



# **HAWKE'S BAY**

## **REGIONAL COUNCIL**

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

### **Meeting of the Corporate and Strategic Committee**

**Date:** Wednesday 21 February 2024  
**Time:** 1.30pm  
**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER

### **Attachments Excluded From Agenda**

Item	Title	Page
<b>4.</b>	<b>HBRC response to Ombudsman Open for Business report recommendations</b>	
	Attachment 1: Open for Business 2023 - a report on the Chief Ombudsman's investigation into local council meetings and workshops	2
<b>8.</b>	<b>Organisational Performance report for the period 1 October – 31 December 2023</b>	
	Attachment 1: Q2 Organisational Performance Report	60
<b>9.</b>	<b>HBRIC Ltd quarterly update</b>	
	Attachment 1: HBRIC - December 23 Financial Reports	88

A.3a

A report on the Chief Ombudsman's  
investigation into local council  
meetings and workshops

# Open for business

Te Kaitiaki Mana Tangata Aotearoa  
The Ombudsman New Zealand

October 2023



A report on the Chief Ombudsman's investigation into workshop and meeting practices of eight local authorities for the purpose of compliance with the principles and purposes of the Local Government Official Information and Meetings Act 1987.

Te Kaitiaki Mana Tangata Aotearoa | The Ombudsman New Zealand  
October 2023

ISBN: ONLINE 978-1-99-117608-0 PRINT 978-1-99-117608-0

"The unique aspects of the PĪTAU-A-MANAIA and PANEL Logo have been carefully carved by digital whakairo at Anki Creative in Ōtautahi, Taane Flanagan, for the exclusive use for the Office of the Ombudsman. All copyright and trade mark rights in the PĪTAU-A-MANAIA and PANEL Logo are owned by the Chief Ombudsman and authorised for use by the Office of the Ombudsman".

All text and images copyright © Office of the Ombudsman 2023.

All rights reserved. This work is licensed under the Creative Commons Attribution 4.0 International License. To view a copy of this license, visit <https://creativecommons.org>

## Contents

<b>Introduction</b>	<b>4</b>
<b>Summary: What councils should do now</b>	<b>9</b>
<b>Terminology</b>	<b>11</b>
<b>Legislative context</b>	<b>12</b>
<b>Leadership and Culture</b>	<b>15</b>
My expectations	15
My conclusions	16
Interactions between councils' operational and governance arms	16
Internal perceptions of openness	16
Public perceptions of openness	18
Website content	19
What councils should do now	22
<b>Meetings</b>	<b>23</b>
My expectations	23
My conclusions	26
Pre-meeting	26
During the meeting - excluding the public	27
Post-meeting	33
What councils should do now	34
<b>Workshops</b>	<b>35</b>
My expectations	35
My conclusions	37
Terminology around workshops	37
Councils' use of workshops	38
Open by default	40
Publicising upcoming workshops	41
Records of workshops	42
What councils should do now	43
<b>Accessibility</b>	<b>44</b>
My expectations	44
My conclusions	45
What councils should do now	46
<b>Organisation structure, staffing and capability</b>	<b>47</b>
My expectations	47
My conclusions	48
What councils should do now	50
<b>Appendix 1. Relevant legislation</b>	<b>51</b>
<b>Appendix 2. Legislative history of key terms</b>	<b>53</b>

## Introduction

The Local Government Official Information and Meetings Act 1987 (LGOIMA) is a key tool and safeguard of New Zealand's democracy. The LGOIMA was introduced five years after the Official Information Act 1982 (OIA) turned the existing legislation—the Official Secrets Act 1951—on its head. The Official Secrets Act was based on the premise that all official information should be withheld from the public, unless good reason existed to release it. New Zealand's freedom of information legislation (both the OIA and the LGOIMA) reversed the presumption of secrecy and introduced the principle of availability—that official information should be available to the public unless there is good reason to withhold it.

The purposes of the LGOIMA are to increase the availability of information held by local authorities and to '*promote the open and public transaction of business at meetings*' to enable the public to participate in local authority decision making, to promote accountability of elected members and staff, ultimately enhancing respect for the law and ensuring the promotion of good local government in New Zealand<sup>1</sup>

<sup>1</sup> Link to [section 4](#) LGOIMA

## INTRODUCTION

## OPEN FOR BUSINESS

As Chief Ombudsman, I have been tasked by Parliament to monitor agencies' official information and meeting practices, resources and systems. I have jurisdiction to investigate *'any decision or recommendation made or any act done or omitted'*<sup>2</sup> by a local authority.<sup>3</sup> One way I do this is by undertaking targeted investigations and publishing reports of my findings. I am committed to improving the operation of the LGOIMA to ensure the purposes of this important constitutional measure are realised.

Local councils in New Zealand face a challenging task: meeting high expectations of public accountability and participation, while delivering services in an efficient and effective way, as well as keeping rates as low as possible. Local democracy is built on the premise that the closer decision makers are to the population they serve, the more the people can, and should, participate directly in decisions that affect their daily lives. This is an important task for councils to get right.

Trust is at the core of the relationship between the people and their locally elected representatives. One way local government can earn trust is through transparent decision making that is open to public involvement and scrutiny. Transparency supports accountability, encourages high performance and increases public confidence. People may not always agree with council's decisions but a transparent process allows them to understand a council's reasoning, and can mitigate any suspicions of impropriety in the decision making process. Even a perception of secrecy can be damaging, as secrecy breeds suspicion.

A 2023 report by the Organisation for Economic Co-operation and Development (OECD) titled *Drivers of Trust in Public Institutions in New Zealand* found that only 45 percent of New Zealanders surveyed reported having trust in local government councillors.<sup>4</sup> This is significantly lower than reported trust in the public service at 56 percent. Councils' conduct around meetings and workshops are likely to be factors that contribute to the level of public trust in elected officials.

2 Pursuant to section 13(1) and 13(3) of the Ombudsmen Act 1975.

3 'Local authority' in the context of this investigation refers to all city, district and regional councils referred to in Part 3 of Schedule 1 of the Ombudsmen Act 1975.

4 [OECD report](#) Drivers of Trust in Public Institutions in New Zealand, published in February 2023.

## INTRODUCTION

## OPEN FOR BUSINESS

I initiated this investigation on 2 August 2022 to test concerns that councils were using workshops and other informal meetings to make decisions.<sup>5</sup> As outlined in my chapter on [Workshops](#), final decisions and resolutions cannot lawfully be made outside the context of a properly constituted council meeting. If councils were making decisions of this nature in workshops, it would be an avoidance of their responsibilities under the LGOIMA. I also examined councils' practices around excluding the public from meetings that are regulated by the LGOIMA.

The scope of my investigation was to investigate eight councils<sup>6</sup> actions and decisions in relation to both council meetings<sup>7</sup> held under the LGOIMA; and workshops (or informal meetings) to which LGOIMA meeting provisions do not apply.<sup>8</sup> In particular, I explored whether councils met their obligations under Part 7 of the LGOIMA in relation to council meetings, and good administrative practice in relation to workshops, briefings and informal meetings. The timeframe of matters considered in my investigation was from the electoral term beginning 12 October 2019 until 30 June 2023.

In order to investigate workshops, it was important to clearly understand what a 'meeting' is in accordance with the LGOIMA, and whether or not 'workshops' (or other informal meetings) should in fact be treated as 'meetings' under that Act.

The LGOIMA states that any meeting of a local authority, at which no resolutions or decisions are made, is not a 'meeting' for the purposes of the Act. During the course of my investigation, it became apparent that there is a lack of clarity around the definition of a 'decision'. As discussed in [Relevant Legislation](#), the historical context of the drafting of section 45(2) of the LGOIMA indicates that legislators thought it was not necessary or appropriate to require deliberative meetings (such as workshops) to be notified to the public. When actual and effective decisions or resolutions are made, the meetings must be notified.

5 Link to meeting and workshop practice investigation [announcement](#).

6 My investigation considered practices from a mix of different sized councils, both urban and rural, across a variety of geographical locations. I notified eight councils across the country that I would be investigating their meeting and workshop practices: Rotorua Lakes Council, Taranaki Regional Council, Taupō District Council, Palmerston North City Council, Rangitikei District Council, Waimakariri District Council, Timaru District Council and Clutha District Council.

7 For the purpose of this investigation 'meeting' has the meaning given to it in section 45(1) of the LGOIMA.

8 Any organised or scheduled meeting attended by council staff and elected members which falls outside of the definition of a 'meeting' in section 45(1) of the LGOIMA.

## INTRODUCTION

## OPEN FOR BUSINESS

I saw no evidence in my investigation that actual and effective decisions were made in workshops, but I saw some workshop practices that are counter to the principles of openness and could contribute to a public perception that workshops are not being used in the right way.

This investigation has highlighted to me the important role that workshops play in the decision making process for councils. Provided an actual and effective decision is not made, deliberative discussion may take place in a workshop. Workshops can be an efficient use of time, in order to convey information which may be voluminous and complex to elected members, and for elected members to give council officials advice to focus their efforts on the range of tenable options. This prevents time and energy being wasted on options that aren't realistic.

However, this is not to say that all workshops should take place behind closed doors or without adequate record keeping. The principles of openness and good administrative practice apply to workshops as much as any other aspect of council business. It is crucial that these are adhered to in order to maintain public trust and avoid perceptions that councils are operating in secret. In this report, I provide guidance on what those principles are, to ensure each council's practices are consistent with good record keeping and the requirement under the Local Government Act 2002 (LGA) to '*conduct its business in an open, transparent, and democratically accountable manner*'.<sup>9</sup>

I expect all councils to make sure their policies and practices meet my expectations of good workshop practice. Crucially, this includes opening workshops to the public by default; closing them only where good reason exists. I acknowledge concerns raised by some councils about what they consider to be a 'growing trend' of people with strong views and/or activist groups applying undue pressure to elected members and staff. At least one elected member said they had been threatened by a member of the public. I understand there is an escalating environment of misinformation and elected members should not have to endure unreasonable or harassing behaviour. However, they should be resilient enough to withstand reasonable public scrutiny. Ensuring the public has access to accurate information should provide an antidote to misinformation. Local government will need to look at how to respond to these challenges, perhaps by leveraging new technologies, in ways that advance open government principles.

<sup>9</sup> Link to [section 14](#) LGA

INTRODUCTION

OPEN FOR BUSINESS

Workshops are not the only forum in which the public may perceive councils to be conducting business behind closed doors. My investigation also looked at a variety of practices around council meetings, which are required to be open under the LGOIMA. In particular, I looked at councils' practices around public excluded portions of meetings, as well as the records kept of council meetings. I am pleased that the majority of councils I investigated now live stream council meetings, which greatly aids transparency.

Conducting a great deal of council business behind closed doors, whether through workshops or public excluded meetings, can have a damaging effect on how open the community perceives a council to be. The appropriate use of meeting provisions and workshops is at the heart of openness and transparency. As set out in the purposes of the LGOIMA and LGA, it is crucial that councils conduct their business in an open and transparent manner so the public can see democracy in action, and participate in democratic processes. Local authorities in New Zealand should be open for business.

**Peter Boshier**

Chief Ombudsman

October 2023

## Summary

### What councils should do now

#### Leadership and culture

- Induction training for staff and elected members must highlight the distinction between the operational and governance arms of local councils.
- Senior leaders should communicate clear and regular messages to all staff, signalling the council's commitment to conducting business in a manner that is open, transparent, and promotes accountability and public participation.
- Councils should have clear and visible public statements about their commitment to conducting business in a manner that is open, transparent, and facilitates accountability and public participation.
- Ensure pathways exist for council staff to make suggestions about meeting and workshop practices.
- Consider including a link to information about meetings and workshops prominently on the website landing page.
- Consider surveying constituents to establish the type of information about meetings and workshops they want to see on the website.

#### Meetings

- Review ease of access for meeting agendas, papers, and minutes on council websites (with a clear navigation path from the home page and minimal 'clicks' required).
- Make sure agendas and papers are posted on council websites with as much advance notice as possible before the meeting date.
- Review practice and internal guidance for the writing of public exclusion resolutions, ensuring:
  - the form includes all elements of the Schedule 2A form;
  - exclusion grounds are clearly identified, and section 7(2)(f)(i) is not relied on to exclude the public from meetings; and
  - the reasons for applying the named exclusion ground to the content of the agenda item are clearly set out in plain English along with how the decision to exclude the public has been balanced against public interest considerations.
- Review practice and internal guidance for the keeping of meeting minutes, ensuring that minutes reliably contain a clear audit trail of the full decision making process, including any relevant debate and consideration of options, and how individual elected members voted.
- Formalise a process for reconsidering the release of public excluded content at a time when the basis for withholding it may no longer apply.

OPEN FOR BUSINESS

## What councils should do now

<b>Workshops</b>	<ul style="list-style-type: none"> <li>• Adopt a principle of openness by default for all workshops (and briefings, forums etc.), including a commitment to record a clear basis for closure where justified, on a case-by-case basis.</li> <li>• Make sure the time, dates, venues, and subject matter, of all workshops are publicised in advance, along with rationale for closing them where applicable.</li> <li>• Review practice and internal guidance for keeping records of workshop proceedings, ensuring they contribute to a clear audit trail of the workshop, including details of information presented, relevant debate, and consideration of options. Councils may wish to consider consulting with Archives NZ to determine good practice in this respect.</li> <li>• Publish workshop records on the council's website as soon as practicable after the event.</li> <li>• Formalise a process for considering release of information from closed workshops.</li> <li>• Consider adding the message that members of the public are able to make a complaint to me about the administration of workshops on a relevant section of a council's website.</li> </ul>
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>• All councils should aim to live stream council meetings and/or audio visually record meetings and publish the recording on their website.</li> <li>• Consider live streaming and/or audio visually recording workshops.</li> <li>• Consider making meeting dates and times more visible to the public.</li> <li>• Ensure full agendas, including reports, supporting materials, and meeting minutes are in a searchable format for screen readers.</li> <li>• Undertake an accessibility audit to identify any barriers to inclusion and on completion of the audit, put in place a schedule of work to remedy any access issues or barriers to full inclusion of a wide range of people.</li> </ul>
<b>Organisation structure, staffing and capability</b>	<ul style="list-style-type: none"> <li>• Ensure sufficient staff have training in governance functions so that institutional knowledge does not rest with only a small number of staff, and processes for fulfilling these functions are written down and easily accessible.</li> <li>• Explore ways of using existing networks in local government to bolster resilience in critical areas of meeting and workshop practice.</li> <li>• Review the general training and guidance provided to staff, and consider approaching my office for assistance in improving those resources or in assisting with direct training of relevant staff.</li> </ul>

OPEN FOR BUSINESS

## Terminology

- When I use the term 'council' this primarily relates to the operational arm of the organisation, unless the context suggests otherwise. When I am referring to the governance function, I use the term 'elected members'.
- I undertook online surveys of staff, elected members and the public. These are referred to as my 'staff surveys', 'elected member surveys' and 'public surveys'.
- I and my staff spoke with council officials and elected members to gain their views and experiences of council meetings and workshops. I refer to those who participated in these conversations as 'staff meeting attendees' or 'elected member meeting attendees'.

Legislation referred to in this report:

- [Local Government Act 2002](#) (LGA)
- [Local Government Official Information and Meetings Act 1987](#) (LGOIMA)
- [Ombudsmen Act 1975](#) (OA)
- [Public Records Act 2005](#) (PRA)
- [Legislation Act 2019](#)
- [Official Information Act 1982](#) (OIA)

OPEN FOR BUSINESS

## Legislative context

The purposes of the LGOIMA are to increase the availability of information held by local authorities and to promote the open and public transaction of business at meetings. This ensures people can:

- effectively participate in the actions and decisions of local authorities;
- hold local authority members and their officials to account for any decisions; and
- understand why decisions were made, which will enhance respect for the law and promote good local government in New Zealand.

The LGOIMA also protects official information and the deliberations of local authorities from disclosure but only to the extent consistent with the public interest and the need to protect personal privacy. The principle and purposes of the LGOIMA are set out in full in [Appendix 1](#).

A reference point for understanding how local government should operate in New Zealand is the Local Government Act 2002 (LGA), and in particular, the sections that set out the purpose (section 10) and principles (section 14) of local government as a whole. The most pertinent principle states that in performing its role, a local authority should conduct its business in an open, transparent and democratically accountable manner. These provisions of the LGA are also set out in [Appendix 1](#).

In light of the statutory obligations that openness, transparency, and public participation are foundational principles for local government practice - as required by both the LGOIMA and the LGA - it is not surprising that Part 7 of the LGOIMA (which regulates council meetings where decisions or resolutions are made) is quite prescriptive. Part 7 sets out what is required before, during, and after, any council meeting. I have described what part 7 of the LGOIMA stipulates in [My expectations](#) of council meetings.

The definition of a 'meeting' in section 45 of the LGOIMA is fundamental to understanding the scope of the requirements. Section 45(2) provides:

- (2) *For the avoidance of doubt, it is hereby declared that any meeting of a local authority or of any committee or subcommittee of a local authority, at which no resolutions or decisions are made is not a meeting for the purposes of this Part.*

The breadth of the exclusion in section 45(2) was determined as the result of discussion and debate that followed the commencement of the LGOIMA in 1988 and added by the Local Government Official Information and Meetings Amendment Act 1991 (1991 No 54). The legislative history of Part 7 of the LGOIMA, and this subsequent amendment, sheds helpful light on what Parliament intended to include in its coverage. The legislative history of key terms is included in [Appendix 2](#).

OPEN FOR BUSINESS

In my view, the legislative history illustrates that policy makers thought it was not necessary or appropriate to *require* deliberative meetings (such as workshops) to be 'notified' and held in public because:

- it is not possible or desirable to stop elected members from 'caucusing' in private (that is, discussing matters among themselves where no council staff are present);
- anything that is discussed at deliberative meetings (such as workshops) is official information (therefore the public has a right to request it);
- councils have a discretion to notify and hold deliberative meetings in public; and
- actual and effective decisions always have to be made at notified public meetings as required by the LGOIMA.

Viewed in this context, and in the context of a general expectation of openness, Part 7 of the LGOIMA with its very prescriptive rules for meetings can be seen as having a deliberately narrow application. The LGOIMA only requires meetings with these prescriptive rules where *'actual and effective decisions or resolutions are made'*.

The Ombudsmen Act 1975 (OA) allows me to review any act or omission by a local authority, except a decision made by full council.<sup>10</sup> This allows me to examine and comment on how councils are administering meetings as defined in the LGOIMA, as well as workshops and briefings that are not regulated by the LGOIMA, either in response to a complaint or using my powers under the OA to initiate my own investigation.<sup>11</sup>

As established in the above section on the LGOIMA's legislative history, councils have the discretion to notify and hold all non-decision making meetings (such as workshops) in public if they choose. I can examine the exercise (or non-exercise) of this discretion.

In examining the ways councils conduct meetings that fall outside of Part 7 of the LGOIMA, I can draw on:

- the LGA, which requires a local authority to *'conduct its business in an open, transparent, and democratically accountable manner'*. This obligation complements the requirements in the LGOIMA to conduct decision making meetings in public; and
- the requirement that anything taking place or provided to any meeting is official information and can be requested unless there is good reason to withhold.

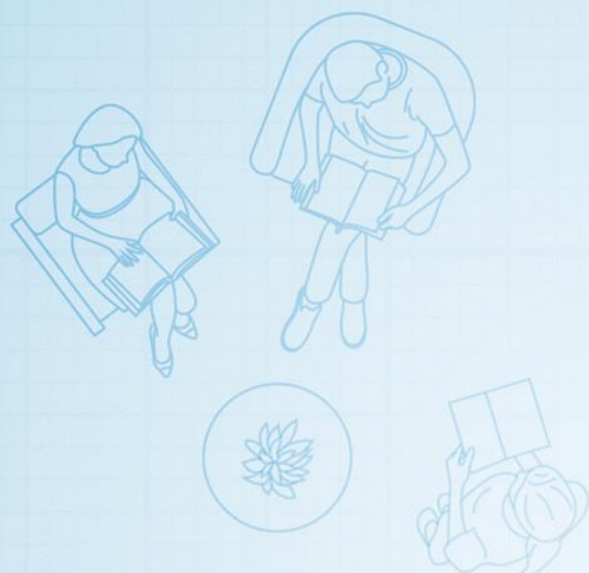
10 Link to [section 13\(1\)](#) of the OA

11 Link to [section 13\(3\)](#) of the OA

OPEN FOR BUSINESS

This provides a basis for me to adopt the following principles of good administrative practice that should guide council meetings that fall outside of Part 7 of the LGOIMA:

- Councils have a general discretion to advertise and undertake all meetings in public, and this is consistent with the principle in the LGA that councils should conduct their business in an open, transparent, and democratically accountable manner.
- A general policy of not publicising/closing all non-decision making meetings, such as workshops, may be unreasonable and/or contrary to law. The Ombudsman can assess this on a case-by-case basis.
- Using closed workshops to do 'everything but' make a final decision could be seen as undermining the principles in the LGA and purposes of the LGOIMA, and may be unreasonable in terms of the OA.



## Leadership and Culture

### My expectations

Achieving the principle and purposes of the LGOIMA depends significantly on the culture of a council, and the attitudes and actions of its senior leaders. Elected members, chief executives, and senior managers, should take the lead in developing an environment that promotes openness and transparency within the organisation, with external stakeholders, and importantly, with their constituents. This environment should champion positive engagement with those who want to know and understand the work a council is doing.

Councils' senior leaders must role model open and transparent behaviour by ensuring that council practices and processes around conducting meetings and workshops are transparent, and promote accountability. They should also demonstrate clear knowledge and support for their obligations set out in the LGOIMA. Council chief executives must make clear, regular statements to staff and stakeholders in support of the principle and purposes of official information legislation, and remind staff about their obligations. Consistent, clear messaging and behaviours communicate a real expectation that councils are committed to openness and transparency.

## LEADERSHIP AND CULTURE

## OPEN FOR BUSINESS

## My conclusions

### Interactions between councils' operational and governance arms

The word 'council' is sometimes used as a catch-all that encompasses the operational arm of the organisation as well as the governance provided by elected members. However, the distinction between the operational and governance functions should not be forgotten. Senior leaders, staff, and elected members, must carefully tread this line in their interactions.

Elected members have a reasonable requirement to be aware of operational issues, but there should be a clear delineation between operations and governance. Elected members should not cross the line into directing or influencing operations. A commonality in the investigated councils that were perceived as open, by staff and the public, were respectful relationships between the operational and governance arms of the organisation. Staff and elected members must have a clear understanding of the responsibilities and limits of their, and each others' roles. Councils should ensure these lines are clearly drawn in their induction training for elected members and for council staff.

### Internal perceptions of openness

I surveyed the staff of the eight councils under investigation in order to gather their perspectives of the agencies' overall commitment to a strong culture of openness and public participation in meetings and workshops. The results were encouraging. Across the eight councils, an average of 81 percent of staff survey respondents perceived their council to be strongly or moderately pro-openness and public participation in meetings and workshops, as shown in the table below:<sup>12</sup>

***What is your impression of your council's overall commitment to a strong culture of openness and public participation, in meetings and workshops?***

	Strongly or moderately pro-openness and public participation	'It is silent on the issue' or 'I don't know'	Strongly or moderately anti-openness and public participation
Highest percentage at an individual council	97%	15%	17%
Lowest percentage at an individual council	68%	3%	0%
Average across eight councils	81%	11%	8%

<sup>12</sup> Percentages are rounded to the nearest whole number.

## LEADERSHIP AND CULTURE

## OPEN FOR BUSINESS

It is important for senior leaders to communicate clear and regular messages to all staff, signalling the councils' commitment to conducting business in a manner that is open, transparent, and facilitates accountability and public participation. Senior leaders can actively promote a culture of openness in their regular communications via, for example:

- statements published on intranet pages;
- as standing items in internal meetings; and
- in high-level statements including written guidance.

Promoting an open culture through a variety of methods may help ensure that the message is received by all staff.

In councils that appeared to have a strong culture of openness, staff expressed that the Chief Executive played a key role in establishing and building that culture:

*The understanding about openness and transparency has been driven by our CE [Chief Executive]. . . When the CE is leading that culture, it filters down to [our] leadership team and onwards to elected members.*

*The Chief Executive has no qualms regarding communicating issues to all staff however difficult they might be.*

*I think we've got a very exceptional CE and [their] views filter down to [their] immediate staff as well.*

*. . . the current CEO is more open and transparent than I have ever seen. . .*

*. . . new CE is all about getting ideas from everyone in the council.*

While messaging is important, senior leaders must follow their words with action. Failing to do so risks undermining their own messages. For example, senior leaders should ensure there is sufficient capacity and capability to execute governance functions, which I discuss further in [Organisation structure, staffing and capability](#). They should also ensure their council has robust practices and policies in place around meetings and workshops which facilitate and emphasise openness. I will speak about this in more detail in the [Meetings](#) and [Workshops](#) sections.

It is important that councils establish mechanisms for staff to give feedback and suggestions to senior leaders about council practices. It is staff who give effect to councils' policies and practices, so they can help make sure these are fit-for-purpose. Councils that are open to staff feedback also appear to have an open and transparent culture.

LEADERSHIP AND CULTURE

OPEN FOR BUSINESS

### Public perceptions of openness

The public's perception of a council's openness is heavily influenced by how easy people find it to participate in elected members' decision making; and by how easy it is to find records of the key proceedings related to those decisions. More generally, the public's experience of navigating council websites to find information relevant to them, and the helpfulness of a council's overall messaging about accessibility and openness, are also key to this perception.

All of the councils under investigation gave assurances that workshops were not used to make decisions. All of the council staff and elected members spoken to during the course of my investigation were very clear that decisions could only be made in meetings held under Part 7 of the LGOIMA. However, the public's perception of council decision making processes do not appear to always align with councils' own confidence in the integrity of their processes. Many respondents to my public survey expressed concern about the reasons used to exclude the public from meetings, and about some councils' practices around workshops:

*Not enough debate. It all seems to have been decided beforehand.  
Too much 'public excluded' with very little explanation.*

*Seems a level of predetermination occurs [in workshops].*

*...there seems to be a disproportionate number of public excluded meetings—behind closed doors.*

*I understand the need for information sharing and discussion, but I feel workshops often take it beyond that and reduce the ability for the public to have input on issues until it's too late.*

These views were expressed, to varying degrees, about all of the councils under investigation. It is understandable that the public is sceptical when their elected members meet behind closed doors, particularly where the reasons for closing the meeting or workshop are not made sufficiently clear, and little or no information about what took place in a closed meeting or a closed workshop is made available after the fact. This inevitably breeds suspicion.

While councils may have confidence in the integrity of their processes, I urge them to understand it is in the public interest not only that decisions are made appropriately but *they must be seen to be made appropriately*. Councils must ensure that their processes leave no room for perceptions to develop that decisions are being made in workshops, or that workshops are being used to 'debate out' issues to the extent that a decision has been made in all but name, and just need to be 'rubber stamped' in the council meeting. Does this mean that all workshops and meetings must be open without exception? No.

## LEADERSHIP AND CULTURE

## OPEN FOR BUSINESS

There will be occasions where there is good reason to close meetings, parts of meetings<sup>13</sup>, or workshops. Where this is the case, councils must be scrupulous in:

- ensuring that the occurrence of closed workshops are made public (i.e. even if a workshop is closed, the public should still be aware it is happening. If the public is unaware of a workshop, they will be unable to request, under the LGOIMA, information about it);
- publishing their reasons for closing the meeting or workshop;<sup>14</sup>
- keeping adequate records of the content of closed meetings and workshops; and
- releasing information about workshops and closed meetings where possible.

I will speak more about [meeting](#) and [workshop](#) practices in their respective chapters below.

## Website content

I consider the content of a council's website to be one indicator of their culture. Councils must ensure they deliver clear and consistent messaging to the public about their commitment to openness and transparency. A visible and explicit statement should exist on councils' websites affirming this commitment in its work.

### Information about meetings

The majority of respondents to my public survey said they found it difficult to access information about meetings on council websites. One respondent said:

*Information is not easily accessible as there is no 'tab' on the front page for the meetings, you actually have to put 'meeting' in the search bar to get direction to it.*

This accords with my assessment of council websites. Of the eight councils under investigation, only three had a visible link to 'meetings' on the landing pages, and none of these were displayed very prominently. On the websites of the other five councils, information about meetings was one mouse click away from their landing pages under the very broad heading 'Council' or 'Your council' which, according to my survey, users do not appear to find intuitive:

<sup>13</sup> Section 48 of the LGOIMA recognises this.

<sup>14</sup> Except where explaining the harm might, itself create a prejudice to the protected interest.

LEADERSHIP AND CULTURE

OPEN FOR BUSINESS

*How easy or difficult is it to navigate the Council's website to find information about the Council's Meetings?*

	'Somewhat' or 'very' easy	Neither easy nor difficult	'Somewhat' or 'very' difficult	I don't know
Highest percentage at an individual council	27%	42%	60%	11%
Lowest percentage at an individual council	0%	7%	43%	0%
Average across the eight councils under investigation	19%	22%	53%	6%

I consider it is good practice for councils to clearly signpost information about meetings on their landing pages.

My survey also asked respondents what additional information, if any, they would like to see councils publish about meetings on their websites. There were a range of answers, with some of the common themes from respondents being:

- meeting agendas should be published more than two days in advance;<sup>15</sup>
- more information about why meetings or parts of meetings, were closed;
- more details in minutes, such as which elected members voted for and against resolutions; and
- easy-to-read summaries of key information and updates on key projects.

Councils may find it useful to do their own surveys of constituents and website users about the type of information about decision making and council proceedings the public would like to find on their websites.

15 Section 46A(1) of the LGOIMA states that the public may inspect within a period of **at least** two working days before every meeting, all agendas and associated reports circulated to members of the local authority and relating to that meeting.

## LEADERSHIP AND CULTURE

## OPEN FOR BUSINESS

Councils are required under Part 7 of the LGOIMA to notify the public of the occurrence of meetings<sup>16</sup> and to make available meeting minutes<sup>17</sup> and agendas.<sup>18</sup> When the LGOIMA passed into law in 1987, councils would publicly notify meetings through advertising in newspapers, and meeting minutes and agendas would be available at councils' public offices. Nowadays, councils advertise meetings on their websites as well as in local newspapers, and minutes and agendas are often made available on councils' websites.

I asked public survey respondents how easy or difficult it was to find information about when meetings occurred; and how easy or difficult they found it to access meeting minutes and agendas. Their responses are in the table below:

How easy or difficult is it to	'Somewhat' or 'very' easy	Neither easy nor difficult	'Somewhat' or 'very' difficult	I don't know
Find out when a public meeting of the Council is being held	27%	22%	47%	4%
Obtain a copy of the meeting agenda prior to a public Meeting of the Council	18%	15%	52%	15%
Obtain a copy of the Meeting minutes following a public meeting of the Council	17%	15%	50%	17%

Councils can do more to make the occurrence of meetings visible to the public, and to increase access to minutes and agendas. As noted above, website users may find it easier to find information about meetings if prominently displayed on the landing page of councils' websites. Councils may also wish to consider how they can use social media platforms to promote awareness of meetings and workshops.

16 Link to [section 46](#) of the LGOIMA

17 Link to [section 51](#) of the LGOIMA

18 Link to [section 46A](#) of the LGOIMA

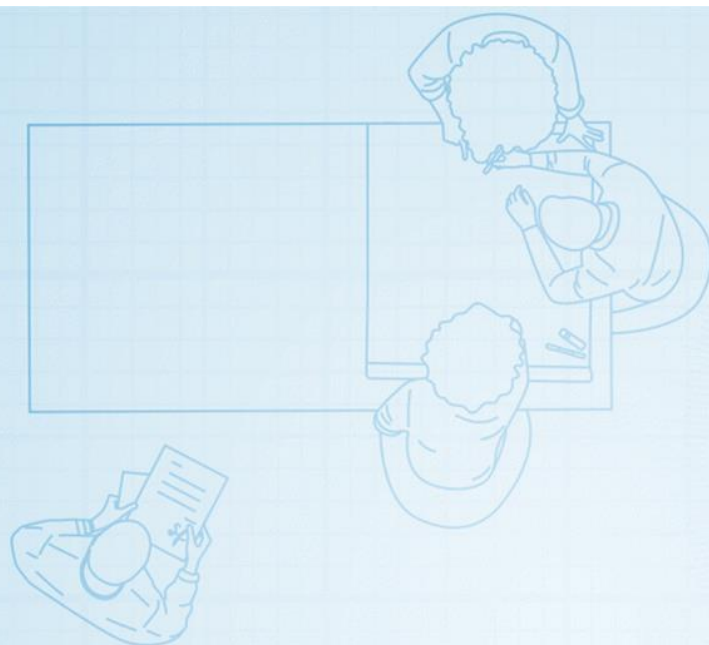
LEADERSHIP AND CULTURE

OPEN FOR BUSINESS

## What councils should do now

- Induction training for staff and elected members must highlight the distinction between the operational and governance arms of local councils.
- Senior leaders should communicate clear and regular messages to all staff, signalling the council's commitment to conducting business in a manner that is open, transparent, and promotes accountability and public participation.
- Councils should have clear and visible public statements about their commitment to conducting business in a manner that is open, transparent, and facilitates accountability and public participation.
- Ensure pathways exist for council staff to make suggestions about meeting and workshop practices.
- Consider including a link to information about meetings and workshops prominently on the council's website landing page.
- Consider surveying constituents to establish the type of information about meetings and workshops they want to see on the council's website.

A range of additional suggestions specific to meetings, workshops, and accessibility improvements, are included in the following sections. I believe implementing these will improve the public experience and perception of council engagement and openness.



## Meetings

### My expectations

As outlined in [Appendix 1: Relevant legislation](#), Part 7 of the LGOIMA sets out a number of specific requirements for council meetings to meet the Act's overarching purpose to 'promote the open and public transaction of business at meetings of local authorities'.<sup>19</sup>

The Working Group on Official Information in Local Government<sup>20</sup> specifically considered that a standalone Act applying the principles of the Official Information Act 1982 to local authorities was the most appropriate legislative course of action. Importantly, the new Act was designed to incorporate meetings to supersede the Public Bodies Meetings Act 1962.

The key requirements of Part 7 are:

- every local authority must publicly notify all 'meetings' that are scheduled to take place each month, but failing to do so does not invalidate any meeting;<sup>21</sup>

19 Link to [section 4\(a\)](#) of the LGOIMA

20 Report of the Working Group on Official Information in Local Government, June 1986: a report to the Minister of Local Government and the Minister of Justice by the Working Group on Official Information in Local Government.

21 Link to [section 46](#) of the LGOIMA

## MEETINGS

## OPEN FOR BUSINESS

- agendas and reports are publicly available at least two days in advance;<sup>22</sup>
- meetings are open to the public, unless there is good reason for excluding them;<sup>23</sup> and
- minutes of a meeting must be made accessible to members of the public.<sup>24</sup>

Meeting minutes should represent a full and accurate record of the content of local authority meetings. Minutes should not just record the final decision taken by elected members, but details of any debate or discussion preceding and informing the decision. In addition to aligning with principles of openness and accountability, recording the content of discussion and debate is a safeguard against any perception that decisions have been taken prior to the meeting, and are merely being 'rubber stamped' in the meeting setting. Though it is not a legislative requirement, I consider it is good administrative practice, and in the interests of accountability, to record the names of elected members who voted 'for' and 'against' resolutions and motions.

Where good reason exists to exclude the public from a meeting, this must be effected by way of a resolution.<sup>25</sup> This may apply to the whole or a relevant part of a meeting. A resolution to exclude the public is a decision made by full council (elected members), with their decision typically being informed by advice given by council staff. In considering how councils administer meetings, I do not have jurisdiction to consider decisions taken by full councils (committees of the whole).<sup>26</sup> However, in relation to decisions by full councils, I can review the reasonableness of any advice provided by officials or employees (on which the decisions were based).

Section 48 of the LGOIMA states that a local authority may exclude the public from meetings where good reason exists under sections 6 or 7 of the LGOIMA, though it specifically excludes section 7(2)(f)(i).<sup>27</sup> That is, a council cannot close a meeting to the public to have a 'free and frank' discussion. This is because local authority meetings are precisely where elected members are expected to hold their free and frank discussion and debate in full view of the public.

22 Link to [section 46A](#) of the LGOIMA

23 Link to [section 48](#) of the LGOIMA

24 Link to [section 51](#) of the LGOIMA

25 Link to [section 48](#) of the LGOIMA

26 Link to [section 13\(1\)](#) of the OA

27 Link to [section 7\(2\)\(f\)\(i\)](#) of the LGOIMA. This section allows for information to be withheld where it is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority.

## MEETINGS

## OPEN FOR BUSINESS

Councils considering the application of a clause or clauses of section 7(2) of the LGOIMA to exclude the public from a meeting, must also consider the extent of any public interest in the release of the information (the matters to be discussed). For example, there will always be a public interest in meetings being open to the public to promote accountability, transparency, and public participation. If it is considered that the public interests favouring release in a particular case outweigh the identified need to withhold the information, then the clause(s) in section 7(2) of the LGOIMA cannot be relied on as good reason to exclude the public.

This weighing of competing interests is known as 'the public interest test'.<sup>28</sup> I expect that where the advice of council staff is for elected members to hear an item in a public excluded meeting, this advice should include the officials' assessment of public interest considerations in hearing the item in an open session. Council staff should also document how they formulated their advice. In making their decision, elected members should weigh these competing interests, and record their considerations, as well as their final decision. Public interest considerations can be recorded by councils in the Schedule 2A form discussed below, and I consider it would be beneficial to adopt this practice.

A resolution to exclude the public must be put forward at a time when the meeting is open to the public.<sup>29</sup> In other words, elected members must make the decision to go into a public excluded part of a meeting in front of the public. The meeting is then closed in accordance with standing orders. The resolution to exclude the public must be made in the form set out in Schedule 2A of the LGOIMA<sup>30</sup>, and must include:<sup>31</sup>

- the general subject of any matters to be considered while the public is excluded;
- the reasons for passing a resolution (with reference to the particular provision relied on); and
- the actual ground in section 48(1) relied on.

The general subject of matters to be considered should be detailed enough to give the public a clear sense of the matter being discussed, in the interest of being as open as possible about the work a council is conducting.

28 Link to Ombudsman guide [Public interest: A guide to the public interest test](#).

29 Link to [section 48\(4\)](#) of the LGOIMA

30 Link to [Schedule 2A](#) of the LGOIMA

31 Link to [section 48\(3\)](#) of the LGOIMA

## MEETINGS

## OPEN FOR BUSINESS

I expect the reason for passing a resolution should contain specific details about the harm the agency is trying to avoid, rather than simply reciting the clause from section 6 or section 7(2) as it is written in the LGOIMA. Councils can allow for specified people to remain while the public is excluded if they have knowledge that would assist. In that case, the resolution must state the particular knowledge they possess, and how it is relevant to the matter under consideration.

The public can request information heard in the public excluded part of a meeting under the LGOIMA. I expect that council guidance makes clear that if a LGOIMA request is made for information heard in a public excluded meeting, such a request must be considered on its individual merits and based on the circumstances at the time of the request; it may not be refused under the LGOIMA merely on the basis the information was earlier heard in a public excluded meeting.

It is also good practice to ensure there is a process for re-visiting public excluded parts of meetings to determine if any of the information heard in a public excluded part of a meeting can subsequently be released, when the reasons for withholding the information no longer apply.

Finally, I expect that councils will organise their structure and resources so they meet their legal obligations under Part 7 of the LGOIMA and good administrative practice generally, in a way that is fit for purpose considering their particular size and responsibilities.

## My conclusions

To aid clarity, I have organised my conclusions by the different phases of a meeting: pre-meeting; during the meeting; and post-meeting. For each phase, there are mandatory requirements prescribed by the legislation and there are also good practice elements (where non-compliance is not in breach of the law but may be the subject of adverse comment or opinion by an Ombudsman as part of an investigation). I have covered both elements in my commentary for each phase, with footnotes identifying the relevant statutory provision for each mandatory element.

### Pre-meeting

All meetings (gatherings at which elected members make decisions on behalf of their community) must be publicly notified in accordance with section 46 of LGOIMA, and all agendas and papers must be available to any member of the public at least two working days before the date of that meeting.

As outlined in [Information about meetings](#), when the LGOIMA passed into law in 1987, councils would publicly notify meetings through advertising in newspapers, as that is what the LGOIMA specifically

## MEETINGS

## OPEN FOR BUSINESS

requires. However, now councils advertise meetings on their websites as well as in local newspapers and website prominence is likely to be the most effective way of reaching the greatest number of constituents.

Although I did not identify any particular issues with the publication of agendas at the councils I investigated, a number of public survey respondents wanted agendas and associated reports published on a council's website as early as possible, with the statutory minimum of two working days prior to the meeting sometimes allowing insufficient time to prepare (particularly in cases where the associated material for the meeting is lengthy). Comments from my survey of members of the public included:

*The agendas are published only two days prior to a meeting and often contain a lot of material. They should provide the agendas much earlier so that the material provided can be digested properly before a meeting. Only the most determined can do so.*

*One of the main problems is that meeting agendas are published really late, with never sufficient time for the public to review the content and to think about potential submissions or deliberations. The agendas are often over 100 pages long, often with highly technical information, that is difficult to navigate and understand. There is seldom time to review the agenda and associated materials properly let alone seek technical advice before the meetings.*

Although the LGOIMA states agendas are to be published within a period of least two working days before every meeting, this should not be the goal. I encourage councils to release documents with enough time to allow ample preparation for meeting participants (which will benefit both attendees from the public as well as elected members themselves).

## During the meeting - excluding the public

The practice of excluding members of the public from any part of a council meeting is an exception to the usual presumption of openness emphasised by both the LGOIMA and the LGA. The stipulations in the LGOIMA are reasonably detailed and exacting.

A primary requirement is that public exclusion may only be made by way of formal resolution of elected members at the meeting itself. It is important that elected members take this responsibility seriously and carefully consider the advice of council officials. The resolution must:

## MEETINGS

## OPEN FOR BUSINESS

- Be put at time when the meeting is open to the public, with the text of the resolution being available to anyone present.<sup>32</sup>
- Be in the form set out in Schedule 2A of the LGOIMA.<sup>33</sup>
- Only exclude on one of the grounds set out in section 48(1).<sup>34</sup>
- State reasons for the resolution, including the interests it is protecting in the case of section 6 or 7 withholding grounds.<sup>35</sup>
- Where exceptions to the exclusion are made for particular individuals, the resolution must detail their relevant expertise to the topic for discussion.<sup>36</sup>

To gain an understanding of councils' use of reasons to exclude the public from meetings, my investigators reviewed a number of examples of resolutions to exclude the public. The reviews found that three of the eight councils investigated had excluded the public from some meetings citing section 7(2)(f)(i) (free and frank expression of opinions) as the reason. However, section 48(7)(a)(1) of the LGOIMA specifically states that section 7(2)(f)(i) cannot be used as a good reason to exclude the public from meetings.

I wrote to those councils to raise my concerns as soon as I identified this practice. Each council advised me that they had ceased the practice of using 'free and frank' to exclude the public from meetings, and put systems in place to prevent this error from happening again. For instance, one council said it had tightened its practices in relation to reviewing the reasons to exclude the public from meetings. Another council said it had corrected its workflow system (InfoCouncil) to align with the requirements of the LGOIMA. The third council provided additional training and support to its governance team, as well as updating its agenda template.

While I was pleased with these actions, I am concerned that unchecked errors were allowed to occur and potentially embed into councils' practices. I urge all councils to make sure this is not occurring at any of their meetings. Most councils cited eligible withholding grounds in their exclusion resolutions, but lacked records about how those grounds were applied to the specific topic for discussion (described in more detail below). This makes it difficult to scrutinise the quality of the advice on which the resolution was based.

My surveys of the public and of elected members showed a sharp disparity in their perceptions of the clarity, robustness, and appropriateness, of the reasons for public exclusion.

32 Link to [section 48\(4\)](#) of the LGOIMA

33 Link to [section 48\(3\)](#) of the LGOIMA

34 Link to [section 48\(1\)\(a\)](#) of the LGOIMA

35 Link to [section 48\(3\)\(b\) and \(c\)](#) of the LGOIMA

36 Link to [section 48\(6\)](#) of the LGOIMA

## MEETINGS

## OPEN FOR BUSINESS

*What is your experience/view of the Council's use of public excluded Meetings?<sup>37</sup>*

	The reasons for excluding the public are always clear, robust and in line with LGOIMA	The reasons for excluding the public are always clear, but are not always in line with LGOIMA	The reasons for excluding the public are often unclear, or do not align with LGOIMA	I don't know/ Other
Elected member survey responses	80%	10%	5%	5%
Public survey respondents	7%	6%	62%	25%

As shown in table above, 80 percent of elected member respondents considered the reasons for exclusion to be clear, robust and appropriate, whereas 62 percent of public respondents were of the opposite opinion.

It seems elected members generally consider they are excluding the public in a robust and principled way. However, it appears that councils are not communicating the reasons for these decisions to those they are excluding in a way that is clear to them. This is best addressed by ensuring that public exclusion resolutions are documented properly and a clear rationale for exclusion is easily accessible—and I deal with this next.

**Record keeping - public exclusion resolutions**

Of the eight councils I investigated, four were using the form in Schedule 2A of the LGOIMA for exclusion resolutions, while the other four were using their own templates.

While the LGOIMA states that the Schedule 2A form should be used, the Legislation Act 2019 allows minor variations to forms prescribed by legislation,<sup>38</sup> and I consider that the content of the form is more important than the layout. I take no issue with councils using a template form of their own design, providing that it contains the same prompts to enter information as detailed in the Schedule 2A form:

- a prompt to include the general subject matter for each item;
- a prompt to enter the grounds under section 48 for excluding the public;

<sup>37</sup> Respondents to my survey of the public were asked for their *view* of the council's use of public excluded meetings; elected members were asked about their *experience*.

<sup>38</sup> Link to [section 52](#) of the Legislation Act 2019

## MEETINGS

## OPEN FOR BUSINESS

- a prompt to enter the plain English reason for excluding the public; and
- wording around allowing specific people to remain, if they have knowledge that would assist the agency, while the public is excluded.

Whatever form a council uses, it needs to meet these minimum requirements and the form should clearly identify the specific exclusion ground, and also explain in plain English how the council has applied that ground to the meeting content under consideration.

I do not consider it good practice to cite a section number under the 'Ground' field and simply quote the text of that section in the 'Reason' field. Instead, both the section number and its text should appear under 'Ground'. The 'Reason' field should be used to explain, in plain English and in reasonable detail, the reason(s) for excluding the public (that is, how the LGOIMA ground applies to the information held or created) and weighing this against any countervailing public interest arguments for non-exclusion.

This should not be too difficult. By excluding the public by means of a section 7 ground, a council is obliged to both determine specifically how the ground applies to the agenda item, and how it has balanced the public interest in the information being shared against the need to withhold it. While ultimately, the public interest balancing question should be assessed by the body conducting the meeting (essentially, the elected members), it is reasonable to expect that their decision is informed by advice from council officials that includes public interest considerations. The details of the ultimate decision should be included in the meeting minutes, with the preceding advice from council staff also included in a council's records.

A smooth process relies on councils having clear and consistent guidance for staff about the records they should create and maintain for public exclusion decisions. This includes documenting the rationale for advice to elected members on public excluded meetings. The guidance should outline the requirement to apply the public interest test, and should include the following:

- that the public interest factors must be weighed when relying on section 7(2) of the LGOIMA to hear an item in a public excluded meeting; and
- factors that affect the public interest in favour of opening a meeting, such as:
  - the policy or decision-making process involved and the stage it has reached;

## MEETINGS

## OPEN FOR BUSINESS

- the ability of the public to be informed, influence that process or decision and/or hold the officials involved to account;
- the level of public interest or debate;
- the level of any disquiet, speculation or controversy;
- the extent of information in the public domain;
- the significance of the issue to the public or the operations of the council; and
- the amount of public money involved.

When updating guidance, councils may wish to refer to my guide titled *'Public interest: a guide to the public interest test'*.<sup>39</sup>

My investigation revealed significant variation in the way councils fill out the Schedule 2A form, and few would meet my expectations of good practice. Not one gave an actual, plain English reason for excluding the public from a meeting, rather, most are simply clipping wording from the legislation or using a vague term such as 'commercial sensitivity' as full rationale for public exclusion, with no attempt to apply the exclusion ground to the facts of the affected agenda item.

The opportunity to use the Schedule 2A form to record information about the public interest considerations is also going unrealised. When the evidence of thoughtful application of exclusion rationale is so starkly absent from the resolution itself, the public may well wonder how robust the determinations were. Addressing these deficiencies must be a priority if councils are to improve public trust in the process.

### Record keeping - minutes

Ombudsmen have consistently supported a full audit trail for advice that contributes to decisions made by an agency. This also ensures council practices are consistent with sections 17(1) and 17(2) of the Public Records Act 2005 (PRA)<sup>40</sup> which respectively, require councils to:

- create and maintain full and accurate records of affairs in accordance with normal, prudent business practice; and
- maintain records in an accessible form to enable use for subsequent reference.

In addition to complying with the relevant legislation, sound record keeping discipline in meetings will also benefit councils by promoting transparency and openness, and improving business practices in general.

<sup>39</sup> Link to Ombudsman guide [Public interest: A guide to the public interest test](#).

<sup>40</sup> Link to [sections 17\(1\) and 17\(2\)](#) of the Public Records Act 2005

## MEETINGS

## OPEN FOR BUSINESS

Keeping good meeting records:

- helps ensure transparency of council decision making by providing a complete and clear record of reasoning;
- provides a reference for councils in the event of issues around decision making processes that may arise internally or externally;
- provides an opportunity to create a repository of knowledge about how councils make decisions, and so develop a consistent approach.

My review of the meeting minutes of the councils I investigated showed that some included very little detail about any discussion, debate, or questioning, that may have taken place. I do not expect that a verbatim transcript is taken at a meeting but simply recording the final decision taken by elected members is plainly inadequate.

Local Government New Zealand (LGNZ)'s guidance for minute taking<sup>41</sup> includes the following pointers for good practice:

- minutes should be a clear audit trail of decision making;
- less is best;
- someone not in attendance will be able to understand what was decided; and
- anyone reading in 20 years' time will understand them.

I agree with this guidance, with two important comments:

1. A '*clear audit trail of decision making*' is more than simply recording the decision itself. It entails clearly documenting the path by which the decision was made, including how options were considered and how the decision ensued from the deliberation.
2. '*Less is best*' should be interpreted as a prompt to maintain clarity and succinctness, rather than sacrificing elements of the decision making audit trail.

Minutes should record both the final decision and key details of any debate or discussion preceding and informing the decision. In addition to aligning with the principles of openness and accountability, recording the content of discussion and debate is a safeguard against any perception that decisions were made prior to the meeting, and are merely being 'rubber stamped' in the meeting setting. Though it is not a legislative requirement, as outlined earlier, I consider it good practice, in the interest of accountability, to record the names of elected members who voted 'for' and 'against' resolutions and motions.

41 Link to [The guide to LGNZ standing orders](#), Ko Tātou LGNZ, 2022, p 35.

## MEETINGS

## OPEN FOR BUSINESS

Councils' internal guidance and training material should also include clear instructions for staff to record advice and decision making processes around public excluded meetings. This includes taking notes of relevant internal meetings and documenting any verbal conversations held in relation to council decisions on public excluded meetings. These, and other relevant records (such as emails), should be documented in a manner that makes them easily accessible.

Any review and update of guidance material should also be accompanied by training and messaging to staff about the importance of comprehensive record keeping to comply with the law and promote the transparency of council's practices and accountability to the public.

### Post-meeting

#### Making minutes publicly accessible

All the councils within my investigation published meeting minutes on their websites. I reiterate that I expect that meeting minutes should also comprise a full and accurate record of the meeting. As noted under [Leadership and culture](#), a number of public survey respondents consider that the minutes are not always easy to find. This may be addressed, as I noted, by making information about meetings more prominent on council websites.

#### Revisiting public excluded material for release

A powerful way to increase the public's trust in Councils and to improve transparency is to establish a consistent practice of reconsidering public excluded information for release at a point when the reason for withholding information no longer applies. Mutual trust between the public and their representatives will likely improve if the public knows why the information was protected. This way the public can see that a council is making efforts to be as open as possible.

I appreciate this may not be at the top of mind for council staff as they juggle the multiple demands of busy meetings schedules. However, I consider it integral to sound practice, and should not be unduly burdensome when integrated into a well-designed process.

Practice in this area was mixed among the councils I reviewed, with most examples of post-meeting review of information being ad hoc rather than consistent. However, I was encouraged that most of the eight councils have either begun scheduling later reviews for public excluded information, or have agreed to consider adding this step to their standard meeting processes.

MEETINGS

OPEN FOR BUSINESS

## What councils should do now

- Review how easy it is for the public to access meeting agendas, papers, and minutes on council websites (this should include a clear navigation path from the home page and minimal 'clicks' to reach it).
- Make sure agendas and papers are posted on council websites with as much advance notice as possible before the meeting date and certainly no later than the minimum requirement of two working days.
- Review practice and internal guidance for the writing of public exclusion resolutions, ensuring:
  - the form includes all elements of the Schedule 2A form;
  - exclusion grounds are clearly identified, and section 7(2)(f)(i) is not relied on to exclude the public from meetings; and
  - the reasons for applying the named exclusion ground to the content of the agenda item are clearly set out in plain English along with how it has been balanced against public interest considerations.
- Review practice and internal guidance for the keeping of meeting minutes, ensuring that minutes reliably contain a clear audit trail of the full decision making process, including any relevant debate and consideration of options, and how individual elected members voted.
- Formalise a process for reconsidering the release of public excluded content at a time when the basis for withholding it may no longer apply.



## Workshops

### My expectations

The LGOIMA does not define or regulate workshops (or other informal meetings),<sup>42</sup> but *The Guide to LGNZ Standing Orders* states that workshops are best described as ‘informal briefing sessions where elected members get the chance to discuss issues outside of the formalities of kaunihera meeting’.<sup>43</sup> It is common for councils to conduct workshops about complex or technical issues on which elected members will later be required to debate and make decisions.

The purpose of workshops should be to prepare elected members with the appropriate background and knowledge to make robust decisions for their communities, and to allow interrogation, discussion and deliberation among and between elected members and council staff. As outlined in the earlier section [Legislative context](#), workshops are part of the educative and deliberative phases of councils’ decision making process. However, final decisions and resolutions cannot lawfully be made outside the context of a properly constituted meeting.

42 For the purpose of this investigation, ‘workshops, briefings and informal meetings’ mean any organised or scheduled meeting attended by Council staff and elected members which fall outside the definition of ‘meeting’ in section 45(1) of the LGOIMA.

43 Link to [The guide to LGNZ standing orders](#), Ko Tātou LGNZ, 2022

## WORKSHOPS

## OPEN FOR BUSINESS

Because workshops cannot lawfully be used to make actual and effective decisions, and are not conducted under the LGOIMA, the legal requirements in the LGOIMA that relate to council meetings—such as requirements to notify the public, to take minutes, and to exclude the public only under certain defined circumstances—do not apply to council workshops. Nonetheless, councils have a general discretion to advertise and undertake workshops that fall outside of Part 7 of the LGOIMA, in public. While it may be reasonable to close a workshop in a particular case, I consider that a general policy of not advertising workshops or having all workshops closed to the public, is likely to be unreasonable. It is my expectation and a requirement of the LGA, that ‘...a local authority should conduct its business in an open, transparent and democratically accountable manner...’<sup>44</sup>

As a matter of good practice, workshops should be closed only where that is reasonable. What might be considered reasonable is a truly open category depending on each individual case, and may include situations where the reasons for withholding information under sections 6 and 7(2) of the LGOIMA might apply, as well as other situations. What is reasonable in a particular case will vary, however the decision to close a workshop should be made on the individual merits of each workshop, rather than being based on a blanket rule.

Even where it is reasonable to close a workshop, I encourage councils to be mindful of the public perception of secrecy this may create, and mitigate this risk through ensuring the public has access to sufficient and timely information about the purpose and content of workshops. The legislative history of the LGOIMA makes it clear that full and accurate records of workshops are expected to be kept. Consistent with the guiding principle and purposes of the LGOIMA, the public can request this information under Part 2 of that Act. It is also a requirement of the PRA (see [Appendix 1](#) and [Appendix 2](#)).<sup>45</sup> Keeping full and accurate records of workshops is a safeguard against the perception that decisions are being made outside a local authority meeting; and, being able to request access to this information allows members of the public to meaningfully engage with the work of councils.

Information arising from workshops can be requested under the LGOIMA although, ideally, councils would proactively release information generated in workshops.<sup>46</sup> Creating records of workshops is good administrative practice, and it promotes a council's accountability and transparency. Councils should adopt a standard

<sup>44</sup> Link to [section 14](#) of the LGA

<sup>45</sup> Link to [section 17\(1\)](#) of the PRA

<sup>46</sup> Even if no record is made at the time, information held in an official's memory as to what transpired at a workshop can also be requested under the LGOIMA, and it is preferable to have a contemporaneous account of what happened.

## WORKSHOPS

## OPEN FOR BUSINESS

approach to recording information about workshops/forums and ensure this is embedded in its guidance on record keeping for workshops.

All workshop attendees should be aware that workshops cannot be used for making an actual and effective 'decision', and take care when discussion and deliberation in a workshop could carry elected members too far down a path toward a decision. For example, where council staff present a range of options to elected members in a workshop, and those options are narrowed down significantly, it could give the appearance of a 'decision' being made in the workshop in all but name. There may then be a perception that the corresponding decision made in the public council meeting is a 'rubber stamp' of earlier workshop discussions. In particular, using a closed workshop to do 'everything but' make a decision could be seen as undermining the principles of the LGOIMA and the LGA, which I may view as unreasonable.

As Chief Ombudsman, I can review the reasonableness of any act or omission by a local authority under the OA.<sup>47</sup> This includes whether it is reasonable for a council to advise or decide to not advertise or close workshops, or using closed workshops to do 'everything but' make a final decision.<sup>48</sup> I expect councils to make it clear to the public that they can complain to me about workshops.

Some councils draw a distinction between 'workshops' and 'briefings' with the former being open to the public and the latter; closed. Other councils may refer to the same type of informal briefing session between elected members and staff using different terminology entirely, such as a 'forum' or 'hui'. Irrespective of the title(s) a council chooses to give informal briefing sessions, the same requirements to conduct business in a transparent and accountable manner, and to keep full and accurate records, apply to all.

## My conclusions

### Terminology around workshops

The terminology used for workshops is an area that can cause confusion. Many councils define workshops in their standing orders based on a template developed by LGNZ, which defines workshops as follows:

*Workshop in the context of these Standing Orders, means a gathering of elected members for the purpose of considering matters of importance to the local authority at which no decisions*

<sup>47</sup> Link to [section 13](#) of the OA

<sup>48</sup> This refers to council staff, not a decision of full council.

## WORKSHOPS

## OPEN FOR BUSINESS

*are made and to which these Standing Orders will not apply, unless required by the local authority. Workshops may include non-elected members. Workshops may also be described as briefings.<sup>49</sup>*

One council organised what it termed 'non decision making meetings' regularly and used the terminology of 'briefing' or 'workshop' to differentiate whether a specific topic for discussion within the meeting would be open to the public (workshops) or closed to the public (briefings). This distinction between 'workshops' and 'briefings' is one that is also adopted by LGNZ in its guidance for standing orders and is widely used by councils throughout New Zealand.

In addition to 'workshops' and 'briefings', a number of other terms have been adopted by councils at different times for non-decision making meetings. One council that held all its workshops in private was aware of the negative public perception that had developed around the use of the term 'workshops'. To address this, the council changed its terminology to 'forums', rather than amending the actual practice of closing workshops to the public. While councils are able to use their own terminology, creating different terms for what is essentially the same thing—a meeting of elected members and staff to progress council business, at which no decision making occurs—risks distraction and confusion. The guidelines for good practice in this report apply to any workshop, briefing, forum, hui, wānanga, or whatever else a council calls the gatherings of elected members and council officials used to transact council business.

### Councils' use of workshops

All councils that were part of my investigation used workshops to some degree. A number of staff and elected member meeting attendees commented that workshops were a key part of the decision making process for elected members and used for 'direction setting'. Workshops are used by elected members to discuss policy options put forward by staff in order to eventually make a decision in a local authority meeting. This includes adding, removing or amending options, and ensuring elected members have the information needed to make an informed decision on a topic. Workshops may also involve elected members giving feedback to staff where they might require further information to support their consideration of a particular option.

49 Nearly all councils have incorporated into their standing orders this definition, or the following variation: *Workshops, however described, provide opportunities for members to discuss particular matters, receive briefings and provide guidance for officials. Workshops are not meetings and cannot be used to either make decisions or come to agreements that are then confirmed without the opportunity for meaningful debate at a formal meeting.*

## WORKSHOPS

## OPEN FOR BUSINESS

A chief executive I spoke with during my investigation said there were different stages to get to a final decision in a formal council meeting. If there was a complex, contentious decision to be made, it will need 'pre-work and pre-thinking' with multiple layers of workshops and consultations in order to reach the final decision. Staff will not be writing the final decision report for the formal council meeting 'all in one go' because it takes time, and revisions will be made as it develops. Multiple workshops may be held on a topic in order to explore the options, with the most realistic and reasonable ones being included in the report which goes to the full council meeting for a final decision.

Some councils appeared to give their view on 'direction setting' with a show of hands and indicated that there was 'some degree of straw polling' in order to narrow options down. Examples of comments from my surveys of both staff and elected members include:

*...workshops have been a valuable avenue to get a fuller understanding of issues and ask the dumb question if needed. Differences of opinion may occur and be discussed/debated but full deliberation and decision making is made at the full Council meeting.*

*...[workshops] can be used as a gauge for staff to structure formal advice to Councillors for decision-making at the Committee phase. Workshops are critical.*

*Workshops provide staff with the opportunity to spend more time with elected members to improve their understanding on a topic. Often formal meetings don't have the time allocated for this to occur. They are also a good way to build trust and rapport between staff and councillors, and allows for open and honest feedback in a less formal setting than a meeting.*

*Councillors over a period of months or years will have a myriad of matters that require at the very least a working knowledge of the issue under consideration. ...workshops serve a meaningful part of the process where Councillors can better understand the issues and this will lead to stronger debate and better decisions.*

Provided an 'actual and effective decision' is not made, I consider this type of deliberative process may appropriately take place in a workshop. However, a perception is likely to grow that the council is not operating transparently, if the following occurs:

- workshops are regularly conducted behind closed doors;
- the fact that they are occurring, and the rationale for closing the workshop, is kept out of public awareness;
- full and accurate records are not kept or are withheld from the community without explicit and robust rationale.

## WORKSHOPS

## OPEN FOR BUSINESS

I also caution against workshops including a significant component of determination, such as a substantial narrowing of options prior to public consultation. At several councils I investigated, a range of options would occasionally be narrowed down at workshops so staff would not waste time and resources pursuing options that the elected members were not willing to consider. A meeting attendee said there was '*some degree of straw polling*' in order to narrow down the options for decision, typically to four or five options. The risk is that such straw polling may be perceived by the public as decision making. Good records of workshops and making the records available to the public would go some way to alleviating this perception.

Councils should be mindful of the public perceptions that may develop where council business is conducted behind closed doors. Even when the reasons for conducting a closed workshop are entirely legitimate, secrecy inevitably breeds suspicion. While it may not be the reality that the council is wrongfully keeping information from the public, even the perception of such may result in reduced public trust and diminished public participation in council processes. Councils can reduce this risk by opening workshops to the public where possible and by publishing information from workshops, as I will discuss further below.

### Open by default

I was pleased that the majority of councils open workshops, or had begun to open their workshops from the start of the 2022 electoral term.

My view is that the principle of 'open by default' should be followed for all meetings and workshops.<sup>50</sup> I understand there may be occasion to close, either partially or fully, a particular workshop. However, councils should start from a position of openness, and then consider specific reasons why any proceedings may need to be closed and whether those reasons are compelling.

The principle of 'open by default' is also supported by *The Guide to LGNZ Standing Orders*.<sup>51</sup>

*Please note, when deciding to hold a workshop or briefing the first question that should be considered is whether there is a convincing reason for excluding the public. The default position should be to allow public access.*

<sup>50</sup> The 'open by default' principle is also consistent with section 4 of LGOIMA 'to promote the open and public transaction of business at meetings of local authorities'.

<sup>51</sup> Link to [The guide to LGNZ standing orders](#), Ko Tātou LGNZ, 2022, p 41

## WORKSHOPS

## OPEN FOR BUSINESS

I accept that, in some cases, there may be a need to protect some of the information presented in such a workshop where good reason exists. In such a case, I expect that councils would endeavour to present material in such a way that the public could have access to as much information as possible. This might be achieved through providing the protected information (such as names/costings) to elected members in advance and ensuring this information doesn't enter the discussion held in public.

Some of the councils I investigated advised me that they needed to hold closed workshops to provide training/background to elected members on complex issues—the intent being to ensure elected members are equipped to make a robust decision on the matter at hand. I absolutely support the use of workshops to educate elected members and to facilitate better decision making. However, it seems evident to me that, where there is benefit to elected members to understand an issue in order to make a decision, it is equally beneficial to allow the public access to the same information so they can better understand the eventual decision.

Another reason put forward by councils for closing workshops was to provide elected members a 'safe space' to ask 'silly questions' out of the public eye. I do not accept this argument. Councillors are elected to public office, a position that demands accountability. They should be prepared for a level of scrutiny and even reasonable criticism from those they represent. The questions and concerns councillors have are no doubt shared by many of their constituents. It may be valuable for the answers to these 'silly questions' to be heard by the public.

This is not to say that no good reasons exist to close workshops, only that I do not consider controversy, complexity, or the potential for embarrassment, to be good reasons in themselves. Difficult or contentious issues are often the very ones that warrant the greatest level of transparency. The determination to close a workshop should always be made on the basis of what best serves the public interest, and the rationale for that determination should be as open as possible.

### Publicising upcoming workshops

It is important that details (time, dates, venue, and subject matter) of open workshops are publicised in advance so that members of the public can attend, and for transparency about the business the council is conducting. As a matter of good practice, councils should maintain awareness of community groups with a particular interest in topics for upcoming workshops and consider contacting them directly to encourage their attendance and contribution. This is in keeping with the principles of inclusiveness included in the LGA.

## WORKSHOPS

## OPEN FOR BUSINESS

It is equally important that *closed* workshops and their subject matter are publicised, along with a suitably detailed reason for closing them. This maintains transparency and allows for members of the public to request under the LGOIMA information about the closed workshop, while also clearly identifying and safeguarding against harms to council deliberations that legitimately need to be conducted in confidence.

I saw very little evidence of consistently sound practice about publicising the timing and subject matter of closed workshops, along with the rationale for closing them. For instance, at least one council advised me that they held 'open workshops' yet they did not tell the public they were happening. It is difficult to imagine how a council could consider a workshop to be 'held in public' when the public doesn't know about it. I am encouraged that several of the councils under investigation are now advising the public about closed workshops, their topics, and the reason they are being held in a closed session.

### Records of workshops

Many councils did not keep records of workshops. Councils would commonly explain that this was because decisions are not made in workshops and records were not required. This is not only incorrect, but counter to the principles of openness and public participation in the LGOIMA and the LGA, respectively; and may constitute a breach of the PRA. It does not matter if no decisions are made, it is good administrative practice to keep a record. How can the public, the Ombudsman or even the council *itself* look back at how council business was undertaken without having record of the information elected members were given and the discussions that resulted?

The baseline is the requirement under the PRA to '*create and maintain full and accurate records in accordance with normal, prudent business practice*'. LGNZ's standing orders guide suggests:<sup>52</sup>

*A written record of the workshop should be kept and include:*

- *time, date, location, and duration of workshop*
- *people present, and*
- *general subject matter covered.*

My view is that the detail in the first and third of these bullets should be publicised before the workshop even occurs as explained in the previous section. The record made during the workshop should include all these elements, plus details of the discussion that contribute to a clear, concise and complete audit trail.

<sup>52</sup> Link to [The guide to LGNZ standing orders](#), Ko Tātou LGNZ, 2022, p 41.

## WORKSHOPS

## OPEN FOR BUSINESS

I expect each council to adopt a standard approach to ensuring that full and accurate records are created and maintained for workshops. It is important to note that this process does not have to be as detailed as taking meeting minutes. Nor is there an expectation of a verbatim transcript of workshops. However, councils must make sure a full and accurate record is kept which should encompass not just the information presented to elected members but any substantive, deliberative discussion or debate around that material. Councils should make records publicly accessible as soon as practicable after the workshop. Where the workshop was not open to the public, councils should implement a system for revisiting those records and releasing information when and if the reason for presenting and discussing material out of public view, no longer applies.

### What councils should do now

- Adopt a principle of openness by default for all workshops (and briefings, forums etc), including a commitment to record a clear basis for closure where justified, on a case-by-case basis.
- Make sure the time, dates, venues, and subject matter, of all workshops are publicised in advance, along with rationale for closing them where applicable.
- Review practice and internal guidance for the keeping of records of workshop proceedings, ensuring they contribute to a clear audit trail of the workshop (including details of information presented, relevant debate and consideration of options). Councils may wish to consider consulting with Archives NZ to determine good practice in this respect.
- Publish workshop records on the council's website as soon as practicable after the event.
- Formalise a process for considering release of information from closed workshops.
- Consider adding a message on a relevant section of council websites stating that members of the public are able to make a complaint to me in relation to the administration of workshops.



## Accessibility

Accessibility of meetings and workshops is not guaranteed by unlocking the doors, issuing invitations, and publishing the records. If some members of the public are unable to get to the door, if they cannot access the record as published, then they are excluded as surely as if they were physically barred. Universal design in access to public spaces, and publication mechanisms built to maximise reach to all, are essential if a public body is to be truly representative and inclusive of all.

### My expectations

The United Nations Convention on the Rights of Persons with Disabilities (Disability Convention) is an international human rights agreement that New Zealand signed up to in 2007.<sup>53</sup> The purpose of the Disability Convention is to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities. As Chief Ombudsman, I have a role as an Independent Monitoring Mechanism partner, under the United Nations Convention on the Rights of Persons with Disabilities.

53 Link to the [United Nations Convention on the Rights of Persons with Disabilities \(Disability Convention\)](#)

## ACCESSIBILITY

## OPEN FOR BUSINESS

Councils should take all practicable steps to remove barriers to full participation in their processes. Public meetings and workshops should be made as accessible as possible to the public, keeping in mind those people with disabilities as well those with other challenges to attending meetings. This might include living a long distance from where meetings take place or being unable to attend because of the time the meeting is held.

Ideally, all councils would livestream and audio visually record their meetings, and publish the recording after the meeting. Keeping a record in this way benefits the community by making the meetings accessible to those who are not able to attend in-person. Another benefit of livestreaming is that it provides an accurate record of the public portion of the meeting is immediately available.

## My conclusions

I am pleased the majority of councils investigated are now livestreaming meetings, and those that are not have committed to live streaming or considering it in the near future. Live streaming, audio visual recording meetings, and publishing the records, can increase the transparency of meetings to the public.

Councils should also consider audio visually recording workshops and either making the recordings publicly available or letting the public know they can be requested. As discussed in [Workshops](#), the public may perceive decisions are being made behind closed doors if workshops are not open to the public. If councils take the additional measure of live streaming or audio visually recording workshops (and publishing the recording), transparency and public participation in local government will likely improve.

There are other ways councils can make meetings more accessible. For instance, meeting agendas, associated reports and minutes should be published in a searchable format, rather than 'image only' (such as scanned PDF or JPEG). Image only formats are not accessible for blind and low vision individuals using screen readers, or those with learning disabilities using read aloud applications. It also limits the ability to search documents using keywords. Ideally searchable PDF documents will also be accompanied by accessible Microsoft Word versions and the public advised that they can ask for other accessible formats if required.

Meetings and workshops should be advertised widely and on as many mediums as possible to reach a diverse range of people. Some councils advertise meetings on their website, on social media, and in their local newspapers. As discussed in [Leadership and culture](#),

## ACCESSIBILITY

## OPEN FOR BUSINESS

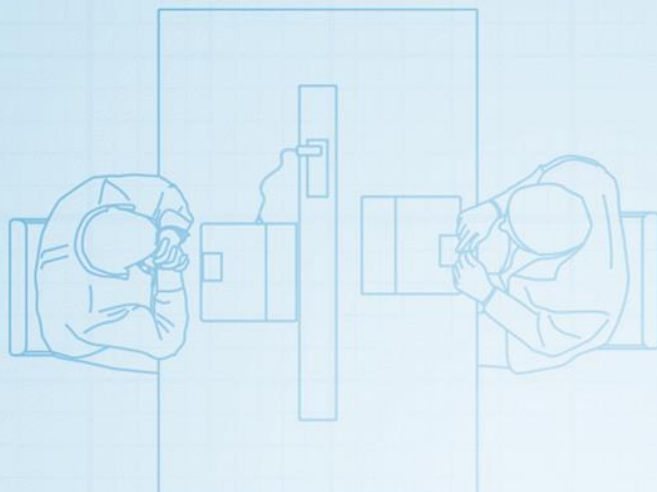
councils should make sure that the links to meetings are in a prominent place on their websites' home pages. I have suggested a number of councils consider additional ways of making meeting dates and times more visible to the public.

I was pleased that there was a range of other accessibility measures in place. For instance, one council's website utilises ReadSpeaker, a text-to-speech aid which allows text to be read aloud. Another council uses NZ Relay, which is a telecommunications service for people who are deaf. The majority of council chambers are wheelchair accessible, although one public survey respondent said that one council appeared to be physically difficult to access. Disabled people have the right to take part in all aspects of community life, on an equal basis with others. Public meetings, and all public spaces, need to be accessible. To ensure appropriate accessibility and public participation, I suggested the council undertake an accessibility audit by a suitable provider to identify barriers to inclusion.

Ultimately, making spaces such as meetings and workshops accessible, and welcoming to as many people as possible means that a diverse group of people are able to participate as fully as possible in council business. Ideally, this will encourage diverse voices to participate in local government, which should lead to a council that is more representative of the community as a whole.

## What councils should do now

- All councils should aim to live stream council meetings and/or audio visually record meetings and publish the recording on their website.
- Consider live streaming and/or audio visually recording workshops.
- Consider making meeting dates and times more visible to the public.
- Ensure full agendas, including reports, supporting materials, and meeting minutes, are in a searchable format for screen readers.
- Undertake an accessibility audit to identify any barriers to inclusion and on completion of the audit, put in place a schedule of work to remedy any access issues or barriers to full inclusion of a wide range of people.



## Organisation structure, staffing and capability

I am aware that it will take some effort to fully meet expectations of good administrative practice for meetings and workshops, and that councils are juggling competing demands with limited resources. I recognise that an important way to meet and sustain the reasonable standard I expect is through the building of organisational capacity, capability and resilience, which is especially challenging for small councils. Nonetheless, organisational stewardship that fosters long-term strength and institutional integrity is fundamental to any democratic institution of whatever size.

### My expectations

I expect councils to organise their structure and resources to meet their legal obligations under Part 7 of the LGOIMA in a way that is relevant to their particular size and responsibilities. I also expect councils to make sure there is sufficient awareness of the LGOIMA and meeting administration across the organisation, and to provide coverage for key staff when they are away or if a staff member leaves.

ORGANISATION STRUCTURE, STAFFING AND CAPABILITY

OPEN FOR BUSINESS

I expect the LGOIMA function to be appropriately resourced, with roles and responsibilities clearly defined, and with resilience arrangements in place. This ensures staff are able to draw on specialist expertise when required. Sufficient resilience could involve building the skill set of a group of senior staff, combined with regular training, good resources and guidance material.

## My conclusions

I identified organisational resilience as an issue in some of the councils I investigated. Business continuity and legislative adherence may be at risk during periods where councils are overwhelmed with work or when experienced staff members leave or are temporarily absent. There was a correlation between the size of the council and organisational resilience. I was not surprised to find that the smaller councils had less governance staff and weaker resilience measures.

Each of the councils identified as having issues in this area employed under 200 staff members and either did not have a team responsible for the administration of meetings and workshops, or had a very small team. They each had one or two staff members with specialist knowledge of the LGOIMA and provided advice to the chief executive regarding meetings or workshops. There is a risk that when those staff members are away or leave a council, especially if their departure is unexpected, their institutional knowledge is lost. This effect is amplified in a small council where the absence or departure of just one staff member can have a disproportionately large impact.

I also identified specialist knowledge as an issue, particularly for smaller councils. Two of the three small councils only had one key staff member providing advice to the chief executive about items to be heard in the public excluded portion of meetings. I am concerned that where there is only one subject matter expert at the senior leadership level this will not provide adequate flexibility to allow a council to respond to short term shocks. If the COVID-19 pandemic has demonstrated anything, it is the importance of preparation.

Regular training and accurate guidance should ensure staff know enough about the legislation to make correct decisions, and not simply rely on what others have done before them, or on using standard templates. I acknowledge that templates are useful for consistency of practice. However, it is important that templates are supported by guidance and training, especially for those who do not have specialist or legal knowledge; and that templates are updated to reflect changes in practice or legislation.

ORGANISATION STRUCTURE, STAFFING AND CAPABILITY

OPEN FOR BUSINESS

I identified a number of councils as having good organisational resilience. The LGOIMA function was appropriately resourced in these councils and they were able to draw on specialist expertise when required. A number had dedicated governance and democracy teams that were responsible for administering council meetings and taking minutes.

One council in particular demonstrated that bolstering its governance team could lead to increased transparency by making improvements to practices such as releasing documents heard in the public excluded portion of meetings. The council underwent a significant internal culture shift, which included increasing the number of staff in its Governance and Democracy team and legal oversight. A number of staff survey respondents and staff meeting attendees said the strengthening of this team led to improvements in transparency.

I acknowledge that a lack of organisational resilience is a common issue among smaller councils, and it takes resources to establish formal training and guidance. I encourage councils to consider taking advantage of the expertise and existing resources of other councils within its networks, and outside of them, in order to share and develop good meeting and workshop practices. Bolstering specialist expertise and organisational resilience, including through training and resources such as guidance and process documents, will provide an extra layer of protection.

One staff meeting attendee from a smaller council said that if they have a 'curly' issue, they talk to one of their network contacts in another council. They said their surrounding councils meet up to four times a year to discuss issues and work collaboratively. The meeting attendee said the council works hard to strengthen networks. I am pleased that some of the smaller councils are taking advantage of the resources available to them and working in a collaborative way. I encourage other councils to share resources and reach out to networks if their organisational resilience or specialist knowledge is lacking.

Councils should ensure there is sufficient resilience in their structure to respond to contingencies such as staff absences or departures. Organisational risk can be reduced by investing in regular LGOIMA training and resources such as guidance, policies, and process documents, to assist them to carry out their responsibilities, particularly if a key staff member is away. I encourage councils to ensure that regular training is delivered to staff and elected members on these topics. Some staff and elected members may be proficient in these areas but I urge councils to train staff and not rely on individuals' knowledge and past experience alone. Good training and guidance provide staff with additional tools to utilise when they encounter a complex or unique problem in relation to meetings and workshops.

ORGANISATION STRUCTURE, STAFFING AND CAPABILITY

OPEN FOR BUSINESS

## What councils should do now

- Ensure sufficient staff have training in governance functions so that institutional knowledge does not rest with only a small number of staff, and processes for fulfilling these functions are written down and easily accessible.
- Explore ways of using existing networks in local government to bolster resilience in critical areas of meeting and workshop practice.
- Review the general training and guidance provided to staff, and consider approaching the Ombudsman for assistance in improving those resources or in assisting with direct training of relevant staff.

## Appendix 1. Relevant legislation

The LGOIMA sets out the principle and its overall purposes as follows:

### **4 Purposes**

*The purposes of this Act are—*

- (a) *to increase progressively the availability to the public of official information held by local authorities, and to promote the open and public transaction of business at meetings of local authorities, in order—*
  - (i) *to enable more effective participation by the public in the actions and decisions of local authorities; and*
  - (ii) *to promote the accountability of local authority members and officials,—*

*and thereby to enhance respect for the law and to promote good local government in New Zealand...*

### **5 Principle of availability**

*The question whether any official information is to be made available, where that question arises under this Act, shall be determined, except where this Act otherwise expressly requires, in accordance with the purposes of this Act and the principle that the information shall be made available unless there is good reason for withholding it.*

Section 10 and 14 of the Local Government Act 2002:

### **10 Purpose of local government**

- (1) *The purpose of local government is—*
  - (a) *to enable democratic local decision-making and action by, and on behalf of, communities; and...*

### **14 Principles relating to local authorities**

- (1) *In performing its role, a local authority must act in accordance with the following principles:*
  - (a) *a local authority should—*
    - (i) *conduct its business in an open, transparent, and democratically*

OPEN FOR BUSINESS

*accountable manner; and*

- (b) *a local authority should make itself aware of, and should have regard to, the views of all of its communities; and*
- (c) *when making a decision, a local authority should take account of—*
  - (i) *the diversity of the community, and the community's interests, within its district or region; and*
  - (ii) *the interests of future as well as current communities; and*
  - (iii) *the likely impact of any decision on each aspect of well-being referred to in section 10:*
- (d) *a local authority should provide opportunities for Māori to contribute to its decision-making processes;*
- (e) *a local authority should actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes;*

...

(2) *If any of these principles, or any aspects of well-being referred to in section 10, are in conflict in any particular case, the local authority should resolve the conflict in accordance with the principle in subsection (1)(a)(i).*

The Public Records Act 2005 sets out a fundamental obligation of all public sector organisations in section 17:

**17 Requirement to create and maintain records**

- (1) *Every public office and local authority must create and maintain full and accurate records of its affairs, in accordance with normal, prudent business practice, including the records of any matter that is contracted out to an independent contractor.*
- (2) *Every public office must maintain in an accessible form, so as to be able to be used for subsequent reference, all public records that are in its control, until their disposal is authorised by or under this Act or required by or under another Act...*

## Appendix 2. Legislative history of key terms

Part 7 of the LGOIMA has its origins in the Public Bodies Meetings Act 1962.<sup>54</sup> In 1986, officials recommended to Ministers that this Act be incorporated into a new piece of legislation to deal with access to local authority information and meetings, and this became the LGOIMA.<sup>55</sup>

Accordingly, in the Local Government Official Information and Meetings Bill<sup>56</sup> as introduced, the definition of 'meeting' largely mirrored the wording from the 1962 Act:<sup>57</sup>

*'Meeting', in relation to any local authority, includes any annual, biennial, triennial, ordinary, special, or emergency meeting of that local authority, and also includes any meeting of the representatives of 2 or more local authorities, and any meeting of a committee or a subcommittee of a local authority other than a special committee or subcommittee without power to act:*

This definition was carried into the LGOIMA as enacted in 1987.

The Hansard debates discussing the Bill, as reported back from Select Committee, contains a useful statement from the Minister for Local Government, at Second Reading:<sup>58</sup>

*The intent of clause 44 is that all council meetings, and any council committee meetings which have a decision making role, will be covered by Part VII. The meetings of the full council, and the meetings of a council committee that has decision making powers, will be open to the public unless that council or the council committee determines to go into closed session.*

This supports the view that, at the time, the intent was:

- All full council meetings be notified and open, *whether or not a decision was being made at the meeting* [emphasis added].
- The meetings of any committees of the full council only have to be notified and open where the committee is exercising a power of decision.

54 Link to the [Public Bodies Meetings Act 1962](#).

55 Report of the Working Group on Official Information in Local Government, June 1986: a report to the Minister of Local Government and the Minister of Justice / by the Working Group on Official Information in Local Government.

56 Link to [Local Government Official Information and Meetings Bill](#).

57 Clause 44

58 Second Reading of Local Government Official Information and Meetings Bill, Hansard, page 10250, 7 July 1987.

OPEN FOR BUSINESS

However, not long after the LGOIMA came into force, proposals to amend the definition of 'meeting' were considered by officials and Ministers. Papers prepared by the Department of Internal Affairs and the legislative history help illustrate the intended scope of section 45(2). A paper for a 'Local Government Consultative Group' in April 1988 discussed problems being posed by 'informal gatherings' taking place in councils:

*Since the Act came into force the Minister has correspondence received considering the activities of the local authorities in holding "informal gatherings" of all their Councillors, with officers present, to discuss council business (such as the estimates and relations with citizen/ratepayer groups) but with no formal agenda or minutes taken. The question was raised in correspondence whether this procedure is an attempt to circumvent the provisions of Part 7 of the Act.*

The Mayor of Hamilton City Council wrote seeking the views of the Chief Ombudsman at the time who, in reply, noted:

*There is a distinction between a 'meeting of a Council' and 'a meeting together of councillors', the latter not being in any way ... controlled or regulated provided no attempt is made to conduct Council business which is only authorised to be done at a properly constituted meeting of the Council or its subcommittees.*

The Chief Ombudsman at the time went on to say that any information arising from an informal gathering, even though it may not be contained in any official document, is clearly official information and therefore subject to disclosure in terms of the legislation.

The Minister at the time went on to comment:

*It is the view of the Minister that the conduct of 'informal gatherings' or caucusing within local authorities is legitimate and LGOIMA recognises this. However the potential does exist for local authorities to use 'informal gatherings' to reduce the level of open debate and in this way be deliberately secretive in its activities to an extent which is not in keeping with the spirit of the legislation. This is particularly of concern where the 'informal gathering' happens to consist of all of the elected members of a local authority with senior officers also present. While not wanting to affect the rights of elected members to caucus, it is felt that some action must be taken to clarify in the minds of elected members and the public, the difference between a meeting of the Council and a meeting of councillors.*

OPEN FOR BUSINESS

In 1989, the Minister of Local Government, Hon Michael Bassett, established a 'Working Party on LGOIMA' in response to concerns that some local authorities were conducting business of direct concern to the public committee or closed sessions. The Working Party's final report stated:

*... it may not be clear whether or not recommendatory and purely deliberative meetings are covered in the definition of the word 'meetings' in the Act.*

The Working Party noted that some submissions held that meetings of working parties and similar groups which make recommendations to parent authorities and committee, and informal meetings of councillors, ought to be open to the public. Such groups could make decisions or recommendations that could be rubber stamped by local authorities. In such circumstances decisions could be made without issues being fully debated in public.

While it appreciated the above argument, the Working Party also recognised the truth of a comment contained in a British report [the Committee of Inquiry into the Conduct of Local Authority Business]:

*It is a simple reality, which no legislation can alter, that politicians will develop policy options in confidence before presenting the final choice for public decision. We do not think that is unreasonable. If the law prevents them from conducting such discussions in private in formal committees then they will conduct them less formally elsewhere ... It is unsatisfactory to force policy deliberation out of the formal committee system into groupings of indeterminate status. It is also unnecessary. No decisions can be taken by a local authority without it eventually being referred to a decision making committee or the Council, where there will be full public access to the meeting and documentation. Given this basic safeguard, we can see no benefit in applying the Act also to deliberative committees. We would not in any way wish to discourage individual local authorities from opening deliberative committees to the public and press if that is appropriate to their particular circumstances, but do not believe they should be required by law to do so.*

The Working Party concluded that the availability of information arising from 'working parties', similar groups and informal meetings, coupled with the need for recommendations to be confirmed at a public meeting was sufficient protection of the public's interest. In addition local authorities have discretion to open informal meetings to the public if they wish.

*The Working Party was also concerned that it may not be clear under the present definition of 'meeting' whether or not recommendatory and purely deliberative meetings are covered by Part 7 ... The Working Party sought advice from the Department*

OPEN FOR BUSINESS

*of Affairs. It was advised that the current legislation was unclear on this point. There is no legal convention or definition which makes it clear whether the discussion of a function is in fact part of the exercise or performance of that function.*

The Working Group did not specifically recommend a change to the definition of 'meeting' in the LGOIMA, but its preference *not to include* deliberative meetings in scope of Part 7 is relatively clear from the excerpts above. It appears that the Department of Internal Affairs did recommend to the Minister that the definition of meetings should be amended to make it clear that 'deliberative' meetings are not covered by Part 7.

The Local Government Law Reform Bill 1991 (62-1)<sup>59</sup> that was then introduced, which contained a clause that inserted a new subclause into section 45 of the LGOIMA to *'make it clear that any meeting of a local authority that is solely deliberative in nature is not subject to Part VII of the principal Act.'*<sup>60</sup> The wording proposed was:

*(2) For the avoidance of doubt, it is hereby declared that any meeting of a local authority that is solely deliberative in nature and is a meeting at which no resolutions or decisions are made is not a meeting for the purposes of this Part of this Act.*

This clause was amended at Select Committee to remove *'that is solely deliberative in nature and is a meeting.'* The Departmental Report stated that *'The words "solely deliberative" are unnecessary as meetings which do not make resolutions or decisions are "solely deliberative".'*

There was limited debate in the House about this provision (it being one small aspect of a much larger set of local government reforms), but one comment from an opposition MP at second reading is consistent with the tenor of the policy discussions outlined above:<sup>61</sup>

*We have seen in the Dominion as recently as 19 June 1991 that the [...] Council has come in for some criticism. No notification of a meeting was sent to the news media, but the council held a meeting. But was it a meeting? That is the real point. Council meetings are meetings at which decisions are made. To try to stop councils from getting together outside of the decision-making process to discuss ideas would be a very backward step.*

On 1 October 1991 the change came into force.

Two pieces of correspondence from the then Minister (Hon Warren Cooper) expanded on the intention in enacting section 45(2):

59 Link to [Local Government Law Reform Bill 1991 \(62-1\)](#).

60 From the Explanatory Note to the Bill.

61 George Hawkins, Labour MP, Manurewa, Local Government Reform Bill, Second Reading, Hansard, 20 June 1991.

OPEN FOR BUSINESS

*[section 45(2)] ... is not new, but rather a clarification of an existing provision. The previous definition of meeting was ambiguous and it was felt that it was unfair to expect councils to comply with the provision when they were not clear on what they were complying with. Meetings at which no resolutions or decision are made are not subject to the Act for two reasons. Firstly, it is inevitable that local authority members will sometimes initially discuss matters in private. It is better that they can do so at formal meetings which all members may attend than at private meetings to which some members may not be invited. Secondly, decisions cannot be made at such meetings. Any meeting which does require a resolution, even if that resolution is only recommendatory, is subject to Part 7 and must be publicly notified and open to the public. Local authorities therefore can only decide to hold meetings that do not comply with Part 7 of LGOIMA where they are certain, in advance of the meeting, that they will not be making decisions or recommendations.<sup>62</sup>*

And:

*While local authorities are not required to publicly notify informal meetings it is at their discretion to do so and you might like to suggest to the Deputy Mayor that these meetings be publicly notified ... In any case, any information generated from informal meetings is official information under LGOIMA and may be requested under that Act.<sup>63</sup>*

62 Undated letter to G Liddell.

63 Letter dated 13 November 1991 to Secretary of the Te Atatu Residents and Ratepayers Association.



**Ombudsman**  
Tuia kia ōrite · Fairness for all



# Organisational Performance Report

QUARTER 2: 1 October to 31 December 2023

  
**HAWKES BAY**  
**REGIONAL COUNCIL**  
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

Contents

Introduction ..... 3

Executive Summary ..... 4

Corporate Metrics ..... 6

Level of Service Measures.....13

Activity Reporting..... 17

How Metrics are Calculated ..... 28





# Introduction

**This Organisational Performance Report is the second quarterly report for the 2023-2024 financial year and covers the period of 1 October to 31 December 2023.**

The purpose of the report is to provide the Regional Council with an overview of how well we are performing across a number of measures, including corporate measures. It uses the groups of activities from our Long Term Plan 2021-2031 to present non-financial and financial performance using a traffic light reporting approach. It also provides the Regional Council with qualitative information to understand the situation-specific factors affecting performance.

The secondary purpose of the report is to provide the Chief Executive, Executive Leadership Team, and staff with information to ensure alignment of the Regional Council's work programme across different groups and teams to achieve the Regional Council's Strategic Plan outcomes and to ensure a steadfast focus on performance and accountability.

## Executive Summary

This Organisational Performance Report is the second report for year three in our Long Term Plan 2021-2031.

The period between October and December was challenging for the community and HBRC with recovery from the cyclone continuing.

The 2023 general election was held in October with the new government formed in late November. The region was visited by the new Prime Minister, Cyclone Recovery Minister, and Local Government Minister in early December, including a visit to Wairoa.

The voluntary buy-out by Hastings District and Napier City councils of Category 3 properties across Hawke's Bay began after 287 properties across Hastings and Napier were confirmed in early October. This marked a significant milestone in Hawke's Bay Regional Council's land categorisation process.

The Silt and Debris clean up continued. Hawke's Bay Regional Council and the Silt Recovery Taskforce continued to work hard to remove woody debris from beaches around bridges and from riverbanks across the region.

Over the page are some highlights and challenges from across our corporate service metrics, level of service measures and activity reporting within our six groups of activities.



## Organisational Performance Report: Q2 2023-2024

**Highlights**

- Tūtira Regional Park reopened on 21 December after being closed for 11 months for repairs following Cyclone Gabrielle.
- In December, the Regional Council adopted the Navigational Safety Bylaw 2023 following public consultation. The Navigation Safety Bylaw is reviewed every five years to assess and improve its effectiveness in response to actual and potential safety issues for all types of water users. It comes into effect in January 2024.
- A new suite of environmental teaching resources was made available for local secondary schools in November. They have been designed support senior students to engage with their local environment as well as providing curriculum specific resources for their teachers. Each resource is linked to NCEA standards.
- 83 ratepayers improved the health and climate resilience of their homes by taking up HBRC's Clean Heat grants and Sustainable Homes loans.
- The region's Climate Action Joint Committee adopted a living vision and strategy in December for mitigating, adapting to, and engaging communities around climate change in the region.
- Hawke's Bay Regional Council opened its public consultation from 1 December 2023 on proposed changes to its Revenue and Financing Policy following an 18-month review process.
- The Possum Bait and Rabbit Subsidy programme is still being well supported by the community which is administered through Farmlands Trading and PGG Wrightsons.
- HBRC awarded a successful tender by contractors to remove up to 300,000 cubic meters of gravel from the Upper Tukituki catchment near Waipawa.

- The Silt Recovery Taskforce has removed nearly 150,000 tonnes from around the region's rivers, bridges and beaches, 17,500 tonnes of that in Wairoa.
- The region's road safety campaign and website—roadsafehb.org.nz—was successfully relaunched in October 2023. The Road Safe activity plan was submitted and accepted by Waka Kotahi NZ Transport Agency.
- The Regional Council's system that notifies water consent holders of low flow water levels was back online in October 2023. This followed a period after Cyclone Gabrielle, when the system was temporarily suspended and notifications to consent holders stopped.

**Challenges**

- Driver shortages continued to impact GoBay bus services during this quarter with some routes being cancelled at short notice. Note that all services were reinstated from January 2024.



## Corporate Metrics

Our people are our greatest asset working to deliver services to meet outcomes outlined in our Long Term Plan 2021-2031.

Our work supports our community, and it is important we ensure customers have the best experience possible with the Regional Council. With climate change a major operations driver, we are also working to reduce our corporate carbon footprint.

This section provides a snapshot of:

- staff numbers and turnover
- reported health and safety incidents
- LGOIMA requests
- customer experience
- website and social media reach
- corporate carbon footprint measures.

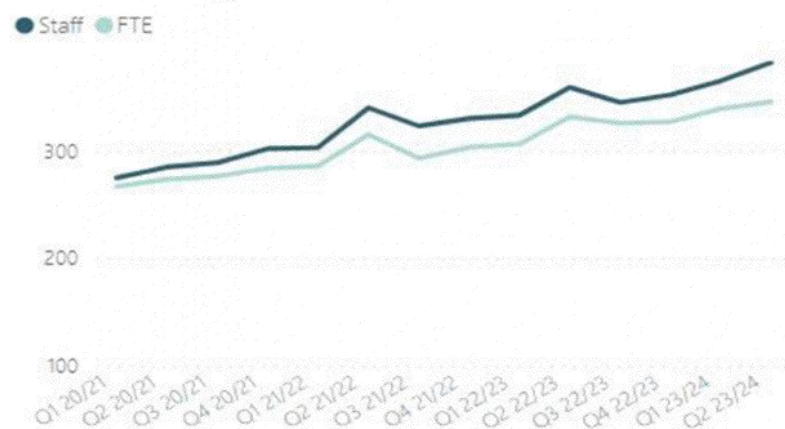
## Organisational Performance Report: Q2 2023-2024

## People and Capability

### Employee count



Staff Count and FTE by Quarter



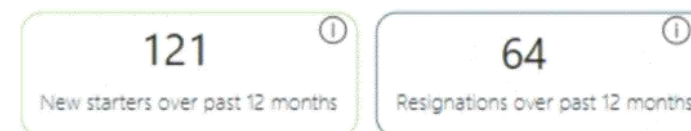
### Vacancies and recruitment

There was a small drop in vacancies over the quarter. Of the 28 vacancies, 12 have had offers of employment signed and returned by the successful candidates. 13 new roles have been created as part of the Project Management Office in the Asset Management team focused on delivery of rebuild projects in the region which will increase vacancies for a period while we recruit.

### Resignations

Resignation numbers has dropped for the third quarter in a row to 12. Three of these exits were due to fixed term contracts ending as intended, and one was a redundancy due to a team restructure process.

### Turnover



### Our employees

We currently have a total of 382 staff, totalling 345.51 full-time equivalents (FTE). Six of these new employees are students who will be with us for the summer to support their education and provide additional resource to our teams during the busy summer period.

We had 13 internal staff movements, all into permanent roles that were either higher level positions (promotions) or new roles in other areas of the organisation. This is a positive way in which we are retaining staff, keeping them engaged and ensuring we are connecting people with meaningful work.

### Employee turnover (permanent and fixed-term staff only)

Permanent Employee Turnover

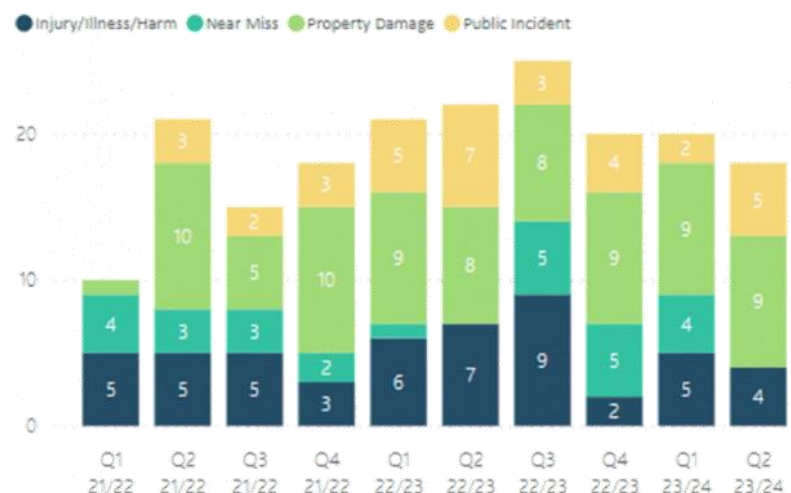
Quarterly Turnover (blue bars) Annual Turnover (green dotted line)



## Organisational Performance Report: Q2 2023-2024

## Health, Safety and Wellbeing (HSW)

### Incidents reported



### Staff wellness

This quarter, the HSW committee organised the Tsunami Hikoi (practice evacuation) on 19 October. There was improved staff participation compared to last year.

Employee Assistance Programme continues with the HSW team consistently promoting its service and benefits to staff. The HSW team continues to focus on the welfare and wellbeing of staff post-Cyclone, especially in the area of mental health and personal safety.

The leadership wellness committee organised a number of staff wellbeing initiatives. The promotion of health and wellbeing for staff continues through internal messaging.

### Health & Safety Incidents\*

The majority of incidents this quarter were property damage to vehicles and items being hit while mowing with tractors. The incident management system alerts all incidents recorded, reported to the Group Manager, direct line manager and the HSW team. Every incident is investigated by the HSW team and corrective actions applied.

### Corrective actions this quarter

- De-escalation and situational training continue to be delivered.
- Vehicle repairs were coordinated by HRBC Fleet Manager and Works Group Administrator.
- Training in 4WD and quad bike use were delivered where required.

### Training for staff

This quarter, Health and Safety workshops included:

- warden and fire extinguisher training
- de-escalation training
- several levels of traffic management training.

Other training provided this quarter included:

- dealing with aggressive behaviour
- working at height
- first aid
- quad bike, LUV, 4WD, and motorbike.

\*Other Health & Safety incidents captured but not reported in the figure include: environmental incidents, hazards, improvement/ideas, and public complaints

## Customer Services

### Local Government Official Information and Meeting Act (LGOIMA) requests

There were 47 LGOIMA requests received this quarter (6 more from last quarter). In total 38 were provided with the information requested within the required timeframe. The majority of LGOIMA request continue to be related to the cyclone.

### Customer experience

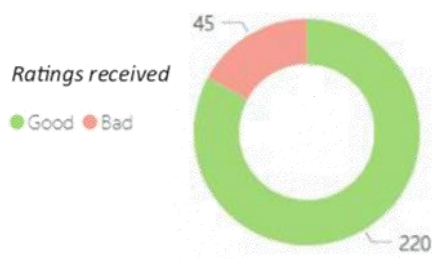
The early part of the quarter was particularly busy for the team, given rates penalty notices went out early October. The phone system became inundated and some customers were unhappy at having to wait. The call back system worked well. Additional EFTPOS machines were brought in to ease the pressure at the counter. Email interaction was the second highest in 21 months.

November and December saw a decrease in the volume through all channels—consistent with previous years. Rates, MyWay and general enquiries continue to be the top categories. Customer experience average around 59% of first call resolution.

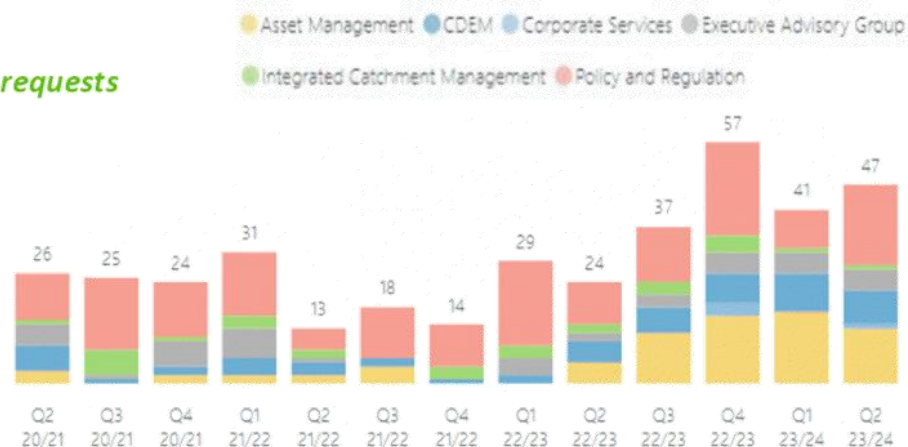
### Contacts handled



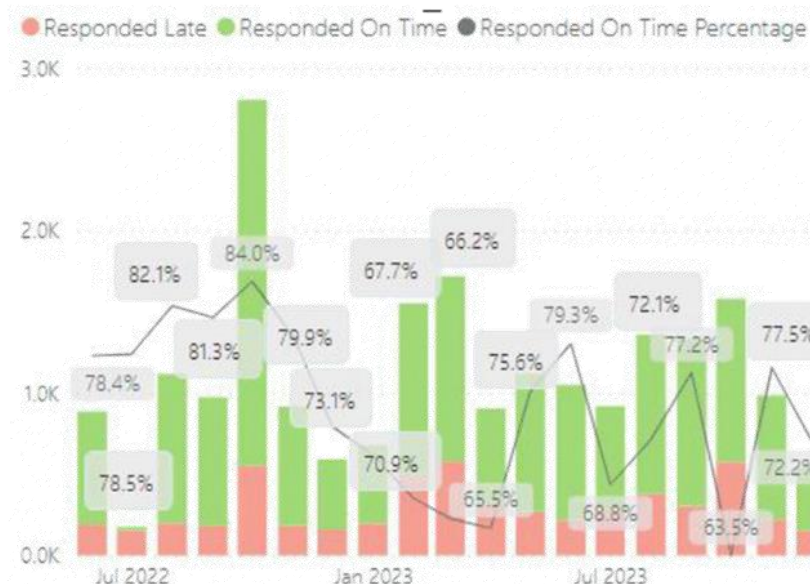
### Daily feedback this quarter



### Organisational Performance Report: Q2 2023-2024



### Response Time to Customer Enquiries



## Organisational Performance Report: Q2 2023-2024

## Communications and Engagement

### Website and social media

This quarter, traffic to hbrc.govt.nz included some key campaign activity driving users to the refreshed RoadSafeHB website, and our consultations website for the Navigation Safety Bylaw and Revenue and Financing Policy consultations.

Facebook total reach is up 53% since the previous quarter. This is the number of unique users who have seen our page, posts and ads on Facebook.

\*The number of visits to our hbrc.govt.nz website does not include sessions on other websites managed by the digital team eg. GoBay, RoadSafe, Consultations, HB Trails etc.

### Website\*

Number of HBRC Website Page Views



### Social media

Total Reach on Facebook



### Communication and media

The focus this quarter continued to be around recovery, and summer stories such as water quality, and Lake Tūtira park reopening, with a steady stream of media inquiries about recovery, particularly in Wairoa.

### Community engagement

In community engagement, the Enviro Schools team produced a new series of high-school level curriculum models and began promoting them to Hawke's Bay schools while also running the annual Enviro Challenge for area high schools.

\*supporting graphs have been removed for this quarter as data sources are checked following a change in the way we log our work.

Corporate Facilities and Fleet

Vehicles



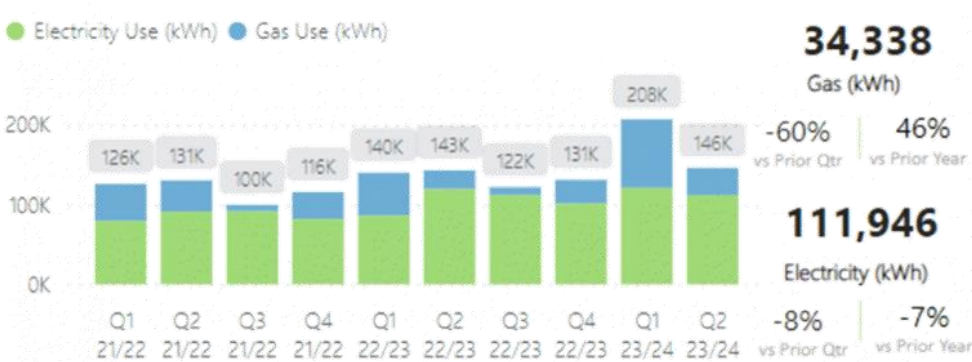
Fuel use



**Vehicles and fleet**  
HBRC’s total fleet vehicles decreased from 164 to 153 this quarter. This has been due to selling off vehicles which were held over for cyclone recovery. There has been an increase in the pooling of vehicles which has allowed for better utilisation.

**Fuel use**  
This quarter has seen a levelling of petrol and diesel use as the Operations team at Work Group, return to normal operations. The cost of fuel continues to fluctuate and no stability can be established.

Energy use



**Energy use**  
The decrease in electricity use is common at this time of year due to the close down period at end of December.  
The decrease in gas use is relative to the time of year as less demand is put on our heating systems in the summer months. A study is in motion to establish the condition of our heating system, to plan the replacement of the plant to a more economical alternative in the near future.

## Organisational Performance Report: Q2 2023-2024

## Corporate Carbon Footprint and Air Travel

## Air travel

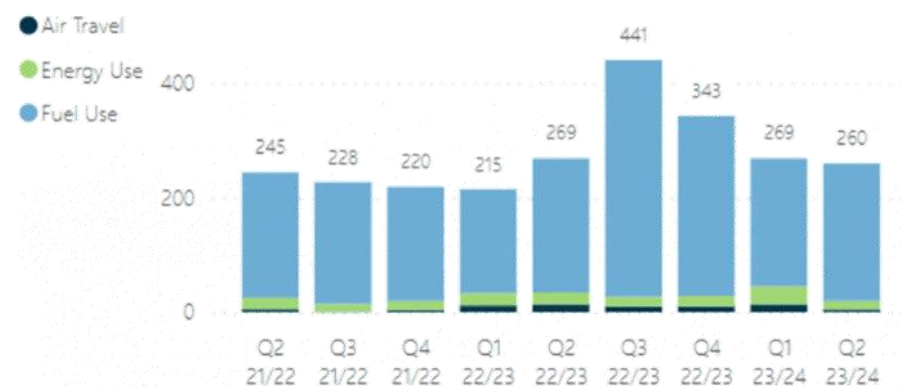


## Air travel

Through this quarter, we have observed a significant decrease in travel requests, which may be relative to time of year and workload pressures.

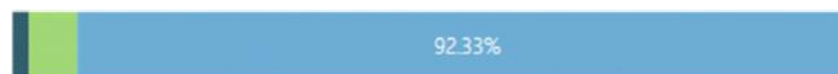
To reduce travel emissions, the use of sustainable public transport and electric vehicle use has been encouraged via internal newsletter to staff.

## CO2 Emissions (tonnes)



## CO2 Quarterly Emissions

● Air Travel ● Energy Use ● Fuel Use



Category	CO2 Tonnes Emitted	Prior Qtr Change	Year Increase
Fuel Use	240.50	7%	2%
Energy Use	14.98	-52%	-27%
Air Travel	5.00	-64%	-64%
Total	260.48	-3%	-3%

## Carbon Emissions

Our corporate carbon emissions have come down four quarters in a row. Diesel consumption is still the biggest factor.

For a more complete picture of HBRC's corporate carbon footprint, an annual report is completed by EKOS, and independently verified. This is a performance measure that is updated in the HBRC Annual Report.

## Level of Service Measures

### by group of activity

Each quarter we monitor and report on the 58 level of service measures as outlined in our Long Term Plan 2021-2031.

The figure on the next page provides a summary how they are tracking by our six groups of activities:

1. Governance & Partnerships
2. Policy & Regulation
3. Integrated Catchment Management
4. Asset Management
5. Emergency Management
6. Transport

These groups of activities in our long-term plan are made up of 22 activities, 34 levels of service statements, and 58 level of service measures.

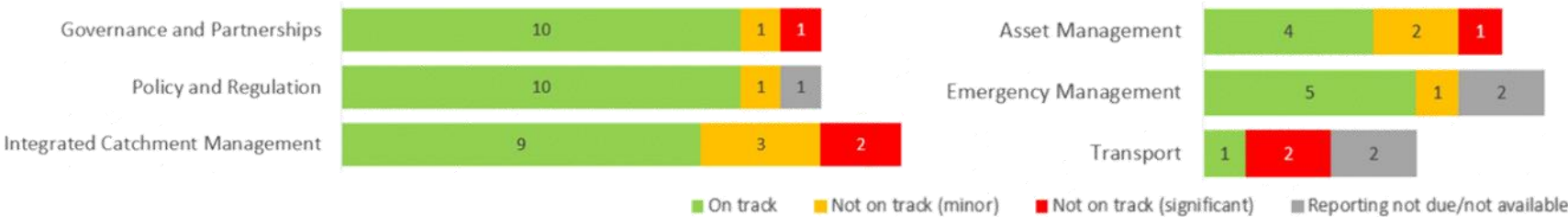
A traffic light reporting approach is used to show non-financial results.

#### Exception reporting

The exception reporting over the following pages provides commentary regarding measures that are currently 'off track' or forecasted to be 'at risk' of not being achieved. The Regional Council's Executive Leadership Team monitors the measures throughout the year to enable proactive action to improve performance.

# Level of Service Measures

## Summary—by Group of Activities



## Summary of results

### Governance and Partnerships

Measure	Target	YTD Result	Status	Commentary
Percentage of LGOIMA requests responded to within 20 working days	100%	61%	●	Of the 88 LGOIMA requests received in the year to date, 38 were provided with the information within 20 working days. This self-set target over and above the legislative requirement. Delays in providing information were due to impacts on staff resources caused by the Cyclone Gabrielle response and the number and complexity of LGOIMA requests received.
Percentage of tāngata whenua representatives "satisfied or very satisfied" with the Treaty-based partnership approach to engagement and decision making (source: biennial survey of RPC and Māori Committee members)	Increasing trend	n/a	●	Survey has not yet been held. It is instead proposed to gather feedback from tangata whenua entity Chairs and CEs. Relationship Managers are progressing this approach.

### Policy and Regulation

Measure	Target	YTD Result	Status	Commentary
Percentage of resource consents processed within statutory timeframe in Resource Management Act	100%	97%	●	97% of applications were processed withing the statutory times.

## Organisational Performance Report: Q2 2023-2024

## Level of Service Measures

### Integrated Catchment Management cont.

Measure	Target	YTD Result	Status	Q1&2 Commentary
Percentage of land area (by catchment) that operates under a Farm Environment Management Plan (FEMP) as required under the RRMP	100% Tukituki	96%	●	Covers 96%, or 207,951.8ha of eligible land in the Tukituki Catchment. This result will not change before the end of 2023-2024 year.
Additional area of erodible land, planted with fit-for-purpose erosion control species, transitioned to more sustainable land use or retired and protected	900ha under cover	410ha	●	The area of land treated in quarters 1 and 2 was 271.4ha and 138.76 ha, respectively, with a year-to-date total of 410 ha. This is 46 per cent of our target of 900 ha for the year. Data input continues to improve, and data quality assurance is ongoing, resulting in ever-increasing confidence in reporting.
Additional kilometres of waterway protected annually through erosion mitigation works to reduce sediment, nutrient and/or bacterial contamination	60km	11km	●	The length of the waterway protected in quarters 1 and 2 was 7.57 km and 2.99 km, respectively, with a year-to-date total of 10.56 km. This is 18% of our target of 60km for the year. Noting that the Erosion Control Scheme does not include riparian planting but will focus on streambank erosion.
Sediment load in tonnes per year in receiving waterbodies (streams/rivers and estuaries). (Source: 20 ISCO automated sediment samplers in priority catchments with highly erodible land)	Reducing load	n/a	●	It has been a slow quarter on the sampling front given that the drier weather has not triggered ISCO sampling. In the downtime, suspended sediment concentration (SSC) and flow have been analysed to build rating curves for 18 sites. The overall theme is that more sampling and sediment gauging is needed at higher flood flows (> 1 year Annual Return Interval). There are some sites that need more samples across the range and others that simply have a poor relationship. A Traffic Management Plan is proceeding with ProTraffic to access bridges for sediment gauging. The booster pump has returned from the USA for deployment at sites with large stages. Tech resources have been diverted over the last 7 months which has slowed progress in the field.
Area of predator control per annum	10,000ha	14,600ha	●	Cyclone Gabrielle caused significant challenges for this project in Whakatipu Māhia with roading issues still limiting travel. Some operational work has occurred this quarter with contractors beginning the mop-up phase. The project team continue to scope what transitioning this project to an external organisation could look like.

### Asset Management

Measure	Target	YTD Result	Status	Q1&2 Commentary
Following a flood event, affected areas are surveyed and repairs are programmed: 1. Following a major flood event, a flood report will be compiled within 6 months of the event 2. Major event report outcomes incorporated into AMP	Achieved	n/a	●	The last major flood event was Cyclone Gabrielle. The flood report is being worked on currently through the scheme review process - outcomes of which will be incorporated in the Asset Management Plans. As this flood report will take longer than 6-months to be compiled, this measure will not be achieved.

## Organisational Performance Report: Q2 2023-2024

## Level of Service Measures

### Asset Management contd

Measure	Target	YTD Result	Status	Q1&2 Commentary
Ecological Management and Enhancement Plans (EMEP) are implemented	Achieved	n/a	●	EMEPs are being reviewed and implemented where possible. Ngaruroro EMEP last written in March 2011 and due for 10yr review, Tūtaekurī EMEP last written in June 2015. Tūtaekurī, Ngaruroro, and Tukituki EMEP's field work completed by HBRC and consultants. The draft Heretaunga Plains Rivers Revegetation 10yr Strategy has been completed with maps loaded to GIS. Improvements to gravel management associated with introduction of the global consents, and Tangata Whenua Gravel Operational Groups for the Tūtaekurī, Ngaruroro, and Tukituki Rivers are ongoing.
Actions from the Regional Water Assessment are identified and implementation is progressing according to the approved plan	Implementation on track	n/a	●	Due to the delays resulting from Cyclone Gabrielle and uncertainty around essential freshwater reform, this work has been on hold for this quarter.

### Emergency Management

Measure	Target	YTD Result	Status	Commentary
A 5-yearly independent assessment of CDEM Group's capability is completed and shows continuous improvement	Achieved	n/a	●	No change to the comments of last quarter other than to add the various reviews for Cyclone Gabrielle will add to the review of Group capability and future improvements.

### Transport

Measure	Target	YTD Result	Status	Q1&2 Commentary
Annual patronage on the Hawke's Bay bus services	Maintain or increasing	88,861	●	The regional transport network has a range of challenges post-cyclone whereby not all services had resumed operating at previous levels. While some services resumed before the re-opening of Redclyffe bridge late August 2023, a driver shortage hampered multiple other services operating for the entire quarter.
Percentage of urban households within 400m of a regular bus route	100% Hastings & Napier urban area	70%	●	This measure now covers both Hastings and Napier urban area. The MyWay on-demand pilot service operates in Hastings urban area between 6am-6pm Monday to Friday, with reduced services over the weekends. The pilot did not extend to the Napier urban area as per year three of the Long Term Plan. Coverage of the existing services in Napier does not reach 100% of households within 400m.

# Activity Reporting

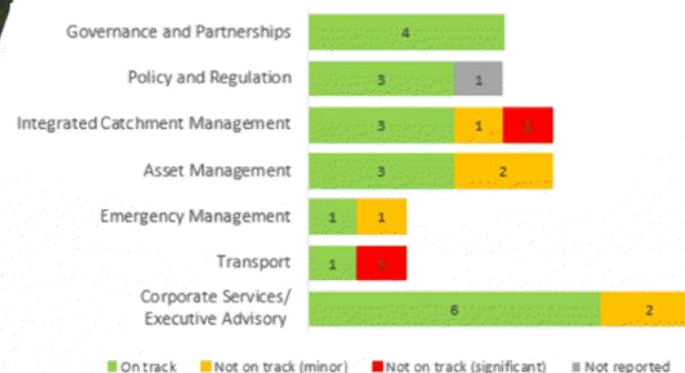
## by group of activity

This section provides an overview of performance by activity. It includes:

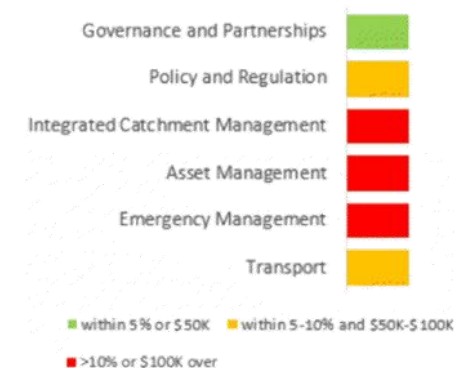
- a summary for both financial and non-financial performance by group of activity (see figures below)
- individual activity reporting within the six groups of activities
- a traffic light reporting approach to show non-financial results
- financial reporting is year to-date
- financial reporting is by group showing operational revenue and expenditure (budget vs actual), and commentary.

## Performance Summary

### Non Financial status (by 30 activities)



### Financial status (by 6 groups)



## Organisational Performance Report: Q2 2023-2024

## Governance and Partnerships

### Community Representation and Leadership

Status	Non-financial commentary
●	This was a typical quarter for meetings and workshops, close to the average of 25. It was notable for joint committee work, including meetings and workshops for Climate Action, Regional Transport, CDEM and Future Development Strategy (administered by HDC). All public meetings were notified and conducted lawfully. Council adopted the draft Revenue and Financing Policy for 8-weeks of consultation at the November meeting of Council and continued its Long Term Plan development. There were 47 LGOIMA requests received, compared to 41 (last quarter), 57 (Q4), 37 (Q3) and 24 (Q2 2022-23). Of the 47 LGOIMA requests received, 38 were provided with the information within the target 20 working days. Delays were due to the number and complexity of requests post-Cyclone and competing priorities of the subject matter to answer them.

### Tangata Whenua Partnerships

Status	Non-financial commentary
●	HBRC maintains active relationships with tangata whenua through the Regional Planning Committee (9 appointees) and the Māori Committee (13 representatives). This quarter, there were no meetings of either the Māori Committee or the Regional Planning Committee. There are tangata whenua representatives with voting rights on all Council committees.

### Community Sustainability

Status	Non-financial commentary
●	HBRC promotes sustainability using incentives, education, advocacy and leadership. This quarter, a combined total of 83 ratepayers (compared to 282 last quarter) improved the health and climate-resilience of their homes with Clean Heat grants, loans and Sustainable Homes loans (to be paid back by a targeted rate) to the value of \$351,500. Demand continues to decline. New Enviroschools and facilitators were welcomed. A highlight was the Climate Action Joint Committee endorsement of a strategy and vision (living) document at their December meeting. Internally, the HBRC Sustainability Group is motivated to build a strong sustainability culture that existing and prospective staff can be proud of. Three priority actions have been highlighted by the group: - Increase visibility for corporate sustainability (e.g. events, internal comms) - Incorporate sustainability into HR processes (e.g. induction) - Establish an active travel plan and ridesharing opportunities.

### Regional Development

Status	Non-financial commentary
●	The Regional Economic Development Agency (REDA) has formalised its reporting and accountability lines with Matariki, and therefore locked down its strategic priorities and work programme. The funding agreement with councils is nearly ready to sign. The fit out of the new Business Hub at 101 Queen St, Hastings is nearly complete with a formal opening planned soon. Transfer of Business Hub operations from HBRC is nearly complete.

## Governance and Partnerships finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	4,293	4,690	(397)
Budget	3,643	4,029	(386)
Variance	650	(661)	(11)
% variance	18%	-16%	

Status	Financial commentary
●	Expenditure is over budget by \$661k, which is mostly related to the delay in establishment of the Regional Economic Development Agency (REDA). This overspend is offset by the TLA contributions towards the new entity (noting the revenue over budget also).

## Organisational Performance Report: Q2 2023-2024

## Policy and Regulation

### Policy Planning

#### Status Non-financial commentary

- The Policy Team has been undertaking business as usual with TANK and Outstanding Water Bodies (OWB) plan changes, making submissions to central government legislation and supporting other parts of the organisation with policy related work ie CCCV and Dangerous Dams. Work progresses with iwi/Māori, standing up contracts for Te Mana o Te Wai Visions and Values for the Freshwater Planning Instrument under the NPSFM. The budget spend has been affected a delay to the OWB hearing due to Covid.

### Consents

#### Status Non-financial commentary

- Consents team has processed and issued 89 consents and processed 44 transfers over the quarter. All but four of the consents issued over this period were processed within statutory timeframes. As noted previously, two appeals are in process. One is likely to be withdrawn (Tangoio subdivision/wastewater discharges). The other Tranche 2 is proceeding and has been incurring time and cost. 118 applications were received during the quarter. Cyclone recovery response, advice and processes have taken significant staff time. Processing of Heretaunga Plains groundwater group of consents was advanced with the provision to each applicant of the assessed 'actual' and 'reasonable' water demand. Significant work will flow from this.

### Compliance and Pollution Response

#### Status Non-financial commentary

- No reporting this quarter

### Maritime Safety

#### Status Non-financial commentary

- The Navigation Safety Bylaw has been adopted by Council and the final amends will be completed before being published in the local newspapers and updated on our website. Discussions have occurred regarding staff numbers as our current Harbourmaster moves towards retirement. There has been an increase in boating related incidents around the region and there are efforts underway to educate/remind our stakeholders about the maritime safety requirements in the region. Preparations are underway for document/process reviews for the upcoming four yearly Port & Harbour Marine Safety Code audit due at the end of March.

## Policy and Regulation finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	57,630	56,987	643
Budget	5,983	5,973	10
Variance	51,647	(51,014)	633
% variance	863%	-854%	

#### Status Financial commentary

- Subsidies and grants revenue is over budget by ~\$52M which is driven by government grants for the Silt Taskforce which were not included in the 2023-2024 Annual Plan, and offsets the additional expenditure.
- Fees and charges are under budget by \$1M, of which \$180k is due to an accrual error at year end, and the balance of the variance attributed to higher levels on non-recoverable work (eg advice on recovery) being done in consents (\$600k) and compliance (\$313k).

## Integrated Catchment Management

### Biosecurity and Biodiversity

#### Status Non-financial commentary

- The Biodiversity team has drafted plans and is working on 20 Priority Ecosystem projects. This is a mix of new project sites and ongoing maintenance of existing sites and includes deer fencing, feral deer control, pest plant and animal control and willow control throughout wetlands.
- Our annual rook control programme successfully treated 418 nests, including seven new rookeries. Our pest plant control programmes are underway. 11 new Chilean Needle Grass properties were discovered. Still, very little saffron thistle has been observed due to a wet year affecting germination. Ten privets were removed last quarter by staff. Alligator weed risk assessment and monitoring plan for an aerial operation was completed, one surveillance run on the Mangatarata stream, and one clean of the aquatic weed boom.

### Catchment Management

#### Status Non-financial commentary

- In the year to date, through the Erosion Control Scheme (ECS), 410ha of erodible land has been treated, and 10.56km of waterways have been protected. Catchment advisors are finalising inspection reports for the previous winter's pole and native plantings. Planning for the upcoming pole planting season is underway, and orders are steadily flowing in. Despite the positive developments, challenges persist in securing applications for summer works (fencing and weed control).
- Our rural community faces financial challenges, as many individuals have utilised their capital to repair farmland damaged by Cyclone Gabrielle. Escalating costs and diminished revenue further exacerbate this financial strain. Landowner mental stress is evident from adverse weather events. Farmers express apprehension about undertaking new fencing projects due to emotional and financial concerns in the face of unpredictable weather patterns. These challenges are anticipated to impact the remaining budget utilisation before the end of the financial year.

### Environmental Science

#### Status Non-financial commentary

- Post-cyclone impact work continues with productive collaborations established with Crown Research Institutes, including with NIWA for flood frequency analysis, Manaaki Whenua Landcare Research for land erosion impacts and the efficacy of planting and NIWA for air quality monitoring. Routine State of Environment (SoE) monitoring and reporting has continued with regular monthly reporting, while preparations are underway for the next 3-yearly SoE. Large multiyear projects SkyTEM and Ruataniwha groundwater modelling are largely on target with minor slippage.

### Environmental Information

#### Status Non-financial commentary

- The Environmental Information team has managed to keep up with its workload during the last few months. The team is fully resourced and a lot of training is going in to bringing the new members up to speed. The weather in this period gave us the opportunity to measure some good river flows. The high and turbid water has also pushed a few water quality programmes out a few weeks.

### Rural Recovery


#### Status Non-financial commentary

- A small team operating under the framework of Rural Recovery has continued to engage with farmers, growers and landowners. The main focus has been communities impacted by changes to rivers and streams as a result of extreme weather events, and trying to understand options available to them for remediation. Aligned to these challenges is clarity of what actions can be undertaken within the current regulatory framework. The team has also contributed to both the Rural Advisory Group (RAG), and Horticultural Advisory Group (HAG) promoting industry and sector alignment in the delivery of information, tools and guidance to farmers, growers and landowners.

# Integrated Catchment Management

## Integrated Catchment Management finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	14,233	12,327	1,906
Budget	13,971	14,935	(963)
Variance	262	2,608	2,870
% variance	2%	18%	

Status	Financial commentary
	Expenditure is \$2.6M behind budget mostly due to timing variances in Erosion Control Scheme project grant payments (\$1M), and Environmental science (\$700k).

## Asset Management

### Flood Protection and Control Works (Rivers, Drainage and Small Schemes)

Status	Non-financial commentary
●	Maintenance work is in progress as per contract with some delays due to contractor resourcing, material supply, and Cyclone Gabrielle response. Two Senior Engineering Officers (Drainage and Rivers) resigned and were replaced, with new staff in induction phase. Work continues on planning and development the Strategic Enterprise Asset Management system, and is expected to improve efficiency and reporting.

### Regional Water Security

Status	Non-financial commentary
●	<p>The Regional Water Assessment final report was publicly released at the end of June 2023. A decision around launching a broader public campaign is on hold. A Water Demand Assessment report focused on the Industrial and Territorial water users has been issued and is under review alongside another independent report on potential opportunities.</p> <p>Council's focus for the Heretaunga Water Storage project is to investigate regional governance, ownership and operating models.</p> <p>The CHB Managed Aquifer Recharge Pilot has received resource consent for the proposed work. Proposals for the detailed design of each component of work have been received and are being reviewed and revised with a view to commencing with detailed design to enable detailed construction cost estimates to be developed.</p>

### Open Spaces

Status	Non-financial commentary
●	<p>Day to day maintenance is being undertaken as per the contract programmed maintenance. Reactive maintenance activities and being undertaken as required. All parks are now open expect the new Whittle Reserve. Pekapeka Regional Park still requires work to repair a section of boardwalk .</p> <p>Most forestry work has been completed post-cyclone and the Tūtira Forestry reserve is ready for harvest. Maintenance work is being undertaken as per the standards required at all forestry reserves.</p>

### Flood Risk Assessment and Warning

Status	Non-financial commentary
●	<p>Preliminary upgrades to the Ngaruroro and Upper Tukituki flood forecasting system has been completed. The previous system has been disestablished (VDAAS). Planned calibration stage for next quarter.</p> <p>Telemetry upgrade project has been actively worked on for both instrumental selection and financial affordability.</p>


### Coastal Hazards

Status	Non-financial commentary
●	<p>The Coastal Specialist role has been filled and expected to have less resourcing issues. Good progress on the Long Term Plan and budget discussions to have overall clarity.</p> <p>The annual Westshore nourishment programme is at a tender stage, works are expected to be carried out next quarter.</p>

Asset Management

Asset Management finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	9,924	11,488	(1,564)
Budget	50,358	56,961	(6,603)
Variance	(40,434)	45,473	5,039
% variance	-80%	80%	

Status	Financial commentary
	<p>Asset Management Revenue below budget by \$40.4M spread across three areas, \$26M variance in other revenue is predominantly the budgeted insurance proceeds that have not yet been received. Sundry revenue of \$13M for cyclone infrastructure claims from NEMA was budgeted, however work to confirm the eligible claim quantum is still progressing. User charges are under budget by \$1.3M and fees and charges are under budget by another \$0.6M. These revenue variances are a combination of coastal hazards funding yet to be received from other councils (\$316k), gravel management fees (\$248k), delay to the Tangoio forestry harvest (\$500k) and Works Group external income (\$655k).</p> <p>There are a few areas that have overspent their year-to-date operating budgets. These include Forestry with increased costs in regaining access and assessment following the cyclone (\$68k), Hawke’s Bay Trails and regional cycling with repairs to the cycle network (\$88k) and recovery work in the regional parks (\$80k). These are offset by a number of underspends, the most notable of which are on Coastal Hazards (\$202k) and Regional Water Security (\$218k) with delays in these projects as other priorities</p>

## Organisational Performance Report: Q2 2023-2024

## Emergency Management

### Hawke's Bay CDEM Group

#### Status Non-financial commentary

● This has been a good quarter with new staff starting to make a difference as their knowledge increases and they are integrated within the Group. In terms of implementing operational projects within the Group Work Programme these include: The development of a basic response SharePoint platform to share information between councils and agencies. A reviewed needs assessment platform is being developed in consultation with Welfare Coordination Group members. New training material and a training programme will be rolled out in the next month to provide a better level of capability across the staff of all councils and partners. There has also been some good progress working with the TLAs in developing the HUB model. There are still some resourcing challenges, and a reviewed Work Programme is currently being developed with the CEG.

### HBRC Emergency Management

#### Status Non-financial commentary

● There has been no real change since last quarter. The CDEM Group office has reestablished the training programme and staff have been trialling new courses. This will roll out over the next month. The only persistent challenge is the ongoing increased tempo of work in the recovery space. This will not improve in the short term and the wellbeing of staff will need to be carefully managed to ensure council staff have the capability to respond to another adverse weather event. Overall work is progressing in this area.

## Emergency Management finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	4,471	6,036	(1,565)
Budget	3,116	3,398	(282)
Variance	1,355	(2,638)	(1,283)
% variance	43%	-78%	

#### Status Financial commentary


● Revenue is over budget by \$1.3M. This is primarily driven by the collection of Regional Recovery finances and collection of administration fees from funding.  
Expenditure is over budget by \$2.6M. This is predominantly due to ongoing cyclone recovery work.

## HB Regional Recovery funding


	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	42,122	42,122	-
Budget	-	-	-
Variance	42,122	42,122	-

Transport

Passenger Transport

Status	Non-financial commentary
	Multiple services continued to not operate over the quarter. Mediation settlement in December including a driver wage uplift should see services reinstated from late January 2024. Until that happens, reduced services results in reduced passengers. MyWay continues to perform consistently. Total Mobility high patronage is well above forecast and resulting costs due to 75% subsidy.

Transport Planning and Road Safety

Status	Non-financial commentary
	The RoadSafe relaunch was successful. RoadSafe was involved in several checkpoints over the peak holiday period with good results. The RoadSafe activity plan has been submitted and accepted by Waka Kotahi NZ Transport Agency. The Regional Transport Committee accepted recommendations on prioritisation mapping for major capital works programs for the Regional Land Transport Plan. A new Regional Land Transport Plan has been drafted. HBRC is awaiting Government Policy Statement on land transport to ensure alignment with the Regional Land Transport Plan before public consultation.

Transport finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	3,801	4,163	(362)
Budget	3,703	3,666	36
Variance	98	(497)	(399)
% variance	3%	-14%	

Status	Financial commentary
	Expenditure is \$496k over budget, mostly related to higher than planned indexation on the public transport contract.

## Organisational Performance Report: Q2 2023-2024

## Corporate Services

### Information and Communications Technology (ICT)

#### Status Non-financial commentary

- A number of staff resignations were received this quarter. A TechONE project director was appointed (business) to lead the next phase of TechONE implementation, with ELT proposed as the new Steering Committee going forward. Technical foundations of SharePoint Migration is completed. Phase 2 has started which includes refinement of workflows, end user training and information management process improvement.
- Short online knowledge modules were sent out in October for Cybersecurity month.
- Generative AI User Group up and running, with internal and cross council

### Corporate Support

#### Status Non-financial commentary

- The delivery of rates penalty notices saw a spike in customer interactions through the early months the quarter. Staff have refined the process of dealing with unpleasant public interactions to ensure our people feel supported. Rates information and MyWay bookings, continue to be the top categories of enquiry for the Customer Experience team.
- Staff turnover within the team has now been steady for some time. The wider Corporate team continues to react to internal customer requests, and assisting with fleet and property maintenance related issues. There has been a focus on approaching our office capacity issues in a more strategic manner. This has prompted a staged roll out of a 'desk sharing tool' trial within our corporate teams to maximise use of existing office space. Staff have been working through the revised fleet replacement schedule which aims to extend the life of the asset and

### Finance, Treasury, and Procurement

#### Status Non-financial commentary

- Key achievements for the Finance and Procurement team this quarter were to get the 2022-2023 Annual Report audited and adopted, the Revenue & Financing policy review out for public consultation and to finalise the top down budget model for the long term plan. The team has also developed reporting in TechONE and is putting together training courses for managers.

### Communications and Engagement

#### Status Non-financial commentary

- The Communications and Engagement team overall is in good heart. This despite the Digital crew being down the equivalent of an FTE for the second half of the quarter. With the new web producer we saw a rapid rise in website improvements, online visits and digital engagement. There continues to be a high volume of digital interaction on Silt and Debris with overall sentiment a mix of positive and negative. In the Engagement team, the EnviroSchools team produced a new series of high-school level curriculum models, and began promoting them to schools in Hawke's Bay while also running the annual Enviro Challenge for area high schools.

### Risk, Quality and Assurance

#### Status Non-financial commentary

- Risk maturity is developing strongly with the reinvigoration of our HBRC risk profile and sentiment surveys from third tier managers to Councillors. Quality system surveillance audit was successful with no non-conformances just opportunities for improvement identified. Incident management is maturing with further capturing of incidents and reporting to the Risk and Audit Committee.

## Executive Advisory

### People and Capability

#### Status Non-financial commentary

- The People and Capability advisory team has developed in-house—*Managing Performance 101*—which will be piloted next quarter. It delivered in-house Recruitment 101 during the quarter and has been involved in supporting CDEM training. The Collective Employment Agreement (CEA) bargaining was completed, and the new CEA was drafted. A Modular Leadership training was delivered by external provider to staff in management positions. The team were involved in testing the Whispir system which is used to contact staff during emergencies. Summer university students were inducted to the organisation. Recruitment continues to be a focus for the team. Undertaking work to engage with ex-employees through LinkedIn with the aim of increasing our pool of applicants.

### Māori Partnerships

#### Status Non-financial commentary

- Māori Partnerships team have returned to business as usual and are progressing well regarding workstreams and deliverables.

### Strategy and Governance

#### Status Non-financial commentary

- The Strategy and Governance team was busy servicing 24 council and committee meetings or workshops this quarter as well as administering the LGOIMA process. Work to improve the internal LGOIMA system and process was also initiated. The Strategy team worked closely with the Finance team on the Revenue and Financing Policy review and the Long-Term Plan development. The Climate Action Ambassador spread her time between progressing the Climate Action Joint Committee's Vision and Strategy and drafting the Climate Chapter for the Regional Policy Statement.

## Organisational Performance Report: Q2 2023-2024

## How Metrics are Calculated

**Employee count (p 7)** is the total count of all staff employed by HBRC. This includes staff employed on casual and fixed term (eg students) contracts. This is calculated as at the end of the quarter.

**Full time equivalents (FTE) (p 7)** are the total FTEs as at the end of the quarter. Staff employed on casual contracts are counted as a 0 FTE.

**Turnover (p 7)** is calculated by averaging the staff count (previous end of quarter staff + current end of quarter staff divided by 2). This is then divided by the number of resignations. Only resignations or retirements of permanent staff and fixed term staff (before their contract end date) are included in this figure.

**Health and Safety Incidents (p 8)** are all the incidents reported in HBRC's health & safety software Hasmate.

**LGOIMA (p 9)** are all the LGOIMA requests that are registered in our LGOIMA register on SharePoint.

**Daily feedback (p 9)** tracks the customer satisfaction score by date. This data is sourced from Zendesk.

**Social media (p 10)** metric counts reach from the organic or paid distribution of Facebook content, including posts, stories and ads. It also includes reach from other sources, such as tags, check-ins and Page or profile visits. Reach is only counted once if it occurs from both organic and paid distribution.

**Website and social media (p 10)** data is sourced from Google and Facebook analytics.

**Vehicle number, fuel usage and fuel CO<sub>2</sub> emissions (p 11)** data is provided by our internal systems and our fuel suppliers.

**Energy usage and energy CO<sub>2</sub> Emissions (p 12)** data is provided to HBRC by our energy suppliers.

**Air Travel (p 12)** data is provided to HBRC by our travel agent.

# Statement of financial performance

Hawke's Bay Regional Investment Company Limited  
For the 6 months ended 31 December 2023

	NOTES	2024 YTD ACTUAL	2024 FY BUDGET	REMAINING BUDGET	FY 2023
<b>Income</b>					
<b>Interest income</b>					
Interest received - bank		142,706	81,996	(60,710)	160,748
Interest received - managed funds		70,576	144,996	74,420	134,638
Interest received - HBRC		166,630	333,332	166,702	333,261
<b>Total interest income</b>		<b>379,912</b>	<b>560,324</b>	<b>180,412</b>	<b>628,647</b>
<b>Dividend income</b>					
Dividends received - PONL		3,905,000	6,000,000	2,095,000	7,040,000
Dividends - managed funds		95,322	147,996	52,674	119,632
<b>Total dividend income</b>		<b>4,000,322</b>	<b>6,147,996</b>	<b>2,147,674</b>	<b>7,159,632</b>
Realised gain / (loss) on managed funds		(39,549)	-	39,549	179,236
<b>Total Income</b>		<b>4,340,684</b>	<b>6,708,320</b>	<b>2,367,636</b>	<b>7,967,515</b>
<b>Expenditure</b>					
<b>Operating expenses</b>					
Audit fees and charges		22,919	111,000	88,081	118,714
Bank fees		30	-	(30)	55
Director's fees		57,501	106,200	48,699	45,000
Director's costs		831	5,000	4,169	-
Insurance		19,910	44,400	24,490	39,113
Interest expense (LGFA)		-	64,000	64,000	-
Investment Fees		17,799	60,000	42,201	67,982
Legal fees and charges		1,492	-	(1,492)	1,130
Management services - HBRC		65,000	130,000	65,000	130,000
Marketing and sales		-	-	-	4,910
Other costs		826	24,000	23,174	-
Professional advice		7,500	38,000	30,500	26,699
Professional development		-	5,000	5,000	-
Subsidiary company governance costs		-	5,000	5,000	-
<b>Total operating expenses</b>		<b>193,808</b>	<b>592,600</b>	<b>398,792</b>	<b>433,602</b>
<b>Project costs</b>					
Commercial manager		33,529	87,000	53,471	56,941
Other projects		-	-	-	9,690
Project expenses		-	9,600	9,600	-
Investment analysis & due diligence		-	60,000	60,000	-
Technical advice/legal		5,871	39,000	33,129	-
<b>Total Project costs</b>		<b>39,400</b>	<b>195,600</b>	<b>156,200</b>	<b>66,631</b>

## Statement of financial performance

	NOTES	2024 YTD ACTUAL	2024 FY BUDGET	REMAINING BUDGET	FY 2023
<b>Income tax &amp; subvention payments</b>					
Income tax expense		-	-	-	226,092
Subvention payments		-	-	-	9,516
<b>Total Income tax &amp; subvention payments</b>		-	-	-	<b>235,608</b>
<b>Total Expenditure</b>		<b>233,208</b>	<b>788,200</b>	<b>554,992</b>	<b>735,842</b>
<b>Surplus / (deficit) from operations</b>		<b>4,107,476</b>	<b>5,920,120</b>	<b>1,812,644</b>	<b>7,231,673</b>
<b>Other comprehensive income &amp; expenditure</b>					
NPHL gain / (loss) on share revaluation	1	1,100,000	-	(1,100,000)	(27,500,000)
Unrealised gains / (losses) from managed funds		1,431,403	-	(1,431,403)	2,067,338
Dividends paid		(3,905,000)	-	3,905,000	(6,870,000)
<b>Total Other comprehensive income &amp; expenditure</b>		<b>(1,373,597)</b>	<b>-</b>	<b>1,373,597</b>	<b>(32,302,662)</b>
<b>Summary Statement of financial performance</b>					
Surplus / (deficit) from operations		(4,107,476)	(5,920,120)	(1,812,644)	(7,231,673)
Other comprehensive income & expenditure		1,373,597	-	(1,373,597)	32,302,662
<b>Total Summary Statement of financial performance</b>		<b>(2,733,880)</b>	<b>(5,920,120)</b>	<b>(3,186,240)</b>	<b>25,070,990</b>

# Statement of financial position

Hawke's Bay Regional Investment Company Limited  
As at 31 December 2023

	NOTES	31 DEC 2023	30 JUN 2023
<b>Equity</b>			
Asset revaluation reserves		(3,872,987)	(6,404,390)
<b>Shareholder's funds</b>			
Authorised "A" share capital		177,500,000	177,500,000
Retained earnings		169,438,484	166,111,811
Current Year Earnings		4,107,476	7,231,673
Deferred tax expense		8,787	8,787
<b>Total shareholder's funds</b>		<b>351,054,747</b>	<b>350,852,271</b>
<b>Total equity</b>		<b>347,181,760</b>	<b>344,447,881</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accrued expenditure		14,584	126,399
Trade accounts payable		96,253	9,724
<b>Total current liabilities</b>		<b>110,837</b>	<b>136,123</b>
<b>Total liabilities</b>		<b>110,837</b>	<b>136,123</b>
<b>Assets</b>			
<b>Current assets</b>			
<b>Cash and cash equivalents</b>			
BNZ accounts		308,432	346,382
Jarden Cash Facility (ANZ)		5,253,414	5,113,780
<b>Total Cash and cash equivalents</b>		<b>5,561,846</b>	<b>5,460,162</b>
Prepayments		66,348	86,258
GST		13,680	7,598
Current tax asset		8,674	7,814
Rounding		-	-
Tax deducted from investment activity		20,428	-
<b>Total current assets</b>		<b>5,670,975</b>	<b>5,561,831</b>
<b>Non-current assets</b>			
Shares - Napier Port Holdings		276,100,000	275,000,000
Funds with fund managers		47,137,741	45,638,290
HBRC loan receivable		16,663,036	16,663,036
Investment in Foodeast GP Limited		1,701,280	1,701,280
Deferred tax asset		19,567	19,567
<b>Total non-current assets</b>		<b>341,621,623</b>	<b>339,022,173</b>
<b>Total assets</b>		<b>347,292,598</b>	<b>344,584,004</b>
<b>Net assets</b>		<b>347,181,760</b>	<b>344,447,881</b>

# Notes to the statement of financial performance

## Hawke's Bay Regional Investment Company Limited For the 6 months ended 31 December 2023

	31 DECEMBER 2023	30 JUNE 2023
<b>1. Investment in listed equities</b>		
<b>Shares - Napier Port Holdings Limited</b>		
Opening Balance	275,000,000.00	302,500,000.00
YTD gain / (loss) on revaluation for the period	1,100,000.00	(27,500,000.00)
<b>Total Shares - Napier Port Holdings Limited</b>	<b>276,100,000.00</b>	<b>275,000,000.00</b>

	31 DECEMBER 2023	30 JUNE 2023
<b>Napier Port Holdings Limited</b>		
Total number of shares	200,000,000.00	200,000,000.00
HBRIC's share at 55%	110,000,000.00	110,000,000.00
NZX price per share at reporting date	2.51	2.50
Value at reporting date	276,100,000.00	275,000,000.00

	31 DECEMBER 2023	30 JUNE 2023
<b>2. Total managed funds</b>		
Funds - Mercer	32,045,284.48	30,996,948.37
Funds - Jarden	15,092,456.11	14,641,341.83
<b>Total Total managed funds</b>	<b>47,137,740.59</b>	<b>45,638,290.20</b>

	31 DECEMBER 2023	30 JUNE 2023
<b>Mercer</b>		
Units Held	25,960,211.02	25,917,180.91
Unit Price	1.23	1.20
Funds - Mercer	32,045,284.48	30,996,948.37

	31 DECEMBER 2023	30 JUNE 2023
<b>Mercer</b>		
<b>YTD movement</b>		
Opening Balance	30,996,948.37	29,535,219.53
Net gain / (loss)	1,048,336.11	1,461,728.84
<b>Mercer portfolio value</b>	<b>32,045,284.48</b>	<b>30,996,948.37</b>

## Notes to the statement of financial performance

	31 DECEMBER 2023	30 JUNE 2023
<b>Jarden</b>		
<b>YTD movement</b>		
Opening Balance	14,641,341.83	13,672,447.85
Interest received	70,575.52	126,224.83
Dividends received	95,321.67	143,450.53
Realised gains / (loss)	(39,549.10)	179,236.23
Unrealised gains/ (loss)	383,067.38	605,608.71
Fees deducted	(37,873.61)	(54,534.43)
Tax deducted	(20,427.58)	(31,091.89)
<b>Jarden portfolio value</b>	<b>15,092,456.11</b>	<b>14,641,341.83</b>