



2020-2021

Annual Report

Summary

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HAWKES BAY
REGIONAL COUNCIL
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

Climate. Smart. Recovery.

We are proud of the support we've been able to give our community over the past year through the double-whammy economic effects of COVID-19 and the prolonged drought.

2020-2021 ANNUAL REPORT SUMMARY

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INTRODUCTION

KUPU WHAKATAKI

MESSAGE FROM THE CHAIR & CHIEF EXECUTIVE
HE KUPU NĀ TE TOIHAU ME TE KAIWHAKAHAERE MATUA

Climate. Smart. Recovery.

We are proud of the support we've been able to give our community over the past year through the double-whammy economic effects of COVID-19 and the prolonged drought.

Kia ora koutou

At the start of the 2020-2021 financial year, we responded by cushioning the anticipated impacts by setting a zero rates revenue increase and establishing a \$1 million recovery fund.

The Recovery Fund enabled us to seize opportunities that arose from government COVID-19 response and recovery funds. By matching the government's funding we were able to accelerate some of our existing work programmes to protect and enhance our environment and help the Hawke's Bay economy back to its fastest recovery. Successful funding applications were made to Mahi mō te Taiao Jobs for Nature and shovel-ready infrastructure funds, securing over \$25 million in new funding.

Our annual \$1.5 million funding for Hawke's Bay Tourism and expanded support for businesses through the Regional Business Partner Programme helped to keep the regional economy going. We worked with nearly 1000 businesses – four times over target – to provide business planning advice.

We supported our drought-stricken farmers through the Rural Advisory Group which distributed \$1 million for feed transport costs and lifestyle feed runs. Staff were called upon again to respond to Napier's flood in November 2020. The intense rainfall event and the drought are real examples of the expected increasing impacts of climate change.

During the past year we conducted an independent survey of Hawke's Bay residents. The survey told us that Hawke's Bay people are concerned about climate change and are looking to the Regional Council to take action and help to find meaningful ways to make a difference. Climate action camps were held for EnviroSchools in October 2020, and high school students in March 2021. A six-week community engagement campaign launched an ongoing programme to educate and inspire action. Climate change was a focus in all our planning and decision-making in the development of the Long Term Plan 2021-2031. The Plan resourced six climate and water-focused consultation topics and is a further operational step-up in the environmental work accelerated by the previous Long Term Plan 2018-2028.

Continued on next page



INTRODUCTION

KUPU WHAKATAKI

The financial year (2020-2021) was the third and final year of the Long Term Plan 2018-2028. During the past year we've sustained a stronger focus on regulation to prevent the pollution of water, land and air. We are getting more plants into the ground and building our regional biodiversity programme. We're working harder and faster to improve the health of our land, water and biodiversity, and prepare the region for climate change.

A major highlight during the year was the unanimous decision to establish Māori constituencies for the 2022 and 2025 local elections. This guarantees proportional representation for our Māori community at the Council table. For the full highlights of our work from 2020-2021 by area, please go to Part 2 of the Annual Report, the section called 'Regional Highlights'.

The closing financial performance for the year is an operating surplus of \$7.9 million compared to a forecast deficit of \$4.4 million. While we anticipated a significant financial impact from the pandemic, the impact on the economy and the Regional Council revenues was not as great as expected.

In conclusion, we have pushed forward into the head winds of a difficult and uncertain year with all of our available resources in order to protect our community and enhance our region.

We wish to acknowledge and thank our staff for their efforts and commitment during this trying time, meeting increased expectations during a pandemic which has brought extra pressures to individuals and families. We also acknowledge the support from our community who have faced the same challenges. You have been most understanding and helpful. The goodwill and effort stem from a shared understanding and appreciation that our work is a legacy to our children and grandchildren, which we are confident they will thank us for.

Ngā mihi nui



Rick Barker
Chair



James Palmer
Chief Executive



This summary covers Hawke's Bay Regional Council's key achievements during the 2020-2021 financial year - the third and final year of the Long Term Plan 2018-2028.

The full Annual Report and Long Term Plan are online:
hbrc.govt.nz, search: #documents



A major highlight during the year was the unanimous decision to establish Māori constituencies for the 2022 and 2025 local elections.

INTRODUCTION

KUPU WHAKATAKI

MESSAGE FROM THE MĀORI COMMITTEE CO-CHAIRS
HE KUPU NĀ NGĀ TOIHAU KŌMITI MĀORI

Our partnership with tangata whenua

*E te tī, e te tā, mai taraika maunga
ki tai moana, tēnā koutou, tēnā tātau*

The effects of COVID-19 continue to be experienced widely through our community and responded to positively for the most part.

This year was a significant milestone for tangata whenua across Hawke's Bay. We celebrated the unanimous decision to establish Māori constituencies at Hawke's Bay Regional Council. Two seats for Māori representation will now form part of the 2022 and 2025 local government elections. As a result of the elections, a stronger voice for Māori will contribute to decision-making about our environment in Hawke's Bay. We lobbied hard in favour of these seats on behalf of tangata whenua and we are proud to witness this timely outcome, which followed a series of engaged hui-ā-iwi, hui-ā-hapū in the four taiwhenua of our region.

There was substantial tangata whenua input into the TANK Plan hearings for the Tūtaekurī, Ahuriri, Ngaruroro and Karamū waterways. The hearings at four different venues included Hawke's Bay Regional Council's first hearing held on a marae. Fittingly, this was at Mangaroa Marae in Bridge Pā.

There was valuable feedback into the Regional Council's plan to protect Outstanding Water Bodies. Fifteen Hawke's Bay water bodies, including coastal estuaries and lagoons, have been classified as being regionally outstanding.

This is also an opportunity to acknowledge and celebrate the new home and the start of a new era for Ngāti Paarau after opening Hau-Te-Ana-Nui - the new Waiohiki Marae wharenuui in June 2021.

The Māori Partnerships Group has continued to build Council-wide cultural capacity, to enhance the Regional Council's engagement with tangata whenua and meet statutory requirements. We wish to acknowledge Te Pou Whakarae Pieri Munro and his team for their continuing efforts to row our waka together.

The Māori Committee members and the Regional Council's Māori Partnerships team welcome your views and concerns at any time.

Nā māua e iti nei



Mike Paku and Michelle McIlroy
Māori Committee Co-Chairs

Our Councillors



Rex Graham

Chair
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(majority of 2020-21)



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Find out more about your local councillor or watch their video profile at [hbrc.govt.nz](https://www.hbrc.govt.nz), search: **#councillors**

Executive Leadership Team



Chief Executive
James Palmer

Executive Assistant to Chief Executive and Chair

Executive Advisory Group:

- Civil Defence Emergency Management
- Strategy & Governance
- People & Capability

Asset Management Group



Chris Dolley
Group Manager

Integrated Catchment Management Group



Jessica Ellerm
Group Manager

Corporate Services Group



Iain Maxwell
Group Manager

Policy & Regulation Group



Katrina Brunton
Group Manager

Māori Partnerships Group



Pieri Munro
Te Pou Whakarae

Over the last three years

Snapshot of fencing and plants in the ground

Erosion Control Scheme



2,000 hectares planted



Waipawa River

(one year only)

7,000
native plants and willow to protect SH50

11.

Maraetōtara

14,900
metres of fencing

10.

Pōrangahau

(one year only)

6,000 poles
5,200 metres of fencing

14.



Regional Parks

- 5. Hawea Historical Park
- 6. Waitangi Regional Park
- 7. Pūkōwhai Regional Park
- 2. Tūtira Regional Park
- 9. Pekapeka Regional Park

20,000 plants

1.

Whangawehi

(one year only)

8,140 native plants

1,800 metres of fencing

Ahuriri Estuary

53,200 native plants

1,400 poplar and willow

16,800 metres of fencing

4.

Te Ikatiere

(one year only)

4,400 native plants

1,000s native seeds dropped

2,100 metres of fencing

13.

Lake Tūtira

3.

60,900 native plants

450 exotic plants for erosion control

5,000 metres of fencing

Te Karamū Enhancement Project

8.

39,000 plants

Tukipo Wetland

(new)

24,200 native plants

12.

Over the last three years

Over the lifespan of the Heatsmart programme

A total of **15,005** grants or loans have been issued totalling **\$23.39 million**

Sustainable Homes

A total of **1,911** loans have been issued totalling **\$10.97 million**



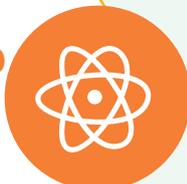
Pest control

On average, we have made:
4,355 rural pest plant visits
2,830 urban pest plant visits



Science

We have taken over **10,000** science samples and made **8,700** science visits



LGOIMA requests

We have answered over **250**



Public Transport

1,740,500 passenger trips on goBay services
273,780 subsidised trips by Total Mobility cardholders



Hotline

We have answered **2,922** calls to our pollution hotline, including:
1,798 about air pollution
550 about land
427 about surface water



Stronger regulation

We have issued:
127 abatement notices
275 infringement notices
28 prosecutions



Predator-Free Whakatipu Māhia

5,250 hectares of the peninsula is possum-free with **8,105** bait stations





Regional Highlights

Ngā Hirahiratanga Ā-Rohe



Three biodiversity projects benefitted from our \$1 million Recovery Fund established in our Annual Plan 2020-2021 as part of our Climate. Smart. Recovery.

REGIONAL HIGHLIGHTS NGĀ HIRAHIRATANGA Ā-ROHE

WAIROA

A team of eight staff are based out of our Wairoa office – active, visible and able to deal with issues quickly.

Our staff work across Wairoa district with landowners and the community to support good farming practices, sustainable land use and protect and enhance the environment. During the year a dedicated relationship manager became a permanent part of the team to engage with tangata whenua.

Mohaka catchment

Work began in earnest to co-design and develop freshwater policy provisions for the Mohaka catchment. Ngāti Pāhauwera Development Trust (having mandate from the Mohaka iwi/hapū) has been working closely with our staff and received funding from the Regional Council to support the development of a Māori-led workstream for the catchment. Hui and wananga were held with tangata whenua to inform the values and vision for the catchment in respect of Te Mana o Te Wai and meetings were held with the Mohaka community to better understand the issues within the catchment and to assist in developing the objectives for the plan.

Whakatipu Māhia

Whakatipu Māhia looks set to complete the eradication of possums, supported by Predator Free Hawke's Bay, and suppression of mustelids and feral cats from Māhia Peninsula (14,500 hectares) by the end of June 2022. Whakatipu Māhia is a joint project between iwi, community, the Regional Council and central government and will provide an excellent foundation for future predator free opportunities on Māhia. The project has created a number of local jobs building hapū and iwi capability.

Whakakī Lake

We continued to work with the Whakakī Lake community bringing together western science and Mātauranga Māori to revitalise Whakakī Lake as a significant taonga. Engagement continued with the community around the potential construction of a weir and recirculating wetland. A pilot site investigation and scoping report has been completed for the wetland trial with detailed engineering design underway.

Wairoa River

In August 2020, the Regional Council secured partnership funding from central government's COVID-19 stimulus package for the \$1 million Wairoa River Scheme – Ferry Road Erosion Project.

Wairoa Regional Park

We applied for funding from central government's COVID-19 stimulus package to develop a regional park at Wairoa. This was unsuccessful but we later secured funding through our Long Term Plan 2021-2031 for year 3 (2023-2024). Consultation will be undertaken and the park will be developed in collaboration with Wairoa District Council and the Matangirau Reserves Board.

Wairoa District Council wastewater discharge

On 30 November 2020, the hearing on Wairoa District Council's wastewater discharge application was held. The hearing was adjourned to allow expert conferencing. A decision is expected towards the end of September 2021.

Central Hawke's Bay

Our team of seven staff based in Waipawa are typically out and about in Central Hawke's Bay working with landowners to give support and provide advice on good land use practices.

This includes assisting landowners to develop Erosion Control Plans and then implementing actions in the plans to help control erosion and improve water quality.

Drought response support

We continued our support for drought-affected farmers through the Hawke's Bay Rural Advisory Group, the lead group for the drought response. On 19 May 2020, the region's Mayors and the Regional Council Chairman launched the \$1 million Regional Drought Relief Fund, in response to the critical shortage of feed, as a result of the severe and prolonged drought in Hawke's Bay. The fund distributed \$977,614 to assist our rural community in Central Hawke's Bay and affected areas of Heretaunga with costs related to animal feed transportation and welfare. The remainder of the fund will be used to develop of a Regional Drought Resilience Strategy and action plan.

Water security

We completed a series of technical investigations and landowner engagements, and have confirmed a preferred site to undertake a Managed Aquifer Recharge Pilot. A consent application has been lodged and we are aiming to commence construction and operation of the site in the late spring 2021. This work is part of our Regional Water Security Programme.

Tukituki Plan

We continued to invest in catchment advisor relationships and assistance for farmers in the Tukituki. A new role filled in February is focused on supporting the growth and development of catchment groups to address catchment specific issues. A framework has been created to guide farmers through options to consider for improving ecosystem health as part of the farm consenting process. We received 50 Tukituki production land use applications in 2020-2021. The Farm Environmental Management Plan (FEMP) project reached another milestone in May with all FEMPs in the Tukituki catchment due to be updated by 31 May 2021. This is the first of the farm plan revisions that are due every three years.

Tukipo wetland

A 1.6 hectare wetland was built in the Tukipo catchment to test how wetlands can be used as a tool to filter nitrogen and other contaminants from farm run-off and improve the health of surrounding waterways. The Tukituki Plan Change (PC6) set ambitious nitrogen targets for landowners and it is hoped this partnership project, which will capture and treat water from around 180 hectares, will form a key part of the response in the Tukituki catchment and provide a model for how we can achieve nitrogen reduction throughout the region.

Waipuka project

A council contribution through the Erosion Control Scheme helped to leverage \$1.4 million in central government funding toward the Waipuka whenua restoration project. This project will see 5 kilometres of waterway and over 180 hectares of severely eroding hill country on three properties permanently retired and planted. These properties collectively drain into the Waipuka Stream which enters the sea via a small lagoon at Ocean Beach.





Central Hawke's Bay

Climate resilience projects

In August 2020, the Regional Council secured partnership funding from central government's COVID-19 stimulus package for two climate resilience projects. One project is to remove gravel from the Upper Tukituki Flood Control Scheme to improve flood protection in Central Hawke's Bay, subject to community consultation as part of the Regional Council's Long Term Plan 2021-2031 (\$8 million total), and the other project for substantial erosion control work (\$1 million total) at Waipawa River to protect SH50.

Te Ikatiere

We worked collaboratively with the community, local iwi and the Aramoana Environmental and Education Charitable Trust (AEECT) at Te Ikatiere, next to Te Angiangi Marine Reserve, with the long-term aim to reduce sediment loss into the popular reserve while creating opportunities for educational activities and community involvement. Highlights include 2,100 metres of deer fencing erected, 4,400 native seedlings planted (4,000 funded through One Billion Tress and 400 donated by the Department of Conservation), thousands of native seeds sourced and dropped by drones by AEECT volunteers, and Omakere School's annual planting day.

Indigenous birds at Pōrangahau Estuary

A bird survey ranked the Pōrangahau Estuary second in the region for the number of indigenous species recorded in the estuary. These included nationally critical and nationally vulnerable species.

Pōrangahau Catchment Group

The Regional Council provided support to the Pōrangahau Catchment Group. In July 2021, the group was notified it secured \$4.9 million through the government's Freshwater Improvement Fund for a three-year project that aims to deliver water health and biodiversity outcomes in the Pōrangahau catchment.

Consents

Work started on processing applications for Tranche 2 Ruataniwha groundwater consents. Our experts are considering additional information regarding the impacts of the takes on surface and groundwater. The Silver Fern Farm applications were notified. Two consents were in process for Central Hawke's Bay District Council's wastewater strategy, with more to come with consents required for changes/improvements.

Napier and Hastings

Our head office is in Dalton Street and Station Street, Napier, our depot is at Guppy Road, Taradale, and staff also work from the purpose-built HB Civil Defence Emergency Management Group Coordination Centre in Hastings.

TANK Plan Change (Tūtaekurī, Ahuriri, Ngaruroro and Karamū catchments)

In total, 240 initial submissions were received on the notified TANK Plan and more than 90 submitters spoke to their submissions at the hearings, which ran for three weeks during May and June 2021. The level of engagement with this hearing process demonstrated the importance of the issues surrounding freshwater in the catchment. A highlight for this project was holding the first week of the hearings at Mangaroa Marae – the first time we have held a plan change hearing on a marae.

Water Conservation Order (WCO) for the Ngaruroro and Clive Rivers

In February and June 2021, Environment Court Hearings were held to hear the appeals to the recommendations made by the Special Tribunal for a WCO on the Ngaruroro and Clive Rivers. The Regional Council supported the recommendation that the application for a WCO for the lower part of the Ngaruroro River be declined. We appealed on technical errors and unintended consequences of specific terms within the recommendation, such as the definition of damming. The Environment Court will recommend whether an Order should be made following the completion of its inquiry.

Consents

Notified consents relating to the Te Mata Mushroom operation at Brookvale were resolved via mediation. Significant upgrades to the operation are required by January and July 2022. Oamaru landfill expansion applications were notified. The hearing will be held in November 2021.

Ahuriri enhancement

Staff continued working with rural landowners through the Ahuriri Estuary enhancement programme to help protect the estuary and improve water quality. This saw an additional 770 metres of waterways fenced and about 7,300 native plants and 485 poplar and willow poles planted for stability.

The development of a regional park at Ahuriri was included in both ours and Napier City Council's 2021-2031 Long Term Plans, with a total funding pool of \$20 million over the next 10 years. The plan is to transform the area known as Lagoon Farm to protect and enhance the habitat for our precious taonga and greatly assist in restoring the Ahuriri Estuary.

Lake Tūtira

In February 2021, the Regional Council lifted the permanent swimming ban for Lake Tūtira, with an advanced algal bloom monitoring system put in place to provide early warning of algal blooms. Maungaharuru-Tangitū Trust blessed and officially re-opened the lake to swimming and other aquatic activities. While the permanent ban has been lifted, the Regional Council advises people check the health of the lake before they go for a swim at hbc.govt.nz, search: #swim. Other work as part of the joint project Te Waiū o Tūtira (The Milk of Tūtira) saw the development of Environmental Farm Plans, 1.9 kilometres of waterways fenced and about 11,300 native plants and 200 poplar poles planted. The project aims to restore the mauri (life force) of Lakes Tūtira, Waikōpiro and Orakai.

Napier and Hastings

Water security

We completed a number of technical investigations to better understand the location and characteristics of the Ngaruroro catchment's most promising community-scale water storage sites. Further work needs to be done to determine if these are viable options that support long-term water security. The work is part of our Regional Water Security Programme.

Increasing flood protection in the Heretaunga Plains

In August 2020, the Regional Council secured partnership funding from central government's COVID-19 stimulus package to fast track the \$20 million project to increase flood protection in the Tūtaekurī, Ngaruroro and Tukituki Rivers from a 1 in 100-year flood to protect against a 1 in 500-year flood.

Te Karamū hits project target

Te Karamū enhancement project hit its 10-year goal in five years in August 2021. Since the development of the Te Karamū Enhancement Strategy in 2016, the Regional Council, working with community groups, iwi, landowners, schools and local businesses have planted 9.4 hectares of land beside the stream to support habitat, wetland groves and ecosystems. Further planting of an additional 10 hectares is planned over the next three years.

Coastal Hazards Strategy 2120

We continued to collaborate on groundbreaking coastal hazards mitigation research and planning with Napier City and Hastings District Councils, Maungaharuru-Tangitū Trust, Mana Ahuriri Incorporated and Heretaunga Tamatea Settlement Trust. A key milestone was the June 2021 independent report that found that Hawke's Bay Regional Council is best placed to collect rates and lead work on the next phase involving construction of new hazard mitigation assets subject to public consultation.

Napier flooding event response

The Hawke's Bay Civil Defence Emergency Management (CDEM) Group was the lead coordinating agency for the Napier rain event in November 2020. The CDEM Group worked closely with emergency services and Napier City Council (NCC) in providing for the immediate safety and wellbeing of people impacted. The CDEM Group also supported NCC in their role of leading the recovery from this event which is still ongoing.

New bus ticketing system

In August 2020, the new Bee Card bus ticketing system was introduced to the goBay public transport network. Replacing the goBay bus card, the tag-on/tag-off system makes it easier to travel and the flat fare makes it cheaper to travel by bus, an important step in making public transport a more accessible and attractive option.

Changing public transport

Providing transport to meet our needs and developing a system that contributes to a carbon neutral Hawke's Bay are some of the key objectives in the Hawke's Bay Regional Land Transport Plan 2021-2031, adopted in May 2021. In June 2021, the Regional Council confirmed the trial of a new form of public transport that replaces fixed routes with an on-demand service. This will be trialled in Hastings first (starting in 2022-2023) and aims to lower the region's transport emissions, provide better transport choices for the community and give more equitable access to public transport.



Hawke's Bay region

The total number of staff at Hawke's Bay Regional Council was 293 employees (282 FTEs) at 30 June 2021.

The region's total land area is around 1.42 million hectares. About 250,000 hectares is highly erodible. Almost one-third of the area that the Regional Council is responsible for is in the coastal-marine area.

Recovery Fund

Three biodiversity projects benefitted from our \$1 million Recovery Fund established in our Annual Plan 2020-2021 as part of our Climate. Smart. Recovery. The fund was set up to enable us to act quickly to leverage potential government co-funding made available following the COVID-19 national lockdown in 2020. Projects that were successful in leveraging the Recovery Fund were:

- Our Ecosystem Prioritisation Programme in partnership with the Pōrangahau Catchment Group received \$300,000 from our Recovery Fund to leverage \$2.6 million from the government's Freshwater Improvement Fund for a \$4.9 million project.
- Our Ecosystem Prioritisation Programme received \$300,000 and partnered with the QEII National Trust and landowners to secure \$1 million from the Department of Conservation Jobs for Nature Fund for a \$2 million project.
- Funding for a large wetland to be built in Tukipo, Central Hawke's Bay received \$100,000 from our Recovery Fund, building on Fonterra's funding of \$250,000.
More detail on each of the projects are reported on by area.

Māori constituencies

In May 2021, Hawke's Bay Regional Council voted unanimously to establish Māori constituencies for the 2022 and 2025 local elections (to be elected by voters on the Māori roll). A law change earlier in the year meant councils could establish Māori seats without the possibility that a poll could overturn a council's decision. A Representation Review will be completed prior to the 2022 election, with community consultation undertaken to seek feedback on the Regional Council's proposal to increase the total number of councillors from 9 to 11, retain five general constituencies and establish two new Māori constituencies.

Cultural capability and capacity

A Hawke's Bay inter-council network developed and launched a new Māori cultural digital app in February 2021 for staff and elected members of the five councils and other agencies. *Te Kupenga* provides easy access to an introductory suite of waiata, karakia and other cultural information tailored to Te Matau-a-Māui Hawke's Bay. Te reo Māori classes were also held for the Regional Council staff and we have also acquired and implemented the Te Rito e-Learning courses created by Kia Maia Bicultural Communications comprising 14 self-paced and assessed modules. These will be offered to all staff and councillors and will also be an induction requirement for new staff.

Hawke's Bay region

Climate action camps

The Environmental Education team delivered an Enviroschools Climate Action Camp in October 2020 and hosted a 2 ½ day Youth Climate Action Camp for secondary school students in March 2021.

Kotahi

We embarked on the review and development of a single plan, Kotahi, to encompass all of the planning provisions for the region's resource management. This Plan received additional financial support through the Long Term Plan 2021-2031 specifically to actively involve tangata whenua in its development. We are required to commence the review of the Regional Resource Management Plan and the Regional Coastal Environment Plan in 2021. This is in addition to the development of freshwater catchment planning required by the new National Policy Statement for Freshwater Management 2020 and various other government directives.

Outstanding Water Bodies

On 25 June 2021, 15 Hawke's Bay water bodies, including coastal estuaries and lagoons, were classified as regionally outstanding. This decision was made by an independent hearing panel appointed to hear submissions on Proposed Plan Change 7 to the Regional Council's Regional Resources Management Plan.

Regional economic development

An independent review was undertaken of how economic development activities and services are delivered in Hawke's Bay. The review concluded a strong case for change including the development of a new regional economic entity with increased investment. The five councils are exploring options and plan to come back to the community for feedback.

Regional Business Partners Programme

The Hawke's Bay Regional Business Partners team provided an expanded level of service working with 987 businesses (over four times above its key performance indicator of 220 businesses) to issue \$2,056,128 COVID-19 Business Advisory Funding and \$135,755 Tourism Transition Funding.

Stronger regulation

We continued our strong stance on regulation, tripling the amount of abatement notices we issued. We issued 66 in 2020-2021 compared to 21 the previous year. We issued 86 infringement notices (88 last year), gave 22 formal warnings (11 last year) and carried out 12 successful prosecutions, the same as the previous year.

Marine and Coast Enhancement Project

In January/February 2021, we mapped approximately 37km² of the seabed area around the Māhia Peninsula, with more mapping planned for 2021-2022. The maps provide important information on the areas we manage under the sea and will help to identify areas of key habitats.

Coastal bird survey

The Marine and Coast Enhancement Project combined with the biodiversity and policy teams to undertake a coastal bird survey, the first comprehensive survey along the entire Hawke's Bay coastline. Key highlights include recommended changes in the regional threat status of four species that have become less threatened and six species which have become more threatened.



Hawke's Bay region

Biodiversity

We worked in partnership to protect 13 acutely or chronically threatened ecosystems across Hawke's Bay. Of those, five were new sites. A further 15 ecosystem prioritisation sites – around 423 hectares of critically threatened native bush in Hawke's Bay – will be fenced and protected over the next three years, thanks to a \$2 million funding partnership between the Regional Council, QEII, the Department of Conservation and landowners.

State of the Environment report

Our five-yearly *Hawke's Bay Environment Key Issues Report 2013-2018* was published in July 2020. A *State of the Environment 2018-2021 synthesis report* will be completed at the end of 2021-2022.

Regional parks

Work continued at Hawea Historical Park with the park planned to open in 2023. We co-own and co-manage the park in collaboration with four hapū – Nga hapū o Kohupātiki, Matahiwi, Ruahāpia and Waipatu.

Waitangi Regional Park has been further developed and we continued to support Te Mata Park Trust with pest control and park maintenance work. We purchased Whittle Reserve, an 84 hectare reserve near Little Bush Reserve for preservation of established biodiversity and a tributary source of the Tūtaekuri River. We are planning to develop a regional park at Ahuriri with Napier City Council and Mana Ahuriri.

Cycle trails

A new off-road cycle path was constructed along Waimārama Road below Te Mata Park, completing the Hawke's Bay Trails Landscapes Ride network. Two information kiosks were created on the Art and Heritage Trail, also a part of the Landscapes Ride network. The cycle path and kiosks were both partnership projects. Use of the trails continues to grow with the Hawke's Bay Trails acknowledged as one of the busiest of all 22 Great Rides in New Zealand.

Water security

During the year, a Regional Water Security Programme was formally established to manage and progress four regional security projects – a \$30.6 million investment between the Regional Council and the Provincial Growth Fund. The Programme focuses on understanding the region's freshwater resources and making decisions as a community, particularly in a changing climate. Progress includes:

- The 3D Aquifer Mapping team continued to process the huge amounts of data captured and will be completing a targeted bore drilling programme to help calibrate the data.
- We completed two of the three reports required for the regional assessment. This assessment will for the first time provide a comprehensive analysis of our freshwater.

More detail on work undertaken in Central Hawke's Bay and Napier and Hastings is reported on by area.



Hawke's Bay region

Hawke's Bay Civil Defence Emergency Management Group

The Hawke's Bay Civil Defence Emergency Management Group (HBCDEM) worked with the District Health Board, emergency services and councils to ensure Hawke's Bay has plans in place to respond at a regional level to a resurgence of COVID-19. The HBCDEM Group activated teams at its Group Emergency Coordination Centre during the resurgence and lockdown in August 2021. The Group also considers and prepares for other events that may occur.

Dairy compliance awards

In December 2020, the Hawke's Bay dairy farmers who consistently achieve full compliance with their resource consents were recognised at the Dairy Compliance Awards. Thirty-eight of 75 farms had been fully compliant for five years receiving Gold award status. Fourteen farms have been fully compliant since the scheme began in 2008-2009.

HBRC Environmental Awards

In December 2020, the Regional Council announced the winners of its annual Environmental Awards. The awards were presented in two categories:

- Environmental Action in the Community – Te Oho Mauri Taiao ki te Hapori – awarded to Maraetōtara Tree Trust, Hawea Park Hapū Partners and Helen Howard.
- Environmental Leadership in Business – Te Hautūtanga Taiao me te Pakihi – awarded to T&G Global.



Community Outcomes

Ngā Hua Ā-Hapori

Our community outcomes are a healthy environment, a vibrant community and a prosperous economy.



Community Outcomes Ngā Hua Ā-Hapori

Our community outcomes are for a healthy environment, a vibrant community and a prosperous economy.

Outcome measures

This report uses our 23 time-bound strategic goals from our Strategic Plan 2017-2021 as community outcome measures. These demonstrate a desire to shift from reporting activity or outputs, to managing for and reporting on outcomes – things that matter to the community.

Typically, we do not have full control over the achievement of these outcomes, but have a clear statutory role in achieving them, along with others. Where possible, the outcomes align with national targets or an existing Hawke's Bay strategy or plan.

The outcome measures are grouped by our four focus areas:

- 1. Water**
- 2. Land**
- 3. Biodiversity**
- 4. Infrastructure and Services**

These four areas are interconnected and mutually reinforcing meaning that success in one area cannot be at the expense of another. For example, the work we are doing on farms to keep soil on the land directly contributes to water quality.

More information including current results and what we are doing to achieve the time-bound targets are included in the full Annual Report.



Outcome Measures



Water quality, safety and certainty

Kia kounga, kia haumaru, kia pūmau te pai o te wai



Smart, sustainable land use

Kia koi, kia ukauka te whakamahinga o te whenua

Community Outcome Target

Status

By 2025, plans for catchments where life supporting capacity is compromised are in place and actively implemented.

On track

By 2025, tangata whenua values for all catchments are identified and embedded in the Regional Resource Management Plan.

On track

By 2030, all aquifers, lakes and rivers will have community-agreed quantity and quality limits in force.

On track

By 2030, cultural monitoring tools are in-use in all catchments.

On track

By 2030, all popular Hawke's Bay swimming sites will be swimmable 80% of the time, and 90% of the time by 2040. (Source: NPSFM2020 updated Aug 2017).

On track

By 2050, there will be an improving trend in the life-supporting capacity of all of the region's degraded rivers and major streams.

Off track

Community Outcome Target

Status

By 2025, stock is excluded from all year-round flowing streams and rivers and at least 30% are fenced and planted to filter contaminants.

On track

By 2025, Land Use Suitability information is available to all commercial land owners to inform smarter land use.

On track

By 2030, all commercial farms, orchards and vineyards operate under a Farm Environment Management Plan or an independently audited industry best practice framework.

On track

(for Tukituki)

By 2030, all farms in priority sub-catchments will have phosphorus management plans being implemented, with at least 50% of highly erodible land treated with soil conservation plantings.

On track

(for Tukituki)

By 2050, all highly erodible land will be under tree cover.

Off track

By 2030, there will be 20% less contaminants from urban and rural environments into receiving waterbodies.

Off track

By 2050, there will be 50% less contaminants from urban and rural environments into receiving waterbodies.

Off track

Outcome Measures



Healthy and functioning biodiversity

Kia ora, kia mahi tika
te kanorau koiora

Community Outcome Target

Status

By 2020, regional priority locations for ecosystem restoration – including in the coastal marine area – have been identified.

Achieved

By 2030, key (target) species and habitat (sites) are prioritised and under active restoration.
(HB Biodiversity Strategy 2015-2050 and Action Plan 2017-2020).

Off track

By 2050, a full range of indigenous habitats and ecosystems, and abundance and distributions of key species are maintained and increased in every catchment in Hawke’s Bay.
(HB Biodiversity Strategy 2015-2050 and Action Plan 2017-2020).

Off track

By 2050, Hawke’s Bay is predator free in line with NZ 2050 target.

On track



Sustainable services and infrastructure

Kia ukauka ngā ratonga
me ngā hanganga ā-rohe

Community Outcome Target

Status

By 2025, regional air quality consistently meets World Health Organisation guidelines.

On track

By 2025, coastal hazards are being managed to meet foreseeable climate change risks to coastal communities out to 2100.

On track

By 2025, the Napier Port is future-proofed with the addition of a new wharf with supporting land transport infrastructure.

On track

By 2030, flood risk is being managed to meet foreseeable climate change risks out to 2100.

On track

By 2030, Hawke’s Bay has environmentally sustainable, harvestable water identified and stored or plans to be stored if required.

On track

By 2040, Hawke’s Bay is carbon neutral.

Underway

Groups of Activities

Ngā Whakarōpūtanga Kaupapa

These pages give an overview of work that we undertake. We aggregate and report our financial and service performance information in seven groups of activity for ease of understanding.

The level of service measures and targets are set in our Long Term Plan 2018-2028. This is our third and final annual report to this Long Term Plan.

Find out more about each of the level of service measures in Part 4 of the full Annual Report [hbrc.govt.nz](https://www.hbrc.govt.nz), search: **#annualreports**

Governance & Partnerships

What we do

The two activities in the Governance and Partnerships group are Community Representation & Leadership, and Tāngata Whenua Partnerships & Community Engagement, including environmental education and Enviroschools.

Why we do it

This group primarily contributes to a vibrant community by giving tangata whenua and the people of Hawke's Bay opportunities to have a meaningful say on the direction of the region.

It also contributes to a prosperous economy through maintaining a strategic relationship with Hawke's Bay Regional Investment Company, which manages the Regional Council's assets on behalf of ratepayers.

Actual Operating Expenditure:



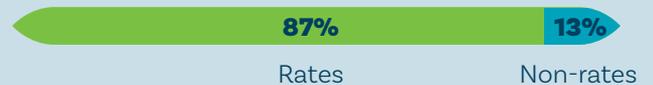
Actual Capital Expenditure:



Actual Expenditure:



Where that funding came from:



How did we do?

We measured six aspects of performance for this Group of Activities.



- Achieved
- Partially achieved
- Not achieved
- Not measured



Strategic Planning

What we do

We provide strategy, planning and we support sustainable regional development

Why we do it

This group is focused on maximising the economic and social benefits of the region's resources while minimising detrimental environmental impacts. This contributes to all three community outcomes of a prosperous economy, a vibrant community while managing the impacts to support a healthy environment.

We carry out this role because we can provide an integrated overview of the entire region and have a statutory mandate under the Resource Management Act 1991.

Actual Operating Expenditure:



Actual Capital Expenditure:



Actual Expenditure:

\$5.44m (2% over budget)

Where that funding came from:



How did we do?

We measured five aspects of performance for this Group of Activities.



- Achieved
- Not achieved
- Partially achieved
- Not measured



Integrated Catchment Management

What we do

We deliver science and information, catchment management, and biodiversity and biosecurity to contribute to a healthy environment.

Why we do it

A combination of statutory requirements and non-regulatory methods are required to achieve the land and water outcomes set in our Strategic Plan, the National Policy Statement for Freshwater Management 2020 and Regional Resource Management Plan.

This approach enables us to direct funding and resources in a strategic and prioritised manner based on the specific needs of each catchment, based on the best available science.

Actual Operating
Expenditure:



Actual Capital
Expenditure:



Actual Expenditure:

\$37.07m (1% under budget)

Where that funding came from:



How did we do?

We measured eighteen aspects of performance for this Group of Activities.



- Achieved
- Partially achieved
- Not achieved
- Not measured



Asset Management

What we do

We carry out flood protection and control, flood risk assessment and warning. This group also manages Regional Council open spaces and the Works Group, and coordinates the Coastal Hazards project.

Why we do it

This group contributes to a prosperous economy by reducing the likelihood of damage from flooding on people, property, productive land and businesses, which provides long-term benefits to our economy.

It also contributes to a vibrant community by providing public access to Regional Council managed waterway environments, the coast and open spaces for recreation and enjoyment. Where appropriate it enhances amenity values, protects sites of cultural significance, and identifies and values them for public education and interest.

Actual Operating Expenditure:



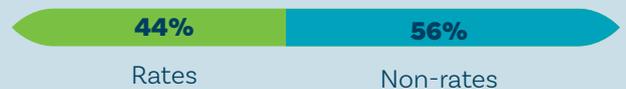
Actual Capital Expenditure:



Actual Expenditure:

\$16.35m (5% under budget)

Where that funding came from:



How did we do?

We measured eight aspects of performance for this Group of Activities.



- Achieved
- Partially achieved
- Not achieved
- Not measured



Consents & Compliance

What we do

We carry out the activities of consenting, compliance and pollution response, and maritime safety. These activities cover our regulatory functions for resource use management and safe navigation of the region's navigable waters.

Why we do it

This group seeks to balance the requirement to safeguard the environment for future generations while providing for the social, economic and cultural needs of the wider community.

This contributes to all three community outcomes of a healthy environment while supporting a prosperous economy and providing for a vibrant community.

Actual Operating Expenditure:



Actual Expenditure:

\$5.93m (2% over budget)

Where that funding came from:



How did we do?

We measured eight aspects of performance for this Group of Activities.



- Achieved
- Partially achieved
- Not achieved
- Not measured



Emergency Management

What we do

The Emergency Management group includes the activities of the Hawke's Bay Civil Defence Emergency Management Group and Emergency Management for Hawke's Bay Regional Council.

Why we do it

This group contributes to a vibrant community by helping build resilience to hazards and potential civil defence emergencies. It supports a prosperous economy by reducing the impact of emergency events on people, property, businesses and the economy.

Actual Operating Expenditure:



Actual Expenditure:

\$2.82m (6% over budget)

Where that funding came from:



How did we do?

We measured nine aspects of performance for this Group of Activities.



- Achieved
- Partially achieved
- Not achieved
- Not measured



Transport

What we do

The Transport group includes the activities of transport planning and road safety, passenger transport and regional cycling.

Why we do it

This group supports a vibrant community by providing access for the transport disadvantaged, providing opportunities for social interaction, accessing essential services and amenities, and integrating with walking and cycling opportunities.

It contributes to a prosperous economy by providing affordable transport solutions that facilitate economic development, reducing traffic congestion through fewer private vehicle movements, increasing resilience of transport infrastructure and advocacy to secure central government funding.

A healthy environment is enhanced by environmentally sustainable transport options.

Actual Operating Expenditure:



Actual Expenditure:

\$6.99m (26% over budget)



Where that funding came from:



How did we do?

We measured six aspects of performance for this Group of Activities.



- Achieved
- Partially achieved
- Not achieved
- Not measured





Financials

Pūrongo Pūtea

Summary Consolidated Financial Statements of Hawke's Bay Regional Council and its Subsidiaries (Group).

Summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements. Copies of both the full and summary financial statements can be obtained from the Regional Council main office at **159 Dalton Street, Napier** or **online at hbrc.govt.nz**

Financial Overview

The summary financial statements for the year ended 30 June 2021 were authorised for issue by the chief executive of the Regional Council on 25 May 2022.

The disclosures included in the summary financial statements have been extracted from the full financial statements of the Group and comply with PBE FRS-43, Summary Financial Statements. The full financial statements comply with Tier 1 PBE standards and were adopted by the Regional Council on 25 May 2022 and received an unmodified audit opinion.

Overall, the Regional Council returned an operating surplus of \$7.9 million compared to a forecast deficit of \$4.4 million.

The financial budgets in the Annual Plan 2020-2021 were developed, consulted on and adopted during the first wave of the COVID-19 pandemic. The Annual Plan continued the theme of the Long Term Plan 2018-2028 to scale up our activities to improve land and water use outcomes with an expectation of reduced revenue offset by increased debt to fund the increasing levels of expenditure. In anticipation of a negative economic impact from the pandemic, the Annual Plan included a 0% rates increase, reduced dividends from subsidiaries, reduced returns from investments and reduced income from fees and charges.

The extent of the negative impact on the economy, and the Regional Council revenues, was not as great as expected with the local economy and world markets performing significantly above expectations. This was boosted by the Regional Council also applying for and receiving additional central government recovery funding to support infrastructure and environmental projects. These projects were in the Long Term Plan but were brought forward to benefit from the co-funding provided by central government.

Continued on next page



FINANCIALS

PŪRONGO PŪTEA

Results

Operating surplus before tax of \$7.9 million for the year is significantly better than the budgeted loss of \$4.4 million. The main contributor to this was a \$9.1 million increase in fair value gains on investment property driven by the buoyant property market.

Operating revenue was \$76 million. This was \$21.4 million above budget and \$27 million below 2019-2020 as last year included the Napier Port initial public offer (IPO) proceeds. The revenue (with commentary on the variance to 2019-2020) comprised:

- rates revenue \$25 million
- direct user charges \$12.7 million (up \$0.3 million)
- subsidies and grants \$9.1 million (up \$4.3 million)
- dividend income \$6.5 million (down \$40.2 million)
- leasehold rental income \$2.3 million (down \$0.2 million)
- net investment income from managed funds and other deposits \$5.7 million (up \$5.3 million)
- forestry income \$0.7 million (no harvesting in prior year)
- subvention payment from HBRIC of \$1.1 million
- fair value gains \$12.8 million (up \$1.9 million).

Dividend income decreased by \$40.2 million as the prior year included the receipt of \$44 million from the IPO. Fair value gains reflected the net increase in the investment property (\$9.1 million) and forestry (\$3.7 million) portfolios.

Operating expenditure of \$68.1 million is comparable to the prior year's restated figures. External operating expenditure including staff costs increased by \$4.3 million reflecting growth in the organisation's capacity and delivery. Fair value losses included the movements in the liabilities to ACC totalling \$2.9 million in 2020-2021 and \$6.9 million in 2019-2020.

Compared to the 2020-2021 budget revenues were \$20.4 million higher due to higher fair value gains from forestry and investment property (\$9.7 million), higher revenue from fees and charges (\$2.3 million) driven by a stronger than expected economy, additional government subsidies and grants of \$5.2 million, and higher dividend revenues

(\$3.4 million). Expenditure was \$9 million higher than budget due to the reclassification the Erosion Control Scheme (\$3.1 million) from capital to operational expenditure, the fair value movement in the ACC leasehold liability movement of \$2.9 million and additional costs to deliver services.

The other comprehensive revenue and expense position was a \$2.4 million deficit compared to a forecast \$41.1 million surplus and down from a \$130.3 million surplus from prior year. The prior year included the \$116.9 million increase in the valuation of the Hawke's Bay Regional Investment Company Ltd (HBRIC) following the Napier Port IPO and a \$11.1 million increase from the scheduled triennial revaluation in infrastructure assets. The budget included provision for a further increase in the value of Napier Port shares, however the share value dropped by year end resulting in a \$11.5 million decrease in the value of HBRIC compared to the prior year. These fair value losses were offset by the \$7.7 million unrealised gain in the managed funds and a \$1.4 million increase in the carbon credits valuation.

Assets increased by \$20.9 million to \$917.3 million, \$99.4 million above budget. The primary reason for the variance is budgets for 2020-2021 are set before year end and did not include significant changes following the revaluation of HBRIC or transfer of managed funds on 30 June 2020. Non-current financial assets decreased by \$3.6 million. This included the \$11.5 million reduction in the fair value of HBRIC offset by the \$7.9 million increases in other financial assets, primarily due to net gains in the managed funds of \$3.3 million, and a net increase of \$4 million in community loans derived from rate payers utilising the Clean Heat and Sustainable Homes programmes. Current assets increased by \$3.5 million including an extra \$1.6 million in cash.

FINANCIALS

PŪRONGO PŪTEA

Liabilities increased \$15.4 million from an additional \$12.7 million in net debt plus net increases to the liabilities of \$1.2 million from the ACC liabilities and a \$1.5 million increase in trade payables. The debt increase is consistent with the Regional Council's preferred funding for inter-generational projects.

Under the contract the Regional Council signed with ACC in 2013, 50 years of future rents was exchanged for a lump sum payment. The Regional Council has recognised a provision for the payment of the future rental income in the financial statements since the year ending 30 June 2014.

The contract terms have been reviewed and the Regional Council has determined that changes were required to correctly recognise the liabilities therein. The existing provision has been reclassified as a financial liability. Additional terms require that two-thirds of any rent received above the rental income specified in the contract is paid to ACC and when any section is sold to a lessee (freehold) two-thirds of any gain above the forecast rental income for the section is paid to ACC.

The Regional Council has now assessed the liability based on the valuation of the Napier property portfolio and the contractual rental income forecast. It has been determined that a total liability of \$21.7 million is required to correctly state the liability to ACC from the probable sale of the remaining leasehold properties as at 30 June 2021.

The Regional Council has determined that this adjustment should be recognised in prior periods to meet accounting standards and has restated the 2019-2020 figures accordingly resulting in a \$6.3 million reduction in the 2019-2020 surplus and a \$2.9 million expense in the current year.

Please see Note 32 of the full financial statements for details of the prior period adjustment.

Events after the end of the reporting period

- on 1 July 2021, Foodeast GP Limited was incorporated with HBRIC holding 66.72% of shares
- on 2 July 2021, Foodeast Limited Partnership was registered with general partner being Foodeast GP Limited
- on 12 July 2021, HBRC raised \$6 million of debt funding with LGFA due in April 2027
- on 16 August 2021, HBRC raised \$5 million of debt funding with LGFA, \$1 million due in April 2024 and the remaining \$4 million due in April 2029
- on 24 September 2021, an engineering report on a building owned by the Regional Council deemed the building to be earthquake prone. The building was valued at \$275,000 on 31 May 2019. The Regional Council is assessing the costs of remedial work.
- on 8 February 2022, the Regional Council raised \$4 million of debt funding with LGFA due in May 2028.
- on 14 April 2022, the Regional Council raised \$4 million of debt funding with LGFA due in April 2026.
- on 14 April 2022, Kiwirail repaid the Advance to Napier/Gisborne Rail.

Summary Consolidated Financial Statements Hawke's Bay Regional Council and its Subsidiaries (Group) For the year ended 30 June 2021

	Regional Council			Group *	
	Actual 20/21	Budget 20/21	Actual 19/20 Restated	Actual 20/21	Actual 19/20 Restated
SUMMARY STATEMENT OF FINANCIAL POSITION					
Non-current assets	893,474	778,933	876,053	923,830	805,826
Current assets	23,826	38,983	20,358	53,354	54,165
Total assets	917,300	817,915	896,411	977,184	859,992
Non-current liabilities	74,599	45,026	61,334	133,547	60,750
Current liabilities	20,730	17,747	18,588	46,342	37,772
Total liabilities	95,279	62,772	79,922	179,889	98,522
Equity	822,021	755,143	816,489	797,295	761,470
SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE					
Operating revenue	63,253	51,553	92,074	164,186	146,045
Fair value gains (net)	9,878	3,118	4,015	12,078	4,245
Operating expenditure	(59,055)	(52,873)	(54,753)	(124,335)	(119,011)
Finance costs	(2,338)	(2,529)	(3,121)	(1,419)	(4,654)
Depreciation & amortisation expense	(3,463)	(3,639)	(3,333)	(16,358)	(16,119)
Other expenditure	(358)	-	(409)	(358)	(409)
Impairment and loss on sale of investments	-	-	-	365	(163)
Taxation expense	-	-	-	(7,051)	(5,930)
Surplus before other comprehensive revenue and expense	7,917	(4,370)	34,473	27,107	4,004
Gain/(loss) in other financial assets	(3,814)	3,178	118,091	13,491	1,762
Gain/(loss) on revalued intangible asset	1,429	37,892	1,164	1,429	1,164
Gain/(loss) on revalued property, plant and equipment assets	-	-	11,039	1,047	5,895
Other comprehensive revenue and expense	(2,385)	41,070	130,294	15,967	8,821
Surplus after other comprehensive revenue and expense	5,532	36,701	164,767	43,074	12,825
Comprehensive income attributable to the:					
Equity holders of the parent	5,532	36,701	164,767	33,125	9,062
Non-controlling interests	-	-	-	9,949	3,763
	5,532	36,701	164,767	43,074	12,825
SUMMARY STATEMENT OF CHANGES IN EQUITY					
Total comprehensive income for period	5,532	36,701	164,767	43,074	12,825
Dividends received / (paid)	-	-	-	(12,211)	(48,696)
Share capital issued	-	-	-	-	234,000
Other changes in equity	-	-	(1,151)	(236)	(7,420)
Effect on consolidation	-	-	-	5,198	45,532
Total changes in equity	5,532	36,701	163,616	35,825	236,241
Equity at the start of the year	816,489	718,442	652,873	761,470	525,229
Equity at the end of the year	822,021	755,143	816,489	797,295	761,470
Equity at the end of the year comprises of:					
Accumulated Funds	284,260	277,336	296,260	449,611	449,784
Fair value reserves	403,885	300,941	406,270	213,320	197,727
Other reserves	133,876	176,866	113,959	134,364	113,959
Equity at the end of the year	822,021	755,143	816,489	797,295	761,470
Equity attributable to:					
Equity holders of the parent	822,021	755,143	816,489	640,111	606,761
Non-controlling interests	-	-	-	157,184	154,709
	822,021	755,143	816,489	797,295	761,470
SUMMARY STATEMENT OF CASH FLOWS					
Net cash inflows from operating activities	3,631	(4,198)	33,565	31,366	17,837
Net cash outflows (used in) / from investing activities	(12,929)	(12,915)	(50,860)	(101,417)	(149,048)
Net cash inflows from / (used in) financing activities	10,877	12,867	(4,619)	62,980	124,218
Total net cash flow	1,579	(4,246)	(21,914)	(7,071)	(6,993)
Opening cash & cash equivalents	6,522	12,524	28,436	25,234	32,227
Closing cash & cash equivalents	8,101	8,279	6,522	18,163	25,234

37 The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars: (\$000)

* Group figures include consolidated results for HBRC and HBRIC Ltd. HBRIC Ltd holds the investment in Napier Port Holdings Ltd.

Independent Auditor's Report

To the readers of Hawke's Bay Regional Council's summary of the annual report for the year ended 30 June 2021

The summary of the annual report was derived from the annual report of the Hawke's Bay Regional Council (the Regional Council) and group (the Group) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 26 to 32, and 35 to 37:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary groups of activities.

Opinion

In our opinion

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2021 in our auditor's report dated 25 May 2022.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on disclosure requirements, we have audited the Regional Council's 2021-2031 Long-term plan, carried out a limited assurance engagement related to the Regional Council's debenture trust deed and an agreed upon procedures engagement relating to a contract between the Regional Council and the Accident Compensation Corporation. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with or interests in the Regional Council or its subsidiaries and controlled entities.

Karen Young



Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
25 May 2022

Te whakapakari
tahi i tō tātau
taiao.



Enhancing our
environment
together.