



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL

## Annual Report Summary 2021/22

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E ora ngātahi ana! Together we Thrive!







# **Kia ora**

## **From the Mayor and Council Team**

**Tēnā koutou, tēnā koutou, tēnā koutou katoa**

On behalf of your elected members, we're proud to be sharing this Annual Report with everyone in our community.

What a huge 12 months! The 2021/22 year has seen Council and Community achieve a number of significant milestones, despite the ongoing challenges of COVID-19 and the pressures of unprecedented reform and growth on all fronts.

In February 2022, Council achieved an AA result in an independent local government CouncilMARK assessment – only one of two Councils to achieve this grade. This was up three grades from the BB result achieved in 2018, and recognised Council as a high-performing rural local authority backing significant change.

We remain focussed on delivering our core services and priorities to meet our communities' bold and ambitious vision for a thriving Central Hawke's Bay.

### **Reform on all Fronts**

With unprecedented government reform on all fronts, Local Government continues to face a period of major uncertainty. Three Waters Reform, The Resource Management Reform, the Review into the Future of Local Government – all these active reforms led by Central Government – all active reform priorities being led by Central Government are placing considerable additional work and strain across the entire sector of Local Government.

The Three Waters Reform in particular has made considerable progress in the last 12 months and is now having a growing impact on the organisation as the establishment date of the new Water Services Entity on 1 July 2024 draws nearer.

Over the last 12 months we've continued to advocate for our community across the reform programmes to make sure Central Hawke's Bay is best placed for the future.

### **Continued Growth and Development**

Following record subdivision and growth in the 2020/21 year, the district continues to see strong growth and optimism, despite an uncertain economic outlook.

Residential and population growth overall has continued to track ahead of forecast levels set in the 2021 Long Term Plan, with new build numbers in the 2021/22 year exceeding the high level experienced in the previous year.

Long term growth is forecast to continue, despite the short term challenges, with a number of large residential subdivisions and developments still actively being pursued across the district.

## Our Tamatea Partnership

This year has seen us move closer to placing a pou (marker) to clearly state intent to take partnership with Māori to a new level for our District's future.

With over a quarter of our population identifying as Māori, we have a unique opportunity to ride the wave of a cultural evolution and partnership with Māori in Tamatea-Central Hawke's Bay to achieve equality and wellbeing for all.

Ngā Ara Tipuna, a partnership project with the hapū of Tamatea which tells the story of sites of cultural and natural significance around Central Hawke's Bay, celebrated the completion of its first stage on 1 July this year. Partnership projects like Ngā Ara Tipuna have set the stage for future collaboration on projects with Mana whenua. Across many of our projects and initiatives we've begun to establish strong relationships with Marae and hapū across the District, and Te Taiwhenua o Tamatea. This places us well to achieve a strong strategic governance relationship for a truly intergenerational partnership for the future.

## Welcoming Our New Chief Executive

In May, Councillors announced Doug Tate as Council's new Chief Executive, following Monique Davidson returning home to the Horowhenua. The appointment of Mr Tate who had spent the previous four years as the Group Manager of Customer and Community Partnerships at Council, recognised Council's deliberate approach to developing talent within Central Hawke's Bay. His appointment came after a robust and independently led nationwide recruitment campaign, that saw a depth of outstanding talent from around the country wanting to bring their skills and enthusiasm to Central Hawke's Bay.

## Delivering on the Long Term Plan 2021-2031 - 'Facing the Facts'

Since the adoption of the Long Term Plan 2021 – 2031 – 'Facing the Facts', our team have swung into action with growing momentum and pace implementing the urgent and overdue investment in our three waters infrastructure assets.

Over the last twelve months we've made major progress implementing new project management and contract arrangements to enable us to deliver the significant growth in our planned renewal works, with major work already underway across our water and wastewater assets.

Facing the Facts for our thriving future means major investment across all our assets is required. Addressing our past will mean a concerted and continued path of investment that will need to stretch well beyond this elected Council.

## COVID-19

As much as we collectively want to move on and forget about COVID-19, the impacts on people, resources, logistics and community have continued to be felt throughout the last 12 months. It was August 2021 that parts of the Country again went into lockdown with the impact of the wave of the Delta strain of COVID-19.

COVID-19 has continued to place pressure not just on Council, but also our suppliers and contractors with delays, staff shortages and other impacts having material impacts on our day to day services.

## Continued External Funding

As a District, we have continued to be successful attracting external funding for projects, with opportunities from over \$10 million of investment in our community from Central Government adding new activities, projects and services that have added pace and value for our community. These have included Provincial Growth Fund, the New Zealand Tourism Infrastructure Fund, Waka Kotahi and Three Waters funding.

## Financials that Reflect our Focus on Delivery

Our financial performance in the financial year, reflects the increase in external funding and delivery of our major capital works programme. For the financial year Council had a surplus of \$14.4m (before revaluations) compared to a prior year surplus of \$9.4m. Overall income was above budget by \$10.4m with total operating expenditure over budget by \$7.3m. This year has been an unusual year with a higher than normal levels of external funding, reflecting a number of grants and external funding opportunities that Council has sourced.

## Thank you, Central Hawke's Bay!

On behalf of the Council, we want to thank you for your contributions to your community during the year. Your ongoing support is essential in shaping a Central Hawke's Bay of the future in which we can all live, work and play. ***Together we are thriving!***



**Alex Walker**  
Mayor of Tamatea/  
Central Hawke's Bay



**Doug Tate**  
Chief Executive

# Elected Member Highlights of 2021/22

As we enter into the new Long Term Plan 2021-2031, Councillors share their highlights of the first year, 2021/22:



Reform is upon us and the future of Local Government is up for review. This could change the face and role of Councils forever. The past year has been about ensuring our community is best placed to face the opportunities and challenges ahead, while frustrating at times - is critically important for our future. We have punched well above our weight at attracting external funding to provide a good foundation for the growth our community is facing now and into the future. We've continued to make great progress on the district plan, as well as implementing the first year of our plan to face our infrastructure deficits. We've also continued to strengthen relationships with Mana Whenua and our community planning and development activities have continued to go from strength to strength. I am extremely proud of Councils continued role as leaders and advocates for our community.

## **KELLY ANNAND**

*Deputy Mayor  
Chair of Strategy and Wellbeing  
Committee Councillor  
Ruataniwha Ward*



In the last 12 months we've got on and achieved some big milestones in terms of addressing the significant underinvestment in our infrastructure. The delivery of the programme is picking up pace and it's great to see huge improvements completed and other big projects underway.

Three Waters Reform has been a major concern of the last twelve months, more so in terms of the uncertainty that it creates.

The changing financial environment in this last 12 months has been an increasing concern, and we've done well to get ahead of increased costs and overall kept our projects within budget to date.

## **BRENT MUGGERIDGE**

*Chair of Finance and Infrastructure  
Committee Councillor Aramoana/  
Ruahine Ward*



With government reform on all fronts, the last 12 months have been challenging and at times frustrating with simply the huge range of Central Government Reform.

Through all of this change, it has been particularly challenging to plan for our future, with huge uncertainty ahead. Despite this, we've continued to work towards what is important for this District. Reform makes the progress on the district plan that we've made and the delivery of our three waters investment even more important to ensure our community are best placed for the future.

## **TIM AITKEN**

*Lead Councillor  
Aramoana/Ruahine Ward*





It's been a progressive year with continuous challenges. We've seen major renewal projects start and others approach completion. Water leaks are an ongoing challenge, but it would be nice to think we're getting on top of them!

My highlights of the last 12 months include the introduction of recycling trailers to rural areas, seeing the Tikokino Community Plan underway, and the Kairakau Road rebuild.

Thriving Places and Spaces and understanding what we own above ground has been a rewarding experience, particularly in the area of Reserves and Camping Strategy. Still more to do.

Once again it has been rewarding to communicate with the community, hearing concerns and solving problems.

#### **JERRY GREER**

*Councillor  
Aramoana/Ruahine Ward*



The ongoing growth and strengthening of the relationship between Mana whenua and Council has been one of my highlights over the last 12 months. This growth doesn't always mean things go smoothly, but we've managed to work through some challenging times including the ongoing impacts of COVID-19 and continued to come together in partnership through projects like Ngā Ara Tipuna.

With a strong partnership approach, we can achieve much for the rohe of Tamatea.

#### **PROFESSOR ROGER MAAKA**

*Kaiārahi Matua*



It is very hard to single out the highlights of the last 12 months.

Personally, one would be becoming a Commissioner which has given me the ability to sit on the District Plan hearings, and has been a major focus of this Council, as one of our top five priorities.

Working on the Streets for People project may finally mean traction with an issue that has plagued the Waipawa township for decades.

Our continued engagement this year on our Thriving Places and Spaces, continues to be a highlight now and into the future, as we've been able to make great progress on our wider social community infrastructure.

#### **PIP BURNE**

*Councillor  
Ruataniwha Ward*



An over-arching highlight of the 2021-22 year for me has been the growing strength of our Māori Engagement Strategy - Tūhono mai Tūhono atū. The combination of Ngā Ara Tipuna, Matariki celebrations, Te Reo lessons, a Wall Walk workshop raising awareness of NZ's bicultural relations history... all steps to building stronger relationships with Māori.

The condition of SH2 and SH50 and Waipawa's ongoing speed/safety issues were a big part of my Regional Transport Committee involvement. Public commuter transport is finally on Hawke's Bay Regional Council's radar for CHB, and our Pōrangahau-Wimbledon Road PGF resilience project, of which I am on the governance group, is nearing completion.

Most of all, I've enjoyed the people side of being a Councillor in the past 12 months, including being a hearings commissioner for the proposed District Plan, and attending events such as Business After 5 (BA5), and interacting with people using our new rural recycling services.

#### **KATE TAYLOR**

*Councillor*

*Aramoana/Ruahine Ward*



A highlight of the past year was our Council achieving a CouncilMARK AA™ rating for the local government excellence programme. It shows this Council is tracking in the right direction, but we must not take our foot off the pedal, instead continue to engage with our communities on issues that matter to them, and strive for continuous improvement.

Another highlight is our continuing steady pace investment in our major infrastructure and renewal works programs while navigating challenging conditions.

I applaud the great effort our Council staff have made to identify alternative sources of external funding – all of which helps towards long-term relief for our ratepayers.

Of major concern was and is the continuing speed, scale and mandate of this Government's local reform programmes which have real sticking points around local voice, governance structures, representation and accountability!

#### **GERARD MINEHAN**

*Councillor*

*Ruataniwha Ward*



Whether complex and transformational or day-to-day decisions, I'm proud to have been part of work that impacts the health and wellbeing of our people, especially our low-income whānau.

Achievements of particular significance for me over the last twelve months include:

- Continued implementation of Tūhono mai Tūhono atū
- Continued partnership with Mana whenua
- The realisation of the Ngā Ara Tipuna project
- Establishing the Pou Whatuia position

It has been a privilege to be a voice for all in Tamatea.

#### **EXHAM WICHMAN**

*Councillor*

*Ruataniwha Ward*





# Highlights of 2021/22

In the completion of the first year of Central Hawke's Bay District Council's Long Term Plan 2021-2031, we continued our positive momentum working across our five key priority areas – boosted however with the addition of external funding and a step-change in investment in infrastructure renewals.

The addition of investment from the Provincial Growth Fund, the New Zealand Tourism Infrastructure Fund, Waka Kotahi, Ministry of Social Development and Three Waters funding, saw new activities, projects and services for the District not anticipated in the 2021-31 Long Term Plan.

This section provides highlights of the major activities of the year.

## Governance Priorities and Projects: Thrive in Five

Following the October 2019 Triennial Election, Council took the time to identify key issues and opportunities facing Central Hawke's Bay.

Council agreed that the platform provided by Project Thrive provided the building blocks for success, however with a need to sharpen the focus on five strategic priorities to truly transform the future for Central Hawke's Bay.

Council has continued to focus on these five key strategic priorities to ensure success of Project Thrive, which will again be reviewed following the 2022 Triennium Elections.

### **Thrive in Five includes:**

#### **#1 – #thebigwaterstory**

Delivery of #thebigwaterstory and improved water security for Central Hawke's Bay.

#### **#2 – The District Plan Review**

The District Plan: Delivery of a notified and operative District Plan.

#### **#3 – Wastewater**

Waste Water Treatment Project: Capital Works plan completed, initial improvements completed, and future funding strategy clarified.

#### **#4 – Social Housing**

Social Housing: Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's retirement housing portfolio.

#### **#5 – Creating a Wastefree CHB**

Wastefree CHB: Reduce recycling to landfill and improved asset management and leverage of landfill.



# Elected Member Priorities

Following the October 2019 triennial election, Council has taken the time to discuss the key issues and opportunities facing Central Hawke's Bay District Council and have confirmed the general direction they wish to take Central Hawke's Bay.

Council has agreed that the platform built by Project Thrive has provided building blocks for success that now require continuation of momentum on building excellence for community with an eye to "sharpening our focus on the mechanisms that we have for true transformation for the future".

Council will continue to place its energy and investment on projects and priorities that deliver on the five key areas of focus.

## Key Areas



Protecting and promoting our unique landscape



Attracting and enabling business success



Planning for tomorrow as we future-proof Central Hawke's Bay



Strengthening our district and community identity



Promoting smart growth

## Strategic Priorities

These will be supported and delivered through five strategic priorities that Council want to ensure its success in:



Delivery of #thebigwaterstory and improved water security for Central Hawke's Bay.



**The District Plan:** Delivery of a notified and operative District Plan.



**Waste Water Treatment Project:** Capital works plan completed, initial improvements completed, and future funding strategy clarified.






**Social Housing:** Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's retirement housing portfolio.



**Waste Free CHB:** Reduce recycling to landfill and improved asset management and leverage of landfill.

## Priorities and projects

In addition to setting the direction for Council, this report seeks to provide clarity on the role of the two full Committees of Council by outlining the work programme for the committees in the next three years on the basis of "what we know now". Priorities and projects can change at the direction of Council.

 <b>Strategy and Wellbeing Committee</b>	 <b>Council</b>	 <b>Finance and Infrastructure Committee</b>
<p>Lead and monitor the implementation of the <b>Waste Free CHB Strategy</b>.</p> <p>Lead the delivery of the <b>Social Housing Strategic Framework</b>.</p> <p>Monitor the implementation of the <b>Economic Development Strategy</b>.</p> <p>Monitor the implementation of the <b>Environmental Strategy</b>.</p> <p>Review the current <b>Community Wellbeing Strategy</b> and then monitor the implementation of a revised <b>Social Development Strategy</b>.</p> <p>Develop a <b>Māori/Iwi Engagement Strategy</b>.</p> <p>Monitor development and implementation of <b>Community Plans</b>.</p>	<p>Review and approve <b>Section 17a Reviews</b> as appropriate.</p> <p>Monitor the delivery of the <b>District Plan</b> project and make any decisions related to this project.</p> <p>Lead the development of the <b>Long Term Plan 2021-2031</b>, and delegate to committees on specific functions as and when required.</p> <p>Lead the development of <b>Annual Plans</b>, and delegate to committees on specific functions as and when required.</p> <p>Monitor the implementation of <b>CouncilMARK</b> recommendations and progress.</p> <p>Provide advocacy, leadership and facilitation on <b>Water Security</b> initiatives for Central Hawke's Bay.</p> <p>Work with committees to undertake reviews of <b>Council Bylaws and Policies</b>.</p>	<p>Lead and monitor the <b>Wastewater Treatment Plan</b> projects for across Central Hawke's Bay.</p> <p>Monitor the implementation of <b>#thebigwaterstory</b>.</p> <p>Complete and lead the <b>Rates Review</b>.</p> <p>Monitor the implementation and progress of <b>Provincial Growth Fund</b> projects.</p> <p>Develop a <b>Land Transport Strategic Framework</b> and ensure governance input into the three-year business plan before NZTA submission.</p> <p>Lead the review of the <b>Financial Strategy</b> and associated policies that input into the Long Term Plan 2021-2031.</p> <p>Review the current <b>Treasury Policy – Investment, Debt and Liability Management</b> policies.</p> <p>Monitor the implementation of the <b>Non-Rateable Income Strategic Framework</b>.</p>

# Priority #1 – #thebigwaterstory

Delivery of #thebigwaterstory and improved water security for Central Hawke's Bay.

Five years ago, Central Hawke's Bay District Council started a very important conversation with the community about how we could realise our aspirations to Thrive, and what role the Council plays in that.

Through this process, the importance of water to our community came through as one of the strongest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, and durable infrastructure, was how #thebigwaterstory was born. #thebigwaterstory is about our wastewater, stormwater and drinking water, and represents the durable infrastructure required to transform the day to day lives of Central Hawke's Bay's residents.



The 2021/2022 year has seen the delivery of further key flagship projects in The Big Water Story, a number of important project(s) signalled in the Long Term Plan have been completed, these include the water treatment plant upgrades in:

## Water

- Run to waste system at SH2 Borefield feeding Waipukurau
- Further upgrades at the Johnson Street Water Plant in Waipawa
- Waipawa Firefighting Stages 1 and 2
- A water main extension down Pourerere Road
- Water main renewals – Nelson and Reservoir Roads
- Water main upgrade on Tikokino Road

## Stormwater

- Upgrades of the stormwater system on Nelson Street
- A number of projects commenced as part of Long Term Plan 2018, continue into 2021 – these are the Waipukurau Second Water Supply, SH2 Borefield and Filtration upgrade and the Kairakau water upgrades.
- A number of new projects set in our 2021 Long Term Plan are well underway, notably;
  - An increase in renewals, with Pōrangahau Road next on the list
  - Our reservoir replacement programme
  - Many sub projects as part of the Waipawa to Waipukurau second supply.

Top: Overview of the Waipawa to Waipukurau supply project.

Above: Waipawa firefighting upgrades.



# Priority #2 – The District Plan Review

## Delivery of a notified and operative District Plan

In 2017 Council set a bold and ambitious plan to review the District Plan as a key project to bring Project Thrive alive. With the current operative District Plan – essentially a rule book that directs how the community can use, develop and subdivide land nearly 20 years old, the mandate for change was clear.

The review project began in late 2017, with key milestones in 2019 including consulting with the community and key stakeholders on the Draft District Plan, the delivery of hearings and Committee Meetings in 2020 prior to and through Covid-19.

In December the review programme reached a 'pens down' milestone, where the writing of the plan came to end, ready to commence the formal Schedule 1 process under the Resource Management Act 1991.

On 27 May 2021, Council formally adopted the Proposed District Plan for formal notification, which began on Friday 28 May 2021, and closed on 6 August 2021.

Council received a total of 123 submissions and 29 further submissions. Council staff then prepared a Summary of Submissions, which included details of changes sought to the Plan by submitters.

In July 2021 Council formally appointed a Panel of six Commissioners, Chaired by Commissioner Robert Schofield, to hear oral submissions and deliberate on these submissions, in order to make recommended decisions to the Council to adopt a new District Plan by May 2023.

The matters raised in the submissions have been sorted into seven topic groups, with hearings on each topic group expected to take about two to three days. In the 2021/22 financial year, three hearing topics have been formally heard, with four more topics to be heard by the end of the 2022 calendar year.

## District Plan Development Process



## Priority #3 – Waste Water Treatment Projects

Significant progress, milestones reached and improvements underway

In October 2020 – Council adopted our Long Term In Wastewater strategy that sets out the direction confirmed in our recent Long Term Plan 2021 adoption. The strategy aligns with our vision to ensure

*“Our effluent is treated in a sustainable way that creates a resource, protects our environment, and continues to do so for generations to come.”*

Informed through working closely with community members to develop options which focus on generational thinking to ensure a positive balance between the environmental health of our District, the strength of our infrastructure to enable Central Hawke's Bay to thrive, and affordability for all of our people.

Work commenced in 2018/2019 to implement improvements to our plants and these continue as we focus on short term improvements while the longer term improvements are planned and delivered.

2021/ 2022 saw some significant inroads into our wastewater programme with the completion of desludging our Waipawa and Waipukurau wastewater ponds. The upgrade of wavebands to improve capacity and environmental performance at both plants.



Waipawa saw the completion of a new treatment system known as a dissolved air flotation (DAF) system to improve treatment in the short term while our longer term solution is built.

Both the Takapau and Pōrangahau wastewater consents have been applied for and been through public notification processes, and expect to be granted in 2022.

These upgrades will see wastewater discharge removed from rivers and rather irrigated or dispersed onto land progressively over the next 3 to 9 years.

Works have commenced on some aspects of our long term vision set out through our strategy where we are aiming to complete a near 9 km pipeline from Otāne to Waipawa, and a pump station to convey wastewater from Otāne to Waipawa for treatment and eventually discharge at our land based site. This project is due to be commissioned in August 2022.

The strategy focusses on management of biosolids (sludge) produced through the treatment process and how council can manage the flow and load entering our systems.

A robust programme to study our wastewater networks commenced this year and has seen a significant amount of camera and flow studies.

More information here: <https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story>



Left: Dissolved Air Flotation System at Waipawa.

Top: The new outlet for the Otāne wastewater system in Waipawa.

Above: New pump station in Otāne.



## Priority #4 – Social Housing

Increased numbers of social housing in Central Hawke's Bay, including improved leverage off Council's Retirement Housing Portfolio.

Social Housing still remains one of the most challenging activities of all of Council's activities to gain traction on. This challenge recognises the significant complexity and important leadership role Council continues to need to play in seeing housing remain a priority for the District. Some of the key highlights over the last 12 months include:

### Continuing to Advocate for Housing Support

Council has been relentless in seeking positive outcomes for Central Hawke's Bay. In the past 12 months Kainga Ora (KO) have purchased 8 2 bedroom units in Waipukurau. Development of the 118 Pōrangahau Road site with solid progress on this site being achieved this year. A commitment to taking a place based approach to housing on this site has been established with Kainga Ora.

### Retirement Housing

Following the adoption of the service and delivery review in 2020 of the Retirement Housing activity, Council adopted its Retirement Housing Policy in late 2021. The Policy reiterates Goal 4 of Council's Housing Strategic Framework that 'Retirement Housing is provided in the most efficient and effective way.' Eligibility requirements and financial management policies are stated to achieve the objectives:

1. To house the most 'in need' independent living older CHB residents
2. To be not-for-profit but sustainably self-funding including long term renewals and upgrades
3. To be a supportive property owner with consideration for the safety and wellbeing of its tenants.

### Pōrangahau Road South Growth Precinct

A priority action from the Central Hawke's Bay Integrated Spatial Plan 2050 was addressing growth opportunities on the site known as the Waipukurau Hospital site. Made up of six land owners the land has been zoned residential for over 20 years, however due to constraints with infrastructure has not been able to be developed. Council has taken a leadership role in meeting and facilitating discussions with land owners regarding opportunities for the site, including developing an outlined development plan for the precinct, in order to make a submission to the Proposed District Plan to support the Precinct.

### Waipukurau South Growth Precinct (Infrastructure Acceleration Fund application)

Another lever that Council has to unlock housing development in the Waipukurau South Growth Precinct is to apply for central government funding to build the required infrastructure that would enable the area to be adequately serviced (roads and 3 waters infrastructure in particular).

In August 2021 Council made an application to the Kainga Ora Infrastructure Acceleration fund (IAF) to fast-track investment in the Waipukurau South Growth Precinct, with an application seeking approximately \$11 million of funding from Kainga Ora to fast track infrastructure to service the area and support other associated projects including water, wastewater and stormwater in partnership with adjoining landowners and the Heretaunga Tamatea Settlement Trust.

The fund received over 250 expressions of interest from across the country, with Council's proposal being selected as one of 80 proposals across New Zealand to proceed to the next stage – the Request for Proposal Stage. The proposal was identified as a 'fast track – small scale' proposal recognising the lower level of funding required for the proposal. The Request for Proposals closed on Friday 17 December 2021.

On 3 May 2022 Council's proposal was one of 35 shortlisted to proceed to the next phase of the application, a period of negotiations with Kainga Ora to confirm the funding required to build the necessary infrastructure to service the area and enable it to be developed to its full potential. Officers have met with Kainga Ora officials to advance the negotiations, and will continue to do so over the next few months. Final decisions from the Minister of Housing are expected to be made in November 2022.



## Priority #5 – Creating a Waste Free CHB

Reduce recycling to landfill and improved asset management and leverage of landfill.

Council has continued and strengthened its promotion of a 'Waste Free CHB' through 2021/22. The catch phrase 'Waste Free CHB' has continued to grow to embody a range of initiatives and activities that Council and its communities undertake together to reduce waste and promote environmental outcomes.

The 2021/2022 year was spent continuing the momentum as we continue our journey towards a Waste Free CHB.

Through the Long Term Plan 2021 – 2031 following extensive community engagement, Council made the decision to extend kerbside recycling services to the rural communities of Takapau, Ongaonga, Tikokino and Otāne and also created a new rural mobile recycling trailer service. In Year 3 of the Long Term Plan, a proposal to end the current single-use rubbish bag service for refuse bins was also adopted. Preparations are underway for the change in July 2023.

In the preparation of the 2022/23 Annual Plan, Council also confirmed the retention of recycling drop off centres across the district, following expected declines at drop off centres following the introduction of kerbside collection not eventuating. Volume of recycling instead increased across the district, including at drop-off centres.

Separate containers for paper and cardboard were introduced as part of the kerbside recycling service to improve the quantity and quality of the recycling materials collected.

Building on the Waste Management and Minimisation Plan approved in 2019, the Council continued to invest in waste minimisation education and events.

The planned Keep New Zealand Beautiful Clean Up Day also had to be cancelled when the country went into a second lockdown following the country going into a second lock-down following the COVID-19 Delta Outbreak in September 2021.

Other activities and events included:

- Continued investment in the Enviroschools Programme
- Expansion of the Zero waste education programme
- Introduction of the Paper to Trees programme to schools.
- Continued the Second-hand Sunday Initiative.

Over the last twelve months there was significant investment into leachate management infrastructure at the landfill. The investment will reduce reliance on tankering of leachate to the Waipukurau sewage treatment plant. Over the longer term we expect to see operational cost savings for this operation.

Council continued to improve how we dispose of waste at the landfill- bringing operations in line with industry best practice with a strong focus on reducing any health and safety risks, both to our operators and our customers.

# WASTE FREE CHB





# More highlights over the last 12 months

Outside of our Thrive in Five projects and priorities, other successes and highlights over the last 12 months include:

## Continued Growth and Development

Central Hawke's Bay has continued to see strong growth and development over the last 12 months. This followed a peak in development in the 2020/21 year..

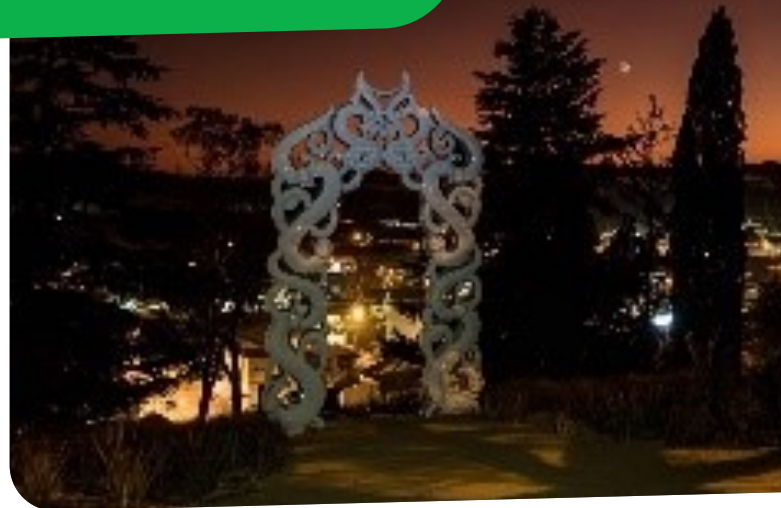
As part of the Long Term Plan 2021-2031 a high growth scenario was forecast for the District, adding roughly 1,500 homes to the District over the next ten years and another 4,000 residents. An update to population and economic projections published in early 2022 shows that the district is already on track to exceed this high growth scenario with 1700 homes now forecast by 2031.

On the back of a year of unprecedented growth in resource consent applications, this year has seen continued growth in building consent numbers for new dwellings across the District. Despite the challenges for the wider residential construction market, the growth in new dwellings also reflects an optimism and positivity for the District that has been growing since 2013.

As context the table below gives an indication of the development in the District for the 2020-2021 and 2021-2022 years for the periods 1 July to 30 June.

BUILDING CONSENTS	2020 -2021	2021 -2022	CHANGE	%
Volume – Applications	430	452	22	5%
New Dwellings	141	175	34	19%
Total Value – \$M's	\$69.3	\$78.06	\$8.08	11%

RESOURCE CONSENTS	2020 -2021	2021 -2022	CHANGE	%
Total Applications	334	257	(77)	(30)%
Total Applications approved	265	251	(14)	(6)%
New lots for creation	1152	694	(458)	(66)%



Council's decision to prioritise investment and the review of the District Plan, and the completion of more holistic planning such as the Central Hawke's Bay Integrated Spatial Plan 2050 continue to place the District well to plan for and prepare for this future growth.

## Launch of Ngā Ara Tipuna

One of the community standouts during the last 12 months has been the completion and the official launch of Ngā Ara Tipuna ki Tamatea. With attendance from Ministers, Regional Officials, Funders, community and wider Mana whenua, the launch was a unique opportunity to Mana whenua to demonstrate their kāwanatanga in the rohe.

This project has been a unique partnership project between Te Taiwhenua o Tamatea, hapu and Council that has created a lasting taonga for the community of Tamatea – Central Hawke's Bay.





## Jobs in Central Hawke's Bay – Mayors Taskforce for Jobs

Since its development in July 2020, the Jobs in Central Hawke's Bay – Mayors Taskforce for jobs has gone from strength to strength, its success recognised when the project won top prize in the Economic Wellbeing category at the Local Government Excellence Awards in July 2021.

Funded through partnership funding between Local Government New Zealand and the Ministry of Social Development, the programme has achieved outstanding results for our community.

To date the programme has achieved over 746 unique jobseeker referrals through the employment hubs and placed over 350 people in employment, 100% who are Central Hawke's Bay residents.



At the time of writing Council has secured funding for a further year on the programme, through to July 2023.

The programme has received national attention for its achievements with Mayor Alex and Jono Craig sharing tips for success at the MTFJ AGM in July.



## Big strides forward in roading and water projects

Other major achievements in our roading and water activities in the period include:

### Wastewater upgrades across Waipawa and Otāne

Council has made significant inroads into the improvements of the Waipawa and Otāne wastewater systems with the construction of a new pump station in Otāne, and over 8kms of wastewater pipeline between the towns, the desludging of the Waipawa pond, the installation of a new DAF treatment system in Waipawa – all key projects to improving the performance and our environmental outcomes in Tamatea.

### Wastewater upgrades planned for Takapau and Pōrangahau

Our three smaller towns had wastewater consents expiring – in 2021 we applied for their replacement consents to make significant improvements to how we manage, treat and discharge wastewater as part of #thebigwastewaterstory programme.

### Motorcaravan dump station built in Waipukurau

Council through the Tranche One Department of Internal Affairs funding built a Motor Caravan Dump Station to allow us to be an accredited member of the motor caravan association and to provide a service to support those visiting our district in their Motor Caravans.

### Dashboard maps, software improvements for 3 Waters

Council has invested in significant software to be smarter, have greater visibility on the current and future performance of our networks thanks in large to the Tranche One DIA funding and now have the ability to have direct access to asset performance.

### Roading upgrades – Pōrangahau/Wimbledon Road

As we move through the final stretch of upgrades on these two vital routes, we are happy to report we are continuing to reach key milestones. To date, we have completed 17 of the 20 projects.



## Local Government Reform

In the past financial year, central government has continued to progress three tranches of significant reform that will impact on Local Government. These reforms will impact on Central Hawke's Bay District Council responsibilities, operations and financial statements.

### Three Waters Reform

Everyone has the right to safe drinking water no matter where they live, and we should also expect strong and resilient stormwater and sewage services that protect the environment and enable communities to prosper and grow.

The Government's three waters reforms were initiated in response to the challenges facing three waters service delivery across the country.

Challenges include ageing infrastructure, historical under-investment, source water contamination, higher public expectations, resilience needed for impacts of climate change and natural hazards, changes in population and huge looming costs.

Government estimates New Zealand will need to invest \$120 billion to \$185 billion in three waters infrastructure over the next 30 years.

That's why Government is introducing a package of reforms:

- New responsibilities for drinking water suppliers through the Water Services Act 2021, including proposed new rules and standards
- A new water regulator Taumata Arowai
- Proposed changes to the way three waters services and infrastructure are owned and delivered.

The changes mean that in future, your local council would no longer be responsible for these services – known as three waters. Instead, from July 2024 they would be owned and delivered by one of four new multi-region entities across Aotearoa New Zealand. Hawke's Bay would be part of "Entity C".

The new responsibilities for drinking water suppliers are already in law under the Waters Services Act 2021, and Taumata Arowai, the regulator is up and running.

The first Water Services Bill to set up the new entities has already passed its First Reading in Parliament and has been passed to Select Committee to receive and hear submissions. Another Bill is expected later this year.

### Resource Management Reforms

The Government is repealing the Resource Management Act 1991 (RMA) and replacing it with new legislation. The reform of the RMA represents a significant systemic change which will have implications for Council's activities and functions.

The three new Acts are:

- The Natural and Built Environments Act (NBA), which will be the main replacement for the RMA
- The Strategic Planning Act (SPA), which will require councils, iwi/Māori, and central government agencies to develop 30-year regional spatial plans
- The Climate Change Adaptation Act (CAA), which deals with the legal and technical matters associated with climate change adaptation and managed retreat.

The Natural and Built Environments Act and the Strategic Planning Act will be introduced to Parliament toward the end of 2022. The Climate Change Adaptation Act will follow in 2023.

Central government is seeking pilot regions to test some aspects of the reforms. Decisions on whether or not Tairāwhiti will be a pilot region will be made later in the year.

More information is available on the Ministry for the Environment website:

<https://environment.govt.nz/what-government-is-doing/areas-of-work/rma/resource-management-system-reform/>

### Local Government Reform

An independent Ministerial review into the future of local government is underway, and should be completed by April 2023.

Its overall purpose is to consider how New Zealand's system of local democracy and governance will need to evolve over the next 30 years in order to improve the wellbeing of New Zealanders, and actively embody the Treaty partnership.

More information is available on the Future for Local Government website:

[www.futureforlocalgovernment.govt.nz/](http://www.futureforlocalgovernment.govt.nz/)

# Statement of Māori Contribution to Decision-Making

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

Tangata 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.

## 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 wellbeing.

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*The Māori Engagement Strategy was developed in partnership with Tangata whenua, Mana whenua and Council in 2020.*

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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 Tangata Whenua to achieve their aspirations.

Based on four pou, that Strategy's vision is:

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.

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*We realise that achieving this will require time, flexibility, and the ability to self-reflect.*

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## 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 tangata 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

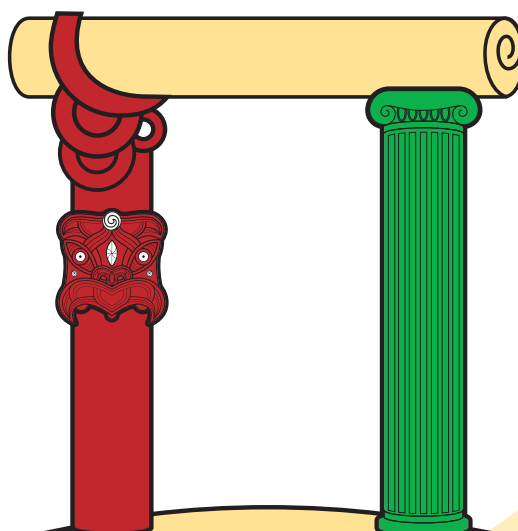
The Tohu introduced into Tuhono Mai Tuhono Atu is an interpretation of Tamatea's concept of equality and partnership according to Te Tiriti o Waitangi, te Te Reo Māori version of the Treaty.

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.



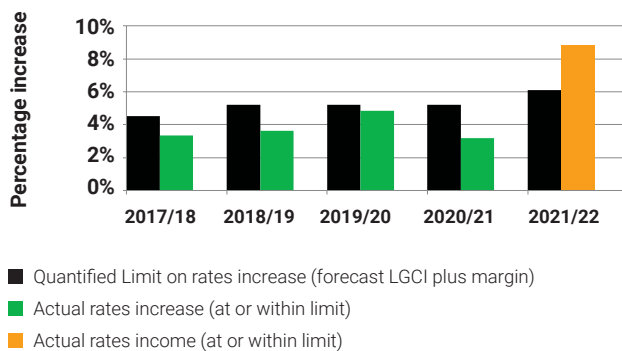
# About this summary

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.

## Rates (increases) affordability benchmark

The council meets the rates (increases) affordability benchmark if its actual rate increases are a quantified limit. The following graph compares the council's actual rates increases with a quantified limit on rates increases contained in the financial strategy included in the council's long-term plan (LTP). The quantified limit as set in the 2021-2031 LTP is 6.1% pa (being forecast Local Government Inflation plus 3%).

Rates (increases) affordability benchmark

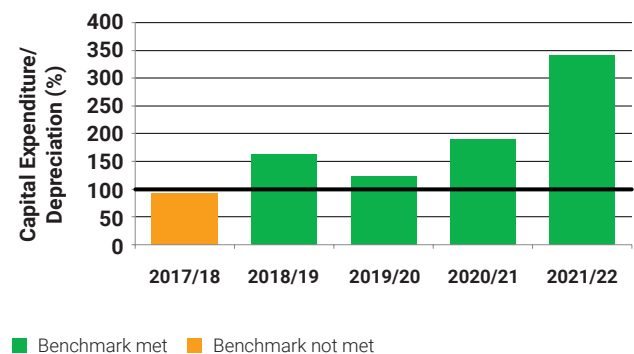


In 2021/22 rates increased by 8.8% which is higher than the benchmark increase. As consulted on in the 2021-31 LTP (facing the facts) Council has recognised that for too long Council infrastructure has had under investment, and the 2021-2031 LTP is a period of catch. What this means is that the quantified limit on rates increases is being purposely exceeded as Council undertakes a period of capital expenditure to catch up on prior periods of underinvestment.

## Essential Services benchmark

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

Essential services benchmark



Due to the upgrade of Route 52 (PGF funded) and 3 Waters Upgrades (funded by the 3 Waters Reform monies) Council has undertaken some significant capital works in 2021/22. Because of this additional funding and through the use of debt, Council has spent \$3.42 for every dollar of depreciation charged the year. This shows that Council's aged assets are being replaced with younger assets as promised in the "Facing the Facts" 2021/2031 Long Term Plan.



# Summary of Financial Statements

For the period ending 30 June 2022

## Statement of Comprehensive Revenue and Expense

	2021 Council Actual \$'000	2022 Council Budget \$'000	2022 Council Actual \$'000
Total Revenue	53,986	50,111	60,517
Finance Costs	462	732	521
Other Operating expenditure	44,113	38,232	45,598
<b>Net Operating Surplus/(Deficit)</b>	<b>9,411</b>	<b>11,147</b>	<b>14,398</b>
Other (Gains)/Losses	-	-	32
Income Tax	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>9,411</b>	<b>11,147</b>	<b>14,366</b>
Movements in PPE revaluations	14,005	24,963	73,384
<b>Total Comprehensive Revenue and Expense</b>	<b>23,416</b>	<b>36,110</b>	<b>87,750</b>

## Statement of Financial Position Summary

	2021 Council Actual \$'000	2022 Council Budget \$'000	2022 Council Actual \$'000
Total Current Assets	20,626	7,891	12,943
Total Non-Current Assets	882,219	939,700	978,821
<b>Total Assets</b>	<b>902,845</b>	<b>947,591</b>	<b>991,764</b>
Total Current Liabilities	13,496	11,877	19,406
Total Non-Current Liabilities	23,463	26,590	18,722
<b>Total Liabilities</b>	<b>36,959</b>	<b>38,467</b>	<b>38,128</b>
Special & Other Funds	7,193	7,951	6,519
Trust Funds	184	172	184
Revaluation Reserve of Assets	604,604	626,166	677,990
Ratepayers' Equity	253,905	274,835	268,943
<b>Total Equity</b>	<b>865,886</b>	<b>909,124</b>	<b>953,636</b>
<b>Total Liabilities and Equity</b>	<b>902,845</b>	<b>947,591</b>	<b>991,764</b>

## Statement of Changes in Equity Summary

	2021 Council Actual \$'000	2022 Council Budget \$'000	2022 Council Actual \$'000
<b>Equity at the Beginning of the Year</b>	<b>842,469</b>	<b>873,015</b>	<b>865,886</b>
Total Comprehensive Revenue and Expense	23,415	36,110	87,750
<b>Equity at the End of the Year</b>	<b>865,886</b>	<b>909,125</b>	<b>953,636</b>

## Statement of Cash Flows Summary

	2021 Council Actual \$'000	2022 Council Budget \$'000	2022 Council Actual \$'000
Net Cash from Operating Activities	24,867	23,890	23,656
Net Cash from Investing Activities	(24,772)	(30,844)	(22,575)
Net Cash from Financing Activities	-	6,954	2,000
<b>Net Increase/(Decrease) in Cash</b>	<b>95</b>	<b>-</b>	<b>3,081</b>
Cash at the Beginning of the Year	2,527	2,527	2,623
<b>Cash at the End of the Year</b>	<b>2,622</b>	<b>2,527</b>	<b>5,703</b>

## Financial Performance Overview

For the financial year Council had a surplus of \$14.4m (before revaluations) compared to a prior year surplus of \$9.4m. Overall income was above budget by \$10.4m with total operating expenditure over budget by \$7.3m This year has been an unusual year with a higher than normal level of external funding. Examples of the external funders/projects were:

FUNDER	REASON	NATURE	AMOUNT \$'000
Waka Kotahi	Roading Upkeep	Capital and Operational	8,469
Provincial Growth Fund	Route 52 Road Improvements	Capital	11,232
Dept Internal Affairs	3 Waters Infrastructure Upgrades	Capital and Operational	6,980
Various Govt Depts	Covid Economic Recovery	Operational	2,021

The table and explanations below illustrates Councils financial results.

### Financial Overview

	2021 Council Actual \$'000	2022 Council Budget \$'000	2022 Council Actual \$'000
<b>Total Revenue</b>	<b>53,986</b>	<b>50,111</b>	<b>60,517</b>
Operating expenditure	32,143	25,536	32,782
Finance Cost	462	732	521
Other (Gains) and Losses	-	0	32
<b>Net Surplus/(Deficit) excluding non cash movements</b>	<b>21,382</b>	<b>23,843</b>	<b>27,182</b>
<b>Non Cash Movements</b>			
Depreciation and Amortisation	11,971	12,696	12,816
Other Gains and Losses	0	0	0
<b>Net Surplus/(Deficit)</b>	<b>9,411</b>	<b>11,147</b>	<b>14,366</b>



## Explanations

During the year Council was recipient of significant Central Government and third party funding (see earlier table). This was a mix of operational and capital funding. This has had the impact of both increasing Councils revenue, but also increasing its expenditure.

Income from Fees and Charges was above budget by \$866k (and \$1,080k above last year) due to increased income from the Consents +\$929k (reflecting the buoyant economy and the high level of residential construction happening in the region) and in Solid Waste Charges +\$364k (reflecting the buoyant economy and the on-charging of higher carbon credit costs). However, both these activities had corresponding increases in costs driven by this high level of demand. The Solid Waste activity had to acquire additional carbon credits to match the tonnage of waste going to landfill and pay for additional recycling services, and the volume of consents being processed was beyond what Council's internal staff could process so Council was more reliant on external consultants to process the excess demand. Both these increases are reflected in the higher than budgeted operating expenditure for the year.

Development Contributions for the year were \$1,397k below budget, but 353k ahead of last year. As part of the Long Term Plan Council significantly increased the cost to developers to create new subdivisions/ sections. While the fee increase was from 1 July 2021, it isn't chargeable until the development is complete meaning there is a time delay between the increased charge being introduced and the development being completed and invoiced. This timing difference should largely unwind itself in the coming financial year.

### **Operating expenditure is above budget due to the following:**

Personnel Costs were only \$6k ahead of budget despite some of the Central Government funding creating new temporary roles to deliver their recovery projects. This reflects the vacancies carried by Council in its business as usual positions during the year.

Operating Costs were \$7,240k above budget – the majority of this \$1,823k was in the economic development area and reflects the external funding Council got for economic stimulus monies used to create jobs in the district and to provide social work services. \$1,000k was in the Consenting Team where they had to outsource some consent processing due to the volumes experienced. Land Transport was \$1,172k and mostly related to emergency weather reinstatement works, Solid Waste was \$1,237k with its higher the budgeted volumes of waste and increase cost of carbon credits required to satisfy its Emissions Trading Scheme requirements, and 3 Waters were \$2,423k as they used the Central Government Stimulus money to undertake additional projects.

### **Non-Financial Performance Overview**

Overall, we achieved good results this year in terms of the non-financial performance measures. However, there were some areas that we did not achieve what we set out to do in the 2021-31 Long Term Plan, as identified below. In Brief the Council Achievements are as follows:

In Brief the Council Achievements are as follows:

Group	Target Achieved	Target Not Achieved
Community Leadership and Governance Group	60% (6)	40% (4)
Planning and Regulatory Group	65% (11)	35% (6)
Land Transport Group	50% (3)	50% (3)
Solid Waste Group	100% (5)	0% (0)
Water Supply Group	50% (5)	50% (5)
Wastewater Group	86% (6)	14% (1)
Stormwater Group	60% (3)	40% (2)
Recreation and Community Facilities Group	69% (11)	31% (5)

### **Community Leadership and Governance**

We set a target that 85% of people who consider that Council has responded well or very well to community needs and issues (up from the 75% target contained in the previous LTP). Of the people who responded to the survey 77% of people were satisfied with Council's response which is a good result but below Councils self-imposed target, and down from the 82% achieved in the prior year

### **Planning and Regulatory**

During 2021/22 Council has had unprecedented levels of Land Use and Building Consents to process, and while the target was to process 100% of these within the statutory timeframes Council only achieved 62.2% for Land Use and 72.8% for Building consents respectively. This reflects the high volumes and capacity constraints.

### **Land Transport**

Council had a target to achieve a 85%-90% quality of ride on a sealed local road network, measured by smooth travel exposure. Council achieved this with a 96% success rate. This is measured yearly using laser mounted equipment which gather information which impacts ride quality on the sealed road network.

### **Solid Waste**

Council had a target to divert 32% of total waste to recycling rather than landfill. Council achieved this through diverting 2309 tonnes out of the 6146 tonnes (37.6%) received at transfer station.

### **Water Supply**

Council had a target of attending urgent call-outs within 2 hours of notification. This was achieved with a average response time of 18 minutes.

### **Wastewater**

Council had a target of no more than 30 sewerage overflows per 1,000 connections. Council only experienced 2.6 sewerage overflows per 1,000 connection during 2021/22.

### **Stormwater**

Council had a target of no houses being flooded (having the floodwater reach floor level) during 2021/22. Council didn't achieve this target with 0.3% of houses in the stormwater network experiencing some level of flooding during the year.

### **Recreation and Community Facilities**

Council set a target that 90% of the community satisfied with cemetery facilities. Council achieved 98% satisfaction.



# Statement of Compliance and Responsibility

## Compliance

Council and management of the Central Hawke's Bay District Council confirm that all the statutory requirements of section 283 of the Local Government Act 2002, which includes the requirement to comply with Part VIIA of the Local Government Act 1974 regarding financial management and borrowing, have been complied with.

## Responsibility

1. The Central Hawke's Bay District Council and its management accept responsibility for the preparation of the annual Financial Statements and non-financial performance information and the judgements used in them.
2. The Central Hawke's Bay District Council and its management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and non-financial performance information.
3. In the opinion of the Central Hawke's Bay District Council and its management the Annual Financial Statements and the results of its operations and the service performance achievements for the year ended 30 June 2022 fairly reflect the financial position of Central Hawke's Bay District Council.



**Alex Walker**  
Mayor of Tamatea/  
Central Hawke's Bay



**Doug Tate**  
Chief Executive

# Independent Auditor's Report

To the readers of Central Hawke's Bay District Council's Summary of the Annual Report for the year ended 30 June 2022



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 2022.

The summary of the annual report comprises the following summary statements on pages 18 to 22:

- the summary statement of financial position as at 30 June 2022;
- 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 2022;
- 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 2022 in our auditor's report dated 19 December 2022.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 1 to the financial statements. The Government

announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

## 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, and the audits of the District Council's consultation document and long-term plan. Other than these engagements, we have no relationship with, or interest in, the District Council.

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](http://www.chbdc.govt.nz) • [thrive@chbdc.govt.nz](mailto:thrive@chbdc.govt.nz) • 06 857 8060  
PO Box 127 • 28 - 32 Ruataniwha Street, Waipawa 4210



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL