



INTRODUCTION

Part 1

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INTRODUCTION

Chairman & Chief Executive’s Commentary on Council’s Strategic Direction

We are pleased to present you with Hawke’s Bay Regional Council’s 2009-19 Ten Year Plan, formally referred to as the Long Term Council Community Plan (LTCCP).

It is clear that there are many challenging issues facing the Hawke’s Bay community. Our approach to today’s issues and how we prepare for tomorrow will help influence the future success of Hawke’s Bay as a region.

Over the next ten years, we will continue to identify and analyse emerging issues and trends, and address those that are critical to the region’s long term wellbeing. We will develop and extend partnerships to progress complex issues like water initiatives, land management, air quality, transport, regional infrastructure, climate change and investments. We will continue to deliver essential services to the community and adapt as necessary to meet the region’s needs and legislative requirements.

The following commentary is our description of the potential paths we seek to take in consultation with the community for the long term wellbeing of Hawke’s Bay.

Embracing Futures Thinking

During 2008, Council identified 14 key strategic issues facing Hawke’s Bay and developed from these a set of draft strategic goals and objectives. The 14 strategic issues included Sustainability, Water Futures, Land Use Change, Climate Change, Renewable Energy, Future Regional Infrastructure, Open Space, Economic Development, Regional Futures Scenarios, Regional Leadership, Partnerships with Māori, Investment, Operational Activities and Organisational Competency. We put these into a document called Embracing Futures Thinking and used this, along with stakeholder meetings, council workshops and a Speaker Series to profile and debate the region’s strategic



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Chief Executive

issues in more depth, and to build momentum ahead of preparing this Ten Year Plan.

While dialogue continued through these opportunities during 2008, in July of that year Council prioritised six key areas for detailed attention in the Ten Year Plan. These are **Water, Land, Climate Change, Regional Infrastructure, Investments and Regional Leadership**.

Council’s decisions have long-term impacts so using foresight is important. Council has allocated resources to a detailed future scenario planning-based process which will look beyond our statutory timeframes.

Strategic Framework

The strategic framework for this Ten Year Plan is shown in Figure 1. It incorporates the foundation of Four Wellbeings¹, the Community Outcomes and three strategic themes based on Council’s Vision statement. Staff have also refreshed the organisational values. It will be important to integrate these values into the way the organisation operates if we are to meet the challenges of the future. Our introductory comments are mirrored in the key strategic themes, which we’ve called The Right Debate, in Part 2 of this Plan.



Figure 1: Strategic Framework

¹ The Local Government Act 2002 gives Council the mandate to promote social, cultural, economic & environmental wellbeing in the region.



Supporting a Vibrant Community

Regional Leadership

Regional leadership is about adding value to the region's well being. Council strives to do this through engagement with central government, partnerships and collaboration with regional and local organisations and wise use of the Council's resources.

With a change of central government, there is speculation over local government reform. The Auckland Local Governance review may result in changes that may in time influence change throughout other regions.

Council proposes to initiate dialogue on local government reform with its local government counterparts in Hawke's Bay and with other stakeholders. It proposes to provide for a future study on greater local government efficiency in Year 2 of the plan, following developments in Auckland. The Resource Management Act reform may also be a factor in this study.

There are a number of current initiatives of regional collaboration. The Heretaunga Plains Urban Development Study is one example; joint funding of the region's Economic Development Agency is another. Where possible, local government within the region should seek to share services where efficiencies can be gained.

In principle, the Council is of the view that the investment portfolio can and should be managed more actively over time. It should be aligned with key emerging sustainable development opportunities for the region but within a commercial framework that continues to emphasise financial performance, capital growth, dividend growth and risk management. Some revision of the current portfolio governance structure is proposed to enable a more detailed focus on investment strategy and investment management.

Maintaining a high performing organisation is also part of regional leadership. It is Council's view that a high performing organisation is sensitive to community views and values, is able to adapt ahead of time to major economic, social and cultural shifts while continuing to deliver high quality services across its day-to-day operations within available resources.

Council's ability to deliver its services to the community remains critically dependent on attracting and retaining the right staff and the right skills. In the current economic climate, this will be a challenge. Remuneration adjustments must take account of the wider context of the employment market, both private and public sectors.

The wider community is suffering from the effects of the economic recession and Council must play its part in easing that burden. In these times job security is of high importance and we acknowledge that our roles in local government are more secure than many.

Value for Money

The community is right to expect value for money for the services we provide. For these reasons, we want to more accurately define the value of a given service to those who benefit, directly or indirectly.

Where the benefit is clearly related to a specific section of the community, Council will use a cost-benefit analysis and specific charging regimes to cover the costs of the service. Targeted rates and specific charges are more transparent and equitable charging regimes for the overall community.

In the current economic recession, we anticipate a decline in Council's investment income of up to 25% over the first two years of the Ten Year Plan period. Thereafter investment income is forecast to rise above current levels.

Council's practical response through the early development of this plan has been to:

- Reduce operating costs across discretionary areas of the budget such as travel, training and consultancy;
- Direct some existing staff capacity into emerging strategic areas such as climate change and energy;
- Draw on cash operating reserves to fund important initiatives;
- Draw on reserve funds to underwrite the initiation of new strategic work in water strategy, but also to use a graduated transition arrangement moving to direct charging for work with clearly identified beneficiaries.



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Partnerships with Māori and Other Strategic Partnerships

Hawke's Bay Regional Council operates in a networked environment, meaning that it must work alongside other organisations such as the city and district councils, tangata whenua, industry, community groups and government departments. Through partnering, finding integrated solutions to regional issues and undertaking joint projects, Council and its partners will contribute to improving our region and community.

The Treaty of Waitangi gives Māori a special standing in the region and the Council's partnership with Māori is more than a means to achieve strategic goals and community outcomes. They hold kaitiakitanga for the region and Council must effectively engage across a range of matters.

Over the next ten years, Council expects that there will be a number of significant Treaty of Waitangi Settlements relating to Ngati Kahungunu. These have the potential to positively transform the position of Māori within the region. This, coupled with the increasing proportional representation of Māori within our community, creates an imperative for Council to find new and constructive ways to work with tangata whenua.

Treaty Settlements are likely to involve economic and cultural redress involving natural resource management. Implementation of aspects of such settlement agreements are likely to fall to this Council. This will require a significant commitment of time from Council to work through the implementation details with the claimant groups.

Building Regional Infrastructure

Council has an emerging infrastructure planning role in terms of working constructively with city and district councils, servicing the Regional Transport Committee or active exploration of infrastructure opportunities to better manage the region's water resources.

Regional infrastructure also includes social infrastructure such as museums and public open spaces. Council is encouraging the public to make use of the land that Council owns especially river berms and country parks. It is proposing a contribution to significant regional projects such as the Hawke's Bay Museum and Art Gallery, the Regional Sports Park in Hastings and the Waipawa Town Hall project.

Linking the Two Cities

Hawke's Bay is unique in having two medium-sized cities – Napier and Hastings – close to each other.

The Council's role in infrastructure, transport planning and provision of public transport services is a critical element in building the synergies between these cities in areas of interconnectedness and efficiency. By national benchmarks Hastings and Napier are lightly serviced by public transport. Council seeks to increase provision of public transport in a financially sustainable way, believing that there are social, economic and environmental benefits. The Council will focus on customer service improvements, improving patronage and fare revenues in order to contain ratepayer costs.

Council is actively collaborating with Napier and Hastings on an urban growth study, aiming to provide clarity for urban and infrastructural development within the Heretaunga Plains. This study will be influential in aligning district plans with the Regional Policy Statement.

Living and Working in Hawke's Bay

Hawke's Bay is well-positioned within New Zealand from a lifestyle perspective, i.e. an economy built on natural resources with a warm, dry climate, good infrastructure, diverse open spaces and recreational opportunities. The overall economic standard of living in the region has improved over the past five years, underpinned by the prevailing good economic conditions. However, the proportion of the regional population on low incomes, whilst having fallen steadily over the last 10 years, is still significantly higher than the national average.

Council can contribute towards improving regional performance against national benchmarks by promoting sustainable development and encouraging national and international investments into Hawke's Bay through its business unit Venture Hawke's Bay², and through its investment portfolio.

² Hawke's Bay Incorporated was renamed Venture Hawke's Bay on 1 July 2009.



Community Engagement

Council continues to actively engage with the general community and sectors of the community on a wide range of operational matters and at all levels of the organisation, governance and staff. The purpose could range from simply providing information, to providing a professional service or seeking more sustainable behaviour.

Consistent with the Embracing Futures Thinking process, Council is looking to improve its communication with the community by engaging with relevant sectors to understand their immediate issues, discuss and debate emerging issues and to advance collective responses to key initiatives.

Investing for Economic Prosperity

Building a Resilient Economy

Hawke's Bay is reliant on commodity-based, primary-producing, exporting industries for underlying wealth generation. In order to be resilient, businesses need to focus on ways to add value to their products and business processes. The international credit crisis is likely to limit the ability of Hawke's Bay businesses to raise capital for business growth.

The Council's business unit, Venture Hawke's Bay, is taking a leadership role in informing decision makers about key drivers of business growth in the region. Venture Hawke's Bay is available to help businesses build resilience, foster productivity and innovation and improve efficiencies. It has a recession plan with strategies aimed at dealing with the difficult economic conditions faced by the region's businesses. It will play a significant role in identifying and helping regional businesses develop funding streams for business innovation and growth.

Venture Hawke's Bay is governed by the main funding councils (Regional Council, Napier City Council and Hastings District Council) and has a number of independent members on its Board.

Responding to Climate Change

Based on the latest Intergovernmental Panel for Climate Change (IPCC) scenarios, the implications for Hawke's Bay are for the region to gradually get

warmer and drier, but also potentially to suffer from more intense storm events.

This will impact on the region's land and water resources and therefore on the primary industries in Hawke's Bay. Some communities are already experiencing the effects of hazards such as coastal erosion and the risk of flooding from storms.

A large number of the initiatives contained in this Plan are in response to climate change. Sustainable land management is even more critical under the extreme weather events and we are focusing on integrating social, economic and environmental outcomes at a catchment level. Forestry is recognised as being able to make a significant contribution towards sustainable land uses and climate change mitigation.

Investigating water harvesting opportunities will provide options for dealing with drier summers while, at the same time, capturing the excess water from more intense rainfall events. We are also exploring investment opportunities for solar and wind energy generation. At a corporate level, we are setting emission reduction goals for Council's activities and are looking at encouraging regional reduction initiatives.

The effects of climate change will impact directly on Council's resource and hazard management responsibilities especially on the region's water, rivers and coast. Council proposes to review current standards defined in the asset management plans and especially the risk threshold provided for within the flood protection schemes.

These activities will either assist the region to adapt to climate change as it occurs or mitigate its potential impact. Adaptation initiatives include:

- Strategic water programme;
- Sustainable land management programme, particularly the Regional Landcare Scheme;
- Water harvesting.

Mitigation initiatives include:

- Coastal hazard management;



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- Flood control and drainage scheme reviews;
- Council's corporate carbon emission reduction plan;
- Investment into forestry associated with Waipukurau and Waipawa sewerage treatment and the recently-purchased property near Tutira.

These programmes represent an investment of approximately \$4.55 million in the 2009/10 year.

The Importance of Water

Irrespective of climate change, competition for the water resource is increasing from residential, industrial, recreational and, in particular, from agricultural users. The region's primary sector-based economy means that water availability, use, conservation and value to different users is a major focus.

Council proposes to take an increasingly dynamic and multi-faceted approach to water management, in particular seeking to work simultaneously on:

- Improving scientific knowledge of the resource;
- Improving certainty within the planning and regulatory framework to assist national allocation of this scarce and precious resource;
- Improving standards relating to water quality;
- Enhancing management of water demand issues;
- Potentially investing in productive capital and infrastructure projects that manage these issues while providing economic, social and environmental returns to the Council and community.

All of these initiatives will lead to improved environmental outcomes.

Sustaining the Land's Productivity

The Hawke's Bay region is geologically diverse with young fragile soils that sustain the region's primary sector. The land is vulnerable to the impacts of climate change. Council has for many years maintained a Regional Landcare Scheme targeted at improving sustainable land management practices. Council's investment in this area provides an excellent opportunity to

leverage additional resources from central government into sustainable land management in Hawke's Bay.

Where possible, Council proposes to increase the level of scientific research undertaken by Crown Research Institutes in Hawke's Bay on issues relevant to integrated land and water issues.



Sustaining a Clean and Healthy Environment

Integrated Solutions to Environmental Issues

Resource management issues associated with water, land and air arise from a complex mix of social, cultural, economic and environmental drivers. Multi-faceted solutions are required. Council is actively looking for solutions that meet desired outcomes across the four local government wellbeings.

The Tukituki Water Group is an example of community partnerships where different sectors work together to understand each other's values and desires so that a comprehensive solution can be found.

Healthy Homes

The Council is looking at a comprehensive approach to achieving warm healthy homes while still seeking a review of the implementation date for the National Environmental Standard for Air Quality to 2020. Of note is that approximately 67% of Hawke's Bay housing stock was built before 1978 and therefore pre-dated the introduction of requirements for insulation, subsequently adopted in the Building Code.

A number of agencies are pursuing the objectives of warm healthy homes for health benefits and an associated reduction in doctor's visits, for energy efficiency and for air quality benefits.

Subject to feedback on the Council's Proposed Air Quality Plan Change, the proposition to provide financial assistance for heating system upgrades and the leverage of central government grants for housing insulation, Council may act as a host organisation for co-ordinating its Healthy Homes joint initiative.

Use of Market Driven Economic Policies

Within a twenty year period environmental issues have become "mainstream" i.e. at least as important (and for some more important) than economic issues. The term "sustainability" is widely used. Council's vision statement incorporates Sustainability principles. Of significance to Council's role and its interaction with the regional community are two related trends

where environmental issues are becoming intertwined with economic drivers:

- The emergence of environmental standards for exported products to various developed economies, and
- The use of economic instruments and trading schemes to price the cost of environmental effects.

The plans, regulations and standards developed through Council's resource management plans are being used by industry as the baseline for their own environmental standards where these are required for product certification. At the very least, exporting industries dependent on and exposed to direct market access issues are sensitive to non-compliance with Regional Council rules. In time, this should drive improved environmental performance.

Economic and trading-based instruments, i.e. carbon pricing and nitrogen markets, are two factors which may in time transform economic activity. However, there is also considerable uncertainty as to whether or not consistent markets will form in these areas. Over time, Council will need to understand and possibly accommodate the use of such instruments into its own operating practices.

Concluding Comments

Hawke's Bay Regional Council and its predecessor organisations have played a key role in the development of this special region over many decades.

In constructing this Ten Year Plan, it is evident that the challenges now facing our community, and therefore the Council, are more complex and possibly more disruptive than have been experienced for decades – a global recession, global warming, land use intensification, natural resource competition and increasing risk of storm events.

However the need to focus on the long-term prosperity of our region is equally crucial. An economy and society that is vibrant, flexible and resilient has a much greater chance of being able to prosper within this changing world.



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This means that Council's ability to foresee changes that will impact on our region and to respond quickly will be tested repeatedly. A sense of urgency about our work agenda is critical, as is an ability to relate to and engage with our stakeholders in a meaningful way.

A recently conducted survey of Hawke's Bay residents (2008) was benchmarked against surveys over the preceding ten years and indicated the community has a better knowledge of Council's role and the value it provides. Another barometer of organisational health is internal staff surveys and these indicate that a very high proportion of staff believe the Council is a good place to work. While these measures are encouraging they need to keep improving.

Key messages we wish to reinforce in this proposed plan include:

- We need continual feedback from the community to help us learn;
- We are committed to delivering value to our ratepayers and community;
- We wish to work collaboratively with many organisations to get the best possible outcome for Hawke's Bay, and
- Our ability to continue to deliver and improve current services and develop new responses to challenges at the same time is critical to remaining relevant as an organisation.

We need to bring an integrated approach to our work and apply the range of skills we have (planning, engineering, economics, scientific, investment and financial) to the challenges ahead.

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Chief Executive



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Regional Collaboration and Shared Services

Initiatives	Hawke's Bay Regional Council	Wairoa District Council	Napier City Council	Hastings District Council	Central Hawke's Bay District Council
Community Services					
Pettigrew Green Arena			✓	✓	
Shared Library Services			✓	✓	
Pathway Development	✓		✓	✓	
Settlement Support Service			✓	✓	
Youth Transition Service			✓	✓	
Regional Cultural Archives	✓		✓	✓	
Road Safety Initiatives	✓	✓	✓	✓	✓
Corporate Support					
Joint Property Valuation Contract	✓	✓	✓	✓	✓
Economic					
Venture Hawke's Bay	✓	✓	✓	✓	✓
Environmental					
Environmental Awards	✓		✓	✓	
Recreational Water Quality Monitoring	✓	✓	✓	✓	✓
Essential Infrastructure					
Omarunui Joint Landfill			✓	✓	
Stormwater Drainage	✓		✓	✓	
Strategy and Planning					
Regional Transportation Strategy	✓	✓	✓	✓	✓
Heretaunga Plains Urban Growth	✓		✓	✓	
Solid Waste Management Plan			✓	✓	
Regional Community Outcomes	✓	✓	✓	✓	✓
Community Outcome Monitoring	✓	✓	✓	✓	✓
Regional Strategic Coordination Group	✓	✓	✓	✓	✓
Civil Defence Group	✓	✓	✓	✓	✓
Policy Sharing	✓	✓	✓	✓	✓

