

Meeting of the Corporate and Strategic Committee

Date: Wednesday 19 February 2025
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Attachments excluded from the Agenda *available online only*

Item	Title	Page
6.	Organisational Performance Report for the period 1 October - 31 December 2024	
	Attachment 1: 2024-25 Q2 HBRC Organisational Performance Report	2
8.	HBRIC quarterly update	
	Attachment 2: HBRIC Investment Performance update February 2025	36



HBRC Organisational Performance Report: Quarter 2 2024-2025

Contents

Introduction 3

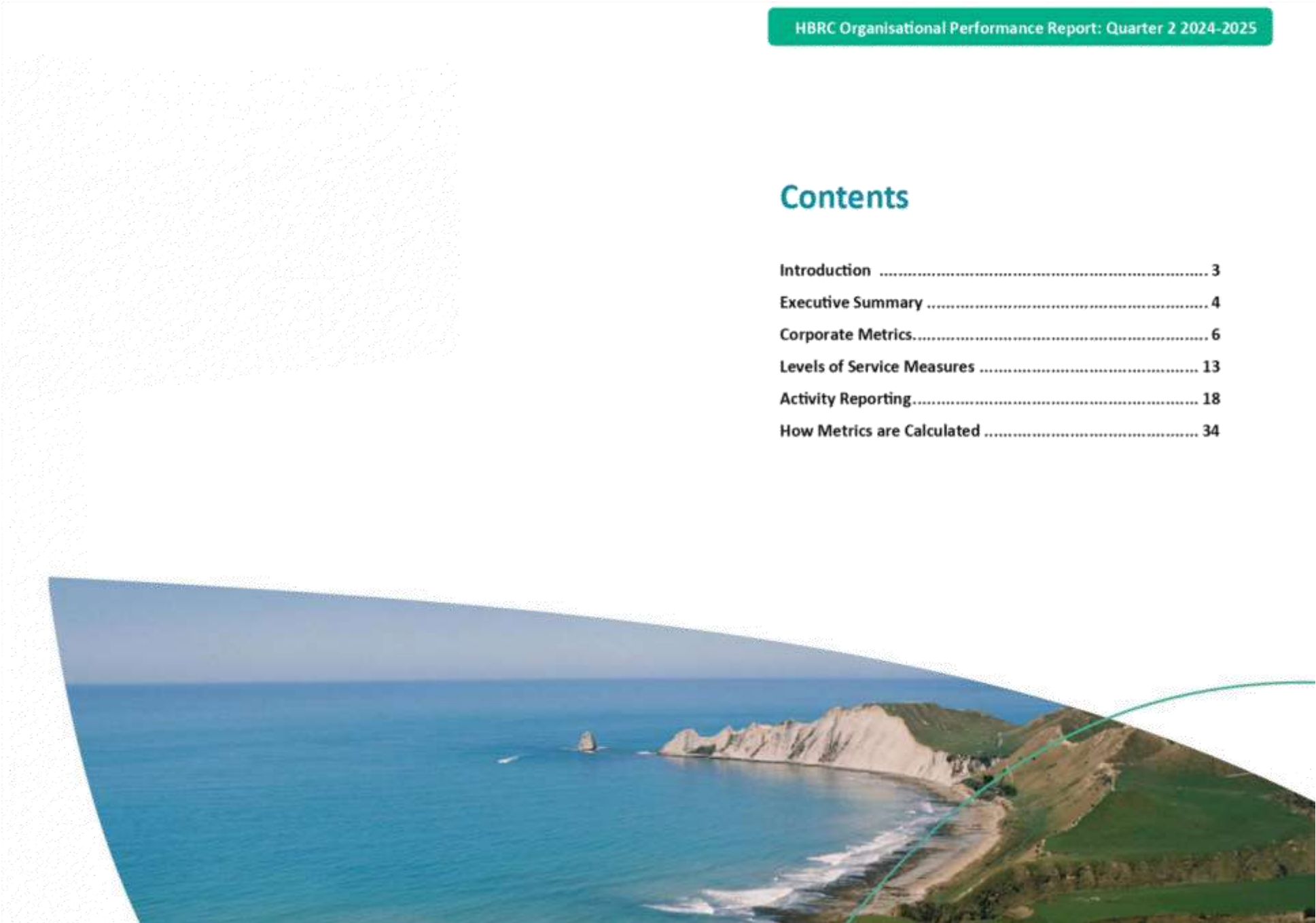
Executive Summary 4

Corporate Metrics..... 6

Levels of Service Measures 13

Activity Reporting..... 18

How Metrics are Calculated 34





Introduction

This Organisational Performance Report is the second quarterly report for the new Three-Year Plan 2024-2027, and covers the period of 1 October to 31 December 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 second quarterly report in year one of our Three-Year Plan 2024-2027.

A significant milestone for this quarter was the start of enabling works at Waiohiki, celebrated with a dawn karakia, to build a new stopbank along the Tūtaekurī River. This will help mitigate the risk of future flooding for the area and enable it to be recategorised to Category 1. Other flood mitigation work is also planned such as realigning the Upokohino Stream.

This work is part of our flood resilience programme. We are also working closely with communities to design and construct new stopbanks in five other areas – Wairoa, Whirinaki, Pākōwhai, Omāhu, and Pōrangahau, as well as regionwide improvements to existing schemes and telemetry.

Staff and contractors installed two cameras to monitor the Wairoa River mouth. Pictures of the river mouth are taken hourly, with the frequency increasing during weather events.

Also significant for Wairoa, the Department of Internal Affairs (DIA) extended the deadline until 30 June 2025 for spending clean-up funding to finish the recovery work from both Cyclone Gabrielle and the June 2004 flooding. This allows Wairoa District Council to continue efforts to remove silt and debris, but also to assist with establishing a further waste site due to full capacity of Wairoa waste sites being experienced.

The Silt Recovery Taskforce wrapped up its work in mid-December – another major milestone for the region's recovery. The collaboration between Regional Council and Hastings District Council, and funded by central government, has returned around 7,000 hectares of productive land with the removal of cyclone strewn sediment and debris across 1184 properties, and supported landowners back to productivity. In the process, it has cleared an estimated 2.5 million cubic metres of silt, and sorted through over 400,000 cubic metres of mixed waste and tidied up close to 1.2 million cubic metres of woody debris.

HBRC Organisational Performance Report: Quarter 2 2024-2025

The Silt Recovery Taskforce received a second national award in November. It won the Collaboration Excellence Award at the Association of Local Government Information Management Awards. In May 2024, the taskforce's approach won the Most Sustainable/Innovative Waste Disposal Initiative Award at the WasteMINZ conference.

The Land for Life project received a \$995,000 funding grant in December from the Government's Sustainable Food and Fibre Futures fund. The grant will fund the third phase of the project expanding the initiative to 100 farms across Te Matau a-Māui Hawke's Bay, with the potential to reach an additional 300 farms in the region over time. The collaborative project aims to accelerate erosion control work by offering funding arrangements to landowners to plant trees on marginal land that can earn a return and enhance regenerative farming practices.

In November, Regional Council adopted the draft Napier-Hastings Future Development Strategy with an amendment proposing that one proposed residential development site in Riverbend Road Napier, be removed from the strategy due to severe flood risk. The strategy was then put out for public consultation over December.

Highlights

- On 30 October, Regional Council adopted its Annual Report for the 2023-24 financial year, marking a year focused on supporting the community to recover from Cyclone Gabrielle and build resilience.
- A significant milestone for the Kotahi Plan was achieved with staff working with tāngata whenua to identify freshwater visions and values.
- 25 Regional Council staff completed HBCDEM's (Hawke's Bay Civil Defence Emergency Management) refreshed training programme, starting with the *Emergency Management Essentials* module. This brings the total for 2024 to 108.
- We planted nearly 520 hectares with poles and native plantings on semi and permanently retired land, through our Erosion Control Scheme programme. This means we have already achieved our annual target of 600 hectares.

- Marewa School in Napier and Te Kura o Pakipaki in Hastings have achieved Greengold Enviroschool status after passing a milestone this quarter.
- Progress has also been made with the flood forecasting dashboard which is now operational and accessible to engineering staff. It is being tested and refined, with plans to expand access to wider HBRC teams. Updates to the base models for the forecasting system are in progress, incorporating the latest survey data and new model scenarios to simulate various MetService rainfall data.
- Bus timetable reliability continues to improve which has had a positive effect on increased passenger numbers.

