



AGENDA

HORIZONS REGIONAL COUNCIL

REGIONAL COUNCIL

Tuesday, 23 February 2010 at 10.00am

Notice is given of a meeting of Horizons Regional Council to be held on
Tuesday 23 February, 2010 at 10.00am in the
Council Chambers, Palmerston North City Council,
32 The Square, Palmerston North.

Business to be discussed includes:

- 2010 Triennial Election: Timetable, early Processing and Candidates' Names
- Community Plan 2009-19 Amendment and Draft Annual Plan 2010-11
(to be distributed at the meeting)
- Draft Annual Plan Communications Strategy
(Public Excluded)
- Investment of Sale Proceeds from the Sale of Port of Napier Limited
(Public Excluded)

COUNCIL MEMBERS

Cr GP Murfitt MNZM JP (Chairman)
 Cr L Bailey
 Cr LR Burnell
 Cr VJF Chettleburgh QSM ED
 Cr EB Gordon
 Cr MC Guy

Cr AK Main
 Cr DB Meads
 Cr MW Plowman
 Cr PW Rieger QSO
 Cr RG Walker JP
 Cr J White

RECOMMENDATIONS IN REPORTS ARE NOT COUNCIL POLICY UNTIL ADOPTED BY COUNCIL

NEWS EMBARGO

Items in this agenda may be subject to amendment or withdrawal at the meeting. Items are embargoed until two days before the date of the meeting.

Reporters who do not attend the meetings should seek confirmation of the agenda material or proceedings from the Chief Executive prior to any media reports.

for further information regarding this agenda, please contact:
 Julie Kennedy, 06 9522 800

CONTACTS	24 hr Freephone : 0508 800 000	help@horizons.govt.nz		www.horizons.govt.nz
SERVICE CENTRES	Kairanga Cnr Rongotea & Kairanga-Bunnythorpe Rds, Palmerston North	Marton Hammond Street	Taumarunui 34 Maata Street	Woodville Cnr Vogel (SH2) & Tay Sts
REGIONAL HOUSES	Palmerston North 11-15 Victoria Avenue	Wanganui 181 Guyton Street		
DEPOTS	Levin 11 Bruce Road	Taihape Torere Road Ohotu		
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AGENDA

23 February 2010
10.00am

PART ONE

Pages

PROCEDURAL ITEMS

1. Apologies
2. Public Speaking Rights
Notification to speak is required by 4pm on the working day prior to the meeting. Further information is available on www.horizons.govt.nz or by phoning 0508 800 800
3. Late Items:
To consider, and if thought fit, to pass a resolution to permit the Committee to consider any further items relating to items following below which do not appear on the Order Paper of this meeting and/or the meeting to be held with the public excluded.
Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:
 - (i) The reason why the item was not on the Order Paper, and
 - (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.
4. Members' Conflict of Interest
Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.
5. Petitions/Deputations
6. Confirmation of Minutes - 15 December 2009 1 - 14

MATTERS FOR CONSIDERATION

7. 2010 Triennial Election: Timetable, early Processing and Candidates' Names 15 - 18
Report No: 10-08
File No: GRP 5 01
8. Community Plan 2009-19 Amendment and Draft Annual Plan 2010-11
Report No: 10-20 (to be distributed at the meeting)
File No: OMS 10 01 10

- | | | |
|-----|--|---------|
| 9. | Affixing of the Common Seal
<i>Report No: 10-18</i>
<i>File No: OMS 5 00</i> | 19 - 20 |
| 10. | Workshops Held from 16 September 2009 – 16 February 2010 | 21 - 22 |

COMMITTEE REPORTS

- | | | |
|-----|---|---------|
| 11. | Endorsement and Adoption of Committee and Advisory Group Resolutions and Recommendations:

Catchment Operations Committee 9 February 2010
Strategy and Policy Committee 15 February 2010
(to be distributed at the meeting) | 23 - 28 |
|-----|---|---------|

COUNCILLOR AND CHIEF EXECUTIVE REPORTS

12. Chairman's Report
13. Chief Executive's Report
14. Members' Reports and Questions

PART TWO – PUBLIC EXCLUDED SECTION

The public is to be excluded from the remainder of the Council meeting as the general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution is as follows:

General subject of each matter to be considered	Reason for passing this resolution	Grounds under section 48 (1) for passing this resolution
PX1 Confirmation of Minutes of 15 December 2009 Pgs 29 – 34	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX2 Endorsement and adoption of the Audit, Risk and Investment Committee (Tender) of 22 December 2009 Pgs 35 – 40	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX3 Endorsement and adoption of the Strategy and Policy Committee of 15 February 2010 Pgs 41 – 44	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.

<p>PX4 Investment of Sale Proceeds from the Sale of Port of Napier Limited <i>Report No. 10-16</i> Pgs 45 - 46</p>	<p>As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.</p>	<p>That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.</p>
<p>PX5 Draft Annual Plan Communications Strategy <i>Report No. 10-19</i> Pgs 47 - 51</p>	<p>As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.</p>	<p>That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.</p>

M J McCartney
CHIEF EXECUTIVE



Minutes of the twenty-seventh meeting of the seventh triennium of Horizons Regional Council held at 10.00am on Tuesday, 15 December 2009, in the Tararua Room, Regional House, 11-15 Victoria Avenue, Palmerston North.

PRESENT Crs G P Murfitt (Chair), L Bailey, L R Burnell (from 1.50pm), V J F Chettleburgh QSM ED, E B Gordon, M C Guy, A K Main (from 2.20pm), D B Meads, M W Plowman, P W Rieger QSO, R G Walker JP, and J J White.

IN ATTENDANCE

Chief Executive	Mr M McCartney (to 10.55am and from 1.15pm)
Group Manager	Mr C Grant (to 10.55am and from 1.15pm)
Corporate and Governance	
Committee Secretary	Mrs J Kennedy

ALSO PRESENT Mr G Carlyon (Group Manager Regional Planning and Regulatory, from 10.15am to 10.55am), Mr E Duggan (Acting Chief Financial Officer, from 1.36am), Mr C Mitchell (Group Manager Environmental Management, to 10.55am and from 1.15pm), Mr G Shirley (Group Manager Regional Services and Information, from 1.27pm to 2.19pm), Mr A Cook (Group Manager Operations, from 1.30pm to 3.33pm), Mr S Bayley (Manager Emergency Management Office, to 10.55am and from 1.15pm to 1.40pm), Ms H Marr (One Plan Manager, from 10.15am to 10.55am), Dr J Roygard (Manager Science, from 10.15am to 10.55am), Ms K McArthur (Environmental Scientist Water Quality, from 10.15am to 10.55am), Mr and Mrs Paton (members of the public, from 10.15am to 10.55am), Mr F De Jager and Mr B Judd (Water and Environmental Care Association, from 10.00am to 10.55am).

APOLOGIES

Apologies were received from Crs Burnell and Main for lateness.

09-482 *Moved* **Murfitt/Bailey**

that apologies be received from Crs Burnell and Main for the morning part of the meeting.

CARRIED

PUBLIC SPEAKING RIGHTS

No requests for public speaking rights had been notified.

LATE ITEMS

The Chairman notified members that Report No. 09-207, Lower Whanganui Scheme – Contract Award, as tabled, would be taken under urgency as a Late Item in Public Excluded, for the reason that it was necessary to award the contract for physical works to commence as soon as possible.

09-483 **Moved** **Murfitt/Guy**

*that the Council **considers** Report No. 09-207, Lower Whanganui Scheme – Contract Award as an urgent item under Public Excluded.*

CARRIED

MEMBERS' CONFLICTS OF INTEREST

There were no conflicts of interest advised.

PETITIONS / DEPUTATIONS

There were no petitions or deputations.

CONFIRMATION OF MINUTES

Members asked for the following amendments to the minutes:

- page 1, "The Chairman advised...would **be** considered at 1.00pm, time allowing".
- page 5, Cr Main's report, first line, "...busy with her involvement in the Turitea **Te Rere Hau** Windfarm extension application...".

09-484 **Moved** **Murfitt/Meads**

that the minutes of the meeting held on 24 November 2009, as circulated, be confirmed as a correct record with the following amendments:

- page 1, "The Chairman advised...would **be** considered at 1.00pm, time allowing".
- page 5, Cr Main's report, first line, "...busy with her involvement in the **Te Rere Hau** Windfarm extension application...".

CARRIED

EMERGENCY MANAGEMENT OFFICE UPDATE

Report No. 09-170

The purpose of this item was to provide an update to Members on the activities of Horizons' Emergency Management Office.

Mr Bayley, Manager Emergency Management Office introduced the report and provided clarification around the four main groups of activities that the Emergency Management Office was divided into: Civil Defence Emergency Management (CDEM) Group, Horizons' Emergency Management (HorizonsEM), Contracted services, and Health and Safety. Members discussed the information and asked questions of clarification around the role of contracted services for rural fire, the internal audit for Work Safe Management Practices to retain ACC accreditation, and the impact of that on ACC levies, and whether schools were included in the public awareness programme. Mr Bayley clarified that resources for a programme called "What's the Plan Stan" were provided to teachers in schools, and the CDEM Group would also be working with officers on the retheme of the Green RIG, with a view to including a suitable educational programme.

Congratulations were extended to all involved in the provision of Emergency Management services to the Region, and the recommendation was amended accordingly.

09-485 **Moved** **Murfitt/Guy**

that the Council:

- a. **receives** the information in Report No. 09-170, and **congratulates** the team involved for their efforts.

CARRIED

**UPDATE ON CAWTHRON REPORT AND MANAWATU RIVER ASSESSMENT
DR J ROYGARD**

Dr Roygard provided an update on the recently reported levels of dissolved oxygen concentration found at various locations in the Manawatu River, including a site at Hopelands. In summary he advised that the health of the Manawatu River, in several locations, was not 'flash', and that work was continuing to try and improve on that. Members asked questions of clarification. The Chairman thanked Dr Roygard and staff for their efforts.

The meeting adjourned at 10.55am

The meeting reconvened at 11.09am

09-486

Moved

Rieger/Meads

that the public is to be excluded from this portion of the Council meeting as the general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for passing of this resolution is as follows:

General subject of each matter to be considered	Reason for passing this resolution	Grounds under section 48 (1) for passing this resolution
Chief Executive Performance Review - Mr Richard Westlake	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.

CARRIED

The meeting adjourned to the Public Excluded part of the meeting at 11.10am and resumed at 12.30pm.

The meeting adjourned at 12.31pm

The meeting reconvened at 1.15pm

STATEMENT OF PROPOSAL

REVIEW OF MANAWATU RIVER AND TRIBUTARIES NAVIGATION AND SAFETY BYLAWS 2004

The item presented the Statement of Proposal for the review of the Manawatu River and Tributaries Navigation and Safety Bylaws 2004.

Mr Bayley, Manager Emergency Management Office outlined some of the issues to be addressed through the Bylaws' review, and drew Members' attention to the review process and timeline. There was discussion around the powers and availability of Honorary Enforcement Officers. Mr Bayley advised their role was more around awareness and education of the Bylaws, rather than enforcement. It was suggested there could be value in making a staff submission to give limited enforcement power to the Honorary Enforcement Officers, particularly over the summer/holiday period. Mr Bayley undertook to liaise with Crs Bailey and Burnell on that matter.

Members considered the report and asked questions of clarification on matters of interest.

09-491 Moved Gordon/Chettleburgh

that the Council **endorses and adopts** the resolutions and recommendations of the Regional Transport Committee, held on 1 December 2009, with the following amendments:

- page 56, National Land Transport Programme 2009-12 Update, Resolution LT 09-94 – remove Gordon from voting against – record Gordon as Abstain.
- page 57, include at end of minutes – **The Chairman took the opportunity to acknowledge his appreciation to staff for their efforts in putting the agenda together, and wished everyone a Merry Christmas and Prosperous New Year.**

CARRIED

MANAWATU RIVER USERS' ADVISORY GROUP

09-492 Moved Bailey/Murfitt

that the Council **endorses and adopts** the resolutions and recommendations of the Manawatu River Users' Advisory Group, held on 1 December 2009.

CARRIED

CATCHMENT OPERATIONS COMMITTEE

The following amendments were made to the minutes:

- page 1, Under Apologies, Cr White attending "**preparing for...**"
- page 3, Change of wording – "In regard to the naming of two lookouts downstream **either side** of Fitzherbert Avenue bridge ..."
- page 4, Add – "**On behalf of Cr Burnell and herself** Cr Bailey asked that **they** be kept..."

09-493 Moved Meads/Gordon

that the Council **endorses and adopts** the resolutions and recommendations of the Catchment Operations Committee, held on 8 December 2009, with the following amendments:

- page 1, Under Apologies, Cr White attending "**preparing for...**"
- page 3, Change of wording – "In regard to the naming of two lookouts downstream **either side** of Fitzherbert Avenue bridge ..."
- page 4, Add – "**On behalf of Cr Burnell and herself** Cr Bailey asked that **they** be kept..."

CARRIED

Cr Burnell joined the meeting at 1.50pm.

Mateongaonga Stream Restoration Project

As requested at the Catchment Operations meeting (resolution RD 09-103 (c), Mr Cook, Group Manager Operations (GMO) gave an update on the background, and current state of the restoration project in the lower Mateongaonga Stream, being undertaken as a consequence of some excessive mechanical excavation and vegetation clearance undertaken in 2007. The GMO explained that a restoration plan had been implemented, in consultation with affected parties, to mitigate to the extent possible the adverse effects that had resulted. An undertaking had been made to undertake structural works only if and when the need arose. Until recently there had been no need to intervene, however a small slip had recently occurred which justified the need for a small amount of physical works to be carried out on the stream channel. As a result of an ongoing disagreement over perceived erosion issues and appropriate responses between Horizons' staff

and landowners, staff had temporarily been denied access to the property concerned to undertake the works presently proposed. Discussions were ongoing with the persons concerned.

Cr Walker commented on phone calls received, and meetings held with affected landowners in regard to the ongoing disagreement, and tabled a formal complaint against Horizons, received from an affected landowner. There was discussion around a way forward to resolve the conflict, and ultimately it was suggested that the GMO would put forward a written proposal identifying the work required, for the property owners to consider.

Whanganui River – Safety Issues

The GMO explained Horizons position around a request from Sailing Wanganui in regard to a perceived safety issue relating to an old groyne near the Gilbert Street ramp. The rock lining protection work recently completed did not include the groyne in question, and care was required not to assume responsibility for works beyond those agreed with the district council, without having Council's approval for any possible expenditure. It was noted that the GMO had written to Sailing Whanganui in that regard. It was further noted that representatives of Sailing Wanganui had been invited to the Whanganui Scheme Working Party meeting scheduled for 17 December 2009, and the matter would be further discussed at that time.

Naming of two lookouts either side of Fitzherbert Avenue Bridge

A resolution was put forward to formally recognise the naming of two lookouts either side of Fitzherbert Avenue Bridge.

09-494 Moved Chettleburgh/White

that the Council:

- a. **agrees** that the names of the two lookouts either side of Fitzherbert Avenue bridge be named as 'Kitty Siefert' and 'Pauline Keys', subject to agreement from Kitty Siefert and the family of Pauline Keys.

CARRIED

Members made comment and asked questions of clarification on issues of interest contained in the minutes.

Cr Main joined the meeting at 2.20pm.

ENVIRONMENT COMMITTEE

Appreciation was expressed at the excellent quality of reports presented by staff to the Environment Committee.

09-495 Moved Main/Bailey

*that the Council **endorses** and **adopts** the resolutions and recommendations of the Environment Committee, held on 9 December 2009, and **expresses** appreciation at the excellent reports provided by staff.*

CARRIED

Members made comment and asked questions of clarification on issues of interest contained in the minutes.

Cr Gordon chaired the Regional Transport Committee on 1 December, attended Turakina Scheme meetings, and the usual Council and Committee meetings.

Cr Guy attended the usual Council and Committee meetings, a Palmerston North City Council Christmas function held at Caccia Birch, the 'get-together' on 14 December with Palmerston North City Council Councillors, and a meeting in Horowhenua in regard to a wastewater issue.

As Crs Burnell, Plowman, and Walker would not be attending the Councillors' Christmas dinner to be held that night, the Chairman took the opportunity to wish them a Merry Christmas, and thanked them for their involvement throughout the year.

09-498

Moved

Murfitt/Burnell

that the public is to be excluded from this portion of the Council meeting as the general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for passing of this resolution is as follows:

General subject of each matter to be considered	Reason for passing this resolution	Grounds under section 48 (1) for passing this resolution
PX1 Confirmation of Minutes of 24 November 2009	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX2 Confirmation of Minutes of Extraordinary Council Meeting – 30 November 2009	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX3 Endorsement and adoption of the Audit, Risk and Investment Committee of 27 and 30 November 2009	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX4 Update on Opportunity to sell Port of Napier Shares (Report No. 09-203)	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX 4(a) Opportunity to Sell Port of Napier Shares (Report No. 09-205)	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX5 Council to consider whether any item in the Public Excluded minutes can be moved into the public domain, and define the extent of the release.		

CARRIED

The meeting adjourned to the Public Excluded part of the meeting at 3.10pm and resumed at 4.05pm.

The meeting closed at 4.06pm.

Confirmed

CHIEF EXECUTIVE

CHAIRMAN

UNCONFIRMED

DECEMBER 2009 CHAIRMAN'S REPORT

Council Meeting Date: 15 December 2009

- RAC Gisborne 2 days
- Meeting with HDC – Brendon Duffy
- Meeting with Shane Bailey – update on CDEM
- Meeting with Phil Taueki regarding Lake Horowhenua
- Regional Transport Committee
- Strategic transport Study – Update
- Manawatu River Users
- CEDM Regional Meeting – (Whanganui)
- Regional Chiefs Meeting – WDC
- Meeting with Fonterra Directors – Palmerston North
- Napier Port Company – Update
- Agenda's meeting
- Catchment Operations
- Meeting with HBRC – Napier Port Company
- Environment committee
- Tararua District Council
- Farm Visit – Oringi Farm Strategy etc
- LGNZ – Function Wellington
- Totara Reserve – advisory meeting – Pohangina
- Meeting with Office of Treaty Settlements – Crown Negotiations
- Council One Plan – Workshop
- Joint Council PNCC – HRC Hosting
- Council Meeting.

Up and coming date:

Council Christmas Dinner – Tuesday 15 December 2009

DECEMBER 2009 Chief Executive Report

To Council

Planning and Policy

One Plan

- As the One Plan Water hearings kick into full swing public interest and profile around the water quality issues have escalated.
- Considerable time is being spent dealing with public enquiries and media response to the water quality debate over the Manawatu River.
- With this interest comes opportunity to appropriately inform the community of the issues and challenges the region/community faces with respect to its waterways.

Annual Plan

- The planning and discussion with respect to the 2010 Annual Plan is well underway. The management team have met to explore the savings/service level cut options.
- Given the fact that Council underwent an exhaustive planning exercise for the 3 year LTCCP we are hoping the Council workshop commitment to the Annual Plan will be much less than last year.

Animal Pest Strategy

- After a great deal of hard work and some prioritization issues we are pleased to have signed off the Animal Strategy. I wish to extend my thanks to staff and elected members for the effort that went into producing the very important document for the region.

Regional Transport Strategy

- This is a significant piece of work that is planning for completion within a tight timeframe. The strategy will set the direction for the regions transport planning for the next few years. It is due to be finalized September 2010.
- The Joint Transport study (PNCC, MDC) study is due for completion in March 2010.

Regulatory

- The work in this area continues to be busy with some major consent's on the books. The consent application number remains at a steady number (seemingly unaffected by recession impacts)
- We have been trialing a new initiative related to issuing consents in the field around vegetation clearance. The process looks promising with obvious benefits to clients as they can receive a decision instantly.

- The Compliance team has been dealing with the usual numbers of incidents. A recent meeting of the PAC has resulted in two new prosecutions. The PAC is due to meet in the near future to assess further cases.
- Looking ahead to summer the team will be focusing on water takes – assuming of course we see drying conditions and the commissioning of irrigators.

Catchment Operations

- The hearing committee considering the Taionui Basin consent has convened.
- A number of procedural and information matters raised by the hearing have prompted a detailed information request. The team is assessing this request and will be responding in due course.
- The team dealt with a minor issue related to the upper Whanganui Scheme. As part of the normal maintenance works popular trees were removed. A key stakeholder in the scheme questioned this activity in particular in relation to revenue received from the timber sales. The matter has been resolved.
- Members may have seen some media interest in relation to our offer to buy a small part of the PN Golf Club land to assist with the City Reach upgrade. Despite the indications that the offer will be declined we are confident that the Golf Club will be cooperative in terms of us undertaking the necessary physical works.
- As we gear up for the summer construction season we look forward to a flood free summer/autumn and a smooth passage through the regulatory waters.
- The SLUI programme continues to do well with steady interest in the Farm Plan process.
- MAF had indicated that they intended to undertake a review before Christmas of the programme. They now have confirmed that they intend waiting until the New Year and do the review as was originally signaled.
- The Minister was scheduled to visit the region last week. He has postponed that due to Cabinet commitments.
- Pleasingly he has agreed to meet with the Chair and I this week. We intend briefing him on SLUI progress to date and reinforce our desire to host him in the region.

Research/Science

- The Science team continues to be very busy supporting the regulatory team and the One Plan process. In addition the team has been instrumental in developing new initiatives such as the dairy pond size calculator, Land use mapping, Water allocation methodologies, Water matters, Water quality matters, FARMS etc.
- The science capability of Horizons has come a long way in the past 10 years and we can be very proud of the results of the investment the community has made in this area.

Communications

- Currently we are 3 staff down in the Communications area (including the Media area). This means that invariably the level of service in this area will be affected. I am currently looking at future staffing levels.

Treaty Settlement

- Yesterday we met with OTS to discuss the pending Whanganui settlement. The Chair and I will be able to verbally update members at the meeting.

Napier Shareholding

- Last week the Chair and I met with our counterparts at Hawke Bay to discuss the Napier Shares. A separate item about that meeting appears on the agenda under PX.

National Scene

- The RAC recently met in Gisborne. The RAC confirmed – Treaty Settlements, Information Portal and Sector Coalescing as the key priorities for the future. If time permits at the meeting I would like to give a brief presentation on the Information Portal to Council.
- Over that past two weeks we have met with MFE, NIWA, DOC, MED, Minister of Science, Research and Technology where we have talked about the Information Portal project. All have shown a keen interest to be involved in the project.
- In the near future the RAC will be holding an audience with the Minister of Treaty Settlements and other senior Minister to hear from them about their expectations with respect to our sectors role in the settlement outcomes.

Christmas

The office will be closed from 5pm 23 December until 6 January. We will have our full contingent of duty officers on standby over the holiday period.

I would like to extend my thanks to Council for their support and guidance this past year.

It's been a busy one and one with many challenges. I feel the staff have responded well to these challenges and they continue to make me very proud of what we have achieved.

At the end of the day leadership success is a reflection of what the organization as a whole achieves. I would like to publicly thank my Executive team for their dedication and energy for the organization and sector.

I wish you all a merry Christmas and look forward to seeing you in election year 2010.

A Significant decision? If Yes	No
Do recommendations meet Significance Policy (contained within the LTCCP)	

Item No: 7
Date: 23/02/2010
Report No: 10-08
File No: GRP 5 01

2010 TRIENNIAL ELECTION: TIMETABLE, EARLY PROCESSING AND CANDIDATES' NAMES

PURPOSE

1. This report provides Members with the timetable for the 2010 triennial local authority elections, acknowledges that early processing of votes will be decided by the respective territorial authorities, and seeks a decision on the order in which the candidates' names are to be shown on the voting documents used.

FINANCIAL IMPACT

2. There is no financial impact.

BACKGROUND

3. The next triennial local authority elections will be held on 9 October 2010. The Council made a decision at the Council meeting on 26 August 2008 to retain the status quo 'First past the Post' electoral system. Planning for the elections themselves has commenced. The territorial authorities in the Region carry out much of the work for the Horizons Regional Council elections, and a number of decisions relate to this work.

DISCUSSION

4. **Timetable** - The timetable for the elections is set out in the Local Electoral Act 2001 and the Local Electoral Regulations 2001. The following timetable applies for the 2010 triennial elections.

Public notice of election/calling for nominations	(est) Wednesday 21 July
Nominations open and preliminary roll open for inspection	Friday 23 July
Nominations close - NOON	Friday 20 August
Public notice of day of election, candidates' names	(est) Wednesday 25 August
Delivery of voting documents	17 – 22 September
Election day voting closes - NOON	Saturday 9 October
Preliminary results available	pm Saturday 9 October
Declaration of results	(est) 13 - 20 October

5. The voting method will be by postal vote. The processing of all Regional Council votes will be carried out by the territorial authorities, and **early processing of votes** will be carried out (as in the past) as decided by the respective territorial authorities.
6. **Order of names on voting papers** - Prior to the enactment of the Local Electoral Regulations 2001, candidates' names were required to be listed on the voting documents in alphabetical order by surname.
7. Clause 31(1) of the Local Electoral Regulations 2001 now allows the Council to decide whether the candidates' names are to be arranged on the voting documents in alphabetical order of surname, pseudo-random order, or random order. In the absence of any Council resolution approving another arrangement, the candidates' names must

be arranged in alphabetical order of surname. The features of each arrangement are described as follows:

Option 1 - Alphabetical order of surname

This is the order which has been required to be used at previous local authority elections, and is self-explanatory. This is the simplest method for the elector. It is the method they are familiar with and is the system used at the parliamentary elections. There is a suggestion that candidates with a surname starting at the top end of the alphabet have an unfair advantage over others with a "lower" alphabetic ranking. There is no research that we are aware of which confirms this view.

Option 2 - Pseudo-random order**

Under this option, the candidates' names for each election are placed in a hat (or similar receptacle), mixed together, and then drawn out of the receptacle, with the candidates' names being placed on all voting documents for that election in the order in which they are drawn. This system could possibly be more difficult for the elector to locate the candidate they wish to vote for, especially if there are a large number of candidates standing for election. Although it would resolve the issue (if there is one) of those candidates with a surname starting with the letter "A" or "B" etc having an unfair advantage over those candidates whose surname starts with a middle or later letter of the alphabet, that advantage would then be given to the first few candidates whose names are drawn out of the hat.

(**Note: Although the term "pseudo-random order" is used in the Local Electoral Regulations to describe this arrangement, this is a somewhat imperfect description, in that the term "pseudo-random" is understood by mathematicians and/or information technology specialists to have a quite different meaning).

Option 3 - Random order

Under this option, the names of the candidates for each election are shown in a different order on each and every voting document, utilising software that permits the names of the candidates to be laser printed in a different order on each paper. This option suffers from the same (possible) difficulty for the elector as described under the "pseudo random" method. Although it may not be particularly user friendly, this method is possibly the fairest to all candidates (however, it is the least preferred by the territorial authorities within our region because of the additional difficulties in checking the papers for accuracy and in counting the votes using the barcode system).

8. The cost of printing the voting documents employing either Option 1 or Option 2 will be identical. Should the Council adopt Option 3 (random order) there will be some increase in cost because of the need to individually laser print each voting document, rather than having them pre-printed. While it is not yet possible to give an estimate of the likely additional costs if this option is chosen, these are not expected to be substantial.
9. The Regulations allow each local authority to determine, by resolution, which "order of candidate name" option it wants to employ. Because regional councils, territorial authorities, district health boards and licensing trusts are all local authorities as defined under the Local Electoral Act 2001, each authority could potentially opt for a different name order option. If this scenario was to occur, a regional council voter could be faced with the order of candidates being different for all the main issues they are required to vote on. This could be confusing for electors, particularly if there are a considerable number of candidates standing for election. It has the potential to discourage people from voting for more than a few candidates or, in the worst-case scenario, stop them from voting at all.

10. All three options have both merit and potential drawbacks. However, 'alphabetical order' has traditionally been the preferred choice for Horizons Regional Council. It is therefore recommended that the names of the candidates at the 2010 Horizons Regional Council elections be arranged in alphabetical order.

RECOMMENDATIONS

11. It is recommended that Council:
- a. **notes** the timetable for the 2010 triennial local authority elections, and the postal method of voting;
 - b. **confirms** the extent of early processing of votes to be as determined by the respective territorial authority; and
 - c. **agrees** that the **names** of the candidates at the 2010 Horizons Regional Council elections be arranged in alphabetical order.

C A Grant
ELECTORAL OFFICER

K E Booth
DEPUTY ELECTORAL OFFICER

A Significant decision? If Yes	No
Do recommendations meet Significance Policy and LGA requirements?	

Item No: 9
Date: 23/02/2010
Report No: 10-18
File No: OMS 5 00

AFFIXING OF THE COMMON SEAL

PURPOSE

1. This paper reports on documents to which Horizons Regional Council's Common Seal has been affixed.

FINANCIAL IMPACT

2. There is no additional financial impact.

COMMENT

3. The Common Seal has been affixed to the following documents:
 - a. **Under Chief Executive's Delegated Authority:**
 - New Grazing Lease Agreements
Horizons Regional Council and Robell Farming Limited
 - Service Contract – Hydrology
Horizons Regional Council and Hydro Tasmania Consulting
 - New Grazing Lease for Porewa Valley Scheme
Horizons Regional Council and S G and L M Bradley
 - Staff Warrant Card: Kieran Wayne McKendry
 - New Lease Agreement for Grazing on Parenamui Road
Horizons Regional Council and Grant Ewan and Debbie Whitiri
 - Sustainable Land Use Initiative –
Term Loan Agreement and Forestry Right:
Horizons Regional Council and J and R N Deroles
 - b. **Under Urgency:**

Nil
 - c. **To be Approved:**

Nil

RECOMMENDATION

4. It is recommended that the Council:
 - a. **acknowledges** the affixing of the Common Seal to the abovementioned documents.

