



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Annual Report Summary 2023/24

E ora ngātahi ana!
Together we Thrive!





Kia ora

From the Mayor and the elected Council team,

Tēnā koutou, tēnā koutou, tēnā koutou katoa,

This annual report closes and reflects on the Long-Term Plan 2021–2031 ‘Facing the Facts’. It looks on what we set out to achieve and the challenges we have faced, and speaks to the resilience, agility and strength of our community to adapt in what has been an incredible three years.

Facing the Facts – Long-Term Plan 2021–2031

Facing up to the significant challenges and major investment that was required across our assets was the major focus of the Long-Term Plan 2021–2031 ‘Facing the Facts’ (LTP). It sought to present and deliver an open and transparent view of Council’s reality, where we knew more about our assets than ever before. And the truth was confronting.

We landed on a long-term plan that was ambitious in nature. It set out how we would continue to address the major investment required in our drinking and wastewater, how we planned for and funded unprecedented growth, and how we would enhance our goal of being a Waste Free CHB.

We have achieved a great deal since its launch and over the last 12 months being the third year of the Plan. This Annual Report is an opportunity to pause and reflect on that progress.

Significant challenges and pressures

Little did we know when the LTP was finalised in 2021, the unprecedented challenges ahead that would impact on the budget, our goals and the implementation of the LTP. We faced a severe drought and the ongoing impacts of the global pandemic, both of which placed immense pressure on our community.

We experienced severe weather events, occurring through 2022 with the ‘wettest year on record’ to then be followed closely by Cyclone Gabrielle in February 2023.

Increasing cost pressures on households, businesses and Council have become a feature of our lives in recent years. This includes rising fuel prices, the average grocery shop increasing by 35 per cent and higher interest rates.

Rising costs meant that what we budgeted for was no longer adequate. For example, fees and rates that had previously covered expenses were no longer sufficient; in some areas resulting in some activities not being fully funded.

One of the largest cost pressures has occurred in the construction industry, where over the past three years the cost of infrastructure replacements (roads, water and wastewater treatment plants, and bridges) has gone up by between 27 per cent to 38 per cent, depending on the type of asset.

Borrowing costs have been a challenge, going from 2.2 per cent per annum during the COVID-19 pandemic to 6.2 per cent per annum last year. But in the financial year, Council only added an additional \$2 million of external debt, with the majority of our capital work being done through roading recovery.

Cyclone Gabrielle

Cyclone Gabrielle's effects are still visible. The date 14 February 2023 will be etched for decades ahead in our community. Consequently, there is still much to do and a long road ahead for many in our community.

At the end of the financial year, Pōrangahau remained the last community at Category 2A.

In the financial year we received an allocation of \$44.4 million of roading recovery funding, of which \$27.1 million was spent by year end. The balance of these funds plus a further tranche of \$11 million will fund the continuation of this recovery work in 2024/25. We still have sites across our roading network damaged and in need of funding assistance without long-term certainty on how these will be funded.

We provide a further update on progress on our recovery from Cyclone Gabrielle later in this report.

Financial and Organisation Performance

Council's operating expenditure was \$12.1 million ahead of budget, reflecting the impact of weather events and the pressure of rapidly rising costs.

The biggest spend was \$9.5 million on cyclone roading repairs, in addition to \$17.6 million spend on roading asset replacements. This was 99 per cent funded by NZTA.

As with most households and businesses, we experienced rises in insurance premiums after the cyclone, as well as the impact on premiums of asset replacement costs.

Our consenting activities for the financial year were over budget. There was a high degree of complexity in the consents processed which meant that some of the work was outsourced, resulting in higher than budgeted cost.

Stormwater work undertaken post cyclone consisting mainly of drain clearing and vegetation control was an unbudgeted expense.

We struggled to meet expected levels of service as we focused on recovery work.

A profound effect over the last 12 months was the need to slow or pause parts of our capital programmes, particularly relating to wastewater, as we work through and understand the effects of Cyclone Gabrielle on these assets and what this means for our future investment. Many other renewals programmes were also paused, and we refocused most notably on land transport recovery and supporting our community through the recovery process.

The planned delivery of \$36.8 million capital investment was paused so that the full impact of the cyclone could be assessed. The focus of our staff was redirected to delivery of recovery work. This resulted in \$27.1 million of recovery work being delivered, with the team still delivering \$12.7 million - around one third - of the planned capital investment.

Keeping the basics going

Despite the challenges of the cyclone, we used the shared resources of rates from community, combined with our ability to source external funding where appropriate,

to keep delivering on the basics. We deliberately focused on ensuring we receive value from our investment and ensuring that our organisation, partners and contractors are equally as accountable for that investment.

This past year we have graded more than 900 kilometres of roads, fixed 3,845 potholes, picked up more than 75,000 bags of rubbish and 165,000 crates of recycling, disposed of more than 10,000 tonnes of waste, made 662 repairs to our 262 bridges, and kept the lights on and the shelves stocked at the Waipawa and Waipukurau libraries. This is in addition to the services that keep taps running and toilets flushing across the district.

Although reduced from the peak in recent years, we continue to see growth in our district – an extra 4,000 people or 1,360 houses is forecast in the next ten years.

Partnership and people

We continue to grow strong and enabling relationships with Mana whenua.

In November 2023, following engagement and communication from Mana whenua, Council resolved to establish a Māori Ward for the 2025 Elections. This was further supported with the establishment of two Māori Appointments to the elected Council.

Focus on the future

We now look ahead to the delivery of the Three Year Plan 2024–2027.

The three urgent priorities identified are: Land Transport, Critical Three Waters Investment and Recovery. Now we enter a period of opportunity, where the future of Local Water Done Well and the Hawke's Bay Waters Model will be considered. We will gain certainty on our land transport recovery, while delivering on the basics well.

We are proud of how our organisation and its people have served our community so well through challenging times. They have delivered a huge amount of work on our basic core infrastructure in the recovery programme and continued to provide core services, as well as securing significant external funding.

This is a demonstration of public money and resources spent well to deliver high-quality services for better outcomes for our district.

Tamatea – Central Hawke's Bay is a great place to live and we aim to protect and enhance it in order to secure the future for a district that thrives.



Alex Walker
Mayor of Tamatea –
Central Hawke's Bay



Doug Tate
Chief Executive
Central Hawke's Bay District Council

The Year in Review

As a result of the cyclone, we prioritised our infrastructure needs to recover, particularly in roading, and to continue to provide essential services to our community.

In the past year we paid invoices collectively worth over \$80 million – far greater than expected, supported largely by external funding. This covers everything from roading, public toilets, facilities such as town halls, libraries, and swimming pools, stormwater, waste collection, and the list goes on.

Consequently, our planned investments in roading and three waters outlined in the LTP had to be adjusted to address the community's immediate needs.

The next section of the Annual Report outlines the major focus areas we've had over the last 12 months.