The table opposite sets out areas where the five Hawke's Bay councils have or are currently working together to provide effective and efficient services to the people of Hawke's Bay.

Emerging Areas for Collaboration

The five councils will explore how they might work together in a number of emerging areas, the key ones being:

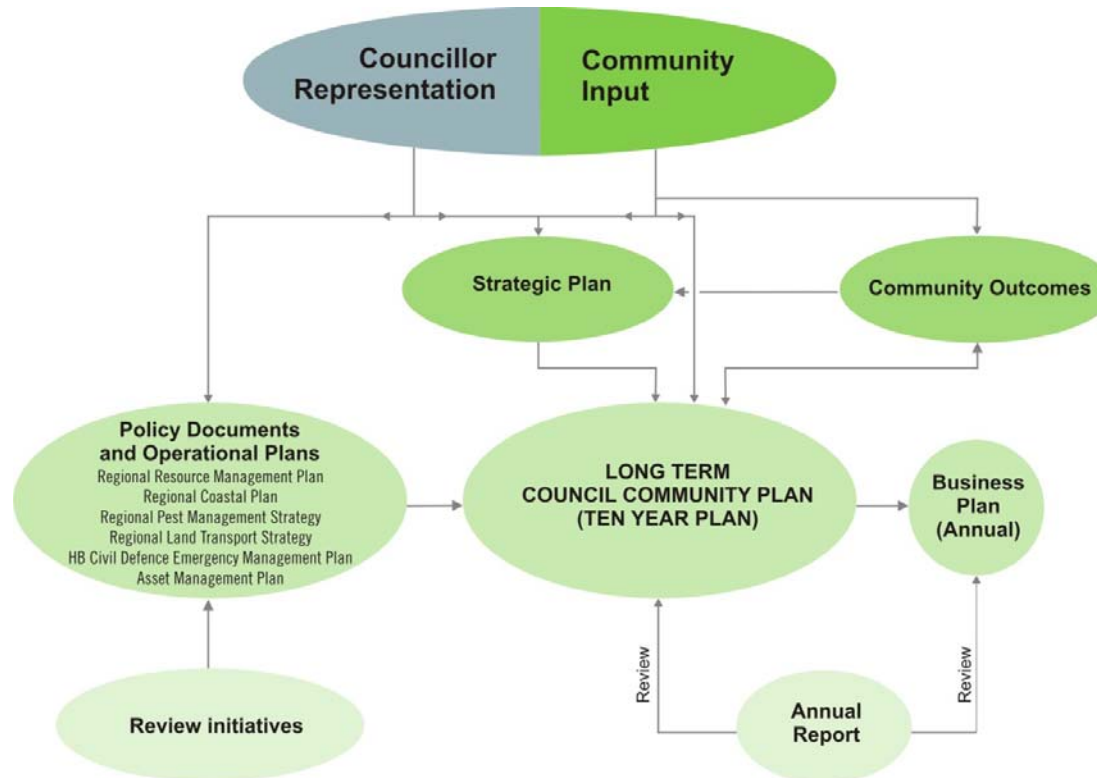
- The feasibility of joint regional and/or district plans;
- Efficiencies in compliance processes under the Building Act;
- Efficiencies in engineering activities including design, asset planning and contracting.



Planning Cycle

This Ten Year Plan is part of a long term planning cycle. It has been supported by the Embracing Futures Thinking strategic planning process which commenced in early 2008. Over the next three years, Council will be working on a Strategic Plan with a 30 – 50 year horizon, which is more aligned to natural and physical resource management and regional economic development.

There are many other documents that Council is required to prepare. Many of the 'levels of service' included in the Ten Year Plan come from various policy documents and operational plans prepared by Council and these plans contain more specific details. An Annual Report is produced documenting annual performance targets and financial outcomes.





Community Outcomes

Community outcomes are goals that the community believes are important for its present and future economic, social, cultural and environmental wellbeing.

The nine community outcomes and 27 sub-outcomes were developed in 2003/04 through the collaborative process involving the five Hawke's Bay Councils and have been reported in the 2004-14 and 2006-16 Ten Year Plans. The Community outcomes are shown in the table on the following pages.

How will Council monitor progress towards the Community Outcomes

Councils are required to monitor and report every three years the progress made by the community in achieving the community outcomes for that district or region. The five Hawke's Bay Councils have again decided to prepare this report jointly. The first monitoring report is currently being finalised.

A summary of this report will be contained in the Council's quarterly publication, The Big Picture, which is sent to every household in the region.

The first monitoring report has incorporated a review of the indicators contained in the last Ten Year Plan to establish the most useful, appropriate, consistent and rigorous indicators and measures of the community outcomes. This review has involved a number of agencies. The indicators/measures are contained in the table on the following pages.

The table also identifies the activities that Council undertakes which contribute to the outcomes.

The five Councils and other regional organisations that also contribute to progressing community outcomes will review the findings of this monitoring report and identify priority areas where collaborative initiatives would more effectively progress the community outcomes.

How will Council work with other Organisations to further the Outcomes?

Council already works with a wide variety of organisations as it strives to achieve its goals. The success of the Community Outcomes process is

dependent on effective partnerships and collaboration between local government, central government, non-government agencies, businesses and individuals. Therefore Council will continue to build on the relationships that already exist in the region.

Collaboration exists at the CEO level across local and central government and non-government organisations. The CEO forum seeks to identify areas for effective Regional collaboration on priority issues. At an operational level, the Regional Strategic Co-ordination Group has been established to co-ordinate, advise and participate in regional initiatives. This group reports to the CEO's forum.

How do the Community Outcomes relate to Other Key Strategic Planning Documents or Processes?

The Community Outcomes are very high level statements and therefore they are relevant to Council's strategic planning processes. Council's Embracing Futures Thinking document contains a set of draft Strategic Goals and Council will be developing a Strategic Plan over the next three years. This strategic planning process will have regard to the community outcomes.

A number of other strategic planning documents prepared under legislation determine much of Council's programmes & activities. These include:

- Regional Policy Statement;
- Regional Resource Management Plan;
- Regional Coastal Environment Plan;
- Regional Plant Pest and Animal Pest Management Strategy;
- Regional Land Transport Strategy;
- Regional Passenger Transport Plan;
- Civil Defence and Emergency Management Group Plan;
- Flood and Drainage Scheme Asset Management Plans.

Each strategic planning document has been prepared under the processes contained within the relevant legislation. Council's contribution to furthering community outcomes has been driven by the implementation of these planning documents and the processes surrounding their preparation and adoption.



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Community Outcomes, Indicators and Council activities that Contribute