HORIZONS REGIONAL COUNCIL
WORKSHOP ATTENDANCE
16 September 2009 – 16 February 2010

Date	Details	Councillor Attendance
14 December 09	Annual Plan	Present : Cr L Bailey Cr L Burnell Cr V Chettleburgh Cr EB Gordon Cr M Guy Cr A Main Cr D Meads Cr GP Murfitt Cr P Rieger Cr J White Apology: Cr M Plowman Absent: Cr B Walker
21 January 10	Annual Plan / Funding for Bush Remnant	Present : Cr L Burnell Cr V Chettleburgh Cr EB Gordon Cr M Guy Cr A Main Cr D Meads Cr GP Murfitt Cr M Plowman Cr P Rieger Cr B Walker Cr J White Apology: Cr L Bailey (attending other Council business)
5 February 10	Biodiversity Workshop (am) Biodiversity Field Trip (pm)	Cr Bailey (am) Cr V Chettleburgh (am) Cr Gordon (am) Cr Guy (am/pm) Cr Main (am/pm) Cr Meads (am/pm) Cr Plowman (am/pm) Cr Rieger (am/pm) Cr J White (am/pm) Apology: Cr Bailey (pm) Cr Chettleburgh (pm) Cr Gordon (pm) Cr Murfitt (am/pm) Cr Walker (am/pm) Absent: Cr L Burnell

Date	Details	Councillor Attendance
16 February 10	Annual Plan	Present Cr L Bailey Cr L Burnell Cr V Chettleburgh Cr EB Gordon Cr M Guy Cr A Main Cr D Meads Cr GP Murfitt Cr P Rieger Cr J White Apology: Cr M Plowman Cr B Walker



Report of the thirteenth meeting, seventh triennium, of the Catchment Operations Committee of Horizons Regional Council held in the Tararua Room, Horizons Regional Council, 11-15 Victoria Avenue, Palmerston North at 10.02am on Tuesday 9 February 2010.

PRESENT Crs DB Meads (Chairman), EB Gordon, MC Guy, GP Murfitt and, PW Rieger.

IN ATTENDANCE Crs Bailey (from 10.07am), Chettleburgh, Main, Plowman, and White
 Chief Executive Mr M McCartney
 (at various times throughout the meeting)
 Group Manager Operations Mr A D Cook (to 2.08pm)
 Group Manager Mr C Mitchell (from 1.55pm)
 Environmental Management
 Committee Secretary Mrs J Kennedy

ALSO PRESENT Mr P Blackwood (Manager Investigations and Design from 11.35am to 12.25pm), Mr G Doull (Senior Design Engineer from 11.10am to 12.25pm), Mr G Cooper (Environmental Manager Land from 2.20pm), two Members of the public (from 11.40am to 12.25pm), and Ms C Webb (ratepayer from 1.42pm to 2.20pm).

APOLOGIES

RD 10-108

Moved

Gordon/Meads

that an apology be received from Cr Walker (business commitments).

CARRIED

LATE ITEMS

There were no late items advised.

CONFLICT OF INTEREST

There were no Members' conflict of interest issues.

CONFIRMATION OF MINUTES

The Group Manager Operations noted the following amendment:

- Under Resolution RD 09-104 (b), delete (f) for raising to the new design level at a later date.

RD 10-109

Moved

Meads/Murfitt

that the Minutes of the meeting of the Catchment Operations Committee meeting held on Tuesday, 8 December 2009, be confirmed as a correct record, with the following amendment:

- *Resolution RD 09-104 (b), delete (f) for raising to the new design level at a later date.*

CARRIED

RIVER AND DRAINAGE ENGINEERING REPORT

Report No. 10-06

The purpose of this item was to report on progress with river and drainage activities for the two-month period 1 December 2009 to 31 January 2010.

The Group Manager Operations (GMO) introduced the report and was available to answer questions of clarification on points of interest.

In response to a question around the ongoing discussions with Manawatu Golf Club, the GMO advised that although the Club had declined a formal offer to purchase the land either underneath or to the river side of the stopbank immediately downstream of Albert Street, discussions were still ongoing with the Club to achieve a desired outcome in regard to the proposed flood protection and river side amenity improvements for the City.

There was discussion on the issue of a small number of property owners in the Whitehouse Drive area affected by the HF category rate in the new Lower Manawatu Scheme (LMS) rating classification. The GMO explained the reasons why an HF rate was applied to those properties. He further explained that if the major residential development proposed for the adjoining Anders Road area occurred, then the area concerned would very likely be included within the Palmerston North City category for LMS rating purposes, and the HF rate would therefore not apply. As a possible solution the GMO said he had suggested to the complainants that they might like to make a submission to the 2010-11 Draft Annual Plan (DAP) in anticipation of a change in the City category boundary, requesting that the area concerned be shifted into the PN rating category. There was further discussion by Members on whether Horizons should indicate the proposal in the DAP, or wait for submissions to be received from the public. After further discussion it was ultimately agreed that the Council should indicate in the DAP its intention to amend the HF category boundary in the Anders Road and White Horse Drive area, and spread the resulting impact of that change across the entire LMS rating system on a pro rata basis, such that HF category rates were not significantly increased.

RD 10-110

Moved

Murfitt/Meads

- indicates our intention in the Draft Annual Plan 2010-11 to amend the HF category boundary in the vicinity of Anders Road / White Horse Drive area, and spread the impact of the change across the entire Lower Manawatu Scheme rating system on a pro rata basis such that HF category rates are not significantly increased.*

CARRIED

In discussing the issues being experienced in the Kahuterawa Stream due to property owners undertaking channel works to address their own problems, the GMO advised that in order to help overcome those issues there was a need for a comprehensive investigation and assessment of options, particularly for erosion risk mitigation. It was proposed that a report in that regard would be prepared under the on-Scheme investigations budget provision, probably early in the 2010-11 year.

In response to a question around the timeframes for consultation with the community for Stage 2 of the Whanganui flood protection works, the GMO advised that a strategy to start the consultation process would be developed in 2010-11, consultation with the community to commence in 2011-12, with the proposal to be included in the 2012-13 Long-term Council Community Plan. Cr Main asked that the timeframes be clarified by way of a press release to the community and recommended that the Wanganui District Council and staff be kept informed of the timeframes.

The River and Drainage item was set aside to receive Item 9, Report No. 10-03, Lower Manawatu Scheme – Rural Upgrade Project.

*The meeting adjourned at 11.40am
The meeting reconvened at 11.45am*

LOWER MANAWATU SCHEME – RURAL UPGRADE PROJECT

Report No. 10-07

The purpose of the item was to update the Committee on progress with planning and consenting aspects of proposed major works on the Oroua River and to seek endorsement for a proposed shift in priorities for upgrade works within the Lower Manawatu Scheme (LMS) Rural and City Reach Projects.

The Group Manager Operations (GMO) introduced the item and distributed a draft letter which would be sent to LMS ratepayers with property affected by flooding from the Oroua River, in the event that Council adopted the proposed recommendations. Essentially, it was proposed that the Taonui Basin consent application be put on hold in the meantime, and that a staged or fall-back approach be adopted to further upgrade work on the Oroua. It was felt that by taking the necessary time to address the issues, the risk of incurring unnecessary scheme costs around mitigation and compensation would be minimised.

Members fully discussed the item and asked questions of clarification. While Members agreed that a temporary hold be put on the Taonui consent application, it was proposed that a timeframe of approximately 18 months be indicated. It was requested that the timeframe be included in the letter for distribution to LMS ratepayers. Recommendation (b) was altered accordingly.

RD 10-111

Moved

Guy/Murfitt

- a. **receives** the information contained in Report No 10-07;
- b. **endorses** the proposal to put the Taonui Consent application on hold temporarily for approximately 18 months;
- c. **endorses** the proposed staged approach to further Oroua River flood protection works;
- d. **endorses** the proposed shift in priorities for upgrade works within the Lower Manawatu Scheme Rural and City Reach Projects; and

- e. **notes** the intention to advise affected Lower Manawatu Scheme ratepayers of the changes.

CARRIED

*The meeting adjourned at 12.25pm
The meeting reconvened at 1.00pm.*

The Committee continued with consideration of the River and Drainage Engineering Report.

RIVER AND DRAINAGE ENGINEERING REPORT (Continued)

Report 10-06

The GMO was available to answer further questions on points of interest.

There was discussion around the ongoing problems relating to erosion issues with affected landowners in regard to the intended remedial measures near Mateongaonga Stream. The parties concerned had an expectation for substantially more extensive structural work to be undertaken than was currently proposed. There was considerable discussion around a way forward and preference was shown by some Councillors to perhaps engage a mediator, rather than wait for any possible legal action against the Council that may be considered by the affected parties. The GMO noted that the report outlining the situation written by Peter Blackwood (Manager Investigations and Design) was now two years old. He indicated that it was possible that the situation could have altered over the past two years and suggested that Peter Blackwood be asked to review the original report, and advise if the current proposal required modifying. If that was the case, a revised proposal could then be presented for consideration by the affected parties. Members agreed with the proposal of presenting an updated report. There was discussion around funding options for the updated report and any possible mediation or legal action that may arise if agreement on a way forward was not reached.

The GMO updated Members on progress with the Lower Whanganui Scheme contract works, located on the true right bank of the Whanganui River at Balgownie and presented a series of photographs outlining progress so far. He advised he was available, if required, to meet with Whanganui Constituency Councillors on a two-weekly basis to facilitate site inspections and to answer any questions.

RD 10-112

Moved

Guy/Gordon

that the Committee recommends that Council:

- a. **receives** and acknowledges the information contained in Report No. 10-06;
- b. **acknowledges** that a Schedule of Works Completed is available for inspection.

CARRIED

PAKIHI VALLEY SCHEME REVIEW

Report No. 10-01

The purpose of the item was to seek the Committee's approval of a Draft Review of the Pakihi Valley Flood Control Scheme in Ruapehu District for the purpose of stakeholder consultation.

The Group Manager Operations (GMO) introduced the report and advised that the review was prompted by a request to investigate rating for the Scheme, and the possible extension of the Scheme to encompass a lengthened section of the Mangahowhi Stream. The GMO noted that the pie-chart displayed on page 40 was incorrect, and would be replaced with the correct data.

The GMO was available to answer questions of clarification on points of interest.

RD 10-113 **Moved** **Gordon/Guy**

- a. **receives** the information contained in Report No. 10-01 and Annex;
- b. **notes** the proposed consultation programme; and
- c. **appoints** members of a Special Hearing Committee, to sit if required.

CARRIED

TURAKINA RIVER – PROPOSED CATCHMENT MANAGEMENT SCHEME

Report No. 10-05

The purpose of the item was to update the Committee on progress with the establishment of a river or catchment management scheme for the Turakina River.

The Group Manager Operations (GMO) drew Members' attention to the attached copy of a letter which had been distributed to all property owners in the Turakina Catchment. The letter outlined the proposals for the development of a river management scheme, feedback received from meetings held, proposed funding and Scheme rates, and the consultation timeline.

The GMO noted the possibility of addressing the heavily congested section of the upper reach near Rangiwaea by way of Environmental Grant-assisted work in advance of the Scheme being established. Members considered the request for Environmental Grant assistance for the proposed work and recommended that a maximum dollar limit be included in the recommendation. Ultimately recommendation (b) was modified to reflect the discussion.

RD 10-114 **Moved** **Guy/Meads**

- a. **receives** the information contained in Report No 10-05 and Annex;
- b. **approves** an enhanced level of Environmental Grant, of 60 percent to a maximum of \$30,000, in respect of a comprehensive willow clearance project in the Collier's Junction to Rangiwaea reach of the Turakina River;
- c. **endorses** the Chairman's recommendation for Councillors Main (Chair), Meads and Gordon to sit as a Special Committee to hear submissions on the Turakina Catchment Management Scheme Proposal.

CARRIED

SUSTAINABLE LAND USE INITIATIVE (SLUI)

Report No. 10-03

This report was to update Members on progress on Council's Sustainable Land Use Initiative (SLUI).

The Group Manager Environmental Management (GMEM) introduced the report and highlighted the validation review that was due to be undertaken by the Ministry for Agriculture and Forestry on 15-17 February 2010.

Members asked questions of clarification around issues being encountered with the SLUI database, and around timeframes for the Whole Farm Plans (WFP) where landowners had agreed to start a work programme. The GMEM advised that the work programme for the WFPs would be commenced on 1 July 2010.

As requested at the Catchment Operations Committee meeting held on 8 December 2009, the GMEM circulated a list of the 87 (approximately) WFPs on the waiting list.

RD 10-115 **Moved** **Rieger/Meads**

that the Committee recommends that Council:

- a. **receives** the information in Report No. 10-03.

CARRIED

POPLAR AND WILLOW BREEDING PROGRAMME

Report No. 10-04

This report was to update Members on the Poplar and Willow Breeding Programme funding and governance.

The Group Manager Environmental Management (GMEM) distributed a report containing further information that had been received from Plant and Food Research in regard to Poplar and Willow Breeding Programme.

The GMEM was available to answer questions of clarification.

RD 10-116 **Moved** **Meads/Murfitt**

that the Committee recommends that Council:

- a. **receives** the information in Report No. 10-04.

CARRIED

MEMBERS' QUESTIONS

The Group Manager Environmental Management (GMEM) was available to answer questions of clarification in regard to the priority list for Whole Farm Plans, and clarification on the individual implementation cost per Whole Farm Plan.

The GMEM was pleased to report that the Food and Safety Authority had recently clarified its position on the use of the Vertebrate Toxic Agent 'brodifacoum' in bait stations provided industry best practices were adhered to.

The meeting closed at 2.41pm

Confirmed



REGIONAL COUNCIL

PUBLIC EXCLUDED

23 FEBRUARY 2010

CONFIDENTIAL

Minutes of that part of the Horizons Regional Council meeting held on Tuesday, 15 December 2009, from 11.10am to 12.30pm and from 3.10pm to 4.05pm, in the Tararua Room, Regional House, 11-15 Victoria Avenue, Palmerston North, to which the public were excluded, pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, the specific grounds under Section 48(1) LGOIMA are as follows:

General subject of each matter to be considered	Reason for passing this resolution	Grounds under section 48 (1) for passing this resolution
Chief Executive Performance Review - Mr Richard Westlake	As disclosure would not be in the public interest because of the greater need to protect the privacy of natural persons.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.

PRESENT

Crs GP Murfitt (Chair), L Bailey, L R Burnell (from 3.10pm to 4.05pm), VJF Chettleburgh, E B Gordon, M C Guy, A K Main (from 3.10pm to 4.05pm), D B Meads, M W Plowman, P W Rieger QSO, R G Walker JP, and J J White.

IN ATTENDANCE

Chief Executive	Mr M McCartney (from 3.10pm to 4.05pm)
Group Manager Corporate and Governance	Mr C Grant (from 3.10pm to 4.05pm)
Committee Secretary	Mrs J Kennedy

ALSO PRESENT

Mr C Mitchell (Group Manager Environmental Management, from 3.10pm to 4.05pm), Mr A D Cook (Group Manager Operations, from 3.10pm to 3.33pm), Mr E Duggan (Acting Chief Financial Officer, from 3.10pm to 4.05pm), Mr J Maassen (Lawyer, Cooper Rapley from 11.10am to 12.30pm).

APOLOGIES

Apologies for lateness were received from Crs Burnell and Main in the public part of the meeting.

**CHIEF EXECUTIVE PERFORMANCE REVIEW –
MR RICHARD WESTLAKE**

Mr Westlake reported that in addition to the survey being sent out to Councillors and the Chief Executive, a separate survey was also sent out for completion by the Executive Team, including five other members of the Management Team. Mr Westlake expressed disappointment that three councillors chose not to participate in the review.

Mr Westlake took Members through the presentation that identified the main findings of the review, the key points, scores, comments, areas that required more development, and overall comments and suggestions. In conclusion Mr Westlake advised he was happy to draft the main points and suggestions made by Councillors, and work through them with the Chief Executive.

The Chairman thanked Mr Westlake for his delivery of the review.

PX 09-131

Moved

Murfitt/White

that the Council move out of Public Excluded.

CARRIED

General subject of each matter to be considered	Reason for passing this resolution	Grounds under section 48 (1) for passing this resolution
PX1 Confirmation of Minutes of 24 November 2009	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX2 Confirmation of Minutes of Extraordinary Council Meeting – 30 November 2009	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX3 Endorsement and adoption of the Audit, Risk and Investment Committee of 27 and 30 November 2009	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX4 Update on Opportunity to sell Port of Napier Shares (Report No. 09-203)	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX 4(a) Opportunity to Sell Port of Napier Shares (Report No. 09-205)	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX5 Council to consider whether any item in the Public Excluded minutes can be moved into the public domain, and define the extent of the release.		

CONFIRMATION OF MINUTES**PX 09-132****Moved****Main/Walker**

that the minutes of the confidential part of the meeting held on 24 November 2009, be confirmed as a correct record, with a correction to the seconder of Resolution PX 09-121 to Burnell.

CARRIED**PX 09-133****Moved****Chettleburgh/Meads**

that the minutes of the confidential part of the Extraordinary Council meeting held on 30 November 2009, be confirmed as a correct record.

CARRIED**ENDORSEMENT AND ADOPTION OF COMMITTEE AND ADVISORY GROUP RESOLUTIONS AND RECOMMENDATIONS****AUDIT, RISK & INVESTMENT COMMITTEE****PX 09-134****Moved****Rieger/Gordon**

*that the Council **endorses** and **adopts** the resolutions and recommendations of the Audit, Risk & Investment Committee meeting held on 27 and 30 November 2009.*

CARRIED**LATE ITEM****LOWER WHANGANUI SCHEME – CONTRACT AWARD***(Report No. 09-207)*

The purpose of this item was to seek a specific delegation of authority from Council to the Audit, Risk and Investment Committee (Tenders), to facilitate the awarding of a contract for physical works as part of the Lower Whanganui Scheme capital works programme.

Mr Cook, Group Manager Operations (GMO) spoke to the item and outlined that it was desirable that the tender be formally awarded before the Christmas shut-down, thereby allowing the successful tenderer to prepare for commencement of works early in the New Year. He undertook to keep Councillors informed of the outcome of the tender, and email the decision to all councillors. It was proposed that the Audit, Risk and Investment Committee (Tenders) would meet on Tuesday 22 December 2009, at a time to be decided.

PX 09-135**Moved****Meads/Gordon**

that the Council:

- a. **receives** the information contained in Report No. 09-207; and

- b. **delegates** to the Audit, Risk and Investment Committee (Tenders) specific authority to consider tenders received, and to approve an award in respect of Contract No. 2009-41, for capital works associated with the Lower Whanganui Scheme.

CARRIED

The Group Manager Operations was available to answer Members' questions around the proposed purchase of land at the Manawatu Golf Club.

ENDORSEMENT AND ADOPTION OF COMMITTEE AND ADVISORY GROUP RESOLUTIONS AND RECOMMENDATIONS

ENVIRONMENT COMMITTEE

There was discussion around whether there was a need for the minutes to remain in public excluded. The Chairman advised that for the reason that various aerial photographs of vegetation on hillside adversely affected by spray were shown, which identified certain areas, the minutes should remain in the public excluded section for the meantime. He believed it would be irresponsible to release them to the press. The Chairperson of the Environment Committee was happy to accept the explanation given, provided that the photographs were made available to the public if requested, when the item became public.

Cr Walker advised he had received two emails in regard to hill country spraying and read the contents of one of the emails to Council.

After further discussion Members asked for the following amendments to the minutes:

- page 1, third line second paragraph - removal of the word '**drift**'.
- add - that in the meantime they remain in public excluded for the reason of personal privacy.

Crs Plowman and Walker outlined they had issues with the item remaining in the public excluded section.

PX 09-136

Moved

Main/Meads

that the Council **endorses** and **adopts** the resolutions and recommendations of the Environment Committee meeting held on 9 December 2009, with the following amendments:

- page 1, third line second paragraph - removal of the word '**drift**'.
- Add - that in the meantime they remain in public excluded for the reason of personal privacy.

Against: Crs Plowman, Walker

CARRIED

UPDATE ON OPPORTUNITY TO SELL PORT OF NAPIER SHARES

(Report No. 09-203)

This report was to inform Members of progress on the opportunity to sell Port of Napier Limited (PONL) shares.

The Chief Executive introduced the item.

PX 09-137

Moved

Murfitt/Rieger

that the Council:

- a. **receives** Report No. 09-203 under public excluded; and
- b. **considers** any terms of sale tabled at the meeting.

CARRIED

OPPORTUNITY TO SELL PORT OF NAPIER SHARES

(Report No. 09-205)

This report presented to Council, for discussion, the proposed sale terms for Horizons' 8.33% shareholding of the Port of Napier Limited (PONL). It outlined the negotiating process, the proposed sale terms, and the financial impact of sale.

The Chairman, Chief Executive and Cr Rieger elaborated on areas of the proposed sale and were available to answer Members' questions of clarification. It was pointed out that the Hawke's Bay Regional Council could use a compulsory acquisition clause to acquire the shares, if that became necessary.

Members extended their congratulations to the Chairman, Chief Executive, Cr Rieger, and the Acting Chief Financial Officer for their outstanding work in negotiating the sale of Horizons' shareholding.

Cr Gordon said that he saw Horizons investment in the PONL as a long-term very safe investment in a company that was showing good growth, and was there for the long-term security of the Region to offset rates. He congratulated those involved in securing a good deal but did not believe it was in the best interests for the Region.

The Chairman advised that once the sale was completed, the cheque would be deposited in the bank and the Council Controlled Trading Organisation would look at options for further investment.

PX 09-138

Moved

Meads/Chettleburgh

that the Council:

- a. **receives** Report No. 09-205 under public excluded;
- b. **notes** that the sale of Port of Napier Limited shares is provided for under Horizons Long-term Council Community Plan 2009-19 (page 198), and that Council considers this sale to be in the best interest of the Region;
- c. **accepts** the deal negotiated with Hawke's Bay Regional Council;
- d. **resolves** to sell its shareholding in the Port of Napier Limited to Hawke's Bay Regional Council for \$9.350 m by 31 December 2009; and

- e. **instructs** the Chief Executive to undertake both the necessary processes and transactions to sell Horizons Regional Council shares in Port of Napier Limited to Hawke's Bay Regional Council, and to register the share transfer from Horizons Regional Council to Hawke's Bay Regional Council by 31 December 2009.

Against: Cr Gordon
CARRIED

PX 09-139

Moved

Gordon/Plowman

that the Council move out of Public Excluded.

CARRIED

The Public Excluded section of the meeting concluded at 4.05pm.

Confirmed

CHIEF EXECUTIVE

CHAIRMAN

UNCONFIRMED

CONFIDENTIAL

Report of the twelfth meeting, seventh triennium of the Audit, Risk and Investment Committee (Tenders) of Horizons Regional Council held in the Tararua Room, Regional House, 11-15 Victoria Avenue, Palmerston North at 10.03am on Tuesday, 22 December 2009.

PRESENT

Crs P W Rieger (Chair), D B Meads, V J Chettleburgh QSM ED, E B Gordon (to 11.06am), M C Guy and G P Murfitt.

IN ATTENDANCE

Crs L Bailey, J White
Group Manager Operations
Assets and Environmental Engineer
Group Manager Corporate & Governance
Committee Secretary

Mr A Cook
Mr P Joseph
Mr C Grant (to 11.20am)
Ms K Booth

PX ARI 09-63**Moved****Rieger/Gordon**

That the public is to be excluded from the Audit, Risk and Investment Committee meeting as disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations in accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987.

CARRIED

General subject of each matter to be considered	Reason for passing this resolution	Grounds under section 48 (1) for passing this resolution
PX1 Contract 2009/41 – Lower Whanganui Scheme Stopbank and block walls at Balgownie <i>Report No. 09-209</i>	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX2 Forest Incentive – Akitio Station <i>Report No. 09-208</i>	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.

APOLOGIES

There were no apologies.

LOWER WHANGANUI SCHEME STOPBANK AND BLOCK WALLS AT BALGOWNIE
CONTRACT No. 2009/41
Report No. 09-209

The report sought the Committee's consideration of tenders received in respect of Contract No. 2009/41, and acceptance of the tender as recommended. The Group Manager Operations (GMO) commented on the wide range of prices and capabilities that had been received for this tender. He introduced Mr Paul Joseph, the Project Engineer, to the meeting.

In response to questions, the GMO clarified that the successful tenderer would be responsible to ensure the quality of the fill material was appropriate, and he commented that this requirement was clear in the tender documents. He also clarified that a staff member would be overseeing the project, six days a week, until he was satisfied the contractor did not require that level of supervision.

Members referred to comments in the report which noted a level of risk with Midland Civil (preferred tenderer). These comments included concern over a lack of experience of the Contract Engineer with major projects, and also questioned the successful completion of the project because of the low tender price. The Committee asked the GMO and Mr Joseph to explain why they were recommending Midland Civil, a tenderer with little in the way of a track record, when a known tenderer had a weighted attribute score very close to Midland Civil. The GMO clarified that following the required tender assessment process the tenderer with the highest total score was Midland Civil, and the tendered price was approximately \$400,000 less than the next closest tenderer, resulting in a saving to the Council if Midland Civil was selected. The challenge was to manage the project, and he clarified there was a tried and proven process to follow if the contractor did not perform. When Members expressed their concerns that Midland Civil might not be able to complete the project for the tender price and in the timeframe proposed, the GMO addressed those concerns. He provided background information on the company, both financial and organisational. Questions were also clarified in regard to the assessment process, and the timetable through to completion.

The Chairman asked the Committee for their views.

Cr Guy supported the recommendation.

Cr Meads said he did not support the recommendation for two reasons. Firstly, because of the closeness of the non-price attributes he would prefer to select the next closest tenderer. His concern was that if the project fell over, this could result in the Council having to provide more resources to resurrect it which might cost the Council more than the \$400,000 which would be saved through accepting the lowest tender. And secondly, because he believed that the \$400,000 difference was already available through rating under the current Community Plan.

Cr Murfitt supported the recommendation, although he had a concern with the lack of experience of Midland Civil, and the possibility of default, however he put his trust in the Operations Team to cover that.

Cr Chettleburgh supported the recommendation. He asked when Members would have an opportunity to discuss the evaluation process.

Cr White, while not a member of the Committee, expressed her concern with the level of risk expressed in the report and preferred the next highest tenderer. She felt the Wanganui ratepayers would be more concerned if a project went awry, rather than take a risk with a potential saving of \$400,000. Cr Bailey supported the views of Crs Meads and White.

The Chairman said he was confident that Horizons' officers would have the skills to intercept and recover the project if it looked like derailing, and he supported the recommendation.

As a procedural point, Cr White commented that if this sort of situation arose in the future, she would strongly suggest that it was an Extraordinary Council meeting rather than a delegation to Audit, Risk and Investment Committee as both she and Cr Bailey had strong views but were disenfranchised as they were not members of the Committee.

As mover of the motion, Cr Gordon did not agree that the proposed addition of (c) was necessary. The recommendation was therefore split.

PX ARI 09-64 **Moved** **Gordon/Murfitt**

That the Audit, Risk and Investment Committee pursuant to its delegated authority granted by Council on 15 December 2009:

a. **receives** Report No. 09-209 and annexes.

CARRIED

PX ARI 09-65 **Moved** **Gordon/Murfitt**

That the Audit, Risk and Investment Committee pursuant to its delegated authority granted by Council on 15 December 2009:

b. **awards** Contract 2009/41 to construct flood protection works for the Balgownie area of Wanganui, to Midland Civil Limited for the tendered sum of One Million Three Hundred and Seventy Four Thousand and Thirty Four Dollars and 43 cents (\$1,374,034.43) exclusive of GST.

Against: Cr Meads

CARRIED

PX ARI 09-66 **Moved** **Chettleburgh/Murfitt**

That the Audit, Risk and Investment Committee pursuant to its delegated authority granted by Council on 15 December 2009:

c. **requests** the Group Manager Operations to provide regular updates to Council.

CARRIED

FOREST INCENTIVE – AKITIO STATION

Report No. 09-208

This report provided Members with additional information regarding a potential forestry investment proposed as part of the Sustainable Land Use Initiative (SLUI). The Chief Executive (CE) spoke to the report on behalf of the Group Manager Environmental Management who was attending a meeting in Wellington. The Chair advised he had given an undertaking to Council that the Committee would not make a recommendation to Council, but would be willing to consider the information.

The CE explained the area concerned covered a large area of afforestation in an erosion prone area but with no huge downstream effects. He summarised the four options he believed were available to Council:

1. Grant a 30% subsidy (which was the lowest level of subsidy).
2. Consider whether there was a commercial return for Council.
3. Consider a suspensory loan / interest free loan (some reservations were expressed).
4. Do nothing at all.

The Chair reiterated his earlier comment that the Committee would not make a decision and he believed that full Council should have an opportunity to discuss the matter. Members then considered the information provided in the report and annexes. The suggested 3.6% return was unfavourable to the Committee. The CE suggested the Committee look at the investment potential for the Council, using Cr Guy's experience in this area. Cr White, however, said she would prefer the wider issue, including SLUI and priorities, to be considered.

Cr Guy commented he would like to see supporting information in regard to the return per hectare for forestry. He suggested the joint venture analysis be revisited to become more realistic from an investment point of view. Cr Guy also questioned whether Council might be better supporting more people in the wider region, rather than supporting one person, a view supported by Cr Meads. The CE explained that Council's arrangements in regard to SLUI were 75% in priority catchments and 25% in non-priority catchments, which this investment would fall within. Should Council decide to go ahead with this proposal, he would recommend it be signed off and approved by the Ministry of Agriculture and Forestry (MAF).

The CE said he had been advised there were 100 other people on the non-priority list. Cr Murfitt asked for a report on the 100 other people on the non-priority waiting list, and Cr White asked if this list had been prioritised. Cr Meads suggested the policy around the split of 75%/25% implied the 25% in non priority catchments would be widely spread, and said the current proposal would absorb most of the 25% of funding.

The Committee discussed how a joint venture could benefit the Council. How could Council justify this level of ratepayer spend when there was not a direct benefit to the large number of ratepayers that Council represented.

Members amended the recommendations.

PX ARI 09-67

Moved

Rieger/Guy

That the Committee:

- a. **receives** the information;
- b. **asks** that the Chief Executive **requests** the Group Manager Environmental Management to concentrate on a joint venture analysis that would give a meaningful return, which must be subject to signoff from the Ministry of Agriculture and Forestry,
- c. **requests** the Group Manager Environmental Management to report on the waiting list of other non-priority opportunities,
- d. **notes** the proposal would only be considered if it was cost-neutral to Council at this stage.

CARRIED

The Chief Executive advised the sale and purchase agreement for the Port of Napier shares had been signed by Council, and that a joint press release between Horizons and Hawkes Bay Regional Council would be made before Christmas.

PX ARI 09-68

Moved

Rieger/Meads

That the Audit, Risk and Investment Committee move out of Public Excluded.

CARRIED

The meeting closed at 11.25am.

Confirmed

CHAIRMAN

CHIEF EXECUTIVE

UNCONFIRMED

CONFIDENTIAL

Report of that part of the Strategy and Policy Committee meeting of Horizons Regional Council held on Monday, 15 February 2010, from 9.34am until 10.10am, and from 1.08pm until 2.00pm, in the Tararua Room, Regional House, 11-15 Victoria Avenue, Palmerston North to which the public were excluded, pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, the specific grounds under Section 48(1) LGOIMA are as follows:

General subject of each matter to be considered	Reason for passing this resolution	Grounds under section 48 (1) for passing this resolution
PX1 Chief Executive's Remuneration Review (information supplied at meeting)	As disclosure would not be in the public interest because of the need to protect the privacy of natural persons.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX2 Directorship for Manawatu-Wanganui Regional Council Holding Company (information supplied at the meeting).	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX3 LATE ITEM Forestry and Retirement Programme – Akitio Station <i>Report No. 10-17</i>	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist

PRESENT

Crs P W Rieger (Chair), L Bailey, L R Burnell, V J F Chettleburgh QSM ED, E B Gordon (from 9.42am), M C Guy, A K Main, D B Meads, G P Murfitt (to 10.10am), M W Plowman (from 9.35am), R G Walker JP, and J J White.

IN ATTENDANCE

Group Manager Corporate and Governance
Group Manager Regional Services & Information
Committee Secretary

Mr C Grant) at various times
Mr G Shirley) throughout the meeting
Ms K Booth

APOLOGIES

Apologies were received in the public part of the meeting from Cr Gordon (for lateness), from Cr Murfitt (for early departure from the meeting to attend to other Council business) and from Mr McCartney Chief Executive, (also away on other Council business).

CHIEF EXECUTIVE'S REMUNERATION REVIEW

Cr Murfitt (Chair of Council) introduced this item and distributed confidential papers to the Councillors for their perusal. He advised these papers contained statistical comparisons from various sectors that were closely aligned to Horizons, and provided an average of the median total. There was discussion around the timing of the Chief Executive's review and it was noted that the applicable data applied to 2008-2009 salaries. Cr Murfitt agreed it would be desirable to undertake the review earlier in the financial year once the Annual Report was completed, however this year it was not possible to obtain the comparators any earlier. He clarified any increase would be backdated to 1 July 2009.

PX SP 10-20

Moved

Murfitt/Main

that the Committee recommends to Council:

- a. *that the total remuneration of the Chief Executive for the year 1 July 2009 to 30 June 2010 be increased to \$265,300 plus vehicle (\$5000).*

CARRIED

DIRECTORSHIP FOR MWRC HOLDING COMPANY

The Chair introduced the item and advised that he and Cr Murfitt were charged with identifying two external directors to appoint onto the board of the MWRC Holding Company who had commercial experience and were also experienced in strategic investment. He outlined details from the curriculum vitae (CVs) of Ian Wilson (previous chairman of MidCentral Health) and Brett Davey (Chartered Accountant with previous involvement in local authorities). The Chair and Cr Murfitt clarified Members' questions in regard to the two people mentioned, and there was discussion on specifying a length of term for the initial appointment in the recommendation. In response to a concern voiced about lack of sufficient written information provided, Cr Murfitt offered to circulate the CVs to interested Members on request.

PX SP 10-21

Moved

Murfitt/Burnell

that the Committee recommends that Council:

- a. *invites Ian Wilson and Brett Davey to be directors of MWRC Holding Company for an initial term of two years.*

CARRIED

*The Public Excluded part of the meeting adjourned at 10.10am.
The Public Excluded part of the meeting resumed at 1.08pm.*

LATE ITEM (*This paper was received as a Late Item in the public part of the meeting*)
FORESTRY AND RETIREMENT PROGRAMME – AKITIO STATION
Report No. 10-17

This report sought formal approval to proceed with a significant afforestation and retirement programme proposed as part of Horizons' Sustainable Land Use Initiative.

As the Group Manager Environmental Management was not able to be present (away on other Council business), Crs Meads and Guy introduced the report and elaborated on the information provided. Cr Meads reiterated the background to the report and referred Members to the maps, provided, of Akitio Station which showed recommended works and the land use capability. He and Cr Guy answered questions in regard to the maps. Cr Meads referred Members to Table 2, and in particular the 40% recommended grant for forestry and the 75% recommended grant for retirement of land.

Cr Meads understood Members' concern that this Station was not in a priority catchment, and clarified there was funding available for non-priority catchments. Members commented on the movement of silt downstream and its effect on water quality along the coastline, mentioned by Cr Meads and also referred to in the report.

Members fully discussed the paper, including the return and risk to Horizons, whether or not the proposal was financially sustainable, the level of benefit to the Region if the proposal went ahead, the selling of carbon credits, and what might happen when the forest matured and was harvested. Concerns were expressed about the possible exacerbation of erosion in the future, following harvesting, and explanations were provided about the modern practice of planting fewer trees to enable regeneration to occur under the canopy to minimise erosion.

Members referred to the recommendation passed when the report was presented to a meeting of Audit, Risk and Investment Committee on 22 December 2009, that any venture must be subject to signoff by the Ministry of Agriculture and Forestry, and it was agreed to include it in the recommendations arising from this report.

Crs Meads and Guy noted that the applicant may not accept the offer that Council had discussed. In response to questions about other possible candidates for funding in non priority catchments, Cr Guy referred Members to a 'waiting' list that was distributed at the Catchment Operations Committee meeting on 9 February. Members asked whether approval of this grant would jeopardise any other non-priority applications. It was clarified that there were no known applications that would be jeopardised if the Committee recommended the grant to Council to approve.

The recommendations were separated.

PX SP 10-22

Moved

Meads/Guy

that the Committee recommends that Council:

- a. **receives** Report No. 10-17; and
- b. **notes** the responses to previous queries raised by Council.

CARRIED

PX SP 10-23**Moved****Meads/Guy**

- c. **approves** the grant and timing for payment of these grants totalling \$639,000 over three years, as detailed in Table 2 of Report No. 10-17, subject to sign off by the Ministry of Agriculture and Forestry.

Against: Crs Burnell, Plowman, Walker

Abstain: Cr Gordon

CARRIED

PX SP 10-24**Moved****Rieger/Meads**

that the Committee moves out of Public Excluded.

CARRIED

The Public Excluded section of the meeting concluded at 2.00pm.

Confirmed

GROUP MANAGER CORPORATE
AND GOVERNANCE

CHAIRMAN

A Significant decision? If Yes	N
Do recommendations meet Significance Policy (contained within the LTCCP)	

PX Item No: 4
Date: 23/02/2010
Report No: 10-16
File No: OFS 2 07

INVESTMENT OF SALE PROCEEDS FROM THE SALE OF PORT OF NAPIER LIMITED

PURPOSE

1. This report is to suggest to Council a way forward for investing the sale proceeds of the Port of Napier Limited (PONL) shares.

FINANCIAL IMPACT

2. At this stage there are minor financial impacts from the investigation of investment possibilities for the PONL sale proceeds. MWRCH Holdings Ltd (MWRCH) will need to invest both time and some cash resources into investigating investment opportunities. It is anticipated that the total cost of such investment should not exceed more than \$50,000. These investigations will be funded from MWRCH's dividend income from CentrePort.
3. It should be noted, however, that the transfer of the investment into the hands of MWRCH will mean that the income from any investment will be taxable. This tax liability will in time be offset by both increased income and improved capital value of the investment through better commercial management. The budgetary impact of this decrease income on rates will be partially offset by the higher sale value obtained by Council for PONL. The exact impact will not be known for next year's rates until the cash income from an alternative investment is established.

BACKGROUND

4. After some time of informal discussions between both the Hawke's Bay Regional Council (HBRC) and Horizons Regional Council (HRC) a formal approach was made by HBRC to HRC in December 2008 regarding the possible purchase of HRC's minority shareholding in PONL. It took another year for the formal Local Government Act 2002 (LGA 2002) and negotiation processes to be completed before the actual sale to HBRC could go ahead. The final sale price was in excess of nine million dollars (\$9 m) with net proceeds after sale amounting to a little over nine million dollars (\$9 m). The sale proceeds have been invested in term deposits until a suitable alternative investment can be found.
5. In December 2009, Council established MWRCH (a holding company) as a vehicle to commercially manage the Council's equity investments. Council considered the regional community's commercial investments could be better managed by an independent board of dedicated business professionals. Council's shareholding in CentrePort Limited was transferred into the holding company's ownership. Council's shareholding in PONL was not transferred into MWRCH ownership as Council was in the process of selling PONL to HBRC. Transferring the shareholding during this process into MWRCH ownership would have added unnecessary cost.
6. During the Community Plan workshops in January and February 2009, when the establishment of the holding company was discussed, Council indicated that if the potential sale of PONL to HBRC did not eventuate, PONL would be transferred to the ownership of the MWRCH. Council also envisaged that the proceeds of sale would be invested into MWRCH once the directors of the company had found an alternative investment.

COMMENT

7. PONL has been sold and Council now needs to request the directors of MWRCH to find an alternative investment for the sale proceeds obtained. To enable the directors to find suitable investment(s), Council needs to outline what the regional community needs from alternative investment(s). The following needs are suggested:
- Over the medium term the investment(s) must produce a cash return (after tax) higher than bank returns and have capital growth potential;
 - The investment(s) must not bring the Council into disrepute;
 - The investment(s) are financially prudent;
 - Where possible the investment(s) bring growth to either the Region or other investments (eg CentrePort) owned by the Council.
8. It would also be wise to let the directors know that Council may be prepared to consider partially funding an investment through debt leverage on top of the PONL sale proceeds, but not beyond 100% of the PONL sale proceeds. In other words Council may consider debt funding up to an additional \$9 million if a strong enough case could be made for such an investment. This will allow the directors to consider a wider range of investments, some of which may be a better fit with the above stated needs of the community.

RECOMMENDATIONS

9. It is recommended that the Council:
- a. **receives** Report No. 10-16;
 - b. **approves in principle** the investment of the Port of Napier Limited surplus cash into MWRC Holdings as an equity investment;
 - c. **requests** the directors of MWRC Holdings to find alternative investments for the sale proceeds, noting the following needs of the community:
 - (i) over the medium term the investment(s) must produce a cash return (after tax) higher than bank returns and have capital growth potential;
 - (ii) the investment(s) must not bring the Council into disrepute;
 - (iii) the investment(s) are financially prudent; and
 - (iv) where possible the investment(s) bring growth to either the Region or other investments (eg CentrePort) owned by the Council; and
 - d. **indicates** to the directors of MWRC Holdings that Council may consider additional debt funding up to nine million dollars (\$9 m) if a very strong business case could be made for an investment requiring more than nine million dollars (\$9 m).

E Duggan
ACTING CHIEF FINANCIAL OFFICER

A Significant decision? If Yes	N
Do recommendations meet Significance Policy (contained within the LTCCP)	

PX Item No: 5
Date: 23/02/2010
Report No: 10-19
File No: OMS 10 01 10

DRAFT ANNUAL PLAN COMMUNICATIONS STRATEGY

PURPOSE

1. The purpose of this report is to inform Council about the consultation process for the 2010 Draft Annual Plan and amended Long-term Council Community Plan (LTCCP).

FINANCIAL IMPACT

2. The cost of preparing the statutory documents and advertising the fact that the documents are available for public consultation, is budgeted for, and will be shared by the Finance and Communication departments.

BACKGROUND

3. Councils are required to consult with the community in the respect of the Draft Annual Plan and the amended LTCCP.
4. To meet this statutory obligation a full consultation programme will be undertaken.
5. This will ensure that the Council meets its statutory obligations and achieves a set of desirable outcomes.

COMMENT

6. It is always a challenge to obtain significant and effective engagement with the community in respect of these documents. Summary documents will be published, as will the main document containing full details of the years activities. The consultation programme will use a mix of paid advertising in selected community newspapers region-wide, targeted media releases, and the Council website to inform and set up a dialogue with the regional community. Submissions will be sought and managed to ensure that submitters have every opportunity to put forward their views to Council. Once the Plan is confirmed, staff will respond to all submitters informing them of the decisions taken in respect of their submission.

RECOMMENDATIONS

7. It is recommended that the Council:
 - a. **receives** Report No. 10-19 and Annex.

P Burke
COMMUNICATIONS ADVISOR

C A Grant
**GROUP MANAGER CORPORATE AND
 GOVERNANCE SUPPORT**

ANNEX

- A Communications Strategy for the Long-term Council Community Plan (LTCCP) and Draft Annual Plan 2010

**COMMUNICATIONS STRATEGY FOR THE LONG-TERM COUNCIL
COMMUNITY PLAN (LTCCP) AND DRAFT ANNUAL PLAN 2010****PURPOSE**

1. To ensure that the public are informed and consulted about the changes to the LTCCP and the key points in the Draft Annual Plan, and that there is little, or no negative publicity regarding these changes and the subsequent rate rise.
2. That these two key documents are professionally and cost effectively produced to a high standard.

BACKGROUND

3. In 2009, Horizons Regional Council revised and adopted its 10-year LTCCP which signalled that in 2010, there would be an average rate increase across the Region of 4.96%. This year there is an option to amend the LTCCP because it is proposing additional funding to the Animal Health Board for Tb possum control in the Region.
4. In addition to revising the LTCCP, Council is required to produce an Annual Plan for 2010.
5. While there will not need to be the same effort required to produce these two documents as there was with the LTCCP last year, there is still a requirement to go through the formal procedures of adopting draft plans, consulting with the public and producing and adopting final plans.

ISSUES

6. The public are still affected by the economic recession and not unnaturally, are quick to question any additional costs being imposed on them. Local government has been put in the spotlight by central government with claims that rates are too high and councils need to focus on core business and not engage in activities which are not strictly 'core business'.
7. Members of the public tend to focus on the percentage of any rates increase rather than the actual dollars involved and this requires careful communication management. The problem when giving 'a percentage' is that this is an average across the Region and for some it will mean a much greater increase than the average.
8. For some, a 4.96% increase (excluding Tb Vector) will be a relatively small dollar amount but for farmers the dollar amount is larger.
9. Given the economic crisis, it is important that Council recognises this in a tangible way and does not spend unnecessary money on public relations. There is an obligation for Council to get across its key messages as widely as possible but the public will quickly call it to account for any excessive expenditure.
10. There is a problem this year with the revaluation upwards of Palmerston North properties, but it should be acknowledged that this happens every year with different district councils.

11. There is a proposal in the plan to offer a 3% discount for prompt payment for those who pay their rates on time. The Council is looking at a fairer system of charging those who do not pay their rates on time.
12. The Council will give the community the opportunity to decide whether rural ratepayers on four hectare blocks or larger should fund the Animal Health Board for Tb vector possum control.
13. There are very tight time frames to meet in terms of the publicity material that needs to be generated and if deadlines are not met, it is not possible to speed up the production process. The problem is compounded by Easter which is right in the middle of the production process.

STRATEGIES

14. Focus on the actual dollar amount of the rates increase per year per household rather than the percentage, but under no circumstances deny the percentage increase.
15. Highlight the benefits that Horizons' rates provide eg flood protection for urban and rural, and Tb control for rural.
16. Proactively acknowledge and address some specific problem areas such as Palmerston North, and explain the reasons why there might be a bigger increase for some people.
17. Hold a pre-announcement briefing for the media to ensure they understand the process and the rationale for the rates increase. Produce good background material for the media and provide ongoing media releases, some of which will be targeted at specific regions to highlight certain issues in the Draft Annual Plan.
18. Consider conducting some one-on-one briefings for key stakeholders eg Federated Farmers.
19. Ensure the costs of the publicity are reasonable and not excessive and appear to ratepayers as being reasonable.
20. Use advertisements in the regional newspapers to inform the public about the plans rather than the traditional Across the Region as this is a much more cost effective option (see note 1).

PROPOSAL

21. That a draft LTCCP and draft Annual Plan document be produced in the same format as previous years, but only in two colours in order to save money.
22. That summary documents of each of these documents be produced as per 2008-09, namely in one colour and these be made available to members of the public at Horizons Regional Council Service Centres and on the Horizons' website.
23. A submission form be produced which will be included in the summary documents, the newspaper advertisements, and made available from Horizons Regional Council Service Centres and on the Horizons' website.
24. That a double page advertisement be produced and published in a number of community newspapers to give region-wide coverage and that this advertisement

contains a summary of both documents (note: that this will replace what has been in the past a special edition of Across the Region).

25. A media campaign to run in conjunction with the advertisements.
26. That material is produced for Council staff to help answer inquires from the public.
27. Submissions to the documents will be managed and presented to Council for their consideration.
28. Final documents to be produced once the two Plans have been finally approved by the Council in June.
29. A rates newsletter will be produced and sent out with the actual rates demand.
30. As per last year, a letter will be sent to all submitters once the final plan has been signed off.

KEY MESSAGES

31. The rate increase for 2010 will be 4.96%, but in dollar terms this means an increase of \$per household per year or \$per week.
32. There is a potential issue this year with Palmerston North City which has seen most properties revalued upwards and this may see their rates increase more than some other districts in the Region.
33. Council is planning to give the community the option of deciding whether rural ratepayers on blocks of four hectares or larger, should or should not, fund the Animal Health Board for Bovine Tb control.
34. The Council is planning to offer ratepayers a financial incentive of 3% for paying their rates on time and is revising the way that it charges those who do not pay on time.
35. This year is not the same as last year when we were consulting on the 10-year LTCCP. This is just a one year plan, slightly changed to take into account the planned amendment to the LTCCP.
36. The Council is seeking submissions on this year's Draft Annual Plan and a summary of the Plan is available at all Horizons Regional Council Service Centres, and full copies will be provided upon request. These are also available for inspection at Horizons Regional Council Service Centres.
37. Horizons Regional Council (HRC) is well aware of the economic hardship that many ratepayers are suffering and that is why every effort has been made to cut costs and to focus on core business.
38. You will note that we have cut the cost of producing the documents and are carefully targeting our publicity.

COMMUNICATION OUTCOMES

39. The public accept that the rate increase is relatively small and is justified by the benefits provided by HRC.
40. The media give HRC a fair go.

41. That HRC's rate increase compares favorably on a national basis.

CONCLUSION

42. It is important that HRC is seen to be keeping costs to the minimum in this consultation process. Any hint of glossy documents will not reflect well on the organisation, but at the same time there is a need to ensure that there is a good consultation process that meets government guidelines and stands up to the scrutiny of our auditors. Any perception of extravagance will reflect badly on the organisation.

Peter Burke
February 2010

Note 1

It is proposed to use the following community newspapers:

- The Tribune
- The Chronicle
- Feilding Herald/Rangitikei Mail
- Taihape News
- District Monitor
- River City Press
- Bush Telegraph

In addition we are looking at the option of putting the advertisement in either the Central Districts Farmer or Rural Central.



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