



**Te Whakarāpopototanga
o te Pūrongo ā-Tau**

Annual Report Summary

2024-2025



hbrc.govt.nz



HAWKES BAY
REGIONAL COUNCIL

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI





River level monitoring at the Waipawa River

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The full Annual Report 2024-2025 is available online at **hbrc.govt.nz**, search: **#AnnualReports**

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Kupu whakataki

Introduction

From the Chair and Chief Executive

Nau mai, haere mai

Welcome to the Hawke's Bay Regional Council's Annual Report Summary 2024-2025.

Responding to our priorities

Building flood resilience was a key focus for the Regional Council over the past year. Staff have been working with communities across the region, from Wairoa to Pōrangahau, on a comprehensive \$256 million Flood Resilience Programme.

We are on track to complete this substantial work programme in the next two years. The programme includes flood mitigation interventions in six locations (Wairoa, Whirinaki, Waiohiki, Omāhu, Pākōwhai, and Pōrangahau), upgrading of pumpstations, telemetry network upgrades, reviews of all our flood control and drainage schemes, and upgrades to our levels of service. Crown approval of Project Delivery Plans in the past year was a major milestone, enabling projects to progress to design, consenting, procurement, and construction. This mahi is expanded in full on pages 16 to 19 of this report.

While flood risk cannot be eliminated, the work will strengthen protection, buy critical time during severe events, and reduce risks to people, homes, and livelihoods.

Progress continued to be made on implementing the 52 recommendations from independent flood reviews following Cyclone Gabrielle and the Wairoa flood event. Five priority projects secured funding through the Annual Plan 2025-26. These included the Extreme Weather Hub, engagement on Reimagining Flood Resilience for our two major schemes (Heretaunga Plains and Upper Tukituki), Flood Forecasting System, Trigger levels and the Hazards Portal.

Responding to a changing climate underpins our priorities. The release of the first Hawke's Bay Climate Change Risk Assessment in May 2025 shared evidence about the range of climate risks we are exposed to regionally. This will inform future climate adaptation work.

Highlighting our commitment to providing options for water security, the Regional Council adopted an action plan supporting, alongside central government, feasibility of a medium-scale Heretaunga Plains water storage facility storage at Whanawhana, and progression of the Central Hawke's Bay Managed Aquifer Recharge project.

We released the Hawke's Bay State of the Environment 2021-2024 report, which is a three-yearly check on the health of the region's environment. It was based on data collected before and after Cyclone Gabrielle and highlights several major environmental challenges to focus on in the years ahead.



Other highlights of the year

Over the past year, we have made strong progress across a wide range of environmental, recovery, and community initiatives. These can be read in full in Part 3 of the full Annual Report online at hbrc.govt.nz, search: **#AnnualReports**

Work aimed at reducing the impact of flooding during a weather event was undertaken at the Wairoa River Bar, with a section of the beach crest lowered. Water will be able to exit the river more effectively during high flows.

We launched new digital tools, including an engagement hub for community input and an Extreme Weather Hub/Te Pae Huarere Taikaha to support preparedness for floods and droughts. A Cyclone Gabrielle flood map was also published online.

In biodiversity, we exceeded targets, protecting and maintaining more priority ecosystem sites than planned. We funded 21 projects in partnership with catchment and community groups, expanded our nursery, and delivered 187 kilometres of new waterway fencing. We also supported 17 community-led biodiversity projects through a new contestable fund. Our Environmental Education team continued to foster the next generation of kaitiaki, with youth leadership programmes, school challenges, and a new water education resource.



Cyclists on the Hawke's Bay Trails Puketapu Loop

We continued to protect and manage the region's precious taonga of natural resources, with 19 water bodies confirmed as 'outstanding' by the Environment Court. We pioneered LiDAR research to better manage erosion-prone land and scientific evidence showed the role of trees in reducing erosion risk.

Cyclone recovery was a major feature in our trails and regional parks, including a new footbridge between Taradale and Puketapu, and key repairs to sections of the Hawke's Bay Trails Great Ride. At Waitangi Regional Park, new facilities and a pou were unveiled.

With the Māori Partnership team's support, the Council signed an MOU with Tamatea Pōkai Whenua and adopted a values-based framework guiding estuary and catchment management with Mana Ahuriri Trust.

In transport, we adopted new Regional Land Transport and Public Transport plans, securing funding for major projects such as the Waikare Gorge realignment and future expressway upgrades. Our RoadSafe team ran 86+ community events and reached thousands of people.

Across all these initiatives, collaboration with mana whenua, partners, and community groups has been central. Despite the challenges of recovery, Hawke's Bay is making meaningful progress in strengthening flood resilience, protecting biodiversity, enhancing public spaces, and planning for a sustainable future.

Our Annual Report demonstrates strong progress across our work programme this year, achieving 42 of 55 performance measures (76%) set in the Three-Year Plan. See page 26 for more details.

Financial performance

The Regional Council reported a \$34.5 million surplus for 2024-25, which was lower than the planned \$55.7 million surplus. This was mainly due to timing of government grants for the North Island Weather Event (NIWE) Flood Resilience Programme. Much of this funding and spend will occur over the next two years.

Our operating expenditure was \$137.9 million, higher than our budget of \$93.6 million due to an extension of the sediment and debris work, fully offset by unbudgeted revenue. Capital expenditure was \$24.4 million, below the \$82.1 million budget, reflecting revised NIWE project timings.

The Regional Council received a planned dividend of \$15.05 million from our investment company – Hawke's Bay Regional Investment Company Ltd – easing the financial burden on rates. Managed funds returned 8.4% for the year after being transitioned to a new provider.

Hawke's Bay Regional Council maintained its AA (very high credit quality) credit rating from Fitch Rating. This reduces our interest rate charge by the Local Government Funding Agency which reduces our borrowing costs.

See page 32 for more details on financial information.

The year ahead

Reducing flood risk by strengthening our flood protection infrastructure remains one of our key priority areas for 2025-26. Our other priority focus areas are to advance solutions for regional water security and support sustainable land use that safeguards our environment and community.

Following an efficiencies and effectiveness review during the year, we'll also be working to reshape the Regional Council to allow it to move confidently into the future and to deliver services within its means with and for communities across the region. The review was initiated by Councillors during the adoption of the Three-Year Plan 2024-2027 in response to unprecedented demands facing the region – from Covid-19 and Cyclone Gabrielle to the growing pressures on local government across the country.

We remain committed to strengthening our relationships with our partners – both at local, regional, and national level – ensuring a practical and adaptive response to our changing operating environment. We also extend our sincere thanks to councillors and staff for their ongoing dedication and service to the region.



Hinewai Ormsby
Te Toihau
Chair

A handwritten signature in black ink that reads "H Ormsby".



