

Meeting of the Corporate and Strategic Committee

Date: 13 November 2024
Time: 2.00pm
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Attachments excluded from the Agenda

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5.	Regional Economic Development Agency update	
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	Attachment 1: Hawke's Bay Tourism FY24 Annual Report <i>Available online only</i>	46
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The Hawke's Bay economy – historical performance and trends

for Hawke's Bay Regional Economic
Development Agency

July 2024



Authorship

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Executive summary

This report provides a description of the Hawke's Bay's economy including its economic performance, productivity, population, wellbeing outcomes and the Māori and Pacific Peoples economies. It is desktop based and is a scene setter for the subsequent consultation phase of the project in which challenges and opportunities for the region will be identified.

Global trends influencing Hawke's Bay

Globally, the last five years has seen significant upheaval across the economy. Economic trends were severely disrupted in 2020 as the COVID-19 pandemic swept the world, leading to lockdowns and economic and social restrictions globally. Supply chains became heavily impacted by disrupted supply of goods, leading to higher shipping rates and uncertain freight movements. Global restrictions on travel and movement saw spending shift away from services and towards goods, stimulating demand for high-quality food exports globally that Hawke's Bay was able to supply.

Monetary stimulus saw interest rates cut globally to spur spending and investment, sending demand for goods and services soaring as restrictions eased. Sustained high levels of monetary and fiscal stimulus kept demand for goods, including Hawke's Bay exports, high for a period, with larger volumes and much higher prices. However, with demand outstripping supply globally, inflation rose to rates not seen in a generation, which was met with sharply tighter monetary policy. Rising interest rates then curbed demand globally, seeing demand for exports diminished, and households and businesses around the world limited spending and investment.

National trends influencing Hawke's Bay

Nationally, economic trends mirrored many global economic trends, but often with a lag. Periods of lockdown and movement restrictions forced a higher rate of working from home as offices were temporarily shuttered, with the national working from home rate at 42% during times of restriction. These periods of restriction also forced households to consider their operating environment, and with a clear uplift in the ability to work from home, a shift from metro areas towards provincial centres, including Hawke's Bay, was observed. Households saw provincial areas as having lower costs of living, lower house prices, and strong social and lifestyle benefits, with these shifts enabled by a more flexible approach to working.

Strong export demand helped support stronger economic outcomes in provincial areas of New Zealand like Hawke's Bay that had a focus on food production, as well as areas that didn't have as much exposure to international tourism. An inability to travel internationally saw household travel spending repurposed into domestic travel, with Kiwis exploring more of New Zealand as the borders remained closed. More recent times have seen inflation hit harder, and lower export demand coupled with high domestic interest rates have curbed local economic activity.

Hawke's Bay population

Population growth in the Hawke's Bay averaged 1.4% over the five years to 2023, compared with 1.3% nationally. Hawke's Bay's population growth exceeded national population growth in three out of the last five years. Factors contributing to its recent

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strong performance include strong net international migration, plentiful job opportunities, remote working options, an attractive lifestyle, and affordable housing.

Population growth was strongest in Central Hawke's Bay District (1.4%) and Hastings District (1.3%) over the 5 years to 2023. Napier City, with less space for expansion, had the slowest growth (0.7%pa).

In 2023, 29% of the Hawke's Bay population identified as Māori, which is 11 percentage points higher than the national proportion of 18%. Among the four territorial authorities making up the Hawke's Bay, Wairoa has by far the highest proportion of Māori (69%).

Hawke's Bay's population has both a higher proportion of under 15-year-olds and 65-year-olds and older than the national population. Only 61% of Hawke's Bay's population was of working age (15 to 64-years of age) in 2023 which was four percentage points lower than the national population (65% age).

Hawke's Bay economy

Growth in real gross domestic product (GDP) in Hawke's Bay averaged 3.1% over the five years to 2023, compared with 2.5% in the national economy. Growth in Hawke's Bay exceeded growth in the national economy in four out of the last five years. Prior to 2018 the region underperformed the national economy each year since 2006.

Napier City and Hastings City dominate the Hawke's Bay economy, collectively contributing nearly 90% of the region's economic output in 2023. They have led growth in the region, contributing 94% of the region's growth between 2018 and 2023.

Despite the Hawke's Bay's large agricultural economic base, high value services have been the largest contributors to the region's economic expansion over the five years to 2023. The largest contributor to growth was professional, scientific and technical services which grew 5.8%pa, more than double the rate of growth of the regional economy (2.6%pa).

Hawke's Bays' economy has a strong export orientation. Exports from Hawke's Bay amounted to 31% of the region's GDP in 2023, almost a third larger than the national proportion (22%). Apples, pears and other fruit account for the largest proportion of exports from the Hawke's Bay.

In 2023 Hawke's Bay's GDP per capita (\$55,848 in 2023 prices) was only slightly more than three-quarters of the national level (\$72,329). Contributors to the lower GDP per capita include its smaller proportion of its population that are of working age, lower labour force participation rate and its lower productivity rate.

Hawke's Bay's five largest industries have significantly lower productivity than in the national economy. The most extreme is agriculture, forestry and fishing, Hawke's Bays' second largest industry, which contributes 9.1% of the region's GDP in 2023 and had a productivity level of just 68% of the national productivity level. This may be influenced by the types of agriculture in the region.

The region's lower productivity results in lower average earnings (income earned through employment) and household incomes. Average earnings per filled job in Hawke's Bay was approximately 10% lower than in New Zealand and average household income about 9% below the national level.

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Hawke's Bay labour market

Over the five years to 2023 employment growth in Hawke's Bay averaged 2.2%pa, slightly higher than the national average of 2.0%. This is a change in fortunes for the region after lagging the national average for most of the period from 2005 to 2016.

The construction industry was the largest contributor to employment growth in Hawke's Bay over the past five year, adding more than 2,000 jobs over the period.

Historically, Hawke's Bay's unemployment rate has been above the national average but has been closing the gap and by March 2024 the rate was sitting at 3.6%, below the national average of 4.0%. Wairoa has a much higher unemployment rate than the other territorial authorities in Hawke's Bay, with its rate sitting at 7.2%.

The region's NEET rate (those people aged 15 to 24 not in employment, education, or training) has also fallen sharply and was sitting at 10.7% in March 2024, compared to 12.1% nationally.

School leaver attainment in Hawke's Bay sat close to the national average in 2023, although attainment at the crucial University Entrance (UE) level was below average.

Wellbeing in Hawke's Bay

Hawke's Bay has mostly lower wellbeing outcomes than NZ. In 2023, Hawke's Bay only outperformed New Zealand in two wellbeing domains: housing and civil engagement and governance. It underperformed in safety, income and consumption, environment, social connections, jobs and earnings, health and knowledge and skills. Among the four territorial authorities Napier City had the highest outcomes.

Māori in the Hawke's Bay economy and labour market

The number of Māori employed in Hawke's Bay has risen from under 15,000 in 2013 to well above 22,000 by 2023. Over this period Māori employment has grown on average 4%pa compared with 1.4% for non-Māori.

Māori workers are overrepresented in the primary industries (in Hawke's Bay mostly agriculture, forestry and fishing) and goods producing industries both of which tend to require lower skilled workers. At a fine level of industry detail meat processing is by far the largest employer of Māori workers.

The rapid growth in employment of Māori over the last decade and more has resulted in the Māori unemployment rate in Hawke's Bay declining from a post GFC high of 17.1% in 2010 to 7.8% in 2023.

In 2021 there were 831 Māori businesses in Hawke's Bay which amounted to 4.2% of total businesses in the region. This was higher than in the national economy, in which 3.4% of businesses were Māori. Nearly half of all Māori businesses are in the agriculture and construction industries.

Average Māori earnings are lower than average across all ethnicities and gap is widening. The average earnings of Māori workers in Hawke's Bay was \$59,200 in 2023 compared with an average of \$67,100 across all ethnicities.

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Pacific Peoples in the Hawke's Bay economy and labour market

The number of Pacific Peoples in employment in the Hawke's Bay grew from fewer than 2,000 in 2013 to over 5,000 in 2023. The rate of growth of nearly 10%pa considerably exceeds the rate of all ethnicities (1.9%) over the same period. By 2023 Pacific Peoples accounted for 5.6% of total employment in Hawke's Bay, up from just 2.6% in 2013.

Nearly two-thirds of Pacific Peoples workers were employed in the primary industries and (low value) other services sectors in Hawke's Bay in 2023. Apple and pear growing is by far the largest employer of Pacific Peoples.

Despite strong employment growth of Pacific Peoples in Hawke's Bay over the past decade, the unemployment rate of Pacific People was sitting at a very high rate of 9.2% in 2023, well above the average rate for all ethnicities of 3.8%.

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Table 1. Summary of indicators

Indicator	Measurement	Year	Hawke's Bay Region	New Zealand	Wairoa District	Hastings District	Napier City	Central Hawke's Bay District
Population								
Total population	Persons	2023	184,800	5,223,100	9,290	91,900	67,500	16,000
Population change, 2018-2023	Average annual change		1.4%	1.3%	1.3%	1.6%	1.0%	1.8%
Māori population	Persons	2023	51,830	904,100	6,230	25,760	15,830	4,010
% Māori	% of total	2023	28.0%	17.3%	67.1%	28.0%	23.5%	25.1%
Pacific Peoples population	Persons	2023	13,650	476,210	410	9,690	2,980	570
% Pacific Peoples	% of total	2023	7.4%	9.1%	4.4%	10.5%	4.4%	3.6%
Working age population	Persons	2023	113,000	3,391,200	5,420	57,300	40,900	9,250
% Working age population	% of total	2023	61.1%	64.9%	58.3%	62.4%	60.6%	57.8%
Economy								
GDP	\$m, 2023 prices	2023	10,321	377,784	404	5,554	3,605	758
GDP change, 2018-2023	Average annual change		3.1%	2.5%	0.7%	3.3%	3.3%	2.2%
GDP per capita			\$55,848	\$72,329	\$43,445	\$60,436	\$53,412	\$47,356
Exports	\$m, current prices	2023	\$3,229	\$83,777	\$288	\$1,892	\$589	\$461
Exports as % of GDP		2023	31.3%	22.2%	71.3%	34.1%	16.3%	60.8%
Productivity	GDP per filled job	2023	113,685	137,196	113,180	111,933	117,101	111,279
Earnings	Mean annual earnings	2023	\$67,076	\$74,754	\$59,252	\$68,905	\$65,862	\$62,289
Household income	Mean annual HH income	2023	\$113,907	\$125,424	\$92,101	\$122,557	\$108,111	\$105,766
Labour market								
Employment	Filled jobs	2023	90,783	2,753,601	3,566	49,620	30,788	6,809
Employment change, 2018-2023	Average annual change		2.2%	2.0%	0.9%	2.3%	2.3%	1.7%
Unemployment rate	% of workforce unemployed	2023	3.8%	3.3%	7.8%	3.5%	3.9%	3.1%
NEET rate		2023	14.3%	11.2%	22.4%	13.9%	14.0%	12.9%
Māori								
Employment	Filled jobs	2023	22,223	392,194	1,889	12,149	6,585	1,565
Employment change, 2018-2023	Average annual change		3.8%	3.5%	1.3%	3.9%	4.6%	3.0%
Unemployment rate	% of workforce unemployed	2023	7.8%	6.8%	11.8%	7.1%	7.8%	5.9%
Earnings	Mean annual earnings	2023	\$59,203	\$67,801	\$57,225	\$60,042	\$58,778	\$58,425
Businesses	Businesses that are Māori	2021	831	20,499				
	% businesses that are Māori	2021	12.7%	11.0%				
Pacific Peoples								
Employment	Filled jobs	2023	5,070	176,121		3,613	1,097	232
Employment change, 2018-2023	Average annual change		6.7%	4.6%		6.9%	6.5%	5.6%
Unemployment rate	% of workforce unemployed	2023	9.2%	6.0%		8.9%	9.5%	6.3%
Earnings	Mean annual earnings	2023	\$59,278	\$64,899		\$59,207	\$61,172	\$61,079

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Introduction

The Hawke's Bay Regional Economic Development Agency has commissioned Infometrics and MartinJenkins to investigate challenges and opportunities within key sectors of the region's economy. The investigation will include a desktop analysis and extensive consultation with stakeholders in the region.

This report is the start of the desktop analysis. It provides a scene setter for the subsequent consultation phase of the project in which challenges and opportunities for the region will be identified.

This report starts with a description of the global and national trends that impact Hawke's Bay's economy. The report then describes the salient features of the Hawke's Bay economy including its economic performance, productivity, population, and wellbeing outcomes. It also describes the Māori and Pacific economies separately.

The report focusses mostly on the Hawke's Bay economy as a whole, but where appropriate delves into some of the differences between the four territorial authorities - Wairoa District, Central Hawke's Bay District, Hastings District and Napier City.

At the beginning of the report there is a summary table, which includes most of the indicators used in the report for Hawke's Bay, New Zealand and the four territorial authorities. At the end of the report there is a *Statistical and graphical appendix* which provides more detailed charts and tables than is feasible in the main body of the report.

Global trends influencing Hawke's Bay

Globally, the last five years has seen significant upheaval across the economy. Economic trends were severely disrupted in 2020 as the COVID-19 pandemic swept the world, leading to lockdowns and economic and social restrictions globally. Supply chains became heavily impacted by disrupted supply of goods, leading to higher shipping rates and uncertain freight movements. Global restrictions on travel and movement saw spending shift away from services and towards goods, stimulating demand for high-quality food exports globally that Hawke's Bay was able to supply.

Monetary stimulus saw interest rates cut globally to spur spending and investment, sending demand for goods and services soaring as restrictions eased. Sustained high levels of monetary and fiscal stimulus kept demand for goods, including Hawke's Bay exports, high for a period, with larger volumes and much higher prices. However, with demand outstripping supply globally, inflation rose to rates not seen in a generation, which was met with sharply tighter monetary policy. Rising interest rates then curbed demand globally, seeing demand for exports diminished, and households and businesses around the world limited spending and investment.

National trends influencing Hawke's Bay

Nationally, economic trends mirrored many global economic trends, but often with a lag. Periods of lockdown and movement restrictions forced a higher rate of working from home as offices were temporarily shuttered, with the national working from home rate at 42% during times of restriction. These periods of restriction also forced households to consider their operating environment, and with a clear uplift in the ability

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to work from home, a shift from metro areas towards provincial centres, including Hawke's Bay, was observed. Households saw provincial areas as having lower costs of living, lower house prices, and strong social and lifestyle benefits, with these shifts enabled by a more flexible approach to working.

Strong export demand helped support stronger economic outcomes in provincial areas of New Zealand like Hawke's Bay that had a focus on food production, as well as areas that didn't have as much exposure to international tourism. An inability to travel internationally saw household travel spending repurposed into domestic travel, with Kiwis exploring more of New Zealand as the borders remained closed. More recent times have seen inflation hit harder, and lower export demand coupled with high domestic interest rates have curbed local economic activity.

The Hawke's Bay population

This section describes the growth in the Hawke's Bay population over the past couple of decades.

Hawke's Bay's population growth has recently surpassed national growth

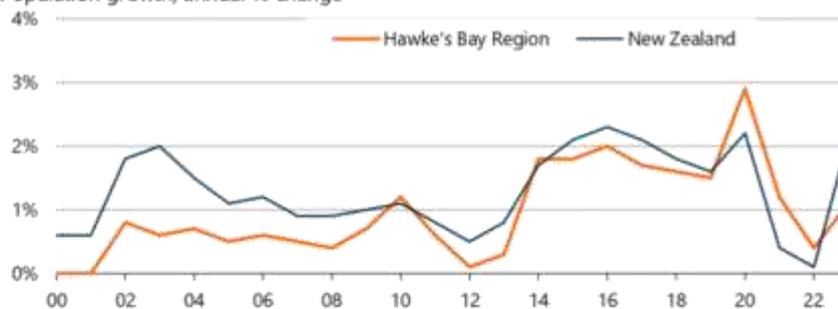
Population growth in the Hawke's Bay averaged 1.4% over the five years to 2023, compared with 1.3% nationally. Hawke's Bay's population growth exceeded national population growth in three out of the last five years.

Stronger population growth in recent years came after a long period during which Hawke's Bay's growth substantially lagged New Zealand's. Factors contributing to its recent strong performance include strong net international migration (the region gained a net 7,910 new residents through international migration flows between 2018 and 2023), plentiful job opportunities, remote working options, an attractive lifestyle, and affordable housing.

Chart 1

Hawke's Bay growth exceeded NZ in recent years

Population growth, annual % change



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Central Hawke's Bay's population grows fastest

Chart 2 shows that population growth in Hawke's Bay was strongest in Central Hawke's Bay District (1.4%) and Hastings District (1.3%) over the 5 years to 2023. Napier City, with less space for expansion, had the slowest growth (0.7%pa).

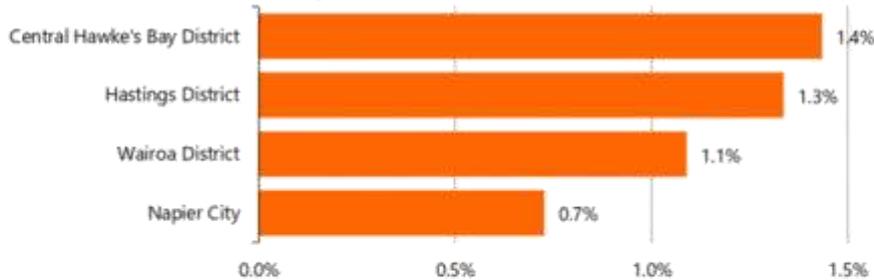
Central Hawke's Bay District and Wairoa District stand out as the districts that have turned their fortunes around. Central Hawke's experienced almost no population growth over the period 1996 to 2013 but since then has experienced average growth of 1.9%pa. Wairoa's population declined from 10,200 in 1996 to a low of 8,300 in 2013 but has since recovered to 9,290 in 2023 after 10 successive years of growth.

Both Napier City and Hastings District have mostly experienced population growth since 1996.

Chart 2

Highest five-year growth in Central Hawke's Bay

Population growth, annual average % change, 2018-2023



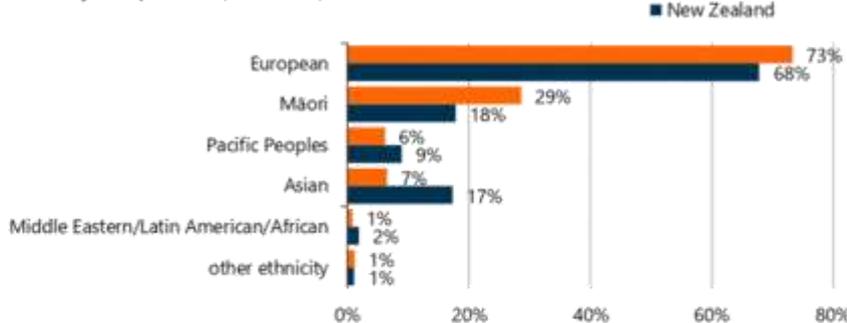
The Hawke's Bay population has a high proportion of Māori

The Hawke's Bay has deep Māori roots, and this is reflected in its large Māori population. Chart 3 shows that in 2023, 29% of the Hawke's Bay population identified as Māori, which is 11 percentage points higher than the national proportion of 18%.

Chart 3

Hawke's Bay has a high proportion of Māori

Ethnicity composition (June 2023)



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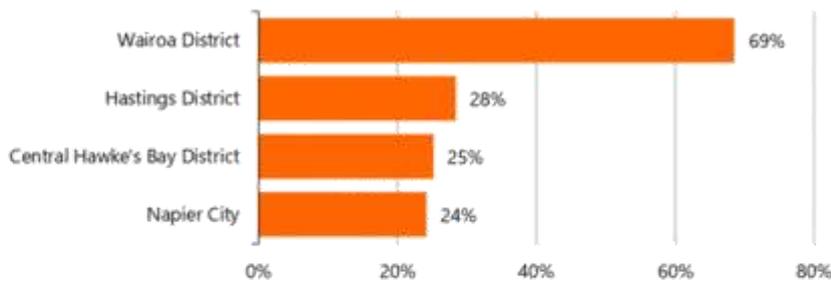
The Asian population is considerably underrepresented in Hawke's Bay. Only 6.5% of the population identified as Asian in 2023, well below the national average of 17.3%. Pacific Peoples are slightly underrepresented while Europeans are slightly overrepresented.

Wairoa has by far the highest proportion of Māori population

Chart 4 shows that among the four territorial authorities making up the Hawke's Bay, Wairoa has by far the highest proportion of Māori, with Māori making up 69% of the district's population. Māori make up between 24% and 29% of the population across the other territorial authorities.

Chart 4

Wairoa has highest proportion of Māori
Māori % of total population (June 2023)



Hawke's Bay's age profile younger and older than NZ's

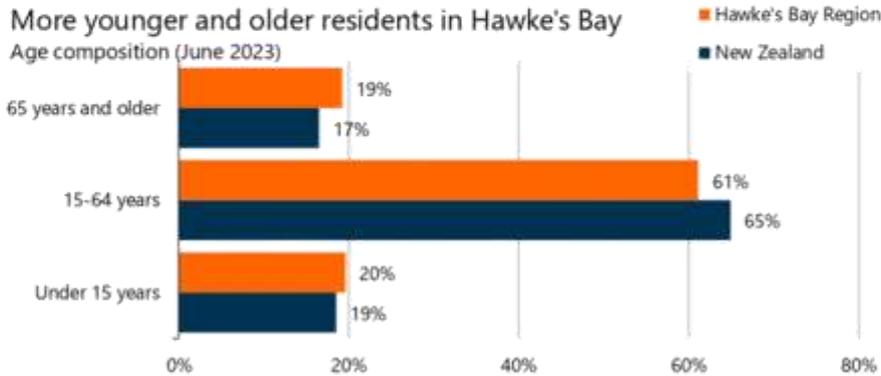
Chart 5 shows that Hawke's Bay's population has both a higher proportion of under 15-year-olds and 65-year-olds and older than the national population. In 2023 20% of Hawke's Bay's population were under 15 years, compared with 19% of the national population. The high proportion of young people is largely explained by the region's high fertility rate. In 2018, Hawke's Bay had the third highest fertility rate (2.12 births per woman, compared to the national average of 1.75) among New Zealand's 16 regional council areas.

Hawke's Bay region's proportion of persons 65 years and older was 19% compared with 17% in the national population. The region's fine climate and lifestyle make it an attractive option for retirees.

Only 61% of Hawke's Bay's population was of working age (15 to 64-years of age) in 2023 which was four percentage points lower than the national population (65% age). This has significant implications for the region's economy as there is a smaller proportion that economically support the younger and older generations.

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Chart 5



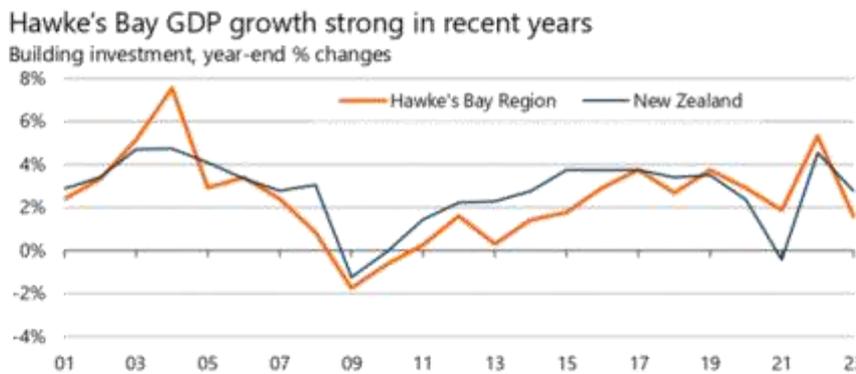
The Hawke's Bay economy

This section looks at the characteristics and recent performance of the Hawke's Bay economy.

Hawke's Bay's economy has outperformed NZ in recent years

Growth in real gross domestic product (GDP) in Hawke's Bay averaged 3.1% over the five years to 2023, compared with 2.5% in the national economy. Growth in Hawke's Bay exceeded growth in the national economy in four out of the last five years. Chart 6 shows that 2018 was a turning point for the Hawke's Bay economy. Prior to 2018 the region underperformed the national economy each year since 2006.

Chart 6



The Hawke's Bay economy performed remarkably well during the COVID pandemic, achieving growth of 1.9% during the year to March 2021, when output in the national economy declined by 0.4%. Demand for food was sustained through the pandemic and regions with large food production sectors, including Hawke's Bay, weathered the economic storm well.

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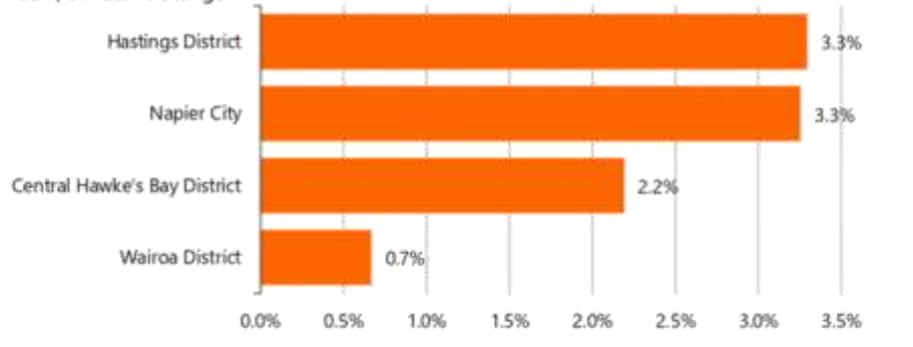
Napier and Hastings have led Hawke's Bay's growth

Napier City and Hastings City dominate the Hawke's Bay economy, collectively contributing nearly 90% of the region's economic output. Not only are they the largest economies, but they have led growth in the region, contributing 94% of the region's growth between 2018 and 2023. Chart 7 shows that both Napier City and Hastings City grew at an average of 3.3%pa between 2018 and 2023 while Central Hawke's Bay District and Wairoa District grew at a much more modest 2.2%pa and 0.7%pa respectively.

Chart 7

Hastings and Napier led growth over last five years

GDP, annual % change



Hawke's Bay economy is heavily export oriented

A significant proportion of economic output from the Hawke's Bay economy is exported. Chart 8 shows that exports from Hawke's Bay amounted to 31% of the region's GDP in 2023, almost a third larger than the national proportion (22%).

Among the four territorial authorities in the region, Wairoa (71%) and Central Hawke's Bay (61%) had the highest export proportions, reflecting the dominance of the primary sector in these areas with their high export propensity.

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Chart 8

Hawke's Bay economy heavily export oriented

Total exports as % of GDP, 2023

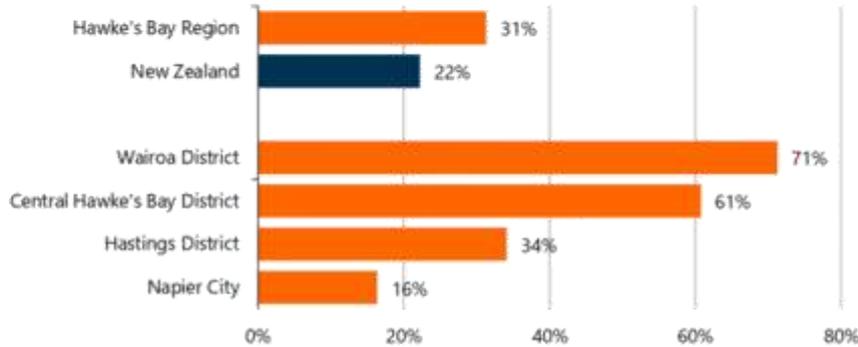
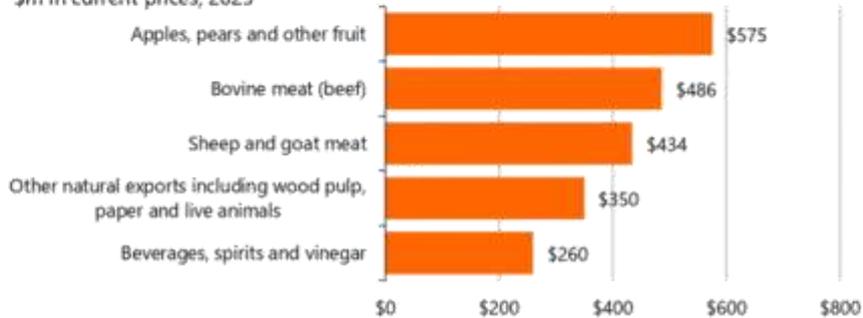


Chart 9 shows that apples, pears and other fruit account for the largest proportion of exports from the Hawke's Bay. More than \$575m were exported in 2023, accounting for 17% of total goods exports from the region. Meat categories are the next largest with beef accounting for nearly 15% and sheep and goat another 13%. A full list of goods exports is provided in Table 4 in the *Statistical and graphical appendix*.

Chart 9

Apples, pears and other fruit are largest exports

\$m in current prices, 2023



Recent economic growth driven by high value services

Despite the Hawke's Bay's large agricultural economic base, high value services have been the largest contributors to the region's economic expansion over the five years to 2023.

The economic output of professional, scientific and technical services grew 5.8%pa, more than double the rate of growth of the regional economy (2.6%pa). Output from the industry increased by \$202m, making it the largest contributor to the region's \$1,455m increase in GDP between 2018 and 2023.

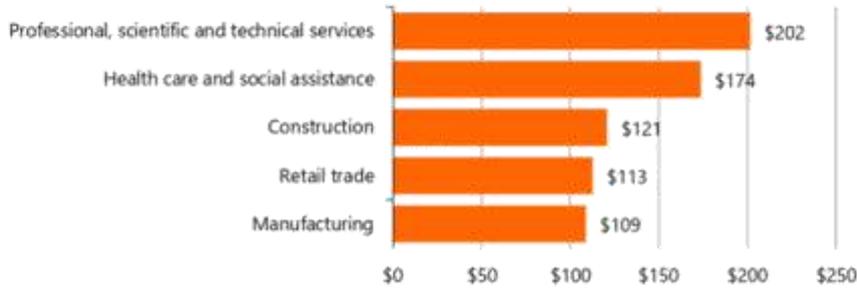
Chart 10 shows that health care and social assistance was the second largest contributor to overall growth over the five-year period, expanding by 4.1%pa and adding an

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additional \$174m to the region's GDP. Table 4 in the *Statistical and graphical appendix* shows the contribution of all industries to economic growth in Hawke's Bay for the period 2018-2023.

Chart 10

Professional services the largest contributor to growth
 \$m increase in GDP, 2018-2023



The four territorial authorities have had different growth industries. Napier's property market has been a significant contributor to its growth, with the rental, hiring and real estate services adding \$85.2m to the City's GDP over the over the five years to 2023. Hastings's health care and social assistance industry was the largest contributor to growth over the same period, adding \$137.3m. The professional, scientific and technical services industry was the largest contributor in Central Hawke's Bay, adding \$14.8m and the construction industry in Wairoa, adding \$5.2m.

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Contribution to GDP growth by ANZSIC L1 industries

ANZSIC Level 1 industries	GDP (\$m)		Absolute growth (\$m)	Annual growth
	2018	2023		
Professional, scientific and technical services	502.2	703.8	201.6	5.8%
Health care and social assistance	645.1	818.9	173.8	4.1%
Construction	591.2	712	120.8	3.1%
Retail trade	504.7	617.3	112.6	3.4%
Manufacturing	1131.8	1240.7	108.9	1.5%
Rental, hiring and real estate services	624.8	733.4	108.6	2.7%
Wholesale trade	355.5	446.1	90.6	3.9%
Public administration and safety	313.8	371.4	57.6	2.8%
Administrative and support services	183.7	239	55.3	4.5%
Information media and telecommunications	72.1	108.5	36.4	7.0%
Electricity, gas, water and waste services	192	224.8	32.8	2.7%
Accommodation and food services	192.1	224.4	32.3	2.6%
Other services	121.2	143.9	22.7	2.9%
Transport, postal and warehousing	406.4	422.2	15.8	0.6%
Financial and insurance services	220.4	236.1	15.7	1.2%
Arts and recreation services	66.7	75.9	9.2	2.2%
Mining	11.2	6.9	-4.3	-7.8%
Agriculture, forestry and fishing	945.5	935.8	-9.7	-0.2%
Education and training	348.9	336.6	-12.3	-0.6%
Total	8865.5	10320.7	1455.2	2.6%

Chart 40 in the *Statistical and graphical appendix* shows the five largest contributors to growth for each of the four territorial authorities.

GDP per capita is lower in Hawke's Bay than in NZ

The size of an area's economy relative to the size of its population is an important determinant of an area's economy ability to support the livelihoods and wellbeing of the local population. Chart 11 shows that in 2023, Hawke's Bay's GDP per capita (\$55,848 in 2023 prices) was only slightly more than three-quarters of the national level (\$72,329).

Chart 11

GDP per capita is lower in Hawke's Bay than NZ

GDP per capita in 2023 (2023 prices)



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There are multiple contributors to Hawke’s Bay’s lower output per capita

Hawke’s Bay has a smaller proportion of working-age people

Hawke’s Bay’s working-age population comprises a smaller proportion of the total population as it has both a higher proportion of young people (under 15-years old) and older people aged 65 years and over. In 2023 only 61% of Hawke’s Bay’s population were of working age population compared to 65% in the national economy according to Stats NZ’s estimated resident population.

A smaller proportion of the working-age population available to work

At 69%, the labour force participation rate in Hawke’s Bay/Gisborne is somewhat lower than the 72% recorded in the national economy over the year to March 2024, according to Stats NZ’s Quarterly Labour Force Survey.

Output per worker is lower in Hawke’s Bay

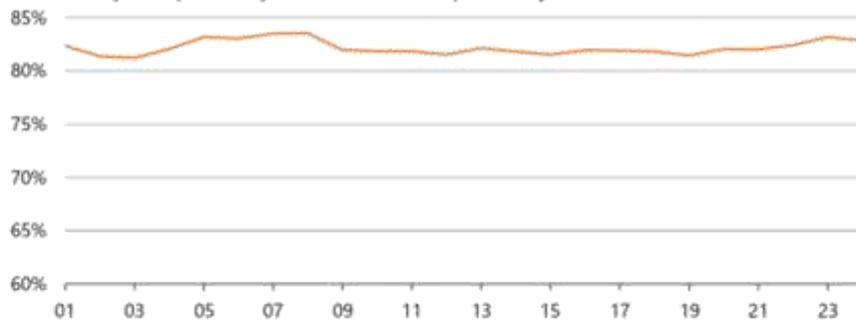
To compound the economic impact of the region’s demography and labour market participation, output per filled job (a measure of productivity) is considerably lower in Hawke’s Bay than in the national economy. GDP per worker in Hawke’s Bay (\$113,685) was 17% lower than the equivalent measure in the national economy (\$137,196) in 2023.

Chart 12 shows that Hawke’s Bay’s average productivity has moved between a maximum of 84% of the national economy’s in 2007 and a minimum of 81% in 2002. Since 2017, Hawke’s Bay’s productivity has been on a slight upward trajectory, which is in line with many of its improving economic indicators.

Chart 12

Hawke’s Bay productivity consistently lower than NZ

Hawke’s Bay GDP per filled job as % of NZ GDP per filled job



There are multiple reasons why a region may have a lower productivity which include the type of industries present in the local economy, skills of workers, technologies used by firms, and the physical characteristics of the region including its climate and topography.

A major contributor to a region’s productivity is the mix of industries. Areas with high concentrations of highly productive industries tend to have high average productivity. Chart 13 shows that Hawke’s Bay’s five largest industries have significantly lower

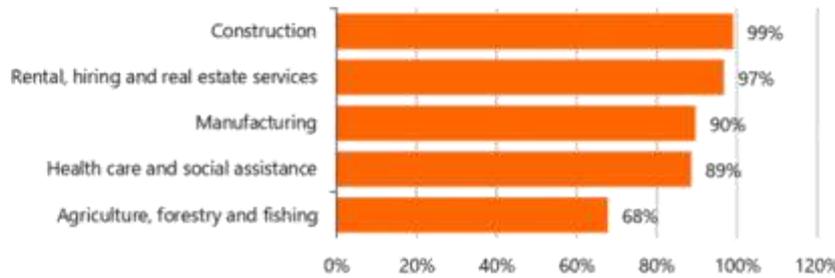
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productivity than in the national economy. The most extreme is agriculture, forestry and fishing, Hawke's Bays' second largest industry, which contributes 9.1% of the region's GDP in 2023 and had a productivity level of just 68% of the national productivity level.

Chart 13

Top five industries have lower productivity than NZ

Hawke's Bay productivity as % of NZ productivity, 2023



The lower productivity of agriculture in Hawke's Bay may be influenced by the industry composition of the sector. The sector in Hawke's Bay is dominated by horticulture which has lower productivity than other parts of the agricultural sector, for example dairy farming, which are dominant in the national economy.

Table 2 shows the relative size of each industry in Hawke's Bay and its productivity relative to NZ. All industries have lower productivity in Hawke's Bay than in the national economy except retail trade which is approximately equal.

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Table 2
Industry productivity is lower in Hawke's Bay than NZ

Industry Code	Industry Name	GDP (\$m)	Productivity (GDP per filled job)		Hawke's Bay productivity as % of NZ
		Hawke's Bay Region	Hawke's Bay Region	New Zealand	
A	Agriculture, forestry and fishing	\$936	\$87,132	\$128,478	68%
B	Mining	\$7	\$92,000	\$460,354	20%
C	Manufacturing	\$1,241	\$109,933	\$122,642	90%
D	Electricity, gas, water and waste services	\$225	\$305,435	\$477,299	64%
E	Construction	\$712	\$82,322	\$83,104	99%
F	Wholesale trade	\$446	\$147,276	\$156,987	94%
G	Retail trade	\$617	\$78,397	\$78,256	100%
H	Accommodation and food services	\$224	\$41,873	\$45,264	93%
I	Transport, postal and warehousing	\$422	\$126,332	\$133,437	95%
J	Information media and telecommunications	\$109	\$199,449	\$376,483	53%
K	Financial and insurance services	\$236	\$174,244	\$277,517	63%
L	Rental, hiring and real estate services	\$733	\$346,925	\$358,498	97%
M	Professional, scientific and technical services	\$704	\$126,674	\$132,939	95%
N	Administrative and support services	\$239	\$52,958	\$63,883	83%
O	Public administration and safety	\$371	\$98,150	\$118,592	83%
P	Education and training	\$337	\$50,923	\$61,351	83%
Q	Health care and social assistance	\$819	\$76,755	\$86,616	89%
R	Arts and recreation services	\$76	\$66,755	\$104,653	64%
S	Other services	\$144	\$42,199	\$63,632	66%

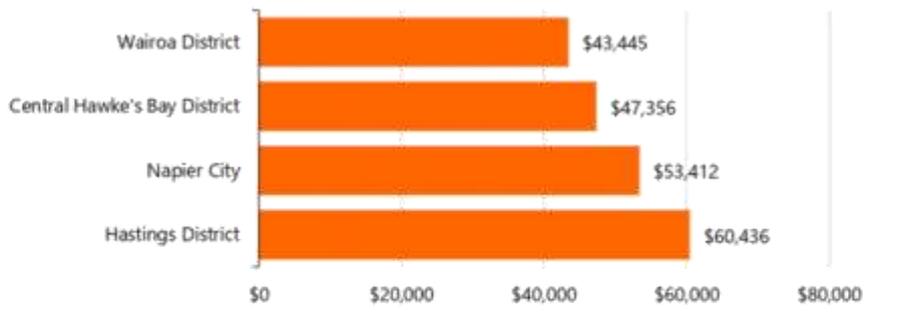
Source: Infometrics

Within the region, Hastings District has the highest GDP per capita

Chart 14 shows that among the four territorial authorities in the region, Hastings has the highest GDP per capita and Wairoa the lowest. The differences in GDP per capita are largely explained by the geographic spread of jobs and demographic factors rather than differences in productivity.

Chart 14

Hastings has highest GDP per capita
 GDP per capita in 2023 (2023 prices)



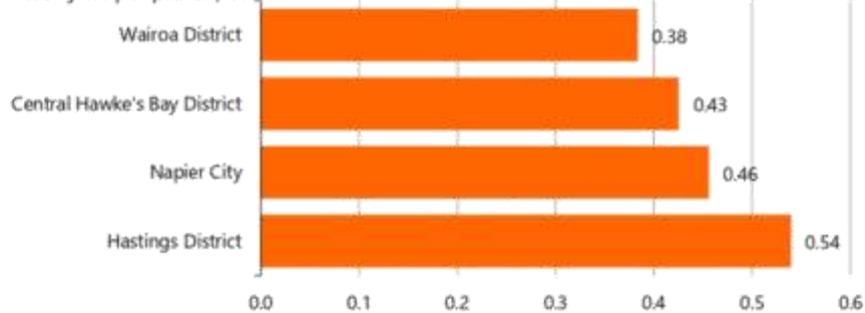
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Chart 14 shows that Wairoa has the lowest GDP per capita. Contributing to this is the fact that it has the smallest proportion of its population in the working ages (15-64 years) and has the highest unemployment rate among the four territorial authorities. This means Wairoa has the lowest proportion of its total population in employment and contributing to economic output. This is illustrated in Chart 15 which shows that there are only 0.38 filled jobs per person in Wairoa in 2023, well short of the regional average of 0.49.

Chart 15

Wairoa has fewest jobs per capita

Filled jobs per person, 2023



Hastings has considerably more filled jobs per person than Napier which contributes to its higher GDP per capita. Napier has a lower employment density because it has a high proportion of its land allocated to residential and is a place to live for many people working in Hastings District.

Earnings and household incomes are lower in Hawke's Bay than in NZ

In an earlier section¹⁸ we noted that GDP per capita in Hawke's Bay was lower than in the national economy and that the region's lower productivity was a contributing factor. It follows that the region's lower productivity results in lower average earnings (income earned through employment) in Hawke's Bay.

Chart 16 shows that average earnings per filled job in Hawke's Bay was approximately 10% lower than in New Zealand. Average earnings in the four Hawke's Bay territorial authorities also follow their relative productivity levels. Chart 16 shows that average earnings were highest in Hastings District and lowest in Wairoa District. The gaps in average earnings between the four territorial authorities have stayed relatively constant over the last decade with them experiencing similar rates of growth (all around 4%pa).

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Chart 16

Hawke's Bay average earnings lower than NZ

Average earnings per filled job, 2023



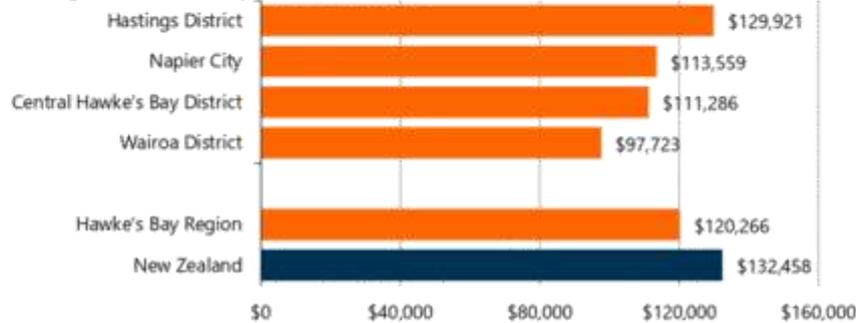
Earnings are the major source of household income, so it follows that household incomes trends in Hawke's Bay are similar to average earnings. Chart 17 shows that the average household income in Hawke's Bay was a touch above \$120,000 per annum in 2023, about 9% below the national household income.

Across the territorial authorities within the region, household incomes were highest in Hastings District (\$129,921) and lowest in Wairoa (\$97,723).

Chart 17

Hawke's Bay household income lower than NZ

Average annual income per household, 2023



The Hawke's Bay labour market

This section describes the growth in employment opportunities in Hawke's Bay and its impact on the unemployment rate and participation in the labour market.

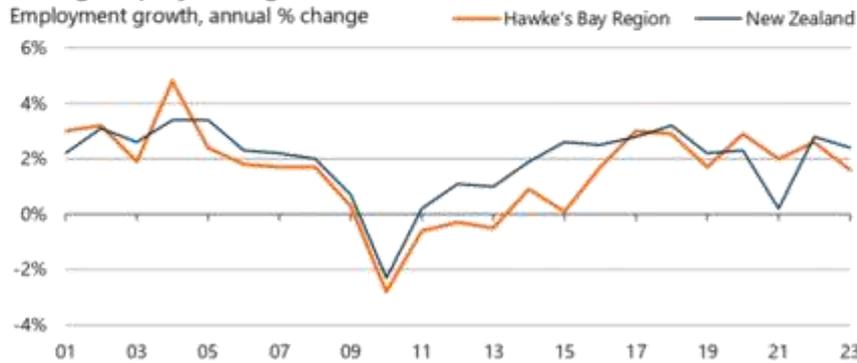
Strong employment growth in Hawke's Bay in recent years

Chart 18 shows over the five years to 2023 employment growth in Hawke's Bay has averaged 2.2%pa, slightly higher than the national average of 2.0%. This is a change in fortunes for the region after lagging the national average for most of the period from 2005 to 2016.

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Chart 18

Strong employment growth in recent years

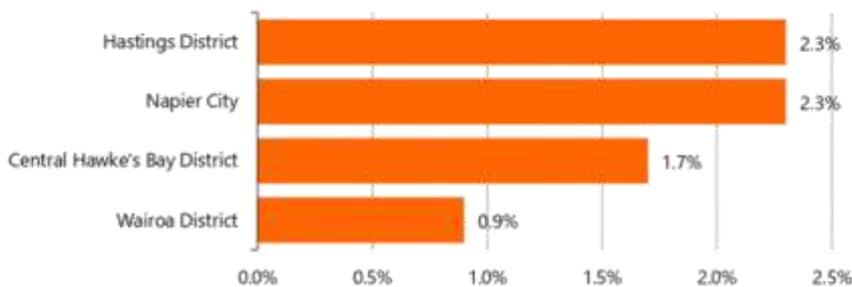


All four of the Hawke's Bay territorial authorities experienced employment growth over the five years to 2023 (Chart 19) with Hastings District and Napier City experiencing the fastest growth.

Chart 19

Highest employment growth in Hastings and Napier

Employment growth, annual average % change, 2018-2023



Construction industry largest contributor to jobs

Employment in the construction industry in Hawke's Bay grew on average by 5.5%pa over the five years to 2023, more than double the regional average of 2.2%. The industry added more than 2,000 jobs to the region's labour market (Chart 20). The recent construction boom in Hawke's Bay started around 2017 and coincides with the acceleration of employment growth in the region. The construction outlook for the Hawke's Bay has weakened considerably, meaning the industry will not be a major contributor to employment growth in the medium term.

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Chart 20

Construction is largest job creator in Hawke's Bay

Change in employment, 2018-2023

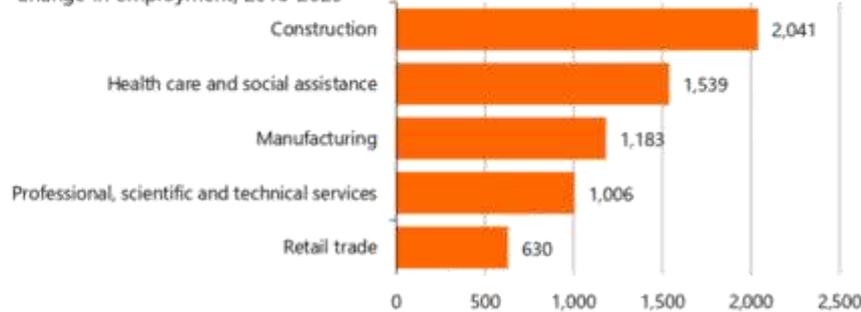


Chart 20 shows that health care and social assistance, and manufacturing were the next largest contributors to employment growth, expanding by 3.2%pa and 2.2%pa respectively and adding 1,539 and 1,183 jobs respectively over the five-year period.

Hawke's Bay's unemployment rate has dropped below NZ rate

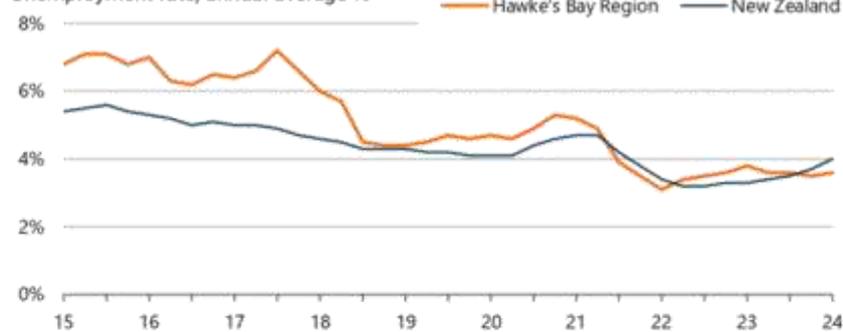
Historically, Hawke's Bay's unemployment rate has been above the national average but has been falling over the past year and as at March 2024 was below the national rate. Hawke's Bay's annual average unemployment rate over the year to March 2024 was 3.6%, compared with 4.0% nationally (Chart 21).

The gap between the unemployment rate in Hawke's Bay and nationally was at its peak in September 2017 when the rate in Hawke's Bay was 2.3 percentage points higher than the national rate. The fall in the unemployment rate from its peak in 2017 has coincided with the uptick in employment growth.

Chart 21

Unemployment has fallen below the national rate

Unemployment rate, annual average %



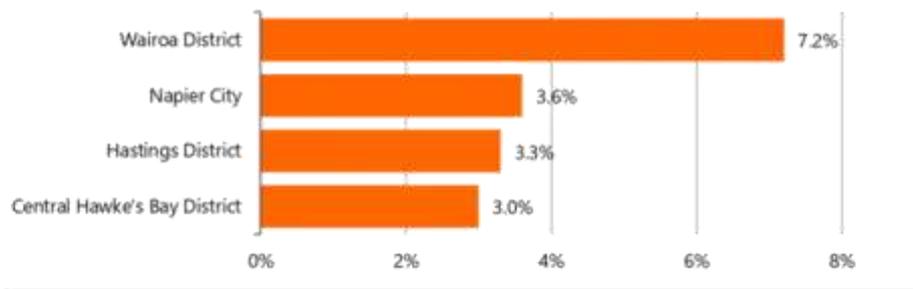
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Uneven unemployment outcomes across the region

Wairoa has a much higher unemployment rate than the other territorial authorities in Hawke's Bay, with its rate sitting at 7.2% over the year to March 2024 (Chart 22). Contributing factors to its high unemployment rate are limited job opportunities, geographical isolation, and its dependence on agriculture and forestry which have a strong seasonal component.

Chart 22

Unemployment outcomes differ across the region
Annual average unemployment rate, March 2024

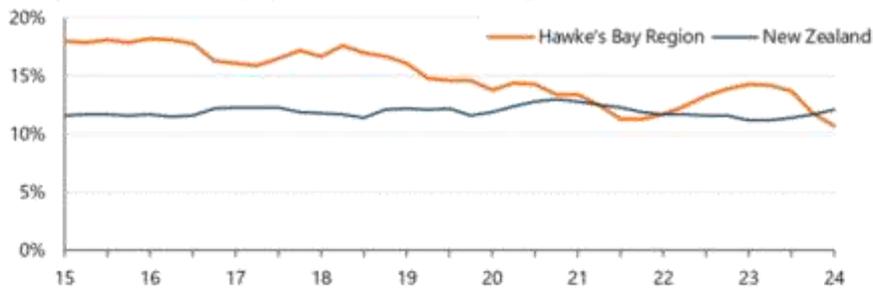


NEET rate has fallen sharply in Hawke's Bay

As more employment opportunities have arisen in Hawke's Bay in recent years, the NEET rate (those people aged 15 to 24 not in employment, education, or training) has fallen sharply (Chart 23). The Hawke's Bay's NEET rate was sitting at 10.7% in March 2024, compared to 12.1% nationally. The NEET rate has trended down since 2018 in the Hawke's Bay while nationally it has remained relatively constant.

Chart 23

The NEET rate has declined sharply in the Hawke's Bay
% aged 15-24 not in employment, education or training, March years

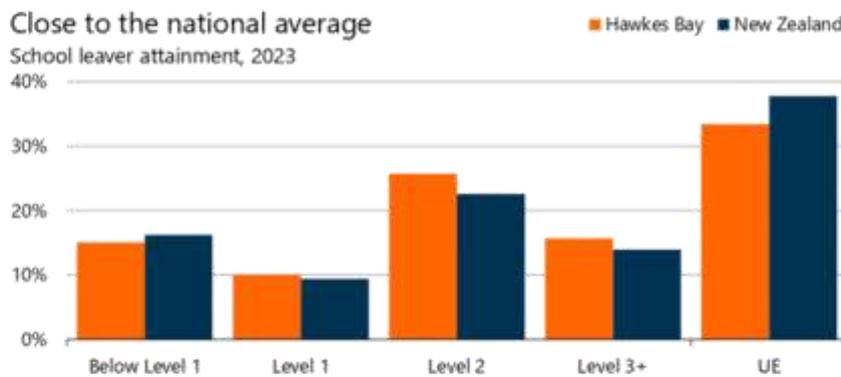


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School leaver attainment close to the national average, but worsening

School leaver attainment in Hawke’s Bay sat close to the national average in 2023, although attainment at the crucial University Entrance (UE) level is below average (Chart 24). Some 25% of Hawke’s Bay school leavers attained NCEA Level 1 or below compared with the national average of 26%, 41% attained NCEA Levels 2 or 3 compared with the national average of 37%, and 33% attained UE compared with 38% nationally.

Chart 24



The COVID-19 pandemic disrupted school education and, with it, school leaver attainment. Between 2019 and 2023, the proportion of Hawke’s Bay school leavers attaining NCEA Level 1 or below rose from 19% to 25%. The proportion attaining UE fell from 41% to 33%. These shifts, which reflect national trends, will most likely have implications for young peoples’ post-school qualification attainment and labour market activities. For instance, school leavers attaining NCEA Level 1 or below are more likely to be NEET in the years after they leave school than school leavers with higher attainment.

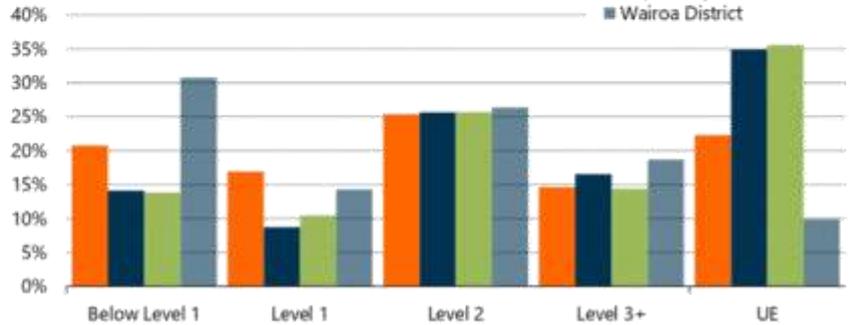
Perhaps most concerning of all is that school leaver attainment is significantly worse in Wairoa District and Central Hawke’s Bay District (Chart 25). In 2023, 45% of school leavers in Wairoa District and 38% in Central Hawke’s Bay District attained NCEA Level 1 or below compared with 23% in Hastings District and 24% in Napier City. Among the highest attainers, just 10% of school leavers in Wairoa District and 22% in Central Hawke’s Bay District attained UE compared with 35% in Hastings District and 36% in Napier City.

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Chart 25

Attainment worst in Wairoa and CHB

School leaver attainment, 2023



A key reason for the lower school leaver attainment in Wairoa District is the gap between Māori and non-Māori school leaver attainment. Across Hawke's Bay in 2023, 38% of Māori school leavers attained NCEA Level 1 or below compared with 17% of non-Māori school leavers. In contrast, just 17% of Māori school leavers attained UE compared with 44% of non-Māori. With a significant Māori population in Wairoa, this attainment gap is reflected in the district's overall school leaver attainment results.

Wellbeing in Hawke's Bay

In this section we draw on the Infometrics Regional Wellbeing Framework to compare wellbeing outcomes in Hawke's Bay with the national average. The framework provides insights into how each region and territorial authority of New Zealand compare across a range of wellbeing metrics. The framework uses 30 objective indicators of wellbeing across nine wellbeing domains. It focusses on outcomes for people and communities and shows how outcomes in each domain and indicator have changed over time.

Hawke's Bay has mostly lower wellbeing outcomes than NZ

Chart 26 shows the wellbeing radar for Hawke's Bay. The radar shows the domain score for each of the nine wellbeing domains. A higher score (closer to the perimeter) indicates a higher wellbeing outcome. In 2023, the region only outperformed New Zealand in two wellbeing domains: housing and civil engagement and governance.

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Chart 26



Hawke's Bay outperformed NZ in housing and civil engagement domains

Hawke's Bay's better performance in the **housing** domain was due to more affordable housing and a higher home ownership rate. On the negative side, Hawke's Bay has lower rental affordability than the New Zealand average. The household crowding rate was similar.

The region performed better in **civil engagement and governance** due to a higher general election turnout, although this was partially offset by a lower local election turnout.

But underperformed in all other domains

Hawke's Bay Region underperformed the New Zealand average in the following wellbeing domains (in order of underperformance, largest underperformer first):

- **Safety:** Hawke's Bay has a much higher workplace injury rate and crime rate and a slightly higher road fatality rate.
- **Income and consumption:** Hawke's Bay has significantly lower earnings, household incomes, and a higher benefit dependency ratio.
- **Environment:** Hawke's Bay has a much lower waste diversion rate and slightly higher per capita carbon dioxide emissions.
- **Social connections:** Hawke's Bay has a significantly higher dependency ratio (number of under 15-year-olds and over 65-year olds as a ratio of the rest of the

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population), a slightly higher working commute time and lower internet access rate. On the positive side, Hawke's Bay has a slightly lower truancy rate than the New Zealand average.

- **Jobs and earnings:** Hawke's Bay has a significantly smaller proportion of its workforce in skilled jobs, a higher NEET rate, and more workers in declining industries.
- **Health:** Hawke's Bay has a significantly higher suicide rate, slightly lower life expectancy, and drinking water quality, and a similar mental health presentation rate.
- **Knowledge and skills:** Hawke's Bay's adult population has a significantly lower proportion with NCEA Level 3 and a lower proportion of the region's school leavers transition to tertiary education. On the positive side the region's adult population has a slightly higher proportion with NCEA Level 2 and a higher early childhood education participation rate.

Napier City has the best wellbeing outcomes

The wellbeing radar for each of the four Hawke's Bay territorial authorities are shown in the *Statistical and graphical appendix* at the end of this report.

Napier City performs the best among the four territorial authorities. It exceeds the New Zealand average for knowledge and skills and civic engagement and governance and is very close for health and housing. For environment and jobs and earnings it is further behind and falls far short of the national average for safety and income and consumption.

Central Hawke's Bay District performs well in civic engagement and governance and housing relative to the New Zealand average and is very close in health. However, it falls well short in social connections, income and consumption, safety, jobs and earnings, environment, and knowledge and skills.

Hastings only outperforms the national average in housing. It falls short in all other domains, especially in the safety domain due to its high crime rate and workplace injury rate.

Wairoa has the lowest wellbeing outcomes overall falling far short of the national average in most domains. However, it does outperform the national average in civic engagement and governance due to its much higher local election turnout. It also performs better in the housing domain due to its more affordable housing.

Māori in the Hawke's Bay economy and labour market

Māori employment has grown rapidly

Over the past ten years the number of Māori employed in Hawke's Bay has risen from under 15,000 in 2013 to well above 22,000 by 2023. Over this period Māori employment has grown on average 4%pa compared with 1.4% for non-Māori.

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Chart 27 shows that Māori employment growth in the Hawke's Bay exceeded non-Māori employment growth in most years since 2000. A notable exception was in the aftermath of the global financial crisis (GFC) when industries employing large numbers of Māori, particularly construction, were very hard hit. Māori employment declined by 5.5% in 2010.

The rapid growth in Māori employment has resulted in a large increase in the Māori share of total employment in Hawke's Bay. In 2000 approximately 18% of jobs were filled by Māori, rising to a quarter (25%) in 2023.

Chart 27

Māori employment grown much faster than non-Māori

Filled jobs, annual % change, 2000-2023



Māori employment in Hawke's Bay is concentrated in lower skilled industries

Māori workers are overrepresented in the primary industries (in Hawke's Bay mostly agriculture, forestry and fishing) and goods producing industries (manufacturing, electricity, gas and water, and construction), both of which tend to require lower skilled workers (Chart 28).

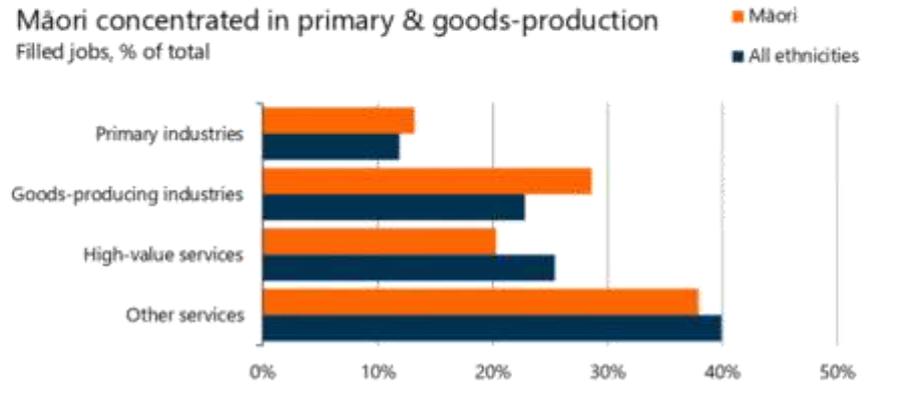
Māori are especially underrepresented in the high value services (includes professional services, healthcare and education) which typically require high-level skills.

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Chart 28

Māori concentrated in primary & goods-production

Filled jobs, % of total



However, there has been good progress in Māori moving into the high-value services. The proportion of Māori in high-value services increased from 18.7% in 2013 to 20.3% ten years later. Over the same period there was a significantly smaller increase in the proportion of the total workforce employed in the high-value services (from 24.2% in 2013 to 25.4% in 2023) which indicates higher growth in employment in high-value services among Māori than other ethnicities.

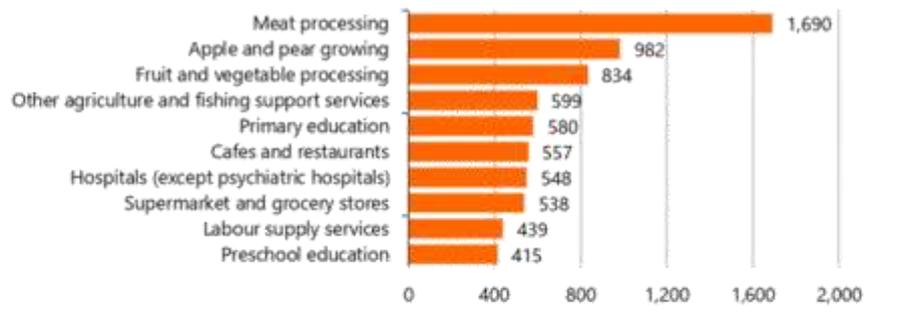
Meat processing is by far the largest employer of Māori in Hawke's Bay

Turning our focus to a finer level of industry classification (at level 4 of the Australia New Zealand Standard Industrial Classification, which comprises about 500 industries) reveals that meat processing is by far the largest employer of Māori workers (Chart 29). In 2023, there were 1,690 workers employed in the industry, which amounted to 7.6% of Māori workers. The next largest were apple and pear growing (982, 4.4%) and fruit and vegetable processing (834, 3.8%).

Chart 29

Meat processing is largest employer of Māori

Filled jobs by ANZSIC level 4 industries, 2023



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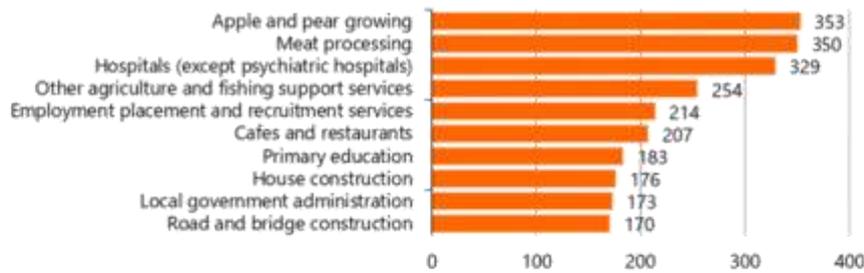
Apple and pear growing has created the most new jobs for Māori

In an earlier section we noted that Māori employment had grown very fast over the past ten years (p23). Chart 30 shows the ten industries which created the most jobs for Māori over the 10 years to 2023. Industries that require lower skill levels are in the majority but there a few industries requiring higher skills including hospitals, primary education, and local government.

Chart 30

Apple & pear growing creates most new jobs for Māori

Increase in filled jobs for Māori, 2013-2023



Māori unemployment has fallen sharply, still higher than Hawke's Bay average

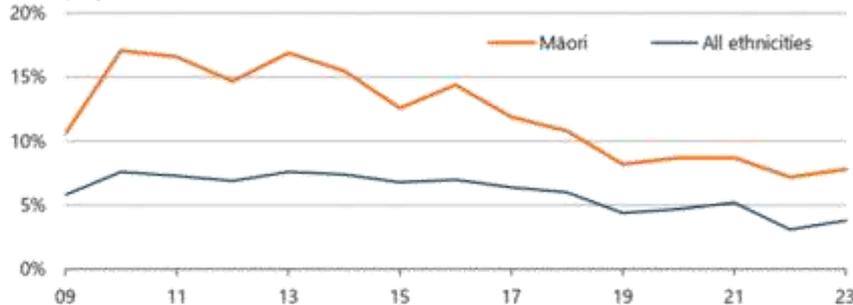
The rapid growth in employment of Māori over the last decade and more has resulted in the Māori unemployment rate in Hawke's Bay declining from a post GFC high of 17.1% in 2010 to 7.8% in 2023 (Chart 31).

Māori were very hard hit by the GFC with the Māori unemployment rate rising 6.5 percentage points in 2010 to 17.1%. It took nearly a decade for the rate to recover to the pre-GFC rate.

Chart 31

Māori unemployment rate higher than region average

Unemployment rate, 2009-2023



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The sharp fall in the Māori unemployment rate since 2010 has resulted in a closing of the gap between the Māori rate and the rate for all ethnicities. The gap was at its widest in 2010 when it stood at 9.5 percentage points and declined to 3.8 percentage points by 2019. Since 2019 the gap has persisted at around four percentage points. In 2023 the Māori unemployment rate stood at 7.8% compared with 3.8% for all ethnicities.

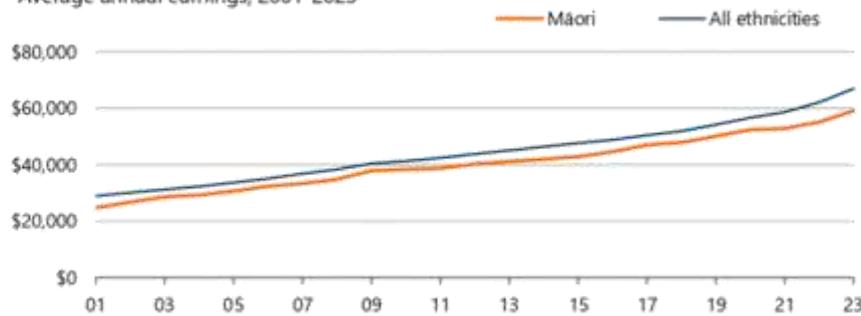
Average Māori earnings are lower than average across all ethnicities

The average earnings of Māori workers in Hawke’s Bay was \$59,200 in 2023 compared with an average of \$67,100 across all ethnicities (Chart 32). The gap between Māori and the average for all ethnicities has widened, especially in recent years. This indicates that new jobs created for Māori in the recent years have lower average wages than the all ethnicities average. This is consistent with an earlier finding which showed that many industries that were creating the largest number of new jobs for Māori were lower skilled industries.

Chart 32

Average Māori earnings below overall average

Average annual earnings, 2001-2023



Higher proportion of businesses in Hawke’s Bay are Māori owned

In 2021 there were 831 Māori businesses in Hawke’s Bay which amounted to 4.2% of total businesses in the region. This was higher than in the national economy, in which 3.4% of businesses were Māori.

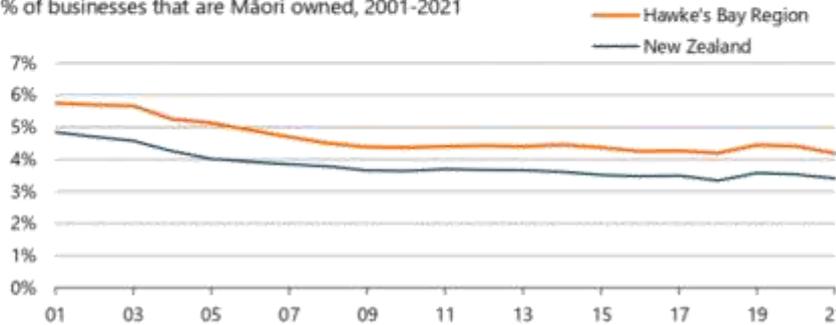
Chart 33 shows that the proportion of businesses that are Māori owned in Hawke’s Bay declined over the period 2001 to 2009 and thereafter stayed approximately constant. A Māori business is a business with at least one owner of Māori ethnicity and/or descent.

35 The Hawke's Bay economy – July 2024

Chart 33

More Māori owned businesses in Hawke's Bay

% of businesses that are Māori owned, 2001-2021



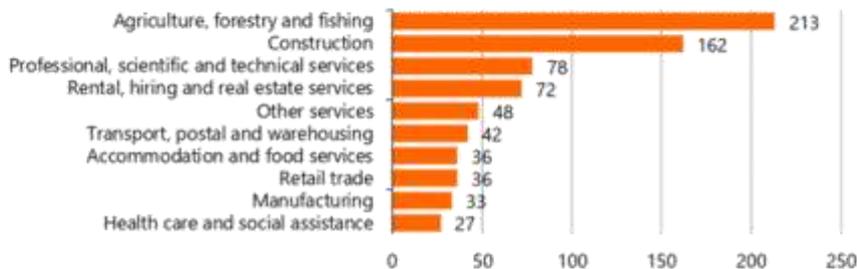
Māori businesses are concentrated in agriculture and construction

Nearly half of all Māori businesses are in the agriculture and construction industries. Chart 34 shows that the industries with the next largest number of Māori businesses were professional, scientific and technical services (9.3% of all Māori businesses), rental hiring and real estate services (8.6%) and other services (5.7%).

Chart 34

Māori business concentrated in agri and construction

Māori businesses ranked by ANZSIC Level 1 industries



Pacific Peoples in the Hawke's Bay economy and labour market

Employment of Pacific Peoples has jumped sharply over last decade

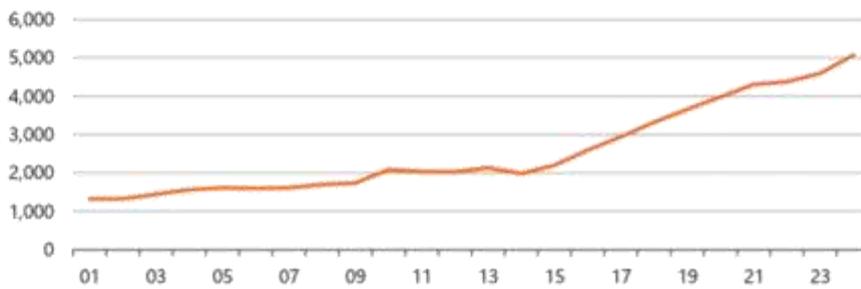
The number of Pacific Peoples in employment in the Hawke's Bay grew from fewer than 2,000 in 2013 to over 5,000 in 2023 (Chart 35). The rate of growth of nearly 10%pa considerably exceeds the rate of Māori employment growth (4.0%pa) and all ethnicities

36 The Hawke's Bay economy – July 2024

(1.9%) over the same period. By 2023 Pacific Peoples accounted for 5.6% of total employment in Hawke's Bay, up from just 2.6% in 2013.

Chart 35

Growth in Pacific Peoples employed in Hawke's Bay
Jobs filled by Pacific Peoples, 2000-2023

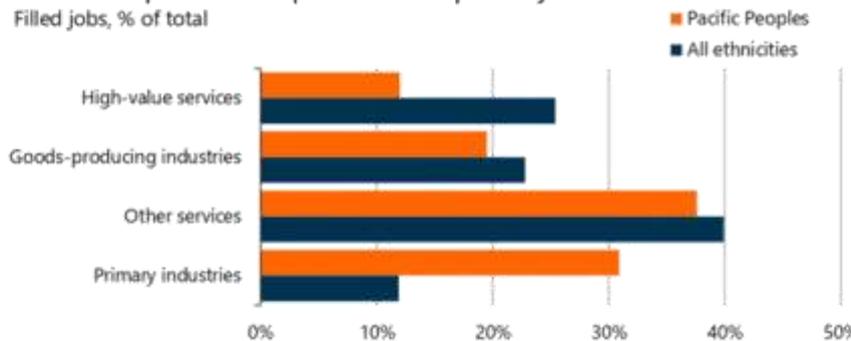


Pacific Peoples employment in Hawke's Bay is concentrated in the primary sector and low-value services

Nearly two-thirds of Pacific Peoples workers were employed in the primary industries and (low value) other services sectors in Hawke's Bay in 2023 (Chart 36). They are considerably under-represented in high-value services, which account for just 12% of their employment, compared with more than 25% among all ethnicities.

Chart 36

Pacific Peoples over-represented in primary industries
Filled jobs, % of total



Apple and pear growing is largest Pacific Peoples employer

Employment of Pacific Peoples is heavily focused on the agricultural industry and the related food processing and agricultural support services industries. Chart 37 shows that among the top 10 largest industries (at ANZSIC level 4) only Hospitals (eighth largest employer) and Cafes and restaurants (tenth largest) are not closely linked to these sectors.

37 The Hawke's Bay economy – July 2024

Chart 37

Many Pacific Peoples work in apple & pear growing
Filled jobs by ANZSIC level 4 industries, 2023

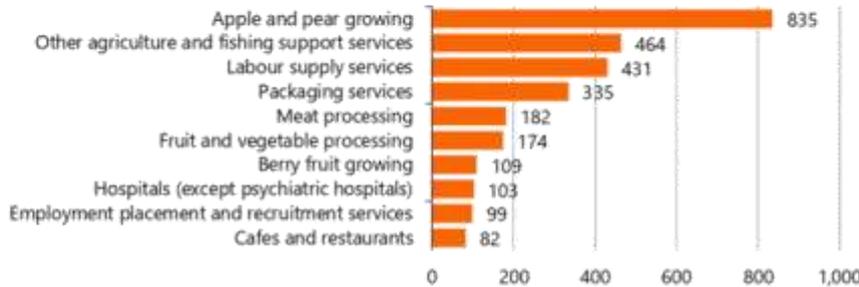
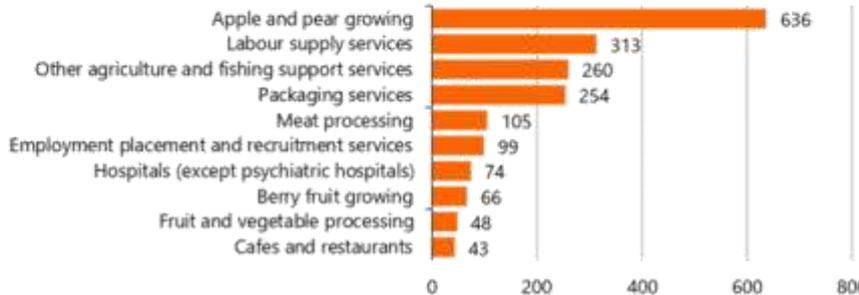


Chart 38 shows that a similar range of industries, most closely linked to agriculture and food processing, were the largest creators of new jobs for Pacific Peoples over the ten years to 2023. Apple and pear growing alone created 636 jobs for Pacific Peoples over the period.

Chart 38

Apple & pear growing creates jobs for Pacific Peoples
Increase in filled jobs, 2013-2023



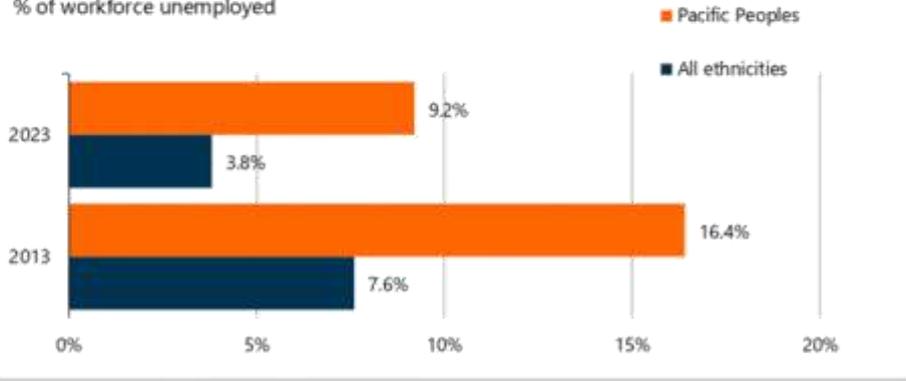
Unemployment rate among Pacific Peoples is very high

Despite strong employment growth of Pacific Peoples in Hawke's Bay over the past decade, the unemployment rate of Pacific People was sitting at a very high rate of 9.2% in 2023, well above the average rate for all ethnicities of 3.8%. Chart 39 shows that the Pacific Peoples unemployment rate has declined considerably since 2013 (when it stood at 16.4%) but has maintained a wide gap with the average for all ethnicities.

38 The Hawke's Bay economy – July 2024

Chart 39

Pacific Peoples experience higher unemployment
% of workforce unemployed



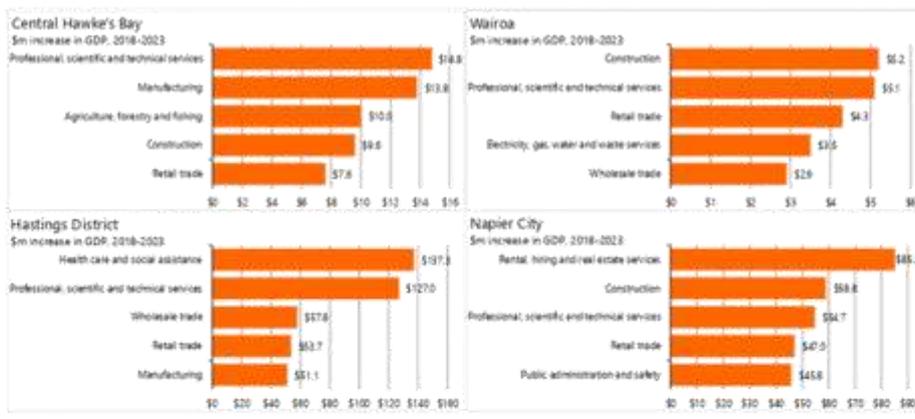
Statistical and graphical appendix

Table 3

Contribution to GDP growth by ANZSIC L1 industries

ANZSIC Level 1 industries	GDP (\$m)		Absolute growth (\$m)	Annual growth
	2018	2023		
Professional, scientific and technical services	502.2	703.8	201.6	5.8%
Health care and social assistance	645.1	818.9	173.8	4.1%
Construction	591.2	712	120.8	3.1%
Retail trade	504.7	617.3	112.6	3.4%
Manufacturing	1131.8	1240.7	108.9	1.5%
Rental, hiring and real estate services	624.8	733.4	108.6	2.7%
Wholesale trade	355.5	446.1	90.6	3.9%
Public administration and safety	313.8	371.4	57.6	2.8%
Administrative and support services	183.7	239	55.3	4.5%
Information media and telecommunications	72.1	108.5	36.4	7.0%
Electricity, gas, water and waste services	192	224.8	32.8	2.7%
Accommodation and food services	192.1	224.4	32.3	2.6%
Other services	121.2	143.9	22.7	2.9%
Transport, postal and warehousing	406.4	422.2	15.8	0.6%
Financial and insurance services	220.4	236.1	15.7	1.2%
Arts and recreation services	66.7	75.9	9.2	2.2%
Mining	11.2	6.9	-4.3	-7.8%
Agriculture, forestry and fishing	945.5	935.8	-9.7	-0.2%
Education and training	348.9	336.6	-12.3	-0.6%
Total	8865.5	10320.7	1455.2	2.6%

Chart 40. Industries with largest contribution to GDP growth between 2018-2023



40 The Hawke's Bay economy – July 2024

Table 4
Exports by goods categories, 2023

Goods type	Hawke's Bay		New Zealand	
	Level	% of total	Level	% of total
Apples, pears and other fruit	\$575.4	17.4%	\$1,098.8	1.6%
Bovine meat (beef)	\$486.4	14.7%	\$4,620.8	6.6%
Sheep and goat meat	\$434.2	13.1%	\$4,124.9	5.9%
Other natural exports including wood pulp, paper and live animals	\$349.8	10.5%	\$2,732.8	3.9%
Beverages, spirits and vinegar	\$259.7	7.8%	\$2,713.0	3.9%
Other food products	\$230.2	6.9%	\$2,036.8	2.9%
Unallocated	\$219.9	6.6%	\$8,050.9	11.5%
Natural fabrics including wool, skins, hair, hides and leather	\$191.6	5.8%	\$744.3	1.1%
Fish and crustaceans, molluscs and other aquatic invertebrates	\$95.6	2.9%	\$1,798.9	2.6%
Vegetables, roots and tubers, edible	\$86.3	2.6%	\$486.2	0.7%
Other meat including offal	\$57.6	1.7%	\$591.4	0.8%
Boilers, machinery and appliances and parts thereof	\$48.3	1.5%	\$1,587.9	2.3%
Edible preparations, miscellaneous	\$41.8	1.3%	\$604.6	0.9%
Sound and television image recorders and reproducers, and parts thereof	\$39.5	1.2%	\$973.2	1.4%
Jewellery, pearls and other precious metals and stones	\$34.3	1.0%	\$722.1	1.0%
Fresh kiwifruit and berries	\$29.4	0.9%	\$2,676.0	3.8%
All other goods exports with a national export value under \$100m	\$20.6	0.6%	\$1,138.3	1.6%
Pharmaceuticals, chemicals, and essential oils	\$15.9	0.5%	\$639.1	0.9%
Iron, steel and copper and articles thereof	\$15.3	0.5%	\$905.7	1.3%
Honey, eggs and other animal products	\$14.1	0.4%	\$422.3	0.6%
Other wood products including sawn, chipped, sliced or peeled wood	\$13.7	0.4%	\$1,597.0	2.3%
Milk and cream: concentrated or sweetened	\$11.2	0.3%	\$10,502.5	15.1%
Other manufactured articles including plastics, furniture and vehicles	\$11.0	0.3%	\$766.4	1.1%
Aluminium and articles thereof	\$10.5	0.3%	\$1,598.3	2.3%
Optical, photographic and cinematographic devices	\$5.8	0.2%	\$918.1	1.3%
Butter and other fats and oils derived from milk	\$4.6	0.1%	\$4,462.5	6.4%
Preparations of cereals, flour, starch or milk	\$3.1	0.1%	\$2,217.8	3.2%
Dairy products not otherwise included	\$3.0	0.1%	\$2,691.2	3.9%
Cheese and curd	\$2.9	0.1%	\$2,775.6	4.0%
Modified starches: glues; enzymes	\$2.5	0.1%	\$2,539.0	3.6%
Logs, whether or not stripped of bark or sapwood, or roughly squared	\$1.6	0.0%	\$17.5	0.0%
Mineral fuels, oils and waxes, and bituminous substances	\$0.0	0.0%	\$995.6	1.4%
Total	\$3,315.9	100%	\$69,749.5	100%

Source: Infometrics

41 The Hawke's Bay economy – July 2024

Chart 41. Wellbeing radar for Wairoa District, 2023



42 The Hawke's Bay economy – July 2024

Chart 42. Wellbeing radar for Central Hawke's Bay District, 2023



43 The Hawke's Bay economy – July 2024

Chart 43. Wellbeing radar for Napier City, 2023



44 The Hawke's Bay economy – July 2024

Chart 44. Wellbeing radar for Hastings District, 2023





Hawke's Bay Tourism Annual Report for FY24

www.hawkesbaynz.com





Key Performance Indicators – results 2023/24

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Key Performance Indicator	Measure		Performance
<ul style="list-style-type: none"> Visitor spend, benchmarked against national performance. Data provided by MBIE's Tourism Electronic Card Transactions (TECT). 	<ul style="list-style-type: none"> Regrow Hawke's Bay's share to 3.5% 		3.36% to Y/E June 2024 Encouraging recovery following Cyclone Gabrielle
<ul style="list-style-type: none"> Increase industry contribution 	<ul style="list-style-type: none"> \$200k cash \$50k in kind Increased membership numbers Increased Facebook numbers 		<ul style="list-style-type: none"> ✓ \$365,487 cash ✓ \$59,606 contra Membership: 164 (full members) Facebook HB Tourism Industry Association: 692 members
<ul style="list-style-type: none"> Increase membership engagement on climate change mitigation and adaptation – environmental sustainability Increase in members signing up to Tourism Industry Aotearoa's "Tourism Sustainability Commitment" 	<ul style="list-style-type: none"> No less than 50 members signed up to TIA Sustainability Commitment Promote low-impact transport and energy reductions solutions (e.g. cycle trail that connects food and wine country tourism operators) 		<ul style="list-style-type: none"> ✓ Over 50 signed up to TIA Sustainability Commitment ✓ Active promotion of Hawke's Bay Trails in partnership with Hawke's Bay Regional Council

(Green – on-track; Amber – in progress; Red – not on track, requires attention)

Key Performance Indicators results 2023/24 *cont'd*

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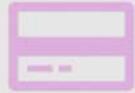
Key Performance Indicator	Measure		Performance
<ul style="list-style-type: none"> Te Matau-a-Māui narrative development 	<ul style="list-style-type: none"> Increase engagement on endorsed and authorised narratives related to place/whenua. 		<ul style="list-style-type: none"> ✓ Successful launch of tematauamaui.com in conjunction with partners Nga Toi
<ul style="list-style-type: none"> Industry advocacy. Support existing tourism operators to develop new products, and expand into new markets 	<ul style="list-style-type: none"> Deliver annual series of workshops to build industry capability Support Hawke's Bay Regional Council with tourism expertise and support 		<ul style="list-style-type: none"> ✓ Conference delivered September 2023 ✓ Cruise presentation October 2023
<ul style="list-style-type: none"> Lead the implementation of the Hawke's Bay Destination Management Plan 	<ul style="list-style-type: none"> Progress actions, as outlined in plans 		<ul style="list-style-type: none"> ✓ Plan circulated to Council Mayors, CEOs, MBIE, RTNZ

(Green – on-track; Amber – in progress; Red – not on track, requires attention)

Visitor Economy Overview

\$384m

Value of Domestic
Tourism Electronic
Card Transactions
(excludes cash & online)



\$69m

Value of International
Tourism Electronic
Card Transactions
(excludes cash & online)



973k

Total nights stayed
in commercial
accommodation



3.36%

Share of Domestic
Tourism Electronic
Card Transactions



1.84%

Share of International
Tourism Electronic
Card Transactions



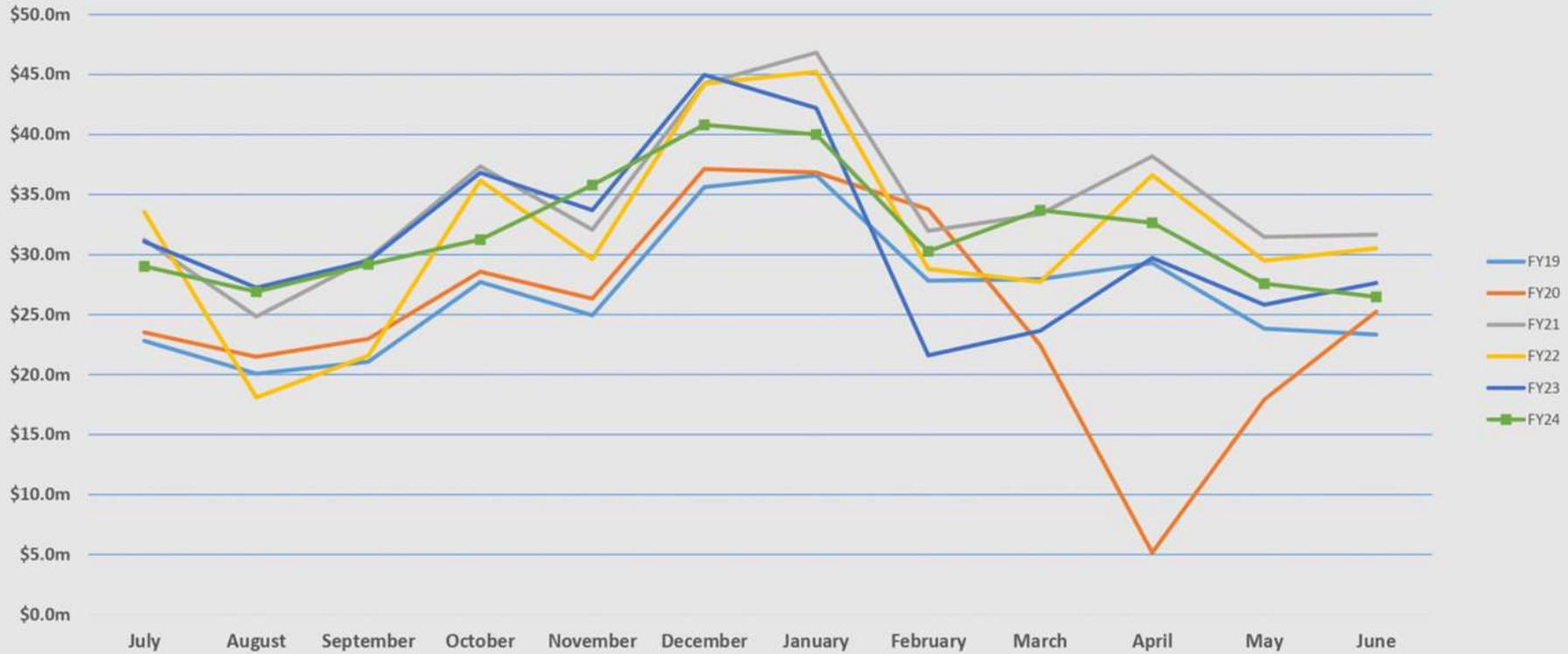
2.2

Average nights
stayed per guest
in commercial
accommodation



Domestic Tourism Electronic Card Transactions

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Domestic tourism card transactions by district

\$384m

Hawke's Bay
total region



\$23m

Central Hawke's
Bay District



\$165m

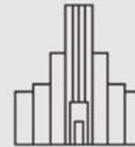
Hastings District



- For 12 months to June 2024
- Domestic visitors only
- Point of sale card transactions
– no cash or digital payments

\$179m

Napier City



\$17m

Wairoa District



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International Visitor Spend & Cruise

\$69m

Total international spend



\$19m

Australia visitor spend



\$19m

United States visitor spend



- For 12 months to June 2024
- International visitors only
- Point of sale card transactions – no cash or digital payments

\$12m

United Kingdom visitor spend



89

Cruise ship visits to Napier Port



Commercial Accommodation



Annual Occupancy Overall
54.1%
Last year
53.8%
National occupancy
54.8%

Annual Occupancy Hotels
74.4%
Last year
75.3%
National occupancy
70.6%

Annual Occupancy Motels & Apartments (>20)
79.1%
Last year
81.1%
National occupancy
68.5%

Annual Occupancy Holiday Parks-Campgrounds
31.2%
Last year
31.2%
National occupancy
30.8%

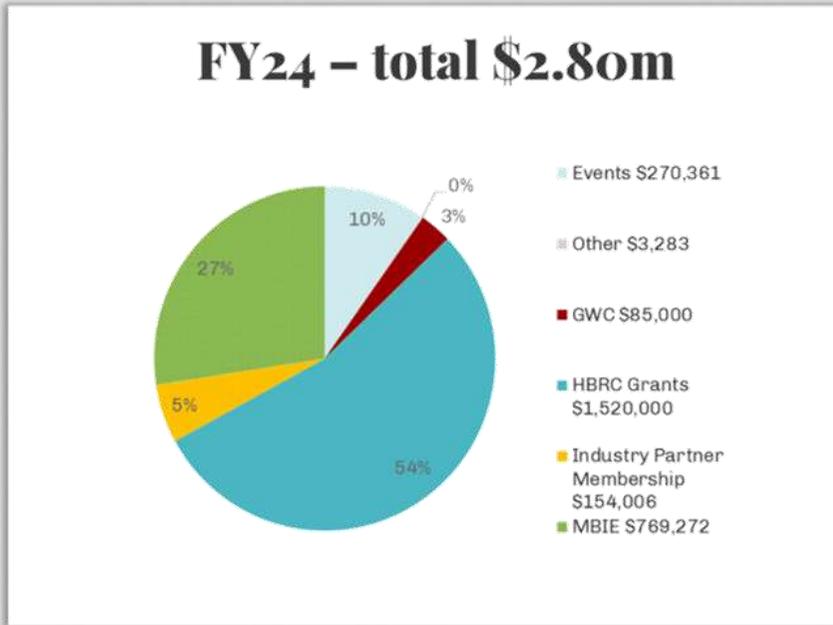
Annual Occupancy Motels & Apartments (6-20)
78.1%
Last year
80.2%
National occupancy
67.3%

- For 12 months to June 2024
- Datasets for Backpackers and Lodges/Boutique too small so reporting not available

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FY24 Income sources

% of overall income



Activity highlights



Great Wine Capitals



Great Wine Capitals
GLOBAL NETWORK | A WORLD OF EXCELLENCE
HAWKE'S BAY | NEW ZEALAND

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Visiting expert hosted

The Great Wine Capitals collective hosted Tracy Siebert from the Australian Wine Research Institute for the first Aotearoa Chardonnay Symposium in September 2023, held in Hawke's Bay.



Knowledge Exchange

Three recipients selected for the inaugural Outbound Knowledge Exchange to travel to Adelaide in July to learn about water efficiency and wine tourism.



Best Of Wine Tourism

Inaugural Best Of Wine Tourism awards launched. Winners announced at an awards ceremony in September, with all local winners to be put forward for global award announced at international AGM in November.



HB wines on world stage

A dozen Hawke's Bay wines have become the first ever New Zealand wines to be available for tastings at the world-famous Cité du Vin, the cultural venue dedicated to wine in Bordeaux, France.

Digital channels summary

666,199

TOTAL sessions on hawkesbaynz.com

320,238

ORGANIC sessions on hawkesbaynz.com

182,998

pageviews on operator listings

Most pageviews:
Splash Planet
****4,334****

102k

Facebook likes



16.0k

Instagram followers



25.4k

database subscribers



2.2m

Social media reach



Tourism Trade & Business Events

- Wins

Business events wins worth \$2.1m

- New Zealand Realtors
- Real Estate Institute of New Zealand
- New Zealand Society of Actuaries
- New Zealand Landscape Architects Association
- New Zealand Cruise Association
- Thoracic Society of Australia & New Zealand

Inclusion into key travel trade itineraries

- Kiwi Experience's North Secrets tour
- ANZCRO's luxury brochure
- Great Journey's Northern Explorer packages
- The Internet Traveller's 7-day North Island Tour



Famils with key product managers and travel agents

- F.A.W.C! hosting with Southern Crossings, General Travel, Pan Pacific Travel and Southern World
- Pre-TRENTZ hosting with product managers from Australia, USA and the UK
- Tourism New Zealand Global Luxury hosting with USA luxury travel agents

Tourism Trade & Business Events

- Key Trade Shows

HBT Annual Report FY24



TRENZ is New Zealand's most important annual travel trade showcase. Hawke's Bay Tourism conducted 60 face to face appointments with key international travel buyers.

Additional Hawke's Bay representation through investment by Art Deco Trust, Tākaro Trails, Kennedy Park Resort Napier, Gannet Safaris Overland and National Aquarium of New Zealand.



MEETINGS is the business events industry's most significant exhibition, bringing together up to 600 national and international buyers, who are looking for locations to take events.

Alongside Hawke's Bay Tourism were Toitō: Hawke's Bay Arts & Events Centre, and Napier Conferences & Events, each making significant investments to attend.

Consumer Events

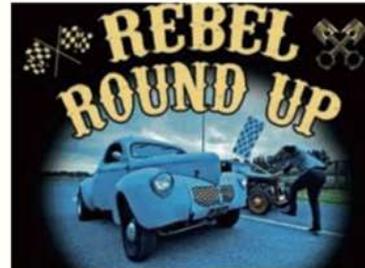


- ✓ 35 events
- ✓ \$141k ticket sales
- ✓ 91% rated Excellent or Good
- ✓ 25% of ticket sales to visitors
(excludes visitor tickets bought by locals)



- ✓ 40 participating venues
- ✓ 735 unique consumer votes
- ✓ 87% of participating venues rated their Dish of the Bay activation as successful

MBIE's Regional Events Fund support allocated to:



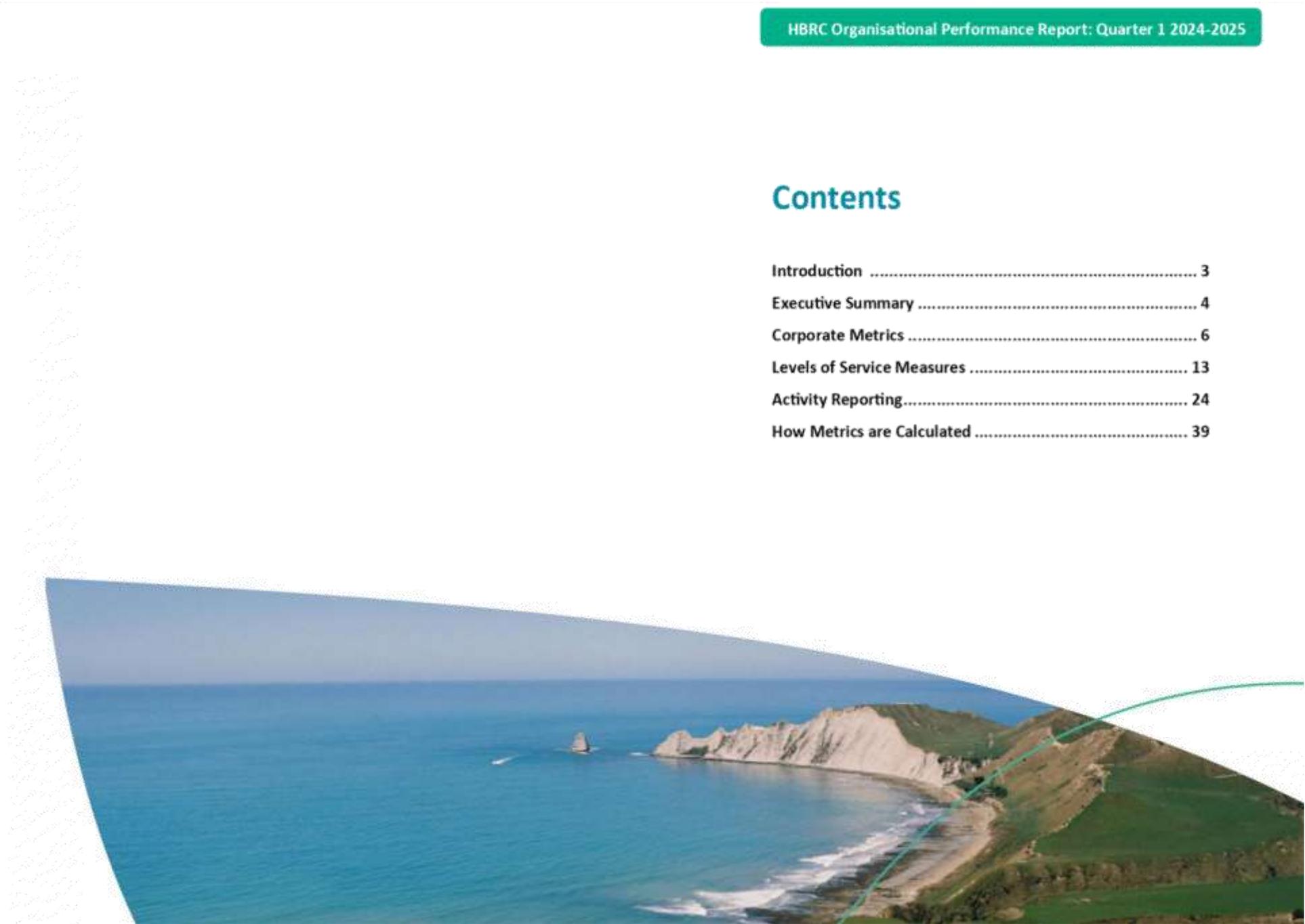




HBRC Organisational Performance Report: Quarter 1 2024-2025

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Executive Summary	4
Corporate Metrics	6
Levels of Service Measures	13
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How Metrics are Calculated	39





Introduction

This Organisational Performance Report is the first quarterly report for the new Three-Year Plan 2024-2027, and covers the period of 1 July to 30 September 2024.

The purpose of the report is to provide the Regional Council with an overview of how well we are performing across a number of measures, including corporate measures. It uses the groups of activities from our Three-Year Plan 2024-2027 to present non-financial and financial performance using a traffic light reporting approach. It also provides the Regional Council with qualitative information to understand the situation-specific factors affecting performance.

The secondary purpose of the report is to provide the Chief Executive, Executive Leadership Team, and staff with information to ensure alignment of the Regional Council's work programme across different groups and teams to ensure a steadfast focus on performance and accountability.



Executive Summary

This Organisational Performance Report is the first quarterly report in year one of our Three-Year Plan 2024-2027.

It has been a big quarter for the Regional Council and its communities. In the aftermath of the 26 June flood event in southern Wairoa, the Council announced an urgent review of the flooding causes, including operating procedures and timelines. This review was aimed at providing answers to the community and support long-term flood mitigation efforts. The Government's announcement of \$3 million for debris clean up in Wairoa was welcomed.

On 10 July, the Council adopted its 2024-2027 Three-Year Plan, which includes a 16% rates increase for 2024-2025, down from 19.6% as consulted on.

At the end of the month, the Council received the report *Hawke's Bay Independent Flood Review* to understand the circumstances and contributing factors that led to the flooding from Cyclone Gabrielle. This was delivered by Dr Phil Mitchell (chair), Bernadette Arapere, and Kyle Christensen.

In August, the Council submitted a plan to central Government seeking \$4.7 billion over the next decade for maintenance, resilience, and safety measures for the region's transport system.

The Clifton to Tangoio Coastal Hazards Joint Committee handed over a strategy to the Regional Council, to adapt to coastal hazards over the next 100 years.

Rates invoices were sent out across the region with a date due date for payment of 20 September 2024. This led to a peak in enquiries and contact with our Customer Service and Rates teams.

Also in August, Lawrence Yule was appointed Crown Manager to assist in achieving flood protection for Wairoa.

The Council received nearly \$2.2 million from the Cyclone Recovery Capability Fund to accelerate flood mitigation projects in six areas agreed as part of the Crown negotiated recovery package—Wairoa, Waiohiki, Whirinaki, Pōrangahau, Ohiti Road, and Pākōwhai. This will help the projects remain on track for completion by June 2026.

HBRC Organisational Performance Report: Quarter 1 2024-2025

To round off August, the Regional Council voted to retain its two Māori constituencies, for at least another term. The Government has passed legislation requiring a binding poll at the next local government elections to be implemented from the 2028 elections.

On 11 September, the Council released findings from three independent reviews into the June 2024 flooding in Wairoa. The Council is committed to enhancing flood resilience through collaboration with local contractors and community members.

Highlights

- The science team presented two big reports this quarter, a culmination of many years study and research:
 - A comprehensive, four-year project, co-funded by Kānoa (Regional Economic Development & Investment Unit of MBIE), the Regional Council, and GNS Science, has produced detailed 3D maps of the region’s aquifers. These maps will help the Council create better policies to balance water demands and protect aquifer health.
 - In collaboration with researchers from Manaaki Whenua, HBRC completed a pioneering project using LiDAR (Light Detection and Ranging) technology to gain a deeper understanding of the region’s landscape. The Council will use the data to better manage erosion-prone land, update Land Use Capability (LUC) classes, and accurately identify priority biodiversity areas.
- The Regional Council and Tamatea Pōkai Whenua (TWP) formalised their partnership by signing a memorandum of understanding at TPW’s offices in Heretaunga/Hastings.
- We wrapped up work improving the resilience of the Walker Road stopbank in Waipawa, which will help prevent further erosion along the nearby river edge.
- We began substantial work to upgrade three pump stations in the Heretaunga Plains (Awatoto, Brookfield, and Pākōwhai) to boost performance and resilience.
- HBRC wrapped up work in the Makaretu River protecting the main gas pipeline to Hastings. This work is important to protect the gas pipeline, which is a critical piece of infrastructure for the region.

- The revamped *Rates Hub* on our website made it easier for our community to navigate. The *Pay by direct debit* page saw a 72% increase in users as ratepayers look to spread their payments.
- A free *Community Compass* dashboard was launched detailing economic and wellbeing insights for the region. This was spearheaded and funded by REDA and delivered by Dot loves Data. It is available at hbrc.govt.nz, search: #ourregion
- The Climate Action Joint Committee endorsed the annual work programme in August.
- Lesson 3 of *He Taonga te Wai (Water is Precious)*—designed for years 5-8 students—has been developed and is available as a downloadable teacher’s resource.
- Our GoBay bus services had a surge in passenger numbers – with the highest numbers recorded this quarter since pre-Covid times.

Lowlights

- A Regional Council report found that our region’s native river and coastal bird populations experienced the largest ever recorded decline, due to the impacts of Cyclone Gabrielle.
- Our Customer Experience and Rates teams had a stressful quarter responding to high levels of customer enquiries and negativity.
- Our staff across the organisation were under pressure to respond to a record number of official information requests. This meant we didn’t meet target response times.



Corporate Metrics

Our people are our greatest asset working to deliver services to meet outcomes outlined in our Three-Year Plan 2024-2027.

Our work supports our community, and it is important we ensure customers have the best experience possible with the Regional Council, and offer value for money.

This section provides a snapshot of:

- staff numbers and turnover
- reported health and safety incidents
- customer experience
- digital media reach
- official information and media requests, and communications
- fleet and air travel.

HBRC Organisational Performance Report: Quarter 1 2024-2025

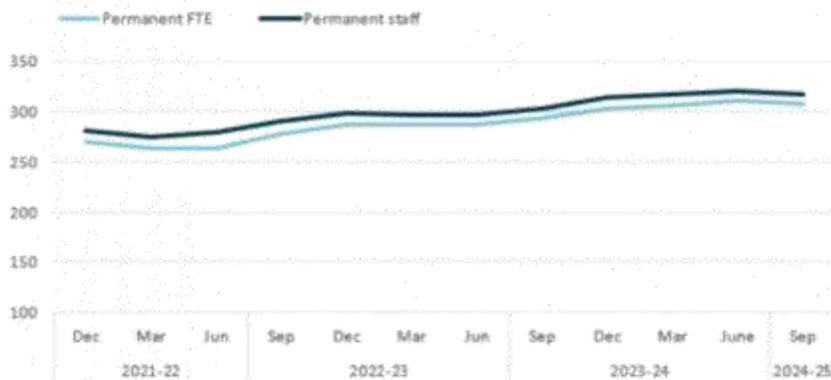
People and Capability

Employee count (permanent staff)



* this includes 22 staff and 21.8 FTE in the Regional Projects team, the majority of whom are part of the Infrastructure Programme Management Office for the Flood Resilience Programme

Employee count and FTE (permanent staff)



Our employees

Eleven new employees joined us this quarter, bringing our total number to 317 permanent staff. Six new fixed-termers were also recruited. We had 13 internal staff movements, into permanent positions, higher level positions (promotions), new roles in other areas of the organisation or as acting/secondment positions while incumbents are on leave or not yet recruited. Internal movements are a positive way to retain our talented and experienced people and provide them with opportunities for growth and development, plus when in acting or secondment it enables succession planning.

Turnover (permanent staff)

50
New starters over past 12 months

42
Resignations over past 12 months

Vacancies and recruitment

There are 46 vacancies—the same as last quarter. As part of a fiscal savings plan, HBRC has committed to holding 20 roles for the next three years. Some senior roles remain challenging to fill in the current market; particularly senior scientists, senior planning and senior technical ICT staff. These roles are in high demand nationally.

Resignations

Resignations remain low at 15, compared to 14 last quarter - 13 of these were permanent roles and two were fixed term. We had 2 redundancies following an internal restructure. Exit survey feedback reveal that departing HBRC employees felt connected to the organisational culture, adapted to a changing environment, and felt appreciated for their contributions. The primary reasons for leaving were relocation, moving to the private sector, or seeking higher pay. Of the 12 exit surveys, 1 employee retired, 7 found new jobs immediately, and 3 switched career fields.

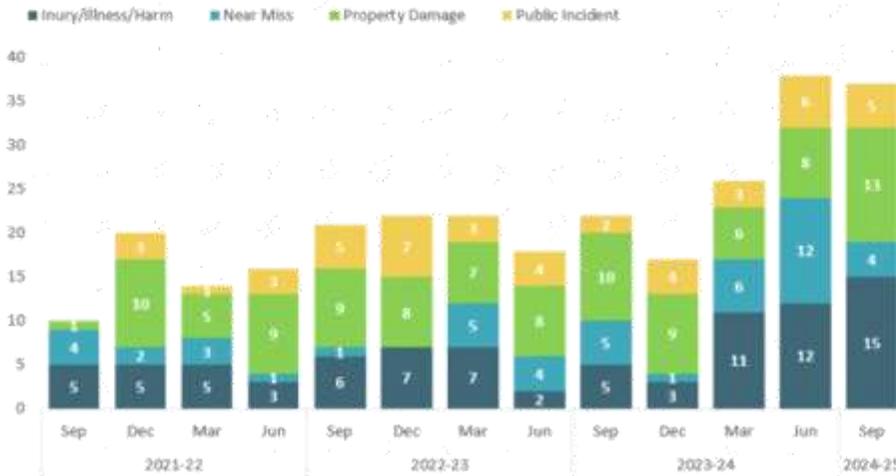
Employee turnover (permanent and fixed-term staff only)



HBRC Organisational Performance Report: Quarter 1 2024-2025

Health, Safety and Wellbeing (HSW)

Incidents reported



Staff wellness

Employee Assistance Programme services continue to be available to all staff. Staff feedback indicates feelings of fatigue and high workloads in some business areas. Covid has continued to impact staff this quarter, with some groups being affected.

HBRC marked Mental Health Awareness Week with a 'Catchup over a cuppa and biccyy' morning tea to kick off the week, featuring themed days.

Health & Safety Incidents*

Most incidents this quarter involved injuries and vehicle damage. Injury incidents included sprains, strains, lifting items, and minor hand cuts. Three incidents involved towing trailers. One staff member saw smoke from the Mobile Emergency trailer, which caught fire but was extinguished safely. There was no immediate danger to life, and the incident was reported to WorkSafe NZ as required. Central Hawke's Bay District Council managed the asset and handled the investigation, which concluded with no further action needed. There were three notable public incidents.

Corrective actions

- a formal letter sent to one individual, outlining HBRC expectations
- Psychological First Aid training delivered
- OPSEC Dealing with Aggressive People training delivered to public-facing staff
- 'Threat to life' incidents are automatically reported to the Police.

Training for staff

This quarter, workshops included:

- HSW Driving – 4WD, 2WD (motorbike) LUV, trailer, river crossing refresher
- OPSEC Dealing with Aggressive People training
- Psychological First Aid training
- First Aid and refresher training
- Health and Safety Representative training.

*Other Health & Safety incidents captured but not reported in the figure include: environmental incidents, hazards, improvement/ideas, and public complaints. Data shows HBRC staff only and does not include contractors.

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Customer Services

Contacts handled



Response time to customer enquiries*



*target is to respond within 5 working days

Customer experience

This quarter is typically our busiest due to rates enquiries and invoice distribution. Rates inquiries more than tripled in this period between July to September, with dissatisfied customers adding significant pressure on the team; constantly managing negativity can be exhausting.

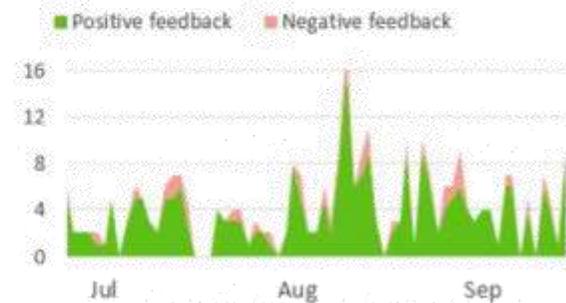
The front counter experienced heavy traffic, processing payments and addressing dissatisfied ratepayers. Call abandonment rates increased from 9% in July to 35% in August and September, attributable to the substantial volume of calls.

A secondment for the last quarter, vacancy and staff illness impacted on staffing levels. It has been a stressful quarter, but we are proud of the team's resilience and their professional interactions with customers.

Customer satisfaction rating this quarter



Customer satisfaction—daily feedback



HBRC Organisational Performance Report: Quarter 1 2024-2025

Digital Media

Website (hbrc.govt.nz)

Traffic to our main website was up on last quarter with total page views increasing by 5%. Views to our Rates Hub, supported by digital marketing and rates invoices were up 52%.

The Rates Hub was revamped to improve user experience, leading to an 8% reduction in average time spent compared to last year, suggesting easier navigation. The 'Rates by Direct Debit' page saw a 72% increase in views and a 29% decrease in average time spent, indicating better layout and content for online payments.

Website*

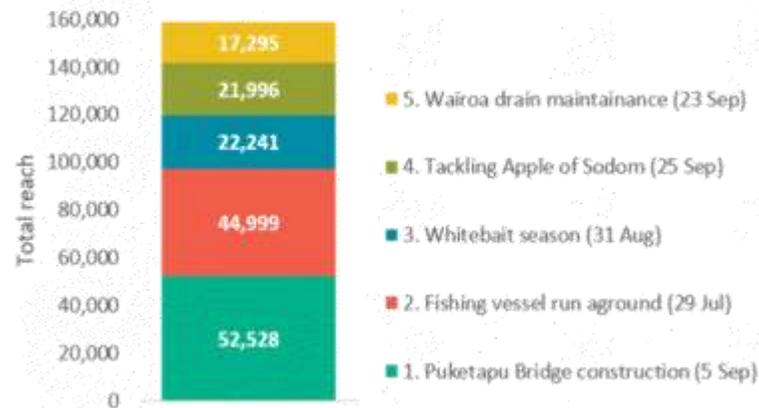


Social media



*The number of visits to our hbrc.govt.nz website does not include sessions on other websites managed by the digital team eg. GoBay, RoadSafe, Consultations, HB Trails etc.

Top 5 engagements topics (Facebook)



Social media (Facebook and LinkedIn)

We continue to highlight our efforts through the *People in Place* campaign.

Our Facebook engagement slightly decreased compared to the previous quarter. The escalating negative feedback on posts about the Wairoa flooding led to a suspension of all social posts for July. During this period, only essential and operational posts were made, and the comments function was disabled. This significantly affected our content interactions.

The *People in Place* campaign received positive attention on LinkedIn, with increasing reactions and followers since we started reporting.

Organic topics promoted on digital channels included:

- Meet the locals
- Winter burn
- People in Place
- Spring into parks and onto trails.

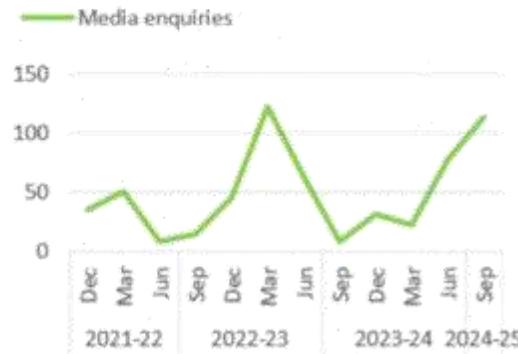
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Media and Official Information Requests

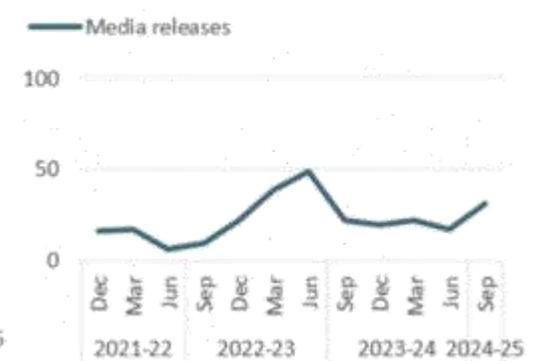
Communications and media

Our spike in media queries over the quarter was driven by the continued interest in the Wairoa flood event, the Government’s announcement of a Wairoa review, Regional Council receiving the independent flood review, and the release of Regional Council’s own findings into the Wairoa event. The Council also voted to retain Māori constituencies for the 2025 local elections. We distributed 31 media releases in the quarter, covering major events such as the flood reviews, adoption of the Three-Year Plan, Māori constituencies, and science stories.

Media enquiries



Media releases



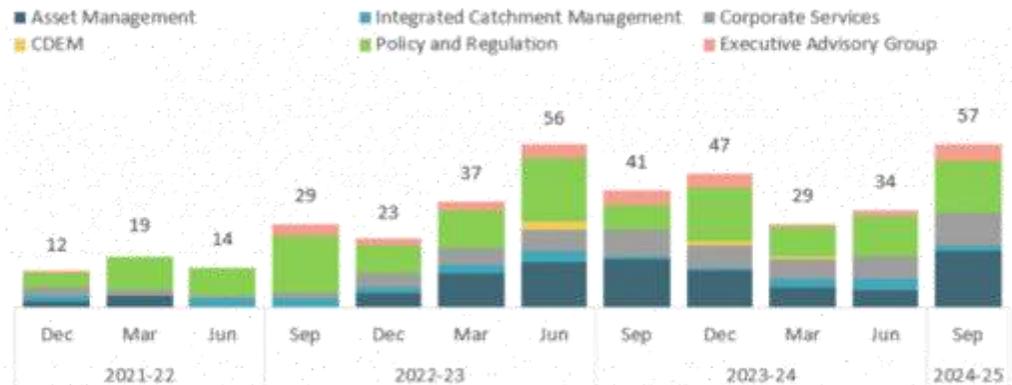
*these media enquires and media releases only recorded those from the Comms team and not the IPMO.

Local Government Official Information and Meeting Act (LGOIMA) requests

The number of LGOIMA requests reached an all-time high this quarter, with 57 requests registered, compared to 34 in the previous quarter. This surpassed the peak seen in the aftermath of Cyclone Gabrielle, when 56 requests were registered from April to June 2023.

Key drivers of these requests include additional information sought on the independent flood reviews, the weather event in Wairoa at the end of June, and ongoing questions related to cyclone impacts such as silt, land categorisations, and HBRRA.

LGOIMAs by HBRC Group



HBRC Organisational Performance Report: Quarter 1 2024-2025

Fleet and Air Travel

Fleet

<p>151 Total fleet vehicles*</p> <p>151 prior qtr 164 prior year</p>	<p>23 Total hybrid vehicles</p> <p>24 prior qtr 23 prior year</p>
<p>2 Total plug-in hybrid vehicles</p> <p>2 prior qtr 2 prior year</p>	<p>8 Total electric vehicles</p> <p>8 prior qtr 9 prior year</p>

*Fleet vehicles include trailers, motorbikes, tractors, quads, trucks, utes and cars.

Vehicles and fleet

There is no change in fleet numbers from the previous quarter. There has been an increase in the 'pooling' of vehicles which has allowed better use of existing fleet.

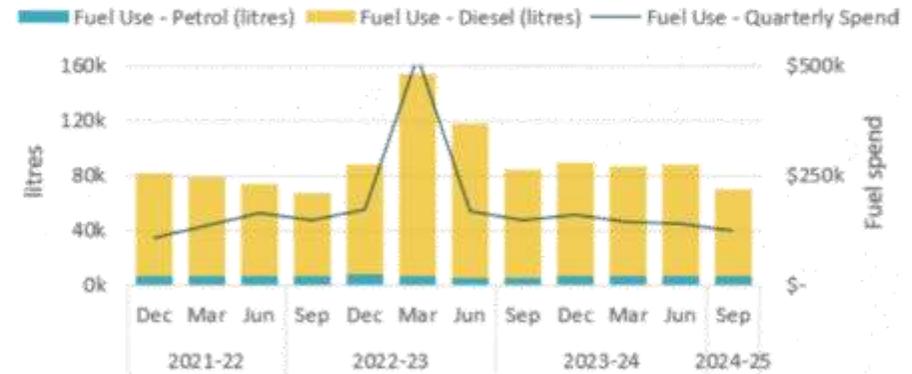
Fuel use

Fuel usage reduced this quarter which reduced spend at the pump.

Carbon Emissions

For a more complete picture of HBRC's corporate carbon footprint, an annual report is completed by EKOS, and independently verified. This is a levels of service performance measure that is updated in the HBRC Annual Report at the end of the financial year.

Fuel use



Air travel

13,984
Total distance traveled (km)
-57% vs prior qtr | -66% vs prior year



Air travel

Air travel reduced this quarter and with significantly less costs compared to last quarter, and the same quarter last year. The main themes for travel for staff include working group meetings, conferences, and training.

HBRC Organisational Performance Report: Quarter 1 2024-2025



Level of Service Measures by group of activity

Each quarter we monitor and report on 55 level of service measures across six groups of activities. The measures and targets were agreed in our Three-Year Plan 2024-2027.

Our six groups of activities are:

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

A traffic light reporting approach is used to show how we are tracking towards the end of year results.

HBRC Organisational Performance Report: Quarter 1 2024-2025

Level of Service Measures

Summary by Group of Activities



Group reporting

Governance and Partnerships

Measure	Target	YTD Result	Status	Commentary
Community Representation & Leadership				
Triennial election processes are undertaken in accordance with the Local Electoral Act 2001	Achieved	On track	●	The Local Electoral (Māori Wards and Māori Constituencies) Amendment Act 2024 required Council to decide by 6 September 2024 whether to retain or disestablish its Māori constituencies for the 2025 local elections. On 28 August 2024, Council resolved to follow the Māori Committee's recommendation and keep the Māui ki te Raki and Māui ki te Tonga Māori constituencies. This resolution requires a binding poll at the 2025 local elections to determine if these Māori constituencies will continue in HBRC's representation arrangements for the 2028 and 2031 terms.
Percentage of Council and committee meetings that comply with statutory requirements and Standing Orders (REVISED MEASURE)	100%	100%	●	There were 3 ordinary and 2 extraordinary Regional Council meetings and 4 workshops, 8 Committee meetings, 4 Joint Committee meetings and 2 Joint Committee workshops held during the quarter. All public meetings were notified and conducted in accordance with HBRC's Standing Orders, the Council's 'open by default' workshops policy, LGA and LGOIMA requirements.
Percentage of official information requests responded to within 20 working days	100%	84.9%	●	Out of 53 official information requests were processed in the quarter, 39 were answered by HBRC within 20 working days, 5 were refused, and 1 was withdrawn. Eight responses exceeded the 20-day limit, with 6 of those only 1 or 2 days late due to delays in approval by the Group Manager.
Long Term Plans and Annual Reports receive 'unmodified' audit opinions	Achieved	n/a	●	Reporting is at the end of the year. Our Three-Year Plan 2024-2027 was not audited under SWERLA (Severe Weather Emergency Recovery Legislation Act) related to the North Island Weather Events (NIWE). This special legislation recognised that the Regional Council is unable to plan with sufficient certainty.

Level of Service Measures

Governance and Partnerships continued

Measure	Target	YTD Result	Status	Commentary
Tāngata Whenua Partnerships				
Annual satisfaction survey of Treaty partners on HBRC's partnership approach to engagement and decision-making (NEW MEASURE)	Baseline	n/a	●	Survey to be carried out at the end of the year.
The number of decision-making arrangements for Treaty partners that are supported and in place (NEW MEASURE)	Baseline	1	●	The Regional Planning Committee. Participating members are resourced and technical support is provided to the Committee.
Annual reporting to the Māori Committee on mātauranga Māori monitoring and reporting activities	Achieved	n/a	●	Reporting is due at the end of the year.
Community Sustainability				
Number of early childhood centres and schools participating in the Enviroschools programme	Maintain or increase	74	●	This quarter has seen steady progress, with renewed efforts from several schools, especially those in Wairoa and Central Hawke's Bay. Havelock North High School remains an active participant among secondary schools with various ongoing projects, Marewa Primary School has reached a significant milestone and now holds the status of a Green-gold Enviroschool.
Annual reporting to Council on (climate action) progress made on coordinated programme of actions	Achieved	n/a	●	Reporting is due at the end of the year.
Level of emissions related to HBRC's own corporate carbon footprint	Improve	n/a	●	Reporting is due at the end of the year.
Regional Development				
Funding agreements with the Regional Economic Development Agency and Hawke's Bay Tourism are in place, with performance targets and reporting requirements	Achieved	On track	●	HBT - funding agreement is in place (\$1.52M pa) with nine KPIs that are reported on in their Annual Report. HBT report to the Corporate & Strategic Committee on a 6-monthly basis. REDA - funding agreement is in place (HBRC's split is 29% of \$1.7M as per a cross-council agreement) until 2025-26. There is an annual letter of expectation in place with the Matariki Governance Group (MGG) with 6-monthly reporting and visibility of accounts. Accountability and reporting sits with MGG.

HBRC Organisational Performance Report: Quarter 1 2024-2025

Level of Service Measures

Policy and Regulation

Measure	Target	YTD Result	Status	Commentary
Policy and Planning				
The Policy team meet the statutory timeframes as set by legislation	RPS ready for a notification decision	On track	●	TANK and Water Conservation Order (WCO) appeals continue to progress. TANK continues through formal mediation and the high court has referred the WCO back to the environment court for confirmation on the definition of damming as negotiated with Forest and Bird.
All formal submissions on national resource management policy reforms, local resource management plans, and local consenting matters are posted on the HBRC website (REVISED MEASURE)	Achieved	On track	●	All submissions are recorded on the HBRC website hbrc.govt.nz , search: #hbrcsubmissions. This quarter included a submission on the MfE discussion document on the National Emissions Reduction Plan.
Regulatory Implementation				
The Regulatory Implementation team meet the statutory timeframes for implementation as set by legislation (NEW MEASURE)	Achieved	On track	●	All active timeframes have been met (National Environmental Standards for Greenhouse Gas, Dangerous Dams, Rural Recovery Works Order in Council). Freshwater Farm Plan regulatory requirements have been paused or postponed by central government. We are awaiting confirmation of new timeframes.
Consents				
Percentage of resource consents processed within statutory timeframes	100%	97.3%	●	Three timeframes have been missed out of 109 decisions. The team has worked extremely well considering reduced staff capacity and high workloads.
Overall allocation of water from each water resource is allocated up to but not exceeding the allocation limits set in the Regional Plan	</=100%	On track	●	The overall surface water (direct take) allocation from the Tukituki catchment is 94%. All sub-catchment areas remain at or within the surface (direct take) allocation limits. Stream depletion groundwater is 48% allocated over the total catchment. Groundwater in Zones 1, 2 and 3 is fully allocated. Some change expected as lower Tukituki stream depletion to be revised.
Percentage of expiring water permits in the TANK catchment processed in accordance with TANK Plan Change (NEW MEASURE)	20%	0	●	Consent processing has been extended until the end of the year as mediation continues on allocation method.

Level of Service Measures

Policy and Regulation

Measure	Target	YTD Result	Status	Commentary
Compliance & Pollution Response				
Percentage of consents monitored each year as per the adopted risk-based Compliance Monitoring Strategy	95% for high-risk consents 90% for all other consents	On track	●	The total number of consents monitored this quarter is 3,532. More detail will be provided next quarter on how we are tracking high-risk consents and other consents.
Percentage of monitored consents which receive an overall grade of full compliance	90%	On track	●	Of the 3,532 consents monitored this quarter, 2,362 have achieved full compliance to date. Note that this includes consents monitored by Water Information Services.
Percentage of significant noncompliance where action is taken in accordance with HBRC's Enforcement Policy	100%	On track	●	Of the eight recorded significant non-compliance there is only one where action was taken in accordance with HBRC's Enforcement Policy in this quarter (wastewater), of which an abatement to fix has been served. The other seven have had action taken but are historical and ongoing.
Maintain a 24-hour/7 day a week duty management/pollution management response system	Achieved	Achieved	●	The Pollution Hotline continues to be staffed by the Pollution Response team (4 dedicated officers and a Team Leader) during normal working hours (8am – 5pm). The afterhours service is staffed by the Pollution Response Team plus an additional four officers from the Compliance team, who currently work on an 8-week rotation roster.
A Selected Land Use Register of potentially and confirmed contaminated sites is maintained and up-to-date	Achieved	Achieved	●	HBRC maintains a hazardous industries and activities list (HAIL) in our selected land use register (SLUR). These records are stored in IRIS. We have a contaminated sites map layer with public access to the Hawke's Bay Hazard Portal, and requestors are directed to view this in the first instance. This quarter, we received five information requests and completed two site contamination reports.
An operative Tier 2 Oil Spill Plan and a trained and qualified oil spill response team is in place at all times	Achieved	Off track	●	HBRC has 17 trained responders, of those three are senior, with three booked on a senior course. Regional On Scene Commanders (ROSC) duties are currently being handled by Auckland staff on an on-call basis. A new ROSC not likely until mid-2025. Work is ongoing to move oil spill equipment to Guppy Road as the Port long-term lease expired.
Maritime Safety				
Maintain compliance with the New Zealand Port and Harbour Marine Safety Code, and International Organisation for Standardisation (ISO) 9001- 2015 certification (REVISED MEASURE)	Achieved	On track	●	There is continual compliance with the provisions of the Port Harbour Marine Safety Code. A report from our most recent audit was provided by Maritime NZ and this will be presented at the upcoming Risk and Audit Committee meeting.
Number of maritime incidents occurring per year reported to Maritime NZ in accordance with regulations	Maintain or decreasing trend	n/a	●	Reporting is due at the end of the year.

HBRC Organisational Performance Report: Quarter 1 2024-2025

Level of Service Measures

Integrated Catchment Management

Measure	Target	YTD Result	Status	Commentary
Environmental Information				
HBRC maintains its International Organisation for Standardisation (ISO) 9001-2015 certification for environmental data collection, analysis and storage	Re-certification achieved	n/a	●	Recertification for ISO 9001-2015 is due in early October 2024.
Percentage of processed monitoring programme results that are publicly available within two months of collection for: <ul style="list-style-type: none"> Discrete water quality Groundwater quantity Surface water quantity Climate. (NEW MEASURE)	90%	80%	●	Over 80% of both discrete and continuous data has been processed and verified within 60 days. 87% of continuous hydrology data, 100% of groundwater and 85% of climate data has been processed to archive within 60 days. 83% of all discrete data has been verified within 60 days. These totals are more exact as a dashboard has been created to more accurately track progress. These levels can only be maintained if current resourcing continues.
Environmental Science				
Production of a 3-yearly State of the Environment Report, and monthly updates are published on the HBRC website	3-yearly SOE Report and 12 monthly updates	On track 3 monthly updates	●	All data has now been received and analysis has begun but technical reports may not be drafted by the end of the year as planned. Vacancies across the team, loss of equipment in the cyclone, delays from external parties, unexpected short turnaround priority Council work, and unexpected updates to Council programmes have resulted in delays in receiving data for the 3-yearly report. The project is being monitored closely and planning is underway to ensure this does not result in an overall delay to the project.
Percentage of the Science team's annual work programme delivered (REVISED MEASURE)	>90% of programme delivered	On track	●	Our work programme is largely focused on post-cyclone 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 Plan changes currently stalled, we continued working on those projects eg the Ruataniwha Groundwater Modelling, and projects to support Plan changes when these recommence eg re-establishment of baselines for National Objectives Framework attributes. Continued vacancies may impact on our ability to deliver in full by the end of the financial year and support other areas of the business.
Sustainable Land Management (formerly Catchment Management)				
Additional area of erodible land, planted with fit-for-purpose erosion control species, transitioned to more sustainable land use or retired and protected	600ha of land under cover	382ha	●	We are well on track of meeting our target of 600 hectares of erodible land treated, with 382.29 hectares completed.

HBRC Organisational Performance Report: Quarter 1 2024-2025

Level of Service Measures

Integrated Catchment Management

Measure	Target	YTD Result	Status	Commentary
Biodiversity				
Number of Ecosystem Prioritisation sites protected per annum	4 new 10 maintained	On track	●	Planning is underway for deer fencing at 10 new sites in partnership with QEII and two catchment groups (Pōrangahau and Waingoro). Maintenance is planned for 25 sites with activities including feral deer and goat control, pest plant control, fence repairs and predator control.
Number of biodiversity projects delivered per annum under the Targeted Catchment Works Fund (NEW MEASURE)	3	On track	●	Planning is underway for work at 5 new sites, with aerial willow control, fish passage barrier remediation and fencing key planned management actions. Maintenance work is also planned for a further 8 sites which have previously received funding through this programme, with work to include pest plant control, planting and site remediation.
Biosecurity				
Percentage of annual pest plant and animal programme delivered (covering all 33 pest plants and 25 pest animals within the Regional Pest Management Plan) (NEW MEASURE)	100% of programme delivered	On track	●	The Regional Pest Management Plan is currently operative and staff are delivering to the work programme. The team isn't at their peak busy period since the workload isn't evenly distributed across quarters.
Percentage of the Possum Control Area (PCA) with a 4% or less residual trap catch, with a minimum of 30% of PCA monitored each year (NEW MEASURE)	>90%	On track	●	Out of the total 2,541 monitoring lines, 655 have been completed, covering 59,799 hectares from an overall 178,448 hectares designated for monitoring. This resulted in an average residual trap catch rate of 1.3%.
Rural Partnerships				
The Rural Partnerships team will develop and implement an annual work programme for rural communities to include workshops, field days and community events (NEW MEASURE)	>90% of programme delivered	On track	●	We have been involved in 19 HBRC events and 18 Catchment Group/Collective events. HBRC events covered topics like pest management, water efficiency, and emergency response, especially around Wairoa. They also participated in 16 industry or sector partnership events with Beef + Lamb, Dairy NZ, MPI, and the Rural Advisory Group. There were engagements with Iwi groups to support catchment group formation and one-on-one interactions with farmers/growers on riverbank erosion and silt inundation.
Number of active Catchment Groups and Collectives across the region (NEW MEASURE)	Maintain or increase	On track	●	There are currently 31 Catchment Groups/Community Hubs operating across Hawke's Bay and 4 Catchment Collectives. There are 5 emerging groups, or groups where we are working with landowners and community members. Engagement activities operate concurrently with emerging groups, and where practical, this is delivered in partnership with sector partners.

Level of Service Measures

Asset Management

Measure	Target	YTD Result	Status	Commentary
Flood Protection & Control Works (Flood Schemes)				
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: a) An annual maintenance programme is prepared and delivered b) An annual capital programme is prepared and delivered	>80% of programme delivered	On track	●	An annual maintenance plan has been compiled with the Works Group contract, and covers electrical, mechanical and parks service contracts via an operational maintenance programme. The annual capital programme has been prepared and is being delivered.
Following a flood event, affected areas are surveyed and repairs are programmed: a) Following a major flood event, a flood report will be compiled within 6 months of the event b) Major event report outcomes incorporated into Asset Management Plans	Achieved	On track	●	The last flood event occurred on 26 June 2024. Contributing reports have been completed by Tonkin & Taylor, Kyle Christenson and Graeme Campbell which detail the event in Wairoa. The flood report will be completed by the end of December 2024. Repairs related to the 26 June event have been completed.
A capital programme for new flood infrastructure is prepared and delivered (NEW MEASURE)	80%-100% of annual programme delivered	On track	●	The Infrastructure Project Management Office has developed a programme of work to deliver a number of North Island Weather Event (NIWE) related flood infrastructure projects. This programme spans 4 years and delivery is in progress. None of the projects are due for completion in 2024-25.
Ecological Management and Enhancement Plans (EMEP) are implemented	Achieved	On track	●	EMEPs are being reviewed and implemented.
Flood Protection & Control Works (Drainage)				
Drainage infrastructure is maintained, repaired and renewed to the standards defined in the relevant scheme Asset Management Plan and annual works programme: a) An annual maintenance programme is prepared and delivered b) An annual capital programme is prepared and delivered (NEW MEASURE)	>80% of programme delivered	On track	●	An annual maintenance plan has been compiled with the Works Group contract, and covers electrical and mechanical service contracts via an operational maintenance programme. The annual capital programme has been prepared and is being delivered.

Level of Service Measures

Asset Management

Measure	Target	YTD Result	Status	Commentary
Flood Risk Assessment and Warning				
Percentage of time that priority telemetered rainfall and river level sites are operational throughout the year	98%	>98%	●	The system operated above 98% for this quarter.
Regional Water Security				
A capital programme for regional water security is prepared and progressively delivered (NEW MEASURE)	Achieved	On hold	●	This work continued to be on hold this quarter due to uncertainty in central government freshwater policy direction as well as uncertainty to the TANK plan still being under appeal.
Open Spaces				
Regional parks and HBRC trails are maintained as per HBRC's Asset Management Plan	Achieved	On track	●	Parks and cycle trails are managed in line with maintenance contracts and asset management plans. There are areas in the regional parks (particularly Pekapeka Wetlands) that still require repair post-Cyclone Gabrielle. The repair works for the cycleways are on schedule, and those routes that are open have been maintained as per their respective plan.
HBRC Forests and the Tangoio Soil Conservation Reserve are managed to the standards defined in their respective management plans	Achieved	On track	●	HBRC forests have been managed to the standards of their respective management plans.

Level of Service Measures

Emergency Management

Measure	Target	YTD Result	Status	Commentary
Hawke's Bay CDEM				
A 10-yearly Hazard Research Plan is approved by the CDEM Group Coordinating Executives Group and hazard information is publicly available on the Hawke's Bay Hazard Portal	Achieved		●	No update given.
An operative Group Plan under the CDEM Act 2002 is in place, and reviewed within statutory timeframes by the Joint Committee	Achieved		●	No update given.
A Group Work Programme implementing the Group Plan objectives is approved and reviewed 6 monthly by the Coordinating Executives Group	Achieved		●	No update given.
HBRC Emergency Management				
HBRC provides support to the Hawke's Bay CDEM Group in accordance with a service level agreement	Achieved	On track	●	As the administrative authority for the Hawke's Bay CDEM Group, HBRC provided support to the Group in accordance with an agreed roles and responsibilities matrix. The HBRC has supported the Group's recent responses, and providing additional funding in the Three-Year Plan 2024-27.
Maintain established team, training, procedures including Emergency Operations Centre Manual and Business Continuance Plan	Achieved	On track	●	The integration of the Business Continuity Plan (BCP) with the Emergency Procedures is underway. The necessary documentation for essential functions has been drafted into the controlled document system. The assignment of staff to essential functions and Incident Control Teams to support the BCP has been sent to group managers for approval.

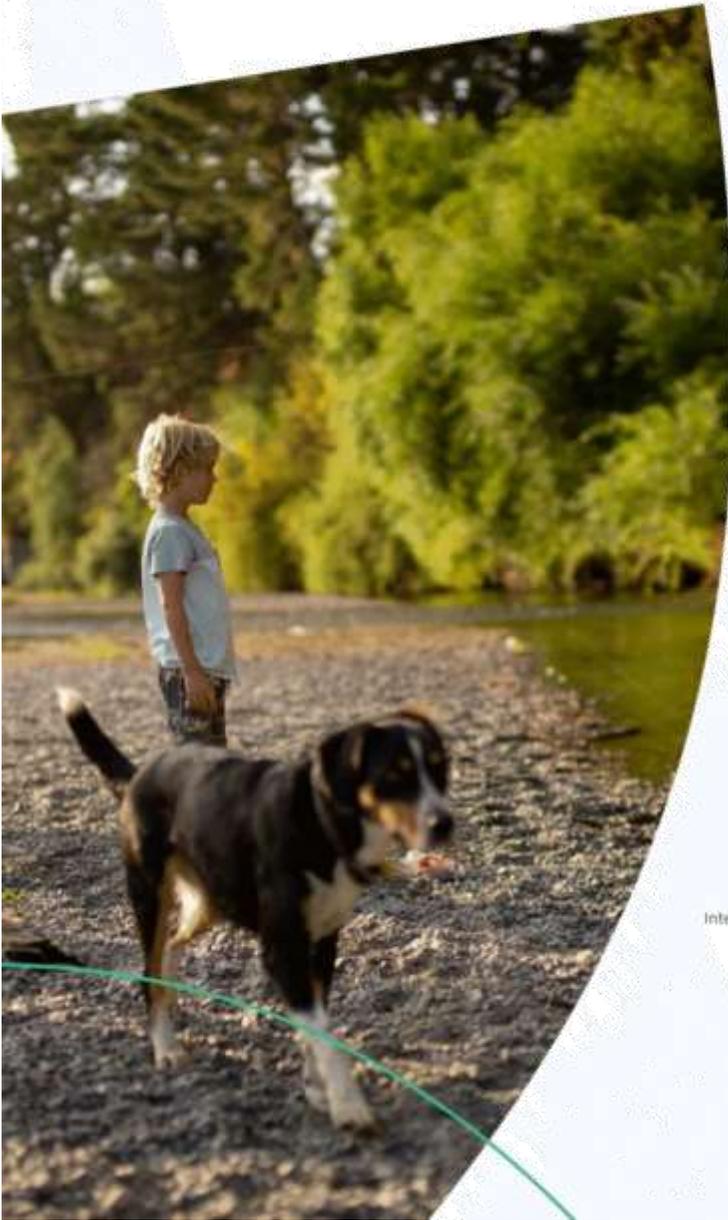
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Level of Service Measures

Transport

Measure	Target	YTD Result	Status	Commentary
Transport Planning & Road Safety				
Adopted Regional Land Transport Plan (RLTP) and Regional Public Transport Plan (RPTP) in place	RPTP adopted	On track	●	The 2024-2034 Regional Land Transport Plan was adopted in July 2024. Preliminary planning has commenced for the review of the Regional Public Transport Plan (RPTP), which will be completed in 2025. Early engagement commences in October 2024.
The Road Safety team will coordinate and deliver a programme of road safety workshops, initiatives and community events	50 events or initiatives	24 events & initiatives	●	Events and initiatives included: police check points (cellphones/restraints/car seats/stop signs); 3 youth programmes; community presentations; joint truck driver fatigue stop SHS with Taupō District Council; <i>Caught Being Good</i> (reward and education) alongside police; car seats – free checking clinics/community education; motorbike crash card promotion alongside community event; business road safety programme.
Passenger Transport				
Number of trips on the Hawke’s Bay bus services each year	Maintain or increasing trend	135,817	●	Passenger numbers were up this quarter compared to the same quarter as last year (107k). The return to full timetables in January is likely the biggest contributing impact. In May 2024, fare increases would have had some impact on passenger growth, but this is not discernible amongst all other factors that contribute to passenger transport growth.
Percentage of scheduled bus services operating	98%	99.9%	●	The number of cancelled bus trips remains minimal. It averages five per month, with breakdowns and driver error the issue reported most often. A bus reliability rate of 99.9% (the current actual rate) is considered very high internationally.
Percentage of all Hawke’s Bay bus service trips that depart their timetabled starting location on time.	95%	99.8%	●	This number, including missed and late trips, equals 99.8% of all trips operated for the quarter. This is well above the threshold and international benchmark.

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Activity Reporting

by group of activity

This section provides an overview of performance by activity using the traffic light reporting approach. It includes:

- a summary for both financial and non-financial performance by group of activity (see figures below)
- individual activity reporting within the six groups of activities, plus corporate support services
- financial reporting shows *actual versus budget* for operational and capital expenditure, and income
- finance reporting is year-to-date and subject to audit.

Performance Summary

Non-financial status (31 activities)



Financial status (6 groups)



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Governance and Partnerships activities (non-financial)

Community Representation and Leadership

Status	Commentary
●	The Governance team serviced 17 meetings (the same as last quarter), including 3 ordinary and 2 extraordinary council meetings, 4 council workshops, and 8 committee meetings. Notable topics included: adoption of the HBRC Three Year Plan 2024-2027, setting of the 2024-25 Rates, adoption of the Regional Land Transport Plan recommended by the Regional Transport Committee, implementing recommendations for reviews arising from Cyclone Gabrielle, receipt of the Clifton to Tangoio Coastal Hazards Strategy 2120 from the Joint Committee and a decision to retain Māori constituencies leading to a poll at the 2025 election as required by the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act 2024. There were 57 LGOIMAs registered during the quarter, compared to 34 last quarter and 29 the quarter before.

Tāngata Whenua Partnerships

Status	Commentary
●	This quarter's key achievement includes the recommendation to retain Māori Constituencies by the Māori Committee and Regional Planning Committee, which was adopted by Council, strengthening Māori representation in decision-making. Both committees provided vital advisory input into the mātauranga framework, ensuring it reflects Māori values and knowledge systems that guide Council's work. The Regional Planning Committee also initiated a Taiao practitioner group, comprising environmental staff from PSGEs, to collaborate with HBRC's Policy and Planning team in weaving mana whenua visions into the Regional Policy Statement. Additionally, the Māori Committee transitioned to a hybrid workshop and meeting model, to build capacity, collaboration, and alignment with Council's consultation and engagement processes, ensuring early and meaningful input from Māori on critical decisions.

Community Sustainability

Status	Commentary
●	This activity includes Climate Action, Corporate Sustainability, and Environmental Education. The Climate Action Joint Committee met on 26 August, and endorsed a work programme. It directed the Technical Advisory Group to move at pace to undertake a regional climate change risk assessment, based on existing data, noting this was the first and is a starting point for future iterations. A public-facing report will be published early in 2025. For the Environmental Education Team, the Youth Environment Ambassadors attended the <i>Festival for the Future</i> in Wellington. Lesson 3 of 6 <i>He Toanga te Wai</i> (water is precious) is about to be published, and our Pekapeka Wetlands educational resources are now fully downloadable from hbrc.govt.nz , search: #educationalresources . Another highlight has been working closer with CHBDC finding opportunities to support their mahi in the environment.

Regional Development

Status	Commentary
●	Hawke's Bay Regional Economic Agency's (REDA) Letter of Expectations has been approved. HBREDA has developed a funding agreement with councils, awaiting signatures. There are no funding commitments beyond 30 June 2025. Dot Loves Data was selected to develop a Community Compass dashboard for economic and wellbeing insights. A free HB dashboard is also available hbrc.govt.nz search: #aboutregion . Research by Infometrics and Martin Jenkins provided a summary report on HB economy challenges and opportunities. A five-year labour forecast by Infometrics is underway. A review of Hawke's Bay's telecommunications resilience post-Cyclone Gabrielle was completed, with the report on the Regional Recovery Agency's website Following the decision of HBRC to fund Hawke's Bay Tourism for one further year, HB Tourism is proactively engaging with councils, and other agencies, on what options may be available after 2024-25.

Governance and Partnerships group (financials)

Expenditure	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
Community Representation & Leadership	444	419	(25)	-	-	-
Tāngata Whenua Partnerships	130	156	26	-	-	-
Community Sustainability	471	579	107	753	594	(159)
Regional Development	610	608	(2)	-	-	-
TOTAL	1,655	1,762	107	753	594	(159)

Funded by	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
General funds	872	872	0	-	-	-
Targeted rates	506	504	2	-	-	-
Fees and user charges	-	-	-	-	-	-
Other income	255	185	70	-	-	-
Loan	0	25	(25)	753	594	159
Reserves	(146)	44	(102)	-	-	-
TOTAL	1,487	1,630	(55)	753	594	159
Surplus/(deficit)	(168)			0		

Status	Financial commentary
●	<p>The overspend in Community Representation & Leadership is attributed to unbudgeted external professional advice required. Community Sustainability operating expenses underspend is related to timing, and it is on track to meet the budget. The capital expenditure overspend is due to underestimation of final applications for the Sustainable Homes programme.</p> <p>The underspend in Tangata Whenua Partnerships is due to lower activity at the beginning of the year, with an expected increase in the second half of the year. Other Income surplus relates to Wairoa insulation funding from the contingency budget.</p>

Policy and Regulation activities (non-financial)

Policy Planning

Status	Commentary
●	<p>Steady progress continues with the Kotahi Plan through drafting and establishment of contracts with nearly all Post (Treaty) Settlement Governance Entities (PSGE). A practitioners group consisting of HBRC staff and PSGE personnel has been established, showing progress is being made.</p> <p>TANK mediation is ongoing, with remaining mediation dates scheduled for the rest of this year and early next year, including additional dates to further address water allocation methods. The high court appeal for the Water Conservation Orders has been settled and referred back to the Environment Court for a determination. Meanwhile, the team stays up-to-date with legislative changes and proposals. There is currently one vacancy for a team leader.</p>

Consents

Status	Commentary
●	<p>The Consents team continues to handle resource consent applications in accordance with the RMA. One appeal has advanced to the Environment Court and is presently being heard, which has significantly affected our budget.</p> <p>The TANK water permit replacement consents remain pending, with timeframes now extended until the end of the year. There are approximately 800 of these applications still awaiting processing.</p> <p>We are in the process of hiring for the vacant planner position in anticipation of a substantial influx of replacement applications from November to February (approximately 300).</p>

Regulatory Implementation

Status	Commentary
●	<p>The Regulatory Implementation team is making progress on Catchment Context Challenges and Values (CCCVs) for the Freshwater Farm Plans programme. Central government guidance has paused work on regulations, and internal work will pause after completing CCCVs.</p> <p>The team continues to engage with national working groups for the nitrogen risk matrix, Freshwater Farm Plans, and CCCV improvements. We've implemented the new Rural Recovery Order in Council, updating web content and internal processes.</p>

Compliance and Pollution Response

Status	Commentary
●	<p>This quarter has been busy with several key role changes in Compliance. Our manager has taken a new role within HBRC, and our enforcement/investigations team leader has moved overseas, leaving a vacancy in ROSC. Two further members from urban/industrial and enforcement have resigned, necessitating shifts in team responsibilities.</p> <p>We continue a significant project on clearing historic billing and streamlining processes, involving efforts from ICT, accounting, and compliance coordinators. All teams - Urban, Rural, and Enforcement - remain focused on business as usual work. Next quarter's tasks: fill vacancies, enhance maritime spill response capabilities, progress billing backlog clearance, prepare for summer monitoring and response.</p>

Maritime Safety

Status	Commentary
●	<p>Commercial activity: Anchor management has been progressing well, with notable improvements in vessel movements and management within the Harbour. Positive feedback has been received from Napier Port, as well as various shipping companies and agents.</p> <p>Recreational activity: There has been a noticeable reduction in both the frequency and severity of incidents. We are pleased to see increased use of the Harbourmaster webpage for submitting incident reports. We continue our stakeholder engagement efforts, with the most recent Harbour users group meeting held in September.</p> <p>A Deputy Harbourmaster has been appointed and will begin duties on 14 October.</p>

HBRC Organisational Performance Report: Quarter 1 2024-2025

Policy and Regulation group (financials)

Expenditure	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
Policy & Planning	832	897	66	-	-	-
Consents	824	778	(46)	-	-	-
Compliance & Pollution Response	1,055	1,064	9	-	-	-
-Silt Taskforce & Woody Debris	19,696	18,138	(1,558)	-	-	-
Regulatory Implementation	162	239	77	-	-	-
Maritime Safety	136	185	50	-	-	-
TOTAL	22,705	21,303	(1,402)	-	-	-

Funded by	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
General funds	2,017	2,017	0	-	-	-
Targeted rates	-	-	-	-	-	-
Fees and user charges	628	825	(197)	-	-	-
Other income	19,956	18,154	1,802	-	-	-
Loan	294	210	84	-	-	-
Reserves	(26)	-	(26)	-	-	-
TOTAL	22,869	21,205	1,663	-	-	-
Surplus/(deficit)	164					

Status Financial commentary

The overspend in Consents is partly due to the internal time spent supporting appeals, specifically the Tranche 2 appeal, which is now in court. Significant time has been dedicated to gathering evidence with experts and lawyers, and substantial costs are expected to continue until the hearing concludes by the end of September or the first week of October. Additional overspend has been offset by an underspend in recoverable expenses. Further staff time analysis is pending to identify the drivers behind the overspend.

The overspend in Compliance and Pollution Response is due to the timing of expenditure for the Silt Taskforce extension, amounting to \$1.5 million year-to-date. This amount is fully covered by operating income. The overspend will reverse over the next quarter.

Integrated Catchment Management activities (non-financial)

Biodiversity and Biosecurity

Status	Commentary
●	<p>In Biodiversity, there are plans for 25 managed sites include controlling feral deer, goats, and pest plants, as well as fence repairs and predator control. Deer fencing will be installed at 10 new sites. Five new projects have begun, such as aerial willow control, fish passage barrier remediation, and wetland fencing. Maintenance on eight sites comprises weed control, planting, and site remediation.</p> <p>For our pest animal control team, 5 renewed possum control projects are underway. Educational monitoring will cover 230,000 hectares this year. Rook control includes managing 58 rural rookeries and 4 urban rookeries. The Māhia goat coordinated management area has been established over 7,672 hectares funded by HBRC, and 28,081 hectares co-funded with DOC. Ongoing possum control in Māhia covers 6,500 hectares monitored.</p> <p>The Pest Plant Incentive Scheme was used to help control Woolly Nightshade in both Wairoa and Whirinaki. Participation in the national Velvet Leaf programme has started, along with work on Nassella Tussock and preparation for Chilean Needle Grass. Planning is underway for an aerial spray to combat Alligator Weed. Preparations for Wilding Conifer and Senegal Tea work have begun, and Woolly Nightshade work has been completed in Opoutama.</p>

Sustainable Land Management

Status	Commentary
●	<p>The pole harvest is done with 16,400 cut poles primarily for the Erosion Control Scheme (ECS) programme. RSE workers, who handled the harvest, will also be involved in the pruning season. Expanding nurseries at all three sites added over 30,000 stools. All poles have been delivered, and ECS funding is fully allocated. Catchment Advisors are completing project inspections to release any remaining budget. The prioritisation matrix will approve projects next financial year.</p> <p>The budget is set for various events, and for a Capability Assessment Tool run by NZ Association of Resource Management.</p> <p>Land for Life (Lfl) has requested expressions of interest (due 8 November 2024) to co-design, test finance, and implement solutions for an initial 12 pilot farms and more long-term solutions. Recent conversations with pilot farmers confirmed their commitment to land resilience. MFE has joined the Lfl Steering Group.</p>

Environmental Science

Status	Commentary
●	<p>The Science team's work programme has progressed well despite holding five vacancies. Several major projects concluded this quarter, such as 3D aquifer mapping with SkyTEM, and the submission of reports on post-cyclone bird surveys, and air quality monitoring to the Environment and Integrated Catchments Committee. The team has been focussed on drafting technical reports for the State of Environment report, which limited their capacity to support requests from other areas of HBRC. Nonetheless, some projects, like wetlands monitoring, cannot proceed without filling the existing vacancies.</p>

Environmental Information

Status	Commentary
●	<p>The Environmental Information team has gathered all relevant data and upgraded sites where necessary. Everything is operational, and plans are being developed to further improve sites over the next 18 months.</p> <p>Currently, there are 3 vacancies in this team that are on hold. It has been a very busy and productive period for the team. Some vandalism happened at our Puketapu site, but the camera will be replaced this month. Critical telemetry sites are also being upgraded as part of the resilience plan.</p>

Rural Recovery

Status	Commentary
●	<p>The Rural Partnerships team's engagement with catchment groups has been steadily advancing as the number of these groups in Hawke's Bay continues to increase. While HBRC does not provide financial support for the establishment and operation of these groups, it collaborates closely with them during their formation stage to help outline their purpose, goals, and objectives. The team has facilitated a project with the Ahuriri Tributaries Catchment Collective Trust to pinpoint 10 larger scale properties where a digital farm planning tool is implemented. This process will identify erosion risk and susceptibility, remediation practices, and the effects of weather events, with the resulting information being aggregated at a catchment scale for HBRC. A bi-monthly rural community newsletter <i>Grounded</i>, has been launched and is aimed at providing timely information, tools, and resources for landowners to use in the forthcoming seasonal period.</p>

HBRC Organisational Performance Report: Quarter 1 2024-2025

Integrated Catchment Management (financials)

Expenditure	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
Environmental Information	1,179	1,212	34	31	97	66
Environmental Science	1,184	1,570	386	-	33	33
Sustainable Land Mgmt	2,571	2,624	53	33	12	(20)
Biodiversity & Biosecurity	1,234	1,734	500	117	100	(17)
Rural Partnerships	304	327	23	-	-	-
TOTAL	6,472	7,467	994	181	242	61

Funded by	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
General funds	4,617	4,623	(6)	-	-	-
Targeted rates	654	652	2	-	-	-
Fees and user charges	503	503	-	-	-	-
Other income	771	1,158	(387)	23	-	23
Loan	827	561	265	98	145	(47)
Reserves	116	75	(41)	60	97	(37)
TOTAL	7,487	7,571	(167)	181	242	(61)
Surplus/(deficit)	1,014			0		

Status	Financial commentary
●	<p>Environmental Information and Science capital expenditure will rise through the next quarter. The Environmental Science underspend is due to the pending finalisation of contracts before spending can commence.</p> <p>The Sustainable Land Management underspend is driven by pending funding for Land for Life, which also contributes to the Other Income shortfall. The overspend in Sustainable Land Management capital expenditure will be covered through additional grants to be confirmed next quarter.</p> <p>Biodiversity and Biosecurity operating expenses are expected to increase in the next two quarters with summer weather and the finalisation of work programmes. The capital expenditure for the Whakaki weir project is nearing completion, with project spending concluded, pending final invoices.</p>

Asset Management activities (non-financial)

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

Status	Commentary
●	Flood Protection and Control Works activity is managed by Scheme managers in the Operations team. Maintenance work has been carried out as per contract. Inspections are carried out regularly and a pump station report is produced weekly. Work continues on planning and development of the Strategic Enterprise Asset Management system, and Ignition SCADA upgrade project to improve monitoring and reporting.

Flood Risk Assessment and Warning

Status	Commentary
●	Engineering staff are conducting scheme reviews and working with other councils on updated flood hazard maps for the portal. Upgrading flood protection remains a priority. Progress has been made on the flood forecasting dashboard, which is now active but only accessible to engineering staff. Testing and refinement are ongoing before broader access within HBRC. Updates to the flood forecasting base models have started, enhancing forecasting abilities and ensuring updated data informs flood management. This aims to boost flood resilience and preparedness across the region.

Regional Water Security

Status	Commentary
●	Report will be provided next quarter.

Open Spaces

Status	Commentary
●	Teams from Regional Assets and Operations oversee the Open Spaces activity. These activities are undertaken in accordance with the relevant Asset Management Plan. Necessary reactive maintenance tasks are performed as needed. Ongoing long-term repairs on the cycling and regional trail network, following Gabrielle's impact, are anticipated to conclude within this financial year. Certain portions of the regional trails and cycle network will stay closed until the completion of these repairs.

Coastal Hazards

Status	Commentary
●	On 28 August, the Clifton to Tangoio Coastal Hazards Joint Committee presented HBRC with the Clifton to Tangoio Coastal Hazards Strategy 2120. The culmination of 10 years of work with community engagement and input. At Westshore, emergency repairs to the bund have been finished, below design standard due to damage and budget limits. Annual renourishment will be impacted. Serviced instruments and the redeployed offshore wave buoy have aided MetService in improving wave forecasts. Efforts are ongoing to become independent of Port of Napier's data by reconstructing 20 years of wave height estimates at HBRC's buoy site. Plans to extend coastal monitoring include deploying another buoy near Wairoa.

Asset Management (financials)

Expenditure	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
Flood Protection and Control Works	3,765	4,050	285	4,665	24,953	20,288
Flood Risk Assessment and Warning	294	308	14	-	-	-
Coastal Hazards	547	287	(260)	1	-	(1)
Open Spaces	994	912	(82)	111	299	188
Regional Water Security	11	175	164	208	949	741
Works Group	166	222	56	263	187	(76)
TOTAL	5,777	5,954	176	5,248	26,388	21,140

Funded by	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
General funds	2,005	2,005	-			
Targeted rates	2,067	2,007	59			
Fees and user charges	47	331	(285)			
Other income	2,799	1,938	861			
Loan	109	563	(453)			
Reserves	(1,676)	517	(1,159)			
TOTAL	5,351	7,361	(977)			
Surplus/(deficit)	(426)					

Status Financial commentary

Flood Protection & Control Works were underspent in both operating and capital expenditures, primarily due to IRG budgets requiring rephasing. This underspend is offset by a \$300k overspend in special projects operating expenses due to extensive inquiry and review work, as well as additional efforts needed in Wairoa in response to the June weather event and to maintain the overflow path. Coastal Hazards operating expenses were overspent due to repairs following the weather event in June 2024.

Funding underperformance is due to ongoing Cyclone Gabrielle claims work for reimbursement of costs. An additional \$2.1 million was received from the Crown (separate from the current NIWE agreement) for a fast-track cyclone recovery capability grant, which was not included in the budget.

HBRC Organisational Performance Report: Quarter 1 2024-2025

Emergency Management activities (non-financial)

Hawke's Bay CDEM Group

Status	Commentary
●	No report received.

HBRC Emergency Management

Status	Commentary
●	The integration of the Business Continuity Plan (BCP) with the Emergency Procedures is underway. The assignment of staff to essential functions and Incident Control Teams to support the BCP has been sent to group managers for approval.

Emergency Management (financials)

Expenditure	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
Hawke's Bay CDEM Group	852	909	57	-	-	-
HBRC Emergency Management	919	812	(106)	-	-	-
TOTAL	1,771	1,721	(50)	-	-	-

Status	Financial commentary
●	Underspend for HBCDEM is related to vacant roles and the pause in activities pending implementation of actions identified in the reviews. An additional role established to lead the Transformation programme was filled.

Funded by	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
General funds	540	540	-	-	-	-
Targeted rates	883	874	9	-	-	-
Fees and user charges	-	-	-	-	-	-
Other income	267	289	(23)	-	-	-
Loan	-	-	-	-	-	-
Reserves	(92)	-	(92)	-	-	-
TOTAL	1,597	1,703	(106)	-	-	-
Surplus/(deficit)	(174)					

Transport activities (non-financial)

Passenger Transport

Status	Commentary
●	<p>The Regional Land Transport Plan (RLTP), outlining the need for \$4.7 billion in investment over the next decade for regional transport infrastructure, was adopted by Council on 24 July 2024. The RLTP prioritises maintenance, reconstruction, and resilience.</p> <p>In September, Waka Kotahi NZ Transport Agency announced its three-year funding programme, confirming the region's top RLTP priorities: the SH2 four-lane expressway and the Waikare Gorge realignment were included.</p> <p>Our Road Safety programme continued with events and initiatives, including education stops in conjunction with 28 separate police checkpoints. Other initiatives encompassed Youth Programmes like <i>Ignite</i> and <i>Building Futures/Police Rangatahi</i>, community presentations with Age Concern, and other events like the <i>Joint Truck Driver Fatigue Stop</i> on SH5 with Taupō District Council. Additional efforts included the <i>Caught Being Good</i> campaign, car seat safety clinics, motorbike <i>Crash Card</i> promotions at community events, and the ongoing Business Road Safety programme.</p>

Transport Planning and Road Safety

Status	Commentary
●	<p>The Transport Team has been focusing on optimising bus operations, and exploring ways to enhance the future performance of Total Mobility. Bus patronage has surpassed last year's figures (135,817 compared to 107,870), largely due to a full timetable and excellent reliability results (99.8% on time).</p> <p>We are also preparing to recontract the bus service starting from August 2025, as the existing contract with Go Bus expires in July 2025. Total Mobility usage and related costs have continued to exceed forecasts annually (46,634 in Q1 2023 versus 48,268 in Q1 2024), leading to notable budget pressures.</p> <p>As part of the review of the Regional Passenger Transport Plan for 2025, we are engaging with the Total Mobility community to identify the causes of growth and determine measures to ensure the service remains affordable (to users and funders) and fit-for-purpose.</p>

HBRC Organisational Performance Report: Quarter 1 2024-2025

Transport (financials)

Expenditure	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
Public Transport	2,323	2,565	242	-	-	-
Transport Planning & Road Safety	8	172	165	-	-	-
TOTAL	2,331	2,737	406	-	-	-

Funded by	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
General funds	42	42	0	-	-	-
Targeted rates	1,145	1,144	1	-	-	-
Fees and user charges	-	-	-	-	-	-
Other income	1,186	1,560	(373)	-	-	-
Loan	-	-	-	-	-	-
Reserves	(585)	-	(585)	-	-	-
TOTAL	1,788	2,745	(957)	-	-	-
Surplus/(deficit)	(542)					

Status **Financial commentary**

● The current underspend in Public Transport is primarily due to the Total Mobility programme. Transport planning and road safety expenditures are expected to remain lower throughout the year to align with the reduced NLTF funding and Local Council contributions. The low actual spend is due to the release of prior year accruals. Public Transport grant funding is on track with expenditures, while the Regional Land Transport Strategy funding will also remain lower due to decreased NLTF funding compared to the Long Term Plan.

Corporate Services

Information and Communications Technology (ICT)

Status	Commentary
●	Good progress has been made against our annual plan, with Q1 focused on establishing reporting and planning frameworks, implementing new policies and processes to improve operational controls, a focus on our people following completion of the ICT restructure, and delivering against our key strategic projects. Key highlights included: responding to 2,655 service desk requests, creating a new Incident Response Framework for technology incidents, completing a refresh of the Business Continuity Plan, launching new cyber awareness training for staff, completing an infrastructure audit to provide a documented account of HBRC's technical environment and reduced key-person risk, and we launched a trial of Copilot AI technology. GIS successfully migrated to a new platform, we provided new technology solutions to the NIWE projects, added satellite resilience to our Hydrotel system, and good progress has been made in our cross-sector IRIS NextGen programme, with HBRC scheduled for go-live in 2027.

Corporate Support

Status	Commentary
●	<p>This quarter has been extremely busy across all areas. Customer Experience (CX) faced a significant workload with the distribution of rates invoices in August, leading to increased call volumes and in-person visits. The community sentiment has been challenging due to rate increases, policy changes, and the overall cost of living. We have urged the team to do their best in these conditions and to take breaks if negativity becomes overwhelming. We are providing support to help them navigate this tough period. The team appreciates the new reception area, although they have encountered a few remarks from customers about the renovations.</p> <p>The Infrastructure Programme Management Office (IPMO) required considerable resources and time to establish. The IPMO staff are pleased with their new working environment, though some minor tasks remain unfinished.</p> <p>Fleet management remains a top priority as we continue efforts to streamline operations.</p> <p>Updates on Customer Experience and Fleet are on pages 9 and 12 respectively.</p>

Finance, Treasury, and Procurement

Status	Commentary
●	The Finance and Procurement team has been getting the financial data ready for the year-end audit (2023-24 Annual Report), and updating the top-down summary model with ELT and Council for the 2025-26 Annual Plan. Crowe carried out their annual fraud review, and so far, no major issues have been found. Over \$100k in rates remissions have been processed. We are also continuing rates modelling to follow up on the Revenue and Financing Policy review for Public Transport and the Upper Tukituki Flood Control Scheme.

People and Capability

Status	Commentary
●	<p>Our new P&C Advisory team is settling in well and building trusted relationships across the groups. This provides a strong foundation for important development conversations with leaders, and providing professional advice and process support where required. For the new financial year, all Performance Development Plans have been created for staff and conversations had with their line managers regarding expectations and focus areas for the coming year. The remuneration and moderation process has been completed and all letters sent out to staff. We have managed to maintain a good overall % increase for staff in line with market movements and local government recommendations. This is important to help retain our staff and remain an employer of choice to attract those skills needed for our region. We continue to work closely with the leadership team on the values and culture piece across the organisation.</p> <p>Updates on staffing, turnover and recruitment are on page 7 of this report.</p>

Corporate Services and Executive Advisory

Legal, Compliance and Risk

Status	Commentary
●	<p>The focus and attention of the Legal function has predominantly been on ensuring appropriate legal support for the various reviews into the 26 June flooding in Wairoa, and ongoing litigation and preparation for the Coronial Inquest into the deaths that occurred during Cyclone Gabrielle. The business-as-usual outputs of the Health, Safety and Wellbeing function are set out on page 8. In addition, work continues on bringing HBRC into alignment with the ISO 45001 Health and Safety Standard. The focus of the Risk, Quality and Assurance function has been to progress an update of HBRC's business continuity and incident response approaches as well as to prepare for HBRC's ISO 9001 Quality Management Systems recertification in October.</p> <p>Updates on incidents, training and staff wellbeing are on page 8 of this report.</p>

Communications and Engagement

Status	Commentary
●	<p>Following the Wairoa Flooding event in June, we paused social media comments and most advertising in July due to escalating feedback. During this period, only essential and operational posts were made, and the comments function was disabled.</p> <p>We launched the <i>Work We Do</i> campaign to demonstrate our value to ratepayers via LinkedIn, Facebook, and targeted ads. This campaign has been successful with LinkedIn, and our Facebook reach also steadily increased.</p> <p>The second major event was the distribution of rates invoices. We revamped our Rates hub on the website to simplify public interactions and ease the pressure on our Customer Service team. While web views increased, shorter session times indicated users found information more quickly thanks to the streamlined format.</p> <p>Updates on digital and social media, and communications are on pages 10-11 of this report.</p>

Māori Partnerships

Status	Commentary
●	<p>The Māori Partnerships Team continues to support the organisation through active engagement with mana whenua and Māori communities. This quarter, 27 staff enrolled in Te Reo Māori classes, reflecting growing interest. <i>Te Wiki o Te Reo Māori</i> featured five events with internal and external presenters, covering diverse Te Ao Māori topics and receiving widespread participation across the organisation.</p> <p>The Māori Engagement Framework was reviewed and updated, while the final draft of the Mātauranga Framework was completed, with implementation planned for early in 2025. Te Rito, our cultural capability e-learning modules, has 135 enrolments, with a review underway to strengthen participation and support.</p> <p>Five agreements with mana whenua on flood resilience are progressing, with four expected to be finalised by early 2025. Engagement with marae remains high, with 17 topics addressed on marae this quarter, ensuring that Māori perspectives continue to guide Council projects.</p>

Strategy and Governance

Status	Commentary
●	<p>The Governance team serviced 17 council/committee meetings or workshops, and administered a high number LGOIMA requests. Two vacancies in the 3-person team have been filled. The new governance advisors are learning the job.</p> <p>The Strategy & Performance team successfully project managed the Three-Year Plan to completion including responses to 800+ submitters. A highlight includes nomination as 1 of 8 finalists in Taituarā's Long Term Plan consultation document competition and special recognition as the best regional council (winner to be announced on 8 November). The team moved on to producing the non-financial parts of the Annual Report as well as work on other LGA consultation process such as the Annual Plan, Revenue & Financing Policy and Coastal Hazards.</p> <p>The Climate Action Lead Strategic Advisor started on 1 July. Highlights include the endorsement of a 1-year work programme at the Climate Action Joint Committee in August and reforming of joint technical advisory group.</p> <p>Updates on LGOIMA requests are detailed on page 11 of this report.</p>

HBRC Organisational Performance Report: Quarter 1 2024-2025

Other HBRC (financials)

Expenditure	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
Corporate—other	549	535	(14)	145	745	599
Funding	(1,042)	921	1,964	-	-	-
TOTAL	(494)	1,456	1,950			

Funded by	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
General funds	(3,077)	(3,924)	847			
Targeted rates	-	-	-			
Fees and user charges	(1)	-	(1)			
Other income	3,620	1,527	2,093			
Loan	(2,546)	1,404	(3,951)			
Reserves	-	-	-			
TOTAL	(2,004)	(992)	(1,012)			
Surplus/(deficit)	(1,510)					

Status	Financial commentary
●	<p>Operating expenditures (opex) are under budget due to pending processing of ACC base loan payments and the ongoing investigation into the treatment of management fees.</p> <p>The capital expenditures (capex) for Corporate-Other are under budget because several ICT workstreams have not yet started their spending for the year.</p> <p>We drew down less on General rates funding because penalties on rates have exceeded the total annual budget, which was based on historical levels. These penalties are in line with the previous year's figures plus the annual increase in rates.</p> <p>Other funding is up due to realised gains and purchased units in Portfolio Investment Entities (PIEs) which paid out at higher rates than the old portfolio, along with additional unbudgeted interest income from DIA funds held for regional recovery works.</p>

How Metrics are Calculated

Employee count (p 7) is the total count of all permanent staff employed by HBRC. This is calculated as at the end of the quarter.

Full time equivalents (FTE) (p 7) are the total permanent FTEs as at the end of the quarter.

Note: the above two metrics were amended in Q3 2023-24. Prior to that, the count included fixed-term contracts and those employed on a casual basis (eg students).

Turnover (p 7) is calculated by averaging the staff count (previous end of quarter staff + current end of quarter staff divided by 2). This is then divided by the number of resignations. Only resignations or retirements of permanent staff and fixed term staff (before their contract end date) are included in this figure.

Note: P&C metrics are provided by the P&C Manager using information from TechOne.

Health and Safety Incidents (p 8) are all the incidents reported in HBRC's health & safety software Hasmate.

Customer satisfaction (p 9) tracks the customer satisfaction score given by date following email correspondence. This data is sourced from Zendesk.

Response time to enquiries (p 9) tracks how quickly customer enquiries are resolved. Each enquiry is logged and the target to respond is by 5 working days. This data is sourced from Zendesk.

Social media (p 10) metric counts reach from the organic or paid distribution of Facebook content, including posts, stories and ads. It also includes reach from other sources, such as tags, check-ins and page or profile visits. Reach is only counted once if it occurs from both organic and paid distribution.

Website and social media (p 10) data is sourced from Google and Facebook analytics.

Media enquiries and media releases (p 11) data is sourced from the internal Comms Log in Sharepoint.

LGOIMA (p 11) are all the LGOIMA requests that are registered in our LGOIMA register in SharePoint.

Vehicle numbers and fuel usage (p 12) data is provided by our internal systems and our fuel suppliers.

Air Travel (p 12) data is provided to HBRC by our travel agent.

Budget in financial commentary (pp26-38) is based on our internal management budget, which is the in our Three-Year Plan or current Annual Plan, adjusted for carry forwards and new external funding agreements.

