



Meeting of the Corporate and Strategic Committee

Date: Wednesday 25 January 2012
Time: 9.00 am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

ITEM	SUBJECT	PAGE
1.	Welcome/Notices/Apologies	
2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Corporate and Strategic Committee held on 9 November 2011	
4.	Matters Arising from Minutes of the Corporate and Strategic Committee held on 9 November 2011	
5.	Action Items from Previous Corporate and Strategic Committee meetings	3
6.	Call for General Business Items	
Decision Items		
7.	A Study on Improving the Social and Economic Performance of Hawke's Bay	7
Information or Performance Monitoring		
8.	Hawke's Bay Tourism Six Monthly Update <i>(9.15am)</i>	11
9.	Public Transport Update	21
10.	Apache Oil Exploration Project Briefing <i>(1.00pm)</i>	27
11.	General Business	29
Decision Items (Public Excluded)		
12.	Appointment of Independent Members of the Investment Company Transition Board of Directors	31

**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Item 5

Wednesday 25 January 2012

Subject: Action Items From Previous Corporate and Strategic Committee Meetings

Introduction

1. **Attachment 1** lists items raised at previous meetings that require actions or follow-ups. All action items indicate who is responsible for each action, when it is expected to be completed and a brief status comment. Once the items have been completed and reported to Council they will be removed from the list.

Decision Making Process

2. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that as this report is for information only and no decision is required in terms of the Local Government Act's provisions, the decision making procedures set out in the Act do not apply.

Recommendation

1. That the Committee receives the report "Action Items from Previous Corporate and Strategic Committee Meetings".



**Andrew Newman
CHIEF EXECUTIVE**

Attachment/s

- 1 Items from Previous Corporate and Strategic Committee Meetings

Actions from Corporate and Strategic Committee Meetings

9 November 2011

Agenda Item	Action	Person Responsible	Due Date	Status Comment
4. Matters arising from the meeting held 14 September	Councillors to be provided with information on how the Council's goals and objectives are leveraged by and through the Environment Action Awards and Balance Awards categories and judging criteria.	EAL		Paper to March Corporate & Strategic Committee meeting
4. Matters arising from the meeting held 14 September	Determine whether majority of Councillors wish to invite Peter Winder to speak to his Shared Services report, and if the result is yes then invite Mr Winder to do so.	EAL/AN		Councillors to provide indication at 25 Jan Committee meeting as to preference for Mr Winder to speak to his report or not

Item 5

Attachment 1

**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Wednesday 25 January 2012

**Subject: A Study on Improving the Social and Economic Performance of
Hawke's Bay**

Reason for Report

1. Annexed as attachment 1 is the draft Terms of Reference for this proposed study.
2. The Mayors, Chair and CEs of each of the respective councils have met twice to work through Terms of Reference for a study on improving the social and economic performance of Hawke's Bay and have agreed on the version as attached, subject to each Council's ratification.
3. Currently some \$40,000 is potentially, at least in part, available for this study.
4. Our suggestion is that options for the person to lead this study are considered by the joint group and that the successful consultant is asked to provide a budget estimate for the study which will enable the Council to determine more accurately what funds it needs to make available over the balance of this financial year and the 2012-13 year.

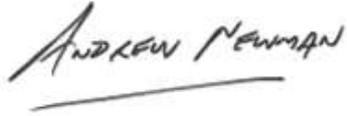
Decision Making Process

5. Council is required to make a decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained in Part 6 Sub Part 1 of the Act in relation to this item and have concluded the following:
 - 5.1. The decision does not significantly alter the service provision or affect a strategic asset.
 - 5.2. The use of the special consultative procedure is not prescribed by legislation.
 - 5.3. The decision does not fall within the definition of Council's policy on significance.
 - 5.4. The persons affected by this decision are all ratepayers in the region
 - 5.5. The decision is not inconsistent with an existing policy or plan.
 - 5.6. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

Recommendations

The Committee recommends that Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Adopts the terms of reference for a study on improving the social and economic performance of Hawke's Bay.
3. Obtains a budget estimate for the study from the lead consultant once appointed.
4. Funding for the balance of the 2011-12 financial year be drawn for the project provision for Local Government efficiency studies and that if required additional provision be made for the 2012-13 financial year.

A handwritten signature in black ink that reads "Andrew Newman". The signature is written in a cursive style and is underlined with a single horizontal line.

Andrew Newman
CHIEF EXECUTIVE

Attachment/s

- 1 Draft Terms of Reference for a Study on Improving the Social and Economic Performance of Hawke's Bay

A STUDY ON IMPROVING THE SOCIAL AND ECONOMIC PERFORMANCE OF HAWKE'S BAY

(Version 3 – following discussions from Mayors/Chairman and CEs group – 5 December 2011)

TERMS OF REFERENCE

The communities of Hawke's Bay seek a prosperous future based on strong social and economic performance. They want advice on actions and steps that can be taken to add value to the region and its people to improve social and economic performance.

The Councils of Hawke's Bay have decided to commission a study on improving the social and economic performance of the Hawke's Bay region. The Councils seek a highly qualified, respected, independent person to lead the study and assemble a suitably qualified team to assist them.

While the study leader will have some scope to shape content, the study should comprise two main parts:

1. Situation analysis and problem identification

This part should include (but not be limited to):

- an analysis of historic and current economic and social performance.
- an analysis of demographic, economic and social performance trends and what they might deliver Hawke's Bay and the current policy and intervention settings.
- an analysis of current policies, priorities, interventions, legislative requirements and structural settings in or affecting Hawke's Bay and any apparent gaps, inconsistencies or policy clashes.
- an identification and analysis of significant inhibitors to prosperity that affect Hawke's Bay. Significant inhibitors include barriers to success or opportunities not being fully capitalised on at the present time (for example our current failure as a community to unleash to full potential of a significant proportion of our young people).

