

#### TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

## Meeting of the Hawke's Bay Regional Council

Date: 30 October 2024

**Time:** 1.30pm

Venue: Council Chamber

Hawke's Bay Regional Council

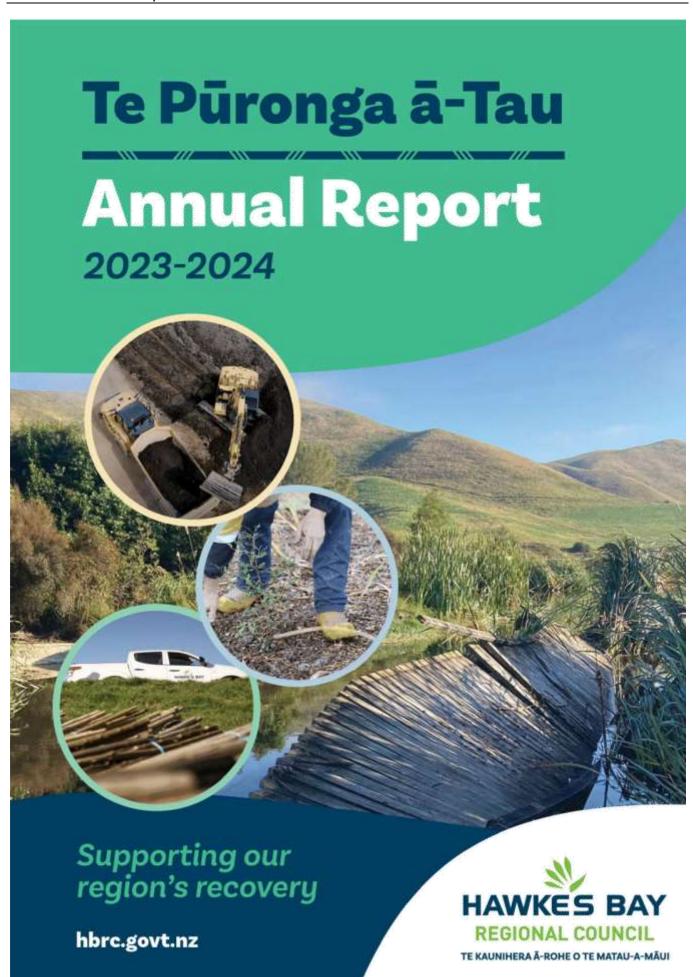
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159 Dalton Street

**NAPIER** 

## **Attachments Excluded From Agenda**

ItemTitlePage6.2023-2024 Annual Report for adoption4ttachment 1: HBRC 2023-24 Annual Report2



## Welcome to our Annual Report 2023-2024

This report describes the work we have undertaken between 1 July 2023 and 30 June 2024. It focuses on actual performance against what was planned in the third year of our Long Term Plan 2021-2031. It covers both service and financial performance against targets.

#### Adopted 30 October 2024

Prepared in accordance with the requirements of the Local Government Act 2002

HBRC Publication number: 5656

ISBN: 978-0-947499-52-5

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Healthy





Prosperous Environment Community

Community

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Auditor's report



#### HE KUPU NÃ TE TOIHAU ME TE KAIWHAKAHAERE MATUA

#### MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

### Welcome to our Annual Report for the year 1 June 2023 to 30 July 2024.

Our key focus over this time was to support communities to recover from Cyclone Gabrielle, given its significant impact on people, communities, marae, livelihoods, and the environment.

We worked alongside our impacted communities and local councils on land categorisation and what this meant for their homes, land, and livelihoods.

We completed the land categorisation process in October 2023 – a significant milestone. This meant the voluntary buy-out process of Category 3 properties (led by territorial local authorities) could start. This collaborative effort between all five councils in the region helped provide greater certainty for those property owners.

We completed the significant task of repairs to the flood infrastructure damaged by the cyclone, around 6km of breaches and 28km of weakened stopbanks across our 248km network. The majority of this work was finished by October 2023, and all the repairs were done by January 2024 – a task that would normally take years to accomplish.

After completing immediate repairs to our flood monitoring telemetry and communication networks, the focus has been on restoring sites and building resilience.

We negotiated with the Crown for a significant recovery support package for the region. With this funding, we are building new flood schemes for Wairoa, Whirinaki, parts of Heretaunga, and Pōrangahau. These schemes will enable homes in Category 2A or 2C to be re-classified as Category 1, meaning people can stay on their properties and repair or rebuild their homes.

Following the cyclone, we took on new work across a wide geographical area. Cleaning up the silt, woody debris, and waste created by Cyclone Gabrielle was a massive job – and important, to help communities recover and growers and farmers return their land to productive uses.

Staff and contractors also worked incredibly hard to get as much of our regional parks and trails as practicable ready for public use again after being extensively damaged in the cyclone.



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## HE KUPU NÄ TE TOIHAU ME TE KAIWHAKAHAERE MATUA

#### MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

Our region's rural and primary sectors were severely impacted by the cyclone, and our teams worked closely with farmers, growers and landowners to understand their ongoing needs, support and guide recovery planning.

Cyclone Gabrielle exacerbated soil erosion, stripping vegetation and trees from land and hill country, and dumping millions of tonnes of soil into our waterways. We helped fund new planting and cyclone remediation work, and protected waterways with new fencing.

The cyclone has again had a major impact on our finances for the year.

The performance for the financial year (2023-24) was an operating surplus of \$964,000, compared to a planned deficit of \$20.7 million.

This surplus was mainly a result of subsidies and grants for infrastructure rebuild, with the related spend not showing in the statement of revenue and expenditure.

Revenue and expenditure are both significantly above budget due to the external funding that was received, and the associated costs paid for cyclone related activities like sediment and debris removal.

The value of our infrastructure assets has risen sharply this year following a revaluation based on the costs incurred in rebuilding our stopbanks, pump stations and other assets.

For more detailed financial information please see Part 5.

Ngā mihi

Te Toihau

Chair

Hinewai Ormsby





Tumu Whakarae

Chief Executive

Dr Nic Peet



Te Půrongo ä-Tau 2023-2024

Kupu Whakataki

# Wāhanga 1 Kupu Whakataki

Part 1
Introduction





## NGÃ KAIKAUNIHERA ME Õ RĀTAU ROHEROHENGA 2023-2024

#### **OUR COUNCILLORS AND THEIR CONSTITUENCIES 2023-2024**

Elected members are responsible for setting the strategic direction and adopting all major policies to enable the Regional Council to achieve its vision for a healthy environment and a resilient and prosperous community.

The Hawke's Bay region has seven constituencies represented by councillors, with representation determined by the Electoral Commission New Zealand and based on population. On the general roll, the constituencies of Wairoa, Ngaruroro, and Tamatea-Central Hawke's Bay are represented by one member each, and Ahuriri-Napier and Heretaunga-Hastings by three members each. On the Māori roll, the constituencies of Māui ki te Raki and Māui ki te Tonga are represented by one member each.

Councillors elect a Chair at the first Regional Council meeting following a local body election. The most recent election was on 8 October 2022.



Te Pürongo ä-Tau 2023-2024

Kupu Whakataki



## TE KÄHUI HAUTÜ 2022 ME TE ANGA KÖMITI 2023-2024

#### LEADERSHIP TEAM 2022 AND COMMITTEE STRUCTURE 2023-2024

#### Executive leadership team

As at 30 June 2024



Hawke's Bay Regional Council is supported by a professional corporate organisation, led by the Chief Executive. The Chief Executive and staff are responsible for managing day-to-day issues, providing policy advice, and implementing policies to achieve the results the Regional Council wants.

The Hawke's Bay Regional Council's executive leadership team is shown on the left.

#### Committee structure 2023-2024

The Regional Council and committee meetings are open to the public, except where items of business exclude the public for specific reasons. Meeting dates and times are published in *Hawke's Bay Today* and on our website hbrc.govt.nz, search: #meetings
The following committees were operational during 2023-2024.



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## TE WHAKAURUNGA O NGĀI MĀORI KI TE TUKU WHAKAARO

#### MĀORI PARTICIPATION IN DECISION-MAKING

30.6% of our population is of Māori descent

throughout the Hawke's Bay region'

post-settlement govern entitles (PSGEs) are currently represented on the Hawke's Ba Regional Planning Committee

Ngāti Kahungunu with Rongomaiwahine have coastal robe running from Paritū north of Mahia - to Türakirae on the south Wellington Coast

Ngāti Kahungunu lwi Incorporated comprises 6 taiwhenua? with governan entities and operations on the ground, four of which are in the Hawke's Bay region

6.8% speak to reo M (Census 2018)

Hawke's Bay residents

of Hawke's Bay's 1.42 million hectares is Māori freehold land<sup>a</sup>

There has been

## \$466 million

of financial redress in recent Treaty settlements. This will increase with future settlements.4

Hawke's Bay has a diverse and culturally rich landscape.

#### Working with iwi

Māori make a significant contribution to our region both as mana whenua and Treaty partners, through their ownership of assets, economic development, participation in co-governance, and their growing influence as kaitiaki in the conservation, preservation, and management of our natural resources.

## **Regional Planning Committee**

The Regional Planning Committee (RPC) was first established by Hawke's Bay Regional Council in 2011 as a joint planning committee. In August 2015, the Hawke's Bay Regional Planning Committee Act 2015 (the Act) came into effect and formalised the arrangements for the RPC. The purpose of the Act is to improve tängata whenua involvement in the development and review of plans prepared by the Regional Council under the Resource Management Act 1991 (RMA).

With its own legislation, the RPC is not a Schedule 7 committee" and therefore cannot be dissolved every three years while local body elections take place. This enables the RPC, and in particular the Treaty settlement claimant groups, to oversee development and review of regional plans and policy statement documents under the RMA - processes which often span multiple years for longer-term environmental outcomes.

Te Pürongo ä-Tau 2023-2024

Kupu Whakataki

<sup>&</sup>lt;sup>2</sup> kahungunu.iwi.nz

<sup>&</sup>lt;sup>2</sup> six taiwhenua: Kahungunu ki Wairarapa, Tamaki-nui-a-Rua,

Tamatea, Heretaunga, Te Whanganui-a-Orotů, Wairoa

<sup>3</sup> agriculture.govt.nz

<sup>4</sup> tearawhiti.govt.nz

Clause 35 of Schedule 10 of the LGA requires HBRC to report on the activities that we have undertaken in the year to establish and maintain processes to provide for opportunities for Māori to contribute to our decision-making processes.

Local Government Act 2002, clause 30 of Schedule 7 'Power to appoint committees, subcommittees, other subordinate decisionmaking bodies, and joint committees.



## TE WHAKAURUNGA O NGĀI MĀORI KI TE TUKU WHAKAARO

#### MĀORI PARTICIPATION IN DECISION-MAKING

#### Regional Planning Committee (contd)

The role of the Regional Planning Committee (as established under the Act) is to oversee the review and development of the Regional Policy Statement and Regional Plans under the RMA. The RPC is a cogovernance committee with equal number of Post Settlement Governance Entity (PSGE) representatives and councillors. The connection to the region's PSGEs through the RPC allows for a more conductive relationship between iwi and the Regional Council and provides te ao Māori voice and lens to environmental issues through RMA decision making.

As at 30 June 2024, the RPC Co-Chairs were Tania Hopmans (appointed by PSGE members) and Councillor Hinewai Ormsby (Regional Council Chair). Two RPC meetings and a workshop were held between 1 July 2023 and 30 June 2024.

Several matters were presented to and considered by the RPC throughout the year including:

- Clifton to Tangoio Coastal Hazards Strategy and its Mātauranga Māori workstream
- Kotahi Plan updates
- Tăngata whenua appointee's remuneration review
- updates on central government's resource management system reforms
- regular updates from staff about policy projects and statutory advocacy.

The most notable items for the RPC were endorsing the proposal to divide the Kotahi project into two phases: the first phase being the development of the Regional Policy Statement; and the second phase being the development of the Hawke's Bay Regional Resource Management Plan, and endorsing the progression of the Regional Policy Statement.

#### Māori Committee

Hawke's Bay Regional Council has a representative group of Ngāti Kahungunu tāngata whenua as its Māori Committee. The Māori Committee consists of 13 Māori members, three from each of the four taiwhenua or Kahungunu executive in the Hawke's Bay region and a Ngāti Kahungunu lwi Incorporated Board member, plus up to four councillors.

The Committee meets quarterly to consider relevant issues. It provides the Regional Council with recommendations, taking into account tangata whenua views, expectations, and aspirations. The Maori Committee is a key mechanism established by the Regional Council to comply with its obligations to engage and consult with Maori, as set out under Sections 81 and 82 of the Local Government Act 2002 (LGA). It is a standing committee under clause 30(1)(b) of Schedule 7 to the LGA. A charter sets out the way the Maori Committee and the Regional Council engage.

One member of the Māori Committee is appointed to with voting rights to each of the Regional Council's Environment and Integrated Catchments, and Corporate and Strategic committees.

The Co-Chairs of the Regional Council's Māori Committee attend Council meetings alongside one representative from the Regional Planning Committee where they have speaking rights on all issues. The Māori Committee has representation from within taiwhenua takiwā/district boundaries, to give tāngata whenua of that area opportunities to participate in discussions of particular relevance to their rohe/area.

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focus areas:

## TE WHAKAURUNGA O NGĂI MĀORI KI TE TUKU WHAKAARO

#### MĀORI PARTICIPATION IN DECISION-MAKING

#### Direct hapu and other involvement

Hawke's Bay Regional Council continued to engage

directly with iwi, hapū, and marae across the region, ensuring their active participation in council activities and decision-making processes. The input of mana whenua remains essential, driving the success of our environmental and community resilience projects. The Māori Partnerships team has played a key role in coordinating these direct engagements, supported by a refreshed strategic approach under the new leadership of Te Pou Whakarae (Group Manager, Māori Partnerships), who was appointed permanently in April 2024 after serving in an acting capacity since October 2023. This leadership transition, developed in collaboration with the Māori Committee, emphasises

deepening partnerships with Māori across several

- Mātauranga Māori Workstreām: Significant
  progress was made this year in integrating
  Mātauranga Māori into Regional Council activities.
  The Kaihautū Pūtaiao has been developing a
  framework to guide the Regional Council on the
  appropriate identification, acknowledgment, and
  engagement with mana whenua and their
  mātauranga. This mahi/work has involved
  representation from mana whenua across the
  region, contributing to the framework's
  development, with a final product expected next
  year.
- Engagement with Ivil and Hapü: The Māori
  Partnerships team facilitated direct engagement
  with every Hawke's Bay Post Settlement
  Governance Entity (PSGE), iwi authority, and
  taiwhenua, achieving a 100% engagement rate on
  council activities. This consistent and active
  involvement has been critical in embedding Māori
  perspectives into the development and
  implementation of council initiatives.

Appointment of Mana Whenua Representatives:
 A significant achievement this year was appointing mana whenua representatives to flood resilience project groups, underscoring the Regional Council's commitment to involving Māori at all stages of project development. This direct representation ensures council projects are aligned with the needs and values of mana whenua.

These accomplishments underscore the Regional Council's commitment to fostering meaningful involvement of iwi and hapū in council activities, ensuring that their perspectives are integrated throughout our work. The ongoing efforts of the Māori Partnerships Group reflect the Regional Council's dedication to upholding statutory and Treaty Settlement obligations and strengthening partnerships with Māori across the region.

Te Pürongo ä-Tau 2023-2024

Kupu Whakataki

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Wāhanga 2 Ngā Tirohanga Whānui ā-Rohe

Part 2 Regional Overview





#### **REGIONAL OVERVIEW**

# Supporting our region's recovery and building resilience

It has been 16 months since Cyclone Gabrielle swept through Hawke's Bay, the largest recorded flood event in Aotearoa New Zealand's history. Still in recovery, the region faced further severe flooding, and a State of Local Emergency was declared in both Wairoa and Haumoana at the end of June 2024.

The focus of the past year has been on reinstating the region's damaged flood infrastructure and supporting the region's recovery, helping build resilience to future climate events.

Our staff across the organisation have been involved in a broad range of work to help get the region back on its feet. We are proud of what we have achieved and provide an update below. We know there is still a lot in front of us in the journey to recovery and remain committed to this and working in partnership with our communities.

#### Rethinking flood protection

The impact of Cyclone Gabrielle and a changing climate has challenged the way we think about flood protection.

We cannot remove the risk of our stopbanks being overtopped by extreme weather events, so we are looking at incorporating alternatives in our networks for greater predictably in events that are bigger than our flood infrastructure is designed for.

This includes options like spillways creating alternative flow paths for floodwater, detainment bunds, ponds, or nature-based solutions such as wetland restoration and creation, and making room for rivers.

This thinking forms part of the flood scheme reviews and options under consideration for future flood scheme development. The approach will require difficult and challenging conversations with our communities about what levels of service stopbanks should be built to, affordability, and risk.

#### Completing repairs

The immediate focus for the start of 2023-24 was completing the remaining repairs to the flood infrastructure damaged by the cyclone.

The intense rainfall in a short period was more than our river management network was designed and built to manage. Nearly 6km of stopbanks across our 248km stopbank network was breached and a further 28km weakened.

Rapid Repair teams worked around the clock in difficult conditions where access to sites and logistics was challenging.

They completed an extraordinary amount of work in a short time restoring stopbanks to pre-cyclone levels of service in populated areas within four months and by October 2023 had completed 99% of repairs. This amount of work would typically take years to investigate, design, procure, and execute.

The final repairs, in Central Hawke's Bay, were completed in January 2024, hindered by prolonged high river levels.

The insurance process for our infrastructure repair work continues to be labour intensive and complex. We are still finalising insurance and NEMA (National Emergency management Agency) claims for work completed to date and will be undertaking further claims for work to be completed in 2024-25.

## Restoring and building resilience in our telemetry network

After completing immediate repairs to our flood monitoring telemetry and communications networks (systems were operational within five days of the event) the focus has been on restoring sites and building resilience.

The telemetry and communication systems monitor rainfall and river levels and communicate this information from the different field sites to our Dalton Street base.

Staff are implementing network upgrades after identifying what new flood monitoring equipment and systems are needed to increase flood resilience and following two independent reviews. The \$5 million upgrade programme is part of the region's cost-share agreement with the Crown.

Te Pürongo ä-Tau 2023-2024



#### REGIONAL OVERVIEW

To build resilience at the Kahurānaki radio repeater station, which stopped operating in Cyclone Gabrielle, Regional Council has purchased its own radio equipment and batteries for the site and is monitoring the equipment 24/7.

We have also purchased and successfully tested a portable repeater so if the Kahuranaki or Mt Misery repeater in Wairoa has problems we can change to our portable repeater to get radio communication from our sites.

We are installing new and extra technology at critical sites as well as a camera network that is able to take near real-time pictures to give river information through our Hawke's Bay Regional Council website. This will enable others, including the public, to make informed decisions for community safety.

## Land categorisation for affected homes and properties

Regional Council played a key role in the land categorisation process, and completing the initial land categorisation in October 2023 was a significant milestone. This meant the voluntary buy-out process of Category 3 properties (led by territorial local authorities) could start, helping provide greater certainty for those property owners.

The Government developed the FOSAL (Future of Severely Affected Land) framework and Regional Council undertook the risk assessment and led the technical process that helped to identify provisional land categorisation areas.

The framework has three categories:

- Category 1 areas are safe for people to continue living in
- Category 2 are areas that need improved flood mitigation work to be deemed safe
- Category 3 areas are deemed unsafe due to an intolerable risk to life.

Regional Council also committed a lot of time to engage with affected communities and property owners once they were notified of their initial land category. Staff worked through more than 300 enquiries. This involved many site visits, conversations with property owners, and additional technical

assessments, which led to further refinements of the hazard maps, meaning category changes for some areas.

#### Securing funding for Hawke's Bay's recovery

While the land categorisation process was taking place Hawke's Bay councils negotiated with the Crown for a recovery support package for the region.

An agreement was reached in August 2023. The Crown committed \$556 million for Hawke's Bay to help with flood mitigation costs, help repair roads and bridges, and assist territorial local authorities with the voluntary buy-outs of Category 3 properties. Key to this support package was that councils also must contribute financially.

Of the \$556 million, \$203.5 million was allocated toward flood mitigation. Regional Council committed local funding of \$44.15 million taking the total package to \$247.6 million.

The Crown agreement was based on cost estimates on possible solutions to satisfy flooding risks to enable homes in Category 2A or 2C to be re-classified as Category 1, meaning people can repair or rebuild their homes. If after further investigation no feasible flood mitigation can be identified homes could be changed to Category 3.

The agreement also included general works to:

- upgrade three pumpstations which were flooded during the cyclone
- undertake additional upgrades to already repaired stopbanks
- replace and upgrade telemetry that was also flooded
- accelerate planned flood control scheme reviews.

#### **Building flood resilience**

With the funding, agreed Council established a Flood Resilience Programme which got underway in October 2023. This will see new flood schemes built in the following areas:

- Wairoa
- Whirinaki
- parts of Heretaunga
- Pörangahau.

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## NGĀ TIROHANGA WHĀNUI Ā-ROHE

#### REGIONAL OVERVIEW

Hastings District Council is delivering flood mitigation work in Havelock North.

Regional Council is undertaking preliminary design work to provide viable flood mitigation options, and these are being discussed with each of the communities.

Traditional resource consenting timeframes for new stopbank and pump station projects are lengthy. Regional Council staff, with assistance from the Regional Recovery Agency, have worked with the Government to develop temporary legislative changes to provide a more streamlined consenting process for the flood resilience projects. This 'Order in Council' was enacted on 7 June 2024.

Construction is planned to start at three sites late 2024 – Omāhu (Ohiti Road), Waiohiki, and Whirinaki.

#### **Building more resilient communities**

Regional Council continued to support the work of the Hawke's Bay Civil Defence Emergency Management (CDEM) Group.

The CDEM Group operates as a shared service across the region's five councils delivering emergency management outcomes in risk reduction, readiness, response, and recovery. Regional Council is the administering authority for the Group and manages the CDEM Group office on behalf of the Group (this includes providing office accommodation, employing staff and office support).

Regional Council also ensures we have staff that are trained and available to participate in and help coordinate an emergency response.

Following Cyclone Gabrielle, the CDEM Group's governors, the CDEM Joint Committee (made up of the region's mayors and the regional Council chair), commissioned an independent review into the Group's response to the cyclone which was released in March 2024. The Government undertook a broader Inquiry into the Response to the North Island Severe Weather Events in 2023, which included Cyclone Gabrielle, and was released in April 2024.

Both reviews re-iterated the magnitude of Cyclone Gabrielle and found that the current national emergency management system is not fit for purpose. The Government is planning to introduce a new Emergency Management Bill alongside system improvements that do not require legislative changes.

The CDEM Group got work underway for some of the recommendations of the Independent Review, however, there is considerable additional work which will require analysis, prioritisation, and resourcing.



Te Pürongo ä-Tau 2023-2024

Ngā Tirohanga Whānui ā-Rohe



#### **REGIONAL OVERVIEW**

#### Cleaning up

Cleaning up the silt, woody debris, and waste created by Cyclone Gabrielle has continued to be a massive job. This work has been important to support the environment's recovery, help communities clean up their land and move forward, and help growers and farmers return their land to productive uses and support the economic recovery of the region. Wairoa is faced with further significant recovery and clean-up work after a second flood event in June 2024.

The Silt Recovery Taskforce, a joint initiative between Regional Council and Hastings District Council has collected and managed the disposal or re-use of 3.27 million tonnes of silt, debris, and non-organic waste as at the end of June 2024. This is part of the wider recovery which has seen the collection and management across Hawke's Bay of 3.87 million tonnes of silt, debris, and non-organic waste.

The work has been funded by the Government and administered by Regional Council.

In response to the June 2024 flood event in Wairoa, \$3 million of funding was reprioritised to fund collection of household waste and silt and debris by Wairoa District Council. The Silt Recovery Taskforce continues to support Wairoa in the clean-up particularly collecting and managing the woody debris.

The Silt Recovery Taskforce aims to divert as much material as possible away from landfill and has collaborated with several organisations to re-purpose, re-use, or recycle collected materials.

After finishing its remaining jobs, the Taskforce will remediate collection sites and hand them back to their landholders by the end of the year.

As a region, we have faced some tough decisions about how to deal with some waste. In May 2023, Regional Council put an exception in place for flood damaged properties within the Hasting and Napier airsheds to responsibly burn waste over winter. A temporary law change allowed outdoor burning of previously prohibited cyclone and flood waste for rural landowners in commercial scale horticultural and agricultural properties outside the airsheds from 5 July 2023 to 1 November 2023.

Landowners were required to submit a fire management plan to Regional Council and soil testing was also required to manage contamination to the land caused by the burning of waste.

#### Key Highlights (to 30 June 2024)

#### Silt

- Approx 3.46 million tonnes has been collected.
- Silt was kept on location when practicable.
- At the height of the work the Taskforce had 17 sites to store clean silt, mixed waste, and woody debris.
- Sites were regularly tested for contamination. No contamination has been found.
- Around 98% of collected silt has been re-used for a variety of purposes such as backfill material for areas dug out for stopbanks, fill material for developments such as Parklands, material to support basecourse production, blended with woody debris for mulch production, raising land levels, and filling large land voids.

#### Woody debris

- Regional Council has worked with the Taskforce to remove woody debris from rivers, riverbanks and mouths, beaches and from around bridges to prevent further damage and to reduce the risk of fire hazards.
- About 210,000 tonnes of woody debris and 100,000 tonnes of general debris has been collected.
- Where possible woody debris has been recycled or repurposed. If this wasn't possible, heli-burning was used to safely burn piles of woody debris in controlled areas near rivers and beaches.
- Regional Council also led work targeting woody debris in the upper catchment areas. This was funded by the Ministry of Primary Industries.

#### Non-organic waste

- About 100,000 tonnes of non-organic waste has been collected and managed.
- Waste is re-used as much as possible, for example, repost repurposed damaged orchard posts into 90kms of farm fencing, and tyres and water tanks have been shredded and recycled.
- Waste such as rubber, metal, tanalised timber, and concrete was sent to various recycling plants across the country.

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#### **REGIONAL OVERVIEW**

#### Regional parks and trails

Staff and contractors worked incredibly hard to get as much of our regional parks and trails as practicable ready for public use again after being extensively damaged in the cyclone.

The clean-up of the regional parks we manage was a huge undertaking. The cyclone destroyed years of planting and restoration work by communities and the Regional Council, and dumped tonnes of flood debris and items from orchards, such as apple bins.

Päköwhai, Waitangi, and Pekapeka regional parks were re-opened to the public by late March 2023, and Tûtira Regional Park was re-opened in December 2023.

Cyclone recovery work is ongoing at Waitangi, Tütira, and Pekapeka regional parks.

The Hawke's Bay Trails Great Ride was significantly damaged with about 60km of the total 177 km network closed immediately for safety reasons. The open sections were repaired as soon as possible and then the focus was on repairing the closed sections. 95% of the network was open again by February 2024 and the final repairs (on the Puketapu loop) are expected to be completed by December 2024. This doesn't include major infrastructure repairs and resilience work such as regional bridges or stopbank work.

Regional Council is the lead agency for the Hawke's Bay Trails Great Ride and manages the whole network on behalf of asset owners. We secured \$2.2 million from the Government for the repair work so no cofunding was required by Regional Council, Hastings District, or Napier City Councils.

## Supporting our rural and primary sector recovery

It will be a long road to recovery for the region's rural and primary sector which was severely impacted by the cyclone. Our Rural Recovery Team and other Integrated Catchment Management staff have continued to work closely with farmers, growers, and landowners to:

 understand their ongoing needs and connect them to appropriate services. Staff carried out a follow-up Impact Assessment Survey (completed in early 2024) to gain an updated picture of

- recovery. We received more than 200 respondents representing 240 properties.
- assist with, and guide, individual farm recovery planning.
- partner with them on appropriate Regional Council programmes such as our Erosion Control Scheme.

A key focus has been working with communities impacted by changes to rivers and streams as a result of extreme weather events and understanding remediation options available to them.

Staff also continued to work closely with established catchment groups and collectives, and supporting emerging catchment groups to share information, tools, and resources to support sustainable land-use options.

#### Getting more trees in the ground

Soil erosion was already a critical issue for our region's farmland. Cyclone Gabrielle exacerbated the problem, stripping vegetation and trees from land and hill country and setting off landslides which dumped millions of tonnes of soil into our waterways and onto the plains, wiping out fencing and farm tracks in the process.

Information about our work supporting planting such as our Erosion Control Scheme, is included in the Regional Highlights (pages 9-14).

We're also undertaking feasibility work of naturebased solutions such as afforestation and wetland development in reducing peaks and providing additional layers of resilience for flooding events. This work is due in June 2025 and is funded by the Ministry for the Environment.

## Science expertise to understand cyclone impacts on environment

Our scientists have been leading and supporting a broad range of research investigating the possible long-term impacts of Cyclone Gabrielle on the natural environment and ecosystems, and looking at how we can build resilience.

Te Pürongo ä-Tau 2023-2024

Ngā Tirohanga Whānui ā-Rohe



#### REGIONAL OVERVIEW

Our scientists have been working in four focus areas, in partnership with Crown Research Institutes, government ministries, and national organisations:

- Resilient land this includes a range of investigations to understand the land damage caused by land slips, silt, and looking at the efficacy of planting.
- Climate resilience this includes flood frequency analysis to determine new flood statistics, and investigating nature-based solutions to flood management, such as planting forests and wetland restoration and development.
- Water security and health this includes understanding the impact of the sediment and debris on water quality in the region's lakes, rivers, estuaries, coastlines, and how these systems are responding.
- Integrated ecological assessments this includes looking at the impacts on habitats and species in the region's wetland, forest, freshwater, and coastal ecosystems to better understand the state of the environment.

Most of the research is on-going. Technical reports are available on our website hbrc.govt.nz, search:

#### #documents

Research will also form part of our three-yearly State of the Environment report (2021-2024). This report gives an overview of the state of the Hawke's Bay environment, including biodiversity and ecosystem health, climate, our coast, and air and water quality. It guides our resource management planning and activities, as well as benefitting local communities.

#### Air quality monitoring

We increased air quality monitoring after the cyclone, In addition to our three established sites (Marewa Park Napier, St John's College Hastings, and Awatoto) we established a new site at Eskdale School and supported NIWA's dust monitoring in the most-affected areas and near silt depositories around Esk and Tütaekuri catchments.

#### Supporting the Regional Recovery Agency

Regional Council is continuing to provide administrative support to the Hawke's Bay Regional Recovery Agency (RRA).

The RRA was established to lead and coordinate recovery efforts across the Hawke's Bay region, and to provide coordination between the region, Government, and government agencies.

## Managed the Hawke's Bay Disaster Relief Trust

Regional Council wrapped up the Hawke's Bay Disaster Relief Trust in July 2023 after administering it on behalf of the region's councils.

Regional Council staff managed the donations received from around Aotearoa New Zealand and overseas, assessed applications, and distributed funding.

Around \$6.5 million was paid to 4,630 applicants, plus \$2.3 million to local councils for grants to be paid to owners of yellow and red-stickered properties.

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#### **REGIONAL HIGHLIGHTS**

## Across Te Matau-a-Māui-Hawke's Bay

The total number of permanent staff at Hawke's Bay Regional Council is 321 at 30 June 2024. The region's total land area is around 1.42 million hectares, of which an estimated 252,000 hectares is highly erodible. The coastal-marine area accounts for almost one-third of the area HBRC is responsible for.

#### Recovery-focused Long Term Plan

A significant amount of work by both staff and councillors went in to developing our Three-Year Plan 2024-2027. This was challenging as the organisation is facing substantial cost pressures, has a significant recovery-focused workload, and at the same time knows affordability for ratepayers is a big concern. Community consultation was undertaken from 15 April to 16 May 2024 and after hearing community feedback, the Council adjusted the planned average rate increase for 2024-25 from 19.6% to 16%.

#### Dedicated funding for climate action

For the first time, joint funding for the Climate Action Joint Committee was secured though partner councils' long-term plans. This will enable the Joint Committee to progress and support climate action across the region.

The committee was established in May 2023 and consists of representatives from the region's councils, Post Settlement Governance Entities, and taiwhenua representatives from the Regional Council's Māori Committee.

#### Youth Environment Ambassadors

Organising and participating in beach clean ups and driving sustainability action projects in their schools have been highlights for this year's Youth Environment Ambassadors. Each year, students from Hawke's Bay secondary schools are invited to apply to become Youth Environment Ambassadors. They work together to drive positive change, participate in council initiatives, and inspire their peers to take care of the region's natural resources.

#### More Enviroschools

Our Enviroschools reach has increased in the past year with three new secondary schools joining the programme. Our Environmental Education team now works with 74 schools and early childhood centres across Hawke's Bay on a variety of projects. These include supporting a community nursery and undertaking water testing at their local river/awa.

#### Strong credit rating

Regional Council received an AA credit rating. This rating indicates Regional Council is in a very strong position to meet its debt commitments in the future, and means Regional Council can access lower interest rates on the money it borrows in the future, saving money for ratepayers.

#### Warmer and drier homes

Our successful Clean Heat and Sustainable Homes programmes stopped issuing new loans and grants in July 2024 having helped more than 18,500 homes in Hawke's Bay. The programmes provided financial assistance to eligible ratepayers to build resilience into homes and help improve winter air quality. Clean Heat was launched in 2009 to encourage people to replace old fireplaces when new regulations came in, and we introduced Sustainable Homes in 2018 to help people access products to make their homes warmer, drier, and more resilient in a changing climate. Ratepayers with existing loans for these programmes will continue to repay them through a voluntary targeted rate.

#### Supporting economic development

We continued our support for regional economic development through funding partnerships with two regional organisations. We regionally rated \$1.52 million for Hawke's Bay Tourism in 2023-24 and have committed \$1.7 million in total over three years to the new Hawke's Bay Regional Economic Development Agency (HBREDA).

HBREDA was incorporated as a limited liability company in September 2023. It is governed by an independent skills-based board. A recent achievement was the blessing and opening of the new business hub Te Rae. Te Rae houses the business support agencies (Chamber of Commerce, NZTE, Business Central, and

Te Pürongo ä-Tau 2023-2024



#### REGIONAL HIGHLIGHTS

Export NZ) and HBREDA, and provides six meeting rooms for public hire. HBREDA has partnered with Toi Mairangi to provide gallery space for local artists in the events/meeting space.

#### Managing our natural resources

Work on our Kotahi Plan was restarted following it being paused after Cyclone Gabrielle. The priority is on firstly developing a new Regional Policy Statement. The statement is an overarching document that identifies the most significant environmental issues in the region and provides direction for our Regional Resource Management Plan (the second phase of the Kotahi Plan) and other councils in the region on how these should be managed.

A key part of developing the Regional Policy Statement is identifying the vision and values of communities, including tangata whenua, across the region.

#### Taskforce wins a national award

The Silt Recovery Taskforce's approach to cleaning up silt and debris after Cyclone Gabrielle won a national award. It received the Most Sustainable/Innovative Waste Disposal Initiative Award at the WasteMINZ conference in May 2024 in Hamilton. The Taskforce is a joint initiative between Regional Council and Hastings District Council, and funded by the government.

#### Understanding the region's aquifers

The 3D Aquifer Mapping Project finished in June 2024 after five years of dedicated research, with modelling results being finalised. The project focused on the Heretaunga, Ruataniwha, and Poukawa/Ōtāne basins, using cutting-edge technology to conduct aerial surveys to map our groundwater systems in early 2020. The data gathered has been integrated into the Heretaunga and Ruataniwha groundwater models to help us better understand how our aquifers work and help improve the management of water resources.

#### Targeting soil erosion

We supported 258 farms across the region through our Erosion Control Scheme. We helped fund new planting of 856 hectares and an additional 118 hectares of cyclone remediation work. We also helped protect 53.3km of waterway with new fencing and a further 21.3km of fencing damaged in the cyclone. The Erosion Control Scheme supports farmers and landowners to plant the right trees in the right place to slow erosion, improve biodiversity, and help build resilient farms. It also supports improvements in pastoral farm systems and regenerative farming practices.

#### Pole nursery expansion

Our nursery expansion got underway so we can grow more willow and poplar poles to supply landowners for erosion control planting. We're developing three new blocks and by 2028 anticipate growing around 42,000 to 45,000 poles per year. That is a significant increase on current production numbers.

#### Yellow water lify eradicated

We eradicated the invasive pest plant the yellow water lily from all known Hawke's Bay locations after thirty years of work. Our checks since 2021 show the plant has not grown back. Yellow water lily has a negative impact on water and wildlife and spreads quickly. Previously infested areas will be monitored every three years to ensure yellow water lily hasn't returned. Other suitable habitats within Hawke's Bay will also be checked for possible new infestations.

#### **Biodiversity boost**

Thirteen conservation groups received funding through Biodiversity Hawke's Bay's Environmental Enhancement Contestable Fund in 2024 to protect native species, preserve local ecosystems, and promote regional environmental restoration. Hawke's Bay Regional Council is the primary funder of the Environmental Enhancement Contestable Fund providing \$50,000 per year.

#### Stopbank upgrade in Ngatarawa

Despite Cyclone Gabrielle putting a temporary pause on our Resilient River Communities Programme, we achieved a significant milestone of completing the stopbank upgrade in Ngatarawa in November 2023. It was upgraded from a 1% to 0.2% likelihood of flooding in any given year (or 1-in-500 year pre-cyclone level of protection).

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#### **REGIONAL HIGHLIGHTS**

#### Maritime safety

Following community consultation, Regional Council adopted the Hawke's Bay Navigation Safety Bylaw 2023. The bylaw came into effect in January 2024 and is reviewed every five years. Its purpose is to ensure that recreational and commercial users of coastal and inland water in Hawke's Bay can safely use and share the water. The new bylaw addressed issues arising from increased popularity in some areas, and restricts access for fast moving or motorised craft from some areas.

#### Hawke's Bay's transport rebuild bid

On behalf of the Regional Transport Committee, we developed and then undertook community consultation on the HB Regional Land Transport Plan 2024-2034 (RLTP). The RLTP presents a \$4.7 billion bid to central government via NZTA (NZ Transport Agency Waka Kotahi) to rebuild the region's transport system which was significantly damaged after Cyclone Gabrielle and to enhance resilience for the future. Regional Council adopted the plan in July 2024, as recommended by the Regional Transport Committee, and submitted it to NZTA. All councils and projects across the country are vying for funding from the National Land Transport Fund.

#### New youth fare for public buses

We introduced a youth fare on our GoBay bus services for 5- to 18-year-olds (under 5s remain free) from 1 May 2024. This was in response to central government stopping its funding for some age groups and feedback from the community.

#### Youth Roadsafe Expo

More than 2,000 year 11 and 12 students from around Hawke's Bay attended the Hawke's Bay Youth Road Safety Expo at Pettigrew Green Arena from 6-10 May 2024. The expo is a joint safety initiative between Regional Council, NZ Transport Agency Waka Kotahi, Hato Hone St Johns, Fire and Emergency NZ, and NZ Police. The Expo enabled positive and impactful messaging and education to be delivered to students just starting out on their driving journey and is a highlight of our annual Road Safety programme.

#### Wairoa

With strong networks in the area, our staff have used their local knowledge and expertise to support the emergency response during severe weather events.

Regional Council negotiated a package with the Crown securing 100% of funding – \$70 million – for a flood resilience scheme for Wairoa. A lot of work has been undertaken investigating options for Wairoa, which is the largest scheme of our Flood Resilience Programme and has more complex design challenges. The Tripartite Leadership Group (Regional Council, Wairoa District Council, and Tätau Tätau o Te Wairoa) established a community steering group who worked with engineers and experts to ground truth and test possible infrastructure options against their needs and values. Once evaluated, preferred options will be recommended to the Tripartite Group.

#### Protecting threatened native forests

We undertook new fencing and pest plant or pest animal control work at two threatened remnant forest sites: Opoiti is an acutely threatened 6.5 hectare forest by Wairoa River; Mangatawhiti is 33 hectare forest remnant. We continued to undertake maintenance work at two other sites. This is part of our Priority Ecosystem programme to protect and enhance native species and habitats.

#### Supporting catchment groups

We continued to work with Guardians of the Ruakituri catchment group and support the development of other emerging catchment groups. Our rural advisors work with farmers, growers, and landowners across the region to support resilient land management practices and connect them to Regional Council information, skills, and activities.



#### **REGIONAL HIGHLIGHTS**

#### Threatened, native fish discovered

A potential new population of Shortjaw kôkopu was discovered in the Kopuawhara catchment north of Māhia Peninsula. The native fish, a whitebait species, is classified as threatened and is a taonga. Shortjaw kôkopu are rare on the North Island's east coast. This was the first time the fish has been found in Hawke's Bay.

## Tamatea-Central Hawke's Bay

Our team based in Waipawa is typically out and about in Central Hawke's Bay working with landowners to give support and provide advice on good land use practices. This includes assisting landowners to develop erosion control plans and then implementing actions in the plans to help control erosion and improve water quality. We also have a dedicated relationship manager who is a permanent part of the team to engage with tängata whenua.

#### Protecting threatened native forests

We undertook new protection work, such as fencing, planting, or pest plant control work, at four threatened remnant forest sites. Airlie (12.4 hectares), Kapiti Station (20 hectares of coastal forest), and Te Hiwi (2.4 hectares of swamp forest) are all acutely threatened, and Reigate (2.7 hectares) is chronically threatened. We continued to undertake maintenance or top-up work at a further 10 sites. This is part of our Priority Ecosystem programme to protect and enhance native species and habitats.

#### Supporting catchment groups

We continued to work with the Pōrangahau Community Catchment Group, Tukituki Landcare (a collective of 14 sub-catchment groups in the Tukituki catchment) and support the development of other emerging catchment groups. Our rural advisors work with farmers, growers, and landowners across the region to support resilient land management practices and connect them to Regional Council information, skills, and activities.

#### Working to improve water quality

We have been working with Watch Our Water - Maharakeke and Pörangahau Streams Catchment Group alongside Massey University on a project to improve water quality. The Pörangahau-Maharakeke catchment is a priority area for water quality due to exceeding targeted levels of contaminants in its waterways and famers and the surrounding community have been working together to address this. The Catchment Solutions Project is about developing and sharing practical tools to assess key water quality contaminants, their critical flow pathways, and building pilot innovative mitigation structures — a detainment bund and a woodchip bioreactor — to reduce nitrogen, phosphorous, and sediment in waterways.

## Planting and regeneration at Aramoana Beach

We prepped for the winter planting (July 2024) which saw 5,600 native plants planted at Te Ikatiere, a steep block above the Te Angiangi Marine Reserve. Since Regional Council purchased Te Ikatiere in 2020, we have planted 22,000 native shrubs or trees, across 20 hectares of the 44 hectares in partnership with the Aramoana Environmental and Education Charitable Trust. The aim of this project is to protect the reserve – home to incredible biodiversity – from sedimentation, through stabilising the land, planting trees, and allowing regeneration.

#### Removing willows at Maraetotara

An ongoing partnership with the Maraetotara Tree Trust has seen the continued removal of large willow trees towards the head waters of the Maraetotara River. Nearly 9,000 native trees were planted across four different properties that boundary the river. The focus for the future is to continue with the fencing regime to allow more riparian edges to be retired and planted.

#### Rare reptile found in Waipawa

A population of an endangered lizard – thought to be the Hawke's Bay skink – was found in Waipawa. It was the first time the Hawke's Bay skink has been found in Central Hawke's Bay, with other known populations in

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#### **REGIONAL HIGHLIGHTS**

Hawke's Bay being only within the predator-proof fence at Cape Sanctuary (Cape Kidnappers) in the Hastings district.

#### Gravel extraction

The third tranche of gravel extraction from the Upper Tukituki Flood Control Scheme was completed and a fourth got underway around the Waipawa township. This work has removed 801,639m³ from various sites across the scheme over the past four years. The focus of this work is to reduce the risk of flood and erosion damage, while also aiding the sustainable management of the river.

## Working together for climate change resilience

Consent was granted in August 2023 and the detailed design phase started for the Managed Aquifer Recharge (MAR) pilot in Central Hawke's Bay. The pilot aims to determine whether MAR could be a viable water storage option and contribute to water security in the area. The plan is to use excess flows from the Waipawa River in the wetter months to replenish the Ruataniwha aquifer and provide additional water supply in the drier seasons. Mana whenua, landowners, and Regional Council are working together on the project, which is jointly funded with central government.

## Ahuriri-Napier and Heretaunga-Hastings

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

#### Protecting threatened native forests

We undertook new fencing and planting protection work at Kowhai Downs, an 18 hectare chronically threatened forest near Tütira. We continued to undertake maintenance or top-up work at a further 10 sites. This is part of our Priority Ecosystem programme to protect and enhance native species and habitats.

## Protecting Te Whanganui-ā-Orotū (Ahuriri Estuary)

In partnership with landowners and the Ahuriri Tributaries Community Catchment Trust, we helped plant around 6550 plants and put in 130 metres of fencing in the Ahuriri catchment to protect the Ahuriri Estuary. This is part of our Protection and Enhancement work to improve water quality and biodiversity.

#### Protecting a threatened fish population

In partnership with Eskdale School and Pan Pac Forest Products Ltd we planted 300 plants to help protect a banded kökopu population at Waipatiki as part of our Protection and Enhancement work.

#### Supporting catchment groups

We continued to work with catchment groups in this area – the Taharua catchment group, Between the Two Rivers, Kaweka Community Catchment Collective, Ahuriri Tributaries Catchment Community Trust – and support the development of other emerging catchment groups. Our rural advisors work with farmers, growers, and landowners across the region to support resilient land management practices and connect them to Regional Council information, skills, and activities.

#### Supporting Te Mata Park

We continued our support for Te Mata Park Trust through providing an annual contribution of \$120,000. This goes towards the management of the park enabling our Works Group caretakers to undertake key maintenance and protection work.

#### Matariki at Waitangi Regional Park

We supported Matariki celebrations at the Ātea a Rangi Star Compass at Waitangi Regional Park. Staff helped facilitate 640 students from 12 schools, taking part in planting, celestial navigation learning, and environmental education.

Te Pürongo ä-Tau 2023-2024



#### **REGIONAL HIGHLIGHTS**

#### Cleaning up Karamű Stream

Collaborations with volunteers, schools, community groups and organisations, and neighbouring businesses and residents, saw around 8000 native trees planted along Karamū Stream. This is part of our ongoing enhancement programme to help improve water quality and biodiversity.

#### Discovery of midden pit cluster

Asset Management staff made a special discovery of a midden pit cluster – the largest archaeologists have encountered in the region – when they were undertaking work on a stretch of stopbank by Springfield Road west of Napier in September 2023. Middens were traditional used by Māori for domestic waste, usually containing animal bones, shells, glass and ceramic artifacts, charcoal from fires, hangi stones and other traces from a settlement. Estimates suggest the middens are from the mid-1800s.

#### HB Trails help showcase the region

Two successful Hawke's Bay Marathons were held on parts of the Hawke's Bay Trails Great Ride, after a new course was set to avoid damaged sections after Cyclone Gabrielle. Last year's event was deferred to August, and the same course was kept for the May 2024 event. These events attract and showcase the region to visitors from around New Zealand and overseas.

The Hawke's Bay Trails Great Ride is of one of the 23 Ngā Haerenga Great Rides of New Zealand.

#### More people using public buses

Despite our public bus service being severely impacted by Cyclone Gabrielle, it was fully re-instated in January 2024, and bus patronage increased on the previous two years. A total of 478,794 trips were taken, an increase of 58,102 trips on the previous year, and 38,330 more than in 2021-22.

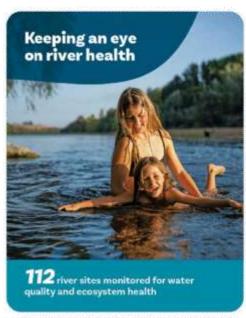


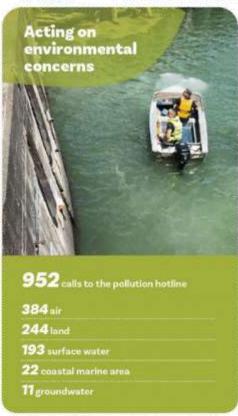
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#### **INFOGRAPHICS**









Pest animal and plant control

Te Půrongo ä-Tau 2023-2024

Ngā Tirohanga Whānui ā-Rohe



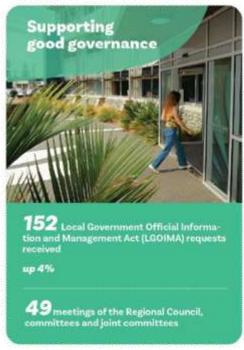
#### TAIPITOPITO WHAKAAHUA

#### **INFOGRAPHICS**











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Wāhanga 3 Ngā Hua ā-Hapori

Part 3
Community Outcomes





Our Long Term Plan must describe the community outcomes for the Hawke's Bay region and link our activities to these outcomes. Community outcomes are what "... a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region in the present and for the future". (Local Government Act 2002)

#### How to read this section

Our community outcomes are:







Healthy Environment

Prosperous Community

Resilient Community

These icons are used in the group of activities statements to show when activities primarily contribute to a specific community outcome.

#### Outcome measures

Under Section 23 of Schedule 10 of the Local Government Act 2002, we must report the results of any measurement undertaken during the year of progress towards the achievement of community outcomes.

We use our 24 time-bound strategic goals from our Strategic Plan 2020-2025 as community outcome measures. These demonstrate a desire to shift from reporting activity or outputs, to managing for and reporting on outcomes — things that matter to the community. Typically, we do not have full control over the achievement of these outcomes. However, along with others, we have a clear statutory role in achieving them. Where possible, the outcomes align with national targets or an existing Hawke's Bay strategy or plan.

The outcome measures are grouped by our four focus areas:

- 1. Wal Water
- 2. Whenua | Land
- 3. Rerenga Rauropi | Biodiversity
- Ngå Ratonga me Ngå Hanganga å-Whare | Infrastructure and Services

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

#### Progress on achievement

The following tables provide commentary on:

- progress made in 2023-2024
- actions underway to achieve the goal.

Most of these targets require a range of interventions by the Regional Council such as policy setting, rules and regulation, advocacy, education, and incentives to encourage behaviour change. In some cases, it is the direct provision of goods and services.

The progress or status against the target (as assessed by staff based on current and future activity or interventions) is described as:



28 Community Outcomes







By 2025, plans for all catchments/waterbodies are notified

Off track

By 2025, all aquifers, lakes and rivers have community-agreed quantity and quality limits in force

Off track

Progress over 2023-2024: Cyclone Gabrielle caused significant disruption throughout the region including to the freshwater planning that was being undertaken. In recognition, an Order in Council was progressed by the Government to extend the 2024 deadline included in the National Policy Statement for Freshwater Management 2020 (NPS-FM) for the notification of freshwater planning instruments. A new deadline of December 2027 was issued, providing a three-year extension. The premise behind this extension was not only to provide time to rebaseline environmental data but also a recognition of the workload that our tangata whenua partners and communities are facing as a result of the cyclone.

Despite the disruption work, continues to progress. Plan Change 9 TANK continues through court-directed mediation following appeals from parties on the hearings panel decision, with an expected completion date of early 2025. The Kotahi project has been revitalised, and engagement with mana whenua is now underway to support the development of freshwater plans.

Actions underway to achieve the target: It is no longer expected that this target will be met due to the significant disruption of Cyclone Gabrielle and the extension provided through the Order in Council. It is anticipated that work will meet the new target of 2027 as determined by the Order in Council.

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

On track

Progress over 2023-2024: Tängata whenua values were identified in the TANK and Tukituki Plan changes. This goes a long way towards the achievement of this outcome measure. As required by the NPS-FM, Māori freshwater values must be identified and provided for, with tangata whenua being actively involved, should they wish, in the Kotahi Plan development. Contracts have been entered into with Post (Treaty) Settlement Government Entities to support the identification of values and good progress is being made.

Actions underway to achieve the target: Partnership arrangements are in place to keep this goal on track. HBRC needs to have full understanding of the resourcing requirements, capability, and capacity of mana whenua to be involved in this work throughout the region. This is flagged as a priority for the organisation so that contracts can support the delivery of the work, whether by mana whenua or outsourced to contractors on their behalf.

By 2025, cultural monitoring tools are in-use in all catchments

On track

Progress over 2023-2024: HBRC supported Te Taiwhenua o Heretaunga to establish the Tukituki Mātauranga Māori Framework, a Māori values-based monitoring and Māori wellbeing framework. Tātau Tātau o te Wairoa, Wairoa District Council, and HBRC worked with Our Land and Water National Science Challenge in their Whitiwhiti Ora

Te Pürongo ä-Tau 2023-2024

Ngā Hua ä-Hapori



#### NGĀ HUA Ā-HAPORI

#### COMMUNITY OUTCOMES

programme in Te Wairoa. This includes Te Ngoiro, an integrated framework to better understand values in Te Wairoa River and the impact/effects of sedimentation. This project was completed in December 2023.

Actions underway to achieve the target: HBRC's Kaihautū Pūtaiao Mātauranga Māori (Māori Science Leader) will specifically focus on mātauranga Māori to lead a partnership approach that can be rolled out across other catchments in parallel with future plans.

By 2030, all popular Hawke's Bay swimming sites are swimmable 80% of the time, and 90% of the time by 2040 (Source: National Policy Statement for Freshwater Management 2020)

On track

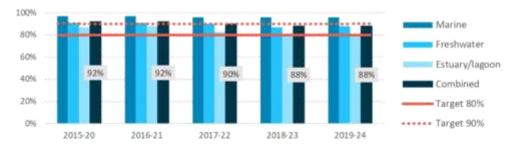
Reported data over 2023-2024: Our Marine & Coast and Environmental Information teams monitored 37 popular recreation sites weekly for 20 weeks between November and April. Around 680 samples were taken at 15 marine, 11 estuarine, and 11 freshwater sites.

Over this season, monitored sites were:

- suitable for swimming 80% of the time, compared to 73% in the previous season
- · caution was advised 7% of the time, compared to 8% in the previous season
- unsuitable for swimming 13% of the time, compared to 19% in the previous season.

As Hawke's Bay recovers from Cyclone Gabrielle, so do our swimming sites. The five-year rolling average is shown in the graph below. The combined totals are consistently meeting the 80% target, but previous wet summers and the cyclone have influenced the results (to 88% combined). Recreational water quality will likely continue to be on track to meeting the 2040 goal if we experience more 'normal' summer weather conditions in the seasons ahead.

Figure 1: Proportion of time over summer months that were suitable for swimming (including 'caution advised'), on 5-year rolling average between 2015-2024



Actions underway to achieve the target: HBRC work programmes that contribute to swimability include the Erosion Control Scheme, riparian margin protection, and flood protection, alongside strong regulation and community education. The major stressor is ruminants' (cows, sheep, deer, goats) faeces in water. Fencing and planting, and Resource Management (Stock Exclusion) regulations that prohibit cattle, pigs, and deer from accessing wetlands and waterways are key to achieving the target by 2040.

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

Off track

Progress over 2023-2024: By leveraging \$5 million from the Long Term Plan 2018-2028, HBRC secured \$30.6 million from the Government's Provincial Growth Fund for a Regional Water Security Programme. This programme aims to understand and manage the region's freshwater resources collectively, especially with climate change in mind. Projects include Heretaunga Water Storage and the Central Hawke's Bay managed aquifer recharge (which recently received consent).

Actions underway to achieve the target: Regional Council is now focusing on exploring regional governance, ownership, and operational models for the Heretaunga Water Storage Project. The proposals for the detailed design of each component of the Central Hawke's Bay Managed Aquifer Recharge project have been received.

30 Community Outcomes



## NGĂ HUA Ã-HAPORI

#### COMMUNITY OUTCOMES

These are currently under review and revision, with the aim of starting the detailed design phase to develop precise construction cost estimates. The new policy settings in the Kotahi Plan (under development) will have a bearing on the water security options pursued.

This is marked off track because, based on experience in Hawke's Bay and other regions, securing support for water storage is challenging.

By 2050, there is an increasing trend in the life-supporting capacity of all of the region's degraded rivers and major streams

Off track

Reported data over 2023-2024: The Freshwater Science team continues to monitor Macroinvertebrate Community Index (MCI) at 76 monitored sites for State of the Environment reporting. The MCI is used by scientists to monitor changes in macroinvertebrate populations because macroinvertebrates are responsive to multiple environmental changes such as flow, habitat, temperature, water quality and sediment. Macroinvertebrates are small animals (e.g. insects, worms, and snails) that live on or just below the stream-bed and are an important food source for fish.

Out of a total of 76 sites:

- · 3 sites (4%) are in the A band (pristine)
- 16 sites (21%) are in the B band (mild nutrient enrichment)
- 30 sites (39%) are in the C band (moderate nutrient enrichment)
- 27 sites (36%) are in the D band (severe nutrient enrichment).

The five-year rolling average is shown in the graph below and shows minimal change. Differences are most likely driven by natural environmental variances from year to year, including weather patterns.

Figure 2: Proportion (%) of freshwater sites with MCI bands between A to D, on 5-year rolling average between 2016-2024



Actions underway to achieve the target: The aim after the cyclone was to assess the condition and recovery of waterways considering what occurred on land and pinpoint where ecosystems showed greater resilience. This evaluation can guide potential intervention or management strategies to enhance resilience in freshwater ecosystems. Improvements in the macroinvertebrate communities are not expected immediately; development and broad implementation of policies and on-ground management changes will precede them. Enhancement activities need time to manifest in the ecosystem. For instance, stream bank vegetation must grow for several years before providing enough shade and a buffer for streams that can influence the ecosystem.

HBRC's initiatives, including effective policy development and various on-ground activities, will contribute to the health of freshwater ecosystems in the coming years. Sediment, nutrients, low dissolved oxygen levels, and temperature are key contributors to the degradation of rivers and streams in Hawke's Bay. Implementing appropriate site-specific measures should foster more aquatic life and improved ecosystem health.

Achieving this is a long-term goal, and it will take many years to prove that efforts to enhance water quality result in the desired life-supporting capacity.

Te Pürongo ä-Tau 2023-2024







By 2025, stock is excluded from all flowing permanent and intermittent rivers/creeks, lakes, and wetlands, and at least 30% are fenced and planted to filter contaminants

Off track

**Progress over 2023-2024:** Aerial photos of the Tukituki catchment were collected to analyse stock exclusion and riparian planting. Changes from the last survey will be assessed, but limited staff resources have delayed this to 2024-25. Post-cyclone imagery of 84 sites showed decreased fencing and increased lack of riparian vegetation, especially replacing grass and weeds.

The last survey found that approximately 22% of waterways were effectively fenced on both banks, 21% on one bank, with grass and weeds covering 62%, woody vegetation 28%, indigenous flax/sedge/rush 6%, woody native 3%, and 1% without vegetation. Current stock access was seen in 35%, past access in 12%, recent access in 2%, and no evidence of stock access in 51% of surveyed waterways.

The Tukituki catchment is the first catchment to be resurveyed, with other catchments following on a rotational basis over subsequent years. This approach has been taken, rather than a region-wide assessment, to keep costs at a reasonable level and within budget limits.

Actions underway to achieve the target: Achievement of this outcome target will be reinforced by the Resource Management (Stock Exclusion) Regulations that came into force on 3 September 2020 as part of the Essential Freshwater reform package. Under these regulations, cattle, pigs, and deer are prohibited from accessing wetlands, lakes, and rivers by 1 July 2025. The Tukituki catchment has its own stock exclusion rules in place. Non-compliance will be managed by the Regional Council.

Given that regulations are not yet enforceable, scalability is the main issue within this target timeframe, hence this status is recorded as 'off track'. Conversations are underway with landowners, but it will take some time to achieve this goal.

By 2025, Land Use Suitability information is available to all landowners to inform smarter land use

On track

**Progress over 2023-2024:** Land use suitability is a cornerstone of our Science and Technology Strategy. We have been part of a pilot project – *Whitiwhiti Ora* – in collaboration with Manaaki Whenua Landcare Research in the northern part of Hawke's Bay. This project, started in May 2020, was completed in December 2023.

The datasets provide information on social, environmental and economic costs and benefits of a range of land use options.

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By 2025, all farms, orchards and vineyards operate under a Farm Environment Management Plan (FEMP) or an independently audited industry best practice framework

Off track

By 2030, all land-users in critical-source areas have phosphorus management plans being implemented, with at least 50% of highly erodible land treated with soil conservation plantings

Off track

Progress over 2023-2024: The FEMP programme was only required in the 17 sub-catchments that form the Tukituki catchment as part of schedule XXII of the Tukituki Catchment Plan. At the end of the year, 96% of eligible land was covered by a FEMP – covering 207,951 hectares. Each FEMP requires a comprehensive phosphorus management plan along with an environmental action plan. Existing plans remained operative until 31 May 2024 as outlined in the Regional Resource Management Plan Change 6.

Actions underway to achieve the target: This work programme in the Tukituki was put on hold following Cyclone Gabrielle and in anticipation of the introduction of the national regulations for Freshwater Farm Plans.

When the national regulations come into effect for Hawke's Bay, eligible properties across the whole region will be required to develop and maintain a Freshwater Farm Plan. These are not due to start until 2025, and farms have 18 months after this to submit a plan. The national requirement for Freshwater Farm Plans is expected to require identification and management of critical source areas for phosphorus loss on-farm.

The Regulatory Implementation team will continue to work on the catchment context, challenges and values for each catchment in Hawke's Bay. This will help farmers and growers to understand the unique environmental features, current environmental health status, cultural values and practices, and important recreational sites of the catchment when the time comes to develop the Freshwater Farm Plans.

By 2025, catchment management plans are established to target improvements on land that lead to water quality improvements

Off track

Progress over 2023-2024: Our Catchment Delivery team gathered catchment snapshots across the region. These catchment snapshots outline, within a catchment, the biophysical attributes and issues, such as catchment groups, tangata whenua, funding, significant sites, Land Use Capability, land use and soil description, forestry, community demographics, and economic value. Furthermore, the snapshots identify all current work programmes being delivered by the various agencies and stakeholders.

Actions underway to achieve the target: The catchment snapshots already gathered will help inform the Kotahi Plan where it will introduce new policies and rules to enhance water quality where it currently does not meet the community's vision for freshwater. The Regulatory Implementation team has been progressing work on catchment context, challenges and values for the Freshwater Farm Plans that will help landowners to understand the unique environmental features, current environmental health status, cultural values and practices, and important recreational sites of the catchment. We are awaiting further guidance on changes and timeframes from central government. Freshwater Farm Plans are part of the government's Essential Freshwater Package 2020 and will help prevent further degradation of rural water resources, improve quality, and restore ecosystems within a generation. This goal is unlikely to be reached in 2025 given the delay in the Freshwater Farm Plans rollout.

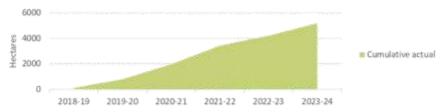


By 2050, all highly erodible land is under tree cover

Off track

Progress over 2023-2024: There is an estimated 252,000 hectares of highly erodible land in Hawke's Bay. This contributes an estimated 3.3 million tonnes of sediment to Hawke's Bay waterways each year. This is the sixth year of the Erosion Control Scheme which has helped protect over 5,240 hectares to date. HBRC achieved 974 hectares this year compared with our level of service target of 900 hectares (see graph below). 856 hectares were protected or retired, and a further 118 hectares were treated with post-cyclone remedial work.

Figure 2: Hectares of erodible land planted with fit-for-purpose erosion control species through the HBRC Erosion Control Scheme 2018-2024



Actions underway to achieve the target: The Erosion Control Scheme is funded until 2028. A total of 8,393 hectares will be protected in that time if current levels of service are maintained (noting that 2024-25 and 2025-26 the target has been reduced to 600ha and 800a respectively). The Erosion Control Scheme on its own will not enable us to meet this strategic goal of 252,000 hectares by 2050. To reach this goal a step change in planting is required for transformational coverage of highly erodible land, through programmes such as Land for Life, or through land use regulation.

Tools, such as the newly developed digital elevation models (DEMs) developed using LiDAR (Light Detection and Ranging) technology, will enhance the accuracy of assessments for erosion, sediment loads in rivers, and overall landscape changes. This will help the Regional Council to better manage erosion-prone land into the future.

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

Progress over 2023-2024: Trend analyses suggest that we are not on a path to achieve a widespread 50% reduction in contaminant levels across Te Matau-a-Māui Hawke's Bay. Severe weather patterns, such as the two consecutive dry summer and autumn periods in 2019-20 and 2020-21, and the recent Cyclone Gabrielle, could obscure any trends indicative of changes in land management during this reporting period and in future years. It is crucial to consider this uncertainty when examining water quality trends. Significant improvements in contaminant levels are unlikely to materialise until policies and land management changes are developed and widely implemented.

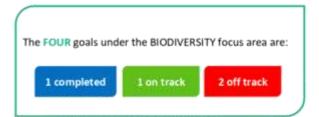
Actions underway to achieve the target: Reaching this goal will depend on various aspects of HBRC's work, including policy development, advocacy, education, engagement, compliance, enforcement, planting, fencing, and environmental monitoring. The Kotahi Plan will introduce new policies and rules to enhance water quality where it currently does not meet the community's vision for freshwater. Freshwater Farm Plans, as part of the Government's Essential Freshwater Package 2020, will help prevent further degradation of rural water resources, improve quality, and restore ecosystems within a generation.

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## BIODIVERSITY

Healthy, functioning and climate-resilient biodiversity. Kia ora, kia ähei, kia mārohirohi ā-āhuarangi hoki te rerenga rauropi.



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

Completed

In total, 700 priority terrestrial ecosystem sites have been identified based on type, number, size, connectivity, and condition using Zonation, a conservation planning software tool. Results were then verified using expert local knowledge. Zonation helped determine the top 30% priority terrestrial sites to put our efforts in to deliver the biodiversity outcomes for the investment. Key ecological areas have been identified for the Hawke's Bay coastal marine area using a nationally consistent approach developed by NIWA.

By 2030, key (target) species and habitat (sites) are prioritised and under active restoration (Source: HB Biodiversity Strategy 2015-2050 and Action Plan 2017-2020)<sup>3</sup>

Off track

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



**Progress over 2023-2024:** This work comes under the Priority Ecosystem programme. The Biodiversity team partner with internal and external stakeholders, such as Jobs for Nature Private Land Fund and the Porangahau Catchment Group in partnership with the QEII Trust, alongside land occupiers.

Work this year included seven new priority ecosystem sites. Most of the work included deer fencing, and pest animal and plant control. Sites protected were acutely and chronically threatened forest, including a swamp forest remnant. The team also carried out maintenance work on a further 28 sites.

#### Actions underway to achieve the target:

Work continues to 'ground truth' the other 681 sites to guide the future of this work. A study will collect empirical data for each site: size, quality, ecosystem types, threat status, and intactness. This will identify the highest quality and most at-risk priority ecosystem sites across the region and allow HBRC to prioritise and accelerate work to secure their protection.

Biodiversity is a major focus area in the development of the Kotahi Plan. Without scale-up of additional resources this outcome target remains challenging. This measure will not be achieved by 2030 at the current rate of progress.

Te Půrongo ä-Tau 2023-2024

Ngã Hua ä-Hapori

<sup>\*</sup> HB Biodiversity Action Plan has an updated 2021-2025 version biodiversityhb.org/what-is-biodiversity/biodiversity-action-plan/



By 2050, Hawke's Bay is predator free in line with NZ 2050 target (Source: PF2050)



Progress over 2023-2024: The three areas of focus for Predator Free Hawke's Bay have been: Poutiri Ao ô Tâne – 12,800 hectares within the Maungaharuru range north of Napier; Cape to City – 26,000 hectares of mainly primary productive farmland in an area that extends from Havelock North to Cape Kidnappers; and Whakatipu Māhia – 14,600 hectares on the Māhia peninsula with a focus of possum eradication.

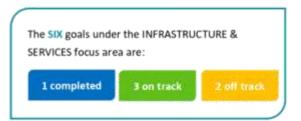
HBRC is in the final stages of removing possums from the 14,600 hectares of the Mahia Peninsula. The 'knockdown' using bait stations has been undertaken across the entire peninsula, and the remaining hotspots (Māhia Scenic Reserve and Grandy Lakes Forest) are being mopped up using targeted trapping. Our contractors have trapped 289 possums in Māhia Scenic Reserve and Grandy Lakes Forest. Farmland adjacent to the peninsula has also been monitoring and trapping possums.

Actions underway to achieve the target: The focus remains on possum eradication. The 'proof of absence' network monitoring (cameras) will monitor, and possum dog detectors may be used to support this. Delivery of possum eradication will continue into 2024-25.

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By 2025, regional air quality consistently meets World Health Organisation (WHO) guidelines

Off track

Reported data over 2023-2024: HBRC has continuous monitoring across 3 stations for air pollutants. The WHO guidelines were updated in 2021 to reflect the real and continued threat of air pollution to public health.

Particulate Matter (PM): there were 6 exceedances of the  $PM_{10}$  24-hour guideline in the Hastings airshed, and 13 in Awatoto. Awatoto exceeded the  $PM_{10}$  annual guideline, although many of these increases are related to silt deposited by flooding during the cyclone and the activities associated with the recovery.

The instrumentation used to monitor  $PM_{20}$  and  $PM_{2.5}$  at the St Johns monitoring site has been replaced with new technology.  $PM_{20}$  data since March 2022 and  $PM_{2.5}$  data since May 2024 have been superseded with data from the new instrumentation.

The 24-hour  $PM_{2.5}$  guideline was exceeded 4 times in Awatoto and 50 times in the Hastings airshed. A significant amount of Awatoto  $PM_{2.5}$  data is missing due to issues following the destruction of the site during Cyclone Gabrielle. There is no  $PM_{2.5}$  data for Napier as the instrument was destroyed by vandalism. The annual  $PM_{2.5}$  guideline has been exceeded at all of our monitoring sites in years which we have sufficient monitoring data to calculate an annual average.

The 24-hour average guideline for Nitrogen dioxide (NO<sub>2</sub>) was exceeded 23 times and 4 times in Napier and Hastings respectively during two months of winter 2021 monitoring (noting that this monitoring is carried out every 4 years).

Ozone (O3), sulphur dioxide (SO2), and carbon monoxide (CO) guidelines were not exceeded.





Figure 6: Number of PM2.5 exceedances of the new WHO 24-hour guideline at the three sites over a 8-year period



results were affected by site vandalism at the Napier and Hastings sites in 2019/20 and Napier from 2022/23 onwards

Te Pürongo ä-Tau 2023-2024

Ngā Hua ä-Hapori



Actions underway to achieve the target: New WHO guidelines will require updated rules and policies, such as stricter controls on outdoor burning and lower PM emissions from wood burners. Regulation is key to improving air quality. From 1 July 2024, HBRC will no longer offer incentives for switching to heat pumps or ultra low emission burners through the Sustainable Home Programme. For NO2 reduction, more encouragement is needed to switch from fossil fuel vehicles to active transport, public transport or electric vehicles, and diesel buses should transition to low emission vehicles.

By 2025, the Coastal Hazards Joint Committee is implementing its strategy to manage coastal hazards in Clifton to Tangolo, and by 2040 for the rest of the region to adapt to foreseeable climate change risks to coastal communities out to 2100

On track

Progress over 2023-2024: The Clifton to Tangoio Coastal Hazards Joint Committee passed a resolution on 9 August 2024 confirming its recommendations to Hawke's Bay Regional Council, including a final proposed Clifton to Tangoio Coastal Hazards Strategy 2120. This builds on the Memorandum of Transition entered into in 2022 that Napier City, Hastings District, and Hawke's Bay Regional councils confirmed an in-principle position that the Regional Council would lead Strategy implementation.

The project is still on track to meet the goal to be implementing by 2025.

Actions underway to achieve the target: The next step in the process is for the Regional Council to prepare detailed financials of the intervention options, including the timing and quantum of operating and capital costs, and rating implications, to complete the Local Government Act S16 process.

In is envisaged that the approach undertaken to develop the Clifton to Tangoio Strategy could be replicated and extended into other parts of the region.

# By 2023, the Napier Port is future-proofed with the addition of a new wharf with supporting land transport infrastructure

Completed

The 350-metre wharf, named Te Whiti, was inaugurated in July 2022. Built to handle the increasingly larger ships visiting Aotearoa New Zealand today and into the future, it will meet the demands of its customers, community, and region. Linked to the rail and State Highway networks and several strategically located inland ports, it facilitates a more efficient and coordinated cargo flow across and into/out of Aotearoa New Zealand. The new wharf enhances operational performance across all of Napier Port's wharves, boosting overall productivity and maintaining the connections Hawke's Bay needs for accessing global markets.

#### By 2030, flood risk is being managed to adapt to foreseeable climate change risks out to 2100

Off track

Progress over 2023-2024: The IRG/Resilient River Communities programme, co-funded by Kānoa (the Government's Regional Economic Development & Investment Unit), continued working to increase levels of service from the current 1 in 100-year protection to a 1 in 500-year protection in the Heretaunga Plains Flood Control Scheme. This has involved upgrading flood protection assets across the Tūtaekurî, Ngaruroro, Lower Tukituki and Te Awa o Mokotūāraro (Clive) rivers.

Following Cyclone Gabrielle, various independent reviews of the region's flood scheme assets and river management systems were undertaken and published during the year with a significant raft of recommendations and improvements.

Actions underway to achieve the target: As part of our NIWE Flood Resilience Programme, we are developing new flood mitigation interventions for Category 2 properties in Wairoa, Whirinaki, parts of Heretaunga (Pākôwhai, Waiohiki, and Ohiti Road/Omāhu), and Pôrangahau. Regional Council has undertaken extensive preliminary design work to provide viable flood mitigation options.

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Other work in the NIWE programme includes: repairs and upgrades of Mission (Awatoto), Brookfields and Pākōwhai pump stations; additional work on stopbank rapid repair sites; scheme reviews to configure and build resilience; and replacement and upgrading of telemetry based on the reviews.

As the Regional Council goes through the recommendations from the independent reviews, each flood scheme will be reviewed on future flood risk, development of options to improve resilience against over-design events, and evaluation of the appropriate level of service for the schemes.

This strategic goal has been marked as off-track as affordability will be a major contributing factor in whether Hawke's Bay will manage to adapt to foreseeable climate change risks out to 2100 by 2030.

# By 2025, HBRC is carbon zero and plays a leadership role in the region's goal of net zero greenhouse gases by 2050

On track

Progress over 2023-2024: HBRC is carbon neutral once its forestry estate is taken into account. The amount of land across the Hawke's Bay region used for plantation forestry means the region has achieved carbon neutral status. That is, if we take into account all greenhouse gases produced in the region, excluding biogenic methane, forestry removals (harvesting and sequestering included) outweigh these emissions.

HBRC's corporate emissions for the year were calculated at 1,306.40 (tCO2e) tonnes of carbon dioxide equivalent. This is a decrease in emissions of 17% on the previous year's 1,578 tCO2e. The majority of emissions (73%) comes from fuelling the HBRC vehicle fleet, while 18% from our bulk diesel storage (for our heavy mechanical plant in Guppy Road), natural gas (2.8%), electricity (2.6%), and domestic air travel (3.85%) are the remaining main contributors. The 17% reduction in 2023-24 is likely connected to HBRC's Cyclone Gabrielle response in 2022-23 and the heavy reliance on diesel through this period. The 2023-24 year is considered more likely to be a true baseline reflection of HBRC business operations and corporate emissions. Given our emissions exceed 1000 tonnes, an independent footprint audit is required to verify our emissions. This audit has been completed with verification to follow.

The HBRC Emissions Reduction Plan is under the stewardship of HBRC's Corporate Support team.

Region-wide, HBRC has been leading ongoing work to collect data for our Regional Greenhouse Gas Inventory and produce an updated Community Carbon Footprint for 2022-23.

Actions underway to achieve the target: Highlights include actions to reduce HBRC footprint include:

- exploration of 'green loans' through the LGFA. HBRC has undergone a review of implementation and compliance costs to meet SBTi (Science Based Targets) which form the basis of the loan requirements
- on-going replacement of building lighting with LEDs
- external review of our current fleet to review private commuting and utilisation with an aim to reduce our mobile combustion emissions
- increasing staff awareness sustainable practices and initiatives, at work and at home through the HBRC green group and regular internal communications
- · regular fleet reporting to highlight and surface trends, to influence driver behaviour change
- · green month at HBRC featuring a number of activities for staff around reducing our emissions
- · roll out of LiftandGo;, our carpooling app for HBRC staff
- HBRC participation in the Kinesis Pilot Project to develop a nationally-consistent local emissions data platform.



#### From 2020, unplanned urban development avoids highly productive land

On track

Progress over 2023-2024: In October 2022, the Government's National Policy Statement for Highly Productive Land (NPS-HPL) came into force. The NPS-HPL requires HBRC to prepare maps of highly productive land (HPL) in the region for inclusion in the Regional Policy Statement. Proposed regional maps of HPL based on land use capability would need to be released by October 2025 for public submissions. Until those maps are finalised, the NPS-HPL directs that protection of 'interim' highly productive land and reverse sensitivity issues are actively considered by decision-makers (e.g. city and district councils in relation to district plan re-zonings and resource consent applications).

During the 2023-2024 period, there were very few local development proposals regarding highly productive land. One of those was the 'Wairatahi' residential development project on the fringes of Flaxmere. In February 2024, an Expert Consenting Panel granted resource consents for the 'Wairatahi' project' on the fringes of Flaxmere through a special fast-tracked process under the COVID-19 Recovery (Fast-track Consenting) Act 2020. When opportunities arise, HBRC continues to submit on resource consent proposals and district plan reviews to ensure future urban development is planned, coordinated with adequate infrastructure services, and is in suitable locations (such as adjoining less productive land and not in areas at high risk of natural hazards). All submissions are recorded on hbrc.govt.nz, search: #hbrcsubmissions

Note that HBRC does not have 100% control or governance over the location of urban development. There are external factors and agencies determining development, particularly the city and district councils.

Actions underway to achieve the target: HBRC has contracted Manaaki Whenua Land Care Research to provide advice on revisions to land use capability assessments (originally from several decades ago) using new LiDAR data now available covering the whole region. That work is intended to inform HBRC's work mapping HPL in the region, as directed by the Government's NPS-HPL.

Since Cyclone Gabrielle, HBRC's reconfigured programme for preparation of the Kotahi Plan is now prioritising drafting of the Regional Policy Statement (RPS) provisions. The reconfigured programme currently intends that maps of highly productive land in the Hawke's Bay region will be included in that draft RPS (albeit that the Government has signalled its own intentions to amend the scope of the NPS-HPL).

HBRC continues to work closely with Napier City Council and Hastings District Council to fulfil joint responsibilities for implementing the National Policy Statement for Urban Development in relation to the Napier-Hastings urban environment. A key feature of that work is preparation of an urban Future Development Strategy (FDS) for the Napier-Hastings urban area. During 2023-24, this work has looked at various scenarios for accommodating urban growth (intensification and greenfield areas) over the next 30 years. One of the draft FDS's 12 objectives is that highly productive land of the Heretaunga Plains is protected for productive uses. The draft Future Development Strategy will be released for wider public feedback in late-2024.

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Wāhanga 4 Ngā Whakarōpūtanga Kaupapa

Part 4
Groups of Activities





# NGĀ WHAKARŌPŪTANGA KAUPAPA

### **GROUPS OF ACTIVITIES**

#### How to read this section

The work that we undertake relates to 22 activities across 6 groups. We aggregate and report our financial and service performance information within the 6 groups of activities for ease of understanding. The level of service measures and targets are set in our Long Term Plan 2021-2031. This is our third and final annual report to this Long Term Plan.

The groups of activities are:

- 1. Governance and Partnerships
- 2. Policy and Regulation
- 3. Integrated Catchment Management
- 4. Asset Management
- 5. Emergency Management
- 6. Transport.

#### What we do

We provide a brief description of the activities that make up each group of activities (more detail is provided in the Long Term Plan 2021-2031).

### Why we do it

We describe the rationale for service delivery of activities and the community outcomes to which the group primarily contributes (as summarised right). Our community outcomes are derived from the vision statement in our Strategic Plan 2020-2025: we want - a healthy environment and a resilient and prosperous community.

Groups of Activities	Healthy Soviesment	Resilient Controvery	Prospersor Community
Governance and Partnerships	0	0	0
Policy and Regulation	0	0	0
Integrated Catchment Management	0		
Asset Management		0	0
Emergency Management		0	0
Transport	0	0	0

### What we spent

We present the operating and capital expenditure for each group of activities. More detailed financial information is covered in the financial impact statements in Part 5 – Financials.

#### How did we do?

We present the Statement of Service Performance for each group of activities. It covers:

- level of service statements (34 in total)
- level of service (performance) measures (58 in total)
- target for year 2
- results (with data where relevant) for the year, and the previous two years, expressed as:

achieved	
partially achieved	
not achieved	
not measured or not due for reporting this year	

- comments to provide context and more information on the performance result
- visual graphics with data where appropriate.

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### **GOVERNANCE AND PARTNERSHIPS**

#### What we do

There are four activities within the Governance and Partnerships group of activities:

- Community Representation and Leadership
- Tängata Whenua Partnerships
- Community Sustainability
- Regional Development.

#### 

We aim to support elected members in their governance roles to make robust and transparent decisions. We maintain the integrity of council processes such as triennial elections, representation reviews, and council meetings by ensuring they are run correctly, and by providing timely and appropriate responses to official information requests and Ombudsmen's office enquiries.

### ➡ Tāngata Whenua Partnerships

We engage with tangata whenua as Treaty partners and to enable Maori to contribute to the Council's decision-making processes under the Local Government Act. This includes the Maori Committee and the Regional Planning Committee, and involvement with hapu and marae.

The Māori Partnerships team is part of a network with the region's other councils – Te Kupenga.

### ■ Community Sustainability

We aim to work together with the community for a sustainable and resilient future, and to 'walk the talk' as a leader in climate action in the region. A key part of this activity is to develop and lead a coordinated programme to drive climate action to reduce the region's, as well as our own, corporate carbon footprint. This activity includes the Sustainable Homes and Heat Smart programmes, and environmental education including the Enviroschools programme.

### 

We play a broad role in regional economic development by ensuring the natural resource platform upon which both the economy and community relies on is managed to meet the reasonably foreseeable needs of future generations. We fund Hawke's Bay Tourism on behalf of the region's councils and co-fund the Regional Economic Development Agency through a regional economic development rate.

### Why we do it

This group of activities contributes to all three community outcomes.







Healthy Environment

Prosperous Community

Resilient Community

Most of what we do in this group is prescribed by the following legislation:

- Local Government Act 2002
- Local Electoral Act 2001
- Local Government Official Information and Meetings Act 1987
- Local Authorities (Members' Interests) Act 1968
- Hawke's Bay Regional Planning Committee Act 2015
- Climate Change Response Act 2002.

### What we spent

Actual Operating Expenditure



### Actual expenditure

\$7.4 million (8% under budget)

Te Pûrongo ā-Tau 2023-2024

Ngä Whakaröpütanga Kaupapa



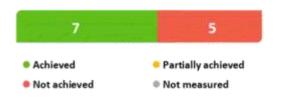
#### **GOVERNANCE AND PARTNERSHIPS**

# Where that funding came from



# How did we do?

We measured 12 aspects of performance for this group of activities



### Activity: Community Representation and Leadership

Level of service: HBRC provides for democratic representation and maintains the integrity of Council processes through transparent and legally compliant practices.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Triennial election processes are undertaken in accordance with the Local Electoral Act 2001.	Achieved	Achieved	Achieved	Achieved

Commentary: There were no election processes undertaken in 2023-24. The last election was held in October 2022 and complied with statutory requirements.

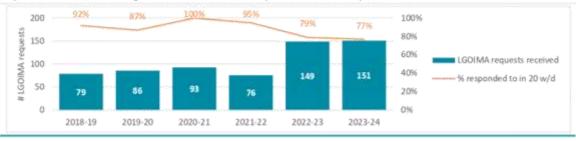
Council meetings are conducted in	Achieved	Achieved	Achieved	Achieved
compliance with statutory requirements and			•	
standing orders.				

Commentary: All public meetings were notified and conducted in accordance with statutory requirements. There were 16 meetings of the Regional Council and 33 meetings of other committees, including joint committees. From 1 April 2024, the Regional Council's 'open by default' workshops policy was implemented.

Agenda and minutes of all meetings are available online hbrc.govt.nz, search: #meetings

Percentage of LGOIMA requests responded	100%	95%	79%	77%
	20070	5575	,	****
to within 20 working days.		•	•	

Commentary: There were 151 requests received and 117 completed within 20 working days of being accepted. Delays in providing information were due to impacts on staff resources caused by the Cyclone Gabrielle response, and the number and complexity of LGOIMA requests post-cyclone. There was a slight increase in requests from last year, however, prior to Cyclone Gabrielle, the average number of information requests received each year was 84.



44 Groups of Activities



### **GOVERNANCE AND PARTNERSHIPS**

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Long term plans and annual reports receive 'unmodified' audit opinions.	Achieved	Achieved	Not achieved	Not achieved

**Commentary:** The Annual Report 2023-2024 was adopted with a modified audit opinion in October 2024. The Long Term Plan 2021-2031, adopted in June 2021, received an unmodified audit opinion.

### Activity: Tängata Whenua Partnerships

Level of service: HBRC actively involves Māori in its decision-making processes, engages in strategic relationships with tangata whenua and builds internal capability and capacity to engage effectively.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Percentage of tängata whenua representatives 'satisfied or very satisfied' with the Treaty-based partnership approach to engagement and decision-making.	Year 3: Increasing trend Year 2: No survey Year 1: Establish baseline	80% Baseline established	Not measured	89%

Commentary: The survey was carried out at a joint hui of Māori Committee and Regional Planning Committee members. Nine surveys in total were returned resulting in 89% of respondents indicating they were 'satisfied, very satisfied or extremely satisfied' with the Treaty-based partnership approach to engagement and decision-making.

Percentage of staff who feel confident to	Increasing trend	51%	Not	51%
engage with relevant iwi, hapu, post-		•	measured	
settlement governance entities, taiwhenua				
or their representative agencies.				

Commentary: An annual staff engagement-level survey was carried out by the Māori Partnerships team in May 2024. In total, 51% of staff felt confident in their ability to engage effectively with Māori, 34% were neutral and 15% were unfavourable. Neutral responses often cited reliance on Māori Partnerships for support or indicated they had not yet had the opportunity to engage. Around 60% of staff participated in this survey.

Of staff who have participated in internal cultural capability programmes, 71% felt these were effective in improving their confidence to engage with Māori, 25% were neutral and 4% unfavourable.

Both these results highlight areas for improvement in direct engagement and support mechanisms for staff to build their confidence.



#### GOVERNANCE AND PARTNERSHIPS

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Annual reporting on matauranga Maori monitoring and reporting activities	Achieved	Not achieved	Not achieved	Not achieved

Commentary: This measure is marked not achieved as no formal report was submitted to Council. The Kaihautū Pūtaiao (Māori Science Leader) has received initial feedback from the Executive Leadership Team, the Māori Committee and the Regional Planning Committee on the progression of a framework that will ensure the Regional Council identifies, acknowledges and engages with mātauranga Māori appropriately. The Kaihautū Pūtaiao continues to work alongside the State of Environment report to ensure mātauranga Māori reporting is captured, and provides internal advice. PSGEs have been engaged in contracts to embed their vision and value statements for te taiao (the environment) into the Regional Policy Statement. The Māori Partnerships group works alongside them in this process to capture outcomes for mātauranga Māori. Mātauranga Māori has been a significant workstream of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee work.

### **Activity: Community Sustainability**

Level of service: HBRC delivers environmental education and the Enviroschools programme across the region to inspire and empower people of all ages to actively engage in creating a sustainable future.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Number of early childhood centres and	Maintain or	71	71	74
schools participating in the Enviroschools	increase	•		•
programme.		Increased	Maintained	Increased

Commentary: Enviroschools reach has increased in the last year with 3 secondary schools joining the programme – Sacred Heart College (Napier), Havelock North High School and Karamů High School (Hastings). A new facilitation team is now fully embedded and working with their schools on a variety of special projects. This includes supporting a community nursery, multiple trips to local awa to undertake water testing, and preparing schools to review and celebrating their Enviroschools journey - specifically Te Kura o Pakipaki and Napier Central School.

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#### GOVERNANCE AND PARTNERSHIPS

Level of service: HBRC develops and leads a coordinated programme to drive climate change action to reduce the region's and its own carbon footprint.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Annual reporting (on Climate Action) to Council on progress made on coordinated programme of actions.	Year 2 & 3: Achieved Year 1: Develop programme	Programme developed	Achieved e	Achieved

Commentary: An annual activity report for climate action was presented to the Corporate and Strategic committee at their meeting on 4 September 2024 covering the 2023-24 year. The report covered awareness building and education, HBRC corporate emissions reduction, updates on the Climate Action Joint Committee, community carbon footprint, and climate change and the Regional Policy Statement. This report was delayed due to the resignation of the Climate Action Ambassador in March 2024, and a new appointment of a Climate Change Lead Strategic Advisor made in July 2024.

	6	}	Ĭ.	<u></u>
Level of emissions related to HBRC's own corporate carbon footprint.	Improve	1,152.62	1,578.01	1,306.40
corporate carbon tootprint.		tCO2e	tCO2e	tCO2e
		Achieved	Not achieved	Achieved
		(2021-22	(2022-23 Ekos	(2023-24 Ekos
		Ekos Report)	Report)	Report)

Commentary: The 2023-2024 HBRC Carbon Inventory Report was released in September 2024. The graph (below) gives the results over five years and shows a 17% decrease in emissions from last year. Collective staff efforts have resulted in a decline in emissions due to initiatives such as LED lighting replacements, carpooling and regular reporting on the fleet of vehicles driving behaviour.

A note about the five years of data: Years 2019-20 and 2022-23 do not show 'normal' operations and emissions of a regional council. In 2019-20, the Covid-19 lockdown had offices shut March to May 2020. Conversely, in 2022-23 recovery efforts and rapid rebuild following Cyclone Gabrielle caused the majority of the rise in emissions due to increased use of generators, vehicles and plant operation for long periods.

This report provides the best information to hand, and the results may be adjusted as sector methodology for reporting emissions is refined. The report includes direct and indirect emissions (Scope 1-3), excluding employee commuting, CDEM office buildings, Napier Port, and other HBRIC activities.



<sup>\*</sup> Data for staff FTE is taken from TechnologyONE

Te Půrongo ā-Tau 2023-2024

Ngä Whakaröpütanga Kaupapa



#### GOVERNANCE AND PARTNERSHIPS

Level of service: HBRC will promote and facilitate sustainable solutions to reduce energy consumption and regional greenhouse gas emissions and improve air quality for environmental and health benefits.

rease	1,056	794	680
	crease	trease 1,056	trease 1,056 794

Commentary: Total financial assistance provided through the programme was valued at \$3.51 million compared to \$3.85 million in 2022-23. The fall in applications has been a trend in the last four years and is likely attributed to a number of factors, including other providers offering similar assistance. Note: from 1 July 2024, and after fifteen successful years, this programme will stop issuing all loans and grants and cease to be an activity for Hawke's Bay Regional Council. Administration of existing loans will continue until payments has been completed.



### **Activity: Regional Development**

Level of service: HBRC will co-invest in regional economic development organisations for the benefit of the Hawke's Bay economy.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Funding agreements with performance targets and reporting requirements are in place.	Achieved	Achieved *	Achieved @	Achieved

Commentary: There are two funding agreements in this activity — Hawke's Bay Tourism and Hawke's Bay Regional Economic Development Agency (HBREDA).

- A funding agreement is in place with HB Tourism for \$1.52 million. There are 9 KPIs agreed and reported on 6-monthly to the Corporate & Strategic Committee.
- 2. The new HBREDA was established in November 2022 with a new CE on board from August 2023. A funding agreement is in place for a 29% share (with the other HB councils) of \$1.7 million (in Year 3 of this LTP cycle). The Matariki Governance Group has an annual letter of expectation in place and 6-monthly reporting while KPIs are established.

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#### POLICY AND REGULATION

#### What we do

There are four activities within the Policy and Regulation group of activities:

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

These activities cover our planning and regulatory functions for resource use management and safe navigation of the region's navigable waters.

#### - Policy Planning and Implementation

We develop, review, and evaluate resource management policies and plans. A significant focus is the development and delivery of a freshwater planning instrument. We have legislative requirements to actively involve iwi, and engage with the community and stakeholders, such as industry and central government.

We provide statutory advocacy of our resource management policies and interests through submissions and various exchanges with other resource management agencies.

Our Policy Implementation (Regulation) team ensures that HBRC has the necessary internal processes in place to be able to implement required regulations and communicate them to external stakeholders.

#### Consents

We may issue resource consents for taking, using, damming or diverting water and for discharges to land, water or air. Consents are also issued for activities in the coastal environment and for a variety of land activities that are covered by rules in the plans, standards, and regulations. We also provide advice and education on resource management matters.

### 

We monitor resource consents and check activities comply with regional plan rules or national regulations and standards. This includes a 24-hour/7 day-a-week pollution response service that ensures compliance by acting on environmental complaints, incidents, and breaches.

### ■ Maritime Safety

We monitor and enforce the Navigation and Safety Bylaw, and provide navigation aids to ensure the region's navigable waters are safe for people to use. Through the Harbourmaster, HBRC provides advice and education to commercial and recreational users on water safety and safe boating.

### Why we do it

This group of activities contributes to all three community outcomes:







Community

Healthy Environment

Prosperous Community

The empowering legislation for these regulatory functions include:

- Resource Management Act 1991
- Local Government Act 2002
- Soil Conservation and Rivers Control Act 1941
- Building Act 2004
- Marine and Coastal Area (Takutai Moana) Act 1941
- Hazardous Substances and New Organisms Act
- Maritime Transport Act 1994
- Climate Change Response Act 2002.

### What we spent

**Actual Operating** Expenditure



### Actual expenditure

\$89.02 million (231% over budget)\*

Note \* includes expenditure for HBRC Silt and Debris taskforce

Te Půrongo ã-Tau 2023-2024

Ngã Whakaröpūtanga Kaupapa

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#### POLICY AND REGULATION

# Where that funding came from



# How did we do?

We measured 12 aspects of performance for this group of activities



### **Activity: Policy Planning and Implementation**

Level of service: HBRC establishes and maintains appropriate policies and plans that promote the integrated management of the region's natural and physical resources, protects the community from resource management related risks, and assists the Council in carrying out its legislative functions.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Compliance with statutory timeframes as set by legislation.	Achieved	Achieved	Achieved	Achieved

Commentary: All statutory timeframes were complied with, noting some plans are under review.

TANK, Outstanding Water Bodies (OWB) and Water Conservation Orders (WCO) appeals processes continue. The Environment Court is due to hear the closings for OWB. TANK continues through formal mediation. Negotiation continues for a definition of damming for WCO.

Level of service: HBRC will regularly submit on national direction, plan and consenting matters.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
All matters logged in the Statutory Advocacy Register. All submissions to be posted on HBRC website.	Achieved	Achieved *	Achieved *	Achieved

Commentary: 15 submissions have been made and posted to hbrc.govt.nz, search: #hbrcsubmissions

50 Groups of Activities



#### POLICY AND REGULATION

### **Activity: Consents**

Level of service: HBRC will efficiently and effectively process resource consent applications under the Resource Management Act 1991 to enable the lawful use and sustainable management of natural and physical resources.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Percentage of resource consents processed within statutory timeframes in the Resource Management Act.	100%	100%	100%	98%

**Commentary**: 568 consent applications were processed (compared to 644 received last year) and 11 application timeframes were exceeded. There were several reasons for this, including a process error which developed around identifying when payments had been made (now rectified), completion of a long running group of applications taking longer than expected, and two key senior staff leaving resulting in some lost time in hand over.

Overall allocation of water from each water resource is allocated up to but not exceeding	=100%</th <th>87% surface water take</th> <th>92% surface water take</th> <th>93% surface water take</th>	87% surface water take	92% surface water take	93% surface water take
the allocation limits set in the Regional Plan.		45% ground water stream depleting take	47% ground water stream depleting take	47% ground water stream depleting take
		(Tukituki only)	(Tukituki only)	(Tukituki only)

Commentary: Water allocations in the Tukituki catchment are managed under the Tukituki Catchment Plan, operative 1 October 2015. Allocation limits in the TANK catchments are subject to the notified but not yet operative TANK Plan Change. All other allocations are under review as part of the Kotahi Plan.

### **Activity: Compliance and Pollution Response**

Level of service: HBRC will monitor consent holders and enforce noncompliance to ensure resource consent conditions are met to protect the environment and human health.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Percentage of consents monitored each year as per the adopted risk-based Compliance Monitoring Strategy.	95% (high risk) 90% (all others)	97% (high risk) 95.9% (all others)	62% (high risk) 85% (all others)	66% (high risk) 52% (all others)

**Commentary**: This measure was not achieved, in part due to the volume of work and staff turnover at the beginning of the year. By the end of the year, the team was at almost full capacity and in a strong position for next year.

Te Pürongo ä-Tau 2023-2024

Ngä Whakaröpütanga Kaupapa



#### POLICY AND REGULATION

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Percentage of monitored consents which receive an overall grade of full compliance.	90%	91%	87.6%	93%

Commentary: The total number of consents monitored was 2,484 (compared with 2,700 last year) with 2,308 achieving full compliance. This includes monitoring of 1,911 Water Information Services consents with 1,844 achieving full compliance. During the year, water-takes requiring bore security inspection reports and metre verifications were noted as a source of non-compliance as industry capacity appeared to be constrained.

Percentage of significant non-compliance	100%	100%	80%	79%
where action is taken in accordance with				
HBRC's Enforcement Policy within 6 months.				

Commentary: Significant non-compliance was identified with 19 resource consents and 4 of which resulted in enforcement action being taken within 6 months.

Level of service: HBRC will provide a pollution response service for public complaints, reports of environmental incidents and unauthorised activities.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Maintain a 24-hour/7 days a week duty management/pollution management response system.	Achieved	Achieved •	Achieved *	Achieved •

Commentary: The pollution hotline was staffed by the Pollution Response team (4 dedicated officers, and a team leader) during normal working hours. The afterhours service was staffed by the Pollution Response team plus an additional 4 officers from the Compliance team, who work a 8-week rotation roster.

Level of service: HBRC will identify and maintain a register of contaminated sites to ensure public health and safety and environmental protection.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
A Selected Land Use Register (SLUR) of potentially and confirmed contaminated sites is maintained.	Achieved	Achieved	Achieved •	Achieved

Commentary: HBRC maintains a list of hazardous industries and activities (HAIL) in our selected land use register (SLUR), including a public-facing portal (hbrcopendata-hbrc.opendata.arcgis.com/). We have a contaminated sites map layer with public access on the Hawke's Bay Hazard Portal (gis.hbrc.govt.nz/hazards/).

We continue to receive a high number of information requests (particularly since Cyclone Gabrielle) which are responded to by the Urban & Industrial Compliance team.

52 Groups of Activities



#### POLICY AND REGULATION

Level of service: HBRC will respond to oil spills within the Hawke's Bay Coastal Marine boundary and maintain a Tier 2 Oil Spill Response Plan, which identifies priority areas in HB for protection in the event of a major spill.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
An operative Tier 2 Oil Spill Plan and a trained and qualified oil spill response team is in place at all times.	Achieved	Achieved	Achieved •	Achieved

Commentary: HBRC has an in-date and operative Tier 2 Plan, approved in August 2021 and under a 3-yearly review cycle. A qualified Regional On-Scene Commander (ROSC) is in place and 17 responders trained.

There was one Tier 2 response with a sunken vessel with minimal spill to marine area in February 2024. A Tier 2 training exercise with the Maritime team was completed in April 2024.

### **Activity: Maritime Safety**

Level of service: HBRC will provide local navigation safety control of shipping and small craft movements through bylaw enforcement, navigation aids, signage, and education programmes to ensure the region's navigable waters are safe for people to use.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Maintain a Maritime New Zealand accredited Hazard Identification/Risk Assessment and Safety Management System for the Napier Pilotage Area.	Achieved	Achieved *	Achieved •	Achieved •

Commentary: The four-yearly Port and Harbour Marine Safety Code audit was successfully completed in March 2024. All documents and processes are reviewed with Napier Port to ensure consistency between both organisations. The Safety Management System and Napier Pilotage Area risk management are robust and functioning well. The Harbourmaster is part of the HBRC's ISO 9001-2015 accreditation.

	1		<u> </u>	1
Number of maritime incidents occurring per	Maintain or	45*	37*	34
year reported to Maritime New Zealand in	decreasing			
accordance with regulations.	trend	(3-year rolling	(3-year rolling	(3-year rolling
	(3-year rolling	average)	average)	average)
	average)			

Commentary: A total of 34 incidents were reported to Maritime NZ for the year (noting that data from Jan-Jun 2024 is preliminary data). There has been a downward trend in maritime incidents for the last five years. We work closely with Maritime NZ exchanging information on incidents throughout the year.



Te Pûrongo â-Tau 2023-2024

Ngā Whakaröpūtanga Kaupapa

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#### INTEGRATED CATCHMENT MANAGEMENT

#### What we do

There are four activities within the Integrated Catchment Management group of activities:

- Environmental Information
- Environmental Science
- Catchment Management
- Biodiversity and Biosecurity.

Activities are a mix of statutory requirements and nonregulatory methods and are required to achieve the land and water outcomes set in our Strategic Plan, the National Policy Statement for Freshwater Management 2020 (NPSFM2020), and Regional Resource Management Plan (RRMP).

#### ■ Environmental Information

We are involved in monitoring the state, condition and use of land, air, water, coast, and marine resources within the region. We also report against relevant standards and guidelines.

Our Water Information Services team provides stewardship and management of legal requirements relating to water take, use and measurement, and provides timely data to both internal and external customers.

### ≈ Environmental Science

We are involved in interpretation of environmental data to gain understanding of the current health of our land, rivers, lakes, and beaches – and how climate change and human use will affect them in the future. We use this information to gain important insights on the health of our natural environment and the processes that drive change in these systems.

HBRC has a statutory responsibility for monitoring the State of Environment locally. This is reported on every three years, with monthly updates, providing important information on any risks of resource use and to inform policy setting.

### Catchment Management

We work in partnership with landowners to understand and support them in their vision to match their land uses to the land, and to develop sustainable strategies to build resilience to climate change and reduce environmental pressures. Our role is to support and facilitate community-led efforts at a sub-catchment level to implement sustainable land management practices in line with current regulation and regional rules.

#### ≈ Biodiversity and Biosecurity

Biodiversity involves working collaboratively across organisations and with landowners to identify and actively manage high-priority biodiversity sites to protect and restore native species and ecosystems. Biosecurity delivers animal, plant, horticultural and marine pest management through information and advice, research, surveillance, monitoring and inspections, direct control, pathway management, and working within catchments with landowners and community groups. We set objectives, methods, and rules through the RPMP.

### Why we do it

This group of activities primarily contributes to the following community outcome:



The statutory requirements relate to roles and responsibilities under the following:

- Resource Management Act 1991
- Biosecurity Act 1993
- Soil Conservation and Rivers Control Act 1941

### What we spent



# Actual expenditure

\$31.5 million (5% over budget)

54 Groups of Activities



#### INTEGRATED CATCHMENT MANAGEMENT

### Where that funding came from



### How did we do?

We measured 14 aspects of performance for this group of activities



# **Activity: Environmental Information**

Level of service: HBRC will collect, monitor, and provide accurate and timely data including a reliable telemetry network.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Council maintains its International Organisation for Standardisation (ISO) 9001-2015 accreditation for data collection, analysis and storage.	Achieved	Achieved	Achieved *	Achieved *

Commentary: The annual review of our ISO 9001:2015 certification was carried out by Telarc on 4-6 December 2023 (sections certified are: Compliance, Consents, Environmental Information, Environmental Science, Harbourmaster and the Works Group). The auditor's findings were two minor non-conformance and four opportunities for improvement. These findings have been actioned, and the certification remains in place.

State of the Environment (SoE) monitoring programmes are in place and results are published on HBRC and LAWA websites for:	Achieved	Achieved	Achieved •	Achieved **
Climate and Air Quality				
Freshwater				
Land Science				
<ul> <li>Marine and Coast.</li> </ul>				

**Commentary**: The Environmental Information field teams collected data for the SoE programmes on time and to relevant standards throughout the year. Collection methods and sites although slightly different because of the cyclone, gradually returned to normal over the course of the year.

Data is published hbrc.govt.nz, search: #SOEmonthly and lawa.org.nz/explore-data/hawkes-bay-region/



### INTEGRATED CATCHMENT MANAGEMENT

### **Activity: Environmental Science**

Level of service: HBRC will provide accurate and timely analysis and interpretation to decision makers and the community on the State of the Environment for Hawke's Bay.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
A 3-yearly State of the Environment (SoE)	Year 2&3: 11	SOE Report	12 monthly updates	12 monthly updates
Synthesis Report is produced, that meets requirements of NPSFM 2020.	monthly updates Year 1: 3-yearly	•	updates	updates @
Monthly updates are delivered through digital	SOE Report and 11	11 updates		
media.	monthly updates			

Commentary: This activity involves the entire Science team. Monthly SoE reports were delivered according to scheduled monthly timeframes hbrc.govt.nz, search: #SOEmonthly.

Level of service: HBRC will undertake targeted science research and investigations on matters relevant to policy development to inform the Council and community.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
The Science team develops and implements an annual work programme to support plan change requirements and to inform regulatory implementation of the Regional Resource Management Plan (the Plan).	Achieved	Achieved ®	Achieved ©	Achieved *

Commentary: The Environmental Science team developed its 2023-2024 Operational Plan which is largely focused on post-Cyclone Gabrielle environmental analyses. We have completed project plans to support disaster impact assessments and supported the development of projects to inform the Environmental Resilience Pou of the Resilience Plan. With RRMP changes currently stalled, we have continued working on projects to support changes when these recommence – for example, the Ruataniwha groundwater modelling and re-establishment of baselines for National Objectives Framework attributes.

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#### INTEGRATED CATCHMENT MANAGEMENT

### **Activity: Catchment Management**

Level of service: HBRC will work with industry, communities, and landowners, to implement good management practices in catchments to improve water quality, help mitigate erosion, and increase the protection and enhancement of the region's biodiversity.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Percentage of land area (by catchment) that operates under a Farm Environment Management Plan (FEMP) as required under the RRMP.	100% Tukituki catchment	94.2%	96.1%	96.1%

**Commentary**: This programme ceased activity in May 2023. At that time, 1,138 plans had been received that covered 96.1%, or 207,951 hectares of eligible land in the Tukituki catchment. Freshwater Farm Plans are being planned at a national level to replace FEMPs.

Maintain an effective FEMP accredited provider	100% of	100%	100%	100%
programme with applicants processed to a	applicants	•		
conclusion within agreed timelines.				

Commentary: This programme ceased activity in May 2023. At that time, there were 18 approved FEMP providers for the Tukituki. Freshwater Farm Plans are in plan at a national level to replace FEMPs.

				in .	á
Additional area of erodible land, planted with fit-for-purpose erosion control species, transitioned to more sustainable land use or	900 hectares of land under cover	1,459.0ha	776.8ha	974.2ha	
retired and protected.					

Commentary: The Erosion Control Scheme protected or retired 856 hectares of land during the year, and additionally treated a further 118.2 hectares post-cyclone resulting in a total area of 974.2 hectares. This total was protected as follows: 3% bush retirement, 10% block planting, 12% reversion/retirement, 54% space planting, and 20% remedial work (cyclone damage).

Our poplar and willow nursery produced 22,350 A and B grade poles during the year that were sold to landowners through the Erosion Control Scheme across the region. HBRC funding is between 50% (exotic planting) to 75% (native planting) of the total cost to support landowners at a time when there are many demands on their finances.

Additional kilometres of waterway protected annually through erosion mitigation works to reduce sediment, nutrient, and/or bacterial	60 kilometres	149.9km	21.3km	74.6km
contamination.				

Commentary: 53.3km of waterway was protected with new fencing during the year. Additional remedial fencing covered a further 21.3km bringing the total length to 74.6km.

Note that under the Erosion Control Scheme we can only fund waterway protection where there is stream bank erosion.

Te Půrongo ä-Tau 2023-2024

Ngä Whakaröpütanga Kaupapa



#### INTEGRATED CATCHMENT MANAGEMENT

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Annual percentage change in stock exclusion and vegetation across the region by land use and stream order – includes all orders of streams including drains.  Source: statistical modelling of riparian condition across agricultural land using high resolution aerial	Increasing trend	Not achieved	Not achieved  (baseline established for Tukituki catchment)	Not measured

Commentary: Aerial photos of the Tukituki catchment stock exclusion/riparian sites were collected and the imagery analysed for stock exclusion measures and riparian planting. The changes from the previous survey of the Tukituki sites will be assessed and reported. It was hoped this would be completed in 2023-24, however, limited capacity due to staff vacancies has pushed it into 2024-25. The Tukituki catchment is the first catchment to be resurveyed, with other catchments following on a rotational basis over subsequent years. This approach has been taken, rather than a region-wide assessment, to keep costs at a reasonable level and within budget.

Sediment load in tonnes per year in receiving waterbodies (streams/rivers and estuaries)	Reducing load	Not achieved	Not measured	Not measured
Source: 20 ISCO automated sediment samplers in priority catchments with highly erodible land.				

Commentary: Staff have only been able to collect from 6 sites following the cyclone resulting in our scientists not being able to understand a regional picture for sediment. The SOE report will therefore cover 13 sites up to Cyclone Gabrielle, and 4 sites through to June 2024.

This was flagged in our Annual Report 2022-23 and the Land Science team, with input from NIWA, is redesigning the way we collect sediment data in a staged approach (due to cost and resourcing).

Level of service: HBRC will engage and liaise with groups of urban and rural water users to encourage efficient and effective water use to maximise the benefits of the water allocated.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Annual water use efficiency campaign is delivered.	Achieved	Achieved	Achieved	Achieved

Commentary: The public-facing Know Our Water summer campaign was launched in late 2023 until 31 January 2024 as a joint initiative with the five Hawke's Bay councils. Coordination of the regional water-use mapping continued with the initial dashboard developed by our GIS team. Platforms include bus backs, digital advertising (NZ Herald/You Tube), Google Display Network, HB App, a full page ad in Bay Buzz (summer edition) and HB Today. There have also been 12 HBRC social posts (7 posts + 5 stories) and stories on Facebook.

The governance and executives of horticulture sector groups in Hawke's Bay were engaged with during the year, which resulted in the re-establishment of the HBRC/Horticulture Sector Group. An inaugural meeting was held in autumn with the group covering key issues such as TANK plan requirements on actual and reasonable water use.

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#### INTEGRATED CATCHMENT MANAGEMENT

### Activity: Biodiversity and Biosecurity

Level of service: HBRC will work with partners and stakeholders to implement the HB Biodiversity Strategy and Action Plan so biodiversity is enhanced, healthy and functioning.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Number of Ecosystem Prioritisation sites protected per annum.	Year 3: 4 new, 10 maintained	7 new, 6 maintained	4 new, 8 maintained	7 new, 22 maintained
	Year 2: 3 new, 7 maintained	•	•	•
	Year 1: 2 new, 5 maintained			

**Commentary**: 7 new sites were targeted for protection this year, and 22 were maintained. These sites were funded through the Priority Ecosystem programme, Jobs for Nature Private Land Fund and the Pôrangahau Catchment Group in partnership with the QEII Trust.

Across the 7 new sites, 14,187 metres of fencing was installed securing 42 hectares of acutely-threatened forest types and 21 hectares of chronically threatened forest types from feral goats and deer. Two of these sites are in Wairoa, three in Central Hawke's Bay, one in Kairakau, and one in Tūtira.

Maintenance was carried out in 22 sites which included aerial willow control, pest control (predators, ungulates and weeds), and post-cyclone fence repairs. Additionally, 5 sites had top-up fencing installed totalling 6,589 metres of fence line, securing 4 hectares of acutely-threatened forest types and 31 hectares of chronically threatened forest types.

Level of service: HBRC will manage and limit the risks posed by unwanted pests to protect the health of our community and environment, as prescribed by the Regional Pest Management Plan.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Maintain and implement current Regional Pest Management Plan and prepare an Operating Plan and Annual Report in accordance with the Biosecurity Act.	Achieved	Achieved	Achieved •	Achieved **

Commentary: The Regional Pest Management Plan (RPMP) was operative and up to date, and staff delivered RPMP activities in accordance with the Biosecurity Act. The 2024-2025 Operating Plan and 2023-2024 Annual Report were compiled and presented to the Cyclone Recovery Committee in November 2023.

Extensive work has been carried out to tackle Alligator weed (an exclusion pest) that was confirmed in this region in April 2023. More recently Senegal tea (an exclusion pest) has been found in Te Awa Mokotūāraro (Clive River) and the Karamū Stream detected using Environmental DNA in water samples. Delimiting surveys and some controls were undertaken ahead of a control and management plan being developed.

Area of predator control per annum.	Year 2&3: 10,000 hectares pa	Not measured	14,600ha	Not achieved
	Year 1: No target this year		(Whakatipu Māhia)	

Commentary: Since Cyclone Gabrielle, there have been challenges in implementing predator control work due to staff resourcing and budget constraints.

Te Půrongo ā-Tau 2023-2024

Ngä Whakaröpütanga Kaupapa

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### TE WHAKAHAERE RAWA

#### ASSET MANAGEMENT

#### What we do

There are six activities within the **Asset Management** group of activities:

- Flood Protection and Control Works (rivers, drainage, small schemes)
- Flood Risk Assessment and Warning
- Coastal Hazards
- Regional Water Security
- Open Spaces
- Works Group.

#### ➡ Flood Protection and Control Works

We administer flood control and drainage schemes throughout the region to reduce the risk of flood and erosion damage. We maintain networks of stopbanks, hydraulic structures and pump stations, and manage the river, stream, and drainage channels to ensure they work as expected during floods to help protect life and property.

This activity also includes gravel management to maintain flood capacity and management of river mouths to reduce the unnecessary risk of flooding.

### - Flood Risk Assessment and Warning

We work with other local authorities through liaison, provision of floodplain mapping, catchment management planning, and investigation of specific flooding issues. We operate a comprehensive network of rainfall and river level recorders across the region providing a modern flood warning and forecasting system for the benefit of the region. We provide advice on rainfall and water flows during flood conditions and hazard information for land use planning purposes to encourage community resilience and preparedness.

#### Coastal Hazards

We seek to better understand causes and effects of coastal hazards and work with our territorial authorities, landowners, and communities to find solutions to reduce their impact. Coastal erosion and inundation threats from climate change and associated sea level rise is a significant issue facing our region.

### → Open Spaces

We own and manage Päköwhai, Pekapeka, Tūtira, and Waitangi Regional Parks, and various river berm areas. Hawea Regional Park is co-owned and co-managed by HBRC in partnership with tängata whenua. We also contribute towards the management of Te Mata Park, and manage the Waipātiki Beach Holiday Park land holding, which is operated through a lease arrangement.

We also manage approximately 105 kilometres of pathways that are part of the Hawke's Bay Trails, with the Hawke's Bay Trails forming part of Ngā Haerenga New Zealand Cycle Trails.

We also manage a number of forestry blocks, including the Tangoio Soil Conservation Reserve and Waihapua forestry block.

#### ■ Works Group

The Works Group is a business unit of HBRC. It was established to operate at arm's length to ensure the cost-effective delivery of services in a transparent contractual manner. HBRC is the client for the majority of the Works Group's work programme and this is accounted for within the budgets of other activities.

### Why we do it

This group of activities contributes to the following community outcomes:





The empowering legislation for this group of activities

- Soil Conservation and Rivers Control Act 1941
- Land Drainage Act 1908
- Local Government Act 2002
- The Local Government (Rating) Act 2002
- Civil Defence Emergency Management Act 2002
- · Resource Management Act 1991
- Building Act 2004.

60 Groups of Activities



#### ASSET MANAGEMENT

### What we spent



# Actual expenditure

\$96.45 million (71% over budget)

### Where that funding came from





### Activity: Flood Protection and Control Works (Rivers, Drainage and Small Schemes)

Level of service: HBRC will maintain a cost-effective flood control and drainage network that provides protection from frequent flooding to communities and productive land within designated flood protection schemes in the Heretaunga Plains and Ruataniwha Plains.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Major flood protection and control works maintained, repaired, and renewed to the standards defined in the relevant scheme Asset Management Plan and annual works programme:  1. An annual maintenance programme is prepared and delivered.  2. Annual capital programme is prepared and delivered (mandatory measure).	Achieved	Not achieved	Not achieved	Not achieved  (Maintenance programme completed. Capital programme 60% completed)

Commentary: The annual maintenance plan and the capital programme plan were prepared at the start of the 2023-2024 financial year. The maintenance programme was delivered as prepared. The overall capital programme was 60% delivered, based on budget expended.

Most assets have been maintained, renewed or replaced as per the relevant Asset Management Plan (AMP). However, 2 renewal activities – Mutiny Pump Station and Ohuia Pump Station – were not done this year, as per the AMP, as a condition assessment judged that these did not require renewal.

Our IRG-funded programme to upgrade flood protection assets across the Heretaunga Plains commenced in 2021-22. A variation to the funding contract with MBIE was agreed late in the year for an extension to the funding deadline. Progress has been delayed this year due to resourcing constraints, both internally and externally, with competing priorities for work following Cyclone Gabrielle. Physical works on the Ngatarawa Stopbank Upgrade was completed this year with the remaining works ongoing. Tranche 3 of gravel extraction was completed and remaining funds have been approved to support further extraction in the Waipawa Township and Makaretu River.

Te Půrongo ä-Tau 2023-2024

Ngä Whakaröpütanga Kaupapa



### TE WHAKAHAERE RAWA

#### ASSET MANAGEMENT

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Following a flood event, affected areas are surveyed and repairs are programmed:	Achieved	Achieved	Achieved	Not achieved
Following a major flood event, a flood report will be compiled within 6 months of the event (major event is defined as material impact to property or productivity)				
Major event report outcomes incorporated into AMP.				

Commentary: This measure is marked 'not achieved' as the flood report following Cyclone Gabrielle took longer than 6 months to complete (as indicated in the last Annual Report). Inspections and surveys post-Cyclone Gabrielle will continue for some time to come.

Over this past year, there have been 2 significant flooding events, both in the Wairoa district. A flood report was completed for the Nühaka township flooding in November 2023, and a flood report is being compiled for the flooding in Wairoa at the end of June 2024. A scheme review is also being completed for the Nuhaka Railway drain which will give options for increased flood resilience for the township of Nuhaka.

Level of service: HBRC will protect and enhance the scheme's riparian land and associated waterways administered by the Regional Council.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Ecological Management and Enhancement Plans (EMEP) are implemented.	Achieved	Achieved @	Achieved	Achieved

Commentary: Site visits and field work started prior to Cyclone Gabrielle have been completed. Data collation has been completed, with information loaded into GIS to create an interactive Esri map layer. EMEPs have been implemented, and reviews for the Tütaekuri, Ngaruroro, and Tukituki rivers are being completed concurrently. The braided river components of these plans (biodiversity, fish, fresh water, sensitive sites) continue to be progressed.

#### Activity: Flood Risk Assessment and Warning

Level of service: HBRC provides reliable regional environmental telemetry network monitoring and flood hazard information via a regional web-based platform.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Percentage of time that priority telemetered rainfall and river level sites are operational throughout the year.	98%	99%	99%	98%

Commentary: 19 sites are identified as priority or critical sites because they provide the earliest, most complete information for an early warning, are less accessible for maintenance in an emergency and can be combined with other information to give a better picture of the situation. The telemetry system continued to function above the 98% threshold this year. The system was upgraded to HydroTel V7 between April and June 2024 and has functioned exceptionally well since.

62 Groups of Activities



### TE WHAKAHAERE RAWA

#### ASSET MANAGEMENT

### **Activity: Regional Water Security**

Level of service: HBRC will develop and deliver water storage and management solutions that support resilience in the supply of freshwater needs of communities, particularly in the context of projected climate change impacts.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Actions from the Regional Water Assessment are identified, and implementation is progressing according to the approved plan.	Years 2&3: Implementation on track Year 1: Action plan developed	Not achieved	Not achieved	Not achieved

Commentary: The Regional Water Assessment was adopted in June 2023. This measure is reported as 'not achieved' as work continues to be on hold due to uncertainty in central government's freshwater policy direction as well as uncertainty due to the TANK Plan still being under appeal.

### **Activity: Open Spaces**

Level of service: HBRC will maintain, develop, and provide public access to Council-owned regional parks and trails, and investigate affordable new opportunities for multi-purpose benefits.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Regional Parks and HBRC trails are maintained as per Council's Asset Management Plan.	Achieved	Achieved *	Not achieved	Achieved

**Commentary**: Regional Parks and HBRC trails have been maintained as per their Asset Management Plans. Annual maintenance and renewal activities have been completed. Long-term repair work on the Regional Park and HBRC trail network continues and is expected to be completed in the next financial year.

Level of service: HBRC will demonstrate smart, sustainable land use in maximising the multi-purpose benefits of its forestry investments and the Tangoio Soil Conservation Reserve.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
HBRC forests and the Tangoio Soil Conservation Reserve are managed to the standards defined in their respective management plans.	Achieved	Achieved	Achieved •	Achieved *

Commentary: HBRC forests have been managed to the standards of their respective management plans. The effects of Cyclone Gabrielle are still apparent in the Tangoio Soil Conservation Reserve. Large sections of the forest are still inaccessible due to track and bridge damage. Work is continuing on repairing the tracks. Bridge work is scheduled for this coming financial year. Those areas of the Tangoio forest block that were available to be worked on, have been worked on.

Te Půrongo ā-Tau 2023-2024

Ngā Whakaröpūtanga Kaupapa

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#### **EMERGENCY MANAGEMENT**

#### What we do

There are two activities within the Emergency Management group of activities:

- Hawke's Bay Civil Defence Emergency Management (CDEM) Group
- HBRC Emergency Management.

These activities aim to identify potential hazards to the community and the means of reducing their impact, prepare the community for potential civil defence emergencies, and assist with the response to, and recovery from any emergencies that occur.

# → Hawke's Bay Civil Defence Emergency Management

Under the CDEM Act 2002 (the Act), the region's local authorities must form a CDEM Group which is governed by a combined Joint Committee (the region's Mayors and Chair) and a Coordinating Executives Group (Council/Te Whatu Ora Te Matau a Māui Chief Executive Officers, Police District Commander, and Fire Area Manager). Under the Act, the Hawke's Bay CDEM Group is required to maintain an operative CDEM Group Plan that outlines a strategy to coordinate CDEM activities within the region.

The Group operates as a shared service across the region's councils delivering emergency management outcomes across risk reduction, readiness, response, and recovery. All civil defence group staff work in the same organisation, which is administered by HBRC.

#### - HBRC Emergency Management

We maintain an emergency response capability to support the Hawke's Bay CDEM Group. We do this by ensuring that staff are trained to help coordinate a response, including management of Regional Council assets and ensuring essential business continues despite any disaster. We also operate a 24-hour CDEM and Duty Management Service to respond to urgent public enquiries and complaints.

We are also the administering authority for East Coast LAB (Life at the Boundary), a collaborative programme that brings together scientists, emergency managers, experts, and stakeholders across the East Coast to make it easy and exciting to learn more about the natural hazards that can affect us.

# Why we do it

This group of activities contributes to the following community outcomes:



The relevant legislation for this function is:

- Civil Defence Emergency Management Act 2002
- Resource Management Act 1991.

### What we spent



### Actual expenditure

\$7.52 million (82% under budget)

### Where that funding came from



### How did we do?

We measured 8 aspects of performance for this group of activities



64 Groups of Activities



#### EMERGENCY MANAGEMENT

### Activity: Hawke's Bay CDEM Group

Level of service: The Hawke's Bay CDEM Group will educate people about hazards, increase natural hazards knowledge through research, and provide this information for risk reduction measures, including land use planning, asset management, and infrastructure.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
A 10-yearly Hazard Research Plan is approved by and reported on annually to the CDEM Group Coordinating Executives Group (CEG), and hazard information is publicly available on the Hawke's Bay Hazard Portal.	Achieved	Partially achieved	Achieved ®	Achieved *

Commentary: The current Hazard Research Plan<sup>4</sup> was published in June 2015. Hazard information is maintained on Hawke's Bay Hazard Portal gis.hbrc.govt.nz/Hazards/

CEG receives and reviews new information as it becomes available. Work is almost complete on framing a review of the Hazards Research Plan and the review should be completed by the end of 2024.

Percentage of surveyed residents that can identify 3 of our top 5 hazards: earthquake, tsunami, volcanic, pandemic or flooding.	Year 3: >50% Year 2: No Survey	No survey this year	No survey this year	No survey this year
Source: 2-yearly SIL Perception Survey.	Year 1: >50%			

**Commentary**: No survey was carried out this year. Staff opted to postpone the survey another year, concerned that ratepayers whose homes and properties were categorised 2 or 3 after Cyclone Gabrielle might be caused additional distress if contacted by HBRC to take part in the survey directly.

Level of service: The Hawke's Bay CDEM Group will increase readiness, and ensure a coordinated and appropriate response and recovery from a civil defence emergency to reduce the impact on people and property.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
An operative Group Plan under the CDEM Act 2002 is in place, reported on annually and reviewed within statutory timeframes by the Joint Committee.	Achieved	Partially achieved	Not achieved	Not achieved

**Commentary**: The Government has formally withdrawn the Emergency Management Bill. However, the direction of the Government with regards to emergency management reforms is unknown.

The current Group Plan remains operative but is outside the statutory 5-year period for review. The Joint Committee was kept informed on the Plan and all responses during the period. Resourcing has been included in the Three Year Plan 2024-27 so a review of the operative Group Plan can commence late 2024.

Te Půrongo ā-Tau 2023-2024

Ngā Whakarōpūtanga Kaupapa

<sup>4</sup> https://www.hbemergency.govt.nz/assets/Documents/Plans-Procedures-and-Strategies/10-Year-HB-Hazard-Research-Plan-CR-2015-098.pdf



#### **EMERGENCY MANAGEMENT**

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24	
A Group Work Programme implementing the Group Plan objectives is approved and reviewed 6 monthly by the Coordinating Executives Group.	Achieved	Partially achieved	Not achieved	Achieved •	

**Commentary**: A two-year Group Work Programme was approved by the Coordinating Executives Group (CEG) and endorsed by the Joint Committee in late 2023. A monitoring report on progress was discussed and reported to the CEG in June 2024.

A 5-yearly independent assessment of CDEM	Year 3: Achieved	No assessment	No assessment	Not assessed
Group's capability is completed and shows	Years 1&2: No	this year	this year	
continuous improvement.	assessment	0		

Commentary: An assessment was due this year however the National Emergency Management Agency (NEMA) discontinued this process and is currently developing a new risk assurance process that will involve the CDEM Groups. This is beyond our control. In the interim, the CDEM Joint Committee initiated independent reviews into the responses to the Covid-19 pandemic, Napier Flood in November 2020 and Cyclone Gabrielle events. Although these cannot be compared against the scores of the NEMA tool, it indicates that the Group is undertaking independent reviews of its performance and implementing corrective actions as appropriate.

Percentage of surveyed residents prepared to cope for at least three days or more on their own Source: 2-yearly SIL Perception Survey.	Year 3: >50% Year 2: No Survey	No survey this year	No survey this year	No survey this year
own source: 2-yearly sit. Perception survey.	Year 1: >50%	•		•

Commentary: No survey was carried out this year. Staff opted to postpone the survey another year, concerned that ratepayers whose homes and properties were categorised 2 or 3 after Cyclone Gabrielle might be caused additional distress if contacted by HBRC to take part in the survey directly.

### **Activity: HBRC Emergency Management**

Level of service: As the Hawke's Bay CDEM Group's administering authority, HBRC will provide an agreed budget and support to enable the Group to achieve the CDEM outcomes agreed to in the Group Plan.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24	
HBRC provides support to the Hawke's Bay CDEM Group in accordance with a service level agreement.	Achieved	Achieved •	Achieved	Achieved	

Commentary: As the administering authority for the Hawke's Bay CDEM Group, HBRC has provided support to the Group in accordance with an agreed roles and responsibilities matrix.

HBRC has fully supported the Group's recent responses. Training is well attended by HBRC staff.

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#### **EMERGENCY MANAGEMENT**

Level of service: HBRC will ensure it has capability and capacity to respond and manage its assets during a civil defence emergency, including a 24-hour duty management system.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24
Maintain established team, training, procedures including Emergency Operations Centre (EOC) Manual and Business Continuance Plan (BCP).	Achieved	Achieved @	Achieved •	Achieved •

**Commentary**: We are no longer required to maintain an EOC as HBRC supports the Group Emergency Coordination Centre. An HBRC Incident Room is maintained for the provision of an HBRC response to emergencies, including maintenance of pre-established Standard Operating Procedures for Business Continuance.

Our executive team is reviewing the BCP to reflect changes in response to changes in HBRC structure, lessons identified from recent emergency events and new and emerging technologies. Work has commenced but some time will be required to complete.



#### What we do

There are two activities within the **Transport** group of activities:

- Transport Planning and Road Safety
- Passenger Transport.

#### Transport Planning and Road Safety

We are responsible for regional transport planning and coordination of road safety education and promotion across Hawke's Bay. Key deliverables are the Regional Land Transport Plan and the Regional Public Transport Plan. Both plans are reviewed every three years.

The Regional Transport Committee is a permanent committee required by statute and is involved in the development of the above plans.

RoadSafe Hawke's Bay is a business unit of HBRC as a regional resource providing road safety education, raising driver awareness of key road safety issues, and working with other key stakeholders to reduce the incidence and severity of road traffic crashes. The key focus is to change road user behaviour, making roads safer for people to use.

### ≈ Passenger Transport

A major part of our transport role is to contract bus and Total Mobility taxi services that provide the community with access to work, education, social, and recreational activities. Public bus services are provided in and around Hastings, Flaxmere, Havelock North, Clive, Taradale, Napier, and Bay View.

The Total Mobility Scheme provides subsidised taxi services for those who can't use their own vehicles or use public transport. Services are provided in urban areas within the region where taxis run, and are funded by HBRC and Waka Kotahi.

### Why we do it

This group of activities contributes to the following community outcomes:



The relevant legislation for this activity is:

- Land Transport Management Act 2003
- Resource Management Act 1991
- Local Government Act 2002
- Climate Change Response Act 2002.

# What we spent



### Actual expenditure

\$10.05 million (36% over budget)

# Where that funding came from



### How did we do?

We measured 5 aspects of performance for this group of activities



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# **Activity: Transport Planning and Road Safety**

Level of service: HBRC will develop and implement the region's transport planning documents to promote integration, a low carbon future, and sustainability of all transport modes and a resilient, efficient and reliable network.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24	
Adopted Regional Land Transport Plan (RLTP), Regional Public Transport Plan (RPTP) and Regional Cycling Plan in place.	Achieved	Partially achieved	Achieved	Achieved	

Commentary: The RLTP was adopted in July 2024 and lodged with Waka Kotahi in accordance with statutory timeframes. The RPTP was adopted in September 2022. A Regional Cycling Plan 2015 is in place.

All plans can be found at hbrc.govt.nz, search: #aboutplans

Percentage of the Hawke's Bay population that use public or active transport for work or education.  Source: Statistics NZ, bus patronage, cycleway meters (7% for work & 38% for education in 2018 Census).	Increasing trend	Not reported	Not measured	Not measured
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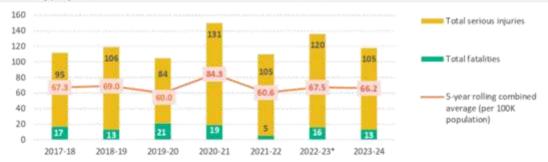
Commentary: This has not been measured as no alternative ways of measuring this target, other than through the Census, have been identified and developed. Results from the 2023 Census to inform the measure will not be available until December 2024.



Level of service: HBRC will coordinate and implement sustainable regional road safety initiatives so that Hawke's Bay's transport network is safe and accessible, and the emotional and financial costs of road traffic crashes are reduced.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24	
Incidence of deaths and serious injury crashes in	Decreasing trend	60.6	67.5*	66.2	
our region (per 100,000 people). (Mandatory measure).	(5-year rolling average)	(combined	(combined	(combined	
,		5-yr rolling average)	5-yr rolling average)	5-yr rolling average)	

Commentary: HBRC facilitates the delivery of road safety for the five Hawke's Bay councils. This year, a subcommittee of the technical advisory group, development of a strategy, and a rebrand of the website roadsafehb.org.nz were established. Over 2,000 students attended a Hawke's Bay Youth Road Safety Expo in May 2024 along with key partners including Nga Pirihimana o Aotearoa NZ Police, Hato Hone Aotearoa St John Ambulance, Fire and Emergency NZ, Waka Kotahi NZTA. Road Safety Week 2024 saw many joint spotting operations with the NZ Police, with both enforcement action and rewards for positive behaviours. Community initiatives continue such as child restraint clinics, Building Futures, and the Ignite Driver Mentoring programme.



At June 2018	At June 2019	At June 2020	At June 2021	At June 2022	At June 2023	At June 2024	<u>Sub-national population estimates for Hawke's Bay (source:</u> Stats NZ)
166,368	172,400	174,900	177,912	181,500	183,700	187,669	For 2024, this is the population assumption in the
							Three-Year Plan 2024-27 (p.105)

\*Data has been updated to reflect final results in Waka Kotahi's Crash Analysis System (CAS) data available on the Waka Kotahi open data portal

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### **Activity: Passenger Transport**

Level of service: HBRC will provide an accessible, integrated public transport service for the people of Hawke's Bay and work with the relevant territorial authority to ensure appropriate service infrastructure to meet transport needs and transition to a low carbon economy.

Performance measure	Target	Result 2021-22	Result 2022-23	Result 2023-24 487,030	
Annual patronage on the Hawke's Bay bus	Maintain or	569,418	520,331		
services.	increasing trend (5-year rolling average)	(S-year rolling average)	(5-year rolling average)	(5-year rolling average)	

Commentary: A total of 478,794 trips were undertaken on public transport this year which is up 58,102 on last year. The fully reinstated services have been performing well albeit with some cancellations due to driver illness.

The MyWay trial continued to operate in the Hastings urban area with passengers making 38,200 trips this year.



<sup>\*</sup> Data from 1 July to 24 August 2020 had no patronage data due to a transition period in ticketing systems. Patronage numbers from the same period in 2019 was used.

Percentage of urban households within 400m of a regular bus route.	Year 3: 100% Napier & Hastings urban areas	100%	100%	Not achieved*
	Years 1 & 2: 100% Hastings urban area			

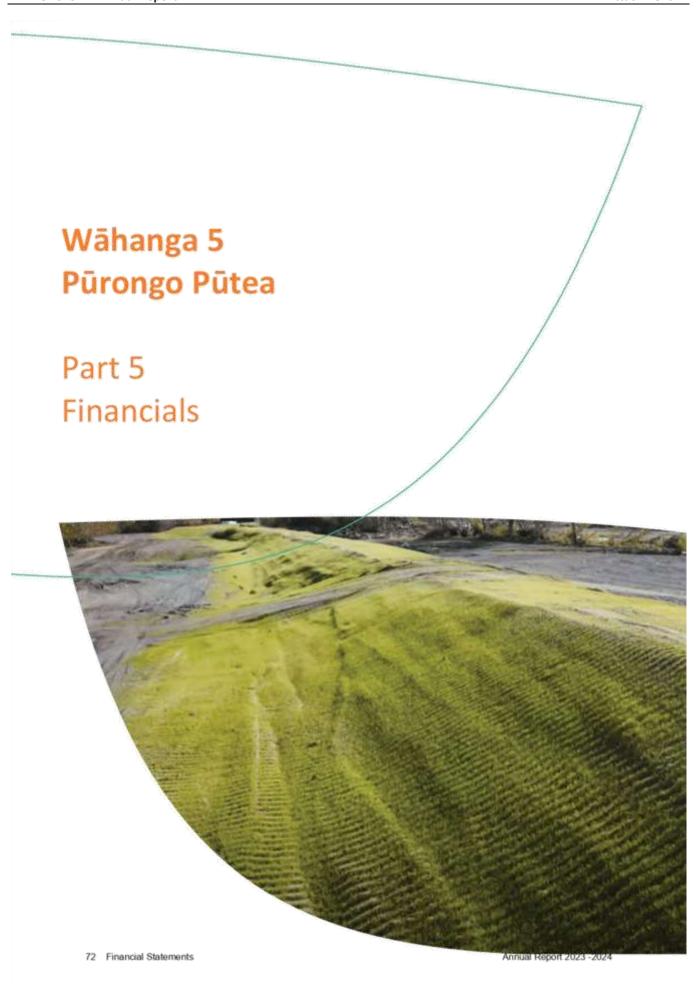
Commentary: Hastings: MyWay, the on-demand public transport trial, was launched on 7 June 2022 servicing 100% of urban households in the Hastings area between 6am-6pm, Monday to Friday. The service has been designed to have 'virtual' bus stopping points no further than 200m from the pickup and drop off points within the defined urban Hastings area.

Napier: The MyWay trial was not extended to the Napier urban area in year 3 as planned in the Long Term Plan 2021-2031. This was due to an increase in public transport costs and competing budgeting priorities following Cyclone Gabrielle. Note: \* we were not able to quantify the percentage in the Napier urban area and have marked the measure as 'Not achieved'.

Te Půrongo ā-Tau 2023-2024

Ngā Whakaröpūtanga Kaupapa

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# TIROHANGA PŪTEA FINANCIAL OVERVIEW

Hawke's Bay Regional Council (HBRC) returned an operating surplus of \$3.45 million for the financial year compared to a forecast deficit of \$20.7 million as described in the Annual Plan 2023-2024.

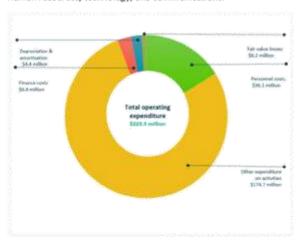
This difference was primarily driven by the Council receiving subsidies and grants and other revenue for rebuilding infrastructure and other work following Cyclone Gabrielle in February 2023 whilst a lot of the costs were capital in nature and therefore did not impact the operating surplus.

Both revenue and expenditure are significantly higher than the planned levels in the Annual Plan. This is a result of funding received from the Department of Internal Affairs during the year for the removal of sediment and debris from land affected by the cyclone, the quantum of which was not known at the time of setting the Annual Plan.

A further large difference in the financial statements this year is the revaluation of infrastructure assets. These were not revalued in 2022-2023 in their normal three-year cycle due to the impacts of the cyclone. The revaluations done this year have used the recent rebuild programme to reassess the cost to rebuild major infrastructure such as stopbanks and pump stations. This has seen a significant increase in the value of infrastructure assets on the balance sheet and a related gain in other comprehensive revenue and expense.

# **Operating Expenditure**

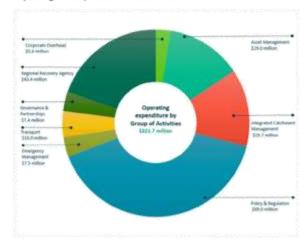
Operating expenditure reflects what we spend on the activities that deliver our vision and values, including pest control, pollution response, regional parks, maritime safety, passenger transport, emergency response, management and many others. It also includes support services for those activities including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



Our total operating expenditure for the year was \$223.5 million which was \$44.2 million higher than budget.

Included in the expenditure for the year is \$121 million of costs related to sediment, debris and waste management through both the Regional Recovery Agency and internal Silt Taskforce. This is matched by equivalent funding and was not included in the Annual Plan budget.

Other variances in operating expenditure relate to Asset
Management where all budget for cyclone recovery was included in
operating but a lot of spend has been more capital in nature,
increased Transport costs relating to high inflation indexation and
Total Mobility usage and increasing loans and interest rates
impacting on Corporate Overhead costs.



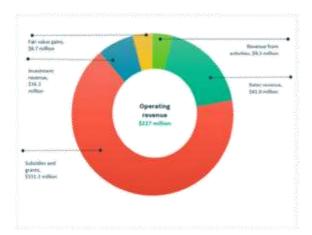
# **Operating Revenue**

The services we provide are funded from both rates and other revenue sources. In 2023-2024, non-rates sources contributed 82% of our total operating revenue of \$226.99 million. This total revenue was \$68.2 million higher than planned.

Subsidies and grants were the main reason for the increased revenue with \$121m recognised from central government related to sediment, debris and waste management. Other Revenue was lower than budget as not all the NEMA and insurance proceeds that were planned to be received this year were finalised. Work continues to recover as much as possible to repay debt taken out to cover the costs as they occurred.

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# Capital Expenditure

Capital expenditure includes spend on upgrading, renewing or building new assets such as stopbanks, drainage networks, pump stations, regional parks, vehicles and buildings. Total capital expenditure for the year was \$57.8 million compared to a budget of \$13.1 million.



The reason for capital expenditure being so much higher than budget is that when the Annual Plan 2023-2024 was approved it was expected that all costs associated with the cyclone recovery and rebuild would be operating in nature. As part of the Annual Report process last year we impaired the assets impacted by the cyclone which has meant that the rebuild costs this year have been classified as capital expenditure.

#### Balance Sheet

Total assets for the Council increased by \$211 million during the financial year. The key reason for this is the revaluation of our infrastructure assets at the end of the year. Due to high inflation in the construction sector over the last few years and recent build costs experienced with the Taradale stopbank upgrade and the rebuilds following the cyclone, the estimated value to rebuild our infrastructure assets has increased by \$214 million. Along with \$25 million of additions for the year and less annual depreciation this has seen the value of infrastructure assets increase from \$199 million to \$433 million.

Funds under Management have also seen an increase in value this year, further reversing the losses suffered following Covid.

Slightly offsetting these increases in assets have been a small decrease in the value of Napier Port shares held through Hawke's Bay Regional Investment Company and a decrease in the amount of cash and cash equivalents held at year end. Whilst the cash held has decreased by \$32 million we still held \$62 million at year end due to sediment and debris funding received but still to be spent.

HBRC's level of borrowing at year end was \$130 million, \$4 million less than forecast and \$29 million more than last year. Whilst expenditure relating to the cyclone has been less than planned, the timing of offsetting NEMA and insurance proceeds has been slower than expected and as such the total level of debt is close to that planned.

Trade and Other Payables have decreased since last year as funds relating to the cyclone recovery received in advance or held on behalf of others has been steadily decreasing through the year.

# **Group Financial Overview**

The HBRC Group, which includes Hawke's Bay Regional Investment Company Limited (with their 55% shareholding in the Port of Napier) returned an operating surplus after income tax of \$137 million. Increases in port operations income and revenue received for capital items or cyclone costs incurred in the prior years were the main drivers.

The investment company provides an annual return to HBRC by way of a dividend to keep rates as low as possible.

As with HBRC, the financial assets held by HBRIC have been positively impacted by financial markets during the year. However, the Port of Napier shares have continued to decrease reflecting wider economic impacts and interest costs even with increased trade volumes.

The HBRIC management team continue to look for further opportunities to provide returns as well as ensuring investments provide regional and intergenerational benefit.

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#### FINANCIAL REPORTING BENCHMARKS

The statement set out below discloses HBRC's financial performance in relation to various benchmarks to enable the assessment of whether HBRC is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

These reporting measures are set out in the Local Government (Financial Reporting and Prudence) Regulations 2014. This legislation is prescriptive as to the format and content of the benchmarks to be reported on.

# 1. Rates affordability benchmark

Council meets the rates affordability benchmark if:

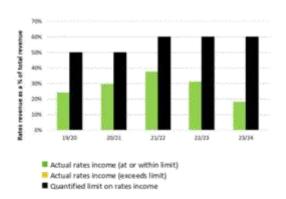
- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

## (A) Rates income affordability benchmark

Figure 1 compares HBRC's actual rates revenue with a quantified limit on rates contained in the financial strategy as included in HBRC's Long Term Plan 2021-2031. The quantified limit used in the graph is that total rates revenue from 2022-2023 will not exceed 60% of HBRC's annual revenue requirements. The graph uses percentage as a unit of measurement.

The graph establishes that each of the five years presented are within the benchmark for those years.

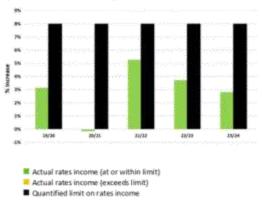
Figure 1: Rates affordability benchmark



## (B) Rates increases affordability benchmark

Figure 2 compares HBRC's actual rate increase with the quantified limit on rate increases included in the financial strategies in HBRC's long-term plans. The quantified limit is that the increase in the annual rate revenue requirement will not exceed 8% of HBRC's annual operating expenditure requirements. The graph uses percentage as unit of measurement.

Figure 2: Rates increases affordability benchmark



The graph above establishes that each of the five years presented are within the benchmark limits.

# 2. Debt affordability benchmark

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The financial strategy included in HBRC's Long Term Plan 2021-2031 set out two quantified limits on borrowing, being:

- a) net external debt as a percentage of total revenue must be less than 175%
- b) net interest on external debt as a percentage of annual rates income must be less than 20%.

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# FINANCIAL REPORTING BENCHMARKS

Graphs are provided below for each of these borrowing limits.

Figure 3: Borrowing limit debt to total revenue ratio

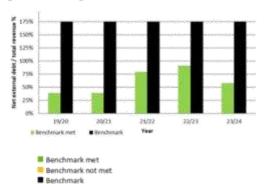
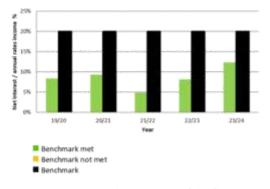


Figure 5 displays HBRC's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of strategic assets, property, plant and equipment).

Figure 4: Borrowing limit interest expense to annual rates income



The graphs above establish that each of the five years presented are within the borrowing limits.

# 3. Balanced budget benchmark

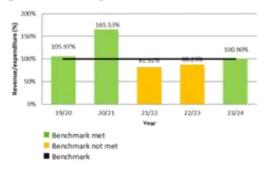
Council meets this benchmark if its revenue equals or is greater than its operating expenses.

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## FINANCIAL REPORTING BENCHMARKS

Figure 5: Balanced budget benchmark



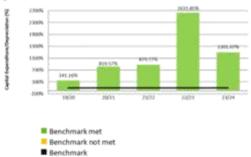
HBRC has met this benchmark for all years except 2021-2022 and 2022-2023. HBRC planned to debt fund the growth in services in the first five years of the Long Term Plan 2021-2031 to smooth the increase in rates.

# 4. Essential services benchmark

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Figure 6 displays HBRC's capital expenditure on network services as a proportion of depreciation on network services. Note HBRC has only one network service; and that covers the flood and drainage schemes.

Figure 6: Essential services benchmark



Capital expenditure on flood protection and control works are funded by a combination of depreciation, reserve and loan funding.

HBRC has met this benchmark for the last five financial years with the 2022-2023 year reflecting the impacts of the cyclone.

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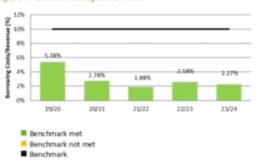
## FINANCIAL REPORTING BENCHMARKS

# 5. Debt servicing benchmark

Council meets the debt servicing benchmark if its borrowing costs are equal to or less than 10% of its revenue.

Figure 7 displays HBRC's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations on property, plant and equipment).

Figure 7: Debt servicing benchmark



HBRC has met the benchmark for all years included in the above graph. Fees paid to ACC for the capitalisation of Napier leasehold property cashflows for a 50-year period are included.

## 6. Debt control benchmark

Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

Figure 8 displays HBRC's actual net debt as a proportion of planned net debt. In this statement, 'net' debt means financial liabilities less financial assets (excluding trade and other receivables).

Figure 8: Debt control benchmark

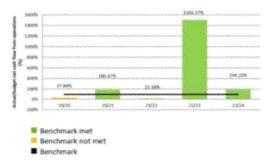


HBRC has not met this benchmark in the 2021-2022 and 2022-2023 years due to drops in the value of Napier Port Holdings and the managed funds due to the impact of Covid-19 pandemic, and more recently on the spend required as an immediate response to Cyclone Gabrielle.

# 7. Operations control benchmark

Council meets the operations control benchmark if its actual net cashflow from operations equals or is greater than its planned net cashflow from operations.

Figure 9: Operations control benchmark



HBRC has met this benchmark (i.e. actual net cashflow from operations has exceeded planned levels) in 2020-2021 and then significantly exceeding planned levels in the 2022-2023 year due predominantly to Government funding received in relation to the impacts of Cyclone Gabrielle. In other years, the operating net cash flows were under budget but still positive.

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# Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2024

		Reg	gional Council		Grou	р
		Actual	Budget	Actual	Actual	Actual
		23/24	23/24	22/23	23/24	22/23
	Note	\$000	\$000	\$000	\$000	\$000
Revenue						
Revenue from activities	3	9,310	11,752	10,502	141,949	132,945
Rates revenue	4	40,982	40,960	34,745	40,982	34,74
Subsidies and grants	5	151,329	33,109	40,531	160,244	46,11
Other revenue	5	16,696	70,962	17,107	21,250	10,93
Fair value gains on investments	6	8,673	1,179	8,048	14,581	12,289
Reduction in ACC Leasehold Liability	_	•	831	- 0	-	
Total Operating Revenue		226,990	158,793	110,932	379,006	237,029
Expenditure						
Expenditure on activities	3	(210,784)	(170,117)	(110,989)	(312,935)	(190,972
Finance costs	3	(6,032)	(4,207)	(3,503)	(12,219)	(10,695
Depreciation & amortisation expense	3	(4,667)	(5,160)	(4,380)	(21,385)	(19,980
Fair value losses	6	(2,053)		(6,213)	(2,053)	(6,213
Other expenditure	7(c)	*	-	-	5	
Total Operating Expenditure	-	(223,536)	(179,484)	(125,085)	(348,592)	(227,861
Loss on sale of investments		-	(20)	-	-	
Total Impairment and Loss on Sale Expenditure	-	-	(20)	•		
Total Expenditure	-	(223,536)	(179,504)	(125,085)	(348,592)	(227,861
Operating Surplus / (Deficit) before Income Tax	-	3,454	(20,711)	(14,153)	30,414	9,168
Income tax expense	8		-	•	(13,369)	(5,694
Operating Surplus / (Deficit) after Income Tax	-	3,454	(20,711)	(14,153)	17,044	3,474
Attributable to Equity holders of the Parent		3,454	(20,711)	(14,153)	5,028	(6,438
Attributable to Non-controlling Interests		*	~	-	12,016	9,912
Other Comprehensive Revenue and Expense	-	3,454	(20,711)	(14,153)	17,044	3,474
Gain/(loss) in other financial assets	18	(2,572)	3,133	(20,627)	(13,813)	676
Gain/(loss) in other infancial assets  Gain/(loss) on revalued intangible asset	18	2,144	25,982	(4,283)	2,144	(4,283
Gain/(loss) on revalued property, plant and equipment assets	18	456	23,362	(188)	19,127	(1,937
Gain/(loss) on revalued infrastructure assets	18	214,711		(16,076)	214,711	(16,076
Total Other Comprehensive Revenue and Expense	-	214,739	29,115	(41,174)	222,169	(21,620
Total Comprehensive Revenue and Expense	-	218,194	8,405	(55,327)	239,213	(18,146
	=					
Total Comprehensive income attributable to the		240 424		(mm anm)	222	lan ac
Equity holders of the Parent		218,194	8,405	(55,327)	220,930	(27,994
Non-controlling Interests	-	310 104	9.405	(EE 227)	18,283	9,849
	=	218,194	8,405	(55,327)	239,213	(18,146

The accompanying notes form part of these financial statements.

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# Part 5- Financials | Pūrongo Pūtea

# Statement of Changes in Equity

For the Year Ended 30 June 2024

		Regional Council						
	Note	Fair Value Reserves \$000	Other Reserves	Accumulated Funds \$000	Total \$000			
PARENT		10.000(00)	100000		- Marchael			
Balance at 1 July 2022		326,209	136,676	275,104	737,989			
Total Comprehensive Revenue and Expense		(41,174	):	(14,153)	(55,327)			
Reserves			(8,526)	8,526				
Balance at 30 June 23	-	285,039	128,150	269,478	682,662			
Total Comprehensive Revenue and Expense	18	214,739	9	3,454	218,194			
Reserves	19		1,645	(1,645)				
Equity as at end of year		499,774	129,794	271,287	900,855			

GROUP		Fair Value Reserves	Other Reserves	Accumulated Funds	Total	Non- controlling Interest	Total
	Note	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2022		192,161	253,265	197,543	642,969	175,634	818,603
Total Comprehensive Revenue and Expense		(21,557)	*	(6,437)	(27,994)	9,849	(18,146)
Dividends received / (paid)				+		(5,782)	(5,782)
Share-based payment reserve			14	*	14	11	25
Reserve movements			(6,670)	8,526	1,856	(25)	1,831
Non-controlling interest arising from investment in limited							
partnership		+	+	*	+		*
Effect on consolidation		-				-	-
Balance at 30 June 23		170,604	246,609	199,632	616,845	179,687	796,531
Total Comprehensive Revenue and Expense		228,527		5,028	233,556	18,283	251,839
Dividends received / (paid)					+	(5,861)	(5,861)
Share-based payment reserve			(1,679)		(1,679)	(67)	(1,746)
Reserve movements			1,686	(1,645)	41	67	108
Non-controlling interest arising from investment in limited							
partnership				*		27	-
Effect on consolidation		-	*	+		19	**
Equity as at end of year		399,132	246,615	203,016	848,763	192,109	1,040,871

# **Statement of Financial Position**

As at 30 June 2024

Infrastructure assets	s at 30 June 2024		Regional Council G				Group	
Note				ALCOHOLD BY AND ADDRESS OF THE PARTY OF THE		The second secon	Total Control of the	
Non-Current Assets			23/24	23/24	22/23	23/24	22/23	
Non-current Assert		Note	\$000	\$000	\$000	\$000	\$000	
Property, plant & equipment   9	ASSETS							
Infrastructure assets	Non-Current Assets							
Investment property   11	Property, plant & equipment	9	37,967	36,705	37,558	559,728	548,267	
Intendigible ascets	Infrastructure assets	10	435,885	244,204	198,554	435,885	198,554	
Property passers	Investment property	11	66,697	69,220	67,194	96,593	89,946	
Derivative financial instruments   16	Intangible assets	12					10,479	
Prepayments	·		11,318	12,382	11,745		11,745	
Total non-current assets before other financial assets   15,000   379,236   324,662   1,117,284   802,060   10		16	450		460	2,029	3,613	
Description   19	* *					1 117 294	962 605	
Investment in Couronic controlled organisations   13   345,272   522,451   348,179   18   17   18   18   18   18   18   18								
Advances to Napier / Gibbone Rail   13			_	,			175,572	
Total Non-Current Assets	_		345,227		348,179	18	18	
Total Non-Current Assets			405.050		477.004	400 430	475 500	
Current Assets		13						
Inventories	Total Non-Current Assets		1,048,156	1,051,107	802,542	1,306,414	1,038,195	
Trade & other receivables						(전에서)	5100	
Derivative financial instruments   16   1,909   .   2,071   4,121   4,55     Other financial assets   13   2,083   3,240   3,142   2,083   3,144     Cash and cash equivalents   17   62,276   3,424   44,171   71,717   103,04     Current tax asset   91,006   19,765   124,783   117,799   155,41     OTAL ASSETS   1,139,163   1,070,872   927,326   1,424,21   1,139,61     OTAL ASSETS / EQUITY   727,805   269,477   203,016   199,62     Fair value reserves   18   499,773   486,293   285,035   399,132   170,60     Other reserves   18   499,773   486,293   285,035   399,132   170,60     Other reserves   19   129,794   134,330   128,150   246,615   246,60     Other reserves   19   129,794   134,330   128,150   246,615   246,60     Other reserves   19   19,794   134,330   128,150   246,615   246,60     Other reserves   19   29,794   134,330   128,150   246,615   246,60     Other reserves   19   20,996   31,103   71,563   303,373   128,150     Other reserves   19   29,996   131,103   71,563   205,337   128,30     Other reserves   29   29,600   131,103   71,563   205,337   128,30     Other reserves   20   29,600   131,103   71,563   205,337   205,337   205,337     Other reserves   20   29,600   131,103   71,563   205,337   205,337     Other reserves   20   29,600   131,103   71,563   205,337   205,337     Other reserves   20   29,600   29,600   29,800   29,300   29,300   29,300     Other reserves							337	
Description								
Cash and cash equivalents			-					
Current tax asset								
NET ASSETS / EQUITY   Accumulated funds   271,287   273,055   269,477   203,016   199,63   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200,000   200	*	1/	-	5,424	54,171	-	1,383	
NET ASSETS / EQUITY  Accumulated funds 271,287 273,055 269,477 203,016 199,637 fair value reserves 18 499,773 486,293 285,035 399,132 170,600 (Other reserves) 19 129,794 134,330 128,150 246,615 246,600 Non Controlling Interest 900,854 893,678 682,662 1,040,871 796,630 Total Net Assets / Equity  LIABILITIES  Non-Current Liabilities Derivative financial instruments 16 5 5 1,040,871 199,683 200 99,600 131,103 71,563 205,337 183,844 ACC Leasehold financing liabilities 24 29,574 26,779 29,283 29,574 29,288 ACC Leasehold financing liabilities 21 19 512 19 19 19 10 10 10 10 10 10 10 10 10 10 10 10 10	Total Current Assets		91,006	19,765	124,783	117,799	155,419	
Accumulated funds	TOTAL ASSETS		1,139,163	1,070,872	927,326	1,424,214	1,193,614	
Accumulated funds   271,287   273,055   269,477   203,016   199,63   Fair value reserves   18   499,773   486,293   285,035   399,132   170,66   199,637   180,639   128,150   246,615   246,60   Nor Controlling Interest   2 - 3 - 192,109   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,637   179,6	NET ASSETS (SOUTH							
Fair value reserves			274 207	272.055	260 477	202.016	100 622	
Other reserves         19         129,794         134,330         128,150         246,615         246,605           Non Controlling Interest         2         -         -         -         192,109         179,68           Total Net Assets / Equity         900,854         893,678         682,662         1,040,871         796,53           LIABILITIES         State of the liabilities           Derivative financial instruments         16         -         -         -         313         94           Borrowings         20         99,600         131,103         71,563         205,337         183,84           ACC Leasehold financing liabilities         24         29,574         29,283         29,574         29,28           Provisions for other liabilities & charges         21         -         -         25,567         22,15           Employee benefit liabilities         21         -         -         -         25,567         22,15           Employee benefit liabilities         22         433         -         414         2,902         98           Current Liabilities         2         129,627         158,394         101,280         263,712         237,23           Employee benefit liabilitie		18						
Non Controlling Interest   90,854   893,678   682,662   1,040,871   796,535   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705   705			-					
Total Net Assets / Equity   900,854   893,678   682,662   1,040,871   796,537			-	,			179,687	
Non-Current Liabilities   20   99,600   131,103   71,563   205,337   183,84	-		900,854	893,678	682,662		796,531	
Derivative financial instruments   16	LIABILITIES							
Borrowings   20   99,600   131,103   71,563   205,337   183,84     ACC Leasehold financing liabilities   24   29,574   26,779   29,283   29,574   29,285     Provisions for other liabilities & charges   19   512   19   19   1     Deferred tax liabilities   21   -	Non-Current Liabilities							
ACC Leasehold financing liabilities			-		-		948	
Provisions for other liabilities & charges   19   512   19   19   19   19   19   19   19							183,846	
Deferred tax liabilities	<u> </u>	24						
Employee benefit liabilities   22   433   - 414   2,902   98	_	21	19	512	19		19	
Deferred Income         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -			422	•	414		982	
Current Liabilities         Derivative financial instruments       16       -       -       -       1,182       1,132         Borrowings       20       30,563       3,500       29,930       13,900       29,93         ACC Leasehold financing liabilities       24       3,421       1,500       1,416       3,421       1,41         Current tax payable       -       -       -       -       5,943         Employee benefit liabilities       22       2,505       -       2,401       6,458       7,51         Trade & other payables       23       55,736       12,218       90,017       72,270       100,24         Funds held on Behalf       23       16,456       -       19,620       16,456       19,62         Finance lease liabilities       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -		22	433		-	2,902	902	
Derivative financial instruments         16         -         -         1,182         1,133           Borrowings         20         30,563         3,500         29,930         13,900         29,93           ACC Leasehold financing liabilities         24         3,421         1,500         1,416         3,421         1,41           Current tax payable         -         -         -         -         5,943           Employee benefit liabilities         22         2,505         -         2,401         6,458         7,51           Trade & other payables         23         55,736         12,218         90,017         72,270         100,24           Funds held on Behalf         23         16,456         -         19,620         16,456         19,62           Finance lease liabilities         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	Total Non-Current Liabilities		129,627	158,394	101,280	263,712	237,231	
Borrowings         20         30,563         3,500         29,930         13,900         29,930           ACC Leasehold financing liabilities         24         3,421         1,500         1,416         3,421         1,41           Current tax payable         -         -         -         -         5,943           Employee benefit liabilities         22         2,505         -         2,401         6,458         7,51           Trade & other payables         23         55,736         12,218         90,017         72,270         100,24           Funds held on Behalf         23         16,456         -         19,620         16,456         19,62           Finance lease liabilities         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	Current Liabilities							
ACC Leasehold financing liabilities  24 3,421 1,500 1,416 3,421 1,41  Current tax payable  5,943  Employee benefit liabilities  22 2,505 - 2,401 6,458 7,51  Trade & other payables  Funds held on Behalf  Finance lease liabilities  23 55,736 12,218 90,017 72,270 100,24  Funds held on Behalf  Finance lease liabilities	Derivative financial instruments	16	-	-		1,182	1,132	
Current tax payable       -       -       -       5,943         Employee benefit liabilities       22       2,505       -       2,401       6,458       7,51         Trade & other payables       23       55,736       12,218       90,017       72,270       100,24         Funds held on Behalf       23       16,456       -       19,620       16,456       19,62         Finance lease liabilities       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -	Borrowings	20	30,563	3,500	29,930	13,900	29,930	
Employee benefit liabilities       22       2,505       -       2,401       6,458       7,51         Trade & other payables       23       55,736       12,218       90,017       72,270       100,24         Funds held on Behalf       23       16,456       -       19,620       16,456       19,62         Finance lease liabilities       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - </td <td>ACC Leasehold financing liabilities</td> <td>24</td> <td>3,421</td> <td>1,500</td> <td>1,416</td> <td>3,421</td> <td>1,416</td>	ACC Leasehold financing liabilities	24	3,421	1,500	1,416	3,421	1,416	
Trade & other payables       23       55,736       12,218       90,017       72,270       100,24         Funds held on Behalf       23       16,456       -       19,620       16,456       19,62         Finance lease liabilities       -       -       -       -       -       -         Provision for other liabilities and charges       1,582       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -	·		-	-				
Funds held on Behalf       23       16,456       -       19,620       16,456       19,620         Finance lease liabilities       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -			-	*			7,511	
Finance lease liabilities         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - <td></td> <td></td> <td></td> <td>12,218</td> <td></td> <td></td> <td>100,242</td>				12,218			100,242	
Provision for other liabilities and charges         1,582           Total Current Liabilities         108,682         18,800         143,384         119,630         159,85           TOTAL LIABILITIES         238,308         177,194         244,664         383,343         397,08		23	16,456		19,620	16,456	19,620	
Total Current Liabilities         108,682         18,800         143,384         119,630         159,85           TOTAL LIABILITIES         238,308         177,194         244,664         383,343         397,08			•	. ===	•		•	
TOTAL LIABILITIES 238,308 177,194 244,664 383,343 397,08			100 603		1/12 20/	110 620	150 054	
	TOTAL NET ASSETS / EQUITY & LIABILITIES		1,139,162	1,070,872	927,326	1,424,214	1,193,614	

The accompanying notes form part of these financial statements.

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# Part 5- Financials | Pūrongo Pūtea

# Statement of Cash Flow

For the Year Ended 30 June 2024

		Regional Council			Group	
		Actual 23/24	Budget	Actual	Actual	Actual 22/23
			23/24	22/23	23/24	
	Note	\$000	\$000	\$000	\$000	\$000
CASH SLOW SPOAL OPENATING ACTIVITIES						
CASH FLOW FROM OPERATING ACTIVITIES						
Cash was provided from:  Receipts from customers		10,915	12,730	6,517	168,786	128,19
Rates received		40,701				35,07
Dividends received		7,206	40,813 10,905	35,071 6,871	40,701 14,678	33,07
Interest received		5,483	6,261	2,087	6,560	2,40
Grants received		150,668	33,109	95,297	150,668	95,29
Funds held on behalf		130,666	33,109	19,527	130,000	19,52
Other Revenue		4,845	53,795	852	4,845	852
GST		4,043	33,793	032	709	819
651	-	219,817	157,613	166,222	386,946	282,162
	-					
Cash was applied to:		207.040	424.044	ca aca	207.524	444.07
Payments to suppliers		207,849	131,041	62,060	307,524	141,97
Payments to and on behalf of employees		36,096	40,739	32,251	36,096	32,25
Interest expense		6,032	4,207	2,845	10,096	2,51
Funds held on behalf		3,164			3,164	3,19
Income tax expense	-	253,140	175,987	97,156	356,879	179,93
Net Cash Flows from Operating Activities	17 =	(33,323)	(18,374)	69,066	30,067	102,22
	=	,,,	1//			750.0
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from:						
Disposal of property, plant & equipment		808		513	858	513
Disposal of investment properties		2,494 -		498	2,494	498
Disposal of financial assets		-	1,640	1,100	408	2,11
Disposal of forestry assets	_	*	1,313	-		
	-	3,302	2,953	2,112	3,760	3,128
Cash was applied to:						
Purchase of property, plant & equipment		4,513	3,561	4,622	16,094	24,92
Purchase of intangible assets		-	66	87	-	8
Construction of infrastructure assets		23,583	9,491	18,896	23,583	18,896
Community lending		3,682	5,000	1,291	3,682	1,29
Purchase of financial assets		(2,360)		434	(2,360)	684
Forestry assets development		128		74	128	7
Purchase of investment property		-	-	-	8,351	3,83
Leasehold Liability		998	831	-	998	
	=	30,543	18,949	25,403	50,475	49,793
Net Cash Flows from Investing Activities	_	(27,241)	(15,996)	(23,291)	(46,715)	(46,665

# Statement of Cash Flow (Continued)

For the Year Ended

		R	egional Counc	ii)	Grou	р
		Actual 23/24	Budget 23/24	Actual 22/23	Actual 23/24	Actual 22/23
	Note	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM FINANCING ACTIVITIES				7		
Cash was provided from:						
Loans drawn		123,870	36,081	44,480	123,870	44,480
Proceeds from grants				-	7,450	3,500
Proceeds from issue of ordinary shares				-5	499	
Proceeds from issuance of fixed rate bonds					-	99,204
Repayment of fair share loans by employees	_			-	56	127
	_	123,870	36,081	44,480	131,875	147,311
Cash was applied to:						
Loans repaid		95,200	5,336	6,375	119,200	107,104
Leasehold freeholding proceeds paid to ACC				366	-	366
Transaction costs arising on share issuances				-3	į.	
Repayment of external loans				-0	-	
Repayment of lease liability				-,	209	197
Termination of interest rate swaps				-		
Acquisition of treasury shares				- ,	441	354
Fair share loans to employees to acquire shares				-8		
Borrowing establishment costs				-0	6,411	4,307
Dividends paid		~		-	20,286	5,782
	_	95,200	5,336	6,741	146,547	118,110
Net Cash Flows from Financing Activities	_	28,670	30,745	37,739	(14,672)	29,201
Net Increase / (Decrease) in Cash & Cash Equivalents		(31,895)	(3,625)	83,514	(31,321)	84,761
Opening cash & cash equivalents		94,171	7,047	10,657	103,037	18,276
Effect of exchange rate changes					(4.050 P3(55.1))	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Closing Cash & Cash Equivalents	17	62,276	3,422	94,171	71,717	103,037

The accompanying notes form part of these financial statements.

# Note 1: Statement of accounting policies

#### 1.1 Reporting entity

The Hawke's Bay Regional Council (HBRC) is a regional local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing HBRC's operations includes the LGA and the Local Government (Rating) Act 2002.

The Hawke's Bay Regional Council group (the Group) consists of the ultimate parent, HBRC, and its subsidiaries. HBRC owns 100% (2023: 100%) of Hawke's Bay Regional Investment Company Limited (HBRIC) which, in turn, owns 55.01% (2023: 55.01%) of Napier Port Holdings Limited (NPHL) and 66.72% (2023: 66.72%) of FoodEast GP Limited/FoodEast Limited Partnership. NPHL is the holding company parent of Port of Napier Limited (PoNL). PoNL is a Port Company as defined in the Port Companies Act 1988.

These entities are incorporated and domiciled in New Zealand

For the purposes of the LGA, HBRIC is a Council Controlled Trading Organisation (CCTO) as it is a Council Controlled Organisation whose purpose is to return a profit.

The primary objective of HBRC is to provide services and social benefits for the community rather than make a financial return. HBRC is defined as a public entity under the Public Audit Act 2001. HBRC has designated itself and the Group as public sector public benefit entities (PBEs) for financial reporting purposes. These financial statements of HBRC and the Group are for the year ended 30 June 2024.

#### 1.2 Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period except where specifically stated within the notes to the financial statements.

Factors supporting HBRC as a going concern include:

- eligibility to claim insurance in relation to the Cyclone Gabrielle event
- · the ability to raise needed funds through rates
- · a budget plan in place for the coming year
- significant investment reserves

# (1.2.1) Statement of compliance

The financial statements of HBRC and the Group have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE standards except where specifically stated within the notes to the financial statements.

The statements have been prepared under the historic cost convention, as modified by the revaluation of land and buildings, infrastructure assets, hydrological equipment, sea defences, investment property, forestry assets and certain financial instruments measured at fair value.

## (1.2.2) Presentation and currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) except for note 28.

#### (1.2.3) Changes in accounting standards

Certain new accounting standards and interpretations have been published that are mandatory for the current year end's reporting periods and have been adopted by HBRC.

#### PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022. HBRC has adopted this standard from 1 July 2022. PBE FRS 48 requires HBRC to provide users with an appropriate and meaningful mix of performance measures to explain its serve performance for the reporting period. There were no material impacts on the statement of performance as a result of the adoption of this new standard.

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# Note 2: Summary of significant accounting policies

## 2.1 Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the Group on a line-by-line basis. All intra-group balances, transactions, revenues, and expenses are eliminated on consolidation.

# (2.1.1) Subsidiaries

HBRC consolidates in the Group financial statements all entities where HBRC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where HBRC controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by HBRC or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

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HBRC will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by HBRC. If the consideration transferred is lower than the net fair value of HBRC's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

In the parent entity's separate financial statements, HBRC has elected to account for its investments in subsidiaries as financial instruments in accordance with PBE IPSAS 41 and therefore carries these at fair value.

HBRC's group financial statements are based on NPHL's special purpose financial statements for the year ended 30 June 2023.

HBRIC, NPHL and FoodEast are for-profit entities and report under the for-profit standards. HBRC applies PBE standards to the financial reporting by its subsidiaries when consolidating the financial statements.

#### 2.2 Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of GST, rebates and discounts and after elimination of sales within the Group. Revenue is recognised as follows.

## (2.2.1) Rates revenue

The following policies for rates have been applied:

- general rates, targeted rates and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates
- rates arising from late payment penalties are recognised as revenue when rates become overdue
- rate remissions are recognised as a reduction of rates revenue when HBRC has received an application that satisfies its rates remission policy.

## (2.2.2) Sales of goods and services

- revenue from the sale of goods is recognised when a product is sold to the customer
- sales of services are recognised in the accounting period in which the services are rendered, by reference to the completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total service provided.

# (2.2.3) Interest and dividends

 interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate

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 dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

#### (2.2.4) Grants

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

#### 2.3 Expenditure recognition

# (2.3.1) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

### (2.3.2) Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where HBRC has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by HBRC and the approval has been communicated to the applicant. HBRC's grants awarded have no substantive conditions attached.

## (2.3.3) Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

# 2.4 Income tax

Income tax expense includes components relating to both current tax and deferred tax.

- Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.
- Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.
   Temporary differences are differences between the carrying amount of assets and liabilities in

the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

- Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.
- Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.
- Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.
- Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

# 2.5 Leases

# (2.5.1) Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether HBRC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

# (2.5.2) Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

## 2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

#### 2.7 Receivables

Short-term receivables are recorded at their face value less any allowance for lifetime expected credit losses.

# 2.8 Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to foreign exchange arising from HBRC's operational activities and interest rate risks arising from HBRC's financing activities. In accordance with its treasury policy, HBRC does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

HBRC and the Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

HBRC and the Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. HBRC and the Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as

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current if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

# (2.8.1) Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the surplus or deficit. Fair value hedge accounting is applied only for hedging fixed interest risk on borrowings.

If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the surplus or deficit over the period to maturity.

#### (2.8.2) Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of 'finance costs'.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or

loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

#### 2.9 Financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which HBRC and the Group commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and HBRC and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of initial recognition and subsequent measurement:

- amortised cost
- fair value through surplus or deficit
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the HBRC's management model for financial assets, the nature of the instrument and the contractual terms of the instrument.

#### (2.9.1) Amortised cost

Financial assets at amortised cost are financial assets held within a management model with the purpose of collecting the contractual cash flows and those cash flows solely consist of principal and interest. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the

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face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

# (2.9.2) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit includes all financial assets not classified as at amortised cost or fair value through other comprehensive revenue and expense or those financial assets held for trading.

After initial recognition, financial assets in this category are measured at their fair value with gains or losses on remeasurement recognised in the surplus or deficit.

# (2.9.3) Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are:

- equity holdings and have been irrevocably designated into that category at initial recognition
- financial assets held within a management model with the purpose of both selling financial assets and collecting the contractual cash flows where those cash flows solely consist of principal and interest.

They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

HBRC includes in this category all shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

## 2.10 Impairment of financial assets

Impairment considerations on Financial Assets under PBE IPSAS 41 are limited to financial instruments whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a management model whose objective is to hold financial assets in order to either collect contractual cash flows or collect contractual cash flows and sell financial assets.

# (2.10.1) Financial assets at amortised cost

HBRC will measure the loss allowances as an amount equal to the lifetime expected credit losses to all receivables that result from exchange transactions

(PBE IPSAS 9), non-exchange transactions (PBE IPSAS 23) and lease receivables (PBE IPSAS 13).

Lifetime expected credit losses on receivables recognised from revenue transactions under the Ratings Act will be limited to the historical remission of rates after seven years.

For trade and other receivables, HBRC will review the outstanding balances at reporting date and assess the likely default based on the payment history of the debtor and the probability that the debtor will enter bankruptcy, receivership, or liquidation.

For debtors and other receivables, the carrying amount of the asset will be reduced using an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account amount.

# (2.10.2) Financial assets at fair value through other comprehensive revenue and expense

The management of debt instruments included in Funds under Management is performed by the fund managers within the guidelines of the Statement of Investment Policy and Objectives (SIPO). The SIPO requirements include:

- limiting HBRC's exposure to any single issuer
- · maintaining a diversified investment portfolio
- investing in high quality issuers
- · appropriately hedging all overseas investments
- actively monitoring the performance of all investments
- selling financial instruments to maintain the balance and credit risk of the portfolio.

The fund managers are required to report quarterly on the portfolio performance and compliance with the SIPO. Fund managers are expected to re-balance the portfolio to maintain compliance with the SIPO and any significant changes in the credit rating of an issuer would initiate the sale of any related holdings. Compliance with the SIPO by the fund managers limits HBRC's exposure to credit risk with these debt instruments.

HBRC will review the quarterly reporting and assess expected credit losses based on the current market performance and the forward-looking information provided by the fund managers. Any loss allowance will be recognised in other comprehensive revenue and expense.

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#### 2.11 inventory

Inventory held by HBRC is predominantly for own use and is stated at the lower of cost (using the weighted average cost method) and net realisable value.

#### 2.12 Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

# 2.13 Property, plant and equipment

#### (2.13.1) Operational assets

Regional Council land and the Group administration buildings are shown at fair value less subsequent accumulated depreciation, based on periodic, but at least triennial, valuations by independent, professionally qualified valuers.

Hydrological equipment is shown at fair value less subsequent accumulated depreciation, based on periodic, but at least triennial, valuations by suitably experienced council employees, on the basis of depreciated replacement cost. Independent, professionally qualified valuers review all such valuations.

Sea defences are shown at fair value, based on periodic valuations by suitably qualified and experienced professionals, less accumulated depreciation and impairment. Revaluations are performed with sufficient regularity to ensure that the carrying value does not differ materially from its fair value.

PonL land, PonL cargo and other buildings and all other operational assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The costs of assets constructed by HBRC include the cost of all materials used in construction, direct labour on the project and an appropriate amount of directly attributed costs. Costs cease to be capitalised as soon as the asset is ready for productive use.

#### (2.13.2) Infrastructure assets

Infrastructure assets are tangible assets that are necessary to fulfil HBRC's obligations in respect of the Soil Conservation and Rivers Control Act 1941 and the Drainage Act 1908. Such assets usually show some or all of the following characteristics:

- they are part of a system or network that could not provide the required level of service if one component was removed
- they enable HBRC to fulfil its obligations to the region's communities in respect of flood control and drainage legislation
- they are specialised in nature and do not have alternative uses
- · they are subject to constraints on removal.

Infrastructure assets are shown at fair value less subsequent accumulated depreciation, based on periodic, but at least triennial, valuations by suitably experienced council employees, on the basis of depreciated replacement cost. Independent, professionally qualified valuers review all such valuations.

## (2.13.3) Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to HBRC and the Group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

#### (2.13.4) Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

#### (2.13.5) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to HBRC or the Group and the cost can be measured reliably. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred.

## (2.13.6) Revaluation adjustments

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Increases in carrying amounts arising from revalued assets are credited to revaluation reserves in equity. Decreases that offset previous increases of the same asset category are charged against revaluation reserves in equity. All other decreases are charged to the statement of comprehensive revenue and expense.

Any accumulated depreciation at the date of revaluation is eliminated against the carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

## 2.14 Intangible assets

#### (2.14.1) Software acquisition and development

Installed computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use where HBRC has control of the underlying platform are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with development and maintenance of HBRC's website are recognised as an expense when incurred.

Configuration and customisation costs associated with a Software as a Service platform will generally be treated as an expense when incurred as HBRC does not control the environment in which it operates and is reliant on annual licences fees to the provider for the continued functioning of the software.

# (2.14.2) Digital assets

HBRC capitalises work undertaken on digital groundwater models and aerial photography of the Hawke's Bay region as assets. HBRC considers it controls these assets, their cost can be measured, and they provide service and economic benefit as these assets provide long-term support to inform its work under the Resource Management Act, Drainage Act, and Soil Conservation and Rivers Control Act.

# (2.14.3) Carbon credits

Purchased carbon credits are recognised at cost on acquisition.

Free carbon units received from the Crown are recognised at fair value on receipt. They are not amortised but are instead tested for impairment annually. They are de-recognised when they are used to satisfy carbon emission obligations.

#### (2.14.4) Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

#### 2.15 Depreciation and amortisation periods

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives.

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Table 1: Major depreciation and amortisation periods

Asset category	Years
Buildings	3 - 60
Site improvements	10 - 50
Hydrology equipment including weirs	5 - 100
Vehicles, plant & equipment	3 - 31
Dredging	10
Tugs	30
Wharves & jetties	10 - 80
Sea defences	100 - 200
Computer software & licences	3 - 50
Infrastructure assets	5 - 100

Cranes are depreciated on a unit-of-production basis with estimated useful lives of 33,000 to 36,000 operating hours.

No depreciation is provided for stop banks, berm edge protection, sea or river groynes, drainage works or unsealed roads. These assets are not considered to deteriorate over time and therefore will provide a constant level of service unless subjected to a significant adverse event. Please refer to note 10 for Cyclone Gabrielle event.

## 2.16 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment at each balance date. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For revalued assets, an impairment loss is recognised in the statement of comprehensive revenue and expense against the revaluation reserve. Any impairment in excess of the reserve is recognised in surplus or deficit. Subsequent reversals of impairment

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are recognised in surplus or deficit to the extent initially recognised in surplus or deficit with any further reversals recognised in the statement of comprehensive revenue and expense.

For assets carried at cost, impairment and any reversals are recognised in surplus or deficit.

#### 2.17 Investment property

Investment property is leasehold land, commercial land and buildings held to earn rental revenue and for capital appreciation. Such property is initially recognised at cost. At each balance date investment property is measured at fair value, representing open market value determined annually by independent, professionally qualified valuers. A gain or loss in value is recorded in surplus or deficit for the period in which it arises.

#### 2.18 Forestry crops

Forestry crops are measured at their fair value less estimated point-of-sale costs each balance date by independent, professionally qualified valuers. Fair value is determined by the present value of expected net cash flows discounted by the current market-determined pre-tax rate. A gain or loss in value is recorded in surplus or deficit for the period in which it arises.

#### 2.19 Payables

Short-term creditors and other payables are recorded at their face value.

# 2.20 Borrowings

Borrowings are recognised initially at fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

# 2.21 ACC Leasehold Receivables Contract

In December 2013 Council entered into a contract with the Accident Compensation Corporation (ACC) to sell the cash flows generated from the portfolio of Napier leasehold properties for a period of 50 years ending 30 June 2063 (after a free-holding initiative to lessees). A lump sum of \$37.7 million was received for this to fund investment activity.

#### (2.21.1) Base Loan

The base loan is the original receipt recognised at fair value, \$37.7 million, and subsequently measured at amortised cost. Transaction costs were immaterial at recognition. HBRC has measured the liability as the remaining contractual cash flows over the full contractual term discounted at the effective interest rate of 6.88% less prepayments due to the freeholding

of any units during the period. Freeholdings during the period are not considered a substantial modification as this prepayment mechanism is included in the contract.

#### (2.21.2) Excess Payments

The ACC contract includes two embedded derivatives:

- payment to ACC of two-thirds of excess rental income received
- payment to ACC of two-thirds of the excess of any sale proceeds over the minimum future rental income for that unit.

HBRC has recognised the combined liability at fair value through surplus or deficit. In measuring fair value, HBRC has considered the following:

- Fair value is defined as "the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction."
- There is no active market or similar tradeable instrument for comparison.
- The excess cash flows are linked to rental and freeholding cash flows from the investment properties, which is driven from the property market.
- The investment property fair value (see Note 11) factors in future property/rental growth, and the present value of those future cash flows.
- HBRC has assumed that the remaining leases will be sold within the term of the contract.
- It is not necessary to factor in the timing of the disposals as the investment property fair value at balance date factors in future land/rental growth.
- The investment property fair value assumes that all the units are sold in an arms-length transaction at the reporting date.

HBRC has determined that the fair value of the investment property can be used to calculate the fair value of the excess payments financial liability at reporting date. The fair value of the excess payments liability at reporting date has been assessed as two-thirds of the difference between the investment property fair value and the base loan liability.

## 2.22 Employee entitlements

# (2.22.1) Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave, time of in lieu and alternative leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the

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coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

## (2.22.2) Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as longservice leave and retirement gratuities, have been calculated on an actuarial basis.

The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information
- the present value of the estimated future cash flows.

#### 2.23 Provisions

Provisions are recognised when:

- HBRC has a present legal or constructive obligation as a result of past events
- it is more likely than not that an outflow of resources will be required to settle the obligation
- · the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense and is included in 'Finance costs'.

Provisions are not recognised for future operating losses.

# 2.24 Equity

Equity is the community's interest in HBRC and is measured as the difference between total assets and total liabilities.

Equity is disaggregated and classified into the following components:

- accumulated funds
- fair value reserves
- cash flow hedge reserves
- other reserves.

## (2.24.1) Fair value reserves

This reserve relates to the revaluation of land, buildings, hydrological assets, infrastructure assets and financial assets measured at fair value through other comprehensive revenue and expense.

#### (2.24.2) Cash flow hedge reserves

This reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedge instruments, related to hedged transactions that have not yet occurred.

#### (2.24.3) Other reserves

Other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Some of these other reserves are restricted by a Regional Council decision. Transfers to and from these reserves are at the discretion of HBRC.

#### 2.25 Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

#### 2.26 Budget figures

The budget figures are those approved by HBRC in its 2023-2024 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

# 2.27 Basis of allocation of HBRC's indirect costs

Clearly identifiable costs are directly charged against each activity. Indirect costs are allocated to cost centres in the first instance under a variety of methods including:

- floor area occupied
- number of full-time equivalent employees
- assessed use of various services provided
- · share of operating expenditure

These costs are then charged to projects on a labour standard costing basis. The allocation unit is each working hour charged by employees at a predetermined rate. Variances arising from this method will be allocated on the same basis as for costs of a fixed nature referred to above. Project costs are then summarised for each activity and group of activities.

# 2.28 Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future.

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These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

## Cyclone Gabrielle – assumptions for the 2022-2023 Financial Year

It is acknowledged there is significant uncertainty regarding the extent of the impact of Cyclone Gabrielle on physical infrastructure assets and the impact the event will have on the Hawkes Bay at the time of completing the Annual Report for the 2022-2023 year.

HBRC considered the impact of Cyclone Gabrielle as part of its impairment testing and valuation of its assets as at 30 June 2023. All assets that have been revalued based on quoted prices in an active market are considered to have been automatically adjusted by movement in the market (Fair Value Level 1) and is considered the most appropriate reflection of the value of an asset.

Table 2:

Land, buildings and hydroglogical
assets were revalued at 30 June 2022. Any assets that were lost due to Cyclone Gabrielle have been written off. Management reviewed the remaining assets for further impairment and did not identify any issues with the existing balances.
Infrastructure Assets were revalued based on valuation undertaken by external valuers in 2024.
HBRC's investment property is valued annually by an independent valuer. Refer to Note 11 for more details on valuation inputs and assumptions.
Forestry assets were revalued by an independent valuer at 30 June 2024.
HBRC's intangible assets have been tested for impairment. No objective evidence has been identified that would indicate that the value of intangible assets may be impaired.
Carbon credits were revalued based on the quoted price for carbon credits

Managed funds, government bonds, & publicly listed shares	Other financial assets comprise managed funds and government bonds which have all been revalued based on quoted prices at 30 June 2024.
Investment in Council- controlled organisations	The valuation of HBRIC consists of its shareholding in NPHL, FoodEast, the investments in managed funds and its loan to HBRC. The valuation of its shareholding and investments is based on the quoted price for those holdings.
Inventories	Inventories mainly relate to poles grown by the nursery that are used for planting and erosion control. These are measured at the lower of cost and NRV. These will be used internally at cost.
Rates receivables & community loans	No impairment is required for community loans and rates receivable due to the powers under the Local Government (Rating) Act 2002 to recover outstanding rates debts.
Trade & other receivables	HBRC's trade receivables have been assessed for impairment on collectability and a provision has been recognised inline with HBRC's standard policy. There has been no significant impact due to Cyclone Gabrielle identified.
Cash & cash equivalents	All cash is held with Bank of New Zealand and Westpac New Zealand which have a credit rating of AA- (Standard & Poors).

#### Fair value of assets

Various assumptions have been made in determining fair value of assets. These assumptions are set out under the individual assets notes.

#### Useful life of assets

The useful life of assets that are depreciated or amortised is based on best estimates and prior knowledge but may not reflect the actual true useful life of individual assets.

# 2.29 Critical judgments in applying accounting policies

Management has exercised judgements in applying accounting policies for the year ended 30 June 2024. These are in accordance with the accounting standards and best practice.

In particular, significant areas of estimation and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are as follows:

- valuation of sea defences (Note 9)
- · valuation of Infrastructure Assets (Note 10)
- valuation of Financial Instruments (Note 31)

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# Note 3: Groups of Activities Revenue & Expenditure

	1	R	egional Counci		Grou	P
		Actual	Budget	Actual	Actual	Actual
	Note	23/24 \$000	23/24 \$000	22/23 \$000	23/24 \$000	22/23 \$000
	IVOLE	<b>3000</b>	3000	7000	3000	3000
Revenue				***		
Groups of activity						
Governance & Partnerships		(205)	1,001	261	(205)	259
Policy & Regulation	3(a)	2,145	3,623	2,950	2,145	2,545
Integrated Catchment Management		3,203	3,468	3,265	3,203	3,265
Asset Management		1,819	3,521	2,731	1,819	2,731
Emergency Management	3(a)	1,469	-	739	1,469	739
Regional Recovery Agency	3(a)		-	-	141	
Transport		478	-	261	478	261
Corporate Overhead		402	140	295	402	165
Total groups of activity revenue	-	9,310	11,752	10,502	9,310	9,966
Other activity						
Subsidiary operations					132,639	122,979
Total activity revenue	_	9,310	11,753	10,502	141,949	132,945
Expenditure						
Groups of activity						
Governance & Partnerships		7,396	8,058	7,198	7,396	7,073
Policy & Regulation		89,020	11,946	26,899	89,020	26,876
Integrated Catchment Management		29,718	29,869	25,578	29,718	25,577
Asset Management		28,966	113,922	18,240	28,966	18,233
Emergency Management	3(a)	7,522	6,797	28,464	7,522	28,464
Regional Recovery Agency		43,385	-	1,632	43,385	1,632
Transport		10,045	7,333	7,697	10,045	7,697
Corporate Overhead		5,431	1,579	3,164	5,611	3,159
Total groups of activity expenditure	-	221,483	179,504	118,873	221,663	118,712
Less internal expenditure	_	-	-	-	-	
Total groups of activity expenditure		221,483	179,504	118,873	221,663	118,712
Other activities						
Subsidiary operations		-	-	*	124,876	102,937
Total other activities expenditure	-	-		-	124,876	102,937
Less finance costs - interest on borrowings		(5,071)	(4,207)	(2,845)	(11,258)	(10,038)
Less finance costs - fees associated with the transfer of Napier						
leasehold cashflows to ACC	_	(961)	*	(658)	(961)	(658)
Total Finance Costs		(6,032)	(4,207)	(3,504)	(12,219)	(10,696)
Less depreciation and amortisation expense	7	(4,667)	(5,160)	(4,380)	(21,385)	(19,980)
Less Impairment expense	_		(20)			
Total activity expenditure		210,784	170,117	110,989	312,935	190,972

# Note 3 (a)

Amounts included in above related to cyclone include:

Asset Management \$7.8m related to recovery and initial work on category 2 flood protection

Emergency Management \$0.9m associated with final response and review costs (2023: \$10.9m CDEM response costs and \$17m for HBRC emergency response)

Policy and Regulation expenditure includes \$78.2m for cyclone waste management (\$17m in 2023)

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# Part 5- Financials | Pūrongo Pūtea

# Note 4: Rates revenue

		Regional Council			Group	
	Note	Actual 23/24 \$000	Budget 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
General funding rates						
Uniform annual general charge		4,337	4,600	4,648	4,337	4,648
General rate on land value		8,612	8,735	9,146	8,612	9,146
Total general funding rates	_	12,949	13,335	13,794	12,949	13,794
Targeted rates		27,872	28,126	20,391	27,872	20,391
Rates Remissions		(420)	(500)	(65)	(420)	(65)
Penalties	_	581	+	625	581	625
Total rates revenue	4(a)	40,982	40,961	34,745	40,982	34,745

# Note 4 (a)

# Rating base information

The number of rating units within the region as at 30 June 2024 are 75,701 (2023: 73,523).

The total capital value of rating units within the region as at 30 June 2024 is \$60,753,807,150 (2023: \$60,753,807,150).

The total land value of the rating units within the region as at 30 June 2024 is \$32,733,085,800 (2023: \$32,733,085,800).

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# Part 5- Financials | Pürongo Pütea

#### Note 5: Other Revenue

		Regional	Council	Grou	p
	Note	Actual 23/24 5000	Actual 22/23 5000	Actual 23/24 \$000	Actual 22/23 \$000
Subsidies and grants					
Grants	5(a)	107,881	14,377	116,796	19,962
New Zealand Government - Sediment & Debris	5(b)	42,787	21,273	42,787	21,273
National Emergency Management Agency - Welfare	5(c)	661	4,881	661	4,881
Total subsidies and grants		151,329	40,531	160,244	46,117
Other revenue					
Dividend revenue		8,081	7,505	1,310	756
Leasehold rents	5(d)	2,588	2,108	2,588	2,108
Interest revenue		6,149	2,654	6,561	3,060
Gain / (Loss) on disposal of assets - net		(68)	(741)	(14)	(741
Subvention payments			10		
Gain / (Loss) on investments - net	5(e)	(589)	729	(723)	908
Other income		417	415	416	416
Insurance Proceeds		(272)	4,282	10,722	4,282
Foresty income		390	145	390	145
Total other revenue		16,696	17,107	21,250	10,934

#### Note 5 (a)

Grants includes Government grants received from the Waka Kotahi New Zealand Transport Agency for bus services and road safety projects, New Zealand Trade and Enterprise for regional development projects, Infrastructure Reference Group for infrastructure projects, Maritime New Zealand for maintaining a tier 2 marine spill response plan, and the Ministry for the Environment and Ministry of Primary Industries for afforestation, environmental and water initiative projects. The grants are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled. There are no unfulfilled conditions and other contingencies attached to the grants recognised as other revenue.

## Note 5 (b)

Following cyclone Gabrielle in February 2023, the Government has allocated \$207.3m for sediment and debris removal on residential and commercial fand in Hawke's Bay and entered into agreements for this to be distributed through HBRC. The amounts allocated to 30 June 2023 were \$106m, and a further \$101.3m allocated from 1 July 2023 to date. The silt and debris fund monies must be spent by 31 December 2024. Amounts received but not yet distributed or recognised as revenue at 30 June have been disclosed as current liabilities refer to Note 23.

## Note 5 (c)

In response to Cyclone Gabrielle in February 2023, HBRC incurred welfare expenditure to care for displaced people and isolated communities. As at 30 June 2024, HBRC had claimed \$5.3million from the National Emergency Management Agency (NEMA) of the expenditure that was eligible for funding. \$4.8 million of this was recognised as income in the 22/23 year.

#### Note 5 (d)

Under the Hawke's Bay Endowment Land Empowering Act 2002, income from leasehold endowment land can only be used for the improvement, protection, management or use of Napier Harbour or HBRC's coastal marine area as defined in section 2(1) of the Resource Management Act 1991.

## Note 5 (e)

Includes realised gains and losses on managed funds.

Note 6: Fair Value Gains & Losses Through the Statement of Comprehensive Revenue and Expense

		Regional	Council	Grou	Р
	Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
Fair value gains		***		72.022	12.000
Investment property gains	11	291	-	6,199	2,205
Financial asset gains	13	7,018	5,160	7,018	7,196
Forestry asset gains	14	684	9	684	9
Derivative instrument gains	16	162	564	162	564
Infrastructure asset gains	10		-3	-	
Carbon credit gains transferred to Accumulated Funds	12	-	•	-	
ACC leasehold financing liability – excess payment gains		518	2,315	518	2,315
Total fair value gains		8,673	8,048	14,581	12,289
Fair value losses					
Investment property losses	11	490	4,247	490	4,248
Financial asset losses	13	-			
Forestry asset losses	14	1,240	1,966	1,240	1,965
Derivative instrument losses	16	323		323	
Infrastructure asset losses	10	-	-	2	
Asset impairment losses	9 &10				
ACC leasehold financing liability – Excess payment losses	24	-	- 8		
Total fair value losses		2,053	6,213	2,053	6,213
Net Fair value gains (losses)		6,620	1,835	12,528	6,076

**Note**: Fair value gains and losses on trading assets (listed above) are recorded in the Statement of Comprehensive Revenue and Expense. In addition, when asset revaluation decrements are greater than the corresponding surplus in the Fair Value Reserve, the excess decrements are also recorded in the Statement of Comprehensive Revenue and Expense as an asset impairment.

Note 7: Expense Disclosures

		Regional	Council	Grou	P
	Note	Actual 23/24 5000	Actual 22/23 5000	Actual 23/24 5000	Actual 22/23 5000
General disclosures	'				
Depreciation	9,10	4,093	3,737	20,810	18,927
Amortisation	12	575	643	575	1,239
Personnel costs	7(a)	36,115	32,931	78,010	73,316
Donations		2	6	9	9
Operating lease expense		832	1,101	1,027	1,389
Capitalised borrowing costs			4	*	
Key management compensation				-	
[a] short-term employee benefits		1,748	1,573	5,807	6,561
(b) post-employment benefits		-	-	157	
[c] other long-term benefits			-		55
[d] termination benefits		-	-	*	
[e] share-based payment				181	
	7(b)	1,748	1,573	6,145	6,616

Fees paid to Council's auditors (EY)
Financial statements audit fee
Long term plan audit fee
Assurance & related services fee (lease receiveables agreement report)
Tax services fee
Additional fees for financial statements audit
Total fees paid to auditors

Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
246	203	642	550
*		-	
	9		9
*		-	4
+	-		
246	213	642	559

Note 7(a)	
Personnel Costs	
Salaries and wages	
Defined contribution plan employer contributions	
Increase/(decrease) in employee entitlements	22(a)
Total Personnel Costs	

Regional	Council	Grou	Р
Actual 23/24 \$000	Actual 23/24 5000	Actual 23/24 \$000	Actual 22/23 \$000
34,916	31,336	76,068	74,281
1,076	986	1,076	1,012
123	609	867	609
36,115	32,931	78,010	75,902

Employer contributions to defined contributions plans include Kiwisaver and other approved Superannuation schemes

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		Regional Council		Grou	р
	Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 5000	Actual 22/23 \$000
Note 7(b)	1		-		
Key Management Compensation					
Councillors					
Remuneration	27(a)	931	820	931	820
Full-time equivalent members		11	11	11	1
Executive Management Team, including the Chief Executive and					
Interim Chief Executives					
Remuneration		1,448	1,732	1,448	1,73
Termination benefits			-		
Full-time equivalent members		6	6	6	10
Company Directors, Chief Executive and Senior Management				-	
Remuneration			-	4,059	4,065
Termination benefits			4	157	
Share based payments			-	181	198
Full-time equivalent members			-		15
Total Key Management Compensation	•	2,379	2,551	6,776	6,814
Total full-time equivalent personnel		17	17	17	36

Due to the difficulty in determining the full-time equivalent for councillors, the full-time equivalent figure is taken as the number of councillors.

Key management for HBRC comprises councillors and the Executive Leadership Team for HBRC, and directors and chief executive for each subsidiary.

# Note 8: Income Tax Expense

		Regional Council		Gro	up
		Actual	Actual	Actual	Actual 22/23 \$000
	Note	23/24 \$000	22/23 \$000	23/24 \$000	
Income tax expense				44 600	4.541
Current tax			-	11,608	4,615
Deferred tax	21		*	1,761	1,078
Adjustments to current tax in prior periods			***	•	
Adjustments to deferred tax in prior periods			•		
Total income tax expense				13,369	5,693
		*			
The tax on the Group's surplus before tax differs from the theoretical					
amount that would arise using the current corporate rate as follows:					
Surplus / (deficit) before tax		3,454	(14,153)	30,414	9,168
Γax at domestic rate of 28%		967	(3,963)	8,516	2,567
Plus / (Less) tax effect of:					
Income not subject to tax		(63,557)	(31,061)	(63,629)	(35,156
Expenses not deductible for tax purposes		62,590	35,024	62,745	35,443
Imputation credits				-	
Tax effect of income not recognised for accounting purposes		-		1,055	910
Utilisation of previously unrecognised tax losses		-		-	
Tax effect of loss offsets		-		-	
Foreign Tax Credits		-	-	-	
Group loss transfer		-		2	
Prior period adjustment		-		54	(4
Tax losses not recognised/Adjust tax rate changes				4,628	1,934
				-	
Tax charge			-	13,369	5,694

HBRC and the Group have unrecognised income tax losses of \$546,239 (2023: \$\$506,552) that are available to carry forward, subject to compliance with the Income Tax Act 2007.

Note 9: Property, Plant & Equipment

	Note	Land \$000	Admin Buildings \$000	Vehicles, Plant & Equipment \$000	Hydrology Equipment \$000	Total \$000
COUNCIL						
At 30 June 2022						
Cost or valuation		12,636	12,765	19,178	4,103	48,682
Accumulated depreciation		*		(11,528)	(43)	(11,571
Work in Progress		+.	+	301	-	301
Net book amount	_	12,636	12,765	7,951	4,060	37,412
ear ended 30 June 2023						
Opening net book amount		12,636	12,765	7,951	4,060	37,412
Revaluation surplus / (deficit)				+		
Transfers / reclassification				100		
Additions		55	93	3,109	679	3,935
Disposals			(80)	(599)	(571)	(1,250)
Depreciation charges			(545)	(1,849)	(642)	(3,036
Asset impairment losses				*	(188)	(188
Change in Work in Progress	_		602	(8)	91	685
	_	12,691	12,834	8,604	3,429	37,558
kt 30 June 2023						
Cost or valuation		12,691	12,773	20,836	3,573	49,872
Accumulated depreciation		*	(540)	(12,525)	(235)	(13,300
Work in Progress	_		602	293	91	986
Net book amount	-	12,691	12,834	8,604	3,429	37,558
ear ended 30 June 2024						
/ear ended 30 June 2024  Opening net book amount		12,691	12,834	8,604	3,429	37,558
		12,691	12,834	8,604	3,429 268	
Opening net book amount						
Opening net book amount Revaluation surplus / (deficit)				2,426		268
Opening net book amount Revaluation surplus / (deficit) Transfers / reclassification			122	2,426 (2,019)	962 (235)	3,847 (2,649
Opening net book amount Revaluation surplus / (deficit) Transfers / reclassification Additions Disposals Depreciation charges		338	122	2,426	962 (235) (418)	3,847 (2,649 (1,910
Opening net book amount Revaluation surplus / (deficit) Transfers / reclassification Additions Disposals Depreciation charges Asset impairment losses		338 (395)	122	2,426 (2,019) (932)	962 (235) (418) 188	37,558 268 3,847 (2,649) (1,910)
Opening net book amount Revaluation surplus / (deficit) Transfers / reclassification Additions Disposals Depreciation charges	_	338 (395) (17)	122 (543)	2,426 (2,019) (932)	962 (235) (418) 188 74	3,847 (2,649) (1,910) 188 666
Opening net book amount Revaluation surplus / (deficit) Transfers / reclassification Additions Disposals Depreciation charges Asset impairment losses Change in Work in Progress		338 (395)	122	2,426 (2,019) (932)	962 (235) (418) 188	3,847 (2,649) (1,910)
Opening net book amount Revaluation surplus / (deficit) Transfers / reclassification Additions Disposals Depreciation charges Asset impairment losses Change in Work in Progress	- - 9(a)	338 (395) (17)	122 (543)	2,426 (2,019) (932)	962 (235) (418) 188 74	3,847 (2,649) (1,910) 188 666
Opening net book amount Revaluation surplus / (deficit) Transfers / reclassification Additions Disposals Depreciation charges Asset impairment losses Change in Work in Progress  At 30 June 2024	9(a)	338 (395) (17) 12,616	122 (543) 480 12,893	2,426 (2,019) (932) 112 8,191	962 (235) (418) 188 74 4,268	268 3,847 (2,649) (1,910) 188 666 <b>37,968</b>
Revaluation surplus / (deficit) Transfers / reclassification Additions Disposals Depreciation charges Asset impairment losses Change in Work in Progress  At 30 June 2024 Cost or valuation	9(a)	338 (395) (17) 12,616	122 (543) 480 12,893	2,426 (2,019) (932) 112 8,191	962 (235) (418) 188 74 4,268	3,847 (2,649) (1,910) 188 666 37,968

## Note 9 (a) Valuations

HBRC land and buildings were valued at 30 June 2022 to fair value on the basis of market value by independent valuer, Telfer Young (Hawke's Bay) Ltd. The total fair value of property, plant and equipment valued by Telfer Young (Hawke's Bay) Ltd was \$21,002,340. The total fair value of this land was \$1,110,000. These assets are due for revalution at 30 June 2025 as part of the 3 yearly cycle. HBRC did not believe it was necessary to undertake a valuation before then as the value of property in Hawkes Bay has remained resonably stable.

Land used for forestry in the Lake Tütira Country Park and Tangoio Soil Conservation Reserve was valued at 30 June 2024 by Morice Limited, independent valuer.

Land used for carbon sequestration and wastewater disposal was valued at 30 June 2022 by Morice Limited, independent valuer. The total fair value of this land was \$3,289,000.

While ownership of the Tangoio Soil Conservation Reserve is not vested in HBRC, full managerial and financial control was transferred to HBRC in 1989 under section 16 of the Soil Conservation and Rivers Control Act 1941.

Hydrology equipment was valued at 30 June 2024 on the basis of depreciated replacement value. This valuation was carried out by Jack McConchie, an experienced hydrologist with independent consulting engineers, SLR Consulting NZ Limited. This valuation was within the 3 year period, but was undertaken early due to the changes and movements brought about by Cyclone Gabrielle.

Note 9: Property, Plant & Equipment Continued

Group	Port Land at cost	Lend	Site Improvements	Cargo & Other	Admin Buildings	Wharves & Jetties	Sea Defences	Capitalised Interest	Tugs	Dredging	Hydrology Equipment	Vehicles, Plant &	Cranes	Capital Work in	Total
Stoup		****		Buildings		100						Equipment		Progress	
At 30 June 2022	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost or valuation	38,656	12,636	71,883	24,447	20,332	51,650	110,860	(8,959)	34,789	21,154	4,103	90,899	32,168 -		504,618
Accumulated depreciation	30,030	12,030	(29,348)	(12,412)	(846)	(11,769)	(96)	(705)	(8,364)	(8,501)	(43)	(54,914)	(16,964) -		(143,962)
Work in progress			18,685	1,494	(840)	72,854	30,796	(703)	(0,304)	44,829	(43)	19,224	(10,504)		187,882
Net book value	38,656	12,636		13,529	19,486	112,735	141,560	(9,664)	26,425	57,482	4,060	55,209	15,204		
rect pour value	30,030	12,030	01,220	13,323	19,400	112,733	141,300	(5,004)	20,423	37,402	4,000	35,209	15,204	•	340,330
Year ended 30 June 2023															
Opening net book value	38,656	12,636	61,220	13,529	19,486	112,735	141,560	(9,664)	26,425	57,482	4,060	55,209	15,204	+	548,538
Revaluation surplus / (deficit)							(1,279)								(1,279)
Adjustment for consolidation								(1,635)			-		-		(1,635)
Additions/transfers		55	25,354	1,747	99	85,733	31,081		1,474	45,529	679	10,956	25		202,731
Disposals/transfers/impairment			(1,044)	(489)	(80)				325	(2)	(759)	(1,056)	915		(2,190)
Depreciation charges			(2,917)	(800)	(712)	(2,205)	(470)		(1,439)	(826)	(642)	(6,931)	(1,285)		(18,227)
Accumulated Depreciation Adjustment											, ,		*		
Change in work in progress			(18,527)		602	(70,422)	(30,796)			{44,829}	91	(15,790)			(179,672)
	38,656	12,691		13,987	19,394	125,841	140,096	(11,299)	26,785	57,354	3,429	42,387	14,859	*	
At 30 June 2023	-	10/10/10/10					- Augustania								
Cost or valuation	38,656	12,691	96,092	25,238	20,351	137,193	140,663	(10,594)	39,608	62,071	3,573	86,249	35,149 -		686,938
Accumulated depreciation	*		(32,164)	(11,395)	(1,558)	(13,784)	(566)	(705)	(12,823)	(4,717)	(235)	(47,001)	(20,290) -		(145,239)
Work in progress	*		158	145	602	2,432			+		91	3,140	+		6,568
Net book value	38,656	12,691	64,086	13,987	19,394	125,841	140,096	(11,299)	26,785	57,354	3,429	42,388	14,859		548,267
		70,1110-011					***************************************	***************************************							
Balances at 30 June consolidating columns	38,656	12,691	64,086	0	33,381	125,841	140,096	(11,299)		57,354	3,429	84,032	*	*	548,267
Year ended 30 June 2024															
Opening net book value	38,656	12,691	64,086	0	33,381	125,841	140,096	(11,299)	+	57,354	3,429	84,032			548,268
Revaluation surplus / (deficit)					,	42-7-	in the second	(,,		,	268	,			268
Adjustment for consolidation			(159)		(1,380)		16,752	(823)		(0)			4		14,390
Additions/transfers		341	4, ,		796	2,283	0	,,		+	962	7,072	*		16,010
Disposals/transfers/impairment	*	(395)	.,	+		+			4		(235)	(998)			(1,628)
Depreciation charges		(17)			(1,544)	(2,355)	435	705		(726)	(418)	(10,200)	+		(17,131)
Accumulated Depreciation Adjustment		4			(.,,,	4-7				4	188	,,			188
Change in work in progress			(158)		480	(2,432)		+			74	1,242	+		(795)
	38,656	12,619		0	31,733	123,337	157,283	(11,417)	+	56,628	4,268	81,147	+		76 900011101
At 30 June 2024															7
Cost or valuation	38,656	12,636	100,649		33,754	139,476	157,414	(11,417)		62,071	5,912	133,966	* *		673,117
Accumulated depreciation	+	(17)	(35,175)		(3,102)	(16,138)	(131)	+		(5,443)	(1,809)	(57,201)	+ +		(119,017)
Work in progress			0		1,081	(0)	*	+	+		165	4,382	*	*	5,628
Net book value	38,656	12,619	65,474	+	31,733	123,337	157,283	(11,417)	+	56,628	4,268	81,147	4	+	559,728
	-														

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Note 10: Infrastructure Assets (Parent and Group)

	Note	Infrastructure Land \$000	Stopbanks \$000	Detention Dams \$000	Drainage Networks \$000	Pump Stations \$000	Culverts & Floodgates \$000	Bank & Edge Protection \$000	River & Sea Groynes \$000	Drainage Telemetry \$000	Sawfly Works \$000	Tutira & Other Reserves \$000	River Dredging \$000	Regional Parks & Wetland Reserves \$000	Pathway & Roadway \$000	Regional Water Security \$000	Capital Work in Progress \$000	Total \$000
At 30 June 2022																		
Cost or valuation		15,370	63,372	3,648	39,040	5,927	6,619	31,405	2,022	149	13,062	1,907	1,073		3,909	*	+)	192,237
Accumulated depreciation		-		(97)	(2)	(598)	(525)	-		(46)	*		(779)		-	*	-	(2,132)
Work in Progress		961	4,417	25		40	321	1,215		*	+			207		*		7,173
Net book amount		16,331	67,789	3,576	39,038	5,369	6,415	32,620	2,022	103	13,062	1,907	294	4,844	3,909	•	•	197,277
Year ended 30 June 2023																		
Opening net book amount		16,331	67,789	3,576	39,038	5,369	6,415	32,620	2,022	103	13,062	1,907	294	4,844	3,909			197,279
Revaluation surplus		-		-	-		*	*	~	-	*				~		-	-
Additions		5	1,616		37	387	4	230				3		7				2,295
Transfers		137	3,900	21		39							(314)	10				3,794
Disposals				-														
Depreciation charges			*	(51)	(2)	(322)	(287)	*	*	(26)	4		20	(53)	-4	+	*	(721)
Asset Impairment		*	(16,074)		*	*	+		~		*			+		*		(16,074)
Change in Work in Progress		(886)	12,254	(25)		78	202	(410)		*			416					11,980
		15,588	69,486	3,528	39,074	5,551	6,335	32,440	2,022	77	13,062	1,910	416	5,158	3,909		-	198,554
At 30 June 2023																		
Cost or valuation		15,512	52,815	3,675	39,077	6,353	6,623	31,635	2,022	149	13,062	1,910	759	4,752	3,909			182,254
Accumulated depreciation				(148)	(4)	(920)	(812)	-	*	(72)	-	*	(759)	(138)				(2,853)
Work in Progress		75	16,671	0	*	118	523	805	*			*	416	544	-	+		19,153
Net book amount		15,588	69,486	3,528	39,074	5,551	6,335	32,440	2,022	77	13,062	1,910	416	5,158	3,909	+	-	198,554
Year ended 30 June 2024																		
Opening net book amount		15,588	69,486	3,528	39,074	5,551	6,335	32,440	2,022	77	13,062	1,910	416	5,158	3,909			198,554
Revaluation surplus		(11,331)	197,765		15,795	2,041	1,830	12,266	391	(23)	(4,585)			loant	1,088			214,709
Additions		764	23,928		260	240	47	375		74				85	176			25,949
Transfers	10(c)		+	*	>			*			+	4-	*	*	-	+		
Disposals															-			-
Depreciation charges	10(c)			(54)	(2)	(484)	(326)		*	(36)	+	-		(58)	-	+	-	(960)
Asset Impairment	10(b)	-	*	*	*	*		*	*			*			-	*	*	-
Change in Work in Progress	10(a)	44	(6,746)	(0)	115	650	551	1,615			*	*	0	344	755	309		(2,364)
		5,064	284,433	3,881	55,242	7,997	8,436	46,696	2,413	91	8,477	1,910	416	4,593	5,928	309		435,887
At 30 June 2024																		
Cost or valuation	10(a)	4,945	274,508	4,083	55,132	8,634	8,500	44,276	2,413	199	8,477	1,910	759	3,901	5,173			422,911
Accumulated depreciation		4		Annak	(5)	(1,405)				*****	4	4	f man and		4	*		(3,813)
Work in Progress		119	9,925		115	768							416		755	200		45 700
		***	~,~~		440	,,,,	1,014	2,420	*	*	~	*	410	888	133	309		10,709

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# Part 5- Financials | Pūrongo Pūtea

Infrastructure assets are valued on a three year cycle. This was disrupted last year due to the impacts of Cyclone Gabrielle. For the year ended 30 June 2024 HBRC employed Prattle, Delamore and Partners to provide a full review and valuation of the infrastructure assets

#### Note 10 (b) Impairment

The impairment on stopbanks as at 30 June 2023 reflected the capital expenditure incurred during that financial year and the following two months for the rebuild/renewal of existing assets that had been damaged in Cyclone Gabrielle. This was considered to be the best available estimate of the deemed cost of reinstating the existing assets to their original condition.

Infrastructure assets have been revalued as at 30 June 2024 and whilst impairment was not assessed on an individual asset basis by the valuers HBRC consider there is no impairment to be recognised this year.

At 30 June 2023 it was determined that the \$314,759 recognised as a capital addition to River Dredging in 2022 should have been reflected in work in progress as the project is not yet completed. Therefore this was transferred back into the Work in Progress account and \$20,000 of depreciation was reversed.

#### Note 10 (d)

The Tûtira Reserve asset class includes land owned in Aramoana and Central Hawkes Bay. These assets were valued at 30 June 2022 by M H Morice, a registered valuer of Morice Ltd on the basis of fair value. The total value of assets valued was \$1,906,660.

# Part 5- Financials | Pūrongo Pūtea

#### Note 11: Investment Property

		Regional (	ouncil	Group	
	Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
At beginning of year		67,195	71,940	89,946	86,825
Additions			- ()	1,236	5,662
Fair value gains / (losses) (included in income statement)	11(a)	(199)	(4,247)	5,709	(2,043)
Disposals		(298)	(498)	(298)	(498)
Transfers	11(b)	-	-	-	
Movement during the year	,	(497)	(4,745)	6,647	3,121
At end of year	,	66,697	67,195	96,593	89,946
Investment property includes:					
Endowment leasehold land	11(d)	42,017	41,744	42,017	41,744
Other leasehold land		24,100	24,850	53,996	47,602
Rental Property		580	600	580	600
		66,697	67,194	96,593	89,946

#### Note 11 (a)

Napier leasehold endowment land was valued as a portfolio at 30 June 2024 to fair value on the basis of the discounted rental cash flows from the perpetual leasehold properties by Tania Bott, registered valuer of Telfer Young (Hawke's Bay) Ltd. The discount rate used was 6.25%. The total fair value of property valued by Tania Bott as an independent valuer was \$42,017,000 (2023: \$41,744,000). Telfer Young (Hawke's Bay) Ltd is an experienced valuer with extensive market knowledge in the types and location of land owned by HBRC.

Wellington leasehold land was valued as a portfolio at 30 June 2024 to fair value on the basis of the discounted rental cash flows from the perpetual leasehold properties by Martin J Veale, registered valuer of Telfer Young (Wellington) Ltd. The discount rate used was 7.00%-7.50%. The total fair value of the 11 properties valued by Martin J Veale as an independent valuer was \$24,100,000 (2023: \$24,850,000). Telfer Young (Wellington) Ltd is an experienced valuer with extensive market knowledge in the types and location of land owned by HBRC.

Property at Tütira was valued at 30 June 2024 to fair value on the basis of market value by M H Morice, registered valuer of Morice Ltd. The total fair value of property valued by M H Morice as an independent valuer was \$580,000 (2023: \$600,000). Morice Ltd is an experienced valuer with extensive market knowledge in the type and location of the property owned by HBRC.

## Note 11(b)

The following amounts have been recognised in the comprehensive income statement.

		Regional (	ouncil	Group		
	Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000	
Rental income  Direct operating expense arising from investment properties that generate rental	5	2,588	1,950	2,588	1,994	
income		(28)	(105)	-	(105)	
	,	2,559	1,845	2,588	1,889	

## Note 11 (c)

Under the Hawke's Bay Endowment Land Empowering Act 2002, residential leasehold endowment land can only be sold, using a specified valuation methodology, to the current lessee, or to a person nominated by that lessee.

## Note 11 (d)

Under the lease receivables purchase agreement with ACC, two thirds of the surplus from the freehold of any endowment leasehold property must be paid to ACC and a liability has been recognised for this contractual obligation. See Note 24 for details.

## Note 12: Intangible Assets

At 30 June 2022  Cost or valuation 7,834 10,929 18,766. Accumulated amortisation (5,501) - (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,501) (5,502) (5,502) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,602) (5,			Computer Software / Development Expenditure	Carbon Credits	Council Total
Cost or valuation	Regional Council Only	Note	\$000	\$000	\$000
Accumulated amortisation (5,501) - (5,501) Work in Progress 825 - 82:  Net book amount 3,158 10,929 14,08:  Year ended 30 June 2023  Opening net book amount 3,158 10,929 14,08:  Transfers - (5,627) (5,627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627 1,5627	At 30 June 2022				
Work in Progress         825         -         825           Net book amount         3,158         10,929         14,085           Year ended 30 June 2023         3,158         10,929         14,085           Year ended 30 June 2023         3,158         10,929         14,085           Personal progress         -         -         -           Revaluations         -         (5,627)         (5,627)           Additions         761         1,521         2,28           Disposals         (2)         -         (2           Impairment         -         -         -         -           Amortisation charges         (623)         -         (623         -         (674           Change in Work in Progress         (674)         -         (674         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -				10,929	18,763
Net book amount 3,158 10,929 14,08:  Year ended 30 June 2023  Opening net book amount 3,158 10,929 14,08:  Transfers - (5,627) (5,627  Additions 761 1,521 2,28: Disposals (2) - (2) Impairment  Amortisation charges (623) - (623) Change in Work in Progress (674) - (674  At 30 June 2023  Cost or valuation 8,568 6,823 15,39: Accumulated amortisation (6,099) - (6,099) Work in Progress 151 - 15:  Net book amount 2,620 6,823 9,44:  Year ended 30 June 2024  Opening net book amount 2,619 6,824 9,44: Transfers  Revaluations 5,624 9,44: Additions 5,625 6,823 1,337  Additions 7,620 6,823 9,44:  Year ended 30 June 2024  Opening net book amount 2,619 6,824 9,44: Transfers - 1,337 1,337  Additions 6,826 6,823 1,39: Additions 7,75 - (75)  Amortisation charges (501) - (501) Change in Work in Progress 3,4 - 3:  2,078 8,790 10,86i  At 30 June 2024  Cost or valuation 12(a) 8,493 8,790 10,86i  Accumulated amortisation (6,601) - (6,601) Work in Progress 185 - 18:					(5,501)
Vear ended 30 June 2023   14,081   10,929   14,081   17   14,081   17   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   15,627   1	Work in Progress		825	-	825
Dening net book amount   3,158   10,929   14,08     Transfers       Revaluations   - (5,627)   (5,627     Additions   761   1,521   2,28     Disposals   (2) (2     Impairment       Amortisation charges   (623)   - (623     Change in Work in Progress   (674)   - (674     At 30 June 2023	Net book amount		3,158	10,929	14,087
Transfers  Revaluations  Additions  761 1,521 2,281 Disposals (2) - (2) Impairment (5,627) Amortisation charges (623) - (623) Change in Work in Progress (674) - (674)  At 30 June 2023  Cost or valuation Accumulated amortisation (6,099) - (6,099) - (6,099) - (6,099) - (6,099) Work in Progress 151 - 15: Net book amount - 2,620 - 6,823 - 9,44:  Year ended 30 June 2024  Opening net book amount - 7 ransfers	Year ended 30 June 2023				
Revaluations			3,158	10,929	14,087
Additions 761 1,521 2,28: Disposals (2) - (2 Impairment (623) - (623) - (623) Change in Work in Progress (674) - (674)  At 30 June 2023  Cost or valuation 8,568 6,823 15,39: Accumulated amortisation (6,099) - (6,099) Work in Progress 151 - 15: Net book amount 2,620 6,823 9,44:  Year ended 30 June 2024  Opening net book amount 2,619 6,824 9,44: Transfers 1,337 1,33: Additions 6,699 6,824 9,44: Additions 7,137 1,33: Additions 7,138 1,39: Additions 7,138 1,39: Additions 7,138 1,39: Additions 7,138 1,39: Additions 8,190 10,86:  At 30 June 2024  Cost or valuation 12(a) 8,493 8,790 17,28: Accumulated amortisation (6,601) - (6,601) Work in Progress 185 - 185					- (5.633)
Disposals   (2)				4 - ,	
Impairment	T 24 M 7 -				
Amortisation charges Change in Work in Progress  (623) - (623) (674) - (674  2,620 6,823 9,44:  At 30 June 2023  Cost or valuation Accumulated amortisation (6,099) - (6,099) Work in Progress 151 - 15:  Net book amount 2,620 6,823 9,44:  Year ended 30 June 2024  Opening net book amount Transfers Revaluations 3,646 6,824 9,44:  Transfers - 1,337 1,33: Additions 630 633 Disposals (75) - (75 Amortisation charges (501) - (501) Change in Work in Progress  At 30 June 2024  At 30 June 2024  Cost or valuation  At 30 June 2024  Cost or valuation 12(a) 8,493 8,790 10,866:  Accumulated amortisation (6,601) - (6,601) Work in Progress 185 - 185	-				(2)
Change in Work in Progress (674) - (674)  2,620 6,823 9,441  At 30 June 2023  Cost or valuation 8,568 6,823 15,391  Accumulated amortisation (6,099) - (6,099)  Work in Progress 151 - 151  Net book amount 2,620 6,823 9,441  Year ended 30 June 2024  Opening net book amount 2,619 6,824 9,441  Transfers  Revaluations - 1,337 1,337  Additions - 630 630  Disposals (75) - (75)  Amortisation charges (501) - (501)  Change in Work in Progress 34 - 30  2,078 8,790 10,861  At 30 June 2024  Cost or valuation (6,601) - (6,601)  Work in Progress 185 - 185					(623)
At 30 June 2023  Cost or valuation			,	-	(674)
Cost or valuation       8,568       6,823       15,39:         Accumulated amortisation       (6,099)       - (6,099)         Work in Progress       151       - 15:         Net book amount       2,620       6,823       9,44:         Year ended 30 June 2024         Opening net book amount       2,619       6,824       9,44:         Transfers        -         Revaluations       - 1,337       1,337       1,337         Additions       630       630       630         Disposals       (75)       - (75         Amortisation charges       (501)       - (501         Change in Work in Progress       34       - 3         2,078       8,790       10,86         At 30 June 2024         Cost or valuation       12(a)       8,493       8,790       17,28         Accumulated amortisation       (6,601)       - (6,601)       - (6,601)         Work in Progress       185       - 18:       18:			2,620	6,823	9,443
Accumulated amortisation (6,099) - (6,099) Work in Progress 151 - 153  Net book amount 2,620 6,823 9,443  Year ended 30 June 2024  Opening net book amount 2,619 6,824 9,443  Transfers	At 30 June 2023				
Work in Progress       151       -       155         Net book amount       2,620       6,823       9,445         Year ended 30 June 2024         Opening net book amount       2,619       6,824       9,445         Transfers       -       -       -         Revaluations       -       1,337       1,337         Additions       630       630       630         Disposals       (75)       -       (75         Amortisation charges       (501)       -       (501)         Change in Work in Progress       34       -       34         2,078       8,790       10,860         At 30 June 2024       2       8,493       8,790       17,283         Accumulated amortisation       (6,601)       -       (6,601)         Work in Progress       185       -       185	Cost or valuation		8,568	6,823	15,391
Net book amount       2,620       6,823       9,443         Year ended 30 June 2024       9,443         Opening net book amount       2,619       6,824       9,443         Transfers       -       -       -         Revaluations       -       1,337       1,337         Additions       630       630       630         Disposals       (75)       -       (75         Amortisation charges       (501)       -       (501         Change in Work in Progress       34       -       34         2,078       8,790       10,861         At 30 June 2024       2       8,493       8,790       17,283         Accumulated amortisation       (6,601)       -       (6,601)         Work in Progress       185       -       185			(6,099)	-	(6,099)
Year ended 30 June 2024         Opening net book amount       2,619       6,824       9,443         Transfers       -       -       -         Revaluations       -       1,337       1,333         Additions       630       630       630         Disposals       (75)       -       (75         Amortisation charges       (501)       -       (501)         Change in Work in Progress       34       -       34         2,078       8,790       10,866         At 30 June 2024         Cost or valuation       12(a)       8,493       8,790       17,283         Accumulated amortisation       (6,601)       -       (6,601)         Work in Progress       185       -       185	Work in Progress		151	-	151
Opening net book amount       2,619       6,824       9,443         Transfers       -       -       -         Revaluations       -       1,337       1,337         Additions       630       630         Disposals       (75)       -       (75         Amortisation charges       (501)       -       (501         Change in Work in Progress       34       -       34         2,078       8,790       10,860         At 30 June 2024         Cost or valuation       12(a)       8,493       8,790       17,283         Accumulated amortisation       (6,601)       -       (6,601)         Work in Progress       185       -       185	Net book amount		2,620	6,823	9,443
Transfers       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -	Year ended 30 June 2024				
Revaluations       -       1,337       1,337         Additions       630       630         Disposals       (75)       -       (75         Amortisation charges       (501)       -       (501         Change in Work in Progress       34       -       34         2,078       8,790       10,869         At 30 June 2024         Cost or valuation       12(a)       8,493       8,790       17,289         Accumulated amortisation       (6,601)       -       (6,601)         Work in Progress       185       -       185			2,619	6,824	9,443
Additions 630 630 Disposals (75) - (75 Amortisation charges (501) - (501 Change in Work in Progress 34 - 34  2,078 8,790 10,866  At 30 June 2024  Cost or valuation 12(a) 8,493 8,790 17,283 Accumulated amortisation (6,601) - (6,601) Work in Progress 185 - 185			*	-	-
Disposals       (75)       -       (75)         Amortisation charges       (501)       -       (501)         Change in Work in Progress       34       -       34         2,078       8,790       10,860         At 30 June 2024         Cost or valuation       12(a)       8,493       8,790       17,283         Accumulated amortisation       (6,601)       -       (6,601)         Work in Progress       185       -       185					
Amortisation charges (501) - (501) Change in Work in Progress 34 - 34  2,078 8,790 10,866  At 30 June 2024  Cost or valuation 12(a) 8,493 8,790 17,283  Accumulated amortisation (6,601) - (6,601)  Work in Progress 185 - 185			(me)	630	
Change in Work in Progress     34     -     34       2,078     8,790     10,860       At 30 June 2024       Cost or valuation     12(a)     8,493     8,790     17,283       Accumulated amortisation     (6,601)     -     (6,601)       Work in Progress     185     -     185	*			-	
2,078 8,790 10,869  At 30 June 2024  Cost or valuation 12(a) 8,493 8,790 17,289  Accumulated amortisation (6,601) - (6,601)  Work in Progress 185 - 185	-		+ +	*	
At 30 June 2024  Cost or valuation 12(a) 8,493 8,790 17,283  Accumulated amortisation (6,601) - (6,601)  Work in Progress 185 - 183	Change in Work in Progress			*	
Cost or valuation         12(a)         8,493         8,790         17,283           Accumulated amortisation         (6,601)         -         (6,601)           Work in Progress         185         -         185			2,078	8,790	10,868
Accumulated amortisation         (6,601)         -         (6,601)           Work in Progress         185         -         185	At 30 June 2024				
Work in Progress 185 - 185		12(a)		8,790	17,283
				+	
Net book amount 2,078 8,790 10,868	Work in Progress		185	•	185
	Net book amount		2,078	8,790	10,868

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#### Note 12 (a)

In accordance with Note 2.14, Intangible Assets, such as Development Expenditure, that have an indefinite life are tested for impairment at each reporting date. If the asset is considered to be impaired, it must be written down to its recoverable value for the control of the

#### Carbon credits

These credits have been gained from the normal forestry and berm enhancement operations of HBRC. The amount of carbon units have been valued using market value of \$50.50 per unit as at 30 June 2024 (30 June 2023: \$41.00 per unit).

GROUP	Note	Computer Software \$000	Carbon Credits \$000	Group Actual \$000
At 30 June 2022				
Cost or valuation		16,163	10,929	27,092
Accumulated amortisation		(12,746)	-	(12,746)
Work-in-progress		1,196		1,196
Net book amount		4,613	10,929	15,542
Year ended 30 June 2023				
Opening net book amount		4,613	10,929	15,542
Consolidation adjustment			0	-
Revaluations			(5,627)	(5,627)
Additions		1,094	1,521	2,615
Disposals		10	- 1	10
Amortisation charges		(1,218)	-	(1,218)
Change in Work-in-progress		(843)	- 1	(843)
		3,656	6,823	10,479
At 30 June 2023				
Cost or valuation	12(a)	15,713	6,823	22,536
Accumulated amortisation		(12,410)	- 1	(12,410)
Work-in-progress		353	- 1	353
Net book amount		3,656	6,823	10,479
Year ended 30 June 2024				
Opening net book amount		3,656	6,823	10,479
Revaluations			1,337	1,337
Additions		262	630	892
Disposals		(75)	- 1	(75)
Amortisation charges		(936)	- 1	(936)
Change in Work-in-progress		34	-1	34
		2,941	8,790	11,731
At 30 June 2024				
Cost or valuation	12(a)	15,900	8,790	24,690
Accumulated amortisation		(13,346)	-1	(13,346)
Work-in-progress		387	-1	387
Net book amount		2,941	8,790	11,731

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# Part 5- Financials | Pūrongo Pūtea

#### Note 13: Other Financial Assets

		Regional	Council	Group		
	Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000	
Other financial assets						
Current portion						
Term deposits with maturities 92 - 365 days			-		9	
Loans to Hawke's Bay Regional Investment Company		-	->	-	1	
Government bonds		-	•>	*		
Community loans		2,083	3,142	2,083	3,142	
Total current portion		2,083	3,142	2,083	3,142	
Non-current portion						
Government bonds		997	947	997	947	
Community loans		17,422	16,551	17,422	16,551	
Funds under Management		118,723	110,828	167,577	156,467	
Interest in Joint Venture		136	- //	386	250	
Civic Financial Services shares		18	18	18	18	
LGFA Borrower Notes		2,732	1,357	2,732	1,357	
Other financial assets					-	
Shares in Hawke's Bay Regional Investment Company		345,227	348,179			
Total non-current portion		485,253	477,881	189,130	175,590	
Total other financial assets		487,336	481,023	191,213	178,732	

#### Fair value

Term deposits: the carrying amount of term deposits approximates their fair value. HBRC held no term deposits as at 30 June 2024 (2023: Nil).

Government bonds: the fair value of government bonds is \$996,588 (2023: \$947,461). Fair value has been determined using quoted market prices from an independent source. The effective interest rate on government bonds was 2.66% (2023: 2.66%). This stock has an average maturity of 3.7 years (2023: 4.7 years).

Funds under management: comprise of two fund managers, Jarden and Mercer, and are measured at fair value. Fair value has been determined using market prices provided from both fund managers.

Shares in Hawkes's Bay Regional Investment Company: the valuation of HBRIC Ltd was based on the value of its shareholding in NPHL on 30 June 2024, net assets of FoodEast, value of all managed funds and loans less the value of debt and future management costs.

Community loans: HBRC has provided loans to ratepayers for the installation of clean heat, solar power, and insulation. The loans are repayable by a voluntary targeted rate over a 10-year period. Interest is charged on Insulation and Sustainable Homes loans at between 4.00% and 7.02% and on Clean Heat loans at between 2.00% and 3.51% at the inception of the loan. HBRC has provided loans to farming ratepayers for the planting carried out to prevent erosion in vulnerable areas. Interest charged on these loans is 4.00% at the inception of the loan.

		Regional Council		Grou	ıb
	Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
At beginning of year		18,402	15,295	18,402	15,295
Additional loans		6,066	6,211	6,066	6,211
Repayments		(4,964)	(3,104)	(4,964)	(3,104)
At end of year		19,504	18,402	19,504	18,402

## Fair Value

There were no impairment provisions on other financial asssets in current or prior years.

# Part 5- Financials | Pūrongo Pūtea

#### Note 14: Forestry Assets

	ı	Regional	Council	Gro	up	
	Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000	
At beginning of year		11,745	13,628	11,745	13,628	
Additions		129	74	129	74	
Fair value gains	6	684	9	684	9	
Fair value (losses)	6	(1,240)	(1,966)	(1,240)	(1,966)	
Disposals						
Reclassification to Plant, Property & Equipment	_					
Movement during the year		(427)	(1,883)	(427)	(1,883)	
At end of year		11,318	11,745	11,318	11,745	
Forestry assets include:						
Forestry on Council Owned Land						
Lake Tutira Country Park Forestry Crop	14(a)	2,981	4,083	2,981	4,083	
Waihapua Carbon Sequestration Forestry Crop	14(b)	1,226	1,117	1,226	1,117	
Rural WasteWater Disposal Forestry Crops	14(c)	960	738	960	738	
Tutira Manuka Honey Forestry	14(d)	278	224	278	224	
Walker Road Forestry Crop	14(e)	46	26	46	26	
Forestry on Council Managed Land						
Tangoio Soil Conservation Reserve Forestry Crop	14(f)	5,470	5,230	5,470	5,230	
Joint Venture Forestry						
Joint Venture Forestry Rights	14(g)	357	328	357	328	
		11,318	11,745	11,318	11,745	

Forestry assets on HBRC-owned land comprise a total of 556.9 hectares (ha) of mixed forestry crops situated in the Lake Tútira Country Park (71.7 ha), Tútira Mānuka forestry (95.5 ha), Māhia (31.1 ha), Waihapua (192 ha) and Central Hawke's Bay (166.6 ha). During the period, 46.2 ha of forest crops were logged (2022/23: 0 ha).

HBRC-owned forestry assets were fair valued to \$5,491,000 at 30 June 2024 (2023: \$6,165,500) by M H Morice, a registered valuer, of Morice Ltd.

#### Valuation assumptions

The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

### Traditional Forestry Crop

- a discount rate of 6.75% has been used for post tax cash flows
- a rotation of 27-30 years
- an inflation adjustment of 5.0%
- · log prices adopted \$/m3.

Grade	2024	2025	2026	2027	2028
aP35	201.4	203.4	205.5	207.5	209.5
bSP35	142.5	146.4	150.3	154.2	158.2
dA40	115.8	121.8	127.9	133.9	140.0
eA30	114.8	121.1	127.3	133.6	139.9
fK	111.7	115.9	120.1	124.3	128.5
gKI	93.9	99.3	104.7	110.1	115.5
hKIS	80.8	86.2	91.7	97.1	102.6
iPulp	50.1	51.8	53.4	55.1	56.7
jXPr	211.4	213.4	215.5	217.5	219.5
kXA30	125.8	131.8	137.9	143.9	150.0
IXK	121.7	125.9	130.1	134.3	138.5
mXKI	70.0	70.0	70.0	70.0	70.0
nXPlp	70.0	70.0	70.0	70.0	70.0

## Mānuka crop

- a discount rate of 12.1% was used for the Mānuka forest
- 26.5kg honey produced per hive, one hive per hectare and honey at \$18/kg
- expenses included in DCF for land rent, pest control and administration.

## Note 14 (a)

Lake Tūtira Country Park forestry crop consists of radiata plantings on 71.7 ha (2023: 87.6) situated at Tūtira Country Park. These forestry assets were valued to \$2,981,000 by Morice Limited, independent valuers at 30 June 2024 (2023: \$4,083,000). The valuation assumed a discount rate of 6.75%

## Note 14 (b)

HBRC's carbon sequestration forestry assets consist of 192 ha of mixed plantings on 316 hectares situated at Waihapua. These forestry assets were fair valued to \$1,226,000 by Morice Limited, independent valuers at 30 June 2024 (2023: \$1,116,800 ). The valuation assumed a discount rate of 6.75%.

# Part 5- Financials | Pūrongo Pūtea

#### Note 14 (c)

HBRC's wastewater disposal forestry assets consist of eucalyptus and radiata pine plantings on 78.5 ha (58.6 ha planted) at Pourere Road, Waipawa, and 118.8 ha (90.5 ha planted) at Mangatarata Road, Waipukurau and 52 ha (31 ha planted) at Kinikini Road, Māhia. These forestry assets were fair valued to \$960,000 by M H Morice of Morice Limited, independent valuers at 30 June 2024 (2023: \$738,000). The valuation assumed a discount rate of 6.75%.

#### Note 14 (d)

HBRC is developing 95.5 ha of Mānuka forestry at Tūtira for honey production. These forestry assets were fair valued at \$278,000 by M H Morice of Morice Limited, independent valuers at 30 June 2024. (2023: \$228,000). The valuation assumed a discount rate of 12.1%.

#### Note 14 (e)

Council's riverside forestry consist of eucalyptus and radiata pine plantings on 19 hectares at Walker Road, Waipawa.

#### Note 14 (f)

HBRC does not own the land at the Tangoio Soil Converation Reserve, but in 1989, full managerial and financial control of the Tangoio Soil Conservation Reserve was transferred from central government to the Regional Council under Section 16 of the Soil Conservation and Rivers Control Act 1941.

#### Note 14 (g)

HBRC has entered into 10 joint ventures under the Forestry Rights Agreement Act 1983 under which HBRC provided grants to farmers to plant and maintain to maturity soil conservation forestry crops on marginal land. In return, HBRC has a right to a percentage of the profits on harvest.

#### Note 14 (h)

HBRC is exposed to financial risks arising from changes in timber prices. As a long-term forestry investor, HBRC does not expect timber prices to decline significantly during the foreseeable future and therefore has not taken any measures to manage the risks of a decline in timber prices. HBRC reviews its outlook for timber prices regularly in considering the need for active financial risk management.

## Note 15: Trade & Other Receivables

		Regional	Council	Grou	р
		Actual	Actual	Actual	Actual
		23/24	22/23	23/24	22/23
	Note	\$000	\$000	\$000	\$000
Trade receivables	15(a)	12,398	10,373	24,529	24,304
Less: provision for impairment of receivables	15(b)	(531)	(937)	(720)	(1,128)
Trade receivables - net	,	11,867	9,436	23,809	23,176
Prepayments		880	661	2,604	1,731
GST Receivable		980	4,016	944	4,015
Accrued income		9,704	6,437	11,214	9,936
Insurance Receivable		-	4,000	-	4,000
Work-in-progress		40	59	40	59
Intercompany receivables		491	455	491	-
Trade & other receivables	15(c&d)	23,961	25,064	39,102	42,917
Total Trade & other receivables comprise:  Receivables from non-exchange transactions - this includes outstanding rates, grants and fees/charges that are partly subsidised by rates.  Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges not subsidised by rates.		23,961	25,064	23,961 15,140 39,102	25,064 17,853 <b>42,917</b>
All trade and other receivables are included as non-exchange transactions as all of Council's receivables are partly subsidised by rates and investment income.					
Current trade and other receivables		23,961	25,064	39,102	42,917
Non-current trade and other receivables		-	-	2	
		23,961	25,064	39,102	42,917
Other Advances					
Advances to Council controlled organisations		-	-	- 2	-

# Note 15(a)

Trade receivables are non-interest bearing and are generally on 30 day terms.

## Note 15(b)

Movements in the provision for impairment of receivables are as follows:

	23/24 \$000	22/23 \$000	23/24 \$000	22/23 \$000
At beginning of year	702	144	893	443
Additional provisions made during the year	339	626	338	518
Receivables written off during the year	(54)	(68)	(54)	(68)
Receivables recovered during the year	(49)	-	(49)	
	235	558	234	450
At end of year	937	702	1,127	893

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Group

**Regional Council** 

## Note 15(c)

The carrying amount of trade and other receivables approximates their fair value.

## Note 15(d)

The status of trade receivables at reporting dates is set out below:

22/23	
Current	
Past due 31 - 60 days	
Past due 61 - 90 days	
Past due > 90 days	
23/24	
Current	
Past due 31 - 60 days	
Past due 61 - 90 days	
Past due > 90 days	

	Group			egional Council	Re	
Net \$000	Impairment \$000	Gross \$000	Net \$000	Impairment \$000	Gross \$000	
18,019	(678)	18,697	5,542	(487)	6,029	
1,137	*	1,137	75	-	75	
194		194	20	-	20	
3,826	(450)	4,276	3,799	(450)	4,248	
23,170	(1,128)	24,304	9,436	- 937	10,372	
20,061	(338)	20,399	8,449	(147)	8,596	
626		626	24	-	24	
52	-	52	(15)	-	(15)	
194	(384)	578	114	(384)	498	
20,933	(722)	21,655	8,572	(531)	9,103	

#### Note 16: Derivative Financial Instruments

		Regional	Council	Gro	up
		Actual	Actual	Actual	Actual
		23/24	22/23	23/24	22/23
	Note	\$000	\$000	\$000	\$000
Assets					
Interest rate swaps at fair value		1,909	2,071	6,150	8,213
Foreign exchange option		-	-	-	-
Forward exchange contracts at fair value			-9		-
Fuel commodity swaps			- 1	2	-
Total		1,909	2,071	6,150	8,213
Less Non-current portion:					
Interest rate swaps at fair value				2,029	3,613
Forward exchange contracts at fair value		*			
Fuel commodity swaps			-		
		-	-	2,029	3,613
Current Portion		1,909	2,071	4,121	4,599
Liabilities					
Interest rate swaps at fair value				1,495	2,080
Forward exchange contracts at fair value			-		
Total		-	•	1,495	2,080
Less Non-current portion:					
Interest rate swaps at fair value				313	948
Forward exchange contracts at fair value			-		
		-	-	313	948
Current Portion			-	1,182	1,132

#### Note 16 (a)

At 30th June 2024 the notional principal amounts of the outstanding interest rate swaps contacts \$45,000,000 (2023 : \$25,000,000). There were \$30,000,000 of forward starting future dated swaps at 30 June 2024 (2023: \$10,000,000)

## Note 17: Cash and Cash Equivalents

		Regional	Council	Group		
	Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000	
Cash at bank and in hand	17(a)	62,276	94,171	71,717	103,040	
Short-term bank deposits	17(b)	-	- (		-	
	,	62,276	94,171	71,717	103,040	

## Note 17 (a)

Cash at bank earns interest at floating rates based on daily bank deposit rates.

## Note 17 (b) Reconciliation of cash

Cash, cash equivalents and bank overdrafts included the following for the purposes of the Cash Flow Statement

	Regional Council		Group	
Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
Cash and Cash equivalents	62,276	94,171	71,717	103,040
	62,276	94,171	71,717	103,040

## Note 17(c) Reconciliation of Surplus after Tax to Net Cash Flows from Operations

	Regional C	ouncil	Gro	ир
	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
Net Surplus after tax	3,454	(14,153)	31,243	3,474
Add (Less) Non-Cash Items:				
Fair value gains	(8,673)	(8,048)	(14,581)	(12,289)
Fair value losses	2,053	6,213	2,053	6,213
Depreciation	4,667	4,380	20,939	19,980
Loss/(Gain) on disposal of assets	68	741	14	741
ACC leasehold financing liabilities movement	961	658	961	658
Realised loss/(gains) on investments	589	(729)	1,220	(1,167)
IFRS consolidation adjustments		-	7,322	*
Share of loss of equity accounted investee	-	-		7.
Share based payments	-	-	181	198
Reclassification of Intangible Assets		-		-
Reclassification of Infrastructure Asset	-	824		824
Other Non Cash items		-	(160)	(283)
Transaction costs arising on issuance of shares	-	-	7.0	•
Deferred tax	-	-	1,750	848
Add (Less) Movement in Working Capital Items:				
(Increase)/decrease in inventories	(440)	72	(440)	72
(Increase)/decrease in trade & other receivables	482	(13,186)	(439)	(16,985)
(Increase)/decrease in tax receivables	-	-	6,602	1,402
(Decrease)/increase in trade & other payables	(33,340)	72,170	(29,893)	72,536
(Decrease)/increase in funds held on behalf	(3,164)	19,527	(3,164)	19,527
(Decrease)/Increase in employee entitlement liabilities	19	598	19	645
Add (Less) Items Classified as Investing or Financing Activities:				-
Movement in non-current provisions	-	-	26	-
Finance Costs classified as financing activities			6,412	5,832
Non cash revenue adjustments			-	
Net (Gain) / Loss on sale of non-current assets		-		2
Net Cash Inflow from Operating Activities	(33,323)	69,066	30,067	102,226

# Part 5- Financials | Pūrongo Pūtea

#### Note 18: Fair Value Reserves

					Par	ent				
		Land	Buildings	Hydrological	Infrastructure		Other Financial	HBRIC Ltd	Total	
		3000	BEINGSONS, AT /	Assets	Assets		Assets		0.000000	
	Note	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
COUNCIL Only		- 1								
At 30 June 2022		6,239	7,057	756	111,020	10,929	(964)	191,172	326,209	
Year ended 30 June 2023										
Reclassification transfer				*	+			*	+	
Revaluation - gross				(188)	(16,076)	(4,283)	(135)	(20,493)	(41,174)	
Transfer to accumulated funds		*				*******		*	*	
		+	+	(188)	(16,076)	(4,283)	(135)	(20,493)	(41,174)	
At 30 June 2023		6,239	7,057	568	94,944	6,646	(1,099)	170,679	285,035	
Year ended 30 June 2024										
Reclassification transfer		*		+						
Revaluation - gross		+		456	214,711	2,144	380	(2,952)	214,739	
Transfer to accumulated funds			*	*						
		*	+	456	214,711	2,144	380	(2,952)	214,739	
At 30 June 2024		6,239	7,057	1,024	309,656	8,790	(719)	167,727	499,774	
			1,093	0	0	0	-114			
		Land	Buildings	Hydrological	Infrastructure	Carbon Credits	Other Financial	Sea	Hedged	Group
		\$000	\$000	Assets \$000	Assets \$000	\$000	Assets \$000	Sooo	Transactions \$000	Total
GROUP										
At 30 June 2022		6,239	8,150	756	111,020	10,929	(1,078)	98,440	3,642	238,09
Attributable to parent		6,239	8,150	756	111,020	10,929	(1,078)	54,142	2,003	192,16
Attributable to NCI								44,298	1,639	45,93
Year ended 30 June 2023								45%	45%	
Reclassification transfer			+							110000000000000000000000000000000000000
Revaluation - gross		-		(188)	(16,076)	(4,283)	(104)	(1,335)	429	(21,557
Revaluation - attributable to NCI								(414)	351	(63
Transfer to accumulated funds		-	-	(188)	(16.026)	/4 202)	(104)	(1.740)	780	/21 620
					(16,076)			(1,749)		(21,620
At 30 June 2023		6,239	8,150	568	94,944	6,646		96,691	4,422	216,47
Attributable to parent Attributable to NCI		6,239	8,150	568	94,944	6,646	(1,182)	52,807 43,884	2,432 1,990	170,60 45,87
Year ended 30 June 2024								AS%	45%	
Reclassification transfer				-						
Revaluation - gross		+	7,057	456	214,711	2,144	(13,060)	18,588	(1,369)	228,52
Revaluation - attributable to NCI								(6,974)	616	(6,358
Transfer to accumulated funds			¥	~	*		w	, ,		1967
		4	7,057	456	214,711	2,144	(13,060)	11,614	(753)	222,16
At 30 June 2024		6,239	15,207	1,024	309,656	8,790	(14,242)	108,305	3,669	438,64
Attributable to parent		6,239	15,207	1,024	ALCOHOLOGICA CARDON			71,395	1,063	399,13
Attributable to NCI								36,910	2,606	39,51

## Note 18 (a)

Revaluation increments and decrements on operating and financial assets (listed above) are recorded in the Statement of Changes in Equity. However, if revaluation decrements on operating assets are greater than the corresponding surpluses in the Fair Value Reserve, the excess decrements are recorded in the Note 6, Fair Value Gains and Losses through the Statement of comprehensive revenue and expense, as an asset impairment.

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## Note 19(a): Other Reserves (Parent)

	Infrastructure Asset Depreciation	ک Wairoa Rivers & Streams	ω Special Schemes	4 Asset Replacement	ى Damage	Scheme Disaster Damage	Te Awa o Nokotûāraro (Clive River) Dredging	α Tangoio Soil Conservation	o Maungaharuru Tangitu	Long Term Investment Fund	Sale of Land Non- investment Fund	Rabbit	្ត Ngati Pahauwera	Port IPO Future Investment Fund	Enforcement Sevenue Fund	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		\$000
At 30 June 2022	4,512	1,024	2,560	6,514	2,136	4,071	880	2,605	556	52,095	774	100	79	58,770	-	136,676
Net fair value gains / (losses)			-	-	-	-	-	-	-	-	-		-	-	-	-
Interest income / (expense)	46	26	13	164	(76)	103	23	62		104	19	3	2			490
Rental income - net		•	-		-	-		-	-			-	-	-	-	-
Depreciation transfer	556			3,659			(20)				•				-	4,196
Trading gain / (loss)					(877)					2,721				3,658	-	5,503
Transfers / (use of) reserves	(350)	25	(4,063)	1,368	(6,644)	106	183	(229)	(87)	(4,483)	0	9			457	(13,707)
Asset purchases - net				(4,699)			(101)				-				-	(4,800)
Borrowings - net				(208)											•	(208)
	252	51	(4,050)	284	(7,596)	210	85	(167)	(87)	(1,657)	19	12	2	3,658	457	(8,526)
At 30 June 2023	4,765	1,075	(1,490)	6,798	(5,460)	4,281	965	2,438	469	50,438	793	112	81	62,428	457	128,150
Net fair value gains / (losses)								-							-	
Interest income / (expense)	119	27	(22)	184	(108)	64	30	58	13	1,248	20	3	2	1,561	12	3,211
Rental income - net	*	+	*		0											
Depreciation transfer	243		(229)	3,707	283	-		(202)	-	-		-	-	-	-	3,802
Trading gain / (loss)	-				-	-		-	-	-	-		-		-	
Transfers / (use of) reserves	(263)	-	1,455	(2,589)	-	(3,438)	455	-	71	(1,013)	-	46	-	-	26	(5,251)
Asset purchases - net			(10)		(107)	-		-	-	-		-	-	-	-	(117)
Borrowings - net		^		*		+	*	-	-		-		-			-
_	99	27	1,193	1,302	68	(3,374)	485	(143)	83	236	20	49	2	1,561	37	1,645
At 30 June 2024	4,864	1,102	(297)	8,100	(5,392)	906	1,450	2,295	552	50,673	813	161	83	63,989	494	129,795

\*Note that Internal Loans debit balances previously disclosed under Infrastructure Asset Depreciation in prior year have been restated to Accumulated funds against the credit balance so that the internal loan balance eliminate on consolidation of HBRC. Refer to Note 20 for details of Internal loans movements and balance for the year.

## Note 19 (a) Transfers/(use of) reserves

The expenditure incurred in response to Cyclone Gabrielle has resulted in the following significant use of reserves for the year ending 30 June 2024:

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<sup>-\$2.6</sup> million (2023: 3.4 million) to fund CDEM response from the Special Schemes reserves.

<sup>-\$0.1</sup> million (2023 : \$6.6 million) draw from the Regional Disaster Damage reserve to fund HBRC emergency response.

#### Note 19 (b) Other reserves (Parent) (continued)

- Infrastructure asset depreciation a reserve established to fund the renewal of scheme infrastructure assets as required by the Local Government Act 2002.
- 2. Wairoa rivers and streams a reserve established to fund flood mitigation and recovery work within the Wairoa district.
- Special flood and drainage scheme reserves established for each scheme to account for rating balances that arise each year as a consequence of the actual income and expenditure incurred in any one year.
- Asset replacement a reserve established to fund the replacement of operating property, plant and equipment which are not scheme based.
- 5. Regional disaster damage a reserve established to provide funding for the cost of responding to and managing an event; cost of reinstatement of any uninsured assets (eg. pathways on top of stopbanks); any difference between the deductible and the threshold for eligibility for central government assistance (government covers 60% of the loss in the event of a disaster); to fund the policy excess of \$1.5 million included in the policy with private insurers to cover 40% of the loss up to \$24 million in the event of a disaster; and the possibility of the cost of reinstating the level of service provided by the asset being considerably more than the optimised replacement value.
- Scheme disaster damage reserves established to meet each scheme's share of Local Authority Protection Programme (LAPP)
  insurance excess and other costs to restore scheme assets that are not recoverable from other sources.
- 7. Clive river dredging a reserve established to meet the expenditure of dredging requirements on the Clive River.
- 8. Tangoio soil conservation a reserve established to separate the revenues and expenses associated with the Tangoio Soil Conservation Reserve as this reserve is managed and overseen by the Regional Council on behalf of the Crown.
- 9. Maungaharuru Tangitū a reserve established as a catchments fund in accordance with the Maungaharuru-Tangitū Claims
- Long-term Investment Fund a reserve established to hold the proceeds of endowment leasehold land sales to be reinvested
  in accordance with HBRC's policy on 'Evaluation of Investment Opportunities' approved on 30 April 2008. Formerly the Sale of
  Land Investment Fund.
- 11. Sale of land non-investment fund a reserve established to hold transfers from the Long-term Investment Fund to be invested in accordance with HBRC's policy on 'Open Space Investment' approved on 25 June 2008 and HBRC's Investment Policy set out in the 2009/19 10-Year Plan.
- Rabbit a reserve established to fund costs expected to be incurred with growing rabbit populations. The reserve is limited to a maximum balance of \$133,000.
- 13. Ngāti Pāhauwera a reserve established to ring-fence funding for Ngāti Pāhauwera Rivers Initiatives. For the clean up of the Mohaka, Waikari and Waihua Rivers and their catchments.
- 14. Port IPO Future Investment Fund a reserve established to hold the proceeds of the Napier Port IPO.
- 15. Enhancement Revenue Reserve Fund a reserve established to hold enforcement revenue for future environmental protection and restoration activities, and managing diversion scheme funds.

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#### Note 19(c): Other Reserves (Group)

Pena	ling	Grou	p	Consol
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tote Talch Other Reserves (group)		renaing Group Consai				
	Regional Council	Subs	idiaries	Group		
	Total	Other reserves	Share based reserves	Total		
	\$000	\$000	\$000	\$000		
At 30 June 2022	136,676	116,215	374	253,265		
Net fair value gains / (losses)	*					
Interest income / (expense)	490		-	490		
Rental income - net	-	*	-			
Depreciation transfer	4,196	*	*	4,196		
Trading gain / {loss}	5,503		-	5,503		
Transfers / (use of) reserves	(13,707)	11	1,859	(11,837)		
Asset purchases - net	(4,800)		-	(4,800)		
Borrowings - net	(208)	+		(208)		
	(8,526)	11	1,859	(6,656)		
At 30 June 2023	128,150	116,226	2,233	246,609		
Net fair value gains / (losses)						
Interest income / (expense)	3,211		-1	3,211		
Rental income - net				-		
Depreciation transfer	3,802	+	-1	3,802		
Trading gain / (loss)						
Transfers / (use of) reserves	(5,251)	41	(1,679)	(6,889)		
Asset purchases - net	(117)	+		(117)		
Borrowings - net	*	*				
-	1,645	41	(1,679)	7		
At 30 June 2024	129,794	116,267	554	246,615		

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#### Note 20: Borrowings

Note	Regional C	ouncil	Group	
	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
,		1		
	98,950	53,550	204,687	182,496
	650	1,350	650	1,350
		16,663		
-	99,600	71,563	205,337	183,846
		-		
	900		900	
	13,000	29,930	13,000	29,930
	16,663			
	30,563	29,930	13,900	29,930
	130,163	101,493	219,237	213,777
	Note	98,950 650 99,600 99,600 13,000 16,663 30,563	98,950 53,550 98,950 53,550 650 1,350 - 16,663 99,600 71,563 - 900 13,000 29,930 16,663 30,563 29,930	Actual Actual 23/24 22/23 23/24 22/23 23/24 5000 \$000 \$000 \$000 \$000 \$000 \$000 \$00

#### Note 20 (a) Guarantees

HBRC is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a local currency rating from Fitch Ratings and Standard & Poor's of AA+ and a foreign currency rating of AA.

HBRC is not a shareholder but participates as one of 76 borrowers and guarantors of LGFA. When HBRC borrows through the LGFA they are required to invest 2.5% of the proceeds back with the LGFA as borrower notes which the LGFA retain as capital. As at 30 June 2024, HBRC held \$2,731,500 of borrower notes with the LGFA (2023: \$1,356,500).

Together with the other shareholders and guarantors, HBRC is a guarantor of all of LGFA's borrowings. As at 30 June 2024 LGFA had borrowings of \$23,030 million (2023: \$17,683 million). Financial reporting standards require HBRC to recognise the guarantee liability at fair value. However, HBRC has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability.

HBRC considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- · we are not aware of any local authority debt default events in New Zealand
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

#### Note 20 (b) Security

HBRC's bank loans are secured over the rating base of HBRC.

The Port loans are secured by way of a negative pledge over the assets of the Port in respect of both sale of such assets and other security interests.

BNZ holds security stock certificates of \$22 million maintained within HBRC's Debenture Trust Deed (2023 \$22 million), Westpac Bank holds security stock certificates of \$10.5 million maintained within HBRC's Debenture Trust Deed, (2023 \$10.5 million)

#### Note 20 (c) Maturity analysis of borrowings

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates or maturity dates at the balance sheet date are as follows:

6 months or less Between 6 and 12 months Between 1 and 2 years Between 2 and 5 years Over 5 years

Regional Council		Grou	р
Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
5,900	25,630	12,401	-
24,663	4,300	24,663	6,809
4,750	8,650	11,251	68,803
74,850	53,413	192,755	99,485
20,000	9,500	20,000	11,700
130,163	101,493	261,071	186,797

#### Note 20 (d) Effective interest rates

The effective interest rates at the balance sheet date were as follows:

Regional Council		Group		
Actual 23/24 %	Actual 22/23 %	Actual 23/24 %	Actual 22/23 %	
1.61 - 6.83	1.61 - 5.97	1.61 - 6.83	1.61 - 6.66	

#### Note 20 (e) Fair values

The carrying amount for the fair value of non-current borrowings is as follows:

Regional C	Regional Council		р
Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
130,163	113,156	259,576	225,439
130,163	113,156	259.576	225.439

Borrowings

The fair values is based on cash flows discounted using a rate based on the average borrowing rate of 4.141% (2023: 3.265%). The carrying amount of borrowings repayable within one year approximate their fair value.

#### Note 20 (f) Undrawn facilities

The Group has the following undrawn borrowing facilities:

Bank overdraft Bank borrowings

Regional Co	Regional Council		p
Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
10,000	10,000	10,000	
-	-	72,000	48,000
10,000	10,000	82,000	48,000

#### Note 20 (g) Internal borrowings

The following internal borrowings have been funded by HBRC reserves:

		Regional Council		Group	
		Actual	Actual	Actual	Actual
		23/24	22/23	23/24	22/23
		\$000	\$000	\$000	\$000
Inte	rnal Loan Opening Balance				
	Asset Management	2,258	1,441	2,258	1,441
	Integrated Catchment Management	14,082	12,947	14,082	12,947
	Governance & Partnerships	23,723	22,357	23,723	22,357
	Transport	78	92	78	92
	Policy & Regulation	30	50	30	50
	Corporate Services	18,800	9,838	18,800	9,838
	Emergency Management	9,638		9,638	
		68,609	46,725	68,609	46,725
Inte	ernal Loans Borrowed during the year				
	Asset Management	9,260	1,091	9,260	1,091
	Integrated Catchment Management	4,666	2,452	4,666	2,452
	Governance & Partnerships	3,655	4,454	3,655	4,454
	Transport	3,444	-,,,,,,,,	-	
	Policy & Regulation		2		
	Corporate Services	10,442	9,782	10,442	9,782
	Emergency Management	20,446	9,638	20,772	9,638
	time gency management	28,024	27,417	28,024	27,417
Inte	ernal Loans Repaid during the year				
	Asset Management	287	274	287	274
	Integrated Catchment Management	1,530	1,317	1,530	1,317
	Governance & Partnerships	3,376	3,088	3,376	3,088
	Transport	14	14	14	14
	Policy & Regulation	20	20	20	20
	Corporate Services	841	820	841	820
	Emergency Management	6,550	5,532	6,068	5,532
		- 0,330	3,332	0,000	3,332
Inte	ernal Loan Closing Balance		9		
	Asset Management	11,231	2,258	11,231	2,258
	Integrated Catchment Management	17,218	14,082	17,218	14,082
	Governance & Partnerships	24,003	23,723	24,003	23,723
	Transport	64	78	64	78
	Policy & Regulation	10	30	10	30
	Corporate Services	28,402	18,800	28,402	18,800
	Emergency Management	9,156	9,638	9,156	9,638
		90,083	68,609	90,083	68,609
Inte	erest Paid during the year				
	Asset Management	56	47	56	47
	Integrated Catchment Management	375	277	375	277
	Governance & Partnerships	655	523	655	523
	Transport	2	1	2	1
	Policy & Regulation	1	1	1	1
	Corporate Services	288	200	288	200
	Emergency Management	181			
		1,559	1,049	1,377	1,049

#### Note 21: Deferred Income Tax (Group)

	Note	Property, Plant & Equipment \$000	Derivatives \$000	Other \$000	Total S000
Balance at 30 June 2022		(20,274)	(1,434)	939	(20,769)
Re-alignment to closing balances					
Charged to surplus or deficit re current year		(2,080)	(236)	1,240	(1,076)
Amounts charged or credited direct to equity				(307)	(307)
Charges to other comprehensive revenue and expense					-
Balance at 30 June 2023		(22,354)	(1,670)	1,872	(22,152)
Charged to surplus or deficit re current year		(1,889)	(274)	566	(1,597)
Amounts charged or credited direct to equity		0	*	(1,818)	(1,818)
Charges to other comprehensive revenue and expense					
Balance at 30 June 2024		(24,243)	(1,944)	620	(25,567)

#### Note 22: Employee Benefit Liabilities

		Regional	Council	Grou	P
	Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
Annual leave		2,176	1,915	8,004	7,023
Long service leave		387	383	980	951
Sick feave		44	123	44	123
Retirement gratuities		118	118	118	118
Other short term benefits		215	276	215	277
Accrued payroli expenses		~		2	
Total employee benefit liabilities	22(a)	2,939	2,816	9,360	8,493
Disclosed as:					
Non-current		433	414	2,902	982
Current		2,505	2,401	6,458	7,511
		2,939	2,816	9,360	8,493

## Note 23: Trade and Other Payables

		Regional Council		Group	
		Actual	Actual	Actual	Actual
		23/24	22/23	23/24	22/23
	Note	\$000	\$000	\$000	\$000
Trade payables		7,634	6,798	11,743	12,008
Accrued expenses		10,575	16,391	22,471	19,899
Deposits & advances	23(a)	37,527	66,829	38,056	68,336
Intrabusiness payables		-	-		
		55,736	90,017	72,270	100,242
Funds held on behalf	23(b)	16,456	19,620	16,456	19,620
					-
Total Trade and Other Payables		72,192	109,637	88,726	119,862
Total trade and other payables comprise:					
Payables and deferred revenue from non-exchange transactions - rates					
paid in advance (Includes Clean Heat rates in advance.)		23,348	80,237	23,348	80,237
Payables and deferred revenue from exchange transactions - amounts					
payable on commercial transactions		48,844	29,400	65,378	39,625
		72,192	109,637	88,726	119,862

Trade payables are non-interest bearing and are generally on 30 day terms.

The carrying amount of trade and other payables approximates their fair value.

## Note 23 (a)

Deposits and advances included HBRC income in advance of \$30.4 million (2023 : \$56.8 million) under the Sediment and Debris funding agreement. Refer to Note 5 for more details.

## Note 23 (b)

Funds held on behalf includes \$16.2 million in relation to funds received under the Sediment and Debris funding agreement but not yet allocated to any of the HB councils.

### Note 24: ACC Leasehold Financing Liabilities

	i i	Regional (	Council	Grou	р
	Note	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
Current portion:					
Base Loan	24(a)	2,198	619	2,198	619
Excess Payments	24(b)	1,224	797	1,224	797
		3,421	1,416	3,421	1,416
Non-current portion:					
Base Loan	24(a)	7,474	7,991	7,474	7,991
Excess Payments	24(b)	22,100	21,292	22,100	21,292
	-	29,574	29,283	29,574	29,283
Total	-	32,995	30,699	32,995	30,699

#### **ACC Leasehold Financing Liability**

In December 2013, HBRC entered into a contract with the Accident Compensation Corporation (ACC) to sell the cash flows (both rental and sales proceeds) generated from the portfolio of Napier leasehold properties for a period of 50 years ending 30 June 2063 (after a free-holding initiative to lessees). A lump sum of \$37.651 million was received to fund investment activity.

#### Note 24 (a) - Base Loan

The base loan is the original receipt recognised at fair value, \$37.651 million, and subsequently measured at amortised cost.

#### Note 24 (b) - Excess Payments

The fair value of the excess payments liability at the reporting date has been assessed as two-thirds of the difference between the investment property fair value (\$41,744,000) and the base loan liability (\$8,610,087).

## Note 24 (c) - Current/Non-current Split

HBRC notes that between 10 and 74 units have been freeholded each year since the start of the contract and has assumed that 10 (2023:10) units will be freeholded in the 12 months following the reporting date.

	Borrowings \$000	ACC Leasehold \$000	Total \$000
Regional Council			
Balance At 30 June 2022	63,388	33,730	97,118
Net cash flows	38,105	(366)	37,739
Fair value adjustment		(2,315)	(2,315)
Other		(349)	(349)
Balance At 30 June 2023	101,493	30,699	132,193
Net cash flows	28,670	- 1	28,670
Fair value adjustment		(518)	(518)
Other		(349)	(349)
Balance At 30 June 2024	130,163	29,832	159,995
Group			
Balance At 30 June 2022	176,105	33,730	209,835
Net cash flows	36,580	(366)	36,214
Fair value adjustment		(2,315)	(2,315)
Other	1,091	(349)	742
Balance At 30 June 2023	213,776	30,699	244,476
Net cash flows	4,670		4,670
Fair value adjustment		(518)	(518)
Other	(97,714)	(349)	(98,063)
Balance At 30 June 2024	120,732	29,832	150,564

#### Note 26: Related-Party Disclosures (Group)

	Actual 23/24 \$000	Actual 22/23 \$000
Note 26 (a) The following transactions were carried out with subsidiaries:		
(i) Sales of services		
By parent	572	543
By subsidiary	504	494
	1,075	1,037
(ii) Purchases of services		
By parent	504	494
By subsidiary	572	543
	1,075	1,037
(iii) Subvention payments		
Received by parent	-	10
Paid by subsidiary	-	10
The subvention payment is the tax effect of total losses transferred		
from Regional Council to Hawkes Bay Regional Investment Company		
(iv) Dividends (net)		
Received by parent	7,205	6,870
Paid by subsidiary	7,205	6,870

### Note 26 (b) Transactions with key management personnel

During the year, councillors and key management personnel, as a part of normal customer relationship, were involved in minor transactions with the Group (such as payment of rates, purchases of small amounts of goods and services). All these transactions were at arm's length.

As part of the Constitution of Hawke's Bay Tourism Limited, HBRC is entitled to appoint one director to the Board of Hawke's Bay Tourism Limited. This position was filled by Councillor Sophie Siers for the 2024/23 year and the 2022/23 year. HBRC has paid Hawke's Bay Tourism Limited \$1,520,000 (excl. GST) in the 2023/24 year and the 2022/23 year as per the funding agreement.

## Note 26 (c) Year end balances arising from sales/purchases of goods and services

Receivables from related parties		
Parent	491	455
Subsidiary	*	
	491	455
Payables to related parties		
Parent		
Subsidiary	491	455
	491	455

## Note 26 (d) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions at both normal market prices and normal commercial terms.

Outstanding balances at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables. At year end, there is no impairment relating to amounts owed by related parties (2023: \$nil).

### Part 5- Financials | Pūrongo Pūtea

#### Note 27: Commitments and Contingencies

#### 27(a) Capital Commitments

Capital expenditure contracted for at balance sheet date but not yet incurred is as follows:

Note

Regional Council Group Actual Actual Actual 23/24 22/23 23/24 22/23 \$000 \$000 97 62 2,997 1,462 729 2,997 1,462 97 791

Property, plant & equipment Infrastructure

Note that at 30 June 2024, there were no capital contracts with fixed price commitments. They were all for unit rates for work completed.

#### Note 27 (b) Operating lease commitments as lessee

The Group has entered into commercial leases for certain offices, plant and equipment under non- cancellable operating lease agreements. The leases have varying terms and conditions.

Future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Not later than one year Later than one year but not later than five years Later than five years

Regional	Regional Council		ip .
Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000
45	354	85	354
132	267	132	267
112	-1	112	
289	621	329	621

#### Note 27 (c) Operating lease commitments as lessor

The Group has entered into commercial leases for certain properties under non-cancellable operating lease agreements. The leases have varying terms and conditions.

Future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Not later than one year Later than one year but not later than five years Later than five years

Regional (	Regional Council		up)	
Actual 23/24 \$000	Actual 22/23 5000	Actual 23/24 \$000	Actual 22/23 \$000	
4,638	45	6,815	2,153	
786	132	6,736	5,613	
112	112	8,053	8,860	
5,536	289	21,604	16,626	

Napier leasehold land is leased under operating leases with annual rent payments set for a period of 21 years. As at 30 June 2023 the annual rent receivable by HBRC is \$1,267,027 (2022: \$1,161,026).

At the expiry of the 21 year lease term a rent renewal will be calculated on the current land value. These leases will keep renewing as long as the land is owned by HBRC. Leasehold properties may be freeholded at any time at an amount calculated by an independent valuer. The annual rent receivable figure above assumes no freeholding will take place.

Wellington leasehold land is leased under operating leases with rent review periods between 7 and 14 years. As at 30 June 2023 the annual rent receivable by HBRC is \$870,819 (2022; year \$840,262). At the expiry of the lease term a rent renewal will be calculated on the current land value. These leases will keep renewing as long as the land is owned by HBRC. Leasehold properties may be freeholded or sold to another party at any time subject to approval by HBRC. The annual rent receivable figure above assumes no freeholding will take place.

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#### Note 27 (d) Contingencies

#### In respect of the Council only:

The Tangolo Soil Conservation Reserve fund contains the proceeds from the Reserve since management and control of the Reserve was vested in HBRC in 1985, less the cost of managing the Reserve. This fund is held by HBRC on behalf of the Crown. The value of the funds at 30 June 2024 are \$2,295,205 (2023: \$2,438,299).

HBRC is a guarantor of all of LGFA's borrowings. See Note 20(a).

Hawke's Bay Regional Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

#### Note 28: Local Government Act 2002 Disclosures

## Note 28 (a) Remuneration of chair and elected members of Council

Remuneration of Elected Members of HBRC includes salary, vehicle allowance, meeting and hearing fees that, during the year, was paid or payable to the Councillor by the Regional Council or any council organisation. Remuneration levels are set each year for all local authorities by the Remuneration Authority.

2023/24 Elected Members		Salary 23/24 \$	Hearing Fees 23/24 \$	Councillor Allowances 23/24 \$	Total Remuneration 23/24 \$
Neil Kirton		67,196		2,282	69,478
William Foley		67,196		9,334	
Charles Lambert		61,060		11,210	
Hinewai Ormsby		137,585		1,330	138,915
Jerfaas Van Beek		67,196		1,782	68,978
Martin Williams		67,196		1,675	
Thompson Hokianga	Start Date 26th Oct 2022	61,060		2,887	63,947
Sophie Siers	Start Date 26th Oct 2022	67,196		8,359	75,555
DI Roadley	Start Date 26th Oct 2022	61,060		12,135	73,196
Jock Mackintosh	Start Date 26th Oct 2022	61,060		3,401	64,461
Xan Harding	Start Date 26th Oct 2022	64,715		3,466	68,182
		782,521		57,861	840,382

The Chair is provided with a vehicle to use on Regional Council business. Use of a vehicle reduces the Chair's salary in accordance with Remuneration Authority policy.

2022/23		Salary	Hearing Fees	Councillor Allowances	Total Remuneration
		22/23	22/23	22/23	22/23
Elected Members		\$	\$	\$	\$
Rick Barker	End Date 29th Sept 2022	33,058		374	33,432
Neil Kirton		68,585	+	1,827	70,412
William Foley		68,585		8,425	77,011
Craig Foss	End Date 29th Sept 2022	18,264	+	1,559	19,824
Charles Lambert		61,465	+	7,677	69,142
Jacqueline Taylor	End Date 29th Sept 2022	15,674	-	1,156	16,830
Hinewai Ormsby		118,840	1,803	3,415	124,057
Jerfaas Van Beek		68,585		2,361	70,946
Martin Williams		68,585	8,170	1,585	78,340
Thompson Hokianga	Start Date 26th Oct 2022	45,791		2,042	47,833
Sophie Siers	Start Date 26th Oct 2022	50,321	+	6,333	56,653
DI Roadley	Start Date 26th Oct 2022	45,791		13,952	59,743
Jock Mackintosh	Start Date 26th Oct 2022	45,791	-	2,120	47,912
Xan Harding	Start Date 26th Oct 2022	45,791		1,859	47,650
		755,128	9,973	54,683	819,784

The Chair is provided with a vehicle to use on Regional Council business. Use of a vehicle reduces the Chair's salary in accordance with Remuneration Authority policy.

## Note 28 (b) Remuneration of chief executive

2023/24		Salary Sever. Paym 23/24 23/ \$ \$	ents Benefits 24 23/24	Total Remuneration 23/24 \$
Dr Nic Peet	1/07/2023 - ongoing	328,400	15000	343,400
		328,400	- 15,000	343,400
2022/23		Salary Seven		Total Remuneration
		22/23 22/	23 22/23	22/23
		\$ \$	\$	\$
James Palmer - CE HBRC	(01/07/2022 - 10/02/2023)	249,410	25,846	275,257
Pieri Munro - Interim CE HBRC	(13/02/2023 - 28/04/2023)	59,614	8,978	68,592
Bill Bayford - Interim CE HBRC	(01/05/2023 - 07/07/2023)	96,000		96,000
		405,024	- 34,825	439,848

## Note 28 (c) Severance payments

There were 4 severance payments (2023: 2) totalling \$57,102 (2023: \$108,030) made to employees that were outside contractual obligations.

# Part 5- Financials | Pūrongo Pūtea

#### Note 28 (d) Regional Council employees

Total Annual Remuneration by band for Employees as at 30 June	23/24	22/23
< \$60,000	19	34
\$60,000 - \$79,999	91	91
\$80,000 - \$99,999	111	100
\$100,000 - \$119,999	60	63
\$120,000 - \$139,999	32	26
\$140,000 - \$159,999	15	11
\$160,000 - \$219,999 (combined band)	10	11
\$220,000 - \$359,999 (combined band)	6	4
Total Employees (headcount)	344	340

Total remuneration includes non-financial benefits provided to employees.

At balance date, HBRC-employed 302 (2023: 286) full-time employees, with the balance of staff representing 30.94 (2023: 35.12) full-time equivalent employees. A full-time employee is determined on the basis of a 40 or more hour working week.

## Note 28 (e) Regional Planning Committee

		Fees	Allowances	Remuneration
Committee Members		23/24 \$	23/24 \$	23/24 \$
L. Kele - Heretaunga Tamatea Settlement Trust		15,816		15,816
K. Ropiha - Heretaunga Tamatea Settlement Trus	t	20,309	598	20,906
T. Hopmans - Maungaharuru-Tangitu Trust		41,575	-	41,575
T. Thornton - Ngati Pahauwera Development		15,816		15,816
N. Kirikiri - Ngati Ruapani mai Waikaremoana Tru	st	15,816		15,816
M. Mohi - Te Kotahitanga o Ngati Tuwharetoa Tr	ust	19,915	535	20,450
T. Eden - Mana Ahuriri Trust	Start Date 7th Dec 2022	52,124	-	52,124
M. McIlroy - Tātau Tātau o te Wairoa	Start Date 3rd Feb 2023	21,240	1,911	23,151
E Ratima		452	22	474
		202,610	3,044	205,654

## Note 28 (f) Mãori Committee

		Fees	Allowances	Remuneration
Committee Members		23/24 \$	23/24 \$	23/24 \$
K. Kawana - Wairoa Taiwhenua		19,432	1,053	20,484
M. Paku - (Co Chair) Te Taiwhenua o Heretaunga		24,404	655	25,059
A. Robin - Te Taiwhenua o Te Whanganui A Orotu		5,424	240	5,664
M. Apatu - Te Taiwhenua o Heretaunga		1,356	98	1,454
P. Eden - Te Taiwhenua o Te Whanganui A Orotu		3,164	138	3,302
P. Sciascia - Te Taiwhenua o Tamatea		1,356	487	1,843
R. Hiha - Te Taiwhenua o Te Whanganui A Orotu		1,356	15	1,371
R. Maaka - Te Taiwhenua o Tamatea		1,356	411	1,767
D. Smith - Te Taiwhenua o Tamatea		904	10	914
H. Mita - Wairoa Taiwhenua	Start Date 8th Feb 2023	1,356	107	1,463
P. Kelly - Kahungunu Executive	Start Date 1st Feb 2023	4,068	138	4,206
B. Barber - Ngāti Kahungungu Iwi inc	Start Date 8th Feb 2023		-	-
		64,175	3,352	67,528

## Note 28 (g) Audit and Risk Sub-Committee

Inde	pende	nt Me	embers

S.Maloy

Meeting Fees 23/24 \$	Travel Allowances 23/24 \$	Total Remuneration 23/24 \$
4,667	4,667	
4,667		4,667

Meeting Travel Total

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## Part 5- Financials | Pūrongo Pūtea

#### Note 29: Major Budget Variances (Parent)

Cyclone Gabrielle continues to have a major impact on the Financial Statements of the Council. Significant additional revenue has been received and expenditure incurred relating to sediment and debris removal and other waste management and the Council continues to submit claims to NEMA, insurers and others to recover costs incurred in the response to and recovery from the cyclone. The other large impact has been the doubling in valuation of infrastructure assets now that we have a lot of recent information on rebuild costs. This will continue to have impacts in future years in regard to insurance costs and levels of reserves required for replacement and disaster damage.

#### Statement of comprehensive revenue and expenditure

Operating revenue was \$68.2 million above budget.

Revenue from activities was slightly lower than planned due to:

- The \$1 million budget for community loan interest revenue being included here rather than in other revenue where the
  actuals are.
- Lower levels of recoverable activity in Policy and Regulation and Asset Management as resources were focused on post cyclone assistance.
- Planned forestry harvest not occurring in Asset Management.

Subsidies and Grants are significantly above budget mainly due to \$121 million from central government for sediment, debris and waste management that was not confirmed at the time the Annual Plan was produced.

Other revenue overall is \$54.2 million lower than the budget principally due to the Annual Plan including an expectation that we would receive \$51 million from insurance for the cyclone rebuild. Claims are still ongoing and the insurance proceeds are now expected to start being received in 2024-2025. The other significant under performance was in the dividend from the investment company being \$3.7 million lower than planned due to lower distributions from Napier Port due to continued impacts from the cyclone.

Fair value gains on investments have exceeded budget by \$7.5 million as local and global markets start recovering the losses incurred during the Covid years.

Operating expenditure was \$44.1 million above budget.

Expenditure on activities is \$40.7m above budget as a result of a number of factors:

- Policy and Regulation and Regional Recovery Agency include \$78.2 million and \$43.4 million respectively of costs associated with the management of sediment, debris and waste. These costs are offset by the funding discussed earlier.
- Asset Management operating expenditure is \$85 million less than budget due to the inclusion of \$92.5 million in the Annual Plan for cyclone recovery relating to flood protection. This expenditure has subsequentally been incurred across multiple years (including 2023/24 and 2024/25) and has substantially been more capital in nature.
- Transport costs are above budget by \$2.7 million reflecting indexation increases in subsidised passenger transport due to
  fuel, road user charges and driver cost increases and activity increases in Total Mobility which are being experienced across
  the country.

Finance costs have exceeded budget by \$1.8 million due to an increase in interest rates on the new borrowing we have taken out to cover cyclone related costs. The level of borrowing has been less than planned but occurred earlier in the financial year and at higher interest rates than the expectations included in the Annual Plan.

Fair value losses total \$2.1 million with \$1.2 million relating to forestry mainly due to decreaes in expectations of future log prices.

Other comprehensive revenue and expense shows a \$214.4 million increase in the valuation of assets. This is due to the revaluation of infrastructure assets. This increase reflects the increase in estimated costs to rebuild stopbanks, pump stations and other infrastructure assets due to high inflation in the construction sector over the last few years and recent build costs experienced with the Taradale stopbank upgrade and the rebuilds following the cyclone.

#### Statement of financial position

The revaluation of infrastructure assets means their value at 30 June 2024 is significantly higher than last year and the estimated value included in the Annual Plan. Investment property, intangibles and forestry are all lower than budget reflecting lower gains in the last few years than the Long Term and Annual Plans predicted. They are all in line with values at the end of the previous year.

Other financial assets are also a lot lower than budget reflecting returns on managed funds not being as high as planned. In the current financial year we have seen growth from \$129.7 million to \$140 million.

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The investment in HBRIC is significantly below budget as the Annual Plan included expectations of a much higher value in Napier Port than we currently have. The share price for the Port dropped marginally over the year.

Trade and other receivables are over budget due to a significant amount of new income being received related to the cyclone. This includes \$3.8 million of claims relating to the flood resilience programme and \$1 million from NEMA relating to cyclone response. The level of debtors is similar to last financial year.

For a similar reason cash and cash equivalents are significantly above budget as we continue to hold funds for the completion of sediment, debris and waste management and in preparation for the flood resilience programme.

Overall borrowings have increased \$28.6 million since last year reflecting the increased work relating to cyclone response and flood resilience that will subsequently be funded by government, insurers and ratepayers. Borrowings are \$4.4 million less than planned.

Trade and other payables continue to be significantly above budget reflecting the large levels of expenditure being incurred in post cyclone work programmes around sediment, debris and waste and flood resilieance.

We also still hold \$16.5 million of funds from central government on behalf of other Hawke's Bay councils for sediment and debris.

#### Statement of cash flow

The net cash outflow from operating activities is a result of significant expenditure being incurred this year relating to sediment and debris for which the funding was received last financial year. Receipts from customers are returning to budgeted levels, however the dividend from Napier Port via the investment company was less than expected as a result of reduced activity during the year.

Net cash flows from investing activities were also adverse to budget as a result of the spend on infrastructure assets during the year.

Even though the net cash flow from financing activities is in line with budget the council had a lot more draw downs and repayments than budget as a result of holding a higher level of short term debt as we manage the settlement of insurance, NEMA and other claims.

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# Part 5- Financials | Pūrongo Pūtea

### Note 30: Financial Risk Management

#### Introduction

The group's principal financial instruments comprise cash and bank term investments, bank loans, funds under management, shares in listed companies and the Hawke's Bay Regional Investment Company. The main purposes of these financial instruments are to raise finance for the group's operations and to generate income.

Historically, the group has entered into derivatives, consisting principally of interest rate swaps and forward currency contracts. The purpose was to manage interest rate and currency risks arising from the group's operations and its sources of finance.

The group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. Other than government stock and shares in listed companies, the group does not trade in financial instruments.

#### Market Risk

#### Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The group is exposed to equity and securities price risk on its investments, which are classified as fair value through other comprehensive revenue and expense and held to maturity financial assets. The group manages price risk by diversification of its investment portfolio in accordance with limits set out in its investment policy.

#### **Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. From time to time the group enters into transactions denominated in foreign currencies and uses forward and spot foreign exchange contracts to manage its exposures to currency fluctuations.

#### Interest Rate Risk

#### Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to change in market interest rates.

Borrowing and investing at fixed rates exposes the group to fair value interest rate risk. The group does not usually hedge against this risk.

#### Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes to market interest rates. Borrowing at variable interest rates exposes the group to cash flow interest rate risk. The group has historically managed its cash flow interest rate risk on borrowings by using interest rate caps and floating to fixed interest swaps.

#### Credit Risk

Credit risk is the risk that a third party will default on its obligation to the group, causing it to incur a loss. The group has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers. Under the Local Government (Rating) Act 2002, HBRC has powers to recover outstanding debts from ratepayers. The group has a policy of assessing the credit risk of significant new customers and monitors the credit quality of existing customers.

The group invests funds with registered banks, fund managers and government stock. Its investment policy limits the amount of credit exposure to any one institution or organisation.

Investments in other local authorities are secured by charges over rates. The group only invests in other entities with a minimum credit rating from Standard & Poors (or other credit agency of similar reputation) of A1 for short term debt (up to twelve months) or A+ for term debt (more than twelve months).

### Maximum Exposure to Credit Risk

Cash and cash equivalents
Bank deposits with terms greater than 91 days
Government stock
Funds under Management
Community loans
Trade & other receivables
Advances to CCO
Derivative financial instruments

p	grou	Regional Council	
Actual 22/23 \$000	Actual 23/24 \$000	Actual 22/23 \$000	Actual 23/24 \$000
103,040	71,717	94,171	62,276
		-1	-
947	997	947	997
156,467	167,577	110,828	118,723
19,693	19,504	19,693	19,504
33,670	31,532	16,884	18,294
		-	*
8,213	8,243	2,071	1,909
322,030	299,569	244,594	221,702

HBRC is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in Note 20.

# Note 30 (a): Financial Risk Management

## Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty raising liquid funds to meet commitments as they fall due.

The group maintains a level of cash operating balances sufficient to meet its commitments as they fall due as well as managing its borrowings in accordance with its funding and financial policies.

Set out below is a contractual maturity analysis of financial liabilities as at balance sheet date. The contractual amount includes scheduled interest payments.

Contractual Maturity Analysis	Carrying	Contractual	Less	1 - 2	3 - 5	More
	Amount	Carrying	than	Years	Years	than
		Amount	1 Year			5 Years
	\$000	\$000	\$000	\$000	\$000	\$000
Regional Council at 30 June 2024						
Creditors and other payables	997	997	997			
Bank borrowings	111,950	111,950	13,900	4,650	53,900	39,500
Loans from CCO	16,663	16,663	16,663			
Provincial Growth Fund borrowings	900	900			900	
ACC leasehold financing liability – base Loan	9,671	-				
	140,181	130,510	31,560	4,650	54,800	39,500
Regional Council at 30 June 2023						
Creditors and other payables	25,235	25,235	25,235			
Bank borrowings	83,480	92,578	33,798	10,938	38,167	9,675
Bank overdraft			-			-
Loans from CCO	16,663	17,330		17,330		-
Provincial Growth Fund borrowings	1,350	1,367		658	709	
ACC leasehold financing liability – base Loan	8,610	8,610	619	556	1,421	6,014
	135,338	145,120	59,651	29,482	40,297	15,689
Group at 30 June 2024						
Creditors and other payables	72,270	78,744	78,744			
Bank borrowings	217,687	242,857	20,401	11,151	171,805	39,500
Interest rate swaps	(4,062)					
Forward exhange contracts	*	1,552	1,220	390	(58)	
ACC leasehold financing liability - base Loan	8,610					
Finance lease	40	40	40	*		
	294,545	323,193	100,405	11,541	171,747	39,500
Group at 30 June 2023						
Creditors and other payables	35,366	35,366	35,366			
Bank borrowings	212,426	258,358	41,644	18,784	188,255	9,675
Provincial Growth Fund borrowings	(4,062)	(4,474)	(1,174)	(2,597)	(703)	
Forward exhange contracts	8,610	8,610	619	556	1,421	6,014
Finance lease	252,341	297,860	76,455	16,743	188,973	15,689
	504,682	595,721	152,910	33,485	377,947	31,379

# Note 30(b): Financial Risk Management

## **Regional Council**

	23/24 \$000		22/23 \$000					
	-0.5	%	+0.5	%	-0.5%	6	+0.5%	
	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
Interest Rate Risk						,		
Financial assets								
Cash and cash equilvalents	(311)		311		(471)		471	
Other financial assets:								
Term deposits		-	-		-		-	
Derivatives	(10)		10	-	(10)		10	
Financial liabilities								
Bank overdraft					-			
Loans	(651)		651		(507)		507	
Derivatives			-	-	-			
Total sensitivity	(972)	-	972		(988)	-	988	
Foreign Exchange Risk								
Total sensitivity	-		-				-	
Equity Price Risk								
Financial assets								
Publicly listed shares	(1)	-	1	-	-	-		
Government bonds	(5)	-	5		(5)		5	
Managed funds	(594)		594	-	(501)		501	
Total sensitivity	(600)	-	600		(506)	-	506	

# Group

		23/24 \$000				3		
	-0.5		+0.5%		\$00 -0.5%		+0.	5%
		Other		Other		Other		Other
	Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
Interest Rate Risk	,							
Financial assets								
Cash and cash equilvalents	(359)	+	359	-	(515)	+	515	-
Other financial assets:	-			-	-		15.	-
Term deposits	(#)		-	-	-	-	-	-
Financial liabilities	-	- 43		_				-
Bank overdraft		-		-				-
Loans	(1,096)	-	1,096	į.	(1,069)		1,069	-
Derivatives	-		-	-		-		
Total sensitivity	(1,455)		1,455		(1,584)	-	1,584	-
Foreign Exchange Risk								
Total sensitivity	-	14	_	-	-	2	-	-
Equity Price Risk								
Financial assets								

Total sensitivity	(843)	**1	844	=	(505)		505	-
Managed funds	(838)		838	-	(501)	-	501	*
Government bonds	(5)		5	-	(5)		5	3
Publicly listed shares		-	1	-	· -	-	•	-

## Explanation of interest rate risk sensitivity

The interest rate sensitivity has been calculated based on -5% / +5% (2023: -5% / +5%) movement in interest rates.

## Explanation of foreign exchange risk sensitivity

The foreign exchange risk sensitivity has been calculated based on -5% / +5% (2023: -5% / +5%) movement in forward foreign exchange contracts.

## Explanation of equity price risk sensitivity

The sensitivity for listed shares, government bonds and managed funds has been calculated based on -5% / +5% (2023: -5% / +5%) movement in the share price at year-end.

### Note 30 (c): Capital Management

HBRC's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets. The Local Government Act 2002 (the Act) requires HBRC to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings. The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by HBRC. Intergenerational equity requires ratepayers to meet the costs of utilising HBRC's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, HBRC has in place asset management plans for major classes of assets detailing renewal and maintenance programmes to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires HBRC to make adequate and effective provision in its Long Term Plan and Annual Plan (where applicable) to met the expenditure needs identified in those plans, and the Act sets out the factors that HBRC is required to consider when determining the most appropriate sources of funding for each activity. The sources and levels of funding are set out in the funding and financial policies in HBRC's most recent Long Term Plan 2021-2031.

HBRC has the following Council-created reserves:

- · Reserves for different areas of benefit these are used where there is a discrete set of targeted rate payers as distinct from general rate payers. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.
- Self-insurance reserves these are built up annually and are made available for specific unforeseen events. The release of these funds can generally be approved only by HBRC.
- Special reserves funds that are set aside to smooth the costs of irregular expenditure.

Refer to Note 19 for more details regarding HBRC's specific reserves.

## Note 31: Financial Instrument Categories

		Regiona	l Council	Grou	р
		Actual	Actual	Actual	Actual
		23/24	22/23	23/24	22/23
	Note	\$000	\$000	\$000	\$000
Financial Assets					
Amortized Cost					
Cash and cash equivalents		62,276	94,171	71,717	103,040
Trade & other receivables		18,294	16,884	31,532	33,670
Advances to Council-controlled organisations		-	-	2	-
Other financial assets		-	-	*	-
Term Deposits		-	-		-
Advances to Napier / Gisborne Rail			-		
Community loans		19,504	19,693	19,504	19,693
Total held at Amortized Cost		100,074	130,748	122,753	156,403
Fair value through surplus or deficit					
Derivative financial instruments		1,909	2,071	4,121	2,071
Managed funds		118,723	100,131	167,577	100,131
Other financial assets		+	-	-	-
Publicly listed shares		136	-		- 4
Total fair value through surplus or deficit		120,768	102,202	171,698	102,202
Fair value through other comprehensive revenue and expense					
Civic Assurance shares		18	18	18	18
Derivative financial instruments		-	-	4,121	6,142
Government bonds		997	947	997	947
Managed funds		+	10,697		56,335
Shares in Hawke's Bay Regional Investment Company		345,227	348,179		-
Total fair value through other comprehensive revenue and expense		346,242	359,842	5,136	63,442
Financial Liabilities					
Fair value through surplus or deficit					
Derivative financial instruments		-	-	-	-
ACC leasehold financing liability – excess payments		23,324	22,089	23,324	22,089
		23,324	22,089	23,324	22,089
Financial Liabilities at amortised cost					
Trade & other payables		18,253	25,235	72,270	35,366
Bank overdraft		-	-		-
Borrowings		130,163	101,493	219,237	213,777
ACC leasehold financing liability – base loan		9,671	8,610	9,671	8,610
Total financial Liabilities at amortised cost		158,087	135,338	301,178	257,753

# Note 31 (a): Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

## Level 1

Quoted market price – Financial instruments with quoted prices for identical instruments in active markets

## Level 2

Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

# Level 3

Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable. The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Total	Quoted Market Price	Observable Inputs	Significant Non-observable
		(lovel 1)	(level 2)	Inputs (Inveta)
Regional Council	\$000	(level 1) \$000	\$000	(level3) \$000
30 June 2023				
Financial assets				
Government bonds	997	997		-
Publicly listed shares		-	-	-
Funds under management	110,828	110,828		
Shares in Hawke's Bay Regional Investment Company	348,179	332,566	16,663	(1,050)
Derivatives	2,071		2,071	
Financial liabilities				
Derivatives		-		-
ACC leasehold financing liability – excess payments	22,089			22,089
30 June 2024				
Financial assets				
Government bonds	997	997		
Publicly listed shares		-		
Funds under management	118,723	118,723	-	
Shares in Hawke's Bay Regional Investment Company	345,381	345,381		-
Derivatives	1,909	•	1,909	•
Financial liabilities				
Derivatives		-		
ACC leasehold financing liability – excess payments	23,324			23,324
Group				
30 June 2023				
Financial assets	100.00			
Government bonds	997	997		
Publicly listed shares				
Funds under management	156,466	156,466		
Derivatives	8,213		8,213	
Financial liabilities				
Derivatives	2,080		2,080	
ACC leasehold financing liability – excess payments	22,089	*		22,089
30 June 2024				
Financial assets				
Government bonds	997	997		
Publicly listed shares				
Funds under management	148,509	148,509		
Derivatives	4,121		4,121	
Financial liabilities				
Derivatives				
ACC leasehold financing liability – excess payments	23,324			23,324

The level 1 component of the valuation of HBRIC is the NZX stock price of NPHL and the managed funds held by HBRIC which comprise domestic and international listed shares, bonds, and cash instruments. The level 2 component of the valuation comprises a loan from HBRIC to HBRC which is eliminated on consolidation. The remaining balance comprises the future estimated management expenses that have been assessed as a level 3 valuation technique.

# Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

Balance at 1 July	
Gain and losses recognised in the surplus or deficit	
Gain and losses recognised in other comprehensive revenue	and expenditure
Purchases	
Sales	
Transfers	
Balance at 30 June	
Purchases Sales Transfers	and expenditure

23/24 \$000	22/23 \$000
21,039	23,890
2,285	(2,851)
•	
	-
- ,	-
23,324	21,039

## Note 32: Events after balance date

- 🗷 On 15th August 2024 HBRC raised an invoice addressed to NEMA for \$1.6m for stopbank reinstatement claim 6
- ◆ 🗷 On 24th September 2024 HBRC raised an invoice addressed to NEMA for \$355k for stopbank reinstatement clain

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## HE TAUĀKĪ MŌ TE TUTUKINGA O NGĀ TŪTOHU ME NGĀ HAEPAPA

## STATEMENT OF COMPLIANCE AND RESPONSIBILITY

#### Compliance

 The Hawke's Bay Regional Council (HBRC) and management of HBRC confirm that all the statutory requirements of the Local Government Act 2002, in relation to the annual report, have been complied with.

### Responsibility

- HBRC and management of the HBRC accept responsibility for the preparation of the annual financial statements and the judgements used in them.
- HBRC and management of HBRC 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.
- In the opinion of HBRC and management of HBRC, the annual financial statements for the year ended 30 June 2024 fairly reflect the financial position and operations of HBRC.

Hinewai Ormsby	Dr Nic Peet	Susie Young
Chair	Chief Executive	Group Manager,
		Corporate Services
30 October 2024	30 October 2024	30 October 2024

For the 12 months ended 30 June				
	Annual		Annual	
	Plan	Actual	Plan	Actual
	22/23	22/23	23/24	23/24
	\$000	\$000	\$000	\$000
Sources of operating funding	13.660	14.254	13 035	12.11
General rates, uniform annual general charges, rates penalties Targeted rates	13,668 20,197	14,354 20,391	12,835 28,126	13,11 27,87
	6,151	37,212		138,44
Subsidies and grants for operating purposes Fees and charges	11,870	10,502	33,110 12,989	10,23
Interest and dividends from investments	16,635	10,352	17,167	
Local authorities fuel tax, fines, infringement fees and other receipts	1,539	3,689	52,558	13,74 2,85
Total operating funding	70,060	96,306	156,783	206,27
The speciality satisfies	, ,,,,,,	,	200,100	
Applications of operating funding	NO. 00 A STATE OF THE PARTY OF			20070
Payments to staff and suppliers	72,807	110,989	170,117	210,87
Finance costs	2,125	2,845	4,207	5,07
Other operating funding applications	(2,085)		+	18
Total applications of operating funding	72,847	113,834	174,324	216,12
Surplus / (Deficit) of operating funding	(2,788)	(17,528)	(17,541)	(9,85
Sources of capital funding				
Subsidies and grants for capital expenditure	8,731	3,320	-	12,22
Development and financial contributions				
Increase / (decrease) in debt	20,907	37,475	134,603	28,67
Gross proceeds from sale of assets	891	513	808	80
Lump sum contributions		-		
Other dedicated capital funding	-	4,000	+	
	30,529	45,308	135,411	41,69
Total sources of capital funding				
· -				-
· -				
Applications of Capital Funding	10,609	6,699		
Applications of Capital Funding Capital Expenditure:	10,609 16,273	6,699 16,904	9,260	25,16
Applications of Capital Funding Capital Expenditure:  - to meet additional demand			9,260 3,858	
Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service				2,60
Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets	16,273 26,882	16,904 23,604	3,858 <b>13,118</b>	2,60 <b>27,7</b> 7
Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves	16,273 26,882 (4,111)	16,904 23,604 (2,483)	3,858 <b>13,118</b> 107,252	2,60 <b>27,77</b> 6,43
Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation	16,273 26,882	16,904 23,604	3,858 <b>13,118</b>	2,60 <b>27,7</b> 7
Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	16,273 26,882 (4,111)	16,904 23,604 (2,483)	3,858 <b>13,118</b> 107,252	2,60 27,77 6,43 (2,35)
Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments  Total applications of capital funding	16,273 26,882 (4,111) 4,970 27,741	16,904 23,604 (2,483) 6,659 27,780	3,858 13,118 107,252 (2,499) 117,870	2,60 27,77 6,43 (2,356 31,84
Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	16,273 26,882 (4,111) 4,970	16,904 23,604 (2,483) 6,659	3,858 13,118 107,252 (2,499)	25,16 2,60 <b>27,77</b> 6,43 (2,356 <b>31,84</b>

Sources of operating funding  General rates, uniform annual general charges, rates penalties  Targeted rates  Subsidies and grants for operating purposes  Fees and charges  Interest and dividends from investments  Local authorities fuel tax, fines, infringement fees and other receipts  Total operating funding  Applications of operating funding  Payments to staff and suppliers  Finance costs  Internal charges & overheads applied  Other operating funding applications  Total applications of operating funding  Surplus / (Deficit) of operating funding  Subsidies and grants for capital expenditure  Development and financial contributions  Increase / (decrease) in debt  Gross proceeds from sale of assets  Lump sum contributions  Other dedicated capital funding	2,930 2,988 323 770 - 7,011  4,375 363 2,326 - 7,064 (54)	3,039 3,121 331 1,001 7,492 4,399 545 2,569 7,513	3,2 2,9 (20 8 6,8 6,1 1,2 7,3
Targeted rates Subsidies and grants for operating purposes Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts Total operating funding  Applications of operating funding Payments to staff and suppliers Finance costs Internal charges & overheads applied Other operating funding applications Total applications of operating funding Surplus / (Deficit) of operating funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions	2,988 323 770 7,011 4,375 363 2,326 7,064	3,121 331 1,001 7,492 4,399 545 2,569 - 7,513	2,9 (20 8, 6,8 6,1 1,2
Subsidies and grants for operating purposes Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts Total operating funding  Applications of operating funding  Payments to staff and suppliers Finance costs Internal charges & overheads applied Other operating funding applications Total applications of operating funding  Surplus / (Deficit) of operating funding  Sources of capital funding  Sources of capital funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt  Gross proceeds from sale of assets Lump sum contributions	323 770 7,011 4,375 363 2,326 7,064	331 1,001 7,492 4,399 545 2,569 - 7,513	6,8 6,8 6,1 1,2
Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts Total operating funding  Applications of operating funding Payments to staff and suppliers Finance costs Internal charges & overheads applied Other operating funding applications Total applications of operating funding  Surplus / (Deficit) of operating funding  Sources of capital funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt  Gross proceeds from sale of assets Lump sum contributions	7,011 4,375 363 2,326 7,064 (54)	1,001 7,492 4,399 545 2,569 - 7,513	6,8 6,8 6,1 1,2
Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts  Total operating funding  Applications of operating funding  Payments to staff and suppliers  Finance costs Internal charges & overheads applied  Other operating funding applications  Total applications of operating funding  Surplus / (Deficit) of operating funding  Sources of capital funding  Subsidies and grants for capital expenditure  Development and financial contributions  Increase / (decrease) in debt  Gross proceeds from sale of assets  Lump sum contributions	7,011 4,375 363 2,326 7,064 (54)	7,492 4,399 545 2,569 - 7,513	6,8 6,1 1,2
Local authorities fuel tax, fines, infringement fees and other receipts  Total operating funding  Applications of operating funding  Payments to staff and suppliers  Finance costs  Internal charges & overheads applied  Other operating funding applications  Fotal applications of operating funding  Surplus / (Deficit) of operating funding  Sources of capital funding  Subsidies and grants for capital expenditure  Development and financial contributions  Increase / (decrease) in debt  Gross proceeds from sale of assets  Lump sum contributions	7,011 4,375 363 2,326 7,064 (54)	4,399 545 2,569 - 7,513 (20)	6,8 6,1 1,2 7,3
Applications of operating funding Payments to staff and suppliers Finance costs Internal charges & overheads applied Other operating funding applications Fotal applications of operating funding Surplus / (Deficit) of operating funding Sources of capital funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions	7,011 4,375 363 2,326 7,064 (54)	4,399 545 2,569 - 7,513 (20)	6,1 1,2 <b>7,3</b>
Payments to staff and suppliers Finance costs Internal charges & overheads applied Other operating funding applications Fotal applications of operating funding Surplus / (Deficit) of operating funding Sources of capital funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions	7,064 (54)	545 2,569 - 7,513 (20)	1,2 7,3
Finance costs Internal charges & overheads applied Other operating funding applications Fotal applications of operating funding Surplus / (Deficit) of operating funding Sources of capital funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions	7,064 (54)	545 2,569 - 7,513 (20)	1,2 7,3
Internal charges & overheads applied Other operating funding applications Fotal applications of operating funding Surplus / (Deficit) of operating funding Sources of capital funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions	2,326 7,064 (54)	2,569 7,513 (20)	7,3
Other operating funding applications  Fotal applications of operating funding  Surplus / (Deficit) of operating funding  Sources of capital funding  Subsidies and grants for capital expenditure  Development and financial contributions  Increase / (decrease) in debt  Gross proceeds from sale of assets  Lump sum contributions	7,064	7,513	
Surplus / (Deficit) of operating funding  Sources of capital funding  Subsidies and grants for capital expenditure  Development and financial contributions  Increase / (decrease) in debt  Gross proceeds from sale of assets  Lump sum contributions	(54)	(20)	
Surplus / (Deficit) of operating funding  Sources of capital funding  Subsidies and grants for capital expenditure  Development and financial contributions  Increase / (decrease) in debt  Gross proceeds from sale of assets  Lump sum contributions	(54)	(20)	
Subsidies and grants for capital expenditure Development and financial contributions Increase / {decrease} in debt Gross proceeds from sale of assets Lump sum contributions	+		(5)
Subsidies and grants for capital expenditure  Development and financial contributions  Increase / (decrease) in debt  Gross proceeds from sale of assets  Lump sum contributions	-		
Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions	-	-	
Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions	3,277		
Gross proceeds from sale of assets Lump sum contributions	3,277	_	
Lump sum contributions		3,927	2
	-	-	
Other dedicated capital funding	-	-	
Total sources of capital funding	3,277	3,927	2
Applications of Capital Funding			
Capital Expenditure:			
- to meet additional demand		-	
- to improve the level of service	+		
- to replace existing assets			
Increase / (Decrease) in reserves	(767)	(312)	(3
Increase / (Decrease) in reserves depreciation	(,0/)	(342)	t'ar
Increase / (Decrease) of investments	3,991	4,219	1
otal applications of capital funding	3,224	3,907	(2)
iurplus/(deficit) of cepital funding	54	20	5
unding balance		100	
Depreciation			

	LTP 22/23 \$000	LTP 23/24 \$000	Actual 23/24 \$000
Sources of operating funding  General rates, uniform annual general charges, rates penalties	7,489	8,058	8,21
Targeted rates	,,105	0,050	O jac
Subsidies and grants for operating purposes	100	103	78,26
Fees and charges	2,980	3,366	2,14
Interest and dividends from investments	2,300	3,300	£,44
Local authorities fuel tax, fines, infringement fees and other receipts	5	5	4
Total operating funding	10,574	11,532	88,67
Applications of operating funding		V = +3 111	
Payments to staff and suppliers	2,279	2,341	89,01
Finance costs	-		
Other operating funding applications	8,284	9,181	
Total applications of operating funding	10,563	11,522	89,01
Sources of capital funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions	- - - -		(2
Other dedicated capital funding Total sources of capital funding			(20
Applications of Capital Funding			
Capital Expenditure:			
- to meet additional demand			
- to improve the level of service	-	*	
- to replace existing assets			
Increase / (Decrease) in reserves	11	11	(36
Increase / (Decrease) in reserves depreciation			
Increase / (Decrease) of investments	-		
otal applications of capital funding	11	11	(36
surplus/(deficit) of capital funding	(11)	(11)	3/
	Attical	Major	
unding balance	-/8	- 1	

Sources of operating funding  General rates, uniform annual general charges, rates penalties  Targeted rates  Subsidies and grants for operating purposes Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts  Total operating funding  Applications of operating funding  Payments to staff and suppliers Finance costs Other operating funding applications  Total applications of operating funding  Surplus / (Deficit) of operating funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt  Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding  Total sources of capital funding  Total sources of capital funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves of Increase / (Decrease) in reserves of Increase / (Decrease) in reserves of Increase / (Decrease) in reserves depreciation Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	6,999 3,202 1,953 4,043	18,052 3,798 86 4,180	Actual 23/24 \$000 18,50 3,84 2,99 3,21 28,56
Sources of operating funding  General rates, uniform annual general charges, rates penalties  Targeted rates  Subsidies and grants for operating purposes Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts  Fotal operating funding  Applications of operating funding:  Payments to staff and suppliers Finance costs Other operating funding applications  Cotal applications of operating funding  Subsidies and grants for capital funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt  Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding  Total sources of capital funding  Applications of Capital Funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves Increase / (Decrease) in reserves of Increase / (Decrease) in reserves of Increase / (Decrease) in reserves of Increase / (Decrease) in reserves depreciation Increase / (Decrease) in reserves depreciation Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	6,999 3,202 1,953 4,043	23/24 \$000 18,052 3,798 86 4,180	18,50 3,84 2,99 3,21
Sources of operating funding  General rates, uniform annual general charges, rates penalties  Targeted rates  Subsidies and grants for operating purposes Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts  Fotal operating funding  Applications of operating funding:  Payments to staff and suppliers Finance costs Other operating funding applications  Cotal applications of operating funding  Subsidies and grants for capital funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt  Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding  Total sources of capital funding  Applications of Capital Funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves Increase / (Decrease) in reserves of Increase / (Decrease) in reserves of Increase / (Decrease) in reserves of Increase / (Decrease) in reserves depreciation Increase / (Decrease) in reserves depreciation Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	6,999 3,202 1,953 4,043	23/24 \$000 18,052 3,798 86 4,180	23/24 \$000 18,50 3,84 2,99 3,21
General rates, uniform annual general charges, rates penalties  Targeted rates Subsidies and grants for operating purposes Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts Total operating funding  Applications of operating funding. Payments to staff and suppliers Finance costs Other operating funding guidentians Total applications of operating funding Surplus / (Deficit) of operating funding Surplus / (Deficit) of operating funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves Increase / (Decrease) in reserves encrease / (Decrease) of investments	6,999 3,202 1,953 4,043	18,052 3,798 86 4,180	18,50 3,84 2,99 3,21
General rates, uniform annual general charges, rates penalties  Targeted rates Subsidies and grants for operating purposes Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts  Total operating funding  Applications of operating funding Payments to staff and suppliers Finance costs Other operating funding applications Total applications of operating funding  Surplus / (Deficit) of operating funding  Surplus / (Deficit) of operating funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding  Total sources of capital funding  Applications of Capital Funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Occrease) in reserves Increase / (Occrease) in reserves Increase / (Occrease) in reserves Increase / (Occrease) of investments	6,999 3,202 1,953 4,043	18,052 3,798 86 4,180	18,50 3,84 2,99 3,21
General rates, uniform annual general charges, rates penalties  Targeted rates  Subsidies and grants for operating purposes Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts  Total operating funding  Applications of operating funding  Payments to staff and suppliers Finance costs Other operating funding applications  Total applications of operating funding  Surplus / (Deficit) of operating funding  Surplus / (Deficit) of operating funding  Success of capital funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt  Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding  Total sources of capital funding  Total sources of capital funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves Increase / (Decrease) of investments	3,202 1,953 4,043	3,798 86 4,180	3,84 2,99 3,21
Subsidies and grants for operating purposes  Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts  Fotal operating funding  Applications of operating funding Payments to staff and suppliers Finance costs  Other operating funding applications Total applications of operating funding  Surplus / (Deficit) of operating funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding  Total sources of capital funding  Applications of Capital Funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves Increase / (Decrease) in in reserves Increase / (Decrease) of investments	1,953 4,043	86 4,180	2,99 3,21
Fees and charges Interest and dividends from investments Local authorities fuel tax, fines, infringement fees and other receipts Fotal operating funding  Applications of operating funding  Payments to staff and suppliers Finance costs Other operating funding applications Total applications of operating funding  Surplus / (Deficit) of operating funding  Surplus / (Deficit) of operating funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding  Total sources of capital funding  Applications of Capital Funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	4,043	4,180	3,21
Interest and dividends from investments  Local authorities fuel tax, fines, infringement fees and other receipts  Total operating funding  Applications of operating funding  Payments to staff and suppliers  Finance costs  Other operating funding applications  Total applications of operating funding  Surplus / {Deficit} of operating funding  Subsidies and grants for capital expenditure  Development and financial contributions  Increase / (decrease) in debt  Gross proceeds from sale of assets  Lump sum contributions  Other dedicated capital funding  Total sources of capital funding  Total sources of Capital Funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves  Increase / (Decrease) in reserves depreciation Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	-	-	
Local authorities fuel tax, fines, infringement fees and other receipts  Fotal operating funding  Applications of operating funding Payments to staff and suppliers Finance costs Other operating funding applications Total applications of operating funding  Surplus / (Deficit) of operating funding  Sources of capital funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding  Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments		26,116	28,56
Applications of operating funding Payments to staff and suppliers Finance costs Other operating funding applications Total applications of operating funding Surplus / (Deficit) of operating funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments		26,116	28,56
Applications of operating funding Payments to staff and suppliers Finance costs Other operating funding applications Ifotal applications of operating funding Sources of capital funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	C 107	26,116	28,56
Payments to staff and suppliers Finance costs Other operating funding applications Itotal applications of operating funding Surplus / (Deficit) of operating funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) of investments	6,197		
Finance costs Other operating funding applications If otal applications of operating funding Surplus / (Deficit) of operating funding Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments			
Other operating funding applications  Total applications of operating funding  Surplus / (Deficit) of operating funding  Subsidies and grants for capital expenditure  Development and financial contributions  Increase / (decrease) in debt  Gross proceeds from sale of assets  Lump sum contributions  Other dedicated capital funding  Total sources of capital funding  Applications of Capital Funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves  Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	0,962	10,229	28,30
Four last applications of operating funding  Sources of capital funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) of investments	295	468	76
Sources of capital funding  Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	6,969	17,226	
Subsidies and grants for capital expenditure Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	8,226	27,923	29,07
Subsidies and grants for capital expenditure  Development and financial contributions Increase / (decrease) in debt  Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding  Total sources of capital funding  Applications of Capital Funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	2,030)	(1,806)	(50
Development and financial contributions Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments			
Increase / (decrease) in debt Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	-		
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	-	-	
Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	4,231	3,580	3,13
Other dedicated capital funding  Total sources of capital funding  Applications of Capital Funding  Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	-	**	
Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments		~	
Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	-		
Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	4,231	3,580	3,13
- to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	laine T		
- to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments			
- to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments		ъ.	
Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	640	214	1,19
Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	040	441	51
Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	634	655	1,7
Increase / (Decrease) of investments		48	84
	634		
otal applications of engital funding	634 <b>1,274</b>	1,071	
otal applications of capital funding	634 <b>1,274</b>	1,774	2,63
urplus/(deficit) of capital funding	634 <b>1,274</b> (117)		
unding balance	634 <b>1,274</b> (117) -	1,806	50
	634 1,274 (117) 1,044 2,201	1,806	50
Depreciation	634 1,274 (117) 1,044 2,201	1,806	Si

Funding Impact Statement - Asset Management			
or the 12 months ended 30 June			
	LTP	LTP	Actual
	22/23	23/24	23/24
	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,092	6,052	8,04
Targeted rates	8,592	10,049	10,14
Subsidies and grants for operating purposes	106	121	51,88
Fees and charges	2,930	1,815	1,91
Interest and dividends from investments	-	*	35
Local authorities fuel tax, fines, infringement fees and other receipts			52
Total operating funding	17,720	18,037	72,86
Applications of operating funding			
Payments to staff and suppliers	4,487	4,623	70,76
Finance costs	86	152	15
Other operating funding applications	8,776	9,344	
otal applications of operating funding	13,349	14,119	70,9
surplus / (Deficit) of operating funding	4,371	3,918	2,0
ources of capital funding			
Subsidies and grants for capital expenditure	8,834	-	12,22
Development and financial contributions		-	
Increase / (decrease) in debt	2,111	1,357	9,04
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding	_		
Total sources of capital funding	10,945	1,357	21,26
Applications of Capital Funding		141.700	Second Sec
Capital Expenditure:			
- to meet additional demand			
- to improve the level of service	8,414	2,569	23,0
- to replace existing assets	11,623	3,883	1,06
	20,037	6,452	24,1
Increase / (Decrease) in reserves	(4,721)	(1,177)	(80
Increase / (Decrease) in reserves depreciation	(4,7 a.x)	(1,1///	loc
Increase / (Decrease) of investments	_	-	
otal applications of capital funding	15,316	5,275	23,2
urplus/(deficit) of capital funding	(4,371)	(3,918)	(2,03
unding balance			
	5,50	- 20	
		1,526	1,4

	LTP 22/23 \$000	LTP 23/24 \$000	Actual 23/24 \$000
ources of operating funding	221	227	2.11
General rates, uniform annual general charges, rates penalties  Targeted rates	321 2,509	337 2.892	3,1 2,8
Subsidies and grants for operating purposes	2,309	2,092	2,0
	115	118	
Fees and charges	113	110	2,1
Interest and dividends from investments	-	•	
Local authorities fuel tax, fines, infringement fees and other receipts	2 020	2.422	
otal operating funding	3,028	3,433	8,2
pplications of operating funding			
Payments to staff and suppliers	524	538	7,0
Finance costs	*	-	4
Other operating funding applications	2,653	2,786	
otal applications of operating funding	3,177	3,324	7,5
urplus / (Deficit) of operating funding	(149)	108	7
ources of capital funding			
Subsidies and grants for capital expenditure	-		
Development and financial contributions	-	-	
Increase / (decrease) in debt			(48
Gross proceeds from sale of assets	-		
Lump sum contributions			
Other dedicated capital funding	-	-	
Total sources of capital funding	-	-	(48
Applications of Capital Funding	EWW TOWNSHIP		
Capital Expenditure:			
- to meet additional demand			
- to improve the level of service	-	+	
- to replace existing assets			
	(149)	108	2
Increase / (Decrease) in reserves	(145)	-	
	(145)		
Increase / (Decrease) in reserves	(145)	-	
Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments	(149)	108	2
Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments Increase / (Decrease) of investments Increase / (Decrease) of capital funding			
Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation	(149)	108	2 (75
Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation Increase / (Decrease) of investments Increase / (Decrease) of investments Increase / (Decrease) of capital funding	(149)	108	

Hawke's Bay Regional Council			
Funding Impact Statement - Transport			
For the 12 months ended 30 June			
	Trans.	196	DESCRIPTION OF THE PARTY OF THE
	LTP	LTP	Actual
	22/23 \$000	23/24 5000	\$000
Sources of operating funding	3000	3000	3000
General rates, uniform annual general charges, rates penalties	245	256	229
Targeted rates	2,877	3,285	3,091
Subsidies and grants for operating purposes	3,923	4,384	5,161
Fees and charges	-,	.,	626
Interest and dividends from investments	_		-
Local authorities fuel tax, fines, infringement fees and other receipts			0
Total operating funding	7,045	7,925	9,107
The state of the s	7,015	.,	2,227
Applications of operating funding			
Payments to staff and suppliers	5,492	6,212	9,832
Finance costs	4	5	4
Other operating funding applications	1,424	1,581	
Total applications of operating funding	6,920	7,798	9,836
		,	
Surplus / (Deficit) of operating funding	124	128	(728)
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions	-		-
Increase / (decrease) in debt			(+.4)
	(74)	(24)	
	(24)	(24)	(14)
Gross proceeds from sale of assets	(24)	(24)	(14)
Gross proceeds from sale of assets Lump sum contributions	(24)	(24)	(14)
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding			(14)
Gross proceeds from sale of assets Lump sum contributions	(24)	(24)	
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding			(14)
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding			
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:			
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand			
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service	(24)	(24)	
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand	(24)	(24)	
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service	(24)	(24)	
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets	(24) 24 24	(24)	(14)
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves	(24) 24 24 76	(24) 25 25	(14)
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) in reserves depreciation	(24) 24 24 76	(24) 25 25	(14)
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves	(24) 24 24 76	(24) 25 25	(742)
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) of investments Total applications of capital funding	(24) 24 24 76	(24) 25 25	(742)
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) of investments Total applications of capital funding  Surplus / (deficit) of capital funding	(24) 24 24 76 100 (124)	(24) 25 25 25 105	
Gross proceeds from sale of assets Lump sum contributions Other dedicated capital funding Total sources of capital funding  Applications of Capital Funding Capital Expenditure:  - to meet additional demand - to improve the level of service - to replace existing assets  Increase / (Decrease) in reserves Increase / (Decrease) of investments Total applications of capital funding	(24) 	(24) 25 25 25	(742)

- estimation of useful lives and residual values for depreciation expense (Notes 9, 10, 12)
- deferred taxes (Note 21).

# 2.30 New standards and amendments issued and not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current year end's reporting periods and have not been early adopted by HBRC. HBRC and the Group's assessment of the impact of these new standards and interpretations is set out below.

#### PBE IFRS 17 Insurance

PBE IFRS 17 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2023. HBRC has not early adopted this standard and Regional Council has not yet determined how application of PBE IFRS 17 will affect its financial statements.

## Amendments to PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets

There have been some changes in the recognition of onerus contracts effective for reporting period beginning on or after 1 January 2023. HBRC has not early adopted this standard and has not yet determined how application of these changes will affect its financial statements

### Amendments to PBE IPSAS 17 Property, Plant and Equipment

There have been some changes in the recognition costs of testing asset functionality effective for reporting period beginning on or after 1 January 2023. HBRC has not early adopted this standard and has not yet determined how application of these changes will affect its financial statements.

## Amendments to PBE IPSAS 21 Impairment of Non-Cash Generating Assets.

This amendment provides clarity around the recognition and measurement of impairment losses on non cash generating assets effective on or after 1 January 2023. HBRC has not early adopted this standard and has not yet determined how application of these changes will affect its financial statements.

## Amendments to PBE IPSAS 26 Impairment of Cash-Generating Assets.

This amendment provides clarity around the recognition and measurement of impairment losses of cash generating assets effective on or after 1 January 2023. HBRC has not early adopted this standard and has not yet determined how application of these changes will affect its financial statements.

## 2.31 Comparative figures

Comparative figures disclosed in the accounts may have minor changes to those presented in the 2022-2023 Annual Report. This has only been done in cases where the changes result in more meaningful comparisons, or to comply with any new standards, interpretations or amendments that have been adopted in these financial statements for the first time (see above for detail on these).

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