charges at this time, but deferral until the consent can be exercised.
- The amount outstanding is currently \$259,805 (past two years) with \$157,860 for the 2022-2023 year due to be met by March 2023. Council staff will continue to work with WHHB to come to a mutual agreement around collecting the outstanding fees and charges.

#### RC72/22 Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Freshwater Science Charges - Water Holdings HB* staff report.
2. Agrees that the decisions to be made with regard to the previous years' outstanding charges and current years accruing charges 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. To defer collection of current outstanding charges until the end of the current financial year and that all outstanding science charges will be due and liable in total.

**Lambert/Taylor**

**5 for:** Lambert, Foley, van Beek, Foss, Taylor

**4 against:** Williams, Barker, Kirton, Ormsby

**CARRIED**

4. Requests that staff advise on options for an amendment to the Long Term Plan, at the soonest possible opportunity, to ensure that Council takes a consistent approach to all consents that have a legal impediment to being exercised that is beyond the control of the consent holder.

**Williams/Foss**  
**CARRIED**  
**Against Barker**

## 9. Affixing of the Common Seal

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

		Seal No.	Date
1.1	<b>Staff Warrants</b>		
	1.1.1 A. Wright <i>(Delegations under Resource Management Act 1991 (Sections 34A(1) and 38(1); Maritime Transport Act 1994 (Section 33G(a) and Local Government Act 2002 (Section 177))</i>	4511	11 August 2022
	1.1.2 S. Powell <i>(Delegations under Soil Conservation and Rivers Control Act 1941; Land Drainage Act 1908; Civil Defence Emergency Management Act 2002 (s.86-92) and Local Government Act 2002 (s.177))</i>	4510	25 July 2022
	1.1.3 T. Rankin D. Zidich-Murrell H. Scott <i>(Delegations under Resource Management Act 1991 (Sections 34A(1) and 38(1); Soil Conservation and Rivers Control Act 1941; Land Drainage Act 1908; Civil Defence Emergency Management Act 2002 (s.86-92) and Local Government Act 2002 (s.177))</i>	4512 4513 4514	11 August 2022 11 August 2022 11 August 2022
	1.1.4 L. Ferris <i>(Delegations under the Civil Defence Emergency Management Act 2002 (s.86-92 inclusive) and Local Government Act 2002 (section 177))</i>	4515	15 August 2022

## RC73/22 Resolutions

That Hawke's Bay Regional Council:

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

**van Beek/Taylor**  
**CARRIED**

**10. Councillors' Reports from Meetings of Outside Bodies**

There were no reports.

**RC74/22 Resolution**

That Hawke's Bay Regional Council receives and notes the *"Councillors' reports from meetings of Outside Bodies"*.

**van Beek/Taylor  
CARRIED**

**11. Discussion of Minor Items not on the Agenda**

There were no minor items raised.

**12. Confirmation of Public Excluded Minutes of the Regional Council Meeting held on 27 July 2022**

**RC75/22 Resolutions**

That Hawke's Bay Regional Council excludes the public from this section of the meeting being Confirmation of Public Excluded Minutes Agenda **Item 12** 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 are:

General subject of the item to be considered	Reason for passing this resolution	Grounds under section 48(1) for the passing of the resolution
Napier Port presentation	s7(2)(b)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which otherwise would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information  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	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.
Chief Executive Performance and Remuneration Review	7(2)(a) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to protect the privacy of natural persons.	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**Foss/van Beek  
CARRIED**

**12. Confirmation of Public Excluded Minutes of the Regional Council meeting held on 27 July 2022**

**RC76/22** Public Excluded Minutes of the Regional Council meeting held on Wednesday, 27 July 2022, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Foss/van Beek  
CARRIED**

**Resolution**

**RC77/22** That the meeting moves out of public excluded session.

**Foss/van Beek  
CARRIED**



**The meeting moved into public excluded session at 4.23pm and out of public excluded session at 4.24pm.**

Pieri Munro led the Council in closing the meeting with a karakia.

**Closure:**

There being no further business the Chair declared the meeting closed at 4.24pm on Wednesday, 31 August 2022.

Signed as a true and correct record.

**Date:** by HBRC resolution 28 September 2022      **Chair:** Rick Barker