2. Solutions – How should prosperity inhibitors be addressed to ensure a prosperous future?

This part should include an identification of changes, initiatives and priorities that should be pursued in order to improve the future social and economic performance of the Hawke's Bay region. The scope of the study is not proscribed from looking at particular sectors or solutions. The study should include relevant comparative analysis of the efforts of other provincial regions (nationally, and internationally where relevant) to be competitive in the modern and future global economic environments.

It is expected that recommendations will be made that will affect and need to be considered by government, the business and not-for-profit/community sectors, iwi and hapu groups and local government. Recommended solutions should be accompanied by an analysis of the likely benefits, with evidence to support them, and an assessment of the costs and negative impacts of change.

The study is commissioned on behalf of the Councils of Hawke's Bay by a joint group of the Mayors, Chairman of the Regional Council and the chief executives of the five Councils (the Joint Group). The study leader will report to this joint group.

It is intended that the study leader will report in two phases: a report on problem identification summarising the work done in part one, and a second report setting out solutions and recommendations summarising the work done in part two. It is intended that the first phase should be reported to the Joint Group for input and further scoping for phase two.

The joint group seeks a proposal from a prospective study leader on how they would go about fulfilling the requirements of these terms of reference. In particular advice is sought on the following aspects:

- Support resources and personnel required.
- suggested time required (ideally the study group would like the study completed by 30 November 2012).
- Estimated cost.
- Recommended methodology for the inclusion of community views on aspects of the study.

Joint Group

Councils of Hawke's Bay

December 2011

**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Wednesday 25 January 2012

Subject: Hawke's Bay Tourism Six Monthly Update

Reason for Report

1. The purpose of this paper is to provide Council with Hawke's Bay Tourism Limited (HBTL) results for the six months to 31 December 2011.

Background

2. At its meeting on 25 May 2011 Council resolved to approve the funding agreement between the Hawke's Bay Regional Council and HBTL. Section 11 of this funding agreement provided for a quarterly and annual report to be presented to Council to enable Council to monitor the outputs/outcomes being achieved and the financial progress against budget given the commitment by Council to fund HBTL, through a payment of \$850,000 each year for three years commencing 2011/12.
3. A report from HBTL setting out achievements, progress towards the key performance indicators as set out in the funding agreement, together with the Company's financials, is attached to this paper.
4. The Chairman, George Hickton, Annie Dundas, General Manager, and Sam Orton, Director, of HBTL will be presenting this report to Council.

Decision Making Process

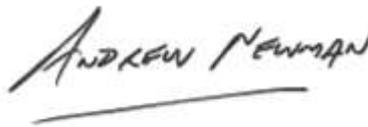
5. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that, as this report is for information only and no decision is to be made, the decision making provisions of the Local Government Act 2002 do not apply.

Recommendation

1. That Council receives the report from Hawke's Bay Tourism Limited for the six months ending 31 December 2011.



**Paul Drury
GROUP MANAGER
CORPORATE SERVICES**



**Andrew Newman
CHIEF EXECUTIVE**

Attachment/s

- 1 Second Quarter Report, October - December 2011
- 2 Hawke's Bay Tourism Six Month Financials



Hawke's Bay Tourism Ltd – Second Quarter Report, October - December 2011

Prepared by Annie Dundas, GM Hawke's Bay Tourism

Overall

Hawke's Bay Tourism Limited has now completed six months of operation and continues to be well supported by the local tourism industry and all councils. To date 142 tourism businesses have signed up to the new partnership programme of Hawke's Bay Tourism Ltd and additional marketing funds have been secured from Hastings District Council within this period. Hawke's Bay Tourism is on track to achieve the key performance targets set by The Hawke's Bay Regional Council for the first year. Good progress continues with domestic advertising, partnership advertising in Australia alongside Wellington, media hosted and website development. Please see the detail within the KPI report.

Hawke's Bay Tourism has also embarked upon developing a strategy to future proof tourism growth in Hawke's Bay. The Hawke's Bay Regional Council envisages that in 2050 "Hawke's Bay is well connected to the rest of the world, and the world is well connected to us". Furthermore, the scenario that the Regional Council paints includes the vision that "the region's uniquely Hawke's Bay branding became the foundation for our social, cultural and economic prosperity", and "the tourism industry is thriving".

Hawke's Bay Tourism believes that sustainable tourism growth will play an integral role in achieving this picture of the future. Tourism is one of the largest and fastest growing industries in the world, and by its nature a key enabler of domestic and international connectivity. Tourism is also an important means to achieving the sense of place desired by local residents.

With the endorsement of the Hawke's Bay Regional Council we plan to lead the region in developing a strategic vision for tourism in Hawke's Bay. A corresponding paper follows.

Arrival figures

In the first 4 months of Hawke's Bay Tourism officially operating, visitor arrivals into the region July – October 2011 are +2.6% on the same period in 2010. This equates to an additional 24,000 guest nights spent in the region over this period. The main contributor to this growth was Rugby World Cup travel. Commercial accommodation figures for the key Rugby World Cup months of September and October show international visitor arrivals to Hawke's Bay up 121.8% and 60.2%.

In general domestic travel within New Zealand is down due to the high dollar and an increase in New Zealanders travelling overseas. Hawke's Bay figures reflect the decline with domestic visitors down 3.5% and 9.2% in September and October. Domestic tourism was expected to slow during Rugby World Cup as Kiwis stayed home and spent discretionary funds on match tickets.

Hawke's Bay Tourism, 19 Macdonald Street, Napier, Napier. PO Box 12009, Napier, Napier 4144, New Zealand
 WEB: www.hawkesbaynz.com TWITTER: www.twitter.com/visitorXB
 FACEBOOK: www.facebook.com/hawkesbaynz

Guest nights year end October 2011	Total	3,484,386 +1.5%		
Commercial Accommodation	Total	996,405 -2.1%		
	International	266,826 +12.4%		
	Domestic	729,579 -6.5%		
Private Accommodation	Total	2,487,980 +3%		
Commercial Accommodation	Guest nights – year end Oct			
Hotels	143,692	+2.6%		
Motels/Apartments	481,453	-2.5%		
Backpackers	130,089	+6.5%		
Holiday Parks	241,170	-8.0%		
International Visitor Arrivals to NZ	October 2011	Year end October 2011		
Total	215,902	16.8%	2,579,098	2.6% (64,889)
Australia	98,448	21.2%	1,139,842	2.2 % (24,557)
UK	17,648	18.8%	232,939	-3.4% (-8,313)
USA	13,600	1.9%	185,522	-3.1% (-5,998)
China	10,624	22.8%	137,604	+18.2% (21,194)

The Rugby World Cup continued to have a strong impact on international arrivals into New Zealand, particularly from Australia, the UK and USA for September which was expected. Australia has been propped up by Rugby World figures as have smaller markets such as France (+146%), South Africa (+417%) and Argentina (+63.6%). The overall annual result of 2.6% growth shows the Rugby World Cup affect and the continued strength of China and smaller south Asian markets such as Malaysia (+141.1%) and Singapore (+99%). This growth is directly attributable to increased air capacity from their respective gateways.

Key Performance Indicators for Hawke's Bay Tourism

The organisation has been working towards the goals and objectives set out in the Strategic Plan signed off by HBRC in May 2011.

In six months of operation the following KPI's have been met;

1. **Hawke's Bay Tourism** - Establishment of a new Regional Tourism Organisation achieved July 1, 2011. Hawke's Bay Tourism Ltd has successfully brought together the previous tourism team of Venture Hawke's Bay and staff from Wine Country Tourism Association. All now operate under Hawke's Bay Tourism Ltd.
2. **Brand** - Establishment of a "Hawke's Bay" brand and communication tagline. The brand "Hawke's Bay" and tagline "Get me to Hawke's Bay" are well established and are being used in all communication produced by HBT. Since September the revised Hawke's Bay Trails (cycleways) map has been published, as well as the Hawke's Bay Art Guide, The Visitor Guide, the Food & Wine Trail Guide and outdoor signage at the Port of Napier welcoming cruise passengers has been developed. This means we are now delivering a consistent message for Hawke's Bay across all channels.

3. **Consumer Marketing** - HBT has developed an annual domestic media schedule which includes the promotion of Hawke's Bay in print, online and via social networks from November – June 2012. There is also a strong Search Engine Optimisation (SEO) campaign aligning to this campaign and all HBT work throughout the year. Full page print ads have already appeared in Sunday Magazine, Canvas, Kia Ora, and the Dominion Post. Hastings District Council continues to utilise the new creative within their own advertising budget so Splash Planet has been using the "Get Me to Hawke's Bay" tagline at no cost to HBT.

The Australian consumer campaign is being driven in partnership with Absolutely Positively Wellington (PWT). As mentioned in the previous report Hawke's Bay is part of a \$3m campaign promoting Wellington as the gateway for Australian visitors on Air New Zealand (ANZ). ANZ and PWT are each putting in \$1m to promote the 60,000 additional seats on the Tasman between Sydney/Melbourne and Wellington. Hawke's Bay will be featured as an add-on to the urban Wellington scene. HBT's contribution is \$100k. Activity to date has included WLG - a pop-up restaurant in Melbourne showcasing Hawke's Bay produce and wine. Up to 175 Australians each day over 2 weeks experienced food from 5 top chefs including Terry Lowe from Black Barn Bistro. Every diner on the opening night received a return trip to Wellington with Air New Zealand. The desire is for Hawke's Bay to be recognized alongside Wellington as part of a preferred Australian itinerary to New Zealand.

Media – PR - HBT has hosted 57 media in the second quarter. This result is well above target and reflects a great relationship with Tourism New Zealand who see us as one of the "go to" regions for showcasing New Zealand to international media.

New Zealand

- AA Directions
- North & South

Australia

- 11 media as part of the Australian Society of Travel Writers.
- Not Quite Nigella – a food blogger with 140,000 followers
- Grazia Magazine
- Sarah Wilson-Opinion Leader (ex host of Masterchef, 80 000 blog followers, 12 000 Twitter fans, Sunday magazine column + Foxtel show)
- Alana Lowes, food writer and 3rd runner up in Masterchef Australia writing for Ok Magazine and Sydney Magazine
- Melbourne Age-Food Supplement

USA & Canada

- 31 American media as part of the Society of American Travel Writers, including Frommers, Smarter Travel (Trip Advisor), All Things Cruise.com, Time Out Chicago, Daily Herald Chicago and Cruise Critic.com.

UK/Germany

- Dagmar Kluthe-Editor Vogue Germany.
- 5 x German Media + Air NZ and TNZ PR escorts. Linked with Air NZ Wine Awards Famil.
- ITV from the UK

India

- BBC Good Food and Conde Nast Traveler India

Digital Strategy – For the second quarter hawkesbaynz.com has delivered the following;

- 59,736 visits +9% and 10% increase in page views (291,606)
- 3.30 mins average time on site (3.41)

Content on third party sites is on-going with the focus on increasing Hawke's Bay content on www.newzealand.com, the national tourism site that receives over 1m users a month.

The refreshed www.hawkesbaynz.com is under construction and will be completed in February. There is a live booking function available on the site and this will transfer to the new site in 2012.

Search activity generated 5,904 visits to the website in November with 63.50% of this traffic being new. These search results are very positive at this early stage.

Research – the quarterly visitor performance monitor has been established to accurately report on all aspects of tourism for Hawke's Bay, this is communicated to industry quarterly.

4. **Trade Marketing** –

HBT hosted 17 key travel sellers in the second quarter. 11 German Product Managers stayed in region for two nights and experienced a range of tourism product. Companies included Kiwi Tours, Gebeco, Travel Plus, FTI, Studiosus Reisen and best of Travel Group. A further six UK Frontline Travel Agents stayed in the region one night. UK companies included Travel Bag, Thomas Cook, Flight Centre and Austravel.

Currently 17 cruise ships have visited Port of Napier, with a maximum passenger capacity of 28,604 visitors and 11,233 crew – assuming 70% disembark then this is 20,022 visitors and 7,863 crew. New cruise product includes a range of cycling options for cruise passengers along the Hawke's Bay Trails as well as Supertrike Tours.

5. **Product development** - The Hawke's Bay Trails revised map has been produced detailing the three national cycle-ways. 15,000 maps have already been distributed this summer with exceptionally positive feedback from visitors. The Hawke's Bay Trails are being promoted as a linking mechanism in connecting tourism attractions and services throughout the region.

HBT has been working closely with cruise inbound operators to broaden the tourism product offered to cruise passengers. However with ships in port for shorter periods, developing new products is proving difficult this season.

The second HBT workshop for industry members was held with over 50 members taking part in an Online Workshop to up-skill members on the basics of Google, Trip Advisor, Bookit and www.newzealand.com.

6. **Events** – Hawke's Bay Tourism started recruitment for a Regional Events Manager in the second quarter. The role will officially begin the third quarter of the year.

Hawke's Bay Tourism – Comment on Financial Statement

Hawke's Bay Tourism Ltd has recognised a need to reforecast its budget after the first 6 months of operation.

Revenue and income projections have been reforecast.

- HBTIA Funding Pledges - Initially budgeted at receiving 160k, the budget has been reforecast to reflect a reduction in 25k of pledge money. This money was expected from the Infinity Trust but has been declined in 2012. Several small tourism businesses who initially pledged money have changed ownership or been sold.
- Industry Partner Membership – while currently at 142 members, HBT is not expecting to reach our target of 250 full-fee paying members. Adjustments to fees paid by members were made based on previous contributions to VHB and this has meant a reduction in revenue overall as well. Projected partnership revenue was \$137,500, it is now expected to be \$80,000, a reduction of \$57,500.
- External Revenue – this was over-budgeted by \$41,000 based on assumptions made through the RTO's transition period before July 2011. It relates to two projects which were assumed to be self-funding but in fact were not. This error has now been picked up and won't occur in future budgets. This budget is now \$100,000.

Direct marketing costs

- Consumer marketing – this budget has been reforecast from \$468k to 390k. Activity that won't occur as a result related to the development of social and mobile applications and this will happen in the new financial year.
- Trade Marketing – this budget has been reforecast from \$89k to 73k. Trade budgets have been reforecast to reflect a reduction in activity, mainly around hosting key travel trade. This activity will be deferred to the new financial year.
- Events – budget has been reduced overall due to a delay in the appointment of the contract position.
- Partner Programme costs – these have been revised based on the first six months of activity and less budget required.

Hawke's Bay Tourism Ltd is managing its budget closely and has therefore recognised a need to reforecast its budget, and make appropriate adjustments to planned activity. This will enable it to still deliver on its KPI's and deliver a balanced budget year end June 2012.