Lowlights / Challenges

- The National Environmental Standard (NES) for air quality was exceeded on 21 December at the Awatoto airshed. 52 µg/m³ (micrograms per cubic metre) of particulate matter was recorded. The limit is 50 µg/m³. Emissions from the Awatoto airshed are predominantly from industrial and natural sources.
- Staffing levels were reported to have had an impact on work, particularly the Environmental Science and Environmental Information teams.
- Surges in phone enquiries, largely around rates invoices and penalty letters, created a backlog for our customer service team resulting in delays in responding to other enquiries.
- The TANK water permit replacement consents remain unprocessed, and timeframes for processing will be extended again—likely through to mid-2025. There are approximately 800 applications yet to be processed.
- Vandalism has re-occurred to the camera at our Puketapu site on the Tūtaekuri. It was installed as the new bridge was being built. A decision has been made not to replace the camera and to rely on the water level sensors instead. This flood warning network now has a radar and a bubbler system monitoring water levels at hourly intervals.



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 services 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 2 2024-2025

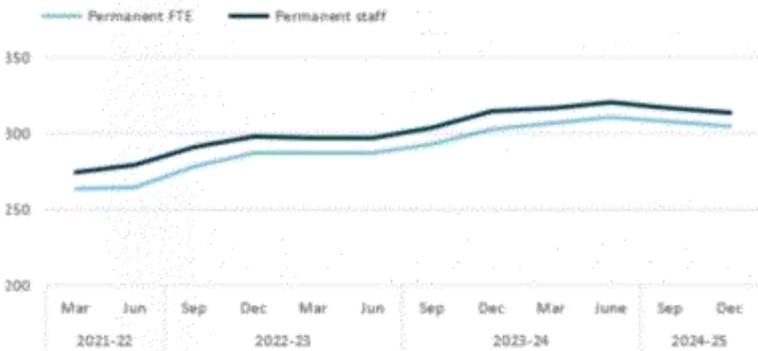
People and Capability

Employee count (permanent staff)



* this includes 23 staff and 22.8 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

We welcomed 10 new permanent employees this quarter, bringing our total to 314 which is down from 317 last quarter. Two were returning staff. Additionally, 8 fixed-term employees joined us. There were 14 internal staff movements, including moves into permanent positions, higher level roles (promotions), new roles in other areas of the organisation or as acting/secondment positions while incumbents are on leave or unfilled. Eight students joined us in November in various business areas and will gain experience until February.

Turnover (permanent staff)



Vacancies and recruitment

This quarter, we had 40 vacancies, 6 fewer than last quarter. Of these, 20 are part of our fiscal savings plan, 7 are held while planning for further savings in the annual plan next year, and 13 are actively being recruited. New roles in communication and engagement have opened in the Infrastructure Programme Management Office for priority community and flood recovery work.

Resignations

Resignations this quarter totalled 14 compared to 15 last quarter, all from permanent roles. Exit surveys show departing staff felt connected to HBRC's culture, adapted to challenges, and valued for their contributions. Reasons for leaving included relocation, travel, rest, or pursuing specialised roles elsewhere. There was one retirement and 3 relocations overseas.

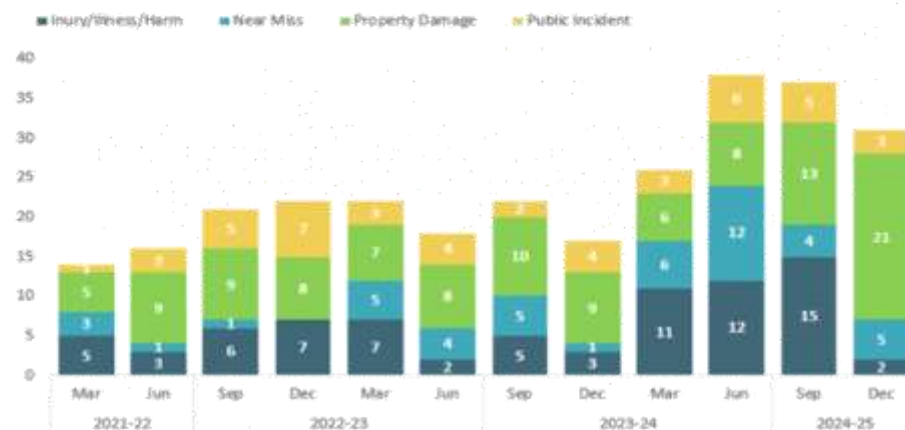
Employee turnover (permanent and fixed-term staff only)



HBRC Organisational Performance Report: Quarter 2 2024-2025

Health, Safety and Wellbeing (HSW)

Incidents reported



Staff wellness

Employee Assistance Programme services remain available to all staff. The two wellbeing days at the end of 2024 were well received by staff as part of the end of year break. Personal issues continue to be the main reason for accessing the programme, although this does not indicate that work-related factors are not involved in the referrals. Workload is a common topic of discussion among teams where staff have not been replaced.

Health & Safety Incidents*

Reporting on incidents continues to improve compared to last year. Half of the incidents this quarter involved property damage, such as damaged windscreens, and vehicles scratches. Not all required repairs. Two near misses were reported at the Dalton Street (IPMO) building while refurbishment is ongoing: tools being dropped and splashes of paint. Public incidents have significantly decreased with only three reports of general disgruntlement.

Corrective actions

A meeting has been arranged with the property developers to discuss safety concerns while refurbishing the building where the IPMO is situated.

Training for staff

Training for new staff, students as well as refresher training for current employees included:

- HSW Inductions
- HSW Driving and Refresher—4WD, driving assessments (students), LUV, quad and trailer
- Trainer overview training (Works Group)
- Psychological First Aid training
- First Aid and refresher training
- Guardian Angel (InReach) and Warden 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.

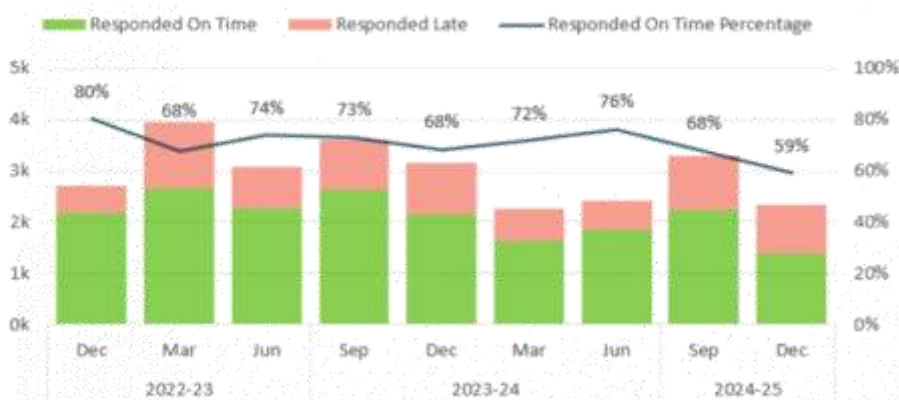
HBRC Organisational Performance Report: Quarter 2 2024-2025

Customer Services

Contacts handled



Response time to customer enquiries*



*target is to respond within 5 working days

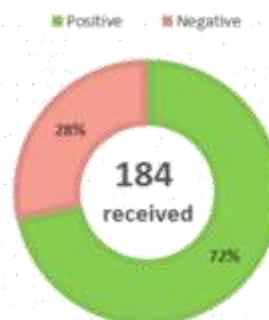
Customer experience

Contacts handled across all metrics returned to more normal levels this quarter, compared to Q1 when rate invoices go out. Walk-ins were high this quarter compared to the same quarter last year, attributed to enquiries about rate increases.

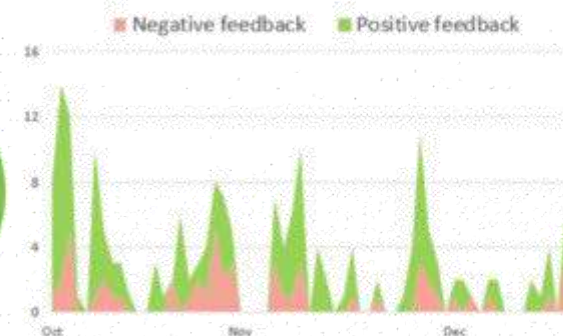
Rates penalty letters were sent out in October, leading to a surge in enquiries as many customers claimed they hadn't received their invoices. This made it difficult for customers to reach the Call Centre, causing frustration.

While handling phone enquiries, email responses backed up, creating a backlog. The team managed to reduce this backlog, bringing things under control by November. This is likely the reason for the dip in percentage of enquiries responded on time. Enquiries eased in December due to the holiday season and a shorter work month. Additionally, there were several team changes.

Customer satisfaction rating this quarter



Customer satisfaction—daily feedback



HBRC Organisational Performance Report: Quarter 2 2024-2025

Digital Media

Website (hbrc.govt.nz)

Enhancements to the website's content have helped users' ability to find necessary information. This is evidenced by the reduction in average time spent on the website from 1m39s to 1m8s this quarter. We will continue improving the website's content to maintain this positive trend.

Top 3 pages on hbrc.govt.nz this quarter:

1. Rainfall
2. River flows
3. Maps & GIS

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 4 engagements topics (Facebook)



Social media (Facebook and LinkedIn)

This quarter we continued to promote our work across Facebook, LinkedIn, and Instagram.

- Facebook: Key metrics showed an increase compared to last quarter, with reach increasing by over 30%. This was driven by consistent advertising through the Integrated Catchment Management campaign, summer campaigns, and regular updates about weather watches and river levels.
- LinkedIn: Key metrics also improved. We modified Facebook content for LinkedIn. Interactions increased by 35%, with 90% being positive. Though LinkedIn has a smaller audience, it is becoming a trusted platform for our content.

We ran several paid campaigns: GoBay ride the bus, Summer Safer boating, Summer water quality, ICM work we do, GoBay passenger survey, Summer water quality promo video (boosted post), Safer boating promo video (boosted post) and Harbourmaster survey giveaway.

Media and Official Information Requests

Communications and media

This quarter, we promoted several significant milestones for the Regional Council and community: the Silt Recovery Taskforce wrapping up recovery work, the Land for Life funding grant, the adoption of the Annual Report 2023-24, installation of two cameras on the Wairoa River mouth, and the funding extension for Wairoa’s recovery efforts.

Media showed great interest in Land for Life, Te Awa flood modelling, Wairoa River interim management plan, future of Hawke’s Bay Tourism, and the Wairoa flood review.

Local Government Official Information and Meeting Act (LGOIMA) requests

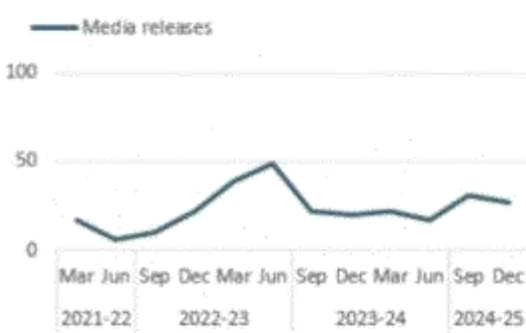
The number of official information requests continues to be high resulting in a lot of staff time and resources to respond.

Key topics of these requests include: Flood and drainage infrastructure, governance arrangements, water security, fast track consenting, consents and compliance matters, and Napier - Hastings Future Development Strategy.

Media enquiries

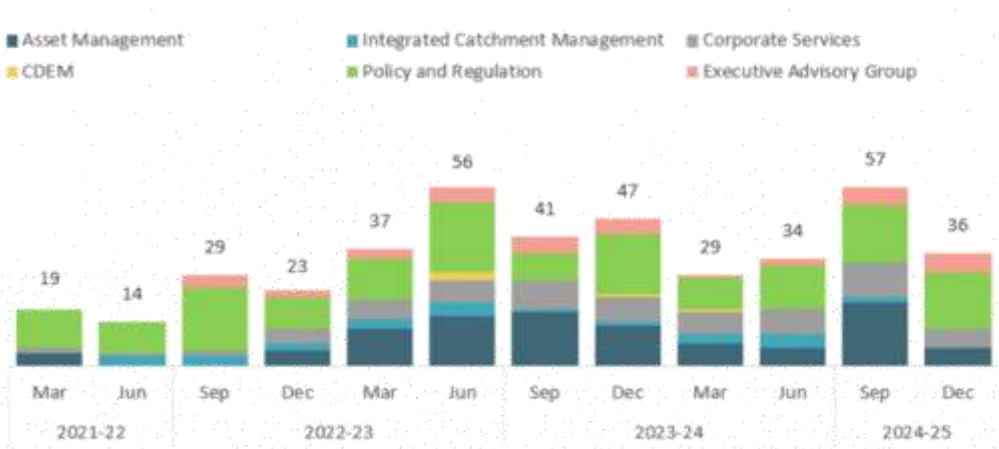


Media releases



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

Official information requests by HBRC Group



HBRC Organisational Performance Report: Quarter 2 2024-2025

Fleet and Air Travel

Fleet

151 Total fleet vehicles* 151 prior qtr 153 prior year	23 Total hybrid vehicles 23 prior qtr 24 prior year
2 Total plug-in hybrid vehicles 2 prior qtr 2 prior year	8 Total electric vehicles 8 prior qtr 8 prior year

*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. Several vehicles are being prepared for sale due to identified efficiencies in our fleet, so the numbers are likely to decrease in the next quarter.

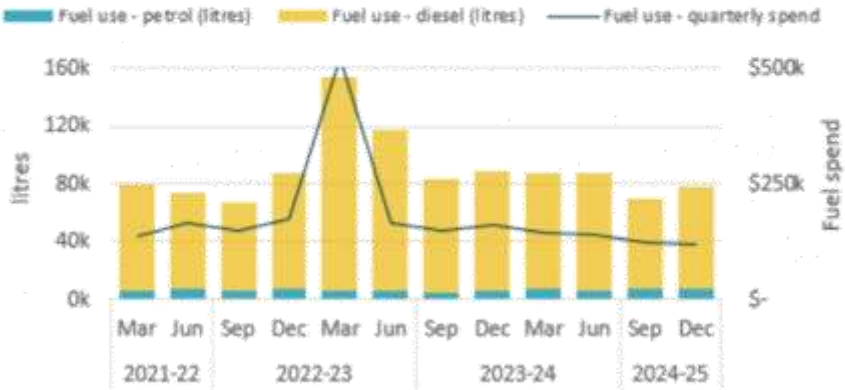
Fuel use

Fuel usage has slightly increased from the last quarter. However, the spend of fuel has slightly reduced, indicating a decreasing price at the pump.

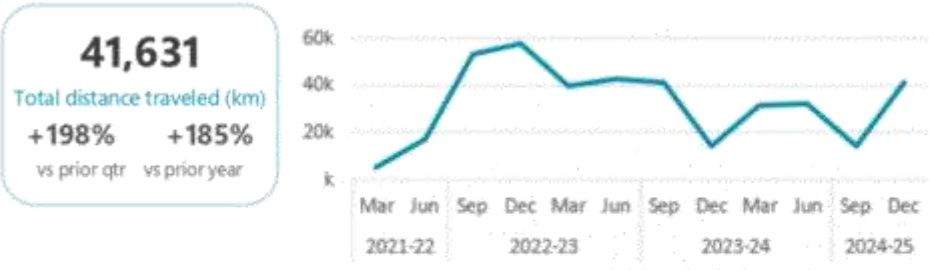
Carbon Emissions

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

Fuel use



Air travel



41,631
Total distance traveled (km)
+198% vs prior qtr | +185% vs prior year

Air travel

Travel has almost tripled compared to last quarter. The main themes for travel include working group meetings, conferences and training.



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

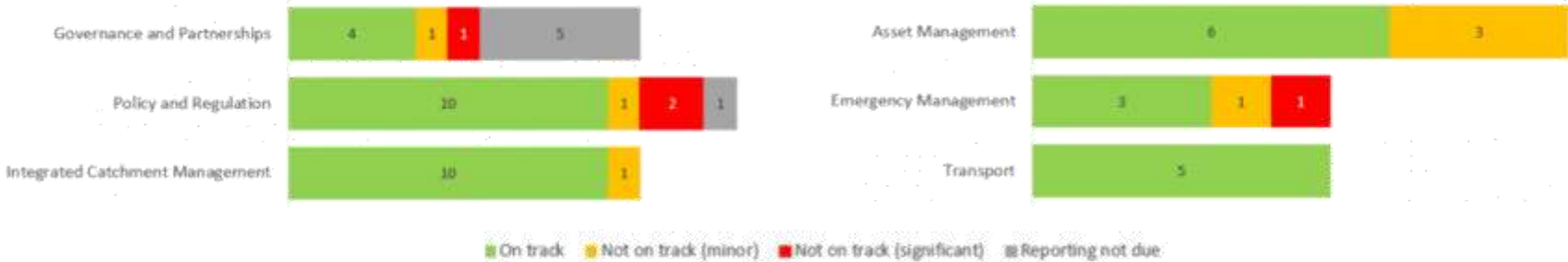
A traffic light reporting approach is used to show how we are tracking towards the end of year results.

Exception reporting

The exception reporting on the following pages provides commentary regarding measures that are currently 'not on track' or 'at risk' of not being achieved at year end. The Regional Council's Executive Leadership Team monitors the measures throughout the year to enable proactive action to improve performance.

Level of Service Measures

Summary by Group of Activities



Group reporting (by exception)

Governance and Partnerships

Measure	Target	YTD Result	Status	Commentary
Community Representation & Leadership				
Percentage of official information requests responded to within 20 working days	100%	89.2%	Not on track (significant)	34 of 38 official information requested responded to this quarter were completed within 20 working days. Four responses exceeded the 20-day target, due to delays in receiving approval by the Group Manager.
Community Sustainability				
Number of early childhood centres and schools participating in the EnviroSchools programme	Maintain or increase	73	Not on track (minor)	Our numbers dropped by one this quarter as we are no longer able to support Whare Tapere o Takitimu. We don't have te reo Māori capability to support the kura kaupapa.

HBRC Organisational Performance Report: Quarter 2 2024-2025

Level of Service Measures

Policy and Regulation

Measure	Target	YTD Result	Status	Commentary
Regulatory Implementation				
The Regulatory Implementation team meet the statutory timeframes for implementation as set by legislation	Achieved	On hold	🟡	Most of the regulatory timeframes that the team is working towards have been paused by central government. Changes to the regulations are being monitored.
Consents				
Percentage of resource consents processed within statutory timeframes	100%	99.3%	🔴	Two resource consents out of 144 was processed beyond 20 working days. In both cases, these were older replacement applications that were overlooked during a handover between staff.
Percentage of expiring water permits in the TANK catchment processed in accordance with TANK Plan Change	20%	0%	🔴	Approx. 800 TANK water permit replacement consents remain unprocessed and timeframes for processing will be extended again from the end of 2024 and likely through to mid-2025.

Integrated Catchment Management

Measure	Target	YTD Result	Status	Commentary
Environmental Information				
Percentage of processed monitoring programme results that are publicly available within two months of collection for: <ul style="list-style-type: none">Discrete water qualityGroundwater quantitySurface water quantity	90%	67.5%	🟡	67.5% of discrete and continuous data has been processed and verified within two months . This comprises 46% of continuous hydrology data, 100% of groundwater data, 34% of climate data, and 92% of discrete data. The percentages are down from 80% in the last quarter due to staff holidays and staff vacancies. Data is published hbrc.govt.nz/search/#envirodata and lawa.org.nz

HBRC Organisational Performance Report: Quarter 2 2024-2025

Level of Service Measures


Asset Management

Measure	Target	YTD Result	Status	Commentary
Flood Protection & Control Works (Flood Schemes)				
A capital programme for new flood infrastructure is prepared and delivered	80%-100% of annual programme delivered	Off track *	●	<p>The programme consists of the six NIWE projects—Wairoa, Whirinaki, Pākōwhai, Ōmahu and Pōrangahau. Land access continues to be a complex, sensitive and time-consuming activity. Two projects (Whirinaki and Wairoa) are currently of concern with regard to cost of delivery, and process to select a preferred option against tight timeframes.</p> <p>A short list of suppliers for land category projects has been confirmed, as well as the pumpstation design-build process. Procurement for enabling works for Waiohiki has been completed. Physical works will commence in the new year. Stakeholder Engagement Groups required by the Orders in Council are being established ahead of time to better meet facilitate community engagement.</p>
<p>Drainage infrastructure is maintained, repaired and renewed to the standards defined in the relevant scheme Asset Management Plan and annual works programme:</p> <p>a) An annual maintenance programme is prepared and delivered.</p> <p>b) An annual capital programme is prepared and delivered.</p>	>80% of programme delivered	Off track *	●	<p>The annual maintenance plan has been developed through the contract with the Works Group within the available budget. There are drain excavations that are still required (with budget constraints), and a comprehensive inspection of the drain network will give a clearer understanding of the current state of the network.</p> <p>The annual capital programme has been prepared and is currently being implemented.</p>
Regional Water Security				
A capital programme for regional water security is prepared and progressively delivered	Achieved	On hold	●	<p>Managed Aquifer Recharge – this pilot project is due to come to Council for a decision on next steps in the next quarter.</p> <p>Heretaunga Water Storage – the pre-feasibility phase was completed this quarter.</p>

*Percentages will be reported at year end.

Level of Service Measures

Emergency Management

Measure	Target	YTD Result	Status	Commentary
Hawke's Bay CDEM Group				
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	Off track		There is a pause on ongoing science and research activities due to staff resignations, therefore the 10-year hazard research plan will not be completed as scheduled.
HBRC Emergency Management				
Maintain established team, training, procedures including Emergency Operations Centre Manual and Business Continuance Plan	Achieved	In review stage		The draft Business Continuity Plan, that now incorporates the Emergency Procedures, is being internally reviewed. Meetings are being arranged for staff in all Incident Management Teams to aid role awareness and required documentation. Scenario based training is being arranged for next report period.

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)




Governance and Partnerships activities (non-financial)

Community Representation and Leadership

Status	Commentary
	<p>The Governance team serviced 15 meetings (compared to 17 last quarter), including 3 ordinary and 1 extraordinary council meetings, 6 council workshops, and 5 committee meetings. Committee meetings are typically fewer this quarter due to the wind down to Christmas. Notable decisions included the adoption of the 2023-2024 Annual Report, adoption of the Napier-Hastings Future Development Strategy for consultation (at the extraordinary meeting) and Revenue and Financing Policy adjustments – preferred rating models for consultation.</p> <p>Information papers and workshops progressed the HB CDEM Group Transformation, implementation of HB Independent Flood Review recommendations, and the NIWE flood resilience programme as well as the development of the 2025-26 Annual Plan.</p> <p>There were 36 LGOIMAs received during the quarter, compared to a record high of 57 last quarter and 34 the quarter before.</p>


Community Sustainability

Status	Commentary
	<p>This activity includes Climate Action, Environmental Education and Corporate Sustainability. The Climate Action Joint Committee met in November. An update was provided on the regional climate change risk assessment. The Report is on track for public release in March 2025. This is a first for Hawke’s Bay and a collaborative effort by all councils.</p> <p>The Environmental Education team was busy out in the field with schools making the most of good weather. Both primary and secondary school were active, especially at our rivers. We released the third of six online water education resources, on stormwater. The Youth Environment Ambassador programme wrapped up for the year. This new format will be repeated in 2025. The team travelled to Wairoa in November as part of face to face connections with colleagues, partners and schools. Two schools - Marewa and Te Kura o Pakipaki achieved Greengold Enviroschools. Reducing our fleet remained a focus for corporate sustainability.</p>

Tāngata Whenua Partnerships

Status	Commentary
	<p>Both the Māori and Regional Planning Committees endorsed the Council’s submission to the Treaty Principles Bill, reinforcing the importance of Māori rights under Te Tiriti o Waitangi. The Māori Committee prioritised climate action by advocating for mātauranga Māori integration into adaptation and resilience planning.</p> <p>The Regional Planning Committee hosted workshops to advance the Regional Policy Statement, alongside the Joint Taiao Practitioners’ Group who will co-develop RMA planning documents. This collaboration ensures mana whenua perspectives are directly embedded into environmental and resource management strategies.</p>

Regional Development

Status	Commentary
	<p>Two reports commissioned by HBREDA were published this quarter: <i>Understanding the Hawke’s Bay Economy</i>, December 2024, providing a comprehensive analysis of the Hawke’s Bay economy; and <i>Employment Outlook for Hawke’s Bay TLAs</i>, October 2024, providing an employment outlook by territorial authority based on industry trends and performance. A paper and presentation were made to the Corporate and Strategic Committee in November 2024.</p> <p>HB Tourism (HBT) presented their Annual Report 2023-24 in November, updating Council on their 6 KPIs. Following the decision of HBRC to stop funding HBT from 1 July 2025, HBT is proactively engaging with councils, and other agencies, on what options may be available to raise \$1m required to keep operating in a minimum capacity.</p>

HBRC Organisational Performance Report: Quarter 2 2024-2025

Governance and Partnerships group (financials)

Expenditure	Operating expenditure				Capital expenditure		
Activity	Actual \$000	Budget \$000	Variance \$000		Actual \$000	Budget \$000	Variance \$000
Community Representation & Leadership	872	839	(33)		-	-	-
Tāngata Whenua Partnerships	279	408	129		-	-	-
Community Sustainability	1,212	1,244	32		923	594	(329)
Regional Development	1,216	1,216	(0)		-	-	-
TOTAL	3,580	3,707	128		923	594	(329)

Funded by	Operating expenditure				Capital expenditure		
Activity	Actual \$000	Budget \$000	Variance \$000		Actual \$000	Budget \$000	Variance \$000
General funds	1,744	1,744	0		-	-	-
Targeted rates	1,012	1,008	4		-	-	-
Fees and user charges	-	-	-		-	-	-
Other income	963	930	33		-	-	-
Loan	0	50	(50)		923	594	329
Reserves	(47)	70	(117)		-	-	-
TOTAL	3,673	3,802	(129)		923	594	329
Surplus/(deficit)	93						

Status Financial commentary



The overspend in Community Representation and Leadership is primarily due to external professional advice.

Community Sustainability operating expenditure underspend is related to timing, and is on track to meet the budget. The capital expenditure overspend is due to underestimation of final applications for the Sustainable Homes programme.


The underspend in Tāngata Whenua Partnerships is due to lower activity at the beginning of the year, with most of the costs expected in the second half of the year.

Other income is ahead of budget due to higher-than-expected sustainable homes voluntary targeted rate income. Reserve funding is above budget because the repayment terms for the sustainable homes programme internal loans have been adjusted to reflect the remaining duration of the programme.

HBRC Organisational Performance Report: Quarter 2 2024-2025

Policy and Regulation activities (non-financial)

Policy Planning

Status	Commentary
	<p>A significant milestone for the Kotahi Plan was achieved with staff working with tāngata whenua to identify freshwater visions and values.</p> <p>The TANK mediation process continues to advance according to schedule. The final mediation sessions have been confirmed for February 2025, marking a crucial phase in resolving outstanding matters. The Water Conservation Order high court appeal has reached resolution, with the case being referred back to the Environment Court for final determination. The team maintains comprehensive awareness of ongoing legislative changes and proposals, ensuring full regulatory compliance.</p> <p>The vacant team leader position has been filled, and due to start their role in January 2025.</p>


Consents

Status	Commentary
	<p>The Consents team continues to handle resource consent applications in accordance with the Resource Management Act. One appeal that proceeded to the Environment Court has now been heard with a decision likely next quarter. The costs for this appeal have now stopped, but the decision could award additional costs against HBRC.</p> <p>Two new planners have been recruited and we now have a full team. We received a large influx of replacement applications during the quarter (approx. 300). The TANK water permit replacement consents remain unprocessed and timeframes for processing these will need to be extended again – probably through to mid-year. There are approximately 800 of these applications yet to be processed.</p>

Compliance and Pollution Response

Status	Commentary
	<p>Compliance staff in both the urban/industrial and rural teams have been busy preparing and arranging site visits which commence almost immediately in the New Year. We have been busy assigning and setting up new consents for compliance officers, and continue to work through the back log of historic invoices. The Compliance Manager moved to a new role as HBRC Operations Manager (in Asset Management) and our urban/industrial team has been downsized by one position. The Acting Manager continues to fulfil Regional On-Scene Commander admin function until we have an appointment from HBRC. We have recently appointed two new Compliance Regulatory Officers who have joined us in the lead up to one of our busiest times of the year.</p>

Maritime Safety

Status	Commentary
	<p>Commercial: we have been reviewing options to replace our existing AIS Monitoring software due to the provider's cessation of services (scheduled in March 2025). Vessel monitoring and management continues to be highly effective.</p> <p>Recreational: there has been a significant increase in bylaw non-compliance, particularly speeding within the speed restricted areas. Efforts are underway to curtail this and will be done through a combination of increased education and enforcement. The next Harbour Users Group meeting is scheduled to take place at the end of February 2025.</p>

Regulatory Implementation

Status	Commentary
	<p>There is no report available as staff have been seconded into other roles at HBRC.</p>

HBRC Organisational Performance Report: Quarter 2 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	1,509	1,579	70		-	-	-
Consents	1,637	1,525	(112)		-	-	-
Compliance & Pollution Response	2,027	2,128	101		-	-	-
-Silt Taskforce & Woody Debris	30,226	29,678	(548)		-	-	-
Regulatory Implementation	265	479	213		-	-	-
Maritime Safety	348	371	23		-	-	-
TOTAL	36,013	35,761	(252)		-	-	-

Status	Financial commentary
	<p>The overspend on Consents is due to the significant costs of the Tranche 2 appeal, which involved considerable time spent working with experts and lawyers. The hearing has now concluded.</p> <p>Regulatory Implementation is under budget due to a slower pace while awaiting direction from central government. Staff in this area have been reassigned to Asset Management to assist with additional workload resulting from the cyclone.</p> <p>Funding exceeded the budget primarily due to the Silt Taskforce. This is offset by the overspend in expenditure. Additionally, we received a \$240K grant to support cyclone recovery efforts.</p>

Funded by	Operating expenditure				Capital expenditure		
	Actual	Budget	Variance		Actual	Budget	Variance
Activity	\$000	\$000	\$000		\$000	\$000	\$000
General funds	4,034	4,034	(0)		-	-	-
Targeted rates	-	-	-		-	-	-
Fees and user charges	1,640	1,650	(10)		-	-	-
Other income	30,488	29,709	778		-	-	-
Loan	441	420	21		-	-	-
Reserves	(75)	0	(75)		-	-	-
TOTAL	36,527	35,813	715		-	-	-
Surplus/(deficit)	514						

Integrated Catchment Management activities (non-financial)


Biodiversity and Biosecurity

Status	Commentary
	<p>In Biodiversity, two sites in Wairoa have been deer-fenced with 27.8 hectares of threatened ecosystems protected. An aerial spray for willow control was undertaken in Te Opoko Paoa (the Wanstead Swamp), CHB.</p> <p>The pest animal control team has been targeting 44 active rooks nests with the total now inactive sitting at 431. HBRC field staff continue targeting hotspot areas in the northern Māhia Peninsula for the Predator Free Māhia project. MPI notified HBRC of the spread of non-indigenous algae (marine pest) in Wairoa – with no action recommended.</p> <p>The pest plant team continues to support the community with incentive schemes in Puketapu, Pakipaki, Maraekakaho, CHB, Bay View, Eskdale, and Tukituki. Chilean needle grass, nassella tussock, and saffron thistle control/surveillance were all completed regionwide using an incentive scheme and staff delivery. An aerial spray of Alligator weed was undertaken and 50% of wilding conifer work for MPI was completed.</p>

Sustainable Land Management

Status	Commentary
	<p>Nursery: Hills Laboratories analysed soil samples from our nursery, with results sent to the Poplar & Willow Trust for interpretation. Soil moisture probes were calibrated for the summer, confirming irrigation levels to maintain suitable moisture.</p> <p>Erosion Control Scheme: Catchment Advisors completed final inspections of winter planting (poles, natives) and spray releases. The dry pre-Christmas conditions impacted survival rates in southern and central areas. Planning is underway for winter pole planting, and applications for the next financial year are being prioritised due to budget limits and seedling orders. The current budget remains oversubscribed by \$400k, requiring close monitoring in the final two quarters. Planning is underway for events in the next quarter, including the East Coast Farming Expo. Minister McClay announced Sustainable Food and Fibres Future funding for the Land for Life programme, formally launching Stage 3 to validate its scalability.</p>

Environmental Science

Status	Commentary
	<p>Overall, the Science section work programme continues to progress well, despite reduced capacity with 6 FTE vacancies in the last quarter. We anticipate filling 3 of the 4 remaining roles shortly. The team has focussed on State of the Environment reporting which is due to complete in June 2025. This has resulted in reduced capacity to support requests from other areas of HBRC. Some projects may not commence or continue with current capacity.</p>

Environmental Information

Status	Commentary
	<p>The Environmental Information team has continued to collect all relevant data and upgrade sites as required. The holding of staff vacancies is starting to impact on the timeliness and completeness of data sets. This is felt across most of the teams including water information services, water quality and ecology, and hydrology. Students have picked up some work. Our Puketapu site on the Tūtaekuri was vandalised again and a decision has been made not to replace the camera and to rely on the water level sensors instead. Important Telemetry sites continue to be upgraded as part of the resilience plan.</p>

Rural Partnerships

Status	Commentary
	<p>Engagement with catchment communities has continued to grow. A key event during the quarter was a Catchment Forum for Catchment Group Coordinators to receive updates from all potential funders and support across a range of agencies and organisations (MPI, NZLCT, etc.). Establishment workshops have been undertaken with a potential collective forming in the Maraetotara area and another group in Putere. The Rural Partnerships team were also drafted into supporting sector initiatives for the extreme dry weather risk in November/December 2024.</p>

HBRC Organisational Performance Report: Quarter 2 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	2,353	2,425	71		98	194	96
Environmental Science	2,564	3,139	575		1	33	32
Sustainable Land Mgmt	4,780	4,491	(289)		69	25	(44)
Biodiversity & Biosecurity	3,191	3,602	411		119	100	(19)
Rural Partnerships	546	655	108		-	-	-
TOTAL	13,435	14,312	877		286	351	66

Funded by	Operating expenditure				Capital expenditure		
	Actual	Budget	Variance		Actual	Budget	Variance
Activity	\$000	\$000	\$000		\$000	\$000	\$000
General funds	9,245	9,245	0		-	-	-
Targeted rates	1,307	1,303	4		-	-	-
Fees and user charges	870	1,005	(136)		-	-	-
Other income	1,701	2,118	(418)		51	-	51
Loan	1,457	1,123	334		136	158	(22)
Reserves	406	150	256		99	194	(95)
TOTAL	14,985	14,945	40		286	351	(66)
Surplus/(deficit)	1,550						

Status Financial commentary



The Environmental Science underspend is attributed to the delay in water quantity research on nature-based solutions. The contract assignment is nearing completion, and subsequent work will commence soon after.

The Sustainable Land Management overspend is due to soil conservation nursery timing and full subscription of the Erosion Control Scheme (ECS) programme – a prioritisation review of the work is currently in progress. The Land for Life underspend is because of late funding agreement. Capital expenditure overspend will be covered by additional unbudgeted external funding.

Biodiversity and Biosecurity operating expenditure underspend is due to pending biodiversity projects, partially offset by an overspend in rook control. The capital overspend due to completion of Whakakī weir.

Rural Partnerships underspend due to contract extension for MfE roles.

Loan funding is over budget due to the ECS programme. Other funding is below budget due to the Land for Life only recent approval of funding from the SFFF application.

Asset Management activities (non-financial)

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

Status	Commentary
●	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. Seven pump stations have moved to the new SCADA system.

Flood Risk Assessment and Warning

Status	Commentary
●	<p>Engineering staff have been supporting ongoing scheme reviews and working with other councils to update flood hazard maps for the hazard portal. Focus has been on prioritising upgrades to flood protection solutions, with additional support provided to IPMO projects.</p> <p>Progress has also been made with the flood forecasting dashboard, now operational and accessible to engineering staff. It is being tested and refined, with plans to expand access to wider HBRC teams. Updates to the base models for the forecasting system are in progress, incorporating the latest survey data and new model scenarios to simulate various MetService rainfall data.</p>

Regional Water Security

Status	Commentary
●	Currently the two key projects within the Regional Water Security programme are Central Hawke's Bay Managed Aquifer Recharge (CHB MAR) pilot project and Heretaunga Water Storage. CHB MAR pilot project is on-hold due to technical issues with the consented design and the government's recent support of the Tukituki Water Security project. Prefeasibility work on medium-scale water storage in the Heretaunga continued this quarter.

Open Spaces

Status	Commentary
●	<p>These activities are undertaken in accordance with the relevant Asset Management Plan.</p> <p>Necessary reactive maintenance tasks have been performed as needed. A maintenance contract for regional parks was signed in October and the team carry out regular inspections to ensure the contract is met. Maintenance at Tūtira Regional Park was undertaken ready for the Christmas break.</p>

Coastal Hazards

Status	Commentary
●	<p>At Westshore, the bund has been monitored since its restoration, and the Westshore Residents and Developers Association has been informed that HBRC will not undertake its renourishment works for 2024.</p> <p>Maintenance has been scheduled for deployed instruments, with the offshore buoy lost and, after reviewing the monitoring programme, a decision has been made not to redeploy it. The Wairoa wave buoy deployment is in progress, awaiting approval. Reconstruction of over 20 years of wave data for Westshore is also underway. Cyclone Gabrielle simulations have progressed, and the model is currently running. Regular reports, memos, cost estimates, and technical information continue to be provided to the technical advisory group of the Clifton to Tangaio Coastal Hazards Strategy for communication purposes.</p> <p>Council workshops were held to consider the next steps for the Coastal Hazards Strategy. This culminated in a decision at the January Council meeting to spend 2025 engaging on its affordability, and deferring formal consultation.</p>

HBRC Organisational Performance Report: Quarter 2 2024-2025

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	7,216	7,904	688	10,650	15,812	5,162
Flood Risk Assessment and Warning	616	623	7	-	-	-
Coastal Hazards	731	577	(154)	-	-	-
Open Spaces	1,781	1,991	209	478	1,756	1,278
Regional Water Security	22	350	327	284	1,898	1,614
Works Group	422	561	138	526	374	(152)
TOTAL	10,789	12,005	1,215	11,938	19,840	7,902

Funded by	Operating expenditure			Capital expenditure		
	Actual	Budget	Variance	Actual	Budget	Variance
Activity	\$000	\$000	\$000	\$000	\$000	\$000
General funds	4,010	4,010	0	46	46	0
Targeted rates	4,134	4,015	119	845	961	(116)
Fees and user charges	182	663	(481)	-	-	-
Other income	1,463	2,974	(1,511)	10,996	11,781	(786)
Loan	251	790	(539)	2,621	5,141	(2,520)
Reserves	358	908	(550)	(2,617)	241	(2,858)
TOTAL	10,399	13,360	(2,961)	11,891	18,171	(6,279)
Surplus/(deficit)	(390)			(47)		

Status Financial commentary

Flood Protection and Control Works operating expenses are under budget due to delays in IRG gravel extraction, and a delay in payment to CHB District Council for the swing bridge. This is partially offset by overspending on river mouth openings and drain clearings. Capital expenditure is also under budget, primarily because of the timing of the NIWE projects, and the IRG level of service Maraenui golf course project may not proceed. The Coastal Hazards activity overspend due to the Westshore beach renourishment repairs following the weather event in June 2024.

Open Spaces has lower expenditures in both operating and capital areas due to setbacks in forestry harvesting, the Hawea Historical Park project being unlikely to be completed this financial year, and delays in progressing the cycleway MBIE-funded project.

The Regional Water Security underspend in both operating and capital is due to delays in CHB's Managed Aquifer Recharge project and slower progress of these projects due to the prioritised cyclone recovery but progress is expected to pick up.


Funding is under budget due to the timing of lease income (billed in April/May), forestry harvesting schedules, the NIWE work schedule, and the submission of cyclone insurance/NEMA claims. Fees and user charges are also under budget due to the timing of gravel extraction affected by environmental factors. Reserve Funding exceeds the budget due to the timing difference between claims and expenditures in the cyclone recovery work.

Emergency Management activities (non-financial)

Hawke’s Bay CDEM Group

Status	Commentary
	<p>The HBCDEM Transformation Strategy has been prepared and to be presented to Joint Committee in January 2025 seeking approval for implementation. Work is scheduled to begin on the seven implementation plans once endorsed.</p> <p>Key CDEM focus areas include increasing workforce capacity and capability, expanding Community Emergency Hubs, supporting communities with Community Resilience Plans, rolling out blue tsunami evacuation zones, developing Civil Defence Centre plans, and advancing the Welfare Registration and Needs Assessment (RANA) platform, which is gaining recognition from other CDEM Groups. Efforts are underway to establish a more robust controller selection process, and an increased governance and reporting system.</p> <p>Currently, the CDEM Group office has three vacancies and three funded but unfilled roles. An organisational redesign is underway, after which these roles will be filled.</p>

HBRC Emergency Management

Status	Commentary
	<p>The HBRC incident management team has activated on a number of occasions over the year in response to weather warnings and events, most recently in December 2024 in Wairoa. Each time this occurs, issues are identified, and changes to systems and processes made. HBRC continues to support the HB CDEM Group with staff.</p> <p>The new draft Business Continuity Plan is under review, and staff have been identified for the HBRC Incident Management Teams. During the quarter, 25 HBRC staff completed the Emergency Management Essentials course, bringing the total to 108 for 2024.</p>

HBRC Organisational Performance Report: Quarter 2 2024-2025

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	1,658	1,818	160		-	-	-
HBRC Emergency Management	1,731	1,575	(155)		-	-	-
TOTAL	3,389	3,394	5		-	-	-

Funded by	Operating expenditure				Capital expenditure		
	Actual	Budget	Variance		Actual	Budget	Variance
Activity	\$000	\$000	\$000		\$000	\$000	\$000
General funds	1,080	1,080	0		-	-	-
Targeted rates	1,765	1,748	17		-	-	-
Fees and user charges	-	-	-		-	-	-
Other income	568	521	48		-	-	-
Loan	-	-	-		-	-	-
Reserves	(220)	0	(220)		-	-	-
TOTAL	3,193	3,349	(155)		-	-	-
Surplus/(deficit)	(195)						

Status Financial commentary




The underspend in Hawke's Bay CDEM Group is due to vacant positions and a temporary halt in some activities pending the implementation of actions from Hawke's Bay Independent Flood review. A transformation role is currently underway. Additional income has been received from NEMA for training.


HBRC Emergency Management's overspend is driven by the costs of responding to the Wairoa event on 24 June 2024.

Transport activities (non-financial)

Passenger Transport

Status	Commentary
	Bus timetable reliability has improved significantly compared to the same period in 2023-24 with a return to good driver availability. Passenger numbers also continue to improve compared to the previous year. The bus contract with Go Bus has been extended for a further two years, set to expire at the end of July 2027. This extension allows us to reduce the risks around too many activities happening at the same time, specifically the transition to the new National Ticketing system, timed for September of 2025, and for a planned move to the new bus route network in the first quarter of 2026. We continue to consult widely with the Total Mobility community around improving the robustness of our policies and operations to ensure funding is well targeted and controlled.

Transport Planning and Road Safety

Status	Commentary
	<p>The Transport Planning Team has initiated a review of the 2022 Regional Public Transport Plan (RPTP). The review aims to improve the robustness of our Total Mobility policies on usage of the scheme to ensure funding is well targeted. The review also ensures the plan continues to be compliant with Waka Kotahi/NZTA RPTP development guidance. No significant changes are proposed to the new bus network outlined in the 2022 plan.</p> <p>Our Road Safety programme continued with events and initiatives, including working with adjoining councils on fatigue and education checkpoints on SH2 and SH5. Our road safety initiatives across the region include driver education, child car seat fitting clinics and safe motorbike riding clinics. RoadSafe Hawke's Bay attended the Central Hawke's Bay Show and was part of their Safety Precinct displays.</p>

HBRC Organisational Performance Report: Quarter 2 2024-2025

Transport (financials)

Expenditure	Operating expenditure				Capital expenditure		
	Actual	Budget	Variance		Actual	Budget	Variance
Activity	\$000	\$000	\$000		\$000	\$000	\$000
Public Transport	5,223	5,129	(94)		-	-	-
Transport Planning & Road Safety	190	334	145		-	-	-
TOTAL	5,413	5,463	51		-	-	-

Status Financial commentary



The overspend in Public Transport is attributed to the phasing of the budget, as November is typically one of the busiest months for Total Mobility. Regional Road Safety spending will be reduced throughout the year to align with the decreased funding from the National Land Transport Fund (NLTF) and the local council contribution.

Funded by	Operating expenditure				Capital expenditure		
	Actual	Budget	Variance		Actual	Budget	Variance
Activity	\$000	\$000	\$000		\$000	\$000	\$000
General funds	84	84	0		-	-	-
Targeted rates	2,289	2,288	1		-	-	-
Fees and user charges	-	-	-		-	-	-
Other income	2,711	3,109	(399)		-	-	-
Loan	-	-	-		-	-	-
Reserves	255	0	255		-	-	-
TOTAL	5,339	5,481	(142)		-	-	-
Surplus/(deficit)	(74)						

HBRC Organisational Performance Report: Quarter 2 2024-2025

Corporate Services

Information and Communications Technology (ICT)

Status	Commentary
●	<p>We continue to progress our annual ICT plan, focusing on backend and operational technology assessments, resilience and security reviews, and a review of HBRC's enterprise architecture. This will guide our technical strategic planning ongoing.</p> <p>Other key points include: handling 3983 service desk tickets, conducting security incident simulations to test our response procedures, completing the trial of Copilot AI technology, launching a GenAI policy and training, publishing storm water flood models for Napier City, releasing Tsunami Inundation models and Evacuation Areas, providing maps and spatial support for biosecurity, the Kotahi plan, rural partnerships, and the land categorisation programme, completing the build and test of the Strategic Asset Management (SEAM) platform, defining organisational requirements for a new contract management platform, and making progress on our cross-sector IRIS NextGen programme.</p>

People and Capability

Status	Commentary
●	<p>October was busy with the Spring pulse survey for all staff; results are with our leadership team for deeper analysis and will be shared early 2025. Our Spring people leaders' newsletter covered leave and holidays act remediation. In November, we held the Leadership Forum for Tier 2 & 3 managers, discussing our leadership team's top 10 priorities, organisational values, behaviours, and a session on recovery and resilience. Most staff enjoyed a well-deserved break during the Christmas shutdown, with critical workers on-call for weather events.</p> <p>Updates on staffing, turnover and recruitment are on page 7 of this report.</p>

Finance, Treasury, and Procurement


Status	Commentary
●	<p>The 2023-24 Annual Report was completed, signed off and adopted by Council marketing a key milestone for the Finance team. Work has begun on the 2025-26 Annual Plan, including a top down analysis based on discussions with the leadership team and Council. A detailed budget will be worked on with budget managers in the next phase.</p> <p>NEMA and Insurance Claims progressed with claims submitted to date worth \$14m.</p>

Corporate Support


Status	Commentary
●	<p>October was a particularly busy month for the Customer Experience team with Rates penalty letters going out. Many customers reported not receiving their Rates invoices, leading to a spike in enquiries and creating a backlog in email responses. The team managed over 2000 calls and cleared the backlog by November. Enquiries slowed in December due to the holiday season and a shorter work month. There were also several team changes.</p> <p>The Facilities and Support team is upgrading outdated EROAD for accurate reporting, initiating a vehicle inspection app initiated by our HSW, and working to reduce the fleet and prepare vehicles for sale for cost savings.</p> <p>Updates on Customer Experience and Fleet are on pages 9 and 12 respectively.</p>

Corporate Services and Executive Advisory

Legal, Compliance and Risk

Status	Commentary
	<p>A big milestone for our Quality and Assurance team (of one) was HBRC's ISO 9001 Quality Management Systems recertification in October, received with no non-conformances (only the second organisation in revalidation status to receive this outcome). Another focus of this function has been to progress an update of HBRC's business continuity plan and incident response approach.</p> <p>The focus and attention of the Legal function this quarter has predominantly been on the preparatory work required to support our Insurers appointed Counsel for litigation claims. HBRC attending preliminary scope hearing in November 2024 for the Coroner's Inquest into Cyclone Gabrielle. The finalised scope will be received in February 2025.</p> <p>HBRC's strategic risk profiles are regularly reviewed by the leadership team and escalated as necessary.</p> <p>The business-as-usual work of our Health, Safety and Wellbeing team can be viewed on page 8.</p>


Communications and Engagement

Status	Commentary
	<p>Media interest remained high this quarter, with coverage on topics such as the conclusion of the Silt Task Force, significant funding for Land For Life, the future of Hawke's Bay Tourism, flood modelling for Te Awa, the release of findings from the Wairoa flood review, the installation of two cameras at the Wairoa River mouth, and the funding extension for Wairoa's recovery efforts.</p> <p>Traffic to our website dropped but there were spikes in visits to certain sections (such as river flow and rainfall) driven by rainfall events in December. Our ongoing web optimisation efforts continue to yield positive results, making it easier for users to quickly find the information they need.</p> <p>Facebook followers and traffic have shown steady growth, while LinkedIn is beginning to see an upward trend as we increase our focus there.</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 Group activated Te Kapehu, a mātauranga Māori framework, as a pilot in the Reimagining Flood Schemes project. The Tūhono framework for kaupapa Māori conflict resolution was formally introduced to mana whenua relationships within the NIWE programme.</p> <p>Mātauranga Māori continues to be embedded into environmental stewardship processes, contributing to the upcoming State of the Environment report. The team also supported increased Māori participation, with mana whenua representation embedded across several key Council workstreams to ensure inclusive decision-making and strengthened partnerships.</p>

Strategy and Governance

Status	Commentary
	<p>The Governance team serviced 15 council/committee meetings or workshops, and administered consistently high LGOIMA requests. Staffing remains challenging with a vacancy in the 3-person team and learning on the job.</p> <p>The Strategy & Performance team was also carrying a vacancy but recruitment will see the vacancy filled in January. The team project managed and worked closely with Finance and the Comms team on the 2023-24 Annual Report (adopted in October), summary report and development of the 2025-26 Annual Plan as well as involvement in Revenue and Financing Policy, Coastal Hazards and Flood Resilience programme work.</p> <p>The Climate Action Lead Strategic Advisor's focus this quarter was the Climate Action Joint Committee's meeting in November and working collaboratively across councils to deliver the region's first Climate Change Risk Assessment (due for public release in March 2025).</p> <p>Updates on official information requests are detailed on page 11 of this report.</p>

HBRC Organisational Performance Report: Quarter 2 2024-2025

Other HBRC (financials)

Expenditure	Operating expenditure				Capital expenditure		
	Actual	Budget	Variance		Actual	Budget	Variance
Activity	\$000	\$000	\$000		\$000	\$000	\$000
Corporate support	-	-	-		137	143	6
ICT	1,121	1,070	(51)		86	882	796
Investment Income	931	865	(65)		-	-	-
Rates Management	721	985	265		-	-	-
Treasury	937	0	(937)		-	-	-
TOTAL	3,709	2,921	(789)		223	1,024	802

Status	Financial commentary
●	<p>The overspend in ICT operating expenditure was due to high contractor usage for strategic business computing. Capital expenditure is underspent in GIS, user hardware, and server and storage renewals.</p> <p>Rates management underspend reflects the net corporate overhead underspend from other areas. Treasury overspend is due to increased debt costs.</p> <p>General rates funding exceeded budget expectations due to increased penalty income and reduced rates remissions. Other Income outperformed due to unbudgeted interest revenue from cash holdings.</p>

Funded by	Operating expenditure				Capital expenditure		
	Actual	Budget	Variance		Actual	Budget	Variance
Activity	\$000	\$000	\$000		\$000	\$000	\$000
General funds	(6,994)	(7,847)	853		-	-	-
Targeted rates	-	-	-		-	-	-
Fees and user charges	-	-	-		-	-	-
Other income	9,007	7,807	1,200		11	0	11
Loan	2,860	2,809	51		28	70	(42)
Reserves	-	-	-		62	902	(840)
TOTAL	4,873	2,768	2,104		101	972	(870)
Surplus/(deficit)	1,163				(121)		

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 (pp18-33) is based on our internal management budget, which is in our Three-Year Plan or current Annual Plan, adjusted for carry forwards and new external funding agreements.

HAWKE'S BAY REGIONAL INVESTMENT COMPANY LTD



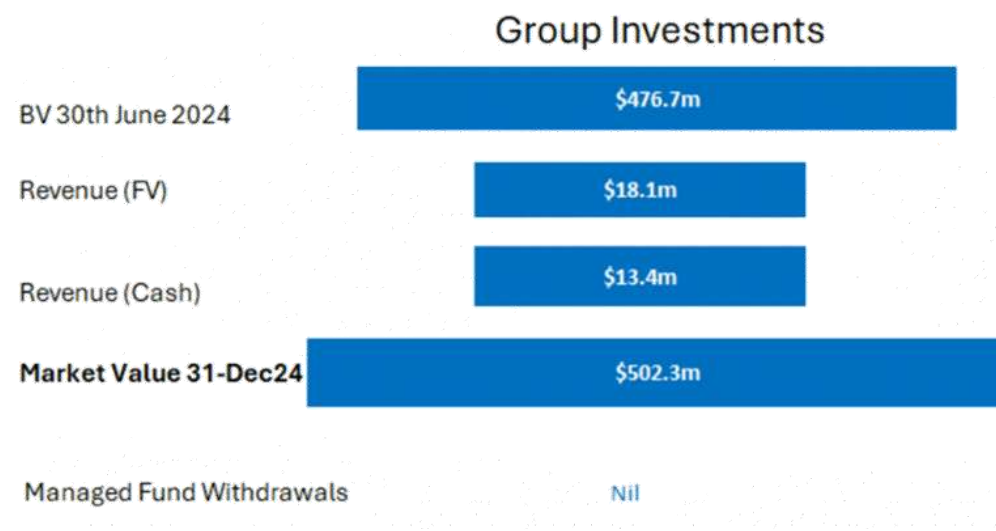
Group Investment Performance Update

6 months to December 2024

HBRC Group Investment Performance to 31 December 2024

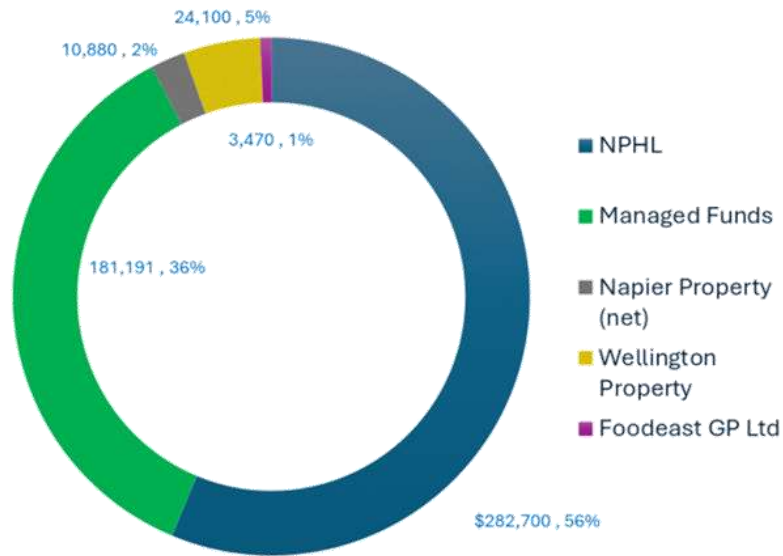
By the numbers

FY 2025 YTD Gross Returns	Cash Return (\$000)	%	Fair Value Gain (\$000)	%	Total Return %
NPHL	\$6,600	2.42%	\$9,900	3.63%	6.05%
Managed Funds **	\$5,982	3.57%	\$7,614	4.54%	8.11%
Napier Property	\$343	3.81%	\$579	6.42%	10.23%
Wellington Property	\$497	2.06%	\$0	0.00%	2.06%
Foodeast GP Ltd	\$0	0.00%	\$0	0.00%	0.00%
TOTAL	\$ 13,422	2.82%	18,093	3.80%	6.61%



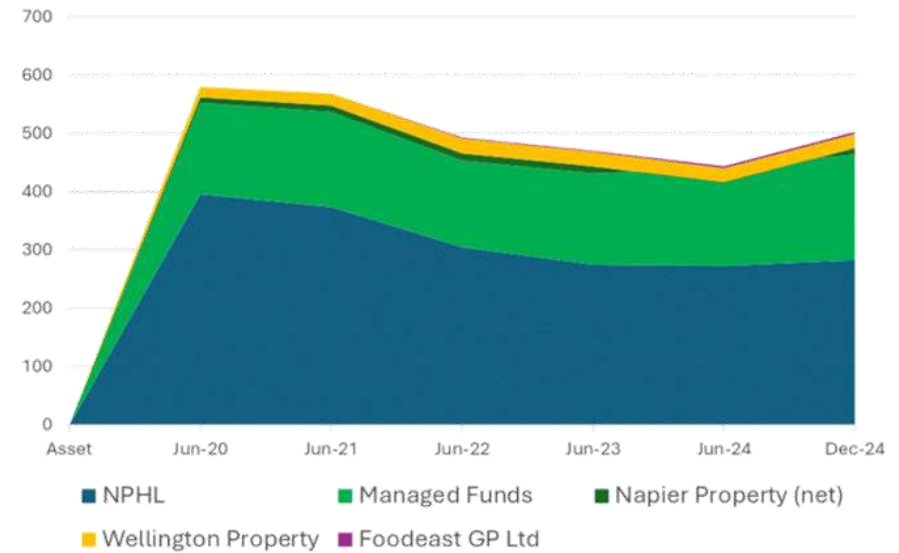
HBRC Group Investments - 31 December 2024

Current Asset Allocations
(\$'000)



Total Portfolio \$502.3m

Accumulative Portfolio value (\$m)



HBRC Group Managed Fund Portfolio's – 31 December 2024

Group Portfolio Structure

Cash	\$ 756,380	0.42%
NZ Fixed Interest	\$30,609,223	16.89%
Global Fixed Interest	\$23,794,352	13.13%
NZ Equities	\$32,160,618	17.75%
Global Equities	\$93,870,144	51.81%
	\$181,190,716	100.00%

Group Portfolio YTD Performance

	\$	%
Interest	145,721	
Dividends	1,711,308	
Realised gains	3,202,192	
Fees	(21,612)	
Taxes	(52,970)	
Net Cash Return	4,984,639	2.97%
Unrealised gains	7,691,800	4.59%
Total Return	12,676,439	7.56%

Net Fees & rebates charged

Mercer	\$ -
Jarden	\$ 147,686
Harbour	\$ (126,074)
	\$ 21,612

S&P 500

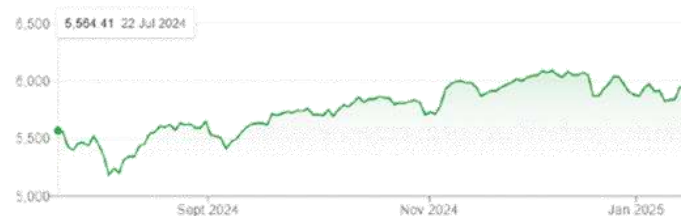
Market Summary > S&P 500

6,049.24

+484.83 (8.71%) ↑ past 6 months

21 Jan, 4:44 pm GMT-5 • Disclaimer

1D 5D 1M 6M YTD 1Y 5Y Max



Open	6,014.12	Low	6,006.88	52-wk high	6,099.97
High	6,051.51	Prev close	5,996.66	52-wk low	4,844.05

6 Month Return against benchmark (S&P)

HBRIC Group	7.56%
S&P 500	8.71%

Napier Port Holdings Ltd – December 2024

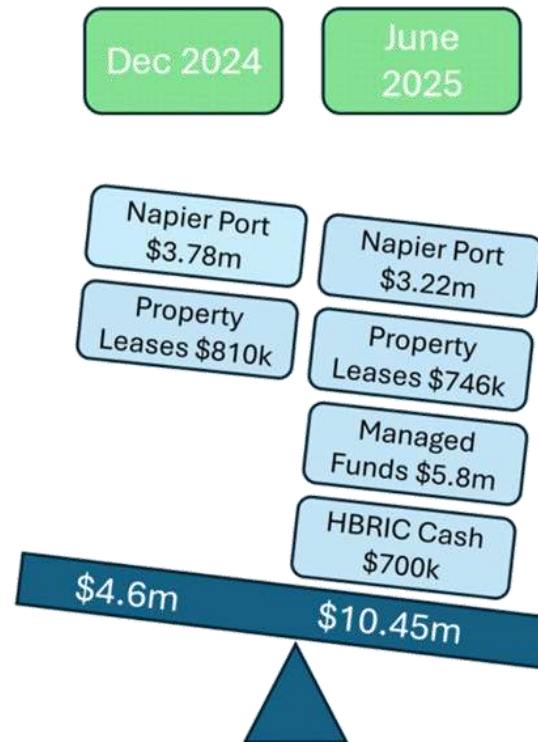


Share Price – 31 Dec 24 \$2.57 = \$282.7m

HBRC Group Investment Cash Dividend Requirements



How HBRIC planned to fund the Cash Dividend



Updated plan to Fund Dividend