Dr Nic Peet
Tumu Whakarae
Chief Executive

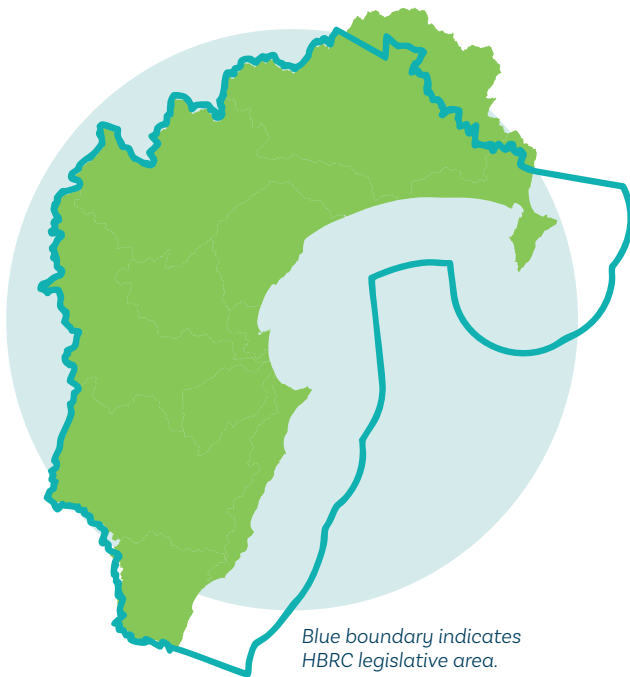
A handwritten signature in black ink that reads "N Peet".

Walker Road stopbank and erosion work in Waipawa

Mō te Kaunihera ā-rohe o te Matau-a-Māui

About Hawke's Bay Regional Council

As a regional council we are primarily responsible for the integrated management of the natural and physical resources for Hawke's Bay. This includes land, water, air, soil, biodiversity, and built structures such as stopbanks. We also provide regional transport planning and public transport.



Governance and Partnerships

We support our elected members and tāngata whenua representatives in their governance roles and promote community sustainability through climate action, environmental education, and corporate sustainability. We also support regional development.

Policy and Regulation

We carry out policy planning and implementation, compliance monitoring, pollution response, and issue consents. We are also responsible for maritime safety.

Integrated Catchment Management

We provide science and environmental information, catchment management, and biodiversity and biosecurity work.

We plan, budget, and report on our work in groups of activities. We have six groups of activities (below).

Hawke's Bay is home to around 184,800 people and covers an area of 1.42 million hectares of land. The coastline is 353 kilometres which stretches from Māhia in the north to Pōrangahau in the south.

Asset Management

We carry out flood protection and control works, and flood assessment and warning. We also manage the Regional Water Security Programme and coastal hazards work.

We own and manage various regional parks and maintain cycleways that are on our stopbanks. Some of these form part of the Hawke's Bay Trails.

Emergency Management

We are the administering authority for the Hawke's Bay Civil Defence Emergency Management Group (HBCDEM) on behalf of the region's councils. We also maintain emergency response capability to support the CDEM Group. Additionally, we operate a 24-hour CDEM and HBRC duty management service to respond to urgent public enquiries and complaints.

Transport

We undertake regional transport planning and coordinate road safety education across Hawke's Bay. We also contract public bus and Total Mobility taxi services.





GoBay commuters in Ahuriri

What's an Annual Report?

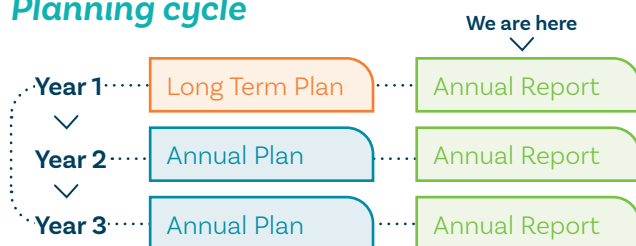
An annual report is a formal accountability document that councils are legally required to produce each year under the Local Government Act 2002. It shows how the council has delivered on the priorities, projects, and services promised in its long-term and annual plans.

The purpose is to provide transparency and accountability to the community, central government, and other stakeholders. It lets residents and ratepayers see how their rates, and other income, have been used, and whether the council is making progress toward its long-term goals.

Our planning and reporting cycle

Our current long-term plan covers three years rather than the usual 10-years reflecting the high level of uncertainty following Cyclone Gabrielle. This shorter time horizon was enabled by temporary legislation following Cyclone Gabrielle in 2023 for the worst-affected councils.

Planning cycle



Our Three-Year Plan 2024-2027 is available online at hbrc.govt.nz, search: **#3yearplan**

Ā mātau whakatutukinga i tēnei tau

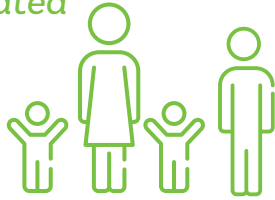
What we've delivered this year

Supporting good governance

164 official information requests received and responded to - up 8%

Engaging schools and ECEs

15,913 tamariki and rangatahi participated in environmental education programmes



Providing public transport

535,653 trips on public transport - up 12%

153,599 subsidised trips by Total Mobility Scheme users - up 12%



Investing for rates relief

\$15M cash contribution from investments to lower burden on rates

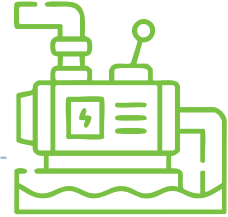


Helping keep our communities safe

248km of stopbanks and 544km of drainage channels maintained



23 pumpstations kept operational



Building new flood infrastructure

6 new flood protection construction projects underway under the NIWE Flood Resilience Programme

Enjoying Hawke's Bay Trails

821,015 cyclists/pedestrians used our key Ngā Haerenga Great Rides - up 11%



Preparing for emergencies

141 additional staff completed basic emergency management training, and **96** undertook additional training



Managing our natural resources

589 resource consents processed - up 4%



Acting on environmental concerns

668 responses to pollution and other complaints - down 33%

Protecting land and waterways from erosion

21,850 poles (willow and poplar) provided to farms for erosion control

1,010 hectares of erodible land planted, retired, or protected through our **Erosion Control Scheme** - up 4%



Working with our rural communities

54 catchment groups, collectives, and community hubs supported

Targeting predators and pest plants

188,587 hectares monitored for possums within the **Possum Control Area** - down 20%

2,560 property inspections for pest plants - up 28%

173 vessels inspected for **marine pests**



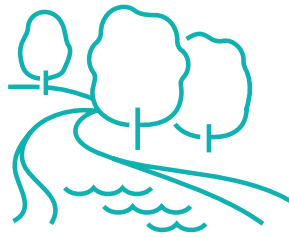
Providing strong regulation

23 formal warnings

35 infringement notices

17 abatement notices

Keeping an eye on river health



111 river sites monitored for water quality and ecosystem health

Monitoring our natural resources

2,920 water and land samples collected for analysis - down 39%

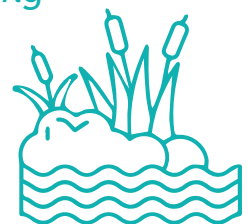
2,612 site visits to collect environmental data - up 4%



Restoring and protecting biodiversity

29.9km of new fencing to protect **fragile ecosystem sites**

493 hectares of new **priority ecosystem sites** protected



Ngā whakaarotau mō tēnei tau

Priorities this year

This section summarises the progress made on priorities for 2024-25 that include responding to climate change, the flood resilience programme following Cyclone Gabrielle, and Māori participation in decision-making.





Walker Road stopbank and erosion work in Waipawa

Te urupare ki te huringa āhuarangi Responding to Climate Change

Responding to a changing climate underpins our priorities and our adaptation and mitigation work spans most of our activities.

Collaboration for regional climate resilience

We led regional climate action as the administering authority of the Climate Action Joint Committee, working with the four other councils and Post Settlement Governance Entity (PSGE) representatives in Hawke's Bay.

Highlights from the past year include:

In May 2025 the region's first **Climate Change Risk Assessment** was released, providing a shared evidence base of climate risks at regional and district levels. It offers a snapshot to guide local risk assessments, community conversations, and future adaptation priorities.

We continued collecting data for the regional **Greenhouse Gas Inventory** and producing **Community Carbon Footprints**. We also joined the Local Emissions Data Platform Initiative, a national approach to standardising emissions reporting, reducing costs, and improving decisions to meet emissions reduction targets.

What else have we been doing to help the region build climate resilience?

Climate change is at the heart of everything we do at the Regional Council. Over the past year we have:

- adopted a resilience-focused Regional Land Transport Plan for the next 10 years
- advanced a major flood infrastructure programme
- responded to 46 of 52 post-cyclone recommendations
- began engagement with highly impacted coastal communities (Te Awanga, Haumoana, Westshore, and Bay View) identified in the Clifton to Tangoio Coastal Hazards Strategy
- continued sustainable land management with rural communities and central government
- worked with partners on water use regulation and conservation, and explored storage options in Central Hawke's Bay and the Heretaunga Plains
- supported future kaitiaki through the HB Schools Climate Change Challenge.

Spriggs Park, Ahuriri



Measuring our carbon footprint

Measuring our carbon footprint helps us understand the impact of our activities and the effectiveness of our emission reduction initiatives. Since 2019-20 we've tracked emissions, though early data was affected by Covid-19 and more recently by Cyclone Gabrielle disruptions.

This year we expanded our reporting to include data from major suppliers, energy use at other Regional Council sites, and waste from regional parks. Earlier reporting only covered office operations.

Overall emissions stayed steady due to recovery activity, but targeted actions made a difference – including a 100,000-litre fuel reduction after a fleet reduction and optimisation review.

Hawke's Bay Regional Council carbon footprint 2024-25

Scope 1 - 24.2%

Direct

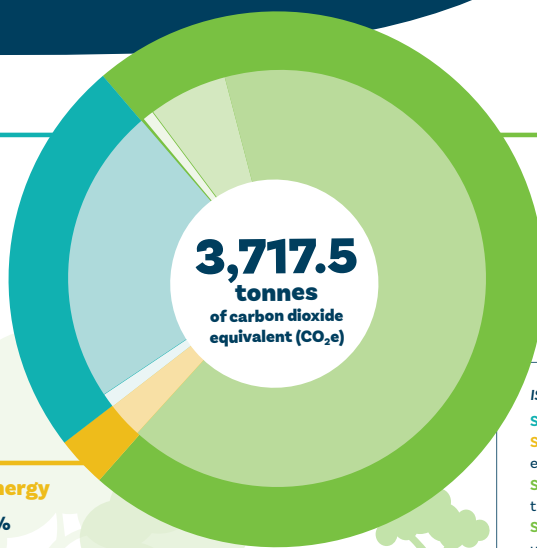
- Mobile combustion (petrol & diesel) 23.3%
- Stationary combustion 0.9%

Scope 2 - 3.0%

Indirect from imported energy

- Purchased electricity 3.0%

Source: Prepared for HBRC by EKOS in accordance with the International Standards Organisation's process for calculating and reporting GHG emissions: ISO14064-1 (2018) and World Resource Institute's "Greenhouse gas protocol".



Scope 3 - 72.8%

Indirect other

- Purchased goods & services 65.9%
- Fuel & energy related emissions 6.0%
- Business travel 0.8%
- Business waste 0.2%

ISO 14064-1 (2018) categorises emissions as follows:

Scope 1 - (Cat 1) Direct GHG emissions and removals.

Scope 2 - (Cat 2) Indirect GHG emissions from imported energy, heat or steam generated elsewhere.

Scope 3 - (Cat 3) Indirect GHG emissions from transportation.

Scope 3 - (Cat 4) Indirect GHG emissions from products used by organisation.

Scope 3 - (Cat 5) Indirect GHG emissions associated with the use of products from the organisation.

Scope 3 - (Cat 6) Indirect GHG emissions from other sources.

Te ārai waipuke i Te Matau-a-Māui

Flood resilience in Hawke's Bay

As part of our recovery journey following Cyclone Gabrielle, the Regional Council is working on a comprehensive, multi-year, \$256 million programme to strengthen our flood defences across the region.

The Crown has earmarked \$209 million as part of a regional recovery cost-share agreement and the Regional Council has committed \$47 million, to be paid by ratepayers. The work is known as our NIWE (North Island Weather Event) Flood Resilience Programme and we're working with communities across the region from Wairoa to Pōrangahau to build new and improve current flood mitigation infrastructure.

Once the work is completed, 915 properties are expected to be recategorised to Category 1, giving property and landowners greater certainty in rebuilding, and ensuring communities can remain where they are.

We are also upgrading pumpstations, upgrading and installing more resilient telemetry, undertaking further work on repaired stopbanks, and undertaking reviews of the flood, drainage and maintenance schemes to assess their effectiveness.

Together, the planned works will lift the overall standard of flood protection for these communities.

The risk of flooding can't be eliminated altogether – no system can do that – but these extra defences will buy critical time in a severe event, helping people get out safely and reducing the risk to homes, livelihoods and lives.

We need to complete the work at pace to secure Crown co-funding and complete the work within budget.

A significant achievement in the past year has been getting Crown approval of the Project Delivery Plans (PDPs) for all the NIWE projects. The plans are the result of a lot of collaboration with impacted communities and are the first step in securing Crown funding allocated as part of the region's recovery package. This means the projects can move into full-design construction procurement, with consenting as a key step in this process.

New flood resilience schemes

Wairoa



● Government funding

Spent to date:
\$3.0 million

Phase:
Initiation

- The Crown appointed a manager in August 2024 to help the Regional Council and Wairoa District Council achieve improved flood protection for the community as quickly as possible.
- Option 1C+ was selected as the preferred flood mitigation option following months of public consultation and engagement, particularly with mana whenua, marae representatives, affected whānau and property owners, and people whose homes and properties were impacted by Cyclone Gabrielle. It was one of many options explored.
- The Crown has confirmed \$70 million of funding ring-fenced for Wairoa.
- The concept design is complete, and development of an operational plan for the spillway is underway. The scheme will provide major infrastructure including strategic stopbanks and a large spillway to divert Wairoa River floodwaters.

Whirinaki



- Government funding
- Co-funding

Spent to date:
\$3.0 million

Phase:
Planning

- This project has been progressing well despite delays in design due to changes to the initial proposed stopbank alignment.
- The initial stopbank alignment followed Whirinaki Drain and would have required a new culvert to be built under the State Highway, as well as significant road raising, to tie the road into the stopbanks. This would have cost far more than budgeted for.
- The refined design reduced the cost to approximately \$23 million, still more than the original budget. Additional funding from both central government (\$9 million) and Regional Council (\$3 million) was confirmed in April 2025.
- The scheme will provide new and upgraded flood defences, including a residential stopbank, an industrial stopbank, and a road raise of SH2. It aims to reduce flood risk to homes, key infrastructure, and the Pan Pac pulp mill – one of Hawke’s Bay’s largest employers.

Waiohiki



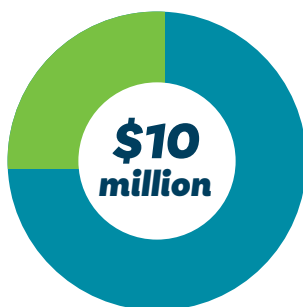
- Government funding
- Co-funding

Spent to date:
\$2.2 million

Phase:
Planning

- This project has made strong progress. Funding has been approved, resource consent and land access has been secured, and enabling works have been completed.
- Construction of the one-kilometre stopbank from Redclyffe Bridge to the Napier Golf Course is expected to start in August 2025.
- In April 2025, 45 properties previously classified as Category 2C were moved to Category 1, the lowest risk category.

Omāhu (Ohiti Road)



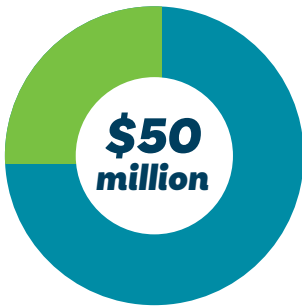
- Government funding
- Co-funding

Spent to date:
\$1.3 million

Phase:
Planning

- After considering a community option, a preferred solution has been identified and enabling works were completed at Okawa Stream. More than 7,000 cubic metres of silt was cleared from under the Taihape Road Bridge and two rock walls were built to help protect the bridge and stream banks.
- A 960-metre stopbank beside Taihape Road will be built, lifting parts of Taihape and Ōhiti roads, and adding a second stopbank near the subdivision – along with stream works, drainage upgrades, and erosion protection.

Pākōwhai



- Government funding
- Co-funding

Spent to date:
\$1.9 million

Phase:
Initiation

- This project upgrades and adds new stopbanks along 8.5-kilometres of the Tūtaekurī-Waimate Stream.
- Stopbank alignment is complex, with its location near waterways, orchards, and critical infrastructure being key considerations.
- The Links Road culvert is no longer part of this project as it is not essential to the stopbank. It also falls under the care of NZTA, who owns and manages the structure.

Pōrangahau



- Government funding
- Co-funding

Spent to date:
\$0.7 million

Phase:
Planning

- The preliminary design has been completed and will continue to be refined to avoid a potential budget overrun. It is a challenging construction site.
- A new 1.7-kilometre flood protection network is planned using a mix of defences to suit the land and accessibility, including new stopbanks, floodwalls, and a low protective ridge to help safeguard Kaiwhitikitiki Urupā.

Other repairs, upgrades and reviews

Pumpstation repairs and upgrades



- Government funding
- Co-funding

Spent to date:
\$1.0 million

Phase:
Planning

- The project is on track, with design/build procurement well advanced.
- The Mission (Awatoto) and Pākōwhai pumpstations are being replaced to improve capacity, reliability, and long-term resilience. The new pumpstations will have better telemetry systems, making it easier to monitor and manage performance remotely, and will also reduce fish mortality by improving how water is returned to the river.
- Built in the 1950s, they are reaching the end of their useful life and were severely damaged during Cyclone Gabrielle.
- Brookfields pumpstation replacement will be put forward for funding consideration through the next long-term plan.

Telemetry network repairs and upgrades



- Government funding
- Co-funding

Spent to date:
\$1.2 million

Phase:
Execution

- Good progress has been made towards developing a more resilient regionwide system of sensors that gather real-time data on things such as rainfall, river flows and levels, and plans to upgrade 40+ sites.
- This includes ensuring sites have two sensors and two ways to transmit data, reinforcing back-up systems so monitoring continues, even during power or communication failures; we are also upgrading equipment and choosing our monitoring spots more strategically – for more resilient data storage, deeper insights, and broader coverage.
- Together, these improvements will provide more accurate and timely flood forecasts and faster warnings – and strengthen the overall resilience of the network.

Scheme reviews



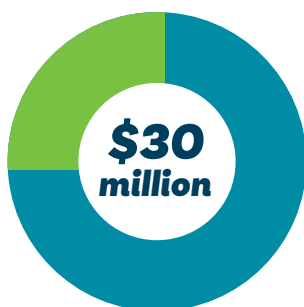
- Government funding
- Co-funding

Spent to date:
\$1.8 million

Phase:
Execution

- Good progress has been made, the reviews are on track, and key milestones were met without major delays.
- Prior to Cyclone Gabrielle, we had started reviews of our schemes and have been able to accelerate this work through the NIWE funding.
- Reviews of the flood control and drainage schemes we administer will assess whether the schemes provide the optimal level of flood protection for Hawke's Bay's communities and enable us to plan for prioritisation of scheme upgrades.

Level of service upgrades



- Government funding
- Co-funding

Spent to date:
\$0.6 million

Phase:
Initiation

- Project planning is well underway and progressing through the design phase. The project involves undertaking additional upgrades where necessary to already repaired stopbanks to meet flood mitigation levels of service that changed following a post-cyclone review.
- Three sites are prioritised – Waipawa township, Brookfield lower, and Omāhu lower.

Te whakaurunga o ngāi Māori ki te tuku whakaaro

Māori participation in decision-making

Hawke's Bay Regional Council is committed to enabling effective Māori participation in decision-making recognising the importance of Māori perspectives in shaping sustainable outcomes for the region's land, water, and communities.

HBRC staff
Civil Defence
training day



IPMO project
managemnt team at
Ōhiti Road, Ōmāhu



Giving effect to co-governance

Māori Constituencies - the Māori constituencies of Māui ki te Raki and Māui ki te Tonga provide proportional representation for electors on the Māori roll and ensure Māori are represented at the Council decision-making table.

Regional Planning Committee (RPC) - the RPC operates on a co-governance basis with equal numbers of Post Settlement Governance Entity representatives and councillors. It provides a formal platform for Treaty partnership, ensuring te ao Māori (Māori worldview) perspectives inform regional planning and resource management.

Māori Committee - the Māori Committee provides advice to Hawke's Bay Regional Council on matters of importance to Ngāti Kahungunu tāngata whenua.



Waiohiki dawn karakia

Giving effect to co-management

External partnerships and collaboration

During 2024-25, key achievements included:

- Signing a Memorandum of Understanding with Tamatea Pōkai Whenua agreeing a shared work programme.
- Adoption of Te Muriwai o Te Whanga Plan in partnership with Mana Ahuriri Trust and stakeholders, providing a values-based framework to guide estuary and catchment management.
- Establishment of the Wairoa Tripartite Operational Forum with Wairoa District Council and Tātau Tātau o Te Wairoa, coordinating approaches to flood resilience and catchment planning.
- Completion of Freshwater Vision and Value Statements with tāngata whenua, now guiding the regional planning process.
- Continued collaboration with hapū and marae across Crown-funded flood resilience projects at Pōrangahau, Ōmāhu, Waiohiki, Whirinaki, and Havelock North.
- Annual partnership reviews confirming the strength of relationships with Ngāti Pāhauwera, Tamatea Pōkai Whenua, and Mana Ahuriri.
- Ongoing participation in Te Kupenga, the Māori Partnerships forum of the five Hawke's Bay councils.
- Support provided to marae rebuild projects following Cyclone Gabrielle.

Internal capability and system development

Regional Council also invested in strengthening its own capacity for partnership. This included:

- Delivery of cultural monitor wānanga (learning process) in partnership with Heritage NZ, Police, and local archaeologists.
- Marae-based wānanga (learning process) for staff to build cultural capability and confidence in engagement.
- Enhancements to the online Pātaka mapping tool and iwi/hapū management plan protocols, improving access to mana whenua planning documents.
- Active Māori representation across governance, operational, and technical project tiers.
- Regional Council participation in the Office of the Auditor-General's review of Treaty settlement implementation.
- Sustained kanohi kitea (physical presence) across marae and community forums.

Ngā whakarōpūtanga kaupapa

Groups of activities

These pages summarise the work we do. We aggregate and report our financial and service performance information within 23 activities and six groups of activities for ease of understanding. The levels of service performance results are compared with targets set for year one of the Three-Year Term Plan 2024-2027.



*Soil quality monitoring by HBRC staff
on local orchard in Hastings*

Ngā hua ā-hapori

Community outcomes

Our three community outcomes are used in the group of activities statements to show when activities primarily contribute to a specific community outcome.



Healthy Environment

Our communities benefit from healthy and functioning ecosystems, in which our air, land, freshwater, marine and coast, and biodiversity are protected and enhanced.



Resilient Community

Our communities are prepared for natural hazards, supported by planning and infrastructure, partnerships and knowledge-sharing on the increasing effects of climate change.



Prosperous Community

Our communities thrive from high-performing regional infrastructure that enables the region's natural and human resources to deliver goods and services that underpin prosperity and wellbeing.



Find out more about each of the level of service measures in Part 4 of the full Annual Report online hbrc.govt.nz, search: **#AnnualReports**

Ngā paerewa mō ā mātau whakatutukinga

Our levels of service performance

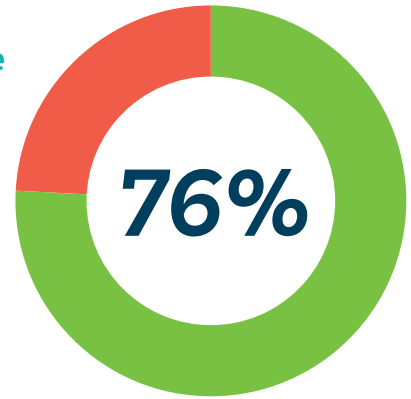
Over the year, Hawke's Bay Regional Council tracked progress of 55 level of service measures. These measures were set in the Three-Year Plan 2024-2027.

At year end 76% (42) levels of service measures were achieved and 24% (13) were not achieved. This is the first year of reporting on this set of levels of services measures.

This is an improvement on the previous year (2023-24), in which 62% of that set of measures were achieved, 28% not achieved, and 10% not reported on.

Overall performance 2024-25

Levels of service measures achieved



■ Achieved
■ Not achieved

Performance measures by Group of Activities 2024-25



Challenges affecting our ability to achieve

Cyclone recovery and the urgency of delivering the ambitious multi-year \$256 million flood resilience programme meant that a number of our performance measures were not achieved as budgets and resources were reprioritised.

The decision to hold 20 vacancies as part of fiscal savings has also impacted our ability to achieve some of the levels of service measures.

With reviews of our infrastructure assets underway following recommendations from the cyclone, many renewals and new capital work on existing assets have slowed until these scheme reviews are completed. This has affected three of our performance measures in Asset Management.

Changes and uncertainty in policies at a national level remains challenging. The Regional Council is committed to complying with a resource management framework for national policy directives. Work has paused while we monitor the evolving national direction and ongoing Resource Management Act reform.

Mana Whakahaere me te Mahi Ngātahi

Governance and Partnerships

What we do

There are four activities within this group of activities:

- Community Representation and Leadership
- Tāngata Whenua Partnerships
- Community Sustainability
- Regional Development

Why we do it

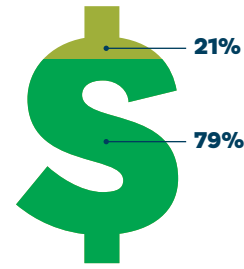
This group of activities contributes to all three community outcomes

What we spent

\$6.9 million 5% under budget

Where funding came from

- Rates
- Non rates



How we performed

We measured 11 aspects of performance



■ Achieved ■ Not achieved

Kaupapa Here me te Waeture

Policy and Regulation

What we do

There are five activities within this group of activities:

- Policy and Planning
- Regulatory Implementation
- Consents
- Compliance and Pollution Response
- Maritime Safety

Why we do it

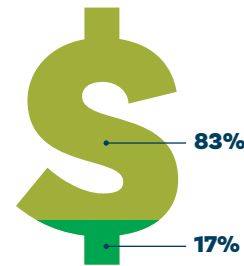
This group of activities contributes to all three community outcomes

What we spent

\$46.6 million 280% over budget*

Where funding came from

- Rates
- Non rates



How we performed

We measured 14 aspects of performance



■ Achieved ■ Not achieved

*Includes expenditure for the Silt and Debris Taskforce funded by central government

Te Whakahaere Tōpū i Ngā Wai **Integrated Catchment Management**

What we do

There are five activities within this group of activities:

- Environmental Information
- Environmental Science
- Sustainable Land Management
- Biodiversity and Biosecurity
- Rural Partnerships

Why we do it

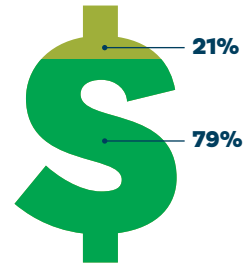
This group of activities contributes to a healthy environment

What we spent

\$26.9 million 5% under budget

Where funding came from

- Rates
- Non rates



How we performed

We measured 11 aspects of performance



Te Whakahaere Rawa **Asset Management**

What we do

There are five activities within this group of activities:

- Flood Protection and Control Works
- Flood Risk Assessment and Warning
- Coastal Hazards
- Regional Water Security
- Open Spaces

Why we do it

This group of activities contributes to all three community outcomes

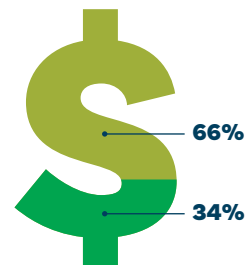
What we spent

\$53.7 million 50% under budget*

* underspend is due to the timings for work on the NIWE flood resilience programme

Where funding came from

- Rates
- Non rates



How we performed

We measured 9 aspects of performance



Te Whakahaere Mate Whawhati Tata

Emergency Management

What we do

There are two activities within this group of activities:

- HB Civil Defence Emergency Management Group
- HBRC Emergency Management

Why we do it

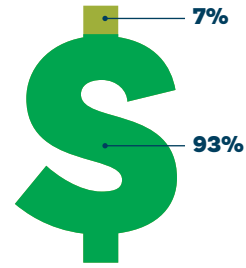
This group of activities contributes to a resilient community and a prosperous community

What we spent

\$6.1 million 3% over budget

Where funding came from

- Rates
- Non rates



How we performed

We measured 5 aspects of performance



Ngā Waka

Transport

What we do

There are two activities within this group of activities:

- Transport Planning and Road Safety
- Public Transport

Why we do it

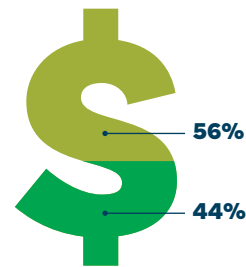
This group of activities contributes to all three community outcomes

What we spent

\$10.8 million on budget

Where funding came from

- Rates
- Non rates



How we performed

We measured 5 aspects of performance



Our performance measures

Governance & Partnerships



100% of Council and committee meetings met statutory requirements and standing orders. Target: 100%

3,717.5 tonnes CO2 equivalent related to HRBC's carbon footprint. Target: Improve

67% of Official Information requests responded to within 20 days. Target: 100%

73 ECEs and schools participated in the **Enviroschools programme**. Target: Maintain or increase



Policy & Regulation



99% of resource consents processed within statutory timeframes. Target: 100%

100% of high-risk and **80%** of other consents monitored. Target: 95% (high risk) 90% (others)



95% of monitored consents received an overall grade of full compliance. Target: 90%



100% of significant non-compliance cases where action is taken. Target: 100%

16 maritime incidents reported to Maritime New Zealand. Target: Maintain or decrease (3-year rolling average)



94% of surface water and **48%** of groundwater allocated in the Tukituki catchment. Target: $\leq 100\%$

<1% expiring water permits in the TANK catchment were processed in accordance with TANK Plan Change. Target: 20%



Asset Management

90% of maintenance and **77%** of capital flood protection infrastructure delivered. Target: $>80\%$



Priority telemetered rainfall and river level sites are operational **98%** of time. Target: 98%

117% of maintenance and **40%** of capital drainage infrastructure delivered. Target: $>80\%$



14% of new flood infrastructure was prepared and delivered. Target: 80%-100%

Integrated Catchment Management

74% of **discrete** and **continuous environmental data** was publicly available within two months. Target: 90%

14 new priority sites



protected and **24** maintained to secure and restore endangered ecosystems. Target: 4 new, 10 maintained



93% of the **Science annual work programme** delivered. Target: >90%



1,010 hectares of land protected or retired. Target: 600ha



21 biodiversity projects delivered under the Targeted Catchment Works Fund. Target: 3



100% of annual pest plant and animal programme delivered. Target: 100%



90%

of the **Possum Control Area programme** delivered and

91% of properties achieved an average residual trap catch of 4% or less. Target: >90%



5 Catchment Collectives, **34** Catchment Groups supported across the region. Target: New measure

Transport

86 road safety workshops, initiatives, and community events delivered. Target: 50



99.6% of scheduled bus services operated. Target: 98%

99.6% of all bus service trips departed their timetabled starting location on time. Target: 95%



535,653 trips on the Hawke's Bay bus services. Target: Maintain or increase (5-year rolling average)

Green: target met | **Red:** target not met | Comprehensive results are available in the full Annual Report 2024-2025 at hbrc.govt.nz, search: **#AnnualReports**

Pūrongo Pūtea Financials

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 the full financial statements can be found in Part 5 of the full Annual Report **[hbrc.govt.nz](https://www.hbrc.govt.nz), search: #AnnualReports**

Pākōwhai Regional Park



Tirohanga whānui ā-pūtea

Financial overview

Hawke's Bay Regional Council returned a surplus of \$34.5 million for the 2024-25 financial year compared to a planned surplus of \$55.7 million.

This difference is mainly due to a shift in when grants for the North Island Weather Event (NIWE) Flood Resilience Programme are going to be received. More of the capital expenditure, and therefore the Government grants, are expected in the next two financial years compared to initial high-level plans set in the Three-Year Plan 2024-2027.

Operating revenue and expenditure were both more than budgeted in the Three-Year Plan as a result of the final year of sediment and debris funding we administered for the region. This work is now complete and the funding from the Government has been fully utilised.

The \$34.5 million operating surplus for 2024-25 is largely driven by:

- income received in relation to cyclone response costs incurred in previous financial years or spending on infrastructure
- a special dividend from our subsidiary Hawke's Bay Regional Investment Company (HBRIC) to repay a loan between the two organisations
- realised investment gains when we changed fund managers early in the financial year.

The statement of comprehensive revenue and expense also shows a large gain on other financial assets which reflects a large increase in the share price of Napier Port Holdings over the year, especially in the last quarter.

Cyclone recovery and improving flood resilience continue to have major impacts on the Regional Council's financial statements. The Regional Council continues to work closely with partners to optimise funding and manage risks associated with these.

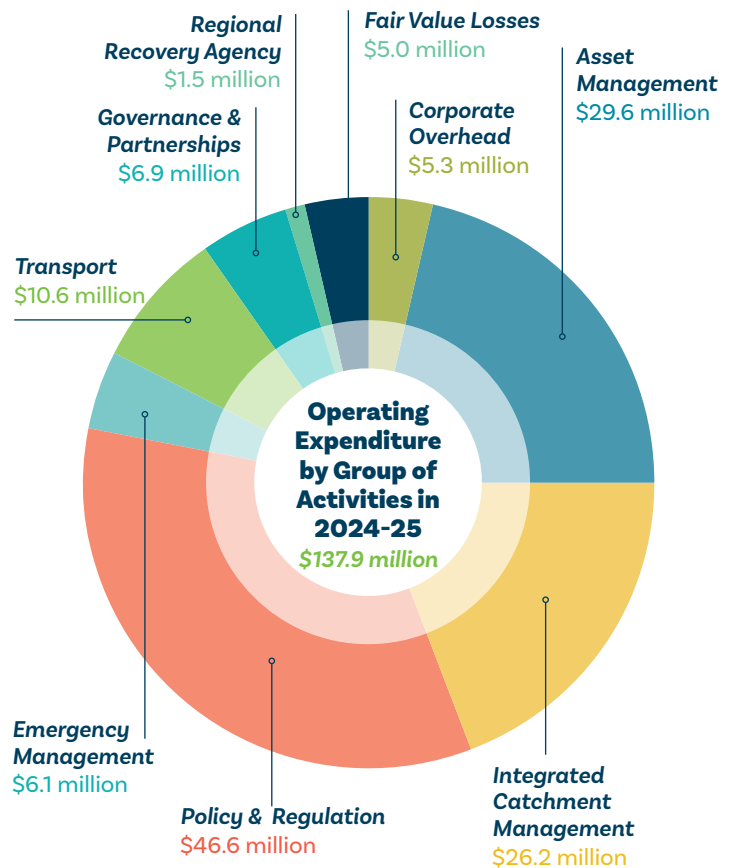
Capital expenditure was significantly under the level forecast in the Three-Year Plan due to timings for work on the NIWE flood resilience programme firming up as planning has progressed over this year. The next two financial years will see the bulk of this infrastructure spend.

Operating expenditure

Operating expenditure reflects what we spend on day-to-day activities that deliver services to our community, including democracy, pest control, pollution response, regional parks, maritime safety, passenger transport, emergency response, management and many others. It also includes support services for those activities including finance, human resources, technology, and communications.

Operating expenditure for the year was \$137.9 million, significantly lower than last year (\$224 million) but higher than the budget of \$93.6 million in the Three-Year Plan. The spend in excess of budget mainly relates to \$34.9 million related to final sediment and debris costs (within the Policy & Regulation Group of Activities) following an extension of the programme into 2024-25. This spend is fully offset by unbudgeted operating revenue.

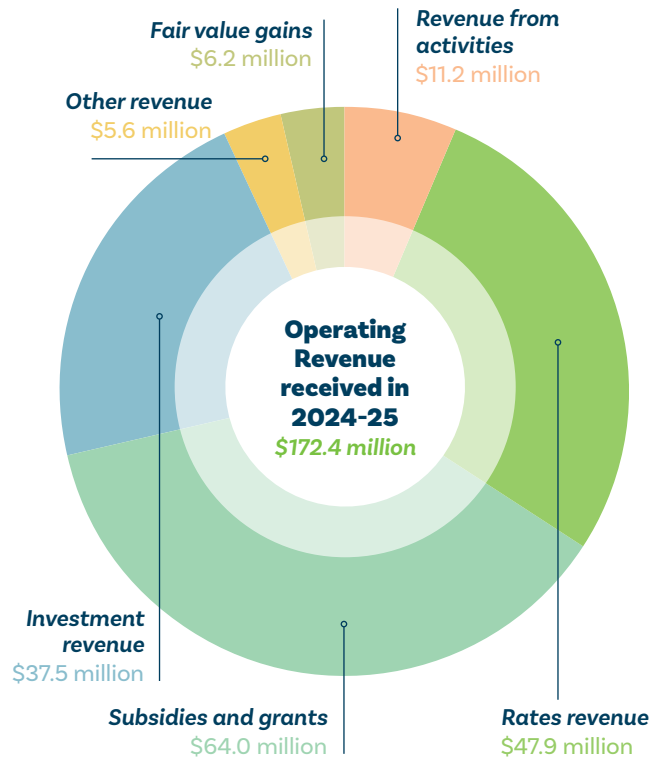
The other main variance within operating expenditure is in the corporate overhead area where interest costs have been higher than expected due to continued delays in receiving insurance and other payments for cyclone impacts to enable repayment of external debt.



Operating revenue

Funding for Regional Council activities comes from a variety of sources in addition to general and targeted rates. For 2024-25, non-rates sources made up 72% of total operating revenue.

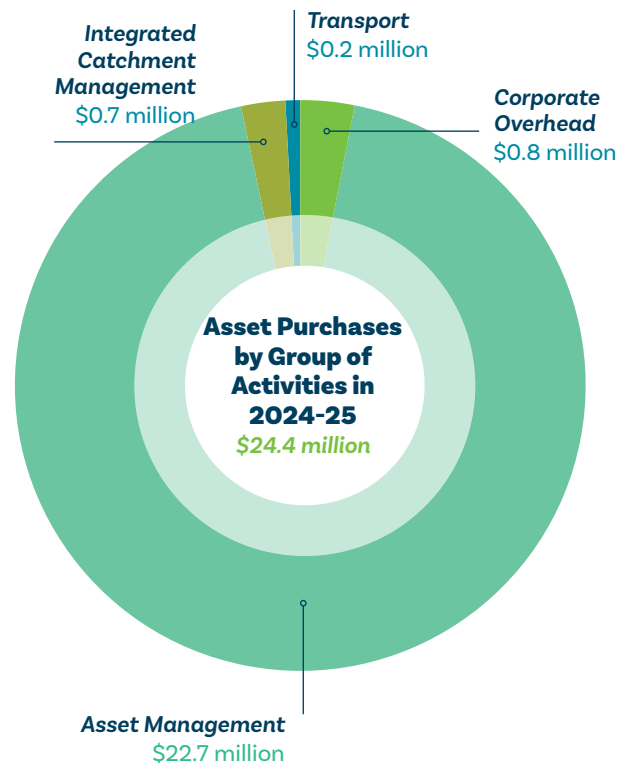
Operating revenue for the year was \$172.4 million compared to \$227 million last year and was \$23.1 million more than the budget included in the Three-Year Plan. This revenue was more than budget was due to a combination of factors with additional revenue in relation to the extension of the sediment and debris programme, a special dividend from HBRIC to repay an intercompany loan, and realised gains on investments following the transfer of fund managers. These were partially offset by grants expected in relation to the NIWE Flood Resilience Programme being less than planned while work continued on finalising plans and payment schedules with the Government.



Capital expenditure

Capital expenditure includes spend on upgrading, renewing or building new assets such as stopbanks, drainage networks, pump stations, regional parks, vehicles, and buildings. Total capital expenditure for the year was \$24.4 million compared to \$27.8 million last year and a budget of \$82.1 million.

The majority of our capital expenditure is in our Asset Management Group of Activities and includes \$2.8 million of spend related to continued recovery from Cyclone Gabrielle and \$9.4 million of initial work on the NIWE Flood Resilience Programme. The Three-Year Plan assumption that we would spend \$67.5 million on the NIWE programme in 2024-25 was based on very high-level initial plans. As these plans have developed the majority of this spend will actually occur in the next two financial years.



Balance sheet

Total assets for the Regional Council increased by \$46.9 million during the 2024-25 financial year. The largest movement of \$69 million was in the investment in Council Controlled Organisations (CCOs) and was a result of the increased share price for Port of Napier Holdings to \$3.22 per share at year end. Infrastructure assets also had a large increase of \$19 million due to upgrading and building new assets following the cyclone.

These were offset by a decrease in cash and cash equivalents from \$62.3 million last year to \$19.1 million at 30 June 2025. This reflects the utilisation of funds held on behalf of other organisations, and the completion of the sediment and debris programme which had been funded in advance.

External debt decreased during the year, following the repayment of the \$16.7 million intercompany loan with HBRIC. Other external borrowing only increased by \$4 million during the year, reflecting the timing of NIWE flood resilience work now increasing tempo next financial year.

Trade and other payables and funds held on behalf both decreased significantly this year being the other side of the reduction in cash and cash equivalents. This was due to the completion of the sediment and debris programme and the transfer of funds held on behalf of the other organisations.

The major change in equity was the increase in fair value reserves reflecting the increased value of Port of Napier Holdings.

Group financial overview

The Regional Council Group, which includes Hawke's Bay Regional Investment Company Limited (with their 55% shareholding in the Napier Port) returned an operating surplus after income tax of \$42.2 million.

The investment company provides an annual dividend to the Regional Council to help fund general rated activities. Performance this year enabled the full dividend of \$15.05 million to be paid, as well as maintaining inflation protection of the Regional Council's investments and establishing a Dividend Resilience Reserve.

Napier Port delivered a robust performance achieving solid container growth and improved margins, offsetting softer bulk and cruise volumes.

Although fluctuations in log exports continue to warrant attention, the short-term forecast remains stable, and their balance sheet is well-positioned to fund infrastructure improvements and sustain dividend payments.

During the year, the managed funds' portfolios were transitioned to a new fund manager. Despite a fairly volatile year in financial markets, an overall return of 8.4% on these investments has been achieved.

HBRIC will continue to review all of its investment assets, testing performance, structure, and strategic fit against Regional Council's investment objectives. This is to ensure the Group portfolio remains resilient, fit for purpose, and capable of supporting the Regional Council's long-term needs.

Additional disclosures

The summary financial statements for the year ended 30 June 2025 were authorised for issue by the Chief Executive of the Regional Council on 31 October 2025.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

The summary financial statements are for both parent and group and cover the period 1 July 2024 to 30 June 2025.

The full financial statements were prepared in accordance with NZ GAAP and the Public Benefit Entity Reporting Standards. The full financial statements were authorised for issue by the Hawke's Bay Regional Council on 8 October 2025. The full financial statements received an unqualified audit opinion on 31 October 2025.

Copies of both the full and summary financial statements can be obtained from the Hawke's Bay Regional Council main office at 159 Dalton Street, Napier or online at hbrc.govt.nz, search: **#AnnualReports**

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

For the Year Ended 30 June 2025

	Regional Council			Group *	
	Actual 24/25	Budget 24/25	Actual 23/24	Actual 24/25	Actual 23/24
SUMMARY STATEMENT OF FINANCIAL POSITION					
Non-current assets	1,143,625	908,347	1,054,798	1,330,323	1,303,725
Current assets	49,031	51,298	91,006	89,044	117,799
Total assets	1,192,656	959,645	1,145,804	1,419,368	1,421,523
Non-current liabilities	142,622	180,615	129,627	218,160	263,878
Current liabilities	39,534	48,472	108,682	68,610	119,632
Total liabilities	182,156	229,087	238,309	349,771	383,510
Equity attributable to the parent	1,010,499	730,558	907,496	871,833	845,904
Non-controlling interest	-	-	-	197,763	192,109
Total equity	1,010,499	730,558	907,496	1,069,596	1,038,013
SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE					
Operating revenue	166,260	145,122	218,317	306,624	364,244
Fair value gains (net)	1,192	4,179	6,620	(1,588)	9,672
Operating expenditure	(122,223)	(83,725)	(210,784)	(216,665)	(312,935)
Finance costs	(5,975)	(5,449)	(6,032)	(11,271)	(12,219)
Depreciation & amortisation expense	(4,727)	(4,450)	(4,667)	(22,738)	(21,385)
Impairment and loss on sale of investments	-	-	-	-	-
Taxation expense	-	-	-	(12,132)	(13,189)
Surplus before other comprehensive revenue and expense	34,527	55,677	3,454	42,230	14,186
Attributable to equity holders of the parent	35,527	55,677	3,454	25,740	2,170
Attributable to non-controlling interests	-	-	-	16,490	12,016
Gain/(loss) in other financial assets	69,004	1,434	4,069	(3,174)	(13,813)
Gain/(loss) on revalued intangible asset	2,995	-	2,144	2,995	2,144
Gain/(loss) on revalued property, plant and equipment assets	(2,814)	-	456	1,515	19,127
Gain/(loss) on revalued infrastructure assets	(710)	-	214,711	(710)	214,711
Other comprehensive revenue and expense	68,475	1,434	221,380	626	222,169
Surplus after other comprehensive revenue and expense	103,003	57,111	224,834	42,856	236,355
Comprehensive income attributable to the:					
Equity holders of the parent	103,003	57,111	224,834	26,199	218,072
Non-controlling interests	-	-	-	16,657	18,283
	103,003	57,111	224,834	42,856	236,355
SUMMARY STATEMENT OF CHANGES IN EQUITY					
Total comprehensive income attributable to the parent	103,003	57,111	224,834	26,199	218,072
Total comprehensive income attributable to non-controlling interests				16,657	18,283
Dividends received / (paid)	-	-	-	(11,250)	(5,861)
Other changes in equity	-	-	-	(22)	(1,638)
Effect on consolidation	-	-	-	-	-
Total changes in equity	103,003	57,111	224,834	31,584	228,856
Equity at the start of the year	907,497	673,447	682,662	1,038,013	796,531
Equity at the end of the year	1,010,499	730,558	907,495	1,076,758	1,038,013
Equity at the end of the year comprises:					
Accumulated Funds	287,303	317,607	271,286	207,386	200,158
Fair value reserves	574,890	286,739	506,415	399,757	399,131
Other reserves	148,306	126,212	129,794	264,690	246,615
Non-controlling interests	-	-	-	197,763	192,109
Equity at the end of the year	1,010,499	730,558	907,496	69,596	1,038,013
SUMMARY STATEMENT OF CASH FLOWS					
Net cash inflows from operating activities	(5,810)	14,234	(33,323)	42,133	15,657
Net cash outflows (used in) / from investing activities	(24,828)	(79,480)	(27,241)	(50,799)	(46,718)
Net cash inflows from / (used in) financing activities	(12,563)	25,435	28,670	(32,862)	(262)
Total net cash flow	(43,201)	(39,811)	(31,894)	(41,528)	(31,323)
Opening cash & cash equivalents	62,276	65,996	94,171	71,717	103,040
Closing cash & cash equivalents	19,075	26,185	62,276	30,189	71,717

* Group figures include consolidated results for HBRC and HBRIC Ltd. HBRIC Ltd holds the investment in Napier Port Holdings Ltd. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars: (\$000).

Independent Auditor's Report



Shape the future
with confidence

To the readers of Hawke's Bay Regional Council's summary of the Annual Report for the year ended 30 June 2025

The summary of the annual report was derived from the annual report of Hawke's Bay Regional Council and Group (the Regional Council) for the year ended 30 June 2025.

The summary of the annual report comprises the following information on pages 24 to 29 and 34 to 35:

- the summary statement of financial position as at 30 June 2025;
- 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 2025;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of service performance information.

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 2025 in our auditor's report dated 31 October 2025. Without further modifying our opinion we also included an other matter paragraph drawing readers' attention to the inherent uncertainties in the measurement of greenhouse gas emissions.

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 carried out a limited assurance engagement related to the Regional Council's debenture trust deed and an agreed upon procedures engagement in relation to vote scrutineering for the Group. These engagements are compatible with those independence requirements.

David Borrie
Ernst & Young
Chartered Accountants

On behalf of the Auditor-General
Wellington, New Zealand
31 October 2025



Ngā kaikaunihera me ō rātau takiwā pōti

Your councillors and their constituencies



For more details,
please contact
hbrc.govt.nz,
search: #councillors

Te kāhui hautū me te anga kōmiti

Leadership team and committee structure

Executive leadership team



Chief Executive
Dr Nic Peet



Māori Partnerships Group

Te Wairama Munro
Te Pou Whakarae



Policy and Regulation Group

Katrina Brunton
Group Manager



Integrated Catchment Management Group

Richard Wakelin
Group Manager



Asset Management Group

Chris Dolley
Group Manager



Corporate Services Group

Pip O'Connor
Group Manager

Council committees

Joint committees

- Hawke's Bay Civil Defence Emergency Management Group Joint Committee
- Clifton to Tangoio Coastal Hazards Strategy Joint Committee
- Climate Action Joint Committee
- Napier-Hastings Future Development Strategy Joint Committee
- Ahuriri Regional Park Joint Committee

Committees

- Environment and Integrated Catchments Committee
- Corporate and Strategic Committee
- Risk and Audit Committee
- Regional Planning Committee
- Māori Committee
- Regional Transport Committee
- Tenders Committee



hbrc.govt.nz


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