Hawke's Bay Tourism Limited

Profit & Loss

1 July 2011 to 31 December 2011

U = unfavourable

F = favourable

Revenue/Income	YTD Actual	YTD Budget	Variance (\$)	U/F	Full year Budget	Reforecast	Variance
HBRC Grant	425,000	424,998	2	F	850,000	850000	-
HBTIA Funding Pledges	57,142	79,998	(22,856)	U	160,000	135000	25,000
RWC Grant - HBRC	140,248	150,000	(9,752)	U	150,000	150000	-
RWC Other Income	20,230	-	20,230	F	-	-	-
Industry Partner Membership	60,797	68,748	(7,951)	U	137,500	80000	57,500
External/Other Revenue	36,452	70,500	(34,048)	U	141,000	100000	41,000
Dividend Income	125	-	125	F	-	-	-
Interest Income	154	-	154	F	-	-	-
Total Revenue/Income	740,148	794,244	(54,096)	U	1,438,500	1,315,000	123,500
Less Direct Marketing Costs							
Consumer Marketing	174,845	213,680	(38,835)	F	468,411	390000	78,411
Trade Marketing	43,238	44,912	(1,674)	F	89,229	73000	16,229
Events	-	-	0	F	56,325	31000	25,325
RWC	165,142	164,674	468	U	164,674	164674	-
Partner Programme	5,244	5,244	0	F	12,320	8785	3,535
Total Direct Marketing Costs	388,470	428,510	(40,040)	F	790,959	667459	123,500
GROSS SURPLUS	351,679	365,734	(14,055)	U	647,541	647,541	-
Less Operating Expenses							
Admin & Accounting/Legal	7,007	6,937	70	U	16,816	16816	-
Director's / Chairman Fees	10,000	15,000	(5,000)	F	47,500	47500	-
Consultants Fees	3,419	-	3,419	U	-	3419	3,419
Board Expenses	4,761	4,280	481	U	5,083	6000	917
Insurance	433	433	(1)	F	5,000	5000	-
IT & Telecommunications	13,580	15,642	(2,062)	F	40,100	37413	2,687
Premises - Rent	6,453	6,453	(0)	F	12,460	12460	-
Premises - Other	2,162	2,515	(353)	F	5,240	5240	-
Motor Vehicle Expenses	4,687	4,637	50	U	10,000	10000	-
Office Costs	5,175	4,977	198	U	14,028	14028	-
Meetings & Travel	2,767	2,710	57	U	7,549	5900	1,649
Salaries & Other Staff Costs	242,640	242,404	236	U	483,890	483890	-
Total Operating Expenses	303,084	305,988	(2,904)	F	647,666	647666	-
NET SURPLUS	48,595	59,746	(11,151)	U	(125)	(125)	

**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Wednesday 25 January 2012

Subject: Public Transport Update

Reason for Report

1. This agenda item provides the Committee with an update on Council's public transport services, including trends since the previous update in November 2011. The report contains patronage and revenue graphs which are updated each month and provided to this Committee and the Regional Transport Committee.

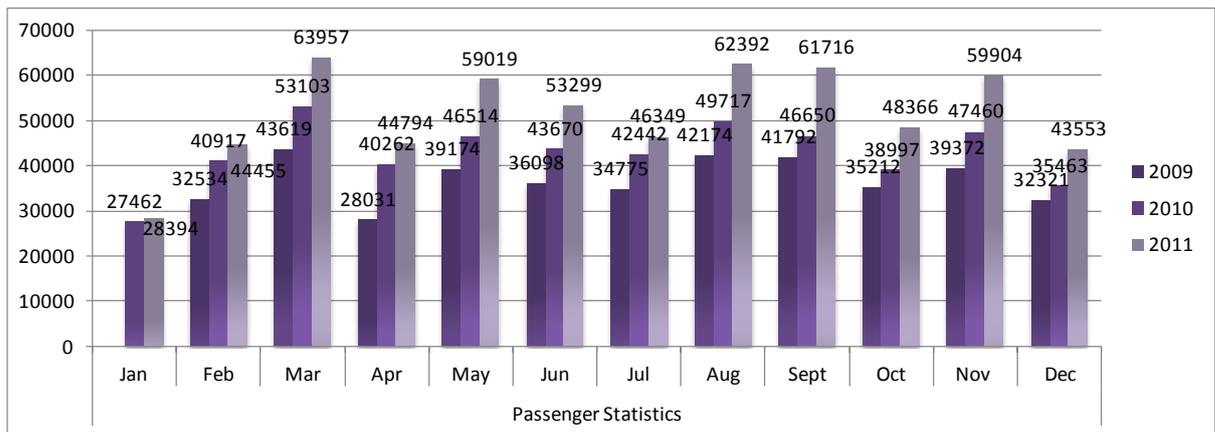
General Information

2. The overall performance of the bus service still continues to be positive with good passenger growth and fare recovery levels.

Total Passenger Trips

3. The following graph shows total passenger trips from February 2009 to December 2011.

Diagram 1 – Passenger Numbers – February 2009 - December 2011



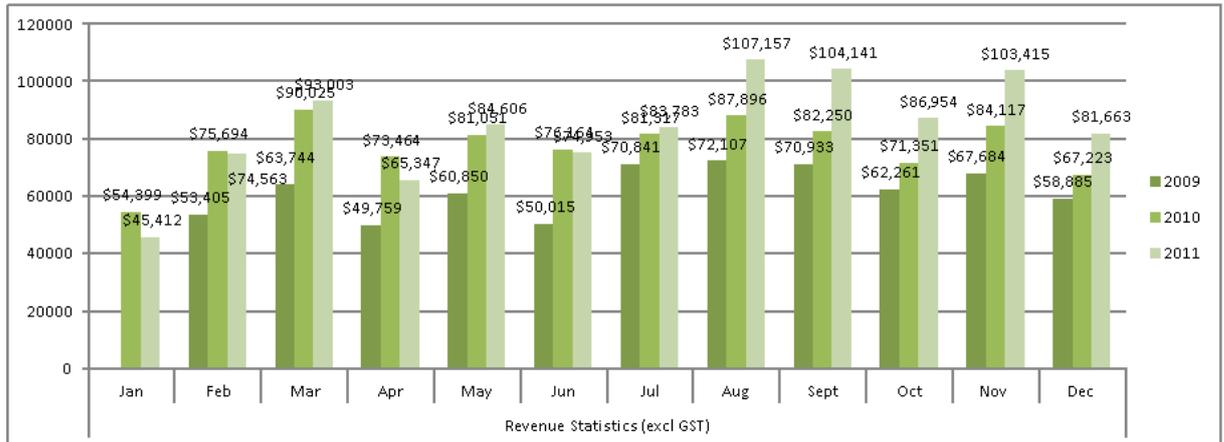
4. Since 2009 the total number of trips per year and monthly average have steadily trended upwards, as follows:

	Total Yearly Trips	Monthly Average
2009	434,231	36,186
2010	512,657	42,721
2011	616,198	51,350

Patronage and Financial Trends

- The following graph shows a comparison of fare revenue (excluding GST) from February 2009 to December 2011.

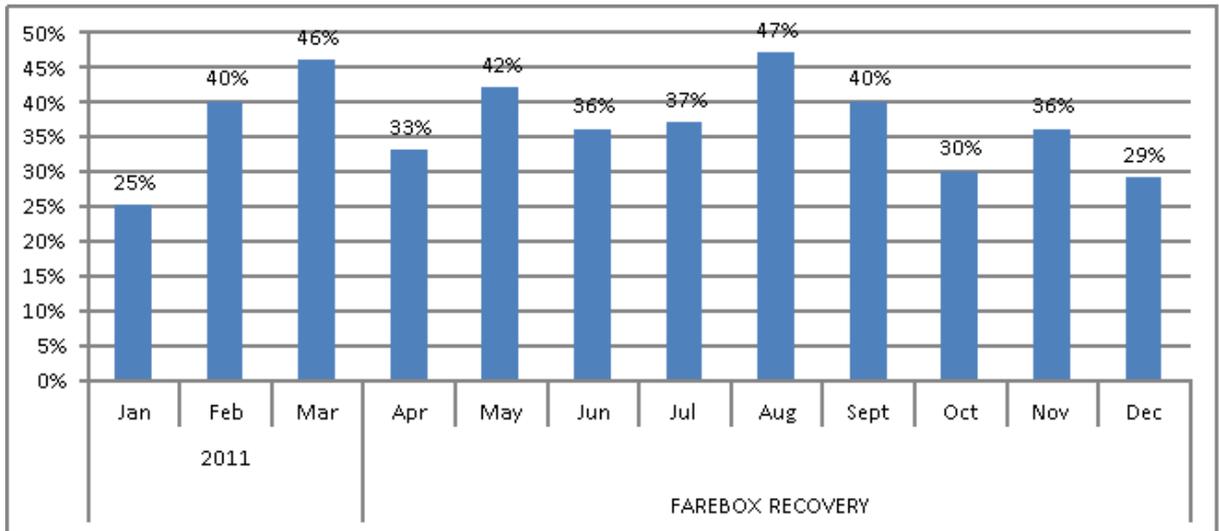
Diagram 2 – Total Revenue – February 2009 - December 2011



Farebox Recovery (total fares as a percentage)

- The following graph shows the farebox recovery trend (i.e. the total amount of fares as a percentage), from January to December 2011. The average farebox recovery for this period was 37%.

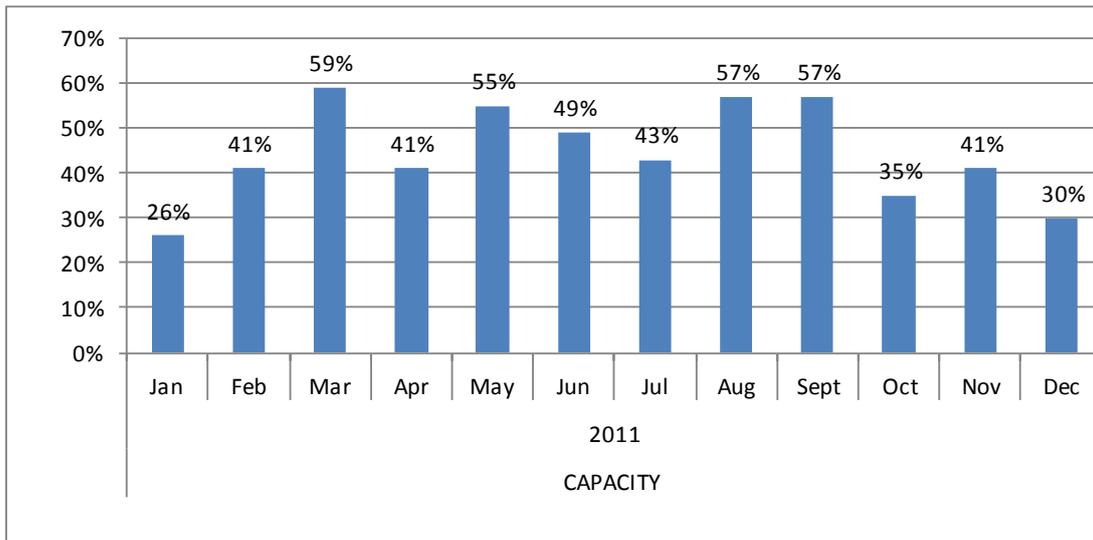
Diagram 3 – Farebox Recovery – January - December 2011



Capacity

- This graph shows the seat capacity utilised on a monthly basis from January to December 2011. The average utilised capacity for this period was 44%.

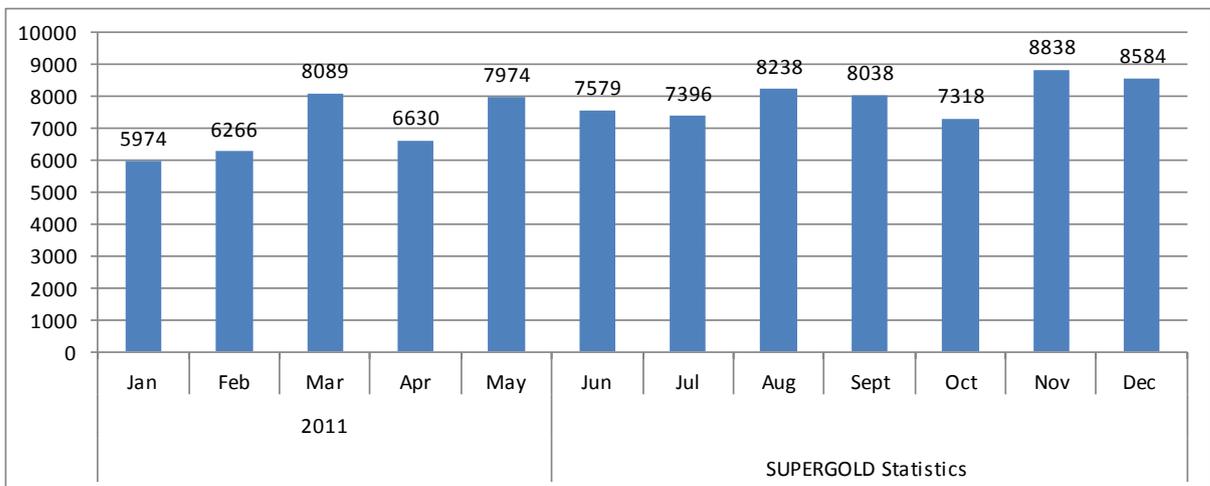
Diagram 4 – Capacity – January - December 2011



SuperGold Card Trips

- The following graph shows the number of SuperGold cardholder trips made from January to December 2011. SuperGold cardholders continue to make very good use of this scheme.

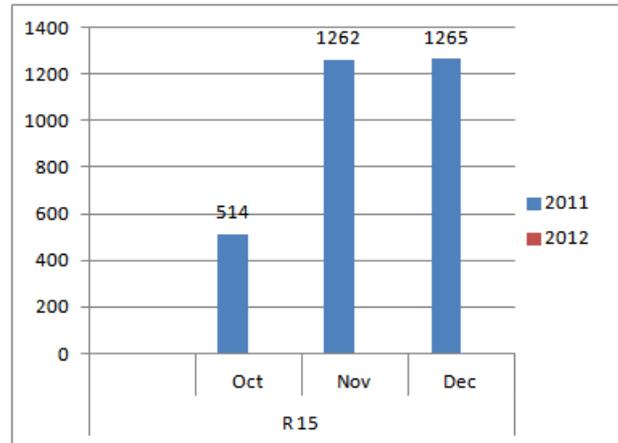
Diagram 5 – Number of SuperGold Card Trips – January - December 2011



Improvements to Bus Services

- The increased services on Route 12 are proving successful and providing a high level of service to passengers. Services operate every 15 minutes in peak times and every 30 minutes off-peak. The increased frequencies make public transport a viable mode of transport for a greater number of people.
- The six month trial of the Napier-Ahuriri-Westshore-Ahuriri-Napier continues to prove popular with local residents and visitors. Staff are currently analysing the passenger statistics, feedback from passengers and relevant information about the route and current timetable, to bring to Council before the end of the six month trial to enable Council to make a decision on whether to retain this as a permanent service. Below is a graph showing the monthly statistics for this service.

Diagram 6 – Total Passenger Numbers for Route 15 – October - December 2011



Infrastructure

Bus Stops

11. All Hastings services now travel via “The Park” shopping centre (formerly Nelson Park). New bus stops have been installed outside the Environment Centre on Russell Street, outside Mitre 10 at the Park and outside Video Ezy on Karamu Road. Services no longer turn into the K-Mart complex. This change has brought about extra costs as each service travels on average about 1.3km more, a total of 890kms per week.
12. The new cycle shelter on Dalton Street, installed by Napier City Council, makes ‘bike and ride’ a practical option for many cyclists who can cycle into the Napier terminus from the suburbs, secure their bikes in the cycle shelter and travel across to Hastings on the Route 12 service.
13. Staff have been in contact with Hastings District Council to see whether there are any plans to install a similar bike shelter near the Hastings terminus on Eastbourne Street, as was indicated in earlier i-Way reports. The i-Way Coordinator advised there are plans to install bike racks near some bus stops in the first half of 2012; however locations have yet to be decided.
14. Bike shelters at both the Napier and Hastings termini will make public transport a more realistic option for a larger number of people. Transport planners generally accept that public transport ridership falls off dramatically when the nearest bus stop is more than 400 metres away from homes/workplaces. Therefore cycling to the bus terminal, being able to park a bike securely, coupled with including active and sustainable components into the journey will be an attractive option for many people. (The February ‘It’s all go’ column in the community newspapers will focus on the new bike shelter in Napier).
15. Staff are currently investigating stage 1 of a project to install goBay signage at all bus stops with an existing bus stop pole. All bus stops have been numbered and the design of the signage has been approved by NZTA. Stage 2 of the project would see bus stop poles and signage installed at all bus stops, in line with the adopted hierarchy of bus stops outlined in the Regional Public Transport Plan.
16. Staff are also investigating a ‘text-a-bus’ service. This is a relatively low-cost service that would enable passengers to text through the number of a bus stop and receive a quick response, via a text message, advising the scheduled time of the next bus. This information would be based on the scheduled timetable and not ‘real-time’. In order for this to proceed staff are seeking agreement from Napier City Council and Hastings District Council to the goBay signage (outlined above) being installed, which would show the bus stop number.

Other

17. Although there have been some delays, the bus stop map is now very close to completion. However the on-line version may not be available until the HBRC website re-design has been approved and finalised. The bus stop map, bus stop signage and text-a-bus would make public transport much more easily accessible to Napier and Hastings residents and visitors.
18. The annual goBay passenger survey was carried out in November, with 630 responses (compared to 220 last year). The results will be available in early February, but early indications suggest a high level of satisfaction with services. Interesting responses include one from a lady who has been travelling on the bus in Napier for all her life - 82 years. Another from a lady in Pirimai, who had not visited Ahuriri/Westshore for 20 years and was stunned and thrilled by her trip on the Hopper.

Travel Plans

19. 'Walk Once a Week' days proved to be very successful at St Mary's School Hastings and Lucknow School Havelock North in 2011. Both schools are investigating a 'kiss'n'drop zone' to help alleviate congestion and improve safety at the school gate.
20. Letters were sent to all Napier and Hastings primary schools at the end of 2011 inviting them to take part in the School Travel Plan programme.
21. The HBRC travel plan team continue to encourage more staff to use active modes of transport on their journey to and from work, with an emphasis on public transport.

Total Mobility Update

22. Below is a table showing details of Total Mobility client numbers and expenditure to date for the 2011/12 financial year.

Diagram 7 – Total Mobility Statistics - June 2011 to December 2011

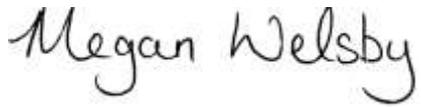
Month	Amount (incl. GST)	Amount (excl. GST)	Trips	Passengers	Wheelchair Passengers	New Clients	Total Clients	Av. Fare subsidy per trip
Jul-11	\$42,800.86	\$37,218.14	5469	6113	1549	34	2420	\$7.83
Aug-11	\$54,050.75	\$47,000.65	7121	7960	1600	55	2440	\$7.59
Sep-11	\$48,745.45	\$42,387.35	6077	6866	1545	35	2450	\$8.02
Oct-11	\$49,839.28	\$43,338.50	6516	7313	1491	41	2462	\$7.65
Nov-11	\$49,017.84	\$42,624.21	6193	6950	1588	42	2460	\$7.92
Dec-11	\$47,258.93	\$41,094.72	6171	6921	1453	40	2465	\$7.66
Total	\$291,713.11	\$253,663.57	37547	42123	9226	247	14697	

Decision Making Process

23. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that, as this report is for information only and no decision is to be made, the decision making provisions of the Local Government Act 2002 do not apply.

Recommendation

1. That the Corporate and Strategic Committee receives the Public Transport Update.



**Megan Welsby
SUSTAINABLE TRANSPORT
COORDINATOR**



**Carol Gilbertson
TRANSPORT MANAGER**

Attachment/s

There are no attachments for this report.

**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Wednesday 25 January 2012

Item 10

Subject: Apache Oil Exploration Project Briefing

Reason for Report

1. To introduce to Council Mr Alex Ferguson, (Manager Regulatory Affairs for Apache Corporation) who will lead the project going forward. This also provides Mr Ferguson with an opportunity to explain the process proposed for the petrochemical exploration activity in the region.

Background

2. Two companies, Apache Corporation (Apache) and TAG Oil (TAG) have formed a joint venture for this exploration project. In this venture Apache are the lead and have agreed to pay for the right to explore TAG's permit holdings.
3. TAG owns the rights to three permits for the East Coast of the North Island. These rights are in the Gisborne District and extend south of the Hawke's Bay to be partly in the Horizon's region.
4. Apache is represented by its Canadian affiliate, Apache Canada and this office will be the lead for the project going forward. Mr Ferguson from Apache will be joined by Alexandra Johansen from TAG to discuss the proposal with Council

Decision Making Process

5. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that, as this report is for information only and no decision is to be made, the decision making provisions of the Local Government Act 2002 do not apply.

Recommendation

1. That the Corporate and Strategic Committee receives the verbal report on the Apache Oil Exploration project from Mr Alex Ferguson and Alexandra Johansen.



**Bryce Lawrence
MANAGER
COMPLIANCE AND HARBOURS**

Attachment/s

There are no attachments for this report.

**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Wednesday 25 January 2012

Item 11

Subject: General Business

Introduction

This document has been prepared to assist Councillors note the General Business to be discussed as determined earlier in Agenda Item 6.

ITEM	TOPIC	COUNCILLOR / STAFF
1.		
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**HAWKE'S BAY REGIONAL COUNCIL
CORPORATE AND STRATEGIC COMMITTEE**

Wednesday 25 January 2012

Item 12

**Subject: Appointment of Independent Members of the Investment Company
Transition Board of Directors**

That Council excludes the public from this section of the meeting, being Agenda Item 12 Appointment of Independent Members of the Investment Company Transition Board of Directors with the general subject of the item to be considered while the public is excluded; the reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution being as follows:

**GENERAL SUBJECT OF THE
ITEM TO BE CONSIDERED**

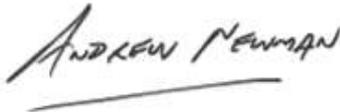
Appointment of Independent
Members of the Investment
Company Transition Board of
Directors

REASON FOR PASSING THIS RESOLUTION

7(2)(a) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to protect the privacy of natural persons.

**GROUND UNDER SECTION 48(1) FOR
THE PASSING OF THE RESOLUTION**

The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.



**Andrew Newman
CHIEF EXECUTIVE**



**Fenton Wilson
CHAIRMAN**