	Outcomes	Key Indicators/Measures	Council Activities which contribute to the Outcomes
Environmental Wellbeing	<p>An environment that is appreciated, protected and sustained for future generations</p> <ul style="list-style-type: none"> ▪ The Hawke's Bay community is well informed and educated about the environment ▪ Development in Hawke's Bay is sensitive to the need to protect and promote environmental wellbeing ▪ The natural qualities of Hawke's Bay's lakes, streams, waterways and coastlines are protected and enhanced ▪ Hawke's Bay is clean, green and pollution free 	<ul style="list-style-type: none"> ✓ Community awareness and involvement in the environment ✓ State of the Environment monitoring 	<ul style="list-style-type: none"> ✓ Environmental Management ✓ Land Drainage and River Control ✓ Biosecurity ✓ Hazard Management ✓ Regional Transport Strategy ✓ Strategic Thinking ✓ Community Engagement ✓ Climate Change Response ✓ Open Spaces ✓ Community Representation and Regional Leadership
Economic Wellbeing	<p>A strong, prosperous and thriving economy</p> <ul style="list-style-type: none"> ▪ Coordinated facilitation of regional and local economic growth and development in Hawke's Bay ▪ Hawke's Bay is a key and growing tourism destination in New Zealand ▪ A well educated, trained and skilled workforce meeting the needs of employers and supporting a thriving regional economy ▪ The rural/agricultural base will be protected and appropriate development encouraged ▪ An enabling and supportive environment will be a key element in regional and local initiatives to promote more business growth and development in the region 	<ul style="list-style-type: none"> ✓ Demographics (Population/Dwellings) ✓ Business Numbers ✓ Economic Growth ✓ Standard of Living ✓ Rural Sector, Tourism, other Industries ✓ Employment ✓ Residential & Public Investment & Infrastructure ✓ Education & Training ✓ Skilled Labour ✓ Labour Earnings ✓ Staff Retention 	<ul style="list-style-type: none"> ✓ Venture Hawke's Bay ✓ Environmental Management ✓ Hazard Management ✓ Biosecurity ✓ Land Drainage and River Control ✓ Transport Strategy ✓ Strategic Direction
	<p>Transport infrastructure and services that are safe, effective and integrated</p> <ul style="list-style-type: none"> ▪ A safe and efficient transport network ▪ An inclusive, accessible and affordable transport system ▪ An integrated transport system with efficient linkages supporting national and regional economic development 	<ul style="list-style-type: none"> ✓ Transport Safety ✓ Public Transport Use ✓ Traffic Crashes ✓ Vulnerable User Results ✓ Rooding Network Effectiveness ✓ Regional Development 	<ul style="list-style-type: none"> ✓ Transport Strategy ✓ Road Safety ✓ Passenger Transport



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	Outcomes	Key Indicators/Measures	Council Activities which contribute to the outcomes
Social and Cultural Wellbeing	<p>Communities that value and promote their unique culture and heritage</p> <ul style="list-style-type: none"> ▪ Places, spaces, activities and events celebrating and strengthening the identities of all cultures within Hawke's Bay ▪ Māori culture and language is respected, promoted and strengthened in the community 	<ul style="list-style-type: none"> ✓ Heritage Protection and Development ✓ Māori Heritage Protection & Development ✓ Appreciation of Māori culture & Heritage 	<ul style="list-style-type: none"> ✓ Community Engagement ✓ Open Spaces ✓ Partnerships with Māori
	<p>Strong regional leadership and a sense of belonging</p> <ul style="list-style-type: none"> ▪ Strong and coordinated leadership and governance across the Hawke's Bay region 	<ul style="list-style-type: none"> ✓ Regional Collaboration ✓ Public Involvement in Governance ✓ Economic Development & Regional Wellbeing 	<ul style="list-style-type: none"> ✓ Community Representation and Regional Leadership ✓ Community Engagement ✓ Environmental Management ✓ Hazard Management
	<p>Supportive, caring and inclusive communities</p> <ul style="list-style-type: none"> ▪ Hawke's Bay people are engaged with their community regardless of age, ability or ethnicity ▪ The delivery of key social services in Hawke's Bay is undertaken in a coordinated and accessible manner ▪ Improved housing for Māori and strengthening of Marae communities 	<ul style="list-style-type: none"> ✓ Deprivation Index ✓ Community Involvement ✓ Māori Socio-Economic Development 	<ul style="list-style-type: none"> ✓ Community Representation and Regional Leadership ✓ Community Engagement
	<p>Safe and accessible recreational facilities</p> <ul style="list-style-type: none"> ▪ Coordinated regional provision and use of recreational facilities and associated recreational services ▪ Enhanced provision of a variety of safe physical recreational opportunities 	<ul style="list-style-type: none"> ✓ Use of Facilities ✓ External Marketing of Facilities ✓ Resident Satisfaction with Facilities ✓ Investment in New Facilities 	<ul style="list-style-type: none"> ✓ Open Space ✓ Regional Transport Strategy ✓ Strategic Partnerships ✓ Land Drainage and River Control
	<p>Safe and secure communities</p> <ul style="list-style-type: none"> ▪ People in Hawke's Bay will be free from burglary, theft and property damage ▪ Hawke's Bay families will be free from violent crime ▪ Hawke's Bay public spaces will be crime free 	<ul style="list-style-type: none"> ✓ Crime Levels ✓ Police Resources ✓ CCTV Monitoring ✓ Family Violence 	
	<p>A lifetime of good health and wellbeing</p> <ul style="list-style-type: none"> ▪ Hawke's Bay people live in safe and secure communities where they are supported to live healthy lives and achieve their full potential ▪ Hawke's Bay residents will have access to high-quality health and disability services ▪ Hawke's Bay will have high standards of population health ▪ The social and economic determinants of health are effectively managed 	<ul style="list-style-type: none"> ✓ Access to Primary Health Services ✓ Life Expectancy ✓ Key Health Determinants ✓ Quality of Health Services 	<ul style="list-style-type: none"> ✓ Passenger Transport ✓ Environmental Management ✓ Flood Protection ✓ Flood Warning and Emergency Response



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About Hawke's Bay



Labour Market

In September of 2008, total employment in the region stood at 78,593 or 3.4% of the New Zealand total. Employment growth has increased fairly steadily over the last five years at an average annual rate of approximately 3%. However, the forecast significant slowing of the economy is expected to constrain medium term employment growth. Unemployment in the region increased from 4% in 2006 to 5.5% in 2008. It is anticipated that the region will continue to face particular labour market challenges such as meeting seasonal labour requirements for the fruit and horticultural industries and addressing skilled labour needs across a range of different employment sectors.

Community

The overall economic standard of living in the region has improved by an estimated 20% over the last five years. However, the proportion of the regional population on low incomes, whilst having fallen steadily since the mid 1990s, is still significantly higher than at the national level. Over a third of the population at the time of the 2006 Census were in the most deprived socio-economic deprivation categories. The proportion of school leavers with higher educational qualifications has increased significantly. The proportion of the working-age population with tertiary level qualifications rose from 18% in 2001 to 23% in 2006 whilst university level achievement rose from 6% to 9%. Māori upper secondary school and tertiary level educational attainment has improved very noticeably over the past five years.

Environmental Priorities

In a 2008 research survey, Hawke's Bay people said their top environmental concerns were waste management, water pollution, pollution and water. When it came to water specifically, participants indicated that the pollution of rivers/streams, wastefulness and the shortage of water were their main concerns.

Natural Resources

River catchments (24) comprising 7 major rivers
Wairoa, Mohaka, Esk, Tutaekuri, Ngaruroro, Tukituki, Waipawa

Major lakes *Waikareiti, Waikaremoana, Tutira*

Significant wetlands *Whakaki, Ahuriri Estuary, Waitangi Estuary, Porangahau Estuary, Pekapeka Swamp*

Major aquifer systems *Heretaunga Plains, Ruataniwha/Takapau Plains*

Coastline 350km

Population

The 2008 Hawke's Bay population estimate of 152,700 represents 3.6% of the national total. At the time of the 2006 Census, the broad ethnic profile of the regional population was European 69%, Māori 24% and remaining ethnicities 7%.

Economy

Total Gross Domestic Product for the region presently stands at an estimated \$6.3 Billion or approximately 3.4% of total New Zealand GDP. The primary production and manufacturing sectors together generate approximately 45% of the regions GDP compared to 20% for the New Zealand economy. Within the primary industry sector key production activities are pastoral farming/fruit/horticulture and forestry/logging. Within the manufacturing sector, food and beverage processing is a particularly significant contributor to the regional economy. With its natural resources, Hawke's Bay is well placed to capitalise on the growing world demand for high quality food, especially from the rapidly expanding middle class in China and the rest of Asia. However, the region's agricultural and related primary processing industries are susceptible to adverse climatic conditions. For example, the severe drought of 2007/08 is forecast to inhibit growth over the period 2007-2011.



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Auditors Report



**Report to the readers of
Hawke's Bay Regional Council's
Long-Term Council Community Plan
for the ten years commencing 1 July 2009**

The Auditor-General is the auditor of the Hawke's Bay Regional Council (the Regional Council). The Auditor-General has appointed me, Mark Maloney, using the staff and resources of Audit New Zealand, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

Opinion

Overall Opinion

In our opinion the LTCCP of the Regional Council dated 30 June 2009 provides a reasonable basis for long-term integrated decision-making by the Regional Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the Regional Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- **the Regional Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;**
- **the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and**
- **the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the actual levels of service provision, reflects good practice for a council of its size and scale within the context of its environment.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the



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variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 30 June 2009, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Regional Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and

implications it faces to provide an opportunity for participation by the public in decision-making processes;

- the Regional Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the Regional Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the Regional Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;



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- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the Regional Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Regional Council is responsible for preparing an LTCCP under the Act, by applying the Regional Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Regional Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

Independence

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the

independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the Regional Council.

Mark Maloney
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand