

# Annual Report 2012-13

## Contents

<b>Guide to the Annual Report</b>	<b>page</b> <b>1</b>	<b>Land Drainage and River Control</b>	<b>page</b> <b>28</b>
<b>Chairman and Chief Executive Commentary</b>	<b>2</b>	<i>Activity 1 – Flood Protection and Drainage Schemes</i>	29
<i>Our Direction</i>	2	<i>Activity 2 – Investigations &amp; Enquiries</i>	32
<i>Reporting against The Right Debate</i>	2	<i>Activity 3 – Sundry Works</i>	33
<b>Report on Maori Contribution to Council Decision-making Processes</b>	<b>7</b>	<b>Regional Resources</b>	<b>34</b>
Regional Planning Committee	7	<i>Activity 1 – Land Management</i>	35
Maori Committee	8	<i>Activity 2 – Air Management</i>	40
Direct Hapu and Other Involvement	8	<i>Activity 3 – Water Management</i>	42
<b>Report on Council Controlled Organisations</b>	<b>9</b>	<i>Activity 4 – Coastal Management</i>	47
<b>Statement of Compliance and Responsibility</b>	<b>10</b>	<i>Activity 5 – Gravel Management</i>	49
<b>Independent Auditor’s Report</b>	Error! Bookmark not defined. <b>11</b>	<i>Activity 6 – Open Spaces</i>	50
<b>Statement of Service Performance for Groups of Activities</b>	<b>15</b>	<b>Regulation</b>	<b>52</b>
<b>Strategic Planning</b>	<b>17</b>	<i>Activity 1 – Resource Consent Processing</i>	53
<i>Activity 1 – Economic Development</i>	18	<b><i>Activity 2 – Compliance Monitoring</i></b>	54
<i>Activity 2 – Strategy and Planning</i>	20	<i>Activity 3 – Maritime Safety &amp; Navigation</i>	55
<i>Activity 3 – Policy Implementation</i>	25	<b><i>Activity 4 – Building Act Implementation</i></b>	56
<i>Activity 4 – State of the Environment Monitoring</i>	27	<b>Biosecurity</b>	<b>57</b>
		<i>Activity 1 – Regional Biosecurity Programmes</i>	58
		<b>Emergency Management</b>	<b>62</b>
		<i>Activity 1 – HB Civil Defence Emergency Management Group</i>	63
		<b><i>Activity 2 – Hazard Assessment &amp; Hawke’s Bay Regional Council Response</i></b>	67

## Annual Report 2012-13

---

	page		page
<b>Transport</b>	<b>70</b>		
<i>Activity 1 – Regional Road Safety</i>	71	<i>Note 9: Property, Plant &amp; Equipment continued</i>	103
<i>Activity 2 – Regional Land Transport Strategy</i>	72	<i>Note 10: Infrastructure Assets (Parent &amp; Group)</i>	105
<b><i>Activity 3 – Subsidised Passenger Transport</i></b>	73	<i>Note 11: Investment Property</i>	107
		<i>Note 12: Intangible Assets</i>	109
		<i>Note 13: Financial Assets</i>	110
<b>Governance and Community Engagement</b>	<b>76</b>	<i>Note 14: Forestry Assets</i>	112
<i>Activity 1 – Community Partnerships</i>	77	<i>Note 15: Trade &amp; Other Receivable</i>	114
<i>Activity 2 – Community Engagement &amp; Communications</i>	79	<i>Note 16: Derivative Financial Instruments</i>	116
<i>Activity 3 – Response to Climate Change</i>	81	<i>Note 17: Cash &amp; Cash Equivalents</i>	117
<i>Activity 4 – Community Representation &amp; Regional Leadership</i>	82	<i>Note 18: Fair Value Reserves</i>	119
<b><i>Activity 5 – Investment Company Support</i></b>	83	<i>Note 19: Other Reserves (Parent &amp; Group)</i>	120
		<i>Note 20: Borrowings</i>	122
<b>Financial Statements 84</b>		<i>Note 21: Deferred Income Tax (Group)</i>	125
<i>Comprehensive Income Statement</i>	84	<i>Note 22: Employee Benefit Liabilities</i>	126
<i>Statement of Changes in Equity</i>	85	<i>Note 23: Trade &amp; Other Payables</i>	127
<i>Balance Sheet</i>	86	<i>Note 24: Related-Party Disclosures (Group)</i>	128
<i>Statement of Cash Flows</i>	87	<i>Note 25: Commitments &amp; Contingencies</i>	129
		<i>Note 26 Local Government Act 2002 Disclosures</i>	131
<b>Notes to the Financial Statements</b>	<b>88</b>	<i>Note 27: Major Budget Variances (Parent)</i>	133
<i>Note 1: General Information</i>	88	<i>Note 28: Financial Risk Management</i>	134
<i>Note 2: Summary of Significant Accounting Policies</i>	88	<i>Note 29 Non-current assets held for sale</i>	139
<i>Note 3: Groups of Activities Revenue &amp; Expenditure</i>	95	<i>Note 30 Events After Balance Sheet Date (Parent &amp; Group)</i>	139
<i>Note 4: Rates Revenue</i>	95		
<i>Note 5: Other Revenue</i>	96	<b>Funding Impact Statements for Groups of Activity</b>	<b>140</b>
<i>Note 6: Fair Value Gains &amp; Losses Through the Income Statement</i>	98	<b>General Information</b>	<b>145</b>
<i>Note 7: Expense Disclosures</i>	99	<b>About Hawke’s Bay Regional Council</b>	<b>147</b>
<i>Note 8: Income Tax Expense</i>	99		
<i>Note 8: Income Tax Expense</i>	100	<b>Appendix A:</b>	<b>149</b>
<i>Note 9: Property, Plant &amp; Equipment</i>	101	<b>Key Implementation milestones and activities for the National Policy Statement for Freshwater Management</b>	

### Our Purpose

Hawke's Bay Regional Council has a long term focus and exists because of its role in:

- Natural resource management and governance;
- Natural hazard assessment and mitigation;
- Regional strategic planning (including provision of statutory plans such as the regional policy statement); and
- The provision and assessment of regional scale infrastructure, notably flood risk assets, regional logistics facilities such as Napier Port and water storage.

### Our Vision

A region with a vibrant community, a prosperous economy, a clean and healthy environment, now and for future generations.

### Our Values

**Excellence** – we aim high and take pride in providing an exceptional service

**Forward thinking** – We anticipate and prepare for the future

**Innovation** – We are open to change and seek new ways of doing things

**Integrity** – We demonstrate openness, honesty and respect in our relationships

**Partnerships** – We build strong partnerships to achieve common goals

### Our Goals

The Hawke's Bay Regional Council has adopted three goals for the region – a **vibrant community, a prosperous economy, and a clean and healthy environment.**

These goals are a bridge between our vision, our community outcomes and our group of activity work programmes. All of our work should meet the definition of

at least one of our goals; if not, we should not be doing the work. However much of our work meets all three goals.

**“A clean and healthy environment”** is the most strategic of the goals and underpins the success of the others – without a good environment our community will not enjoy living in the region and prosperity may be hard to achieve.

### Guide to the Annual Report

The Annual Report is divided into three sections to make it easy to find the information you want.

- Performance Overview

This includes an Introduction from the Chairman and the Chief Executive along with an update on the Right Debate.

- Accountability Information

This section includes:

- The Statement of Service Performance for the year and an overview of each Group of Activity
- How each Group of Activity links to the community outcomes
- A report which measures the performance of each sub-activity
- Financial details for the Regional Council for the year to 30 June 2013 and for the Port of Napier Limited for the 12 months to 31 March 2013, which together make up the Group accounts.

- General Information

This section includes general information about the Council's resources, assets and activities, the Councillors, the organisational structure, and an outline of information available for public use.