The numbers at a glance

Council's operational expenditure was \$12.1 million more than budget. This was driven by a number of factors, including:



\$9.5 million

OF CYCLONE ROADING REPAIRS (IN ADDITION TO \$17.6 MILLION SPEND ON ROADING ASSET REPLACEMENTS). THIS WAS 99 PER CENT FUNDED BY NZTA.



\$0.2 million

IN UNBUDGETED INSURANCE INCREASES CAUSED BY PREMIUM INCREASES OFF THE BACK OF THE CYCLONE AND DUE TO INCREASING ASSET REPLACEMENT COSTS.



\$0.8 million

IN ECONOMIC AND SOCIAL DEVELOPMENT PROJECTS FUNDED BY VARIOUS GOVERNMENT DEPARTMENTS TO DELIVER VARIOUS AGREED OUTCOMES.



\$0.8 million

UNPLANNED STORMWATER WORK UNDERTAKEN POST CYCLONE CONSISTING MAINLY OF DRAIN CLEARING AND VEGETATION CONTROL.

\$0.3 million

IN RESOURCE CONSENTING COSTS (DESPITE THE NUMBER OF CONSENTS ISSUED BEING DOWN DUE TO ECONOMIC CONDITIONS). THIS WAS DRIVEN FROM THE IMPLEMENTATION OF THE NEW DISTRICT PLAN AND THE CHANGE IN ITS REGULATIONS REQUIRING ADDITIONAL PROFESSIONAL ADVICE.



\$0.5 million

EXPENDITURE FOR OTHER ACTIVITIES

We all need a little help from our friends

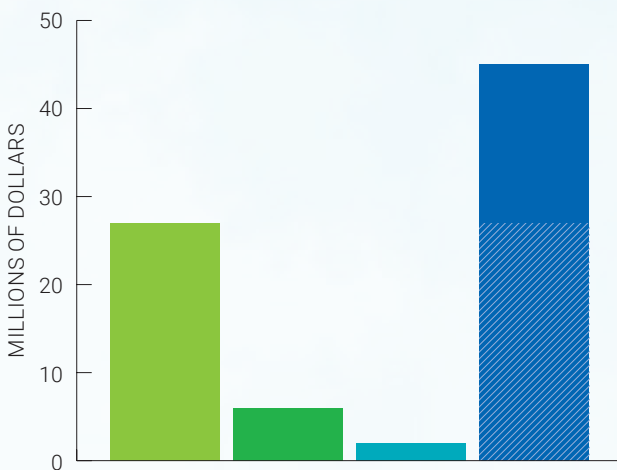
Cyclone Gabrielle was not factored into our Long-Term Plan. It caused hundreds of millions of dollars of damage to Central Hawke’s Bay. While we have achieved a whopping \$45 million worth of roading repairs in the past 18 months, we still need to find \$129 million for the balance of rebuild and repair work.

Rates alone cannot cover everything we need to do. That’s why we look at as many funding avenues as possible, including borrowing money. When it comes to infrastructure and helping to keep the economy running, we don’t think it is fair to keep digging into the pockets

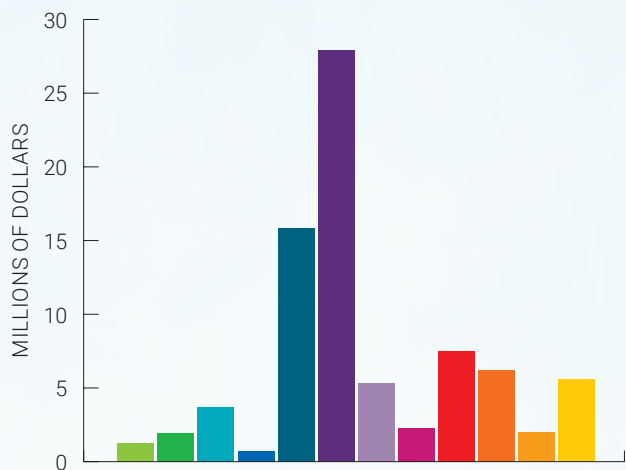
of ratepayers. When you break down the \$80 million, only \$27 million was funded by rates, \$6 million from fees and charges, and \$2 million of additional loans. The balance was Government funding, of which \$27 million was emergency funding for road repairs. We are still on track for a thriving district, using as many avenues as possible.

Achieving external funding is a challenge and an area of success for Council in the last year. Every dollar secured from external sources can be used to deliver unbudgeted or otherwise unaffordable or expensive deliverables, which in turn reduces the burden on ratepayers.

How we paid



Where the money went



- Rates Funding
- Fees & Charges Funding
- Additional Loans Funding
- Government Funding
- Government Funding – Emergency Road Repairs

- Governance
- Economic & Social Development (2/3 externally funded)
- District Planning & Consenting (2/5 funded through fees)
- Compliance (Environment and Animal) (3/5 funded through fees)
- Roding (BAU) (3/5 externally funded)
- Roding (Cyclone Recovery) (externally funded)
- Solid Waste (3/5 funded through fees & subsidies)
- Stormwater
- Drinking Water
- Wastewater
- Parks & Open Spaces (1/4 externally funded)
- Community Facilities (1/5 funded through fees)

The total operating expenditure for all councils across New Zealand increased by 23% during the past two financial years to \$15.8 billion in 2022/23. Inflation is a key cause of this increase because councils’ operating costs (for example, employee and insurance costs) and costs to maintain and build infrastructure increased. (Insights into local government 2023, Office of the Auditor-General)

Cyclone Gabrielle

Cyclone Gabrielle left a profound mark on our community, highlighting the importance of community resilience. It affected homes, infrastructure, and the well-being and livelihoods of many residents. And yet it has brought us together in support of each other. It has tightened our focus on critical priorities; largely infrastructure and repairing, replacing, or building it to last for generations to come. The last 12 months have seen significant activity and progress in our recovery from Cyclone Gabrielle.

River and environmental management

The river and environmental management response is led by Hawke's Bay Regional Council (HBRC).

Key milestones to date:

- Ōtāne/Te Aute/Papanui, Waipawa and Elsthorpe recategorised from Category 2 to Category 1.
- Pōrangahau Flood Mitigation Scheme funding secured via the North Island Weather Event – Hawke's Bay Crown Funding.
- The rapid repairs to community flood safety schemes to move Category 2C properties to Category 1
- Restored the stop bank network network damaged in Cyclone Gabrielle to pre-cyclone levels of service (for 1 in 100-year event).
- Biosecurity protection policy for Chilean Needle Grass review completed.
- Walker Road, Waipawa stop bank and erosion work completed.
- The National Institute of Water and Atmospheric Research (NIWA) report released (initial findings).
- The Hawke's Bay Independent Flood Review released.

Update on Pōrangahau – flood mitigation scheme

At 30 June 2024, Pōrangahau was the only community in Category 2A in the region.

HBRC received funding from the Crown in 2023 to establish a flood mitigation scheme for the Pōrangahau community. This is one of six infrastructure projects HBRC was tasked with progressing to ensure the level of flood protection required is put in place as quickly as possible, protecting communities from future events and enabling communities to move from the 2A category to 2C. Council has played a supporting role in this project. Both organisations are working to address the critical challenges and leverage the opportunities presented by this project to deliver beneficial outcomes for Pōrangahau.

We supported HBRC through the community engagement process with two meetings held in the community in late April 2024. Our focus is to ensure that the HBRC-led community engagement process adequately supports not only those community members whose land is affected by the proposed flood mitigation scheme, but also the broader Pōrangahau community. HBRC will confirm the viability of the proposed flood mitigation plan in the next financial year.

Community well-being and resilience

The need for sustained community well-being support was clearly heard across the district. While the initial response may be over, the journey of recovery continues along what is now a well-defined pathway.

A key issue raised across our district is the need for communities to have increased resilience through times of isolation. Addressing this need includes the development of Community Resilience Plans, establishing Community Emergency Hubs and improved communications.

A successful application to the New Zealand Disaster Fund in December 2023 allowed us to start implementing our community resilience work programme.

Public sector funding supported community well-being initiatives and four facilities were successfully nominated for solar installation from the Ministry of Business, Innovation and Employment's solar resilience fund.

Key milestones/actions

- Provision of navigational support to support community and individual well-being.
- Development of Community Resilience Plans
- Establishing community-led Community Emergency Hubs
- Partnering with New Zealand Red Cross to deliver 50 Red Cross home bundles

Community Emergency Hubs

Community Emergency Hubs are the pre-identified, community-led places that can support a community to coordinate their efforts to help each other during and after an emergency.

Hubs were established last year in communities throughout the district and the procurement of hub emergency supplies is well underway.

The hubs will be supported with additional supplies located in mobile trailers, which will be prepositioned throughout the district.

Mana whenua

The Ngāti Kere Hapu Authority (NKHA) supported the Pōrangahau community by managing a flood recovery fund for incoming donations. NKHA also set up a business arm after securing funding to manage the rebuild programme for those uninsured homes as well as an agreement and partnership to continue to run a resilience hub.

Mataweka Marae became a community hub following the closure of the Council-led Civil Defence Centre in Waipawa. It established a charitable trust to employ resilience hub coordinators to manage food distribution and welfare support. The hub operated until September 2023.

Our Pou Whātua/Māori Relationships Manager is working with Te Taiwhenua o Tamatea to understand their future resilience work programme for marae, and identifying ways Council can support.

Ngāti Kahungunu Iwi Incorporated (NKII) have positioned emergency containers at:

- Mataweka Marae (Waipawa)
- Rākautātahi Marae (Takapau)
- Rongomaraeroa Marae (Pōrangahau)
- Pouterere

Impacted homes

As at year end, the official number of remaining yellow stickered properties was 23, with all but one split between Waipawa (8) and Pōrangahau (14). Council Officers have contacted most of the property owners for an update on the repair process and whether a reassessment of the property is needed. At the time of publishing this report, 17 properties have started or completed plans for their repair work, two properties are ready for reassessment, four properties are yet to be confirmed, and Council Officers have carried out at least one site visit, door knock, emails and phone calls to the affected community.



Above: credit Mataweka Marae.

Count of Assessment Type	Current Assessment Status				
Suburb	Downgraded to White	Yellow Partial (Y1)	Yellow Short Term (Y2)	White	Total
Ōtāne	1				1
Pōrangahau	20	1	14	70	105
Waipawa	56		8	310	374
Waipukurau	6			74	80
Rural	4		1		5
Ongaonga				67	67
Total	87	1	23	521	632

Land Transport Recovery

Land transport recovery has been our major focus in the last 12 months.

At the beginning of the financial year, most of the damage from Cyclone Gabrielle was yet to be funded and a plan to address it underway. This included large slips, landslides, and washouts that closed roads and damaged or destroyed bridges.

Additional funding of \$11 million was received for four specific priority recovery sites: Elsthorpe Road, Wimbledon Road (two sites) and Fletcher's Crossing Bridge directly from Government, which is being managed by Crown Infrastructure Partners.

Central Government (NZ Transport Agency) and Council committed \$44.4 million to fund planned cyclone response and recovery work across the district:

- \$34.9 million for our response phase repairs, including more than 4,000 minor repairs to the network and 24 major response projects;
- \$9.5 million additional funding awarded in April 2024 to carry out minor protection work on 98 currently unfunded cyclone-damaged sites to reduce traffic management costs and ensure sites remained safe and accessible.

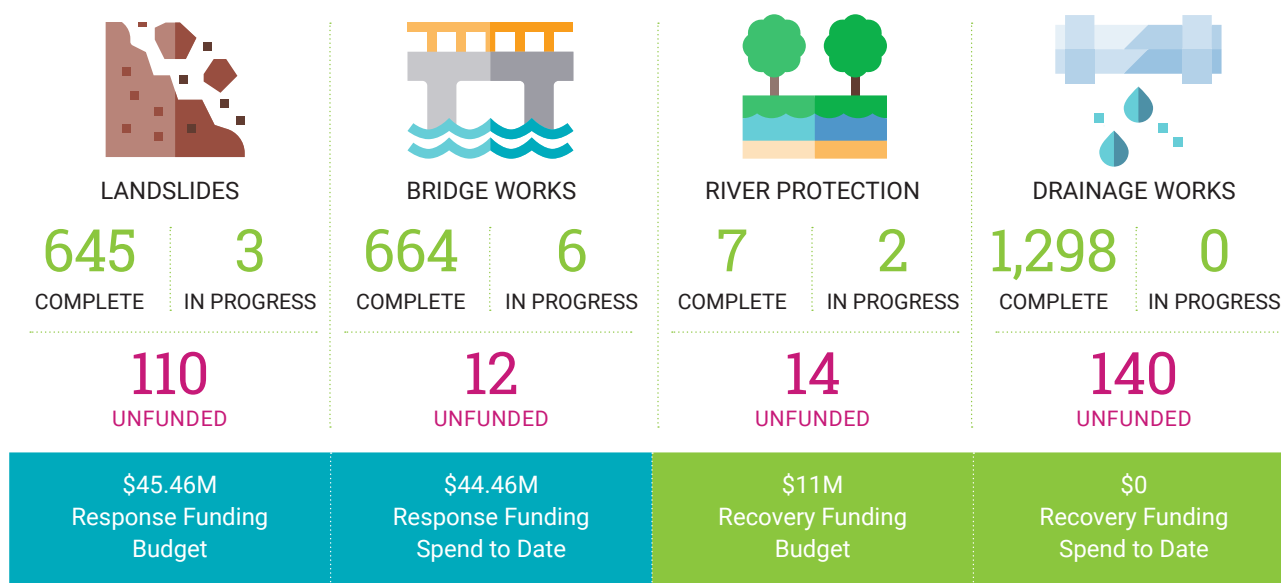
NZ Transport Agency's Emergency Response Funding deadline has been extended into the next financial year, from 30 June 2024 to 31 December 2024. This means that further repairs can be completed, utilising the external funding.

The district's roads were badly damaged by the 'wettest year on record' in 2022, followed by Cyclone Gabrielle in February 2023. Repairing them to pre-2022 conditions is long and costly and there will undoubtedly be trade-offs to make.

As at 30 June, we still have an estimated \$129 million worth of work to complete outside the existing funding. We are committed to securing more funding and delivering a roading network that is safe, efficient and effective to keep our communities connected and our economy growing.

Central Hawke's Bay District Council's Land Transport Recovery Programme

The planned programme of repair work has been categorised into Minor, Simple and Complex Repairs, with each category packaged according to the type of work required:





Deputy Mayor Kelly Annard and Waipawa school Principal Paul Jamieson, Re-opening of Harker Street.

Repairs completed in FY 2023/24



Drinking Water and Wastewater Investment

Our focus for drinking water and wastewater services has been on the most urgent recovery priorities and ensuring long-term resilience as we plan ahead.

It is vital we invest in our drinking water services, stormwater and wastewater strategically, as we strive for generational change in this area. Cyclone Gabrielle has undoubtedly reinforced the importance of continuing to invest in our wastewater network and improve network resilience.

One of the key decisions of the Three Year Plan 2024–2027 –recognising the significant uncertainty and impacts of the Upper Tukituki Flood Control Scheme Review, was to delay the wastewater programme for three years.

The current work on our wastewater options will have a long-lasting and ongoing impact for delivery of our wastewater programmes.

We reinstated a section of our flood protection that was damaged during the cyclone upstream of the Tikokino Road Water Treatment Plant with the assistance of a \$2.5 million grant from the government. This protects the plant from flooding in lower-level flood events.

In conjunction with conversations with the community, we have paused the consenting process for Pōrangahau wastewater management. This is to allow for more certainty as the community works towards recategorization from Category 2A before recommencing this work.

The Waipukurau Wastewater Treatment Plant’s anaerobic pond outflow channel was replaced. The old reinforced concrete channel had deteriorated and was no longer fit for purpose.

We achieved minor efficiencies across all wastewater sites, including optimising chemical usage and also increasing aeration.

There is still substantial work in understanding the impacts of the cyclone on our three waters infrastructure. This is a priority of the Three Year Plan.

Below: Veolia Waste Water Technician - Ken Sanderson.



Stormwater

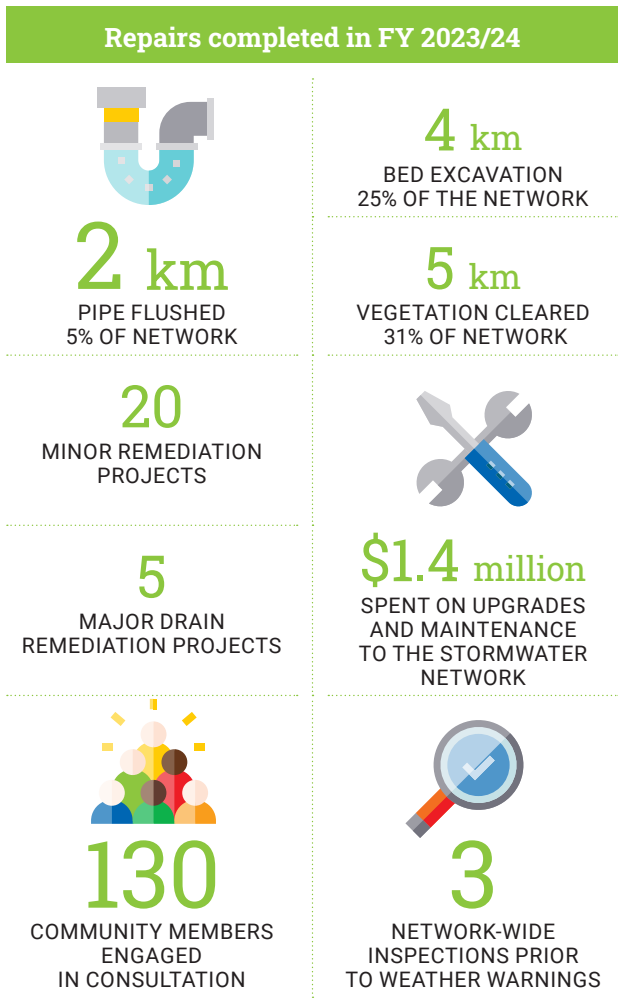
The need to prioritise stormwater following the cyclone was strongly expressed by the community. With decades of underfunding in infrastructure, it became apparent the havoc Mother Nature can wreak on a stormwater system under pressure in Cyclone Gabrielle.

Our stormwater system is made up of both piped and open drain networks, located within road corridors, reserves and private property. We all have a part to play in keeping stormwater and drains cleared and operating for our community.

We need the community's support to report issues and identify problem areas but most importantly, keep drains clear of rubbish, green waste or anything that could restrict the flow of water. The drains play an important interconnected role in the network that is our stormwater system. Dumping green waste or blocking drains with fences can have a hugely detrimental impact.

After the cyclone it was clear that stormwater management must be prioritised. We have made considerable progress in the management of stormwater systems since. Funding was reprioritised and urgent maintenance work was completed, including excavating drains and clearing vegetation to allow for free-flowing drains. That provided resilience to the network, and the open drain network allowed for stormwater to flow more freely.

New investment in stormwater in the last financial year focused on urban areas, which continues in the first and ongoing years of the Three Year Plan 2024–2027.



Cyclone Gabrielle significantly impacted and exposed the vulnerability of the district's stormwater network. A step change in the management of our stormwater networks is a key part of our recovery plan. We have nearly doubled the level of investment in stormwater over the next three years, which will see a significant increase in scheduled and planned maintenance of the open drain network.

Delivering on External Funding

Part of our deliberate External Funding Strategy is to endeavour to offset the impact on rates wherever we can.

Our population is smaller than other districts around the country and to deliver what we need – let alone what we want – we need external funding.

A planned recovery from Cyclone Gabrielle fundamentally changed the way we have approached the 2023–24 Annual Plan, requiring us to take a back-to-basics approach. Wherever possible, we have tried to ‘double-down’ on achieving external funding across the district.

We received just under \$40 million of external funding in the 2023-24 year, including \$650,000 from Ministry of Business, Innovation and Employment (MBIE) for a seed drying facility in conjunction with Ludlow Farms as an economic uplift project; \$45 million from NZ Transport Agency Waka Kotahi (NZTA) for cyclone recovery and an extra \$1.7 million for the Streets for People project to improve safety and connectivity of Waipawa’s main street; and \$12,825 from Sport New Zealand to help with rural travel assistance for sports clubs in our widespread district.

Other funding achieved this year includes:

Fund	Amount	How it was used
New Zealand Red Cross Disaster Fund – Special Appeal	\$340,000	for building community resilience – not all spent at 30 June
MSD	\$135,000	Support for community well-being – not all spent at 30 June
MSD	\$10,000	Cyclone Anniversary remembrance service
MSD	\$37,323	Deposit for first of four solar installations to support Community Emergency Hubs and Civil Defence Centres
Sport New Zealand	\$12,825	Rural Travel Assistance for Sports Clubs
Creative New Zealand	\$32,825	Support for Arts
MBIE	\$271,929	He Ringa Whanau Ora Social Work Contract
Kainga Ora & MSD	\$117,093	Tamatea Housing Task Force
Mayor’s Taskforce for Jobs	\$1,140	MTFJ Trades Graduation
HB Tourism & Various Local Businesses	\$7,952	Spring Fling
Sport New Zealand	\$85,000	Play Advocate
MBIE	\$650,000	Seed drying facility
Mayor’s Taskforce for Jobs	\$325,000	Mayor’s Taskforce for Jobs Programme (Jobs in Central Hawke’s Bay)
Ministry for the Environment	\$250,713	Waste minimisation
MBIE - Tourism Infrastructure Fund	\$34,684	Contribution to Kairakau Water Upgrade
Takapau Lions	\$2,000	Library donation
MBIE - Tourism Infrastructure Fund	\$83,207	Tukituki Trails
NZTA	\$35,538,483	Local roading subsidy, cyclone recovery & Streets for People
MBIE - Tourism Infrastructure Fund	\$146,812	Freedom Camping Ambassador and Bylaw Review
Department of Internal Affairs	\$405,538	3 Waters Asset information
MBIE – Tourism Infrastructure Fund	\$205,800	Pourerere Northern Reserve
MBIE – Tourism Infrastructure Fund	\$194,250	Otāia Lindsay Bush Car Park Upgrade
NZTA	\$140,000	Bikes in Schools projects
MSD	\$5,000	Community Well-being and Hauora Grant – training for frontline staff
Digital Inclusion Alliance Aotearoa	\$6,200	Digital skills pathway courses for Seniors

Mayor's Taskforce for Jobs (MTFJ)

Our local MTFJ team has become the flagship of excellence in our community and is the driving force behind 'Jobs in Central Hawke's Bay'.

They are respected for their incredible partnerships, stewardship of networks, innovation and most of all, for their people-centred thinking and action that is changing lives. Some of the year's highlights were the Enhanced Taskforce Green programme (supporting people into work during our cyclone recovery), our second Tamatea Work Ready programme (supporting people to attain driver licencing for work), and then expanding our role in supporting businesses to be better employers.

Through MTFJ, we have introduced two new initiatives this year. One was our Youth Employer of the Year Award in partnership with the Waipukurau Rotary Club. The other, a series of workshops targeted to engage local businesses in recovery works as part of our commitment to progressive procurement for equitable outcomes for local businesses, Māori and young people. As always, our measurable outcomes underestimate, by far, the impact that this local leadership is having in the growth of a 'culture of work' here in our community.

As we look down the barrel of a tough economic phase from 2024 to 2025, history tells us our young people are the first to lose work and will find it the hardest to return to the workforce. We are looking strategically to how we innovate and 'flex' for these changing times.

Our young people continue to be the priority for a thriving future in our community – Jobs in Central Hawke's Bay is a crucial part of achieving our goal of thriving.



Outcomes for the community



47

TOTAL EMPLOYMENT PLACEMENTS MADE

30

NEET'S

14

YOUTH



TOP 3

INDUSTRIES OF PLACEMENTS:
AGRICULTURE/
PRIMARY INDUSTRY,
RETAIL/HOSPITALITY,
AGRICULTURE/FORESTRY



TOP 3

ETHNICITIES OF PLACEMENTS:
NZ EUROPEAN, MĀORI,
OTHER



280

TOTAL NUMBER OF REGISTERED JOBSEEKERS

5

DISADVANTAGED

988

TOTAL NUMBER OF REGISTERED BUSINESSES

* Youth who are not in employment, education or training

Here's a snapshot of what we've achieved so far. (As at 30/06/2024)



162

Unique jobseeker referrals



68

People placed in jobs/training (that we know of)



958

CHB Business connections

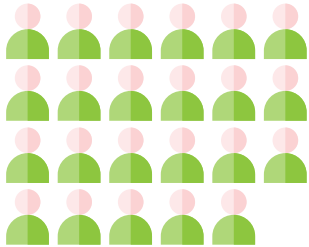


100%

Local Central Hawke's Bay residents

Enhanced Taskforce Green

Enhanced Taskforce Green (ETFG) is a disaster recovery employment support programme that assists communities with clean-up activities. It helps communities to recover from damage resulting from weather events or natural disasters. ETFG funding Mauri Oho to employ jobseekers (and people at risk of losing their job due to the event) to assist with clean-up in impacted Central Hawke's Bay.



23
STAFF EMPLOYED



Areas Covered
ELSTHORPE, POURERERE, WAKARARA,
WAIPAWA, ONGAONGA, HATUMA,
FLEMINGTON, PŌRANGAHAU

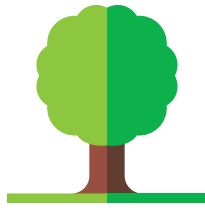


8
FLOOD GATES INSTALLED



17.016 km
FENCING

1.206 KM NEW FENCE
10.703 KM MAINTENANCE & REPAIR



27
LANDOWNERS ASSISTED

2 TREES REMOVED
PLUS COUNTLESS BRANCHES



**Job Training /
Pathways**

1 DAY FIRST AID TRAINING
1 SESSION JOBS IN CHB WORK
PATHWAYS
1 ONE-DAY 4X4 TRAINING
1 DOWNERS HAWKE'S BAY CENTRE

Below: Mayor Alex Walker – Enhanced Taskforce Green.



Other Highlights of 2023/24

Externally funded park upgrades

The Pouterere Northern Reserve now offers a bird watching area, accessible picnic tables and an accessible beach experience, with improvements made to the car park near the lagoon. This upgrade was fully funded through the Ministry of Business, Innovation and Employment's Tourism Infrastructure Fund.

Over 20 kilometres of Tukituki trails were restored for cycling, with the reinstatement of the Black Creek Bridge being the final piece of major work and still underway. It was funded through the Tourism Infrastructure Fund but only made possible due to the huge contribution of voluntary hours by Rotary River Pathways Trust volunteers

Waste

Waste is a core part of Council's business. We collect it, we process it, we recycle it, and we also take in some waste from other areas. The district has a large geographic footprint but a comparatively small population.



Above: Patangata Bridge, left: before, right: after.



Photo: credit Mataweka Marae.

Waste services in FY 2023/24



10,650 tonnes

SOLID WASTE DISPOSED AT LANDFILL. 6,100 TONNE WAS FROM CENTRAL HAWKE'S BAY, THE REMAINING WASTE WAS FROM NEIGHBOURING DISTRICTS.

1,620 tonnes

WE DIVERTED 1,620 TONNES OF PLASTIC, PAPER, STEEL, GLASS, AND E-WASTE.



165,000

RECYCLING CRATES EMPTIED



75,000

RUBBISH BAGS COLLECTED



1,700 tonnes

OF GREEN WASTE THAT WOULD HAVE OTHERWISE GONE TO LANDFILL.

Spotlight on our people

Our Council team works together to support a thriving district. We are building an organisational culture around the principles of delivering on Our Strategic Direction – our vision and purpose, our THRIVE values, our DNZ and focusing on outcomes.

To that end, we continue to develop our leaders. In the last year, we are proud to acknowledge that two of our team members have achieved national recognition for their professional performance.

Sheffield Emerging Leader Award at the Taituarā Local Government Professionals Awards

Central Hawke's Bay District Council's Project Manager Rebecca England won the Sheffield Emerging Leader Award at the Taituarā Local Government Professionals Awards for her role in helping deliver the land transport recovery programme – over \$35 million worth of work in a year.

This award acknowledges an outstanding young leader who is making a significant difference in our community. Recipients demonstrate a proven track record of designing and delivering innovative projects with tangible community impact. Rebecca's dedication and leadership have demonstrably improved Central Hawke's Bay, particularly in the wake of Cyclone Gabrielle.

"Rebecca's resilience, determination, and unwavering commitment truly shine through," said Katy Anquetil, Executive Director of Sheffield Wellington.

"Following Cyclone Gabrielle, she played a pivotal role in the cyclone recovery. Her proactive approach and forward-thinking leadership are an inspiration."



Above: Rebecca England

Beyond her immediate contributions, Rebecca's win opened doors to further professional development. She will attend the prestigious International City/County Managers Association (ICMA) Conference in Pittsburgh this September, funded by the award sponsor. ICMA is the world's leading association for local government professionals, offering unparalleled networking and learning opportunities. Rebecca's participation will undoubtedly benefit both her and the Central Hawke's Bay community.

Organisational Commitment to Community Service and Response Award

Central Hawke's Bay District Council's Building Consents Officer Thomas Kerr won the Organisational Commitment to Community Service and Response Award at the Building Officials of New Zealand conference.

This was in recognition for the work Thomas undertook during the response and recovery periods following Cyclone Gabrielle. Thomas and the wider Building Consents team did outstanding work in the aftermath of Cyclone Gabrielle, classifying and stickering hundreds of flood-damaged properties across the district. His technical proficiency, eye for detail and ability to come to grips with rapidly changing legislation were some of the key traits that got him the nod. He did all of this while also being personally impacted and dealing with damage to his own home caused by the cyclone.

Building a future in Central Hawke's Bay

Part of our core service is to ensure building work carried out in the district is done in accordance with the Building Code, the Building Act 2004 and Council's District Plan. The Three Year Plan reflects significant urban growth across Central Hawke's Bay,

Immediately post COVID-19 there was a massive boom on building consents. This was due to the low interest rates banks were offering on mortgages, increasing the affordability of building, combined with large numbers of people returning to New Zealand. Projections for building consents were set with these factors in mind. With stronger headwinds in the last 18 months, this pipeline has slowed; however, Council is preparing to ensure its systems, people and processes are set for the next lift in activity by completing a Smart Growth Review.

FY 2023/24 Building Consents



93

NEW DWELLINGS/
TRANSPORTABLE HOMES

218

OTHER BUILDING
CONSENTS

320

ISSUED BUILDING
CONSENTS



Statement of Māori Contribution to Decision-Making

Tautoko me te akiaki i Ngāi Māori hei āwhina i ngā whakataunga –
Supporting and Encouraging Māori to contribute to Council Decision Making.

Tāngāta Whenua play a hugely significant role in the district in terms of leading economic, environmental, social and cultural opportunities for the community.

This considered, the scope for Māori involvement in decision making is wide and varied. Council recognises the mana, rights, and interests of Māori, considering the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

Council approved the appointment of two Pou Whirinaki/ Māori support and advisory roles to assist elected members with decision making, to be made in the 2024/2025 financial year.

Mana whenua have gifted the name Rautahi to Council to establish the Māori ward that was confirmed last year for the next triennial election in 2025. A referendum will be held at that time to determine the future of the ward.

The Kahui is a collaborative hui with Mana whenua governance and elected members to discuss matters that are at the forefront of the shared agendas. This collaborative function has assisted with the process and practise of democratic decisions such as the Māori appointments and Māori ward discussions.

Partnership agreements with Te Taiwhenua o Tamatea and Tamatea Pokai Whenua have been developing throughout the year with work programmes and relationships being built. Signed and sealed documents are planned for the end of December 2024.

Tuhono Mai Tuhono Atu

In 2020 Council adopted its Māori Engagement Strategy as a channel to ensure council continues to consider and promote the current and future opportunities for Māori well-being.

Developed in conjunction with Te Taiwhenua o Tamatea, the Strategy seeks to ensure that as a Council and community we are acting as a key enabler in supporting Tāngāta Whenua to achieve their aspirations.

The strategy provides a framework for priorities that contribute toward our collective aspirations for cultural development – both internally as an organisation and outward facing to our community.

Our Policy Approach

Our approach to partnering with Māori will continue to be enhanced and grow as the fires of our partnership are fanned.

Council's **Governance Policy Framework** sets the Māori Contribution to Decision Making Policy as an integral policy in Council's overall Governance Policy Framework.

The **Māori Contribution to Decision Making Policy** recognises the unique position of Tāngāta whenua of Tamatea / Central Hawke's Bay District and the important role Māori play in Council's decision-making processes. It sets our recognition of Te Tiriti o Waitangi / the Treaty of Waitangi as New Zealand's founding document. Our relationship with and responsibilities to Māori are grounded by this and guided by relevant law.

Council's **Significance and Engagement Policy** also sets out the engagement principles and practices that guide when and how council will engage with the community as part of any decision-making process. The Policy acknowledges the unique status of Māori and the wider Māori community and is committed to ensuring that it provides opportunities for Māori to contribute to in the decision-making process.

Te Tiriti o Waitangi – Treaty of Waitangi Obligations

We recognise Te Tiriti o Waitangi as the founding document between Māori and the Crown.

For Council, the legislative recognition of Te Tiriti o Waitangi is provided for in the Local Government Act 2002. There are specific provisions in Parts 2 and 6 of the Act which provide principles and requirements for Council to facilitate participation by Māori in local authority decision-making processes. The Act states that Council must:

- Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority.
- Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority.
- Provide relevant information to Māori for these purposes.

The Resource Management Act 1991 (RMA) is another key piece of legislation applicable to local government. Section 8 of the RMA requires all persons exercising functions and powers under it in relation to managing the use, development, and protection of natural and physical resources shall take into account the principles of Te Tiriti o Waitangi.

The Tamatea Way

The Tohu shown below, introduced into into Tuhono Mai Tuhono Atu is an interpretation of Tamatea's concept of equality and partnership according to Te Tiriti o Waitangi, te Te Reo Māori version of the Treaty.

As an authority we welcome responsibility to work with iwi Māori to give effect to and realise the promise of Te Tiriti o Waitangi. We realise that achieving this will require time, flexibility, and the ability to self-reflect. Our success will be shaped by our ability and capacity to form a range of relationships with iwi and Māori in our rohe.

The two strong Pou upholds the treaty scroll the founding document for partnership between these two entities, Ngā Marae Me Ngā Hāpu o Tamatea and Central Hawke's Bay District Council on behalf of the Crown.

The Pou stand of equal height width and diameter, representing the equal right of decision-making through connections and conversations as set out in our **Māori Contribution to Decision Making Policy**.

The Waharoa is the entranceway by which we enter into strong partnerships that determine and guide ongoing strengthening.

About this summary

This summary is a snapshot of the Council’s activities and finances for the period ending 30 June 2024.

The information it contains has been extracted from our 2023/24 Annual Report which was prepared in accordance with NZ GAAP and in compliance with PBE IPSAS and contains detailed information about our finances and service performance.

This summary financial report has been prepared in accordance with PBE FRS – 43 but cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance, financial position and cash flows of the Central Hawke’s Bay District Council.

The financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity.

This summary financial report is for an individual entity.

The financial statements are presented in the functional currency of New Zealand, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

Copies of the full 2023/2024 Annual Report can be obtained from the Council office, Ruataniwha Street, Waipawa or viewed online at www.chbdc.govt.nz. This summary represents fairly and consistently the major matters dealt with in the Annual Report 2023/2024 which was issued on 31 October 2024.

The Annual Report was audited and received an unmodified audit opinion.

The following graphs are examples of benchmark reporting requirements that Council must now report against in the full Annual Report. The full set of benchmark disclosures is included in the full Annual Report.

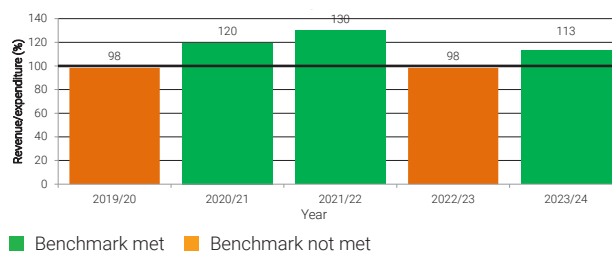
Balanced budget benchmark

The following graph displays Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses.

In 2023/24 Council received additional emergency cyclone recovery funding from NZTA to repair its roads (operational costs) and replace destroyed assets (capital expenditure). This has assisted the achievement of this benchmark.

Balanced budget benchmark

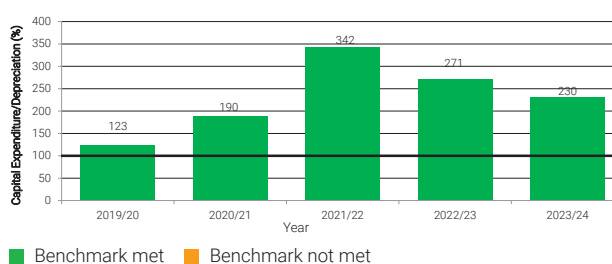


Essential services benchmark

The following graph displays Council’s capital expenditure on network services as a proportion of depreciation on network services. Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Despite the pause on 3 Waters referred to under “Debt control benchmark”, Council has continued to replace its assets faster than their expected deterioration. This is due to the major roading rebuild programme that is currently being undertaken post-Cyclone Gabrielle (which also shortened the life expectancy of the roading network).

Essential services benchmark



Summary of Financial Statements

For the period ending 30 June 2024

Statement of Comprehensive Revenue and Expense

	2023	2024	2024	2024
	Council Actual \$'000	Council Budget \$'000	Council Actual \$'000	Council Actual (excl Rooding and Stormwater Cyclone Recovery) \$'000
Total Revenue	61,739	46,679	75,477	48,346
Finance Costs	1,109	2,015	2,074	2,074
Depreciation and Amortisation	13,822	15,843	15,731	15,731
Other Operating expenditure	47,030	36,047	48,208	37,829
Net Operating Surplus/(Deficit)	(222)	(7,225)	9,464	(7,288)
Other (Gains)/Losses	275	-	303	303
Income Tax	-	-	-	-
Net Surplus/(Deficit)	(497)	(7,225)	9,161	(7,591)
Movements in PPE revaluations	65,726	24,959	49,318	49,318
Impairment of Cyclone Damaged Assets	(39,904)	-	-	-
Total Comprehensive Revenue and Expense	25,326	17,734	58,479	41,727

Statement of Financial Position Summary

	2023	2024	2024
	Council Actual \$'000	Council Budget \$'000	Council Actual \$'000
Total Current Assets	19,833	8,443	18,674
Total Non-Current Assets	1,019,250	1,069,274	1,083,964
Total Assets	1,039,083	1,077,717	1,102,639
Total Current Liabilities	29,142	15,507	28,102
Total Non-Current Liabilities	30,983	61,715	37,100
Total Liabilities	60,125	77,222	65,203
Special & Other Funds	5,993	4,069	7,097
Trust Funds	186	184	189
Revaluation Reserve of Assets	702,345	735,322	751,589
Ratepayers' Equity	270,434	260,920	278,562
Total Equity	978,958	1,000,495	1,037,437
Total Liabilities and Equity	1,039,083	1,077,717	1,102,639

Statement of Changes in Equity Summary

	2023	2024	2024
	Council Actual \$'000	Council Budget \$'000	Council Actual \$'000
Equity at the Beginning of the Year	953,634	982,761	978,958
Total Comprehensive Revenue and Expense	25,325	17,734	58,479
Equity at the End of the Year	978,958	1,000,495	1,037,437

Statement of Cash Flows Summary

	2023	2024	2024
	Council Actual \$'000	Council Budget \$'000	Council Actual \$'000
Net Cash from Operating Activities	20,551	1,462	24,337
Net Cash from Investing Activities	(37,191)	(28,792)	(28,190)
Net Cash from Financing Activities	20,000	24,761	1,629
Net Increase/(Decrease) in Cash	3,360	(2,569)	(2,224)
Cash at the Beginning of the Year	5,703	2,623	9,064
Cash at the End of the Year	9,063	54	6,840

Financial Performance Overview

For the financial year Council had an operating surplus of \$9.161m compared to a deficit of (\$497k) in the previous financial year.

Last year's deficit included a one adjustment for \$2.8m of assets written off due to Cyclone Damage. This year's results reflect the additional government funding to assist with the multi-year rebuild programme.

Overall, income was above budget by \$28.8m with total operating expenditure over budget by \$12.2m.

The majority of this change is in relation to Cyclone Gabrielle – additional funding from Waka Kotahi for roading repairs driving both the income and expense variances. During the year Council received an additional \$27.1m for cyclone related repairs. \$9.5m of this has been spent on repairs (part of the \$48.2m of operating costs above) and the balance being treated as rebuilds and treated as capital in nature (adds to Council's Property, Plant and Equipment total disclosed in its balance sheet).

Because the Cyclone Recovery Activity was so large in this financial year it distorts Council's financial result. On the previous page in the Statement of Comprehensive Revenue and Expense Officers have added an additional column of numbers showing what Council's result would have looked like if you excluded the additional funding from Waka Kotahi, the additional roading repairs this funding paid for, and the additional stormwater work Council undertook as part of cyclone recovery programme.

Financial Overview

	2023 Council Actual \$'000	2024 Council Budget \$'000	2024 Council Actual \$'000
Total Revenue	61,739	46,679	75,477
Operating expenditure	47,030	36,047	48,208
Finance Cost	1,109	2,015	2,074
Other (Gains) and Losses	275	0	303
Net Surplus/(Deficit) excluding non cash movements	13,326	8,617	24,892
Non Cash Movements			
Depreciation and Amortisation	13,822	15,843	15,731
Other Gains and Losses	0	0	0
Net Surplus/(Deficit)	(497)	(7,225)	9,161

Financial Performance Overview

During the year Council's finance were impacted by the significant roading rebuilt post Cyclone Gabrielle taking place. This will be a multi-year rebuild and too expensive for Council to undertake on its own. To date Council has been the recipients of "Emergency Funding" from Waka Kotahi which has allowed repairs to be undertaken at a rate faster than if Council was footing the repair bill alone. This funding is being granted in tranches, with no guarantee that future tranches will be available, nor at what funding assistance rate Waka Kotahi will co-contribute at.

During the year Council received \$27.1m in emergency roading funding from Waka Kotahi. \$9.5m of this has been spent on repairs (part of Council's operating costs) and the balance being treated as rebuilds and treated as capital in nature (adds to Council's Property, Plant and Equipment total disclosed in its balance sheet). The level of these numbers has distorted Council's financial statement for the year.

In addition, Council has also been the recipient of non-government cyclone funding (such as that received from the Red Cross Appeal) which is has been used to set-up and equip community-based hubs (typically and community halls or marae) in readiness for future evacuation events and power outages.

Council has also undertaken a greater level of stormwater drain clearance and vegetation control than budgeted as it responded to post cyclone concerns about the district's stormwater performance.

The economic downturn has also had an impact on Council's finances. Segments of economy such as the construction market directly impact Council departments such as consenting (both Land Use and Building Consents) and Solid Waste where fee revenues are down due to subdued activity levels and low volumes.

The new District Plan has also impacted Council's consenting team as it applied the new regulations for the first time this year. This meant additional legal and consultant advice was sort as the Council Officers worked through the ramifications on the consent applications they were considering.

The change in Government, and the Coalitions scrapping of Labour's Three Waters Reform, replacing it with Local Water Done Well caused Council to pause some aspects of its water upgrade program during the year while it worked through the new legislation and the financial implications of these policy changes. Council's recently released Three-Year Plan 2024-27 shows the rephrasing of all these water projects into later years.

Non-Financial Performance Overview

Council's non-financial performance measures track a number of measures such a Councils response times, compliance with water quality standards, and customer satisfaction. For this later category, Council changed the method of collating this satisfaction data. Historically it relied on both newspaper surveys and online surveys, but this year it dropped the newspaper surveys and moved to wholly online surveying. It also started introducing targeted surveying, for example asking only those public that had received building consent during the year about their satisfaction with the process rather than surveying the district as whole. These changes, along with the timing of the survey (undertaken during the Three-Year Plan consultation period) has influenced some of the results, meaning this year's satisfaction levels are not directly comparable to prior year results.

In brief the Council Achievements are as follows:

Group	Target Achieved	Target Not Achieved
Community Leadership and Governance Group	30% (3)	70% (7)
Planning and Regulatory Group	41% (7)	59% (10)
Land Transport Group	50% (3)	50% (3)
Solid Waste Group	60% (3)	40% (2)
Water Supply Group	60% (6)	40% (4)
Wastewater Group	71% (5)	29% (2)
Stormwater Group	75% (6)	25% (2)
Recreation and Community Facilities Group	56% (9)	44% (7)

Community Leadership and Governance

Council set a target that 85% of people consider that Council has communicated well on Council business. Based on survey results only 59% of respondents were satisfied. This result was influenced by the factors described earlier.

Planning and Regulatory

Council set a target that 80% of resource consents (non-notified) are processed within 20 working days (the statutory time frame). Council only achieved 51.4% for the year. The adoption of the Proposed District Plan has increased complexities throughout our consent decisions and has increased time frames for processing to ensure consistency in the application of the new rules. There is still a heavy reliance on external consent processing due to resources.

Land Transport

Council had a target that 85-90% quality of ride on a sealed local road network, measured by smooth travel exposure. The average ride quality on the local sealed road network was 95%. This is a small improvement on the 91% achieved last year.

Solid Waste

Council had a target to divert 40% of total waste to recycling rather than landfill. While Council missed this target by achieving a 36% diversion rate, 4,600 tonnes was diverted from landfill through waste diversion programmes. The majority of this comes from green waste (4,980m³) and recycling (538 tonnes of glass, and 726 tonnes of plastics, cans, paper and cardboard) through Council's kerbside collections, drop off centres, and recycling trailers. Other diversions include e-waste, tyres, recycled building materials, and scrap metal.

Water Supply

Council undertook to resolve of urgent callouts no longer than 12 hours from the time that the local authority receives notification to the time the service personnel confirm resolution of the fault or interruption. The average resolution time during 2023/24 was only 0.47 hours.

Wastewater

Council undertook to have no more than 30 total sewerage overflows (per 1,000 connections to the total sewerage system). Council incurred 13 total overflows for the year, being 3.5 per 1,000.

Stormwater

Council had a target of no houses being flooded (having the floodwater reach floor level) during 2023/24. This was achieved, compared to the 100 homes within the stormwater network experiencing some level of flooding during cyclone Gabrielle in the previous year.

Recreation and Community Facilities

Council set a target that Fewer than six complaints are received about inadequate maintenance and poor cleaning of our public toilets. Only four complaints were received during the year across 20 different public toilet locations.

Independent Auditor's Report

To the readers of Central Hawke's Bay District Council's
Annual Report for the year ended 30 June 2024



The summary of the annual report was derived from the annual report of Central Hawke's Bay District Council (the District Council) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 19 to 23:

- the summary statement of financial position as at 30 June 2024;
- 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 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the statement of service provision (referred to as the Non-Financial Performance Overview).

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 2024 in our auditor's report dated 31 October 2024.

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 reporting on the summary and full annual reports, we have performed a limited assurance engagement related to the debenture trust deed. Other than these engagements, we have no relationship with, or interest in, the District Council.

A handwritten signature in blue ink, appearing to read 'Stuart Mutch', is located above the printed name.

Stuart Mutch
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

www.chbdc.govt.nz • thrive@chbdc.govt.nz • 06 857 8060
PO Box 127 • 28-32 Ruataniwha Street, Waipawa 4210



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL