



HAWKE'S BAY REGIONAL COUNCIL

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

Minutes of an Extraordinary meeting of the Hawke's Bay Regional Council

Date: 18 June 2024

Time: 9.00am

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

Present: Cr H Ormsby, Chair
Cr W Foley, Deputy Chair (*online*)
Cr X Harding
Cr T Hokianga
K Kawana, Māori Committee Co-chair (*from 9.35am*)
Cr N Kirton
Cr J Mackintosh
Cr D Roadley
Cr S Siers
Cr J van Beek
Cr M Williams

In Attendance: N Peet –Chief Executive
T Munro – Te Pou Whakarae
S Young – Group Manager Corporate Services
K Brunton – Group Manager Policy & Regulation (*online*)
C Dolley – Group Manager Asset Management
I Maxwell – Group Manager Integrated Catchment Management
I Macdonald – HB CDEM Group Controller/Manager
C Comber – Chief Financial Officer
D Cull - Manager Strategy & Governance
P Martin – Governance Advisor
V Fauth – Finance Manager
J Keown - Team Leader Comms & Engagement
P Jones –PJ & Associates -Consultant

1. Welcome/Karakia/Apologies/Notices

The Chair welcomed everyone and Councillor Martin Williams led the group in offering a karakia to open the meeting.

The Chair reminded everyone that the focus today is on making decisions in the best interests of the region as a whole for the upcoming three years. Past Council decisions will not be revisited today.

RC50/24 Resolution

That the apologies for absence from Councillor Charles Lambert, Tania Hopmans and Mike Paku be accepted.

Ormsby/ Kirton
CARRIED

2. Conflict of Interest declarations

Councillor Di Roadley declared an interest as an owner of a property that has received funding from the Council's Erosion Control Scheme.

Councillor Sophie Siers declared a conflict of interest relating to item 8 *Tough choices - Hawke's Bay Tourism* as she is a member of the HB Tourism Board of Directors, and accordingly will not participate in discussion or voting on that item.

Councillor Xan Harding declared a conflict of interest relating to item 13 *Submissions requesting financial assistance* as a member of the HB Future Farming Trust and Trustee on the Board of the Trust, and accordingly will not vote on that item.

3. Confirmation of Minutes of the Hawke's Bay Regional Council meeting held on 29 May 2024

RC51/24 Resolution

Minutes of the Hawke's Bay Regional Council meeting held on Wednesday, 29 May 2024, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

Harding/Hokianga
CARRIED

4. Three-Year Plan 2024-2027 deliberations - Introduction

The Chair advised that all of the decision items today will be considered and then provisionally decided by resolution. The last decision item, *Consolidated Three Year Plan decisions*, will allow an overview of the preceding resolutions, and for each of those to be confirmed or amended.

Dr Nic Peet introduced the item and provided an overview of the process to date, highlighting that given the physical, human and financial impact that Cyclone Gabrielle has had on the region, and the inherent uncertainties that now exist, planning beyond a three year period is not possible. The 3-year plan is allowed under the specific provisions of an Order in Council under the Severe Weather Emergency Recovery Legislation Act (SWERLA) that also waives the usual audit requirements.

Councillors comments included:

- Council has reviewed its services and looked at what is core business or not.
- Public submissions have given strong signals about some of the consultation topics, with the majority of submissions on HB Tourism and Te Mata Park funding. That has distracted from the major thrust of the Plan – improving flood protection throughout the region.
- Affordability of any rate rise is a key factor.

- Some lifestyle block holders are being particularly affected by the rating changes introduced by the Revenue and Financing Policy Review.
- There is a need for ongoing reviews of the efficiency of Council services, and given that there are likely to be further financial and service delivery challenges it is important that the public is kept informed of Council plans and issues.
- Council needs to be looking ahead and addressing the challenges of climate change that are now apparent. This need cannot be met by cutting rates and shedding staff in a random manner. Council staff are critical to facing the issues ahead, particularly the rebuilding of flood management infrastructure.
- Decades of under-investment in environmental protection has led to the situation we face today. Councils and their communities must push for change in how this and other Council responsibilities are funded in future.
- Public transport costs and useage continue to be a concern for the public.
- Rating changes have thrown up some anomalies that need to be addressed through the rates remission policies.
- Although the work of Council in bringing the Māori voice into decision-making is acknowledged, there is still much to do to encourage participation, in particular, in the submissions processes.
- There is still a major task to get category 2 properties back to category 1 by rebuilding stopbanks and flood schemes over the coming four years.

RC52/24

Resolution

That the Hawke's Bay Regional Council receives and notes the *Three-Year Plan 2024-2027 deliberations - Introduction* staff report.

**Ormsby/Siers
CARRIED**

5. Investing in flood resilience

Chris Dolley introduced the item and discussion covered:

- The Crown will be funding the bulk of the approx. \$250M project costs for flood resilience, with HBRC committing to contribute \$44M as the 'local share' to be funded by borrowing. The rates paid by individual property owners will vary dependent on the level of flood protection provided in their area.
- Stopbank upgrades are scheduled over the coming four years and loan funding will be drawn down over that period, as the stopbank rebuilds progress. Once the rebuild works have been completed operational and maintenance costs will kick in.
- Currently the Y1 budgeted rate rise is 19.6% including 2.2% for flood resilience work. In Y2 the 18% rates rise includes 4.9% for flood resilience work, and the Y3 9% rates risk includes 0.7% for flood resilience work.
- The capital cost of the Wairoa flood protection scheme is 100% funded by the Crown. As with other areas, there will be operating and maintenance costs to be met by property owners in the area once the scheme is operating.
- The standard funding policy (in the Revenue and Financing Policy) now in place for flood protection for both the capital costs and ongoing operating and maintenance costs is 70% of the costs met by a targeted rate on those properties that directly (locally) benefit from the protection, and 30% by a general rate on all other HBRC ratepayers.
- Other funding split options were presented for the Pōrangahau and Whirinaki (other) residential areas due to the large capital costs involved and the relatively small number of properties.
- Most submitters supported the standard 70/30 split for flood protection.
- A view was expressed, that due to the significance of Cyclone Gabrielle the cost burden for flood protection schemes should be shared more widely across the region.

Councillor Sophie Siers left the meeting at 10.05am

- The poor performance of the Havelock North streams/flood protection scheme during the cyclone has been the subject of concern, particularly maintenance of dams in the area, and has been discussed with HDC. A report on the matter will be presented to HBRC shortly, and in the meantime the proposals for all of the other flood protection schemes need to be progressed.

Cr Sophie Siers returned to the meeting at 10.08am

- NIWA data on Cyclone Gabrielle can be confusing with varying return periods.
- In terms of maladaptation, some of the flood resilience work may be in areas where there is vacant land that could be developed and put more people in harms way should the 'protection' fail. As a way of providing mechanisms or policies to prevent development in hazard zones HBRC is keen to develop flood plain management plans which will include mapping areas where development should be discouraged.

Resolutions

That the Hawke's Bay Regional Council:

RC53/24

3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.1. Agrees to the rating models for the Flood Mitigation schemes being:
 - 3.1.1. 70/30 split as per the existing Revenue and Financing Policy settings for flood protection schemes for:
 - 3.1.1.1. Wairoa Operating and Maintenance
 - 3.1.1.2. Whirinaki (Industrial) Capital and Operating & Maintenance
 - 3.1.1.3. Heretaunga Plains Flood Control Scheme (HPFCS) Capital and Operating & Maintenance
 - 3.1.2. 100% general rate funding for Pōrangahau Capital.

**Ormsby/Foley
CARRIED**

4. Agrees to alternative rating models of:
 - 4.1 Whirinaki (Other) – 50/50 split for Capital
 - 4.2 Whirinaki (Other) – 70/30 split for Operating & Maintenance

Williams/Kirton

Councillor Roadley moved an amendment, seconded by Councillor Siers that:

- 4.1. Whirinaki (Other) – 100% general rate for Capital

**Roadley/Siers
CARRIED unanimously**

The amendment having been CARRIED, the substantive motion was put:

That the Hawke's Bay Regional Council:

RC54/24

4. Agrees to alternative rating models (as agreed by Council on 13 March 2024 and presented in the consultation document) of:
 - 4.1. Whirinaki (Other) – 100% general rate for Capital
 - 4.2 Whirinaki (Other) – 70/30 split for Operating and Maintenance.

**Williams/Kirton
CARRIED**

Resolutions

That the Hawke's Bay Regional Council:

4. Agrees to alternative rating models of:

The meeting adjourned at 11.01am and reconvened at 11.13am

- 4.3 Pōrangahau – 50/50 split for Operating & Maintenance.

Foley/Mackintosh

3 For: Foley, van Beek, Hokianga

7 Against: Mackintosh, Williams, Harding, Roadley, Siers, Kirton, Ormsby

LOST

4. Agrees to alternative rating models of:

RC55/24

- 4.3 Pōrangahau – 70/30 split for Operating & Maintenance

Harding/Siers

7 For: Mackintosh, Williams, Harding, Roadley, Siers, Kirton, Ormsby

2 Against: Hokianga, Foley

1 Abstained: van Beek

CARRIED

That the Hawke's Bay Regional Council:

RC56/24

1. Receives and considers the *Investing in flood resilience* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required under s93 of the Local Government Act and special temporary legislation following Cyclone Gabrielle.
5. Agrees to 100% general rate fund the Hawke's Bay Regional Council's share of the general works agreed as part of the cost-share arrangement with Central Government following Cyclone Gabrielle, as consulted on.
6. Agrees to amend its Revenue and Financing Policy to implement the rating decisions related to funding flood schemes and general works as part of the cost-share agreement with Central Government following Cyclone Gabrielle.

Kirton/Siers

CARRIED

6. Investing in Resilient Communities

Nic Peet introduced the item and Ian Macdonald responded to questions. Discussions covered:

- HBRC is the administering authority for Civil Defence in Hawke's Bay which the Hawke's Bay Civil Defence Emergency Management Group Joint Committee provides governance for and HBRC rates for as a fixed charge. Separately, each city or district council can choose to rate its own ratepayers to fund any additional local Civil Defence services that they want to provide.
- Part of the funding being sought is to repay the reserve fund used to meet emergency response costs as they arise. The reserve is now \$611,000 in deficit, which will be repaid by the targeted Civil Defence rate.
- There are legislative changes underway to address some of the issues identified in recent reviews, however some of the anticipated changes are being implemented in HB now and some of the rate increase will be used to fund those.

RC57/24

Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Investing in resilient communities* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required under s93 of the Local Government Act

2002 and special temporary legislation following Cyclone Gabrielle.

3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.1. Agrees to the \$1.3 million increase over three years in the CDEM targeted rate for the Hawke's Bay Civil Defence Emergency Management Group as consulted on.

**Williams/Harding
CARRIED**

7. Public Transport

Katrina Brunton introduced the item, and discussions covered:

- In 2023 public consultation on a new Regional Public Transport Plan (RPTP) was undertaken and a new Plan approved, including a number of new initiatives (expanded bus services) that require Government funding sought from NZTA. With the change in Government there has been a shift in public transport priority and funding has been held at current levels (\$32M) and limits the ability to introduce any new services.
- Status quo services will remain. The consultation budget for public transport included the new RPTP services which will now not happen. Consequently the public transport budgets will be reduced by approx. \$1.1M in Y2 and \$1.76M in Y3.
- Consultation included new areas rated/targeted for the broader services proposed – generally urban or adjacent to the expanded bus service areas, e.g. Bayview. Now some 'new' areas will be rated for new services that won't be available.
- Public transport benefits the whole community through reduced traffic congestion, lower road maintenance and lower air pollution levels and accrue to the wider community not just those using the service.
- A rates remission process is outlined for those ratepayers (excluding industrial and commercial) that want to seek recompense for not having the planned service available to them.
- An annual rate of \$200 p.a. was accepted as a reasonable threshold for remission to be considered. Affected ratepayers, new to the footprint, can seek a special circumstance remission of 50% of the amount over \$200 without a hardship test, through the online process.
- A review of the footprint for public transport will be undertaken to come into effect in Y2.

RC58/24

Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Public Transport* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required under s93 of the Local Government Act and special temporary legislation following Cyclone Gabrielle.
3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.1. Agrees to the proposed savings of \$1.1M in Year 2 and \$1.76M in Year 3 for public transport.
 - 3.2. Agrees that a rates remission will be available to ratepayers newly added to the public transport rate experiencing a greater than average impact.
 - 3.3. Agrees to undertake a further review of rating for public transport for the 2025-2026 and 2026-2027 financial years.

Against: Williams

**Harding/Siers
Against: van Beek
CARRIED**

The meeting adjourned at 1.04pm and reconvened at 1.28pm.

Dr Nic Peet advised that staff have created a spreadsheet with the 'live' rating impacts of decisions as they are made so that councillors can see what the results are.

8. Tough choices - Hawke's Bay Tourism

Having declared a conflict of interest in this item Councillor Sophie Siers left the meeting at 1.31pm

Susie Young introduced the item, which was taken as read, and discussions covered:

- A query asked what the implications would be of borrowing the \$1.5M this year only, paying it back through strictly targeted Commercial rates, and removing the UAGC charge (through change to Revenue and Financing Policy) to give the Council more capacity to use it for other things.
- Hawke's Bay Tourism (HBT) industry/partnership memberships accounted for \$161,000 of HBT income in FY2023 according to their annual report.
- City/district councils have indicated support for joint funding the 'out years' but have not included any funding provisions in their LTPs as far as we know.

Councillor Williams suggested putting a motion to bar Councillor Kirton from voting on this item, for legal reasons, due to his opinions published in the press in early May 2024 – indicating that he does not have an open mind on this issue. Councillor Kirton, in response, advised that he does not consider that he is pre-determined.

- HBT ran a well-organised and successful campaign to encourage submissions in support of funding being retained, and submitters clearly demonstrated the value of tourism to the region.
- Tourism is not core business for this Council, however is the type of industry we should support because of the widespread benefits for the region.
- Major beneficiaries of tourism, e.g. Napier Port from cruise ships, should be paying more to fund HBT, and given HBRC's role in climate change and carbon emissions reductions, funding HBT doesn't make sense.
- HBT, with the funding retained for this financial year, will need to provide a business plan that includes alternative funding.

Resolutions

That Hawke's Bay Regional Council:

3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.2. Agrees to adopt Option B maintain funding at \$1.52 million for 2024-25, and then reduce to \$441,000 per annum from 2025-26 to give HB Tourism more time to secure funding from other sources.

Harding/Mackintosh

Councillor Williams moved an amendment, seconded by Councillor Roadley, that:

- 3.1. Agrees to adopt Option B maintain funding at \$1.52 million only for the 2024-2025 financial year.

Williams /Roadley

7 For: Hokianga, Williams, Harding, Roadley, Kirton, Ormsby, Foley

2 Against: van Beek, Mackintosh

CARRIED

*The amendment having been **CARRIED**, the substantive motion was put:*

RC59/24 That Hawke's Bay Regional Council:

1. Receives and considers the *Tough choices – Hawke's Bay Tourism* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on this issue, having

undertaken the consultation process required under s93 of the Local Government Act 2022 and special temporary legislation following Cyclone Gabrielle.

3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.1. Agrees to adopt Option B maintain funding at \$1.52 million only for the 2024-2025 financial year.

Ormsby/Harding
CARRIED

Councillor Sophie Siers re-joined the meeting at 2.15pm

9. Tough choices - Sustainable Homes

Susie Young introduced the item, and discussions covered:

- Sustainable Homes scheme has been operating since 2009 and more than 18,000 loans have been approved.
- The administration burden of the scheme has risen over time and the interest rate applied is now below market levels. If it continues a full review is needed to ensure the scheme is cost neutral for ratepayers.
- Consultation showed that there is good support for continuing the scheme – only available to property owners, whatever their financial position is.
- The scheme supports some council objectives including reducing air pollution and carbon emissions.
- There are other schemes available for low income families to access.

Resolutions

That Hawke's Bay Regional Council:

3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.2. Agrees to retain the status quo being:
 - 3.2.1. Continue offering Clean Heat grants and loans and Sustainable Home loans for the next 10 years (or until reviewed and consulted on in a future Long Term Plan or Annual Plan) and
 - 3.2.2. Instructs staff to review the interest rates being charged to ensure that the programme is breaking even.

Williams/Mackintosh
2 For: Mackintosh, Williams
Against: van Beek, Hokianga, Harding, Roadley, Siers, Kirton, Ormsby, Foley
LOST

That Hawke's Bay Regional Council:

RC60/24

1. Receives and considers the *Tough choices – Sustainable Homes* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required under s93 of the Local Government Act 2002 and special temporary legislation following Cyclone Gabrielle.
3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.1. Agrees to adopt the preferred option as outlined in the 2024-2027 Long Term Plan Consultation Document being:
 - 3.1.1. To stop the Clean Heat grants and loans and to stop the Sustainable Home loans from July 2024.
 - 3.1.2. To continue to charge the targeted rate for the next 12 years to allow the programme to balance.

Ormsby/Roadley
Against: Mackintosh, Williams

10. Tough choices - Erosion Control Scheme and Biodiversity & Biosecurity

Iain Maxwell introduced the item and discussions covered:

- The agricultural sector is still in recovery mode and there is currently limited demand for some Council services so reducing these programmes in the short-term makes sense, before building them back up in subsequent years.
- All of these programmes are core Council business and directly affect the environment across the region.
- Suggestion made that the slow-down period would be a good time to carry out Section 17a reviews of the schemes to ensure that they continue to be relevant and effective, and are aligned.
- The proposed budgets for biodiversity and biosecurity programmes could be increased by \$400,000 in Y1 with little rating impact and would provide some certainty, particularly for biosecurity programmes.

RC61/24

Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Tough choices - Erosion Control Scheme and Biodiversity & Biosecurity* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required under s93 of the Local Government Act 2002 and special temporary legislation following Cyclone Gabrielle.
3. Subject to final decisions on the Three-Year Plan as a whole, agrees to:
 - 3.1 Reduce funding for landowners through the Erosion Control Scheme from \$3.4M per year to \$2M in 2024-25, \$2.5M in 2025-26 and \$3M in 2026-27.
 - 3.2 Reinstate biodiversity and biosecurity programmes to pre-cyclone levels.

Siers/Roadley
Against: van Beek
CARRIED

11. Tough choices - Regional Parks and Te Mata Park funding

Chris Dolley introduced the item and discussions covered:

- Consultation feedback strongly supported maintaining funding for Te Mata Park Trust.
- The impact of retaining \$120,000 funding for Te Mata Park is 0.30% rate rise.
- Te Mata Park does excellent work leveraging the funding with volunteer hours to make great gains for biodiversity including as a 'corridor' between Cape Sanctuary and the city.

RC62/24

Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Tough Choices - Regional Parks and Te Mata Park funding* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required under s93 of the Local Government Act 2002 and special temporary legislation following Cyclone Gabrielle.
3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.1 Agrees to:

- 3.1.1. Reduce the annual operational budget of regional parks by 20% per annum for the next three years.
- 3.1.2. Retain the \$120,000 annual contributions to the Te Mata Park Trust for the next three years.
- 3.1.3. Defer contributing towards the development costs for the Ahuriri Regional Park project.
- 3.1.4. Defer development of the Wairoa Regional Park project.
- 3.1.5. Defer all new capital works on cycleways aside from \$50,000 per year for safety improvements.

Ormsby/Siers
CARRIED

12. Infrastructure Strategy

Chris Dolley introduced the item and discussions covered:

- Submitters will receive an email response to their submission including commentary on Council's decisions related to their submission within a month of the plan being adopted. In relation to the submissions about the Infrastructure Strategy the responses will be around all the upcoming work and outcomes of the scheme reviews.
- The Reserve funding for Clive River dredging is built up through targeted rates each year and when sufficient funds are in the Reserve (~1M) then the dredging with land based discharge site will be able to be done.
- Funding for cycleways is recorded in the Open Spaces budgets. There are trails (e.g. HBRC operates and maintains trails on our stopbanks) and then there are Great Ride cycleways which MBIE contributes funding to and meet specific criteria.
- HBRC staff and consultants are working with proponents of secondary containment at Awatoto as part of the scheme network.

RC63/24 Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Infrastructure Strategy* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required under s93 of the Local Government Act 2002 and special temporary legislation following Cyclone Gabrielle.
3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.1. Agrees to adopt the Infrastructure Strategy as consulted on.
 - 3.2. Requests that staff continue to work constructively to facilitate the Awatoto Industry Action Group (AIAG) secondary containment project, reporting progress and developments through the Environment and Integrated Catchments Committee.

Williams/Kirton
CARRIED

The meeting adjourned at 3.33pm and reconvened at 3.44pm

13. Submissions requesting financial assistance

Having declared a conflict of interest in this item Councillor Xan Harding did not vote on the resolutions.

Nic Peet introduced this item with Te Wairama Munro and Iain Maxwell providing additional information. Discussions included:

- Te Taiwhenua of Heretaunga request was presented through the Māori Committee. Funding opportunities may exist through existing budgets and staff will discuss these directly with the

Taiwhenua, however there is no additional funding available.

- Council staff will continue working closely with Biodiversity HB to maximise the benefits of the services that they provide to the community and funding opportunities will continue to be an integral part of this ongoing relationship.
- HB Future Farming Charitable Trust was established in 2018 with seed funding of \$600K from HBRC and no further funding for administration costs is contemplated, however staff will work with the Trust to investigate opportunities on an individual project basis.

RC64/24

Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Submissions requesting financial assistance* deliberations report.
2. Agrees that Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required by legislation under the Local Government Act 2002 and special temporary legislation following Cyclone Gabrielle.
3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.2. Agrees that no changes be made to the 2024-2027 Three Year Plan in relation to the submission from Biodiversity Hawke's Bay (#1097) but that this request will be re-evaluated as part of the 2025-26 Annual Plan.
 - 3.3. Agrees that no changes be made to the 2024-2027 Three Year Plan in relation to the letter from Te Taiwhenua o Heretaunga.
 - 3.4. Acknowledges the value of all three organisations and the work they do and requests that staff continue to discuss funding opportunities with all of them.

Williams/Roadley
CARRIED unanimously

- 3.1. Agrees that no changes be made to the 2024-2027 Three Year Plan in relation to the submission from Hawke's Bay Future Farming Charitable Trust (#789)

7 For: van Beek, Hokianga, Mackintosh, Williams, Roadley, Siers, Ormsby

2 Against: Foley, Kirton

CARRIED

4.04 pm Councillor Thompson Hokianga left the meeting

14. Fees and User Charges Policy

Katrina Brunton introduced the item and discussions included:

- Proposed anchorage fee would be a maximum of \$200 per vessel per time charged to commercial Port users at anchor waiting to enter the Port rather than costs being met by general rates – to raise \$60,000 p.a. to pay for HBRC to survey the anchorage area as required by Maritime NZ.

RC65/24

Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Fees and User Charges Policy* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required under s93 of the Local Government Act 2002 and special temporary legislation following Cyclone Gabrielle.
3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.1. Agrees to adopt the amended *Fees and User Charges Policy*, including the implementation of two new Harbourmaster fees being:

- 3.1.1. An annual fixed Harbourmaster charge to Napier City Council, and
- 3.1.2. An anchorage levy to commercial vessels greater than 40m in length overall anchoring within Hawke's Bay regional waters.

**Harding/Mackintosh
CARRIED**

15. Rates Remission and Postponement Policies

Nic Peet introduced the item, which was taken as read, with assistance from Susie Young and Chris Comber. Discussions included:

- The unintended consequence of the Revenue and Financing Policy review, affecting 61 utility providers including local councils, was part of the consultation as a means of addressing the anomaly. All utilities and councils were emailed directly in relation to this.
- Other regional councils do charge similar rates to other Councils in their regions without remissions.
- The councils submitted but none of the utilities companies did.

Resolutions

That Hawke's Bay Regional Council:

- 3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.3 Agrees to no remission being provided – councils and utility companies would pay their utility roll rates invoices on the full rate calculated per the Revenue and Financing Policy.

**Kirton/van Beek
2 For: van Beek, Kirton
7 Against: Mackintosh, Williams, Harding, Roadley, Siers, Ormsby, Foley
LOST**

That Hawke's Bay Regional Council:

RC66/24

- 1. Receives and considers the *Rates Remission and Postponement Policies* staff report.
- 2. Agrees that the Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required under s93 the Local Government Act 2002 and special temporary legislation following Cyclone Gabrielle.
- 3. Subject to final decisions on the Three-Year Plan as a whole:
 - 3.1. Agrees to Option C as consulted on, being a one year 50% remission of their utility roll rates for all the region's territorial authorities.

**Ormsby/Roadley
8 For: van Beek, Mackintosh, Williams, Harding, Roadley, Siers, Ormsby, Foley
1 Against: Kirton
CARRIED**

- 4. Agrees to investigate applying a cap on capital value for utility rolls for the general rate in future years.

**Ormsby/van Beek
7 For: van Beek, Mackintosh, Williams, Roadley, Siers, Ormsby, Foley
2 Against: Harding, Kirton
CARRIED**

16. Revenue and Financing Policy

Susie Young and Desiree Cull introduced the item and discussions included:

- There were several submissions on the recently adopted Revenue and Financing Policy

despite it not being a topic for consultation.

Councillor Thompson Hokianga rejoined the meeting online at 4.35pm

- It was suggested that rates for lifestyle blocks be reviewed, however it's difficult to define what a lifestyle block is and Council must have a definition to be able to attribute a rate to.

RC67/24

Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Revenue and Financing Policy* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on this issue, having undertaken the consultation process required under s93 of the Local Government Act 2002 and special temporary legislation following Cyclone Gabrielle.
3. Notes the submissions raised on this topic and the staff responses.
4. Subject to final decisions on the Three-Year Plan as a whole:
 - 4.1. Agrees that a detailed rating review (banding used in differential rating) for the Upper Tukituki Flood Control Scheme and Upper Makara Stream Catchment Special Rating Scheme will be undertaken before the next Annual Plan.
 - 4.2. Requests that staff investigate the potential for a differential to be applied to the Capital Value rating for residential and lifestyle properties.

Williams/Roadley

7 For: Williams, Harding, Roadley, Siers, Ormsby, Foley, Hokianga

2 Against: van Beek, Mackintosh

Abstained: Kirton

CARRIED

The Chair led a closing karakia and the meeting was adjourned at 5.05pm on Tuesday 18 June 2024.

The meeting reconvened at 9.00am on Thursday 20 June 2024.

Present:

Cr H Ormsby, Chair
Cr W Foley, Deputy Chair (*online*)
Cr X Harding
Cr T Hokianga (*online*)
Cr C Lambert (*online*)
Cr N Kirton
Cr J Mackintosh
Cr D Roadley
Cr S Siers
Cr J van Beek
Cr M Williams

In Attendance:

N Peet –Chief Executive
T Munro – Te Pou Whakarae
S Young – Group Manager Corporate Services
K Brunton – Group Manager Policy & Regulation
C Dolley – Group Manager Asset Management
I Maxwell – Group Manager Integrated Catchment Management
C Comber – Chief Financial Officer
D Cull - Manager Strategy & Governance
V Fauth – Finance Manager
J Keown - Team Leader Comms & Engagement

1. Welcome/Karakia/Apologies/Notices

The Chair welcomed everyone back to the meeting and led a karakia.

Councillor Martin Williams advised that past HBRC Councillor, Dinah Williams, passed away on Tuesday evening.

RC68/24 Resolution

That apologies for absence from Mike Paku and Tania Hopmans be accepted.

**Ormsby/ Mackintosh
CARRIED**

2. Conflict of Interest Declarations

Conflicts declared on 18 June 2024 remain, being:

Councillor Di Roadley declared an interest as an owner of a property that has received funding from the Council's Erosion Control Scheme.

Councillor Sophie Siers declared a conflict of interest relating to item 8 *Tough choices - Hawke's Bay Tourism* as she is a member of the HB Tourism Board of Directors, and accordingly will not participate in discussion or voting on that item.

Councillor Xan Harding declared a conflict of interest relating to item 13 *Submissions requesting financial assistance* as a member of the HB Future Farming Trust and Trustee on the Board of the Trust, and accordingly will not vote on that item.

17. Consolidated Three-Year Plan decisions

Nic Peet introduced the item, which draws together all the previous decisions to enable Council to consider the cumulative impacts in order to finalise the Three Year Plan and the rates required to deliver it. Discussions included:

- Provisional decisions have translated to a 22-23% rate rise in Y1, 13% increase in Y2 and another 7% in Y3.
- This agenda item proposes some further cost saving options for Council to consider, in addition to those already made prior to consultation.
- HBRIC could provide the Council with a special dividend to cover some funding however that could impact on their ability to generate income and pay dividends in future years.
- The strategic refresh will determine or confirm what Council wants to focus on delivering.
- A live working model was used to calculate rates as decisions were confirmed.

Resolutions

That Hawke's Bay Regional Council:

RC69/24

1. Receives and considers the *Consolidated Three-Year Plan decisions* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on these issues, having undertaken the consultation process required under s93 of the Local Government Act and special temporary legislation following Cyclone Gabrielle.
4. Agrees to request a special dividend of \$2.85 million from HBRIC and to apply it to fund:
 - 4.1. \$1 million towards maintaining funding for HB Tourism at current levels for 2024-25
 - 4.2. A rates remission budget up to \$1.2 million in 2024-25
 - 4.3. \$400,000 for biodiversity and biosecurity programmes (\$100,000 in Yr1 and \$300,000 I Yr2)

- 4.4 Up to \$250,000 for a strategic refresh, Long Term Plan amendment consultation, Revenue and Finance Policy investigations and s17a efficiency and effectiveness reviews.

Roadley/Harding

8 For: Hokianga, Lambert, Mackintosh, Williams, Harding, Roadley, Siers, Ormsby

3 Against: van Beek, Kirton, Foley

CARRIED

3. Agrees to adopt the additional savings of:

- 3.1 Public Transport - \$1.1M (Year 2) and \$1.76M (Year 3).

Roadley/Harding

7 For: Mackintosh, Harding, Roadley, Kirton, Ormsby, Lambert, Foley

2 Against: Williams, Siers

2 Abstained: van Beek, Hokianga

CARRIED

- 3.2 Staff costs – five additional vacancies resulting in 20 vacancies being put on hold for three years subject to the outcome of the efficiency reviews.

Siers/Mackintosh

CARRIED unanimously

- 3.3 Sponsorships/Contributions - \$65,000.

Kirton/Foley

3 For: Foley, Kirton, Lambert

8 Against: van Beek, Mackintosh, Williams, Harding, Roadley, Siers, Ormsby, Hokianga

LOST

- 3.4 Pest management bait subsidies - \$185,000.

Harding/Siers

4 For: Siers, Harding, Roadley, Kirton

6 Against: Lambert, Hokianga, Foley, Mackintosh, Williams, Ormsby

Abstained: van Beek

LOST

The substantive Resolutions being:

RC70/24

That Hawke's Bay Regional Council:

1. Receives and considers the *Consolidated Three-Year Plan decisions* staff report.
2. Agrees that the Council can exercise its discretion and make decisions on these issues, having undertaken the consultation process required under s93 of the Local Government Act and special temporary legislation following Cyclone Gabrielle.
3. Agrees to adopt the additional savings of:
 - 3.1 Public Transport - \$1.1M (Year 2) and \$1.76M (Year 3).
 - 3.2 Staff costs – five additional vacancies resulting in 20 vacancies being put on hold for three years subject to the outcome of the efficiency reviews.
4. Agrees to request a special dividend of \$2.85 million from HBRIC and to apply it to fund:
 - 4.1 \$1 million towards maintaining funding for HB Tourism at current levels for 2024-25
 - 4.2 A rates remission budget up to \$1.2 million in 2024-25
 - 4.3 \$400,000 for biodiversity and biosecurity programmes (\$100,000 in Yr1 and \$300,000 I Yr2)
 - 4.4 Up to \$250,000 for a strategic refresh, Long Term Plan amendment consultation, Revenue and Finance Policy investigations and s17a efficiency and effectiveness reviews.

5. Directs the Chief Executive to conduct reviews of efficiency and effectiveness in line with Council's strategic priorities in time for the next Annual Plan.
6. Confirms the resolutions made in previous deliberation items (following) and to incorporate all the decisions made in the final Three-Year Plan 2024-2027 to be brought to Council for adoption on 10 July 2024.
 - 6.1 Agrees to the rating models for the Flood Mitigation schemes being:
 - 6.1.1 70/30 split as per the existing Revenue and Financing Policy settings for flood protection schemes for:
 - 6.1.1.2 Wairoa Operating & Maintenance
 - 6.1.1.3 Whirinaki (Industrial) Capital and Operating & Maintenance
 - 6.1.1.4 Heretaunga Plains Flood Control Scheme (HPFCS) Capital and Operating & Maintenance
 - 6.1.1.5 Whirinaki (Other) – Operating & Maintenance.
 - 6.1.1.6 Pōrangahau –Operating & Maintenance.
 - 6.1.2 100% general rate funding for Pōrangahau Capital.
 - 6.1.3 100% general rate funding for Whirinaki (Other) Capital.
 - 6.2 Agrees to 100% general rate fund the Hawke's Bay Regional Council's share of the general works agreed as part of the cost-share arrangement with Central Government following Cyclone Gabrielle, as consulted on.
 - 6.3 Agrees to amend its Revenue and Financing Policy to implement the rating decisions related to funding flood schemes and general works as part of the cost-share agreement with Central Government following Cyclone Gabrielle.
 - 6.4 Agrees to the \$1.3 million increase over three years in the CDEM targeted rate for the Hawke's Bay Civil Defence Emergency Management Group as consulted on.
 - 6.5 Agrees to the proposed savings of \$1.1M in 2025-26 and \$1.76M in 2026-27 for public transport.
 - 6.6 Agrees that a 50% rates remission will be available to ratepayers newly added to the public transport rate experiencing an impact greater than \$200.
 - 6.7 Agrees to undertake a further review of rating for public transport for the 2025-2026 and 2026-2027 financial years.
 - 6.8 Agrees to maintain funding for HB Tourism at \$1.52 million only for the 2024-2025 financial year.
 - 6.9 Agrees to stop the Clean Heat grants and loans and to stop the Sustainable Home loans from July 2024.
 - 6.10 Agrees to continue to charge the targeted rate for the next 12 years to allow the Clean Heat and Sustainable Homes programmes to balance.
 - 6.11 Agrees to reduce funding for landowners through the Erosion Control Scheme from \$3.4M per year to \$2M in 2024-25, \$2.5M in 2025-26 and \$3M in 2026-27.
 - 6.12 Agrees to reinstate the biodiversity and biosecurity programme budgets to pre-cyclone levels by the third year of this Three Year Plan.
 - 6.13 Agrees to reduce the annual operational budget of regional parks by 20% per annum for the next three years.
 - 6.14 Agrees to retain the \$120,000 annual contributions to the Te Mata Park Trust for the

next three years.

- 6.15 Agrees to defer contributing towards the development costs for the Ahuriri Regional Park project.
- 6.16 Agrees to defer development of the Wairoa Regional Park project.
- 6.17 Agrees to defer all new capital works on cycleways aside from \$50,000 per year for safety improvements.
- 6.18 Agrees to adopt the Infrastructure Strategy as consulted on.
- 6.19 Requests that staff continue to work constructively to facilitate the Awatoto Industry Action Group (AIAG) secondary containment project, reporting progress and developments through the Environment and Integrated Catchments Committee.
- 6.20 Agrees that no changes be made to the 2024-2027 Three Year Plan in relation to the submission from Hawke's Bay Future Farming Charitable Trust (#789)
- 6.21 Agrees that no changes be made to the 2024-2027 Three Year Plan in relation to the submission from Biodiversity Hawke's Bay (#1097) but that this request will be re-evaluated as part of the 2025-26 Annual Plan.
- 6.22 Agrees that no changes be made to the 2024-2027 Three Year Plan in relation to the letter from Te Taiwhenua o Heretaunga.
- 6.23 Acknowledges the value of all three organisations that requested financial assistance and the work they do and requests that staff continue to discuss funding opportunities with all of them.
- 6.24 Agrees to adopt the amended *Fees and User Charges Policy*, including the implementation of two new Harbourmaster fees being:
 - 6.24.1 An annual fixed Harbourmaster charge to Napier City Council, and
 - 6.21.2 An anchorage levy to commercial vessels greater than 40m in length overall anchoring within Hawke's Bay regional waters.
- 6.25 Agrees to a one year 50% remission of their utility roll rates for all the region's territorial authorities.
- 6.26 Requests that staff investigate applying a cap on capital value for utility rolls for the general rate in future years.
- 6.27 Agrees that a rating review (banding used in differential rating) for the Upper Tukituki Flood Control Scheme and Upper Makara Stream Catchment Special Rating Scheme will be undertaken before the next Annual Plan.
- 6.28 Requests that staff investigate the potential for a differential to be applied to the Capital Value rating for residential and lifestyle properties.

Williams/Roadley

8 For: Mackintosh, Williams, Harding, Roadley, Siers, Ormsby, Hokianga, Lambert

3 Against: Foley, Kirton, van Beek

CARRIED

Councillor Xan Harding led a karakia to close the meeting.

Closure:

There being no further business the Chair declared the meeting closed at 11.56am on Thursday, 20 June 2024.

Signed as a true and correct record.

Date: by HBRC resolution 10 July 2024

Chair: Hinewai Ormsby