

Te Pūrongo o Mua i te Pōtitanga 2022

2022 Pre-Election Report

PŌTI
2022

NGA PŌTITANGA Ā-ROHE

VOTE
2022

LOCAL ELECTIONS

local people.

local impact.

More info at hbrc.govt.nz


HAWKES BAY
REGIONAL COUNCIL

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI



PŪ RĀKAU

Te ara i whanatu ai rā
 Pū rākau e tū mai nei
 E piki ki runga
 kia mārama ahau
 Kei raro ko Te Matau
 Te whakatikanga ake ki runga rā
 Ka titiwha te rehu tai
 Te ara i whanatu ai rā

Ko te kura ki ahau
 hei tohu noa ake ki te kura
 i te rehu tai
 Te whakawhiti o te rā
 Te whakaāio whenua
 Hoki muri mai au ki te iwi
 Te ara i whanatu ai rā

On the path most travelled
 Behold the grove of trees
 I ascend so that I may see clearly
 Below is Te Matau
 And as I rise to go forth
 a light shines through the sea spray
 upon the path of the myriads

I retain this plume
 as a symbol of the legacy
 beyond the spray of the sea
 Causing the sun to shine
 and spreading peace over the land
 I now return to the people
 upon the trodden path



Te Kupenga (the net) is a roopu (group) that comprises the Māori specialist teams from Hawke's Bay's five councils.

In 2019, Te Kupenga approached Tuirina Wehi, a Wairoa-based composer for a waiata to be composed and used by council staff and elected representatives.

That waiata is Pū Rākau.

The kupu (lyrics), rangi (tune) and mita (rhythm, pace) can be used on any occasion. It is illustrative of the current state of our taiao (environment) and uses metaphors to imply a desired state and legacy for future generations.

Te whakapakari
 tahi i tō
 tātau taiao

Enhancing our
 environment
 together



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HE KUPU NĀ TE TUMU WHAKARAE MESSAGE FROM THE CHIEF EXECUTIVE

E ngā mana, e ngā reo, tēnā koutou katoa

We are a regional council responsible for protecting and enhancing the natural environment – the air, land, lakes, rivers, aquifers, and the marine areas that sustain all of us – Te Matau-a-Māui Hawke’s Bay from Māhanga to Pōrangahau.

In the background of this Pre-Election Report is the enduring global impact of Covid-19. It is with us most obviously now in the (national) talent shortages we’re experiencing to fill key staff vacancies, a shortage of some infrastructure materials, and fluctuating financial returns. These challenges are all surmountable. As the pandemic recedes, we put our focus back on the work ahead.

Our focus on climate action, freshwater, and biodiversity is for the long term.

This report is designed to help you become familiar with the scope of our work leading up to local elections in October 2022.

This election is special for the Regional Council as for the first time we have Māori Constituencies. More information on the two new councillor seats is provided later in this report.

I am privileged to lead a team of around 320 passionate people who live and work throughout Hawke’s Bay. Our programmes of work touch every part of the region’s environment and rely heavily on relationships. From our growing partnerships with tangata whenua, to individual landowners, businesses, industries, local and central government – none of our work can thrive without partnerships.

We are working hard to make our region more resilient to climate change. Some of our work is highly visible, such as how we respond to coastal hazards, our flood protection schemes, and tree planting; some not so visible, with an excellent science foundation and team of scientists informing our policy and regulatory work.

Part of our focus this year is to lead the development of a Regional Climate Action Plan and to begin rewriting the policy and rules for managing our regional environment for the Kotahi Plan. These will involve engaging in partnerships with mana whenua to ensure mātauranga Māori viewpoints are incorporated, as well as the views of community groups, industry, and local councils.

This report includes a full picture of how the Regional Council is performing financially with information on our past, current, and forecast financial position. It has been prepared to bring together information from other published documents including our current Long Term Plan 2021-2031, this year’s Annual Plan, and relevant Annual Reports.

For election-related information, please contact our Electoral Officer, Leeanne Hooper at leeanne@hbrc.govt.nz

You can also get a good understanding of our role and work by visiting hbrc.govt.nz

Nāku noa, nā

James Palmer
Te Tumu Whakarae
Chief Executive



Healthy Environment

- Strong regulation
- Erosion Control Scheme
- Kotahi Plan development
- Ecosystem Prioritisation Programme
- Right Tree Right Place pilot
- State of Our Environment 2018-2021 report



Resilient Community

- Increased flood protection
- Civil Defence Emergency Management
- Regional Climate Action Plan
- Regional Water Security Programme

Expected highlights for 2022-23



Prosperous Community

- MyWay Hawke’s Bay On-demand Public Transport Pilot - Hastings
- Planning for Wairoa and Ahuriri Regional Parks
- Te Karamū and Ahuriri Urban Catchment Plans
- Regional Economic Development Agency establishment



NGĀ KŌRERO O TĒNEI PUKAPUKA ABOUT THIS DOCUMENT

The purpose of this Pre-Election Report is to provide information to stimulate public debate in the upcoming local election on the issues facing Hawke's Bay Regional Council (HBRC).

This document informs both potential candidates and the voting community. It briefs potential candidates and helps voters choose the best candidate for the job of Regional Councillor.

The Pre-Election Report is required under section 99A of the Local Government Act 2002 (the Act). It is an apolitical document therefore it is the responsibility of the Chief Executive rather than the elected members of the Regional Council and it must not contain a statement by, or a photograph of a sitting Councillor.

The Pre-Election Report brings together information from a number of sources such as HBRC's Strategic Plan, Long Term Plan, community surveys, and financial information. It describes the key challenges we face as a region, and how HBRC plans to make positive impacts in the areas that matter most to our communities.

This report also has a particular focus on how HBRC is performing financially. It covers the major strategic projects to be funded over the next three years and HBRC's past, current, and forecast financial position. Financial information for the 2021-2022 financial year is based on planned expenditure and is consistent with the financial information used in the Long Term Plan 2021-2031. This will differ from the audited accounts once completed for the Annual Report 2021-2022.



NGĀ WHAKAHOKI KŌRERO A TE HAPORI COMMUNITY FEEDBACK

We survey the Hawke's Bay community every two years. This gives us a pulse-check of how we're doing on our commitment to protect and enhance the region's natural environment.

Our community is most aware of the work we do in our waterways, managing our coastline, and controlling floods.

82% of our ratepayers told us they get acceptable to very good
Value for Rates



One in three Hawke's Bay people contact the Regional Council and each year six out of 10 people are satisfied with their experience.

This is something we're actively working on to improve.

Unsurprisingly, water is still the most highly-rated issue in Hawke's Bay – whether that's water quality, river and groundwater levels, water storage or flood control.

We were encouraged to keep doing what we're doing to:



Make rivers and streams more swimmable



Monitor river and groundwater levels and quality



Improve water security



Protect communities from flooding



Look after native bush, reserves, and wetlands



TE WHAKAPAKARI TAHI I TŌ TĀTAU TAIAO ENHANCING OUR ENVIRONMENT TOGETHER

As expressed in our mission statement, working together is necessary and essential in everything we do. All of our strategic goals require partnerships and collaboration. A joined-up and coordinated approach will ensure that our efforts are greater than the sum of the parts and we can do more, faster.

Partnerships with tangata whenua

HBRC recognises and is committed to a Treaty-based partnership approach to engagement and decision-making with tangata whenua/mana whenua as a critical part of our core business. Within Hawke's Bay there are 11 iwi groups, around 91 hapū, and 79 marae.

Opportunities for Māori to contribute to decision-making include:

- Māori constituencies
- Māori Committee
- Regional Planning Committee (RPC)
- chairs of the Māori Committee and RPC sit on meetings of the Regional Council as non-voting participating members
- a tangata whenua member from each of the RPC and Māori Committee sit and have full voting rights on other committees of HBRC.

The committee structure, including membership, is reviewed and adopted following every election. The RPC is established under legislation so is permanent.

Māori constituencies

On 19 May 2021, Hawke's Bay Regional Council voted unanimously to establish two Māori constituencies for the 2022 and 2025 local elections (to be elected by voters on the Māori roll). This ensures Māori are guaranteed proportional representation on our Regional Council. This reflects the constitutional status of Māori under Te Tiriti o Waitangi (the Treaty of Waitangi) and provided for in the Local Government and Local Electoral Acts. The dedicated seats add to existing methods to engage with Māori.

Māori Committee

HBRC has had a representative group of Ngāti Kahungunu tangata whenua as its Māori Committee since 1991, one of the first councils in New Zealand to do so. The Committee consists of 12 members, three from each of the four taiwhenua within the Hawke's Bay regional boundaries plus three councillors. The Committee meets every second month and plays a critical role in ensuring that the voices of hapū, marae, and whānau are heard on environmental activities and woven into our work programmes.

Regional Planning Committee

Treaty settlements with Hawke's Bay claimant groups are significant for HBRC where they relate to natural resource management and cultural redress. To date, Deeds of Settlement have been signed with the majority of the region's iwi and hapū.

HBRC and the Treaty claimant groups worked collectively to establish the Regional Planning Committee (RPC). This was formally adopted by HBRC in September 2011 and the first Regional Planning Committee meeting was held in April 2012. The Hawke's Bay Regional Planning Committee Act came into effect in August 2015, formalising the statutory existence of the Committee. The purpose of this Act is to improve tangata whenua involvement in the development and review of documents prepared in accordance with Resource Management Act 1991 for the Hawke's Bay region. The RPC comprises equal numbers of elected members and Treaty settlement claimant representatives. All Committee members have full speaking and voting rights.

When the Committee has prepared a plan or policy statement, or a change to either of these it recommends the document to the Regional Council for formal adoption and public notification. HBRC cannot then make amendments before notification but must refer the document back to the Committee for its further consideration should it not agree with the Committee's recommendation.

All Governors' hui

Recently, elected councillors, the Māori Committee, and the RPC have committed to a joint partnership approach in the development of the Kotahi Plan. This means all three governing bodies meet regularly to set direction for the review and rewrite of the combined Regional Policy Statement, Resource and Coastal Environment Plans, which we're calling Kotahi, as it progresses towards notification no later than 31 December 2024. This is an exciting development in co-governance for our region.

Cultural capability

We recognise the need to grow cultural capability within the organisation. HBRC's Māori Partnerships Group, led by Te Pou Whakarae, is committed to building the cultural competency of all staff. HBRC's cultural competency framework aims to enable staff to understand te reo (Māori language), tikanga (protocols), and te taiao (environment through a Māori lens). This will provide staff with the knowledge and tools for engaging appropriately with tangata whenua. We recognise mātauranga Māori (Māori knowledge) is an emerging field in our work and a dedicated new role within the Māori Partnerships Team has been resourced through the Long Term Plan 2021-2031. External engagement of this capability is also sought when needed.

Regional collaboration

After every election, all local authorities within the Hawke's Bay region must enter into a Triennial Agreement for the term that includes:

- protocols for communication and coordination
- processes and protocols for identifying, delivering, and funding facilities and services of significance to more than one district
- commitments to establish or continue one or more joint committees or other joint governance arrangements.

In practice, this sets the context for the Mayors, HBRC Chair, and Chief Executives of the five Hawke's Bay councils to meet regularly and work closely in a coordinated manner on agreed priorities.

The five councils work together in areas such as regional transport planning, economic development, and civil defence and emergency management. The group also works with iwi/hapū and central government agencies to deliver the regional economic and social development strategy of Matariki.

National collaboration

We are one of 16 unitary and regional councils in New Zealand. Staff in the regional sector collaborate through a network of special interest groups. The interest groups cover the full range of councils' work and aims to share knowledge, and leverage the collective capabilities for efficiency and greater impact. We also plan to join a shared services company with other regional and unitary councils to progress implementation of sector-wide initiatives where we have common needs. It is based on the same principle of using the collective capabilities of councils to improve access to specialist and expensive resources, reduce costs, and share risk.

Joint funding

By tapping into funding opportunities we can make ratepayer funding go substantially further. This philosophy is evident in a number of our current and work-in-progress projects.

In the last few years, we have benefited from a significant amount of external funding through either Covid-19 recovery funding or a greater focus on climate resilience and nature-based solutions. Examples include:

- \$50M – Right Tree Right Place Nature Conservancy funding (pending proof of concept)
- \$30M – Regional Water Security Programme Provincial Growth funding
- \$20M – Flood protection schemes Central government funding for four 'shovel ready' projects to improve climate resilience
- \$5.4M – Hill Country Erosion Ministry for Primary Industries funding
- \$1M – Native planting programme Te Uru Rākau – New Zealand Forest Service funded 1 Billion Trees programme.



NGĀ WHAKAPĀTARITARI Ā-ROHE OUR REGIONAL CHALLENGES

Hawke's Bay covers a total land area of 14,200 square kilometres. It includes diverse geography from the foothills of major mountain ranges in the west, seven major river systems and extensive river plain areas, to coastal hills, and a 350km eastern coastline with a diverse range of physical features.

We are working in an incredibly dynamic environment. There are significant legislative reforms underway that will fundamentally change the system local government operates within (see the section on local government reforms for more information). We are facing a changing climate and increasing pressure on our natural resources. Our geographic location means we are at risk from multiple natural hazards, some exacerbated by climate change. We are also facing challenging headwinds with the global effects of Covid-19 on our country, our community, our activity plans, and our own work force.

Climate change challenge

The reality of a changing climate and the need to act is becoming more pressing and urgent. This is reinforced by climate change predictions and reports, vertical land movement research, and our own first-hand experiences of major floods, rising sea levels and swells, and recent droughts.

The Government passed the Climate Change Response (Zero Carbon) Amendment Act 2019. Hawke's Bay Regional Council declared a climate emergency for the Hawke's Bay region on 26 June 2019 and the Government declared a climate emergency on 2 December 2020.

We have set ourselves a goal to be carbon neutral as an organisation by 2025 and we are taking a leadership role in the region's goal to become carbon neutral by 2050.

Climate change is a focus in all of our decision-making with climate change projections, adaptation, and mitigation key components of our planning. We will also be ensuring we align our local response to the recently released Draft National Adaptation and Emissions Reduction Plans.

The 2020 drought in Hawke's Bay highlighted how critical it is to have a plan for regional water security. We are aiming to ensure Hawke's Bay has long-term, climate-resilient, and secure supplies of freshwater through our Regional Water Security Programme. This work includes setting up a Managed Aquifer Recharge (MAR) trial in Central Hawke's Bay to determine whether MAR is a viable water storage option and can contribute to water security in the area. We are also

exploring above ground, medium-scale water storage options in the Ngaruroro catchment for and on behalf of the community, and we will be working with water users to drive more efficient and effective use following the completion of a comprehensive 40-year Regional Water Assessment.

Likely climate change impacts for Hawke's Bay



Annual average temperatures are projected to go up between 0.5 °C and 1 °C by 2040, and between 1.5 °C and 3 °C by 2090. This comes on top of the 1°C increase over the last century.



Coastal areas could have five fewer frosty days and inland areas 20 fewer frosty days by 2040. This could increase to 50 fewer frosty days for inland areas by 2090.



Heat waves, defined as three or more days above 25°C, will become increasingly common, with increases of between 10-20 days by 2040, and 20-60 days by 2090.



Annual rainfall is projected to drop by up to 5% by 2040, and up to 15% in parts of Hawke's Bay by 2090



More intense storms



Sea level rise of up to 0.4m in 40 years and worsening coastal erosion (under the extreme worst-case scenario)

Source: Niwa, November 2020, Climate Change projections and impacts for Tairāwhiti and Hawke's Bay

Increasing pressure on our natural resources

Most environmental issues that we manage are not new. They are a legacy of the cumulative and chronic effects of previous decisions and have taken centuries to develop to their current state, dating back to loss of much of the region's lowland forest around 700 years ago. Most of the region's water bodies are degraded and under pressure, and only remnants of most natural ecosystem types remain. This, in addition to responding to the changing climate, means the challenges we face are immense.

Much of Hawke's Bay's economic prosperity comes from its natural resource base. Hawke's Bay has strategic comparative advantages with its climate, soils, and water resources, generating significant economic outputs and jobs, and bringing social wellbeing to the community. Transforming our natural resources into goods and services requires resilient infrastructure such as flood protection and drainage, freshwater security for irrigation, and efficient transport networks.

Throughout the year, we undertake a range of land, water, and air monitoring as part of our statutory responsibility for monitoring the State of Our Environment (SOE).

The latest SOE Synthesis Report will be published in 2022 and is supplemented with monthly reports online. The monthly reports provide a snapshot of how our environment is tracking. The information gathered helps inform the work we do with the community to improve and protect the environment including responding to new risks and informing policy setting. It also enables us to respond in a timely manner to any adverse effects from resource use from an operational perspective.

The monthly reports are available online at hbrc.govt.nz, search: #SOEmonthly and cover rainfall, temperatures, river flow, groundwater and soil moisture, and recreational water quality (during the summer months).

We are working on one regional plan – Kotahi – to refresh how we manage the use and protection of our natural and physical resources. Kotahi will combine and update the existing Regional Policy Statement, the Regional Resource Management Plan, and the Regional Coastal Environment Plan into one, while also giving effect to the new policies, planning, and technical standards from central government. It will look at all aspects of the environment including land and freshwater, air, the coastal and marine area, climate change, biodiversity, urban form and development, natural hazards and risks, energy, transport, and infrastructure.

Hazards and emergency management

Living on the Hikurangi plate boundary means our region is periodically affected by natural hazards such as earthquakes, tsunami, coastal erosion, and volcanic ash.

Although there is increasing community awareness, there needs to be more focus on risk and education. Surveys show lives continue to be at risk with people unsure of the risks they face and what to do in an emergency. There will also be tough decisions and leadership required on coastal and flood hazard zones.

Through the Hawke's Bay Civil Defence Emergency Management (CDEM) Group the region has made good progress developing its regional civil defence capabilities, and community readiness is improving. However, the risks are ever present and some risks are growing.

Climate change is exacerbating flooding and coastal hazard risks and causing more frequent and severe storm events, and sea level rise. Recently released NZ SeaRise research predicts vertical land subsidence (due to movement in the tectonic plates) will compound the problem in some places.

We have been working in collaboration with coastal communities and local entities for more than eight years to develop the Clifton to Tangoio Coastal Hazards Strategy 2120. The 'hard yards' lie ahead with difficult decisions around retreat and defend, and the associated costs and upheaval of this.

The Hawke's Bay CDEM Group also continue to support the Hawke's Bay District Health Board in its Covid-19 response.



TE MAHERE RAUTAKI OUR STRATEGIC PLAN

In response to our regional challenges, including the then unknown effects of Covid-19, we adopted our Strategic Plan 2020-25 in June 2020.

This document sets the direction and priorities for the five-year term and beyond. A major focus of the Plan is climate action and freshwater reform.

Our mission statement reinforces our core role in environmental management, deliberately taking a proactive, forward looking, and aspirational approach. This, along with 'working together' are common themes throughout the Plan.

The vision and purpose statements emphasise our role in serving the community to promote wellbeing as well as managing for outcomes.

Our vision

We want a healthy environment, and a resilient and prosperous community.

Our purpose

We work with our community to protect and manage the region's precious taonga of rivers, lakes, soils, air, coast, and biodiversity for health, wellbeing, and connectivity.

Our mission

Te whakapakari tahi i tō tātau taiao
Enhancing our environment together

Our focus

We prioritise:

WATER quality, safety, and climate-resilient security.

Te kounga o te wai, te haumarutanga me te mārohirohi ā-āhuarangi o te whakamarutanga.

Water is a life-giving, life-supporting taonga, it must be carefully managed for the region to prosper and provide a high standard of living. Water quality is essential for abundant, healthy aquatic life.

WATER



The Strategic Plan identifies four focus areas – Water, Land, Biodiversity, and Infrastructure and Services.

Climate-smart and sustainable LAND use.

Kia koi, kia toitū hoki te whakamahinga o te whenua.

Farmers and growers are the primary stewards of the region's natural resources – only when they succeed can HBRC and the region succeed.

LAND



BIODIVERSITY

Healthy, functioning, and climate-resilient BIODIVERSITY.

Kia ora, kia āhei, kia mārohirohi ā-āhuarangi hoki te rerenga rauropi.

Healthy, functioning ecosystems – from our mountains to sea ki uta ki tai – underpin the vitality of our region. This includes habitat restoration alongside plant and animal pest control, and attention to the sensitive coastal marine environment.



INFRASTRUCTURE & SERVICES

Sustainable and climate-resilient INFRASTRUCTURE & SERVICES.

Kia toitū, kia mārohirohi ā-āhuarangi hoki ngā ratonga me ngā hanganga ā-whare.

High-performing regional infrastructure enables the region's natural and human resources to deliver goods and services that underpin the prosperity and wellbeing of the Hawke's Bay community.



NGĀ WHĀINGA Ā-RAUTAKI STRATEGIC GOALS

WATER

Water quality, safety, and climate-resilient security.

Te kounga o te wai, te haumarutanga me te mārohirohi ā-āhuarangi o te whakamarutanga.

- By 2025, plans for all catchments/ waterbodies are notified.
- By 2025, Tāngata Whenua values for all catchments are identified and embedded in the Regional Resource Management Plan.
- By 2025, all aquifers, lakes, and rivers have community-agreed quantity and quality limits in force.
- By 2025, cultural monitoring tools are in-use in all catchments.
- By 2030, all popular Hawke's Bay swimming sites are swimmable 80% of the time, and 90% of the time by 2040.
- By 2050, there is an increasing trend in the life-supporting capacity of all of the region's degraded rivers and major streams.
- By 2030, Hawke's Bay has environmentally sustainable, harvestable water identified and stored or plans to be stored if required.



LAND

Climate-smart and sustainable land use.

Kia koi, kia toitū hoki te whakamahinga o te whenua.

- By 2025, stock is excluded from all flowing permanent and intermittent rivers/creeks, lakes and wetlands, and at least 30% are fenced and planted to filter contaminants.
- By 2025, Land Use Suitability information is available to all land owners to inform smarter land use.
- By 2025, all farms, orchards, and vineyards operate under a Farm Environment Management Plan or an independently audited industry best-practice framework.
- By 2030, all land-users in critical source areas have phosphorus management plans being implemented, with at least 50% of highly erodible land treated with soil conservation plantings.
- By 2025, catchment management plans are established to target improvements on land that lead to water quality improvements.
- By 2050, all highly erodible land is under tree cover.
- By 2050, there are 50% less contaminants from urban and rural environments into receiving waterbodies.



BIODIVERSITY

Healthy, functioning, and climate-resilient biodiversity.

Kia ora, kia āhei, kia mārohirohi ā-āhuarangi hoki te rerenga rauropi.

- By 2020, regional priority locations for ecosystem restoration – including in the coastal marine area – have been identified.
- By 2030, key species and habitat (sites) are prioritised and under active restoration. *Source: HB Biodiversity Strategy, 2015-2050 and Action Plan 2017-2020*
- By 2050, a full range of indigenous habitats and ecosystems, and abundance and distributions of taonga species are maintained and increased in every catchment in Hawke's Bay. *Source: HB Biodiversity Strategy, 2015-2050 and Action Plan 2017-2020.*
- By 2050, Hawke's Bay is predator free in line with NZ 2050 target. *Source: PF2050*



INFRASTRUCTURE & SERVICES

Sustainable and climate-resilient services and infrastructure.

Kia toitū, kia mārohirohi ā-āhuarangi hoki ngā ratonga me ngā hanganga ā-whare.

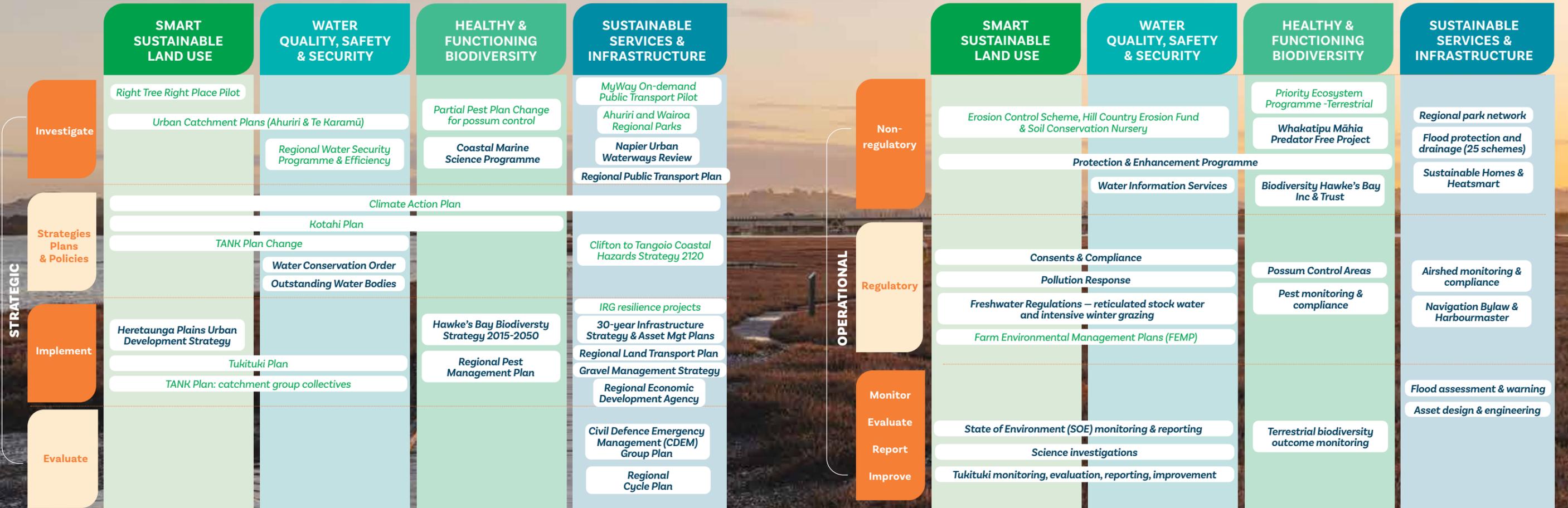
- By 2025, regional air quality consistently meets World Health Organisation guidelines.
- By 2025, the Coastal Hazards Joint Committee is implementing its strategy to manage coastal hazards in Clifton to Tangoio and by 2040 for the rest of the region to adapt to foreseeable climate change risks to coastal communities out to 2100.
- By 2023, the Napier Port is future-proofed with the addition of a new wharf with supporting land transport infrastructure.
- By 2030, flood risk is being managed to adapt to foreseeable climate change risks out to 2100.
- By 2025, HBRC is carbon zero and plays a leadership role in the region's goal of net zero greenhouse gases by 2050.
- From 2020, unplanned urban development avoids highly productive land.



WHA KARĀPOPOTOTANGA Ā-RAUTAKI STRATEGIC SNAPSHOT

The Strategic Snapshot gives a holistic overview of our activity. It shows how our activities relate to the four focus areas and where they currently sit in the policy cycle. We report progress in our Annual Reports hbrc.govt.nz, search: #annualreports

The activities highlighted green are explained further over the page.



People, processes, customer, and results

These internal systems and approaches support the strategic and operational delivery of the Regional Council's diverse work programmes.

- Perception survey
- Staff surveys
- HBRC People Plan
- Health, Safety & Wellbeing Strategic Plan 2021-2024
- Cultural competency
- Mana whenua engagement
- HBRC Communications Strategy
- Comms & engagement plans
- Style Guide
- HBRC Brand Guide
- Digital Media Strategy

People, processes, customer, and results cont.

- Environmental education
- Environment awards
- Change management capability
- Project Management Office
- ICT work programmes & projects
- Integrated Regulatory Information Systems
- Enterprise Asset Management
- Financial Strategy
- Investment Strategy
- Treasury Policy
- Revenue & Financing Policy (rates) review
- Procurement Policy
- Organisational performance reporting
- Long Term Plan, Annual Plan & Report

**NGĀ KAUPAPA MATUA
KEY PROJECTS**

These pages provide more information on some of the projects from the Strategic Snapshot. These 18 projects have been identified as key strategic (or change) projects or ‘business as usual’ programmes to be tracked because of their significance in terms of investment, risks, benefits, and interdependencies. Progress is shared monthly at Council meetings throughout the lifecycle of these projects. The list changes as circumstances change.

INVESTIGATE	Right Tree Right Place pilot	A pilot on up to five farms with loans offered to landowners to plant trees on marginal land that can earn a return and enhance regenerative farming practices. Run in collaboration with The Nature Conservancy and the Ministry for Primary Industries to accelerate erosion control work and extend the programme to more farms.
	Urban Catchment Plans (Ahuriri and Te Karamū)	Plans will be developed with stakeholders to provide coordination of activities within the Ahuriri and Te Karamū catchments and identify options to help improve water quality, particularly in relation to land drainage and stormwater management, and to improve biodiversity.
	Regional Water Security Programme and Efficiency	Investigating water supply options aiming to ensure Hawke’s Bay has long-term, climate-resilient, and secure supplies of freshwater for all. This supports the Kotahi Plan and includes: 1) setting up a Managed Aquifer Recharge (MAR) trial in Central Hawke’s Bay to determine whether MAR is a viable water storage option and can contribute to water security in the area. 2) exploring above ground, medium-scale water storage options in the Ngaruroro catchment for and on behalf of the community. We will also work with water users to drive more efficient and effective use to complement water storage following the completion of a comprehensive 40-year Regional Water Assessment.
	Partial Pest Plan Change for possum control	A proposal to change the way possum control is undertaken in designated areas in Hawke’s Bay. We will be consulting on amending the Regional Pest Management Plan to change from the current occupier responsibility model to a large-scale contract model delivered through HBRC. After the plan change process, we will consider how to operationalise the policy, including confirming how it is funded, as part of our work in developing our Long Term Plan (LTP) 2024-2034. The development of our LTP includes community engagement and consultation. In the meantime, HBRC is scaling up possum monitoring to ensure landowners are meeting their current obligations until any changes are rolled out.
	MyWay Hawke’s Bay On-demand Public Transport Pilot (Hastings)	Trialling an on-demand public transport service called MyWay Hawke’s Bay as an alternative to some bus routes in Hastings. The trial will extend to some areas in Napier in 2023 if the Hastings pilot is successful. An on-demand service provides a more sustainable transport option by reducing reliance on private cars and is more flexible and responsive to people’s needs.
	Ahuriri and Wairoa Regional Parks	Working alongside Napier City Council and Mana Ahuriri Trust to redevelop the Lagoon Farm site into a Regional Park to address water quality issues in the Ahuriri Estuary, as well as enhance biodiversity, and cultural and recreational benefits for the community. Working with Wairoa District Council and the Matangairau Reserves Board to understand the community’s vision and start planning for a regional park in Wairoa.
STRATEGIES, PLANS & POLICIES	Climate Action Plan	Developing an inaugural Regional Climate Action Plan by July 2023 with broad community involvement, support, and engagement, which will be integrated with the next Long Term Plans of the region’s councils. The Action Plan will be informed by a greenhouse gas emissions inventory to establish the carbon footprint at the city, district, and regional level – a first for Hawke’s Bay.
	Kotahi Plan	Developing a combined resource management plan for the Hawke’s Bay region. It will refresh how we manage the use and protection of our natural and physical resources looking at all aspects of the environment including land and freshwater, air, the coastal and marine area, climate change, biodiversity, urban form and development, natural hazards and risks, energy, transport, and infrastructure. Kotahi will combine and update the existing Regional Policy Statement, the Regional Resource Management Plan, and the Regional Coastal Environment Plan into one, while also giving effect to the new policies, planning, and technical standards from central government.
	TANK Plan Change	Proposed TANK Plan Change (PPC9) will add new rules to the Regional Resource Management Plan to manage water quality and quantity for the Tūtaekurī, Ahuriri, Ngaruroro, and Karamū (TANK) catchments. Currently awaiting decisions from Hearings Commissioners.

STRATEGIES, PLANS & POLICIES Cont.

IMPLEMENT	Clifton to Tangoio Coastal Hazards Strategy 2120	Working in collaboration with coastal communities and local entities for more than eight years to develop the Clifton to Tangoio Coastal Hazards Strategy 2120. We now need to confirm which council or councils will take charge and lead this work, and are undertaking consultation, proposing that HBRC should take charge of coastal hazard adaptation between Clifton and Tangoio, as recommended by an independent Funding Review. This would give the Regional Council the mandate to finalise the Strategy. This includes consulting the community on the full implications of implementation, such as the timing and detailed costs of physical works, and who pays for what through HBRC’s Long Term Plan 2024-2034 process.
	Tukituki Plan	Implementing regulatory actions required by the Tukituki Plan, with particular focus on changes arising from the Government’s response to the Science Advisory Panel’s review of Overseer. (Overseer is software we are required to use as a regulatory tool in our operative Tukituki Plan to estimate nutrient loss on farms and at a catchment level.)
	TANK Plan: catchment group collectives	An external communications project intended to inform rural landowners about the Proposed Plan Change 9 (PPC9) framework and to promote catchment group collective formation. It is a precursor to the overall PPC9 Implementation, the latter contingent on a decision awaited from Hearings Commissioners and any subsequent appeals.
OPERATIONAL	Flood Control and Drainage Scheme – IRG funded resilience projects	This comprises four Infrastructure Reference Groups (IRG)-funded projects: 1. Heretaunga Plains Flood Control Scheme: we are reviewing and upgrading flood protection assets across the Tūtaekurī, Ngaruroro, Lower Tukituki and Clive rivers, to increase flood protection across the scheme from a 1 in 100 to a 1 in 500-year event. 2. Upper Tukituki Flood Control Scheme: we are removing gravel from the Upper Tukituki River to improve flood protection in Central Hawke’s Bay. Decreased demand for gravel has seen a build-up of gravel (aggradation). Extracting gravel from the riverbeds helps increase river capacity and reduces the risk of water inundation of neighbouring properties during a flood. 3. Upper Tukituki Flood Control Scheme: we undertook erosion work to protect the SH50 bridge. 4. Wairoa River Scheme: we installed sheet piles to protect Wairoa District Council roading and Wairoa River Bridge from further erosion. In winter we will be planting trees for further protection and to enhance the area and increase biodiversity.
	Erosion Control Scheme (ECS)	The Erosion Control Scheme is an important tool in our toolbox to improve water quality, and mitigate and adapt to climate change. The scheme provides a subsidy to landowners to implement soil conservation measures on highly erodible land, keeping soil on the hills and out of waterways. This includes planting, assisted reversion for getting landcover back to natives, and protection fencing. The fund targets 252,000 hectares of land at high risk of erosion.
	Hill Country Erosion Fund	The Hill Country Erosion Fund is central government funding to support ECS activities and events targeted at educating and supporting staff and landowners, with the reduction of hill country erosion.
	Soil Conservation Nursery	The main purpose of the Soil Conservation Nursery is to grow poplar and willow poles for erosion control, primarily for the ECS and HBRC’s Works Group river control plantings.
PEOPLE, PROCESSES, CUSTOMER & RESULTS	Priority Ecosystem Programme: Terrestrial	Focuses on protecting and enhancing 700 priority ecosystem sites across the region. We partner with internal and external stakeholders alongside land occupiers. The main actions are deer fencing, pest plant and animal control, and some enhancement planting.
	Farm Environmental Management Plans (FEMP)	These aim to address environmental outcomes and actions to improve environmental performance on farm properties over 4 hectares initially within the Tukituki catchment in three-yearly submission cycles.
PEOPLE, PROCESSES, CUSTOMER & RESULTS	Enterprise Asset Management	Aims to embed an Asset Management Information System that integrates into and expands on the Enterprise Resource System (ERP) that was introduced during the Finance Upgrade Systems & Efficiency (FUSE) project. The goal is to improve efficiency, allowing us to confidently identify assets (both spatially and uniquely within a register), manage and maintain our current infrastructure through whole-of-life, and assess risk to determine when changes or additions are required.
	Revenue & Financing Policy (rates) review	First principles review of our Revenue and Financing Policy, and full review of our rating system. The aim is to improve transparency for who pays what, ensure legal compliance, simplify the Policy and provide more flexibility in applying the Policy. Consultation is planned to take place towards the end of 2023 prior to the next Long Term Plan when the amounts rated for many Council services will likely change.



TŌ TĀTAU KAUNIHERA OUR COUNCIL

Organisation and structure

Hawke's Bay Regional Council (HBRC) is supported by a professional corporate organisation, led by the Chief Executive. Staff provide elected members with policy advice and are responsible for implementing HBRC's plans and policies to achieve the results it wants.

The Chief Executive and staff are responsible for managing day-to-day issues and implementing the decisions and priorities of the elected members of the Regional Council.

The organisation is structured under five groups, each headed by a member of the Executive Leadership Team.

The Executive Team manages organisation-wide issues and provides a key linkage between councillors and staff. They ensure what is undertaken within the groups delivers on the goals and objectives in the Strategic, Long Term, and Annual plans.

Elected members must decide what activities should be carried out to achieve the community's vision and goals, and together with staff, plan how they can best be undertaken. This takes place within a framework of competing priorities, timeframes, resources, decisions of the elected members, and within the overall goal of growing and developing the region in a sustainable environmental, social, cultural, and economic context.

TŌ TĀTAU KAUNIHERA OUR COUNCIL

Hawke's Bay Regional Council was established by the Local Government (Hawke's Bay Region) Reorganisation Order 1989. The purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

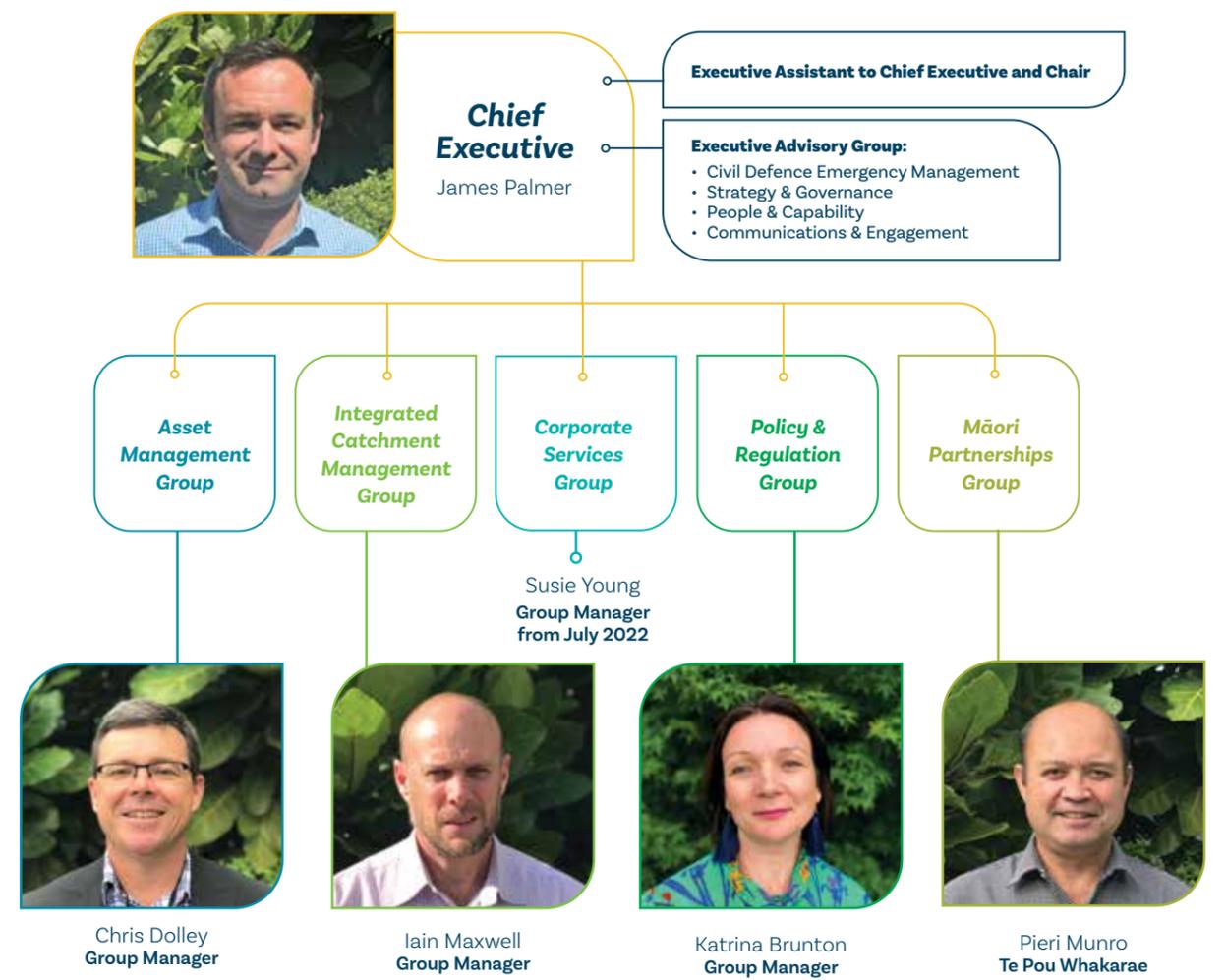
All councils have the full capacity, rights, powers, and privileges to carry on or undertake any activity or business, do any act, or enter into any transaction. However, we must exercise these powers wholly or principally for the benefit of all or a significant part of its region and not for the benefit of a single district. We are this region's environmental management authority, promoting the wise use of Hawke's Bay's natural resources, now and for generations to come. The boundaries of a regional council are generally based on river catchments, while district and city council territories are based on population and communities of interest.

Much of what we do is prescribed in legislation. There are numerous acts, regulations and national directives that specify a regional council's function and role in various activities.

We have historically, and through legislative direction, concentrated more on the 'natural environment' – water, air, land, the coast – with a long-term view to make sure these are used sustainably, and are just as available and just as healthy (if not better) in the future as they are today.

The Resource Management Act 1991 is one of the principal acts behind the work of regional councils and many of our activities are aimed primarily at benefiting the environment.

We also have responsibility for functions that are more appropriately carried out on a regional basis such as economic development, land transport planning, river control and land drainage, and plant and animal pest control.



TŌ TĀTAU KAUNIHERA OUR COUNCIL

Governance

Elected members govern the Hawke's Bay region, collectively exercising the powers, duties, authorities, and responsibilities vested in HBRC by the Local Government Act, Resource Management Act, and other Acts.

Individual members do not have any specific authority to act or make decisions as individuals, and actions of councillors are covered by an adopted Code of Conduct.

The purpose of the councillor's role is to represent the interests of all communities in the Hawke's Bay

region, ensuring ongoing community and economic development, the effective stewardship of existing assets, sustainable management of the environment, and the prudent management of HBRC's financial resources.

In order to facilitate decision-making and discharge their governance responsibilities, councillors reviewed their committee structure following the October 2019 elections and established the committee structure currently in place.



NGĀ HANGANGA HOU O NGĀ KAUNIHERA Ā-ROHE LOCAL GOVERNMENT REFORMS

There are three significant review and reform processes underway that will have an impact on local government – Three Waters, resource management, and the future for local government.

They collectively and individually represent the largest reforms to local government and local governance since the abolition of the provinces in 1877.

The Government's stated aim for these reforms is to achieve better outcomes for communities and the environment, efficiency improvements, and give effect to the principles of Te Tiriti o Waitangi. They are, however, happening on different timelines and add to an increasingly complex and uncertain operating environment for local government now and after the 2022 elections. This environment also includes likely central government changes to areas such as building control, civil defence and emergency management, and waste management.

Together the reviews and reforms will fundamentally change the system that local government operates within, including how decisions are made and by whom, what local government does and how it does it, and who local government needs to work with to enable community wellbeing.

At HBRC, we provide statutory advocacy of our resource management policies and interests through submissions and exchanges with other resource management agencies. For example, submissions on land use consent and plan change applications by Territorial Local Authorities, district plan review documents, central government policy initiatives, national directions, and asset management planning work.

James Palmer, our Chief Executive, is a member of the Local Government Steering Group established to advise central government on the resource management system reforms.





NGĀ HANGANGA HOU O NGĀ KAUNIHERA Ā-ROHE LOCAL GOVERNMENT REFORMS

Three Waters Reform

What's happening?

Central government is reforming how three waters services are delivered across New Zealand. The three waters are drinking water, wastewater, and stormwater.

Locally, our territorial authorities – Hastings District, Napier City, Wairoa District, and Central Hawke's Bay District councils – own and deliver these services. HBRC plays a regulatory role in considering, issuing, and monitoring resource consents for water use and discharges. We also manage some stormwater drainage services.

Why?

The review follows the Havelock North campylobacter outbreak in 2016. The focus has been on how to ensure safe drinking water, and to improve the environmental performance and transparency of wastewater and stormwater networks. It also focuses on funding and affordability challenges for councils, including a need to future-proof the assets and plan for the effects of climate change.

The proposal is to shift the current 67 council-owned and operated three waters services into four new publicly-owned entities to manage the future delivery of these services. It is proposed that our region will be part of 'Entity C', with councils across Gisborne, Hawke's Bay, lower Manawatu-Whanganui, Wellington, Tasman, Nelson and Marlborough regions, and the Chatham Islands.

What's next?

The proposed transfer is currently intended to happen on 1 July 2024, which would be within the term of the incoming Regional Council.

Parliament is currently considering the Water Services Entities Bill, and a second bill is expected later in the year that will provide further details. The incoming Council will need to decide whether it wishes to submit on this bill.

What does this mean for HBRC?

We will work constructively with the restructure proposals as they relate to rural and urban stormwater drainage services currently managed by us. Clarity is required in the proposal regarding coverage of rural drainage functions outside urban reticulated environments. Review of the Napier urban drainage operations may see changes in service delivery in the Napier City area to allow better urban stormwater coordination.

For more information, please visit dia.govt.nz



NGĀ HANGANGA HOU O NGĀ KAUNIHERA Ā-ROHE LOCAL GOVERNMENT REFORMS

Future for Local Government review

What's happening?

An independent Ministerial Inquiry is being undertaken to consider how New Zealand's system of local democracy and governance will need to evolve over the next 30 years to improve the wellbeing of our communities and the environment, and actively embody the Treaty partnership.

Why?

Significant change is expected for New Zealand over the next 30 years. This includes population size, diversity, technology, and how we adapt to a changing climate. Such change will have implications for the places and communities we live in, and for the ways in which those places and communities are governed.

An interim report was released in September 2021. That report, *Ārewa te ake Kaupapa: Raising the Platform*, can be found at futureforlocalgovernment.govt.nz

Questions being asked are:

- How should the system of local governance be reshaped so it can adapt to future challenges and enable communities to thrive?
- What are the future functions, roles and essential features of New Zealand's system of local government?
- How might a system of local governance embody authentic partnership under Te Tiriti o Waitangi, creating conditions for shared prosperity and wellbeing?
- What needs to change so local government and its leaders can best reflect and respond to the communities they serve?
- What should change in local governance funding and financing to ensure viability and sustainability, fairness and equity, and maximum wellbeing?

What's next?

A draft report will be released after the local government elections in late 2022. Public submissions will be considered before the final report is presented to the Government by 30 April 2023.

What does this mean for HBRC?

Many of the other reforms underway are already shaping the future for local government.

The incoming Regional Council will need to respond to the Inquiry Panel's recommendations soon after being elected, and then consider the Panel's recommendations to Parliament. Government decisions may change HBRC's role, functions, and structure.

For more information, please visit dia.govt.nz

NGĀ HANGANGA HOU O NGĀ KAUNIHERA Ā-ROHE LOCAL GOVERNMENT REFORMS

Resource Management Act reforms

What's happening?

After many years of incremental changes, the Government is overhauling the resource management system. The Government plans to repeal the Resource Management Act 1991 and replace it with three new pieces of legislation.

- Natural and Built Environments Act – the primary replacement for the Resource Management Act 1991. This will require outcomes-based planning and development within environmental limits and targets, give effect to the principles of Te Tiriti o Waitangi, and create a single regional plan overseen by a single regional committee, supported by a National Planning Framework.
- Spatial Planning Act – introduces mandatory 30-year regional spatial strategies that will set out, at high level, how regions and communities will develop integrating land use, major infrastructure and investment. It too is guided by the National Planning Framework and will be overseen by a regional committee.
- Climate Change Adaptation Act – will deal with the complex policy, economic and legal issues around adapting to the effects of climate change, including managed retreat.

Why?

The Resource Management Act 1991 (RMA) has not delivered on its desired environmental or development outcomes, nor have RMA decisions consistently given effect to the principles of Te Tiriti o Waitangi. Current processes take too long, cost too much and will not address the many new challenges facing our environment and our communities.

What's next?

The Natural and Built Environments and Spatial Planning Bills will be introduced into Parliament around or shortly after the election period. The incoming council will need to consider whether and how it wishes to respond to these Bills very soon after it takes office. The Climate Change Adaptation Bill is likely to be introduced next year.

What does this mean for HBRC?

The reform will have a significant impact on HBRC including future governance arrangements, functions, structure, decision-making, operations, and investment priorities. The resource requirements and costs of transition cannot be underestimated, particularly as we transition to the new system while fulfilling essential requirements under the current one.

It should also be noted that the resource management system is currently under significant strain and facing capacity issues, including sourcing and retaining appropriately skilled people. There are also constraints on mana whenua and their capacity to fully participate in the current, let alone future, system.

The success of the new resource management system, and our part in it, will depend in large extent on how well the transition to and implementation of the new system is planned for, managed, and resourced, and impacts of inter-related reforms in water and the future of local government.

For more information, please visit environment.govt.nz

NGĀ PUKA WHAKAMAHERE MATUA KEY PLANNING DOCUMENTS

The Long Term Plan (LTP) is a strategic planning document, adopted every three years. The LTP describes the community outcomes we aim to achieve and the activities we will fund and undertake to achieve those outcomes over a 10-year period.

The LTP is part of the broader planning cycle, including an Annual Plan, which is prepared in the intervening years to review and set the budget, set the rates, and identify sources of funding for that year.

We are also required by law to prepare and implement a number of statutory planning documents under various pieces of legislation.

The significant central government reforms and reviews underway, as already outlined, will require us to review and potentially develop new planning documents.

We are currently developing a new plan to encompass all of the planning provisions for the region's resource management. Kotahi will combine and update the existing Regional Policy Statement, the Regional Resource Management Plan, and the Regional Coastal Environment Plan into one plan, while also giving effect to the new policies, planning, and technical standards from central government.

On the following pages are current key planning and policy documents. To view or to find out more about these plans, reports, policies, and strategies see hbrc.govt.nz, search: #documents



KEY PLANNING DOCUMENTS

Resource Management Act 1991 Ture Tiaki Rawa Taiao 1991		
Plan	Detail	Purpose
Regional Policy Statement & Regional Resource Management Plan (RRMP)	In effect from August 2006. Subject to issue-by-issue rolling review	To assist our role under the RMA by setting out a policy framework for managing natural and physical resource use in an integrated manner across the whole of the region. The RRMP includes policies, objectives, methods, and rules applicable for the region (excluding the coastal environment).
Hawke's Bay Regional Coastal Environment Plan	In effect from November 2014	To assist our role under the RMA to promote the sustainable management of natural and physical resources within the coastal environment, including the coastal marine area.
As noted above, a new plan, Kotahi, is being developed to update the above statement and plans.		

Biosecurity Act 1993 Ture Ārai Koiora 1993		
Plan	Detail	Purpose
Regional Pest Management Plan 2018-2038	In effect from February 2019. Plan amendment consultation to take place in July 2022	Provides the framework for managing defined pests in the region and sets out objectives we wish to achieve.

Civil Defence Emergency Management (CDEM) Act 2002		
Plan	Detail	Purpose
Group Plan 2014-19 Hawke's Bay Civil Defence Emergency Management	In effect from June 2014. Review on hold due to the response operating framework review (as part of the recent CDEM review report) and the National Emergency Management Agency Regulatory Framework Review Programme (also known as the Trifecta), which will make changes to the CDEM Act and National Plan.	Primarily to guide and inform the agencies involved in CDEM (local government, emergency services, and non-government organisations). It also gives the Hawke's Bay community an overview of how hazards and risks in the region will be managed as well as what individuals and communities can do to prepare. The Plan covers the areas of the region's five councils.

Land Transport Management Act 2003		
Plan	Detail	Purpose
Hawke's Bay Regional Land Transport Plan 2021-2031	In effect from May 2021	Sets out the regional vision, and objectives, targets, and policies to achieve that vision. It also includes a prioritised regional programme of transport activities, which is also the region's funding bid application to Waka Kotahi NZ Transport Agency. This includes local road and state highway improvements, walking and cycling safety, and business cases.
Regional Public Transport Plan 2019-2029	In effect from June 2019. Currently under review with consultation planned for 2022	Sets the objectives and policies for public transport, contains details of the public transport network and development plans for the next 10 years. Provides a means for councils, transport operators, stakeholders, and the public to work together to develop and improve the public transport network and supporting infrastructure.

KEY PLANNING DOCUMENTS

Local Government Act 2002 Ture Kāwanatanga ā-Rohe 2002		
Plan	Detail	Purpose
Long Term Plan (LTP) 2021-31	In effect from July 2021	Includes the community outcomes we aim to achieve, the activities planned to achieve those outcomes, and how the work will be funded over the 10-year planning period. The Plan also includes community policies, strategies, and statements required by the Local Government Act 2002, including our 30-year Infrastructure Strategy. Long Term Plans are reviewed and adopted every three years, with an Annual Plan prepared in the years between.
Annual Plan 2022-2023	In effect from July 2022	Reviews the budget for the year, which is set out in the LTP 2021-2031 and highlights any variances. It also sets the rates for the year.
Annual Report year end 30 June 2021	In effect from May 2022	Compares actual performance with proposed performance set out in our planning documents, and contains audited financial statements, set of accounts, and annual financial reports, which assess our financial performance against budget.

Asset Management Plans (AMP)		
Plan	Detail	Purpose
Heretaunga Plains Flood Control Scheme	In effect from June 2021	These plans set out the vision for managing, maintaining, and developing HBRC-owned assets in the various activity areas over the next 10 years. They provide a statement of how the associated assets will be managed to meet the objectives for which they were established (Levels of Service) and the issues that have and may impact the assets in the future. This is our first AMP for Open Spaces, reflecting the greater focus on public access to areas managed by us including river and drainage areas, regional parks reserves and coastal areas.
Upper Tukituki Flood Control Scheme	In effect from February 2021	
Small Schemes	In effect from March 2021	
Open Spaces	In effect from April 2021	

Other Council strategies, plans, and policies		
Plan	Detail	Purpose
HBRC Strategic Plan 2020-2025	In effect from June 2020. To be reviewed following October 2022 Local Body elections	Sets out our vision and values, and strategic goals within four focus areas for our operations over the next five years and beyond.
HBRC Significance & Engagement Policy	Last updated July 2021	Sets out: <ul style="list-style-type: none"> The general approach to determining the significance of particular issues, proposals, assets, decisions, and other matters Provides clarity about how and when communities can expect to be engaged in decisions made by the Council.
Hawke's Bay Region Triennial Agreement	Adopted by resolution February 2020. To be revised before March 2023	Promotes collaboration between local authorities for communication and coordination, and for effectiveness and efficiency.
HBRC Navigation Safety Bylaw 2018	In effect from November 2018. To be reviewed and consulted on with revised bylaw to be implemented in 2023	Enables us to regulate or control navigation of vessels in the navigable waters within its region out to the 12 nautical mile limit and also to regulate related activities for the purpose of safety, such as the mandatory carriage of lifejackets. In addition, it enables certain areas to be reserved for certain activities in the interest of separating conflicting recreational activities.

NGĀ KŌRERO PŪTEA FINANCIAL INFORMATION

This section includes the Financial Strategy and key financial statements for Hawke's Bay Regional Council.

We have included sources of operating and capital funding, and how this funding is applied. These statements also show our financial position.

Financial strategy and performance

The Financial Strategy adopted in the Long Term Plan 2021-2031 continues the step-change in our activity, particularly for climate action, freshwater, and biodiversity to achieve real results on-the-ground at pace and scale. This supports the goals set out in our Strategic Plan 2020-2025 in the four focus areas of Water, Land, Biodiversity, and Infrastructure and Services.

The Financial Strategy shows the financial levers available to us to accelerate and up-scale activity and influence changes in our community to achieve these goals. We have deliberately front-loaded activity for greater impact sooner.

Key levers include our funding mix – fees and charges, investment income, debt, external grant funding, and rates. We have also adjusted the balance of incentives and regulation, increased internal capacity, and operating and capital expenditure.

This Financial Strategy includes an increase in debt funding for long-term projects that provide intergenerational benefits. This includes projected new borrowing of \$125 million over 10 years with a total outstanding loan balance of \$113 million by the end of the Long Term Plan 2021-2031 period, after repayments.

There are a range of interventions available to us to achieve our collective goals and objectives. We always consider the best mix of these to get results within a desired timeframe. This does not mean that we will always take the lead on an issue. A regional leadership role means proactively identifying regional issues and working with others to deal with these. Leveraging funding from external parties or agencies is a key strategy within the existing delivery model. When working in partnership greater flexibility can be required for delivery timeframes.

Considerable additional funding has been secured and is expected to continue. For example, funding was received from the Crown's Infrastructure Reference Group bringing forward planned infrastructure upgrades, the Provincial Growth Fund for freshwater security projects, Land Information NZ for LiDAR, and Waka Kotahi NZ Transport Agency for transport projects.

TE RAUTAKI HAUMI INVESTMENT STRATEGY

The Investment Strategy aims to maintain and grow investments to generate income. In turn, this enables us to fund an accelerated programme of environmental enhancement projects.

A new rating limit keeps rates at 60% or less of annual revenue. We achieve this through user charges and grants, and income from revenue generating assets, including an annual dividend from Hawke's Bay Regional Investment Company (HBRIC Ltd). HBRIC Ltd is a Council Controlled Trading Organisation, and the majority owner of Napier Port.

We have a large investment portfolio that helps fund the work we do. These investments include HBRIC Ltd, forestry holdings, externally managed funds, and Wellington property holdings. This diversification of the portfolio allows us to better maintain annual returns as markets fluctuate.

Return on investment assets						
Actual 2019/20	Actual 2020/21	Forecast 2021/22	Ann Plan 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26
37.98%	2.43%	-9.22%	6.45%	6.91%	6.08%	6.70%
This metric shows the historical and expected returns from the interest, rent, forestry harvesting, dividends, and asset valuation growth generated each year by HBRC's investment asset base.						

The Long Term Plan 2021-2031 stated that investment assets held by both HBRC and HBRIC Ltd are expected to provide a cash return of 4% per annum and a gross return of 6% per annum. The higher gross return target reflects the need for the investment portfolio to maintain its real capital value over time to ensure intergenerational equity is maintained.

NGĀ PŪRONGO PĀNGA Ā-PŪTEA FUNDING IMPACT STATEMENTS

This table contains HBRC's sources of funding and how we plan to apply them.

	Actual 2019/20 (\$'000)	Actual 2020/21 (\$'000)	Forecast 2021/22 (\$'000)	AnnPln 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)
Sources of operating funding							
General rates & uniform annual general charges	8,824	8,592	11,334	13,668	15,622	17,653	21,450
Targeted rates	16,330	16,456	18,327	20,197	23,146	25,002	25,758
Subsidies & grants for operating purposes	4,678	7,493	7,927	6,151	5,111	5,207	5,385
Fees & charges	12,363	12,671	10,366	11,870	10,620	11,514	11,141
Interest & dividends from investments	47,572	12,209	11,645	16,635	17,167	17,634	18,345
Fuel tax, fines, infringement fees & other receipts	2,637	4,037	2,453	1,539	1,580	1,642	1,792
Total operating funding	92,404	61,458	62,062	70,059	73,245	78,652	83,870
Applications of operating funding							
Payments to staff & suppliers	54,753	59,413	66,079	72,807	66,202	66,709	68,738
Finance costs	2,120	2,258	1,195	2,125	2,589	2,795	2,838
Other operating funding applications	-	-	-	(2,085)	2,880	2,955	3,250
Total applications of operating funding	56,873	61,671	67,274	72,847	71,671	72,459	74,825
Surplus/(deficit) of operating funding	35,531	(213)	(5,212)	(2,788)	1,574	6,193	9,045
Sources of capital funding							
Subsidies & grants for capital expenditure	118	1,631	9,855	8,731	-	-	-
Development & financial contributions	-	-	-	-	-	-	-
Increase/(decrease) in debt	13,307	12,650	15,850	20,907	15,794	4,945	1,047
Gross proceeds from sale of assets	2,226	3,546	28	795	482	1,443	374
Lump sum contributions	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-
Total sources of capital funding	15,651	17,827	25,733	30,529	16,511	5,932	1,719
Applications of capital funding							
Capital expenditure:							
- to meet additional demand	400	-	-	-	-	-	-
- to improve the level of service	3,173	5,855	12,650	10,609	5,620	6,374	5,424
- to replace existing assets	4,643	7,799	5,196	16,273	6,944	7,343	6,443
	8,216	13,654	17,846	26,882	12,564	13,717	11,867
Increase/(decrease) in reserves	39,213	(324)	(286)	(4,111)	232	1,791	2,181
Increase/(decrease) in investments	3,753	4,284	2,961	4,970	5,289	(3,383)	(3,284)
Total application of capital funding	51,182	17,614	20,521	27,741	18,085	12,125	10,764
Surplus/(deficit) of capital funding	(35,531)	213	5,212	2,788	(1,574)	(6,193)	(9,045)
Funding balance	-	-	-	-	-	-	-
Reconciliation from funding impact statement to statement of comprehensive revenue and expenditure							
Surplus/(deficit) of operating funding (above)	35,531	(213)	(5,212)	(2,788)	1,574	6,193	9,045
Depreciation and amortisation expense	(3,333)	(3,463)	(4,063)	(4,509)	(5,355)	(6,079)	(6,344)
Movement in ACC financing leasehold liability	(1,001)	(80)	(2)	815	831	840	830
Provision for doubtful debts	-	-	-	(20)	(20)	(21)	(21)
Fair value (gains)/losses	10,327	9,878	(2,936)	1,156	1,179	1,803	2,900
Capital grants and subsidies	118	1,631	9,855	8,731	-	-	-
(Gain)/Loss on sale of assets	17	164	28	891	717	987	672
Other	(874)	-	-	-	-	-	-
Operating surplus after income tax per statement of comprehensive revenue and expenditure	40,785	7,917	(2,330)	4,275	(1,075)	3,724	7,082

PEPA KAUTE BALANCE SHEET

This table shows HBRC's actual and forecast total assets, liabilities, and capital at balance date (30 June) every year.

	Actual 2019/20 (\$'000)	Actual 2020/21 (\$'000)	Forecast 2021/22 (\$'000)	AnnPln 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)
NON CURRENT ASSETS							
Property, plant & equipment	28,574	29,908	31,364	37,188	39,369	43,190	41,998
Intangible assets	10,096	14,683	18,212	16,829	16,785	19,253	22,022
Infrastructure assets	187,387	193,806	208,109	235,940	235,199	240,477	251,929
Investment property	57,855	63,615	69,265	68,041	65,879	67,683	70,583
Forestry assets	11,087	14,748	14,895	14,344	9,833	9,565	10,669
Finance assets	122,308	130,232	121,896	142,934	147,495	146,884	146,423
Investment in CCOs	457,260	445,716	380,316	496,469	573,200	601,860	631,953
Advances to CCOs	-	-	-	-	-	-	-
Napier Gisborne rail loan	1,486	1,486	-	1,486	1,486	1,486	-
Total non current assets	876,053	893,474	844,057	1,013,231	1,089,247	1,130,397	1,175,578
CURRENT ASSETS							
Inventories	452	399	431	419	484	496	509
Trade & other receivables	11,327	13,390	14,461	13,278	13,594	13,743	13,755
Finance assets	2,057	1,936	2,130	2,786	2,956	2,857	2,765
Derivative financial instruments	-	-	1,208	-	-	-	-
Cash & cash equivalents	6,522	8,101	9,338	7,047	3,491	2,442	3,455
Total current assets	20,358	23,826	27,568	23,531	20,525	19,538	20,484
Total Assets	896,411	917,300	871,625	1,036,762	1,109,772	1,149,935	1,196,062
NET ASSETS/EQUITY							
Accumulated funds	296,260	284,260	281,930	292,487	313,852	315,822	320,798
Fair value reserves	406,270	403,885	343,775	460,311	529,155	561,475	600,179
Other reserves	113,959	133,876	132,047	135,611	122,786	124,577	126,758
Total net assets/equity	816,489	822,021	757,752	888,408	965,793	1,001,874	1,047,735
LIABILITIES							
Non current liabilities							
Derivative financial instruments	-	18	-	18	-	-	-
Borrowings	31,238	44,388	61,088	97,874	118,782	124,361	125,861
ACC leasehold financing liabilities	29,546	29,614	31,175	29,060	9,453	8,616	7,745
Provisions for other liabilities & charges	30	19	19	510	520	520	520
Employee benefit liabilities	520	510	475	-	-	-	-
Total non current liabilities	61,334	74,549	92,757	127,462	128,755	133,497	134,126
Current liabilities							
Derivative financial instruments	-	46	-	46	-	-	-
Trade & other payables	12,313	13,777	14,879	12,174	12,511	12,512	12,567
Borrowings	3,650	3,150	2,300	5,984	1,087	453	(0)
ACC leasehold financing liabilities	686	1,799	1,927	50	44	18	52
Provisions for other liabilities & charges	-	-	-	2,638	1,582	1,582	1,582
Employee benefit liabilities	1,939	1,958	2,010	-	-	-	-
Total current liabilities	18,588	20,730	21,116	20,892	15,223	14,564	14,200
Total liabilities	79,922	95,279	113,873	148,353	143,979	148,061	148,326
TOTAL NET ASSETS/EQUITY & LIABILITY	896,411	917,300	871,625	1,036,762	1,109,772	1,149,935	1,196,062

Notes: *The 2021/22 Forecast is a best estimate at the time of preparation of these statements. These estimates were based on the best information available at the time the statements were prepared but may have material differences to year 1 of the Long Term Plan 2021-2031 once completed.

**This Pre-Election report is not separately audited, although much of the information has already been audited. The actual figures used for 2019/20 and 2020/21 are taken directly from the audited Annual Reports and 2023/24, 2024/25 and 2025/26 are taken from the audited Long Term Plan 2021-2031.



NGĀ KŌRERO MŌ NGĀ TĀKE KAUNIHERA RATING INFORMATION

This table shows the way rating is broken down and forecasts year-on-year increases.

Rates (\$000's)	Actual 2018/19	Actual 2019/20	Actual 2020/21	Forecast 2021/22	Ann Pln 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26
General Rates	7,357	8,824	8,746	11,344	13,668	15,622	17,653	21,450
Total Targeted Rates	15,878	16,377	16,456	18,327	20,197	23,146	25,002	25,758
Total Rates	23,235	25,201	25,202	29,671	33,865	38,768	42,655	47,208

Rate Increases/(Decreases)	Actual 2019/20	Actual 2020/21	Forecast 2021/22	Ann Pln 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26
General Rates	↑ 9.9%	↓ -0.9%	↑ 29.7%	↑ 20.5%	↑ 14.3%	↑ 13.0%	↑ 21.5%
Total Targeted Rates	↑ 3.1%	↑ 0.5%	↑ 11.4%	↑ 10.2%	↑ 14.6%	↑ 8.0%	↑ 3.0%
Total Rates	↑ 8.5%	↑ 0.0%	↑ 17.7%	↑ 14.1%	↑ 14.5%	↑ 10.0%	↑ 10.7%

The 2021/22 rate increase is partly a result of deferring the 2020/21 increase due to Covid-19. Alongside rate funding, user charges and grants, we manage and optimise returns from Hawke's Bay Regional Council's investment portfolio, including that of our Council-owned Hawke's Bay Regional Investment Company, at a level that sustains a balanced operating budget.





NGĀ PŌTI 2022 2022 ELECTIONS

Te Matau-a-Māui-Hawke's Bay Region is made up of seven constituencies and 11 councillors. There are five general constituencies represented by nine councillors, and two Māori constituencies represented by two councillors.

Māori roll

Those enrolled on the Māori roll will elect one councillor in either:

- Māui ki te Raki constituency
- Māui ki te Tonga constituency

General roll

Those enrolled on the general roll will elect councillors as follows:

- one representative each, elected by voters in the Tamatea/Central Hawke's Bay, Ngaruroro, and Wairoa constituencies
- three representatives each, elected by the voters in the Heretaunga/Hastings and Ahuriri/Napier constituencies



Election Timeline 2022

Local government elections are held every three years, with the next local election on 8 October 2022. Here is this year's election timeline.

- Candidate nominations open**
15 July
- Candidate nominations close**
12 August at 12 noon
- Postal voting**
16 September to 8 October
- Election day**
8 October-voting closes 12 noon
- Results announced**
13 to 19 October

local people.

local impact.





PŌTI
2022

NGA PŌTITANGA Ā-ROHE

VOTE
2022

LOCAL ELECTIONS



HAWKES BAY
REGIONAL COUNCIL

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI