



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Risk and Assurance Committee Meeting Agenda

Tuesday, 23 September 2025

11.30am

Council Chamber

28-32 Ruataniwha Street

Waipawa

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- 1 WELCOME/KARAKIA/NOTICES**
- 2 APOLOGIES**
- 3 DECLARATIONS OF CONFLICTS OF INTEREST**
- 4 STANDING ORDERS**

RECOMMENDATION

That the following standing orders are suspended for the duration of the meeting:

- **21.2** Time limits on speakers
- **21.5** Members may speak only once
- **21.6** Limits on number of speakers

And that Option C under section 22 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

5 CONFIRMATION OF MINUTES

Risk and Assurance Committee Meeting - 11 June 2025

RECOMMENDATION

That the minutes of the Risk and Assurance Committee Meeting held on 11 June 2025 as circulated, be confirmed as true and correct.

**MINUTES OF CENTRAL HAWKE'S BAY DISTRICT COUNCIL
RISK AND ASSURANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON WEDNESDAY, 11 JUNE 2025 AT 1.00PM**

UNCONFIRMED

PRESENT: Chair Andrew Gibbs
Deputy Chair Tim Aitken
Mayor Alex Walker
Cr Pip Burne
Independent Member Mike Timmer

IN ATTENDANCE: Doug Tate (Chief Executive)
Nicola Bousfield (Group Manager People and Business Enablement)
Brent Chamberlain (Chief Financial Officer)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Michelle Annand (Health & Safety Advisor)
Jane Budge (Strategic Governance Manager)
Pip Dixon (Emergency Management Advisor)
Reuben George (Land Transport Manager)
Debbie Northe (Housing and Community Resilience Manager)
Annelie Roets (Governance Lead)
Ben Swinburne (3 Waters Manager)

1 WELCOME/KARAKIA/NOTICES

The Chair, Mr Andrew Gibbs welcomed everyone to the meeting and Mayor Alex Walker opened with a karakia.

2 APOLOGIES

There were no apologies received.

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflicts of Interests declared.

4 STANDING ORDERS

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Pip Burne

That the following standing orders are suspended for the duration of the meeting:

- **21.2** Time limits on speakers
- **21.5** Members may speak only once
- **21.6** Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

5 CONFIRMATION OF MINUTES

COMMITTEE RECOMMENDATION

Moved: Cr Pip Burne

Seconded: Independent Member Mike Timmer

That the minutes of the Risk and Assurance Committee Meeting held on 12 March 2025 as circulated, be confirmed as true and correct.

CARRIED

6 REPORT SECTION

6.1 RESOLUTION & ACTION MONITORING REPORT

PURPOSE

1. To present to the Committee the Risk and Assurance Committee Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions made by the Committee.

COMMITTEE RESOLUTION

Moved: Independent Member Mike Timmer

Seconded: Deputy Chair Tim Aitken

That the Risk & Assurance Committee receives the 'Resolution & Action Monitoring Report'.

CARRIED

The report was taken as read.

6.2 RISK STATUS REPORT

PURPOSE

To report on Council's risk landscape, risk management work in progress and to continue a discussion with the Risk & Assurance Committee about risk.

COMMITTEE RESOLUTION

Moved: Deputy Chair Tim Aitken

Seconded: Mayor Alex Walker

That the Risk & Assurance Committee receives the Risk Status Report.

CARRIED

The report was introduced by Nicola Bousfield with discussions noting some minor tracked changes from the risk register report, largely noting some actions from the last workshop. Discussion included:

- Reviewing minor updates in the risk register

- Delivery of water services and community conversations held during June. Concerns about the affordability of water services and the risk related to the local programme.
- The high risk associated with the wastewater plant and the implications of delaying capital work.

6.4 TREASURY MANAGEMENT MONITORING REPORT

PURPOSE

To provide an update on Treasury Management Policy Compliance.

COMMITTEE RESOLUTION

Moved: Deputy Chair Tim Aitken

Seconded: Independent Member Mike Timmer

1. ~~That the Risk and Assurance Committee receives the Treasury Management Monitoring Report.~~
2. **That the Risk and Assurance Committee receives the Treasury Management Monitoring Report, noting the breach in the Treasury Management Policy, which Officers will continue to monitor and report on.**

CARRIED

Brent Chamberlain presented the standard Treasury Management Report, highlighting new debt and repayments, average cost of funds, and fixed bands forecast. Discussion focussed on the historic breach of the Treasury management policy and the decision to continue to monitor the situation.

6.3 HEALTH AND SAFETY REPORT: 1 FEBRUARY - 30 APRIL 2025

PURPOSE

To provide the Risk and Assurance Committee with health, safety and wellbeing information and insight, and to update the committee on key health and safety initiatives for the period 1 February 2025 to 30 April 2025.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker

Seconded: Cr Pip Burne

That the Risk & Assurance Committee receives the Health & Safety report dated 1 February 2025 – 30 April 2025.

CARRIED

Michelle Annand introduced the Health and Safety report, highlighting the gap analysis programme review and critical risk verifications. Discussion included:

- The training programmes and the need for structured processes to identify gaps and ensure proper training.
- The management of contractors and the verification of critical risk controls.

- First aid and emergency procedures in remote areas.

6.5 ELECTED MEMBERS PECUNIARY INTERESTS REGISTER UPDATE 2025

PURPOSE

2. To provide and receive the latest summary of interests from Council's appointed Registrar.

COMMITTEE RESOLUTION

Moved: Deputy Chair Tim Aitken

Seconded: Cr Pip Burne

That the Risk & Assurance Committee receives the February 2025 Summary of Elected Members Pecuniary Interests, noting that there are no matters of materiality identified by the Registrar.

CARRIED

The report was taken as read. Discussion included:

- The register provides visibility and transparency.
- No matters of materiality requiring further consideration.
- Members were reminded that the obligation to declare interests rests with each individual member.

6.6 ASSURANCE MONITORING OF THE MAYORAL FUND

PURPOSE

To provide an update on the discretionary expenditure made through the Mayoral Fund for the year.

COMMITTEE RESOLUTION

Moved: Cr Pip Burne

Seconded: Deputy Chair Tim Aitken

That the Risk & Assurance Committee receives and notes the Assurance Monitoring Report on the Mayoral Fund.

CARRIED

ABSTAINED: MAYOR ALEX WALKER

Brent Chamberlain introduced the paper on use of Mayoral funds. The paper was taken as read. The review noted light usage of \$133 out of the \$5000.

6.7 INSURANCE RENEWAL AND LOSS MODELLING UPDATE

PURPOSE

To provide an update to the committee on insurance matters ahead of this year's renewal.

COMMITTEE RESOLUTION

Moved: Independent Member Mike Timmer

Seconded: Mayor Alex Walker

That the Risk and Assurance Committee notes and receives the Insurance Renewal and Loss Modelling Update report.

CARRIED

Brent Chamberlain provided an update on insurance renewal, and that the loss modelling report is expected in late September or early October. Discussion included:

- Update on Cyclone Gabriel claims and renewals, noting the market easing slightly.
- Loss modelling and the need for a risk financing strategy.

7 DATE OF NEXT MEETING

COMMITTEE RESOLUTION

Moved: Cr Pip Burne

Seconded: Deputy Chair Tim Aitken

That the next Risk & Assurance Committee meeting be held on 23 September 2025.

CARRIED

8 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION

Moved: Cr Pip Burne

Seconded: Deputy Chair Tim Aitken

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
8.1 - Cyber Security Update	s7(2)(b)(i) - the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	
8.2 - Legal Risk - Assurance Review	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
8.3 - Principal Risks and Issues - Forum Discussion	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

COMMITTEE RESOLUTION

Moved: Cr Pip Burne

Seconded: Deputy Chair Tim Aitken

That Council moves into Public Excluded Business at 2.28pm.

CARRIED

RECOMMENDATION

That Council moves out of Public Excluded Business at 4.19pm.

9 TIME OF CLOSURE

The meeting closed at 4.19pm.

The Minutes of this meeting will be confirmed at the next Risk and Assurance Committee Meeting to be held on 23 September 2025.

.....
CHAIRPERSON

6 REPORT SECTION

6.1 RESOLUTION MONITORING REPORT

File Number: COU1-1408

Author: Annelie Roets, Governance Lead

Authoriser: Doug Tate, Chief Executive

Attachments: 1. 23 September Resolution Monitoring Report [↓](#) 

PURPOSE

To present the Risk and Assurance Committee Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions made by the Committee.

RECOMMENDATION

That the Risk & Assurance Committee receives the 'Resolution Monitoring Report'.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

DISCUSSION

The Resolution & Action Monitoring Report is attached and includes the Committee Action Monitoring Report.



Risk & Assurance Committee Resolution Monitoring Report for 23 september 2025

Key	
Completed	
On Track	
Off Track	

Item Number	Item	Council Resolution	Resolution Date	Responsible Officer	Progress Report
1	6.7	Insurance Renewal Update and Insurance Strategy Development 1. That the Risk and Assurance committee receive this update on the annual insurance placement for the 2023/2024 year. 2. That the Risk and Assurance committee receive the draft Insurance Strategy and provide feedback to allow for further work on the strategy to be undertaken and brought back for this committee's endorsement at the next meeting.	7 Dec 2023	Brent Chamberlain	On Track - Jim Palmer provided a external review on policy in August 2024. Next step to undertake further Loss Modelling (due Oct 2025) and then develop a Financial Risk Strategy. Officers will provide a verbal update on the 2025 Insurance Placement, with Councils Brokers AON only seeking pricing from the London markets the week of 15 September 2025.

6.2 DRAFT ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

File Number: COU1-1408

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: 1. Draft Annual Report 2024/2025  

PURPOSE

To receive the Draft Annual Report for the Year Ended 30 June 2025 for consideration and oversight.

RECOMMENDATION

That the Risk and Assurance Committee:

1. **Receives the “Draft Annual Report for the Year Ended 30 June 2025”.**
2. **Upon receiving the Draft Annual Report and hearing assurances from Ernst Young, endorses the Draft Annual Report and recommends to Council for adoption once the audit is complete and final adjustments have been made.**

EXECUTIVE SUMMARY

This report includes draft copies of the Central Hawke’s Bay District Council’s Annual Report for the Year Ended 30 June 2025, along with the draft Annual Report Summary.

Officers are finalising some disclosures with the auditors. However, the financials presented in the report should be considered mostly complete. The wording and preamble in the document are still being finalised.

Part of the meeting will provide for it into a public excluded session to allow Ernst Young to present their management findings from the audit.

BACKGROUND

Each year Council is required to publicly report on its activities for the year, and how they have spent the rates and fees collected from residents, and third party grants from agencies such as the Government.

Ernst Young have been contracted from the Audit NZ to undertake the audit of both the financial and non-financial disclosures contained within the report. In addition, they also check that all the required statutory disclosures have been made.

DISCUSSION

This year’s Annual Report is 112 pages long and covers:

- Overview of the year
- Details of Council Activities and Activity Financials, and
- the Statutory Financial Statements.

Most of the sections contain similar information to previous Annual Reports. The report compares against year one of the 2024-2027 Three Year Plan’s (3YP) budget.

Below is the summary financial statement contained in the annual report:

Statement of Comprehensive Revenue and Expense			
	2024	2025	2025
	Council Actual	Council Budget	Council Actual
	\$'000	\$'000	\$'000
Total Revenue	75,477	77,591	75,175
Finance Costs	2,074	3,236	2,490
Depreciation and Amortisation	15,731	15,385	15,694
Other Operating expenditure	48,208	62,271	38,937
Net Operating Surplus/(Deficit)	9,464	(3,301)	18,054
Other (Gains)/Losses	303	-	(217)
Income Tax	-	-	-
Net Surplus/(Deficit)	9,161	(3,301)	18,272
Movements in PPE revaluations	49,318	25,573	865,987
Impairment of Cyclone Damaged Assets	-	-	-
Total Comprehensive Revenue and Expense	58,479	22,272	884,258

This financial year Council had an operating surplus of \$18.1m compared to a surplus of \$9.2m in the previous financial year.

The 2024/25 financial year was impacted by three main themes. These themes included:

- second year of recovery post Cyclone Gabrielle which impacted the roading activity;
- Local Water Done Well (LWDW) and its associated changes to wastewater standards causing uncertainty and requiring some capital projects to be delayed, and
- the general economic downturn effected volumes in consenting and landfill operations.

Roading Recovery

When the 3YP was developed Central Government's contribution towards the roading rebuild post Cyclone Gabrielle had not been confirmed. In order to complete the 3YP Council worked on an assumption that it would undertake \$25 million of repairs and that Central Government would pick up 95% of the cost of these repairs. The balance would be funded by way of debt funding and the use of reserves.

What actually occurred was Council received a mixture of funding assistance on a project-by-project basis ranging from 99% down to 59%. In total Council received \$19.8 million in funding from various government departments, and spent \$22.3 million on roading recovery activities.

The \$25 million budget for recovery activities were treated as repairs (an operating expense in the Council Statement of Comprehensive Revenue and Expense). However, in practice only \$2.3 million was expensed, and the balance of \$19.9 million was treated as creating a new or replacement assets which appears in the Councils Statement of Financial Position. This distorts Councils financial results (particularly the operating expense line) as the income appears in one place, and the majority of the costs in another.

Local Water Done Well

During the year the Government has enacted several pieces of legislation to enable Local Water Done Well (LWDW). At the same time it has been amending the wastewater discharge standards.

Central Hawkes Bay District Council (CHBDC) has been working with Hastings District Council, Napier City Council, and initially Wairoa District Council with the view of understanding what a combined water delivery model would look like. This formed part of the consultation undertaken in May/June 2025.

As a result of the proposed changes in the Taumata Arowai Wastewater Standards that could significantly reduce Councils capital investment requirement, and Local Water Done Well Financial Modelling reinforcing existing affordability challenges, Council chose to pause some aspects of the capital delivery programme while it worked through options. This saw it only deliver \$9.0 million of the \$20.6 million programme planned. As most of this was to be loan funded it has meant that Council finished the year with external debt of \$49 million versus the \$66 million outlined in the 3YP.

Economic Downturn

New Zealand's economic downturn has also impacted Council's business as usual activities.

For example, Council's Fees and Charges are down \$0.6 million on budget, and Development Contributions are also \$1.1 million down. This reflects the slowdown in the housing market and construction sector which in turn has seen Council's consenting revenues (both Resource and Building consents) being down \$0.5 million on budget.

Solid Waste volumes were also down. This is due to the mix of income streams which are not visible in the income line. A large part of solid waste activity cost base is variable (driven by volume) and it was able to be pulled back to match revenue.

However, with much of the consenting activity costs being largely fixed (such as salaries) it is harder to reduce costs to be in-line with the lower revenues. During the year the staffing levels were reduced through two restructures and council undertook additional processing for another Council, who were short staffed, in an attempt to reduce the gap. Despite best efforts these consenting activities still finished the year \$0.4 million behind budget.

Financing costs were \$0.7 million under budget and reflects both the drop-in interest rates during the year and the lower overall debt levels than budgeted.

Revaluations

This year Council revalued its roading assets, and 3 waters assets.

This has resulted in a revaluation gain of \$866 million as opposed to the budgeted projection of \$25 million. Only \$25 million of this related to 3 waters with the balance coming from roading.

Now that Council is two years into a significant roading rebuild programme it has a number of contracts that can be used as market unit rates to value the remainder of its network. This has shown that the unit rates it used in previous valuations was low and based on data that did not reflect the market conditions as at the time of the valuation.

The new values reflect current construction rates and high construction inflation council has experienced over the past few years. This revaluation is a non-cash income line and simply reflects that Council's assets are worth more than at last valuation and will cost more to replace in the future as they wear out. Most of the increase in value is in the roading formation (the earthworks under the road) and isn't depreciable so shouldn't have a flow on impact to next years accounts. Future valuations have the potential to reduce, as the market softens and the Cyclone recovery work drops off – however the current valuation must be set based on current conditions prevalent at the time.

Statement of Financial Position

The below table sets out a summary of Council's Statement of Financial Position.

The increase in Non-Current Assets and Revaluation Reserve reflects the significant revaluation of roading assets this year (see earlier description).

The difference between the budgeted Non-Current Liabilities and Actuals reflect the pause in some aspects of its 3-Waters capital programme (see earlier paragraph on LWDW for more explanation). This has resulted in Council debt at end of year only being \$49m (some of it is in current liabilities) versus the budget of \$66m.

Statement of Financial Position Summary			
	2024	2025	2025
	Council Actual	Council Budget	Council Actual
	\$'000	\$'000	\$'000
Total Current Assets	18,674	15,552	19,979
Total Non-Current Assets	1,083,964	1,128,043	1,968,344
Total Assets	1,102,639	1,143,595	1,988,323
Total Current Liabilities	28,102	25,179	26,118
Total Non-Current Liabilities	37,100	58,725	40,510
Total Liabilities	65,202	83,904	66,629
Special & Other Funds	7,097	5,173	7,823
Trust Funds	189	186	190
Revaluation Reserve of Assets	751,589	792,518	1,617,628
Ratepayers' Equity	278,562	261,815	296,053
Total Equity	1,037,437	1,059,692	1,921,695
Total Liabilities and Equity	1,102,639	1,143,596	1,988,323

While draft accounts have been supplied with this report, they are still subject to audit and possible revisions following further audit discussions.

RISK ASSESSMENT AND MITIGATION

As the financial audit (at the time of writing) is not yet complete, there is a risk that the draft financial statements are still subject to change.

The annual report is the mechanism that Council reports back to its community on its activities for the year. It shows how Council has done against its Levels of Service that it budgeted to deliver in its 3YP, and where its money has been spent.

DELEGATIONS OR AUTHORITY

This report has been brought to Risk and Assurance Committee for endorsement to Council.

Ernst and Young will be presenting their management findings from the audit and highlighting areas of risk and possible improvements for next year also.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of medium. However, no further engagement is required at this time.

OPTIONS ANALYSIS

Risk and Assurance has two options available to it:

1. That after receiving the Draft Annual Report, and hearing assurances from Ernst Young, endorse the draft Annual Report, and recommend it to Council for adoption once the audit has been completed.
2. That after receiving the Draft Annual Report, and hearing assurances from Ernst Young, do not endorse the draft Annual Report, and request further work be undertaken by officers and Ernst Young before adoption by Council. Should the Committee choose not to endorse the draft Annual Report there is significant risk that Council is unable to adopt the Annual Report its final Council meeting on the 2 October.

Recommended Option

This report recommends option number one — Endorse the Annual Report to Council for adoption once the audit has been completed addressing the matter.

NEXT STEPS

Officers will continue to work with Ernst Young to finalise the Annual Report and the Audit before the Council Meeting on 2 October 2025.

Council adopts the Annual Report 2024/25 at its meeting on 2 October 2025.



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Annual Report 2024/25

E ora ngātahi ana!
Together we Thrive!



**Central Hawke's Bay District Council
respectfully acknowledges the
Mana Whenua of Tamatea –
Central Hawke's Bay and their
relationship with this place.**

**We remain committed to fostering
and strengthening our partnership
with Mana Whenua.**

This annual report highlights the progress we have made toward achieving our outcomes for our community and our overall delivery and performance for the financial year 2024/25.

It has been prepared in accordance with the Local Government Act 2002 and is a legislative requirement. It also informs ratepayers and our communities about our stewardship of the district's assets, our financial performance, how we have used rates and our achievements for the year. These achievements reflect the contribution of many in our community, by Council supporting community-led initiatives and working with its partners.

This annual report for the 2024/25 financial year is the first of our Three Year Plan 2024 - 2027 'Road to Recovery', so the key activities we discuss follow the three key priorities we agreed with the community when we formed that plan. Delivering on this Three Year Plan hasn't been without its challenges – least of all recovery from Cyclone Gabrielle.

You can find this and our previous annual reports at our website www.chbdc.govt.nz

Together we Thrive!

E ora ngātahi ana!

Proud District

Prosperous District

Connected Citizens

Strong Communities

Smart Growth

Environmentally Responsible

Durable Infrastructure

Raarangi kōrero

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Kia ora ***From the Mayor and the elected Council team,*** **Kia ora koutou katoa,**

Our recovery from Cyclone Gabrielle coincided with extraordinary cost pressures in our economy. To tackle the big infrastructure and financial challenges ahead, we prioritised our existing and new expenditure in our Three Year Plan on 2024 - 2027 on three key urgent priorities: Land Transport, Critical Three Waters Investment and Recovery.

Our community has high expectations – rightly so – and is facing a cost-of-living crisis and concerns about unaffordability. Tightening our focus has required discipline and tough calls.

We started the year with implementing some of those tough calls. Operational savings of \$1.5 million were removed at the time we set the budget. We closed two transfer stations, reduced investment levels for parks and outdoor spaces, and agreed to defer projects like the old Waipukurau Library.

In addition, we navigated through declining building and development activities with two rounds of restructuring and redundancies to match our right-sized focus.

But despite the reductions, we also had a full-on year delivering a massive programme of core infrastructure work. We hit an incredible \$35m of capital works being delivered during the financial year.

Roading – day to day operations

Our deliberate focus on improving land transport services, set by the Council prior to Cyclone Gabrielle, is beginning to pay off. The shift from reactive to proactive programming is delivering more work and greater value.

We've also made other changes such as bringing consultants in-house, reducing traffic management, and improving contract management.

We acknowledge that it's not all roses and there is still more work to be done.

The lack of co-funding from the New Zealand Transport Agency is the main reason we can't do more, with co-funding either unavailable or decreasing.

With the funding we have - we are focused on the transport basics of good drainage, grading, and upgrading roads and getting value out of the work contractors are delivering.

Cyclone Gabrielle Recovery

This year was also a doubling down on progressing the community's recovery priorities heard after the Cyclone.

Funded substantially by Government, we delivered \$24.8 million on roading recovery projects. We completed a further 23 road recovery sites and completed repairs to a further eight bridges. We've also late this year through our advocacy, secured and reconfirmed the next two years of roading recovery funding from the Government. This certainty means we can plan and maximise our efforts.

With government support, we have also begun the rebuild of the Waipawa Water Treatment Plant in a new location, up and out of the river flood plain.

Even though it is two years on, communities are still hurting from the Cyclone, with many still in the process of rebuilding their homes, businesses and livelihoods. In particular, this year Pōrangahau has moved from the uncertainty of Category 2A to Category 2C as Hawke's Bay Regional Council advances their work on flood protection.

With external funding, we've also made a huge push across our rural halls and community resilience networks. Roofs, water, solar panels, emergency kits, generators and a wide variety of other things to support our amazing hall committees, marae and community

Critical Three Waters investment

This same deliberate approach to delivering critical three waters investment has also been taken. Three critical pipe renewals projects were completed on Homewood Road in Waipawa, Francis Drake Street and Racecourse Road in Waipukurau.

Catch up work on pipe renewals has this year begun to translate into less leaks – down from 300 active leaks five years ago to a more manageable 10-20.

We also paused major waste-water upgrades due to new government standards, and the impacts of changing flood modelling from Hawke's Bay Regional Council (HBRC) following the cyclone.

We heard and delivered on the key recovery priority of urban stormwater, increasing funding and delivering open drain repairs, clearance and planning with the support of a group of local contractors. Much of this work has not been completed in decades.

We also completed a large community consultation about our options under the government's "Local Water Done Well" legislation. Thanks to strong community feedback

we not only progressed with a joint water organisation with Hastings and Napier, but we also led advocacy to government about our affordability challenges. Building on our work and knowledge grown since 2018 on waters reform, we know we are in a strong position to turn the challenges of water infrastructure into opportunities for generations to come

Partnership and people

We've continued to work with community groups, clubs, and communities; seeking feedback and input, and supporting their aspirations and plans where we can, always listening to what matters most for the people of Tamatea – Central Hawke's Bay.

We have welcomed two Pou Whirinaki members to our council on behalf of our hapu and marae; we have a new representation structure.

We've continued to support the significant transition of external funding, expertise, and local leadership across our communities to both rebuild from the Cyclone and to ensure our people are even more resilient for the future.

Focus on the future

We closed out the financial year with a small surplus overall, a notable completion rate for all our activities, and significantly reduced rates increase for the 2025/26 year. The proof is in this report of what we have already achieved in the face of adversity. What is clear is that Tamatea – Central Hawke's Bay is a great place to live because of the people. We aim to protect and enhance our place in good times and especially during the challenging times.

Thank you for the part you play in supporting our community.



Alex Walker
Mayor of Tamatea –
Central Hawke's Bay



Doug Tate
Chief Executive

The financial year in review

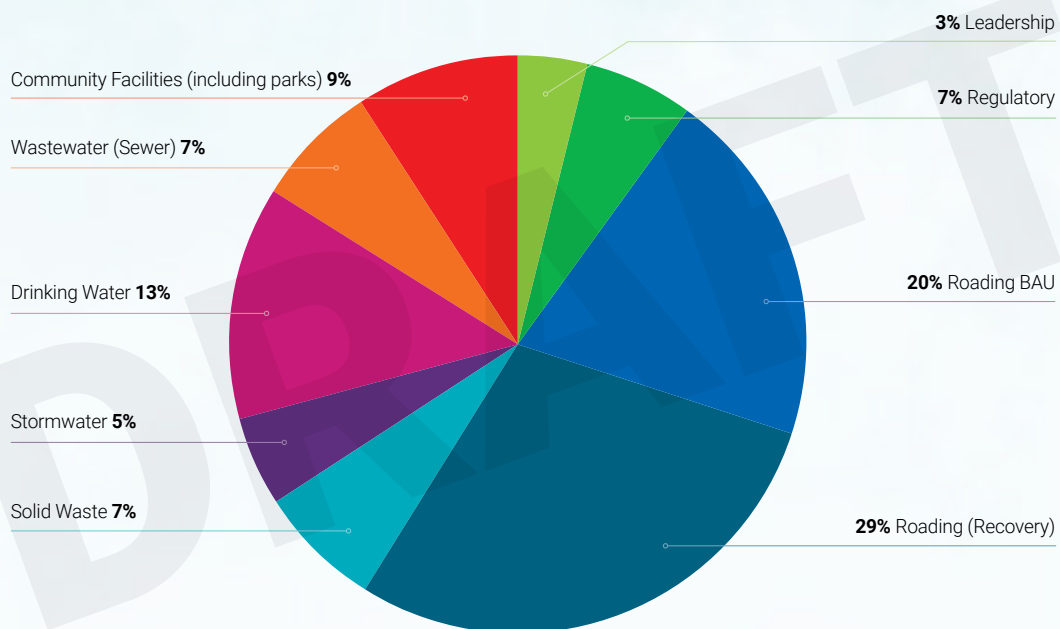
As a result of the cyclone, we focused on three key priorities being land transport, recovery and critical three waters infrastructure.

Yet Council again faced considerable cost increases, against a backdrop of districtwide underinvestment. In the past year the Council paid invoices collectively worth over \$75.9 million with over \$22.3 million focused on recovery and largely funded by Government. A total 90% of our expenditure is spent on core services. This covers everything from roading, public toilets, facilities such as

town halls, libraries, and swimming pools, stormwater, waste collection, and the list goes on.

As you can see from the graph (below), our rates are predominantly spent on roading and water. Regardless of the share of funding it received, all areas of our investment are assured of the same focus, professional expertise and attention.

Council's Expenditure for 2024/25



The numbers at a glance

Council's operational expenditure (excluding roading recovery) was \$1.3 million under budget (\$55.9 million budget vs \$54.6 million actual).



\$0.8 million

savings in finance costs – Despite Council's average cost of funds increasing as it refinances loans taken during Covid at 2% pa, its overall debt position is \$17 million less than forecast in the Three Year Plan (\$49 million vs \$66 million).



\$0.6 million

savings in the delivery of 3 Waters, despite significant increases in water and wastewater monitoring costs (+\$0.25 million/and electricity costs +\$0.1 million). Most of the savings have come from stormwater despite 66% of the network having maintenance performed on it this year.



\$22.3 million

of Cyclone Roading Repairs against a budget of \$25.0 million, however only \$2.3 million of this was treated as repairs with the balance of \$19.9 million capitalised as replacement assets (ie not part of operating expenditure), 89% funded by NZTA.



\$1.5 million

savings in staff costs - during the year Council carried a number of vacancies and undertook a restructure to right size the Council for the future.



\$0.3 million

of additional economic development activity was undertaken, but was 100% funded from grants received.



\$0.2 million

of additional depreciation (the cost of assets wearing out) due to higher replacement costs. This reflects the recent construction inflation Council is seeing in its construction tenders.



\$0.5 million

External Funding in civil defence related activity, but this was the expenditure of grants received to setup evacuation centres (both equipment and solar/batteries capability).

Externally funded activity



\$0.5 million

for setting up emergency centres (equipment and solar)



\$0.4 million

on economic recovery projects



\$0.1 million

on tourism infrastructure.

Other activities

Other activities were a mixture of over and under budgets. Some activities were affected by the downturn in the economy such as lower consenting volumes and landfill tonnages. Where fees and charges have been adversely affected council has worked hard to pull back its costs structures to match. Not all costs are fully in councils control such as the \$0.1 million increase in electricity costs (\$0.6 million in total), the \$0.1 million increase in insurance costs (\$0.8 million in total), or the \$0.2 million increase in water/wastewater monitoring costs (\$0.6 million in total).

Central Hawke's Bay: Together We Thrive! Ora ngātahi ana!

Our people are our greatest asset. At the core of everything we do is a vision that our people are healthy, prosperous and resilient, with a strong sense of pride and identity.

Through seven outcomes, Project Thrive remains a foundational blueprint for success in our district that we have continued to build upon.

Achieving our vision requires a team effort from us all to move forward confidently.

To read more
about project Thrive
scan the QR code:



**PROUD
DISTRICT**
HE ROHE POHO KERERŪ



**PROSPEROUS
DISTRICT**
HE ROHE TŌNUI



**STRONG
COMMUNITIES**
HE HAPORI KAHA



**CONNECTED
CITIZENS**
HE KIRIRARAU WHAI HONONGA



**SMART
GROWTH**
HE TIPU ATAMAI



**ENVIRONMENTALLY
RESPONSIBLE**
HE WHAKAARO NUI KI TE TAIĀO



**DURABLE
INFRASTRUCTURE**
HE HANGANGA MAUROA

Cyclone Gabrielle - Recovery and Resilience Plan

Following the impacts of Cyclone Gabrielle we heard from you on the key priorities and issues you wanted us to focus our recovery on.

The six key focus areas included:

1. **Performance and management of our river systems**
2. **Land Transport and Drainage management**
3. **Urban stormwater management**
4. **Sustaining community wellbeing**
5. **Building community resilience**
6. **Climate change resilience**

This annual report covers the work done on these critical recovery priorities for our community in the last financial year. It covers our land transport and stormwater activities across our land transport, stormwater, community and resilience activities.

To view the
Recovery and Resilience
Plan head to our website by
scanning the QR code:



Our key urgent priorities

What has been achieved in Year 1 of the Three Year Plan.

Back to basics

In accordance with our Three Year Plan, activity in the 2024-25 Financial Year was tightly focused and managed. We worked hard to reduce costs, especially as the reality of the cost of the Local Water Done Well compliance became clear. Our conservative financial approach helped curb the projected rates increase for the 2025/2026 financial year.

Priority #1
Land Transport

Priority #2
Recovery

Priority #3
Critical Three Waters infrastructure



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Priority #1

Land Transport

The sheer quantity of land transport recovery work delivered during the year reflects its significance for the community and its position as our top priority. It has kept our community connected, ensuring our people can commute and learn, buy and sell, and link up with each other during the year.

We made major progress, including:

- Investing in internal capability and reducing the use of consultants.
- Tightening our contract management capability and capacity.
- Continued focus on efficiencies and adding value across our network through improved programming.

Our shift to planned not reactive programming of the roading basics resulted in a marked improvement across our network. This plan sees a continuation of our focus on core land transport delivery including:

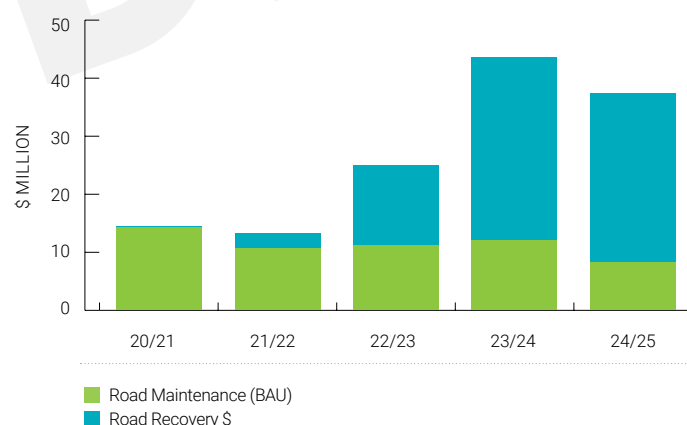
- Advocating for funding from central government.
- Delivering the land transport recovery programme.
- Ensuring value for money delivery.
- Prioritising the programme within funding constraints.

Feedback on our Three Year Plan 2024 – 2027 supported the higher rating impact option for Land Transport. After that decision, changes to NZTA available budget meant the co-funding from NZTA no longer matched Council's contribution, this was seen nationally not just impacting CHBDC meaning less work that we wanted to deliver, can be delivered.

We are not alone with this funding conundrum; many Councils are grappling with the same experience of reduced Government funding.

In the final quarter of the year, we secured and reconfirmed the next two years of recovery funding. This certainty means we can plan and maximise our efforts.

A number of projects were completed in 2024/2025 financial year, and a large portion of the remaining programme was endorsed by NZTA.



Land transport – recovery from cyclone



\$150 million
estimated damage



\$59 million
completed



\$22.4 million
repairs underway



5 roads

road closures across the whole district. This has reduced from 70 roads closed immediately after Cyclone Gabrielle..

Traffic Management

Traffic management is essential to keep our workers safe as they maintain and care for our roads. Over the next 12 months we will continue to transition to the new risk-based New Zealand guide to temporary traffic management (NZGTTM). This means our contractors must make a site-specific risk assessment, making sure the Temporary Traffic Management (TTM) is appropriate for the job.

We are already trialling this approach on some of our quieter roads. Our spend on TTM is around 7% of our maintenance budget, which is within a normal range for New Zealand. We continue to look for efficiencies in how we maintain our roads and keep our community safer.

Fully closing the road while the work is done is one way of keeping people safe and completing repairs faster. We have trialled this approach in the last year on some jobs. In most cases, it has reduced the cost.

In the year ahead we will continue to focus on opportunities for efficiencies, while balancing the safety of the public and workers.

"We have listened. We have reflected on the community's views, and we have, where needed, gone back to the drawing board and looked for ways to resolve people's concerns. The reality is 'recovery' includes adapting to change rather than returning to a pre-cyclone state."

Roading Recovery achievements

Our Transport Recovery Programme has tackled major repairs at 34 critical sites across the district – from landslides to bridge abutments, from eroded roadsides to complex rebuilds like those seen at Old Station Bridge.

Recovery Phase 1: Wakarara Road – Fletchers Crossing – successful delivery of Stages 1 & 2, Wimbledon Road RP 1.3 and RP9.5 near completion, Elsthorpe Road RP 14.9 complete,

Recovery Phase 2 and 3: most projects have been completed and final construction works on Cooks Tooth Road are nearing completion. The three remaining projects from

Phase 2 - Pōrangahau Road, Pourerere Road, and Burnside Bridge – will continue into the 2026 financial year.

Below: Makaroro Bridge, Makaroro Road



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Land transport recovery

The Land Transport Recovery Programme has continued to address the major damage on our networks. Early estimates to repair our road network were circa \$150 million.

To date, we have completed \$59 million of repairs with a further \$22.4 million currently underway in the 2025/2026 financial year.

We had a massive year successfully delivering roading recovery projects on time and on budget. The key highlights for the year included:

- Repairs to four bridges: Fletchers Crossing on Wakarara Road, Titoki Bridge, Gollan's Bridge on Pourerere Road and Logans Bridge.
- Erosion and scour repairs at nine other sites, including Macauley's Bridge on Kahuranaki Road, Old Station Bridge on Wimbledon Road, and Holdens Bridge.
- Repairs to 21 landslides across key arterial routes in the district, such as Pourerere Road, Pōrangahau Road, Kahuranaki Road and Farm Road.

Council worked with NZTA to assess and agree on repair solutions for a majority of the remaining recovery sites across the district with NZTA endorsing repair solutions for most of the remaining sites. Council, in collaboration with co-funder NZTA, is currently determining the final cost of completion. It is estimated that approximately \$18 million worth of work remains, subject to agreement on any further emergency works funding on Patangata Bridge.

While a lot has been achieved in the last two years, there is more to do but we are arguably at the toughest part of the recovery process: accepting what cannot be funded or repaired in the foreseeable future.

These hard calls inevitably affect some residents more than others. Appropriately, some of the community has joined us on our navigation of the difficult decisions. Three remaining routes impacted by bridge structures are yet

to be endorsed and have been the topic of community conversations with great engagement from the impacted communities.

The NZTA enhanced Emergency Funding Assistance Rate, currently at 89% contribution, was confirmed for the new financial year on 1 July. This provides certainty for planning and removes residual risk for Council. Current estimates are that the remaining 67 sites can be delivered over the next two financial years.

A total of \$11 million was provided to Council as part of the North Island Weather Event Fund, administered by National Infrastructure Funding and Financing Limited (NIFFCo) a government organisation setup to administer infrastructure funding. This funding has been allocated to the remediation of four sites: Wimbledon Road RP1.3, Wimbledon Road RP9.5, Elsthorpe Road and Fletchers Crossing, Wakarara Road. During the last financial year, work commenced on all four of these sites. Work is now complete on the Elsthorpe Road site and Wimbledon Road RP1.3. Work continues on Fletchers Crossing and Wimbledon Road RP9.5

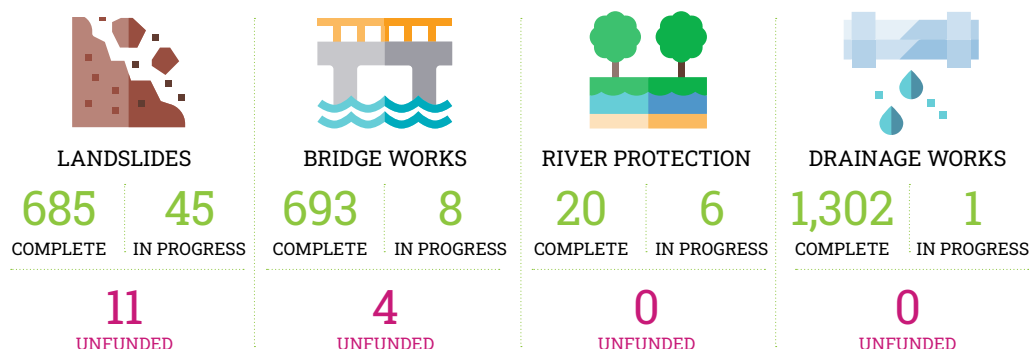
NZTA also provided funding of 89% for the 2024/2025 financial year, a total of \$11.8 million in recovery works, allowing progress to continue into the next year.

Repairs were completed to 34 sites across the district. This is 5 sites more than planned due to efficiencies found in the budget.

A total of \$21.1 million completed throughout the year.

As of the end of June 2025, 67 sites remain that have funding agreed in principle / endorsed by NZTA, (require repairing) with a further 15 sites which require no further work due to work being completed seen as sufficient or not meeting the funding criteria set by NZTA.

Land Transport recovery highlights



Land Transport Recovery in action



Above: Old Station Bridge

Abutment repairs and scour protection is now complete.

Right: Macauleys Bridge

Macauleys Bridge Scour and erosion protection is now complete.

Below: Gollans Bridge

Guardrail and abutment reinstatement are now complete since Cyclone Gabrielle closed the road in 2023.



Above: Holdens Bridge – now completed

Scour and erosion protection at the abutment of the bridge in Tikokino.



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Priority #2

Recovery

While the actual flooding of Cyclone Gabrielle lasted for a little over a day, the affects continue to be dealt with by Council and our community. We tightened our focus on critical priorities because of the extreme weather event; largely infrastructure and repairing, replacing, or building it to last for generations to come. The last 12 months has seen significant activity and progress. We are now at the hardest part of recovery: accepting what cannot be repaired or returned to its pre-cyclone state.

Fortunately, most of our district has had damaged infrastructure reinstated to some degree.

Update on Pōrangahau – flood mitigation scheme

Hawke's Bay Regional Council (HBRC) confirmed in November 2024 that Category 2A properties in Pōrangahau were re-categorised to Category 2C, a significant step forward for the community. The category change resulted from identifying a viable design option for a community-level flood resilience scheme. Work on progressing the proposed design is led by HBRC which sees a 1.7 km network of stopbanks, bunds, and sheet piling to better protect Pōrangahau village, mostly on the north side of the river. There will be a smaller bund to protect Kaiwhitikitiki Urupā to the south. Conversations are continuing with mana whenua and property owners on possible options for Rongomaraeroa Marae, the Kaumatua Flats and two nearby homes.

HBRC are aiming for a start in early 2026.

Harker Street underpass reopened

Harker Street underpass was reopened in August 2024, reinstating a vital connection to State Highway 2 for the Waipawa community after it was destroyed in Cyclone Gabrielle.

The rail overbridge and steel structure that protects the bridge was extensively damaged in the cyclone, with the repair of the road and the bridge protection work being funded through the Government's 'Better Off Funding'.



Above: Reopening of Harker Street.

Stormwater Recovery

Increasing proactive maintenance across our urban stormwater systems continues. The Three Year Plan 2024 – 2027 introduced new levels of service which set minimum expectations for stormwater maintenance across the district. The work delivered in 2024/2025 exceeded these levels of service and is on track to deliver increased maintenance in the coming years.

Local Contractors delivering stormwater maintenance

In January 2025 we set up a stormwater panel of local contractors, building local capacity and capability but also reducing costs and increasing the volume of work we can achieve.

In the year ahead, this stormwater panel is engaged to deliver our stormwater maintenance and clearing.

Building Community Resilience

Central Hawke's Bay's post Cyclone Gabrielle's resilience programme was made possible thanks to comprehensive external funding support. Grants from national and regional sources have ensured that initiatives designed to strengthen the district for future events, ranging from renewable energy for key resilience sites, social wellbeing initiatives to community emergency hubs and welfare trailers are fully resourced.

Community Emergency Hubs

In key locations and communities of interest, our community can now find (and use, if required) a Community Emergency Hub (CEH). These community-led places are opened and operated by people within the community. They are activated by the community in an emergency and when people need assistance. The hubs communicate into the Central Hawke's Bay District Council Emergency Operations Centre which, in a large-scale event communicates into the regional Emergency Coordination Centre.

By the end of the financial year, hubs were established in ten community locations with a further seven in progress. These hubs will continue to be developed over the next year, with external funding supporting their readiness for operation during future major events.

Community Resilience Plans (CRP)

A CRP helps people in the community understand their local risks and hazards, identifies potential vulnerabilities and community resources, and how to work together to respond and recover from an emergency event.

By the end of the year, resilience conversations have been held at Aramoana, Ashley Clinton, Blackhead Beach, Elsthorpe, Kairakau, Mangakuri, Pourerere and Wallingford, and meetings/workshops in Ongaonga, Ōtāne, Pōrangahau Village, Te Paerahi Beach, Tikokino, and Whangāehu Beach.

Our current focus is supporting our coastal communities with their resilience planning.

Solar energy use

Funding from the Community Renewable Energy Fund was secured to equip four of our community facilities, which will serve as Community Emergency Hubs or Civil Defence Centres (CDCs) with solar power systems. Installations have been completed at the Central Hawke's Bay Municipal Theatre and Elsthorpe Hall with work underway at year end at the Civic Theatre Waipukurau and Ongaonga Hall and Playcentre.



Top: Tikokino Community Resilience Workshop.

Middle and above: Solar installation at Elsthorpe and Ongaonga.



Mobile Welfare Trailers

The community can now rely on two new mobile welfare trailers, delivered in the last year. Built by local company CHB Engineering, the trailers have been fully funded via our grant from the NZ Disaster Fund.

The trailers are based on the New Zealand Red Cross model and equipped with supplies including generator, lighting, bedding, first aid supplies, and emergency food and water to support our CEHs and CDCs.

Climate Change and Risk Resilience

We continue our sustained focus on preparing and considering the impacts of climate change and risk, particularly as we resume our major investment programmes and prepare for the next review of the Long-Term Plan in 2027.

Our major focus in this area this year is working regionally on the Regional Climate Risk Assessment and understanding the impact of infrastructure reviews, such as the Upper Tukituki Scheme Review.

Mana whenua

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

Tamatea Marae Preparedness hui

Our first marae hui brought together marae representatives and agencies to kōrero, share resources, and align our efforts to build resilience across the rohe. Thanks to our NZ Disaster Fund grant, each marae received a Civil Defence wheelie bin to support their emergency preparedness journey. Together, we built relationships and strengthened local capability, explored Community Emergency Hub models, got hands-on with welfare trailers and discussed equipment needs and kicked off marae-led planning conversations.

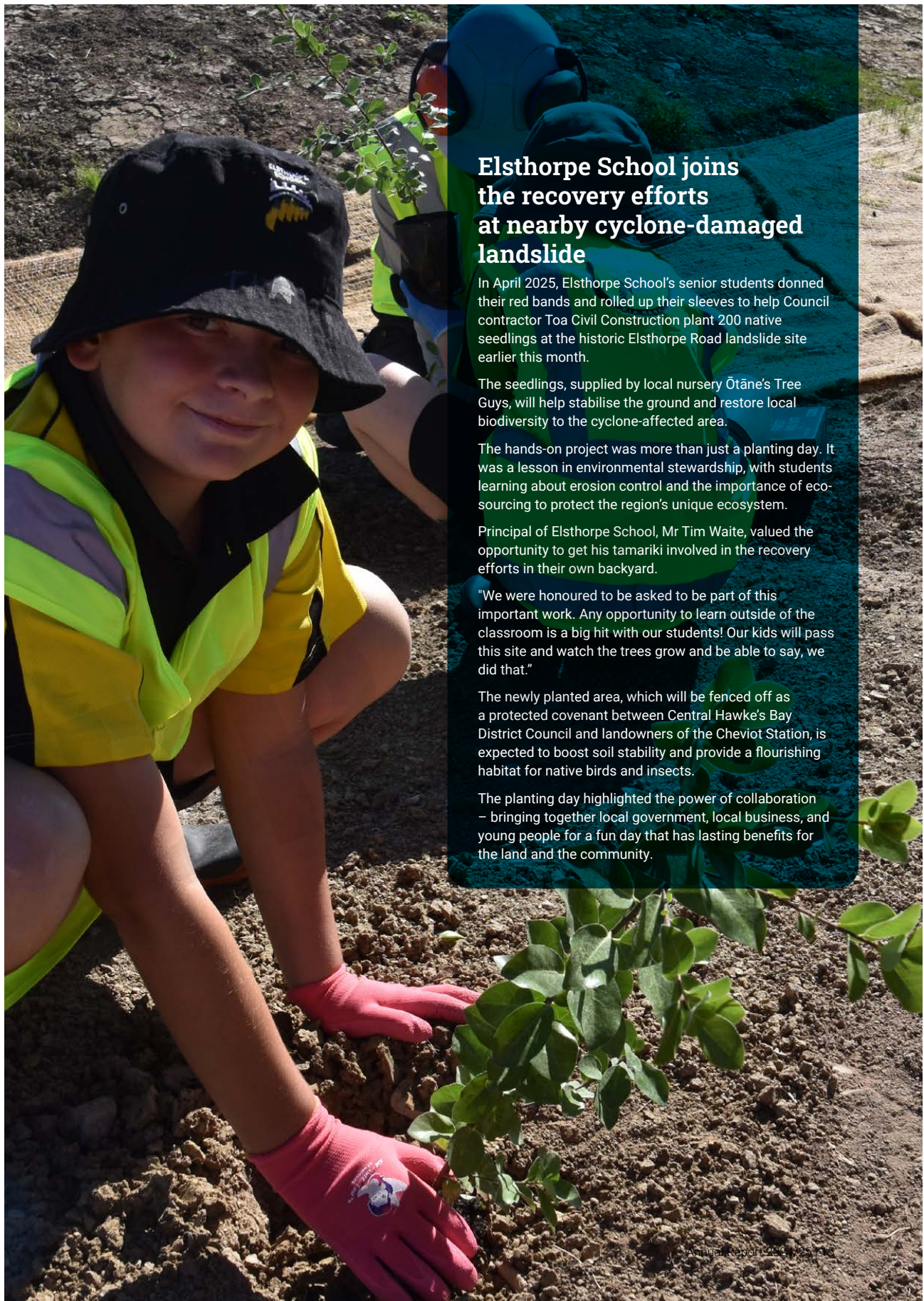
Future actions include support for marae-led planning and potential resilience days.

Impacted homes

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



Top and middle: Mobile Welfare Trailer.
Above: Tamatea Marae preparedness hui.



Elsthorpe School joins the recovery efforts at nearby cyclone-damaged landslide

In April 2025, Elsthorpe School's senior students donned their red bands and rolled up their sleeves to help Council contractor Toa Civil Construction plant 200 native seedlings at the historic Elsthorpe Road landslide site earlier this month.

The seedlings, supplied by local nursery Ōtāne's Tree Guys, will help stabilise the ground and restore local biodiversity to the cyclone-affected area.

The hands-on project was more than just a planting day. It was a lesson in environmental stewardship, with students learning about erosion control and the importance of eco-sourcing to protect the region's unique ecosystem.

Principal of Elsthorpe School, Mr Tim Waite, valued the opportunity to get his tamariki involved in the recovery efforts in their own backyard.

"We were honoured to be asked to be part of this important work. Any opportunity to learn outside of the classroom is a big hit with our students! Our kids will pass this site and watch the trees grow and be able to say, we did that."

The newly planted area, which will be fenced off as a protected covenant between Central Hawke's Bay District Council and landowners of the Cheviot Station, is expected to boost soil stability and provide a flourishing habitat for native birds and insects.

The planting day highlighted the power of collaboration – bringing together local government, local business, and young people for a fun day that has lasting benefits for the land and the community.

Article Report 2025-25-13

Priority 3

Water – Critical Three Waters Investment

Our Three Year Plan 2024 – 2027 prioritises investment in stormwater and drinking water and explains our decision to delay investment in our major wastewater upgrades, recognising all our plants were impacted following Cyclone Gabrielle. In the last year we consulted with the community on Local Water Done Well, which informed the Council's decision on how our water services will be managed in the future.

Stormwater

Prioritising stormwater needs no explanation. With decades of underfunding in this infrastructure, it became apparent in Cyclone Gabrielle the havoc mother-nature can wreak on a stormwater system under pressure.

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

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

During the past year there has been substantial work on the stormwater network. This included excavating drains, clearing vegetation and protecting some areas from scouring or erosion. Much of this was the first time in decades.

See the Recovery section of this document regarding recovery-related stormwater work on page 12.



Renewing our water infrastructure

We completed a deliberate annual programme of renewals across our drinking water and wastewater assets. This has included debt funding more renewals to achieve the network resilience our district needs sooner, consistent with the strategy adopted in the Long Term Plan 2021 – 2031 to get on top of our renewals.

This year we have completed water main renewals on Francis Drake Street in Waipukurau (on time and under budget), Racecourse Road in Waipukurau, and Homewood Road in Waipawa.

We completed the relining of 864 metres of wastewater pipes throughout the district. Reducing age-related breakages through renewal work has reduced operational costs at these sites.

Using the NZTA new risk-based traffic management system has reduced our traffic management spend by over \$100,000.

Waipukurau and Waipawa Second Drinking Water Supply Projects

Council prioritised this project as a key initiative addressing drinking water resilience and mitigating risk to the drinking water network in Waipukurau.

This work paused while recovery from the cyclone was prioritised, however returned to the work programme prior to the end of the year. Primarily this has focused on the relocation and upgrade of the Waipawa Water Treatment Plant, that was fully submerged in the cyclone, to higher ground out of the flood plain. \$3.457m of external funding has been secured for this project.

Design of the new plant has been progressed, with a platform constructed this year. Most physical works are expected to be completed in the 2025/26 year with the new plant commissioned by September 2026.

Left: Stabilising stormwater drain in Waipawa.

Repairs completed in FY 2024/25

Drinking Water



2554

water samples taken for compliance



2.5 million m³

water extracted and treated for drinking



48 minutes

average response time to customer request



220 leaks

Repaired

Wastewater



over

1.25 million m³

wastewater treated



3.1 hours

average time to resolve customer request

Stormwater



7.7 km

drain bed excavation



2.1 km

of vegetation clearance



6.3 km

pipe flushed



100%

of network inspected

How old are our pipes?

Drinking Water



25.1 km

of pipe at or beyond end of useful life (15% of total network).

Wastewater



25.3 km

of pipe at or beyond end of useful life (26% of total network)



Top: Our team at night replacing the water pipes in Waipukurau's Racecourse Road.

Above: Mayor Alex Walker and MP for Hawke's Bay Catherine Wedd 'turn the sod' at the commencement of the Waipawa Water Treatment Plant project.

Local Water Done Well

At the time of writing the Annual Report 2024/2025, Council had confirmed its preferred option to enter a Regional Council Controlled Organisation (CCO) for the future delivery of water services, with consultation with community to occur.

In December 2024, the Local Government (Water Services) Bill was introduced with the intention of ensuring water services are safe, reliable, environmentally resilient, customer-responsive, and provided at the lowest possible cost to consumers and businesses. The Bill outlines essential aspects related to the water services delivery system, economic regulation, consumer protection framework, and amendments to the water quality regulatory mechanism.

This is the Government's plan for managing drinking water, wastewater and stormwater services. It will affect how water services are delivered, maintained, and regulated in the future, treating water services like a utility, such as electricity and gas. The legislation sets expectations for levels of investment and creates new regulatory standards that Council must meet.

The four councils of the Hawke's Bay region have worked together to determine the most effective model for delivering water services under the Local Water Done Well legislation.

We consulted with our community on three potential delivery models. As well as people attending the 10 community meetings, 1,269 people viewed the consultation website 2,799 times during the submission period. There were 208 submissions made and 13 people opted to present their submission to Council in person at a public hearing.

Feedback strongly supported the establishment of a Regional Water Services Council Controlled Organisation. In addition, the community expressed significant concern about the projected household water rate for Year 10 (2034). At the time of writing, this figure, although reduced, remains unaffordable for many in our community. Officers were directed by Council to review the water services programme to explore options for reducing the projected rate to a more affordable level.

Wairoa District Council opted to go alone, while our Council will continue to collaborate on a unified Water Services Delivery Plan with Hastings District Council and Napier City Council, to be submitted to the Department of Internal Affairs by 3 September 2025, as required by legislation.

This will ultimately determine how our community will pay for our infrastructure with no further Government funding.

We are in a conundrum, with the legislation designed to discourage delaying our investment, while soaring costs and historic under-investment means that projected water rates are unaffordable for connected ratepayers. At the end of the financial year, it was clear that the proposed water infrastructure capital investment programme would need to be reduced to address the unaffordability concerns.

The trade-offs will be reliability of service and deferring major work. We will need to wait longer for our much-needed infrastructure upgrades and replacements. Our community can be assured that the safety of our drinking water will not be compromised.

This annual report has reiterated the importance of addressing the rates unaffordability challenges associated with Councils three water services, with significant increases forecast –even with regional efficiency gains.

In Central Hawke's Bay, the Government's Local Water Done Well policy is not a silver bullet to reduce costs for connected residents. However, it is the start of actively managing the costs our district faces for the investment required.

Impacts of the proposed Wastewater standards

Later in the year Taumata Arowai completed consultation on proposed standards for wastewater.

In Central Hawke's Bay the proposed standards have the greatest potential to reduce the level of major investment required, particularly in our smaller settlements. In Waipukurau and Waipawa, major investment is still needed, however the process to achieve and obtain approvals will be streamlined and easier.

In the year ahead, Council will prepare for the review of its Wastewater Discharge Strategy, considering the impacts of Cyclone Gabrielle on our existing and planned wastewater sites, which will include understanding what impact or benefits the new wastewater standards may bring to the district.



Other focus areas

Solid Waste

In December 2024 Council introduced a weight-based pricing system at the Waipukurau Transfer Station. This standardises pricing and provides accurate data and information about how much waste the district is producing, informing decisions on waste management in the future.

Of the 5,700 tonnes of landfill waste, 1,800 tonnes came from resident drop-offs at Council transfer stations and 400 tonnes from kerbside collection. The remaining 3500 tonnes of waste generated within the district was through commercial activities, e.g. non-council provided kerbside waste collections and construction activity. Around 2,500 tonnes were diverted from landfill through recycling, green waste, e-waste, steel, and other initiatives. A review of our waste services, including landfill operation, as part of updating our Waste Management and Minimisation Strategy in line with legislative requirements is underway with the findings expected in the coming year. This was last done in 2019.



Clean Up Week

More than 80 people collected over 16 tonnes of rubbish from Central Hawke's Bay's State Highway 2 in just four hours on Sunday 22 September. Led by Council as part of the national Keep New Zealand Beautiful Clean Up Week, two busloads of volunteers cleaned up the stretch of SH2 between Waipukurau and Waipawa.

During the clean-up, the highway was closed, allowing crews from Transport Rebuild East Coast, on behalf of NZ Transport Agency Waka Kotahi, to carry out essential maintenance, including sign repairs, wire rope repairs, pothole repairs, sweeping and line marking.

The community also turned out in force for Clean Up Week 'Planting and Play' event at Russell Park which provided the perfect mix of learning and fun for younger children. The Waka Tākaro play trailer kept kids entertained with plenty of games and activities.



Top: Transfer Station new weighbridge.

Left middle: Clean up week.

Left bottom: Issy Bloomfield.

District Plan

A major milestone in the District Plan review project, which commenced in 2017, was achieved this year. The last appeals on the District Plan were processed and in November 2024, we were able to declare the new District Plan 'operative in part'. Our new District Plan is now in effect and the previous 2003 District Plan no longer applies, with just one appeal remaining on a specific site.

The past year has seen announcements from the government on reform of the Resource Management system that guides our District Plan. We are keeping abreast of this discussion and engaging through submissions so that we are in a strong position to adapt to any changes.

Community Plans

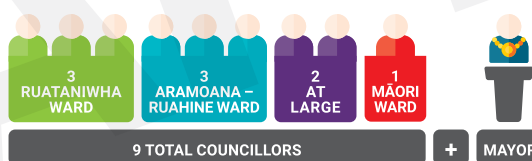
As the financial year drew to a close, the Ōtāne community plan was poised to be adopted, joining the other communities like Tikokino, Ongaonga and Takapau. Community plans are developed 'by and for' the people, providing a unified voice to advocate for local initiatives with councils, businesses, funders, and other organisations. They outline clear priorities and actionable steps and projects to drive progress.

The COVID pandemic and extreme weather events delayed the process.

Representation Review

A Representation Review in 2024 consulted with the community about the ward structure. We asked our community to tell us how many councillors were needed to allow everyone in the community to vote for people who could represent the balance of 'district' interests and issues, as well as their rural or urban priorities.

Council considered 138 submissions and heard from six submitters. Representation was agreed as:



Māori Ward

Council voted in support of retaining the Māori Ward in September 2024, affirming the decision made in November 2023.

This triggered a binding referendum to be held at the 2025 Local Government elections for the public to decide whether they want to retain or rescind the Māori Ward.

Welcomed two Pou Whirinaki around the council table

Amiria Nepe-Apatu and Piri Galbraith were welcomed round the council table as Pou Whirinaki (pillar of support).

Hapū and marae selected them for the role, which gives a Māori voice and view on making the community better. While there are no voting powers as a Council co-opted the role, this affirms the importance of having a voice at the table with a mātauranga Māori lens.



Above: Amiria Nepe-Apatu and Piri Galbraith.

Freedom Camping Bylaw

The Freedom Camping Bylaw adopted by Council in July 2024 removed proposed additional controls, ensuring it can be a 'regulatory backstop' rather than a framework to manage all camping in a win for the community. The bylaw respects the areas where the district has traditionally had freedom camping, while prioritising the conservation efforts of local coastal communities.

The seasonal permit proposal for Pōrangahau was removed, as was the out-of-season restrictions for tents at Pourerere.

The intention is to encourage responsible camping, enable access to camping opportunities across the district. Freedom camping is managed in a way that protects our environment, supports our local economies while responding to local social needs, and respecting the cultural context of places and people.

Council worked closely with the Mana whenua kaitiaki, coastal communities and the Pourerere Camping Committee during the process.

The 533 submissions and a community survey showed that the community values freedom camping. The Bylaw enables additional freedom camping areas.

Focus on Growth

Waipukurau South Growth Precinct

The Waipukurau South Growth Precinct is poised to become a hub for growth and innovation thanks to a \$10.9 million investment from Central Government's Infrastructure Acceleration Fund (IAF). Major steps were achieved towards ensuring the groundwork for this 20-year development are in place.

With the support of external funding early critical stormwater infrastructure to unlock development was completed. Community engagement in June supported Council to develop a structure plan to confirm the future layout of roading and other infrastructure on this intergenerational project. Community ideas, from wetland walking paths and better connectivity to shared cycleways, corner stores, and playgrounds, have been invaluable in reflecting our community's priorities.

The structure plan acts as a strategic roadmap, guiding future development by outlining land use, infrastructure, and transport networks, while also managing geological risks and stormwater sustainably. This ensures cohesive, resilient growth for this important area.

The open day in June was the first opportunity for many to see the stormwater pond network constructed for Council by Fulton Hogan and CHB Earthmovers, flanked by extensive native plantings supplied by Central Natives and planted by the team from Māori Oho.

You can find out more about this long-term project to deliver 950 homes for the district over the long term by scanning the QR code:



Sustained investment reductions in Community facilities

Last year saw sustained reduced investment across community facilities. Major upgrades or renewals were deferred as mapped out in the Three Year Plan 2024 – 2027 priorities of Land Transport, critical three waters infrastructure and recovery.

Council restructured its community activity resourcing internally to reflect the shift in focus. This reduction did not affect services on a day-to-day basis.



Top: Waipukurau South Growth Precinct.

Above: Council meets regularly with suppliers to ensure service delivery excellence expectations are clear.

Delivering on External Funding

It is a common misconception that all or most of the services delivered by Council are funded by rates.

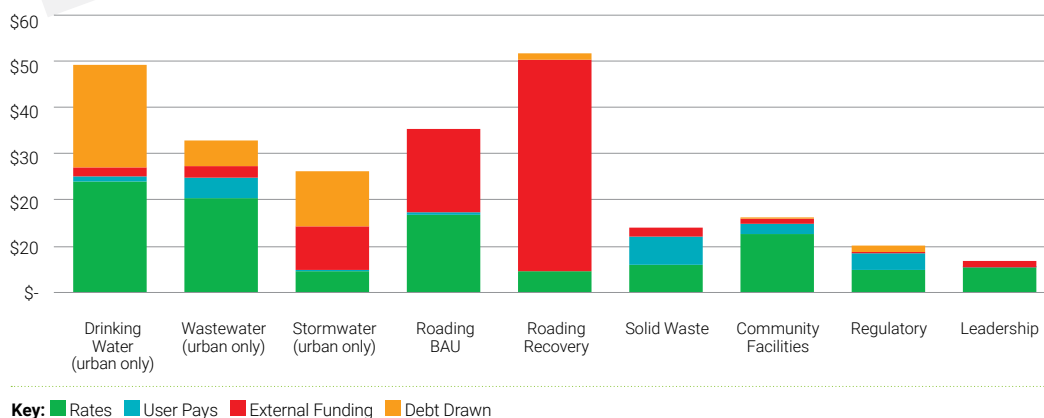
The reality is that rates only pay for a portion of the services our community counts on. (See graph below)

Part of our deliberate External Funding Strategy is to offset the impact on rates wherever we can. In the last year, we have doubled down on achieving external funding across the district.

Other funding achieved this year includes:

Fund	Amount	How it was used
Sport NZ	\$9,500	Rural Travel Assistance for sport groups
Creative NZ	\$24,288	Support for the Arts
Ministry of Business, Innovation, and Employment	\$230,301	Solar installation to support Community Emergency Hubs and other Civil Defence resilience initiatives in the community
NZ Lottery Grants Board Te Matau A Maui Regional Recovery	\$228,276	Funding to support community resilience programme - not all spent at 30 June
Department of the Prime Minister and Cabinet	\$700,000	Cyclone recovery capability grant
Ministry for the Environment	\$298,651	Waste Minimisation and Education initiatives
Department of Internal Affairs	\$169,768	Community Recovery Activities including the Community Grant fund
Department of Internal Affairs	\$215,355	Stormwater resilience - reduction in rates
Department of Internal Affairs	\$60,000	Recycling Trailers - reduction in rates
Takapau Lions	\$2,000	Library donation from Annual Book Sale
MBIE - Tourism Infrastructure	\$104,793	Tukituki Cycle Paths
MBIE - Tourism Infrastructure	\$123,724	Freedom Camping and Bylaws project
NZ Police	\$25,000	CHB Meth Strategy
MBIE - MTFJ	\$413,921	Mayors Task Force for Jobs (Job in CHB) and Initial Initiative funding
MBIE	\$110,000	Kaikōra Seed Drying facility - carry forward from prior year
CHB Proud	\$4,000	Promotion of CHB
NZTA	\$14,966,005	Cyclone recovery and emergency reinstatement work
National Infrastructure Fund (former CIP)	\$5,472,838	Reinstatement of Waipawa Water Treatment and roading recovery at 100%

Council average weekly spend by ratepayer, by activity, and how it was funded during 2024/25



Mayors Taskforce for Jobs (MTFJ)

The Jobs in Central Hawke's Bay team continues to excel and innovate in our district. In a year marked by economic uncertainty, they have again exceeded expectations – from the outset, our team set an ambitious goal: to place 51 young people into employment, directly responding to the Ministry for Social Development dashboard data. We are proud to have surpassed this milestone, not just as a number, but as a series of personal journeys, each marked by growth, resilience, and community support.

This year saw the endorsement of our five-year strategy, the 2025–2030 Jobs in Central Hawke's Bay Strategy, by Council's Strategy, Growth & Community Committee. The strategy identifies key areas of work; Collaboration and Community Engagement, Supportive Pipeline Approach and Microcredentials, Youth-Focused Internships and Self-Employment Support and Local Employment in Procurement. This strategy is becoming embedded within the Council's broader economic and youth development frameworks and is contributing to our long-term commitment to local employment.

Connect to Learn has been a standout initiative this year, transforming Te Huinga Wai into a truly inclusive, future-focused space for learning and development. By implementing the Open+ system, the hub now offers secure, self-service access until 11pm—addressing a critical gap for youth and jobseekers unable to engage during standard hours.

Partnerships remain at the heart of Jobs in Central Hawke's Bays mahi. Our collaboration with MSD, Te Taiwhenua o Tamatea, CONNECT Driver Safety & Licensing, and Complete Coaching Hawke's Bay has enabled wraparound support for jobseekers. The monthly jobseeker workshops, in partnership with MSD provide opportunities for local jobseekers to connect to new opportunities. The MTFJ Graduation & Rotary Awards are a pinnacle event in our calendar, celebrating the emerging workforce. As we look ahead, we remain

focused on evolving our approach to meet the needs of our community. With Council's ongoing support and the strength of our local partnerships, Jobs in Central Hawke's Bay is well-positioned to continue leading the way in youth employment and community wellbeing.

Outcomes for the community



Community Employment Programme

35+
NEET's

19

Initiative Fund



TOP 3

industries of placements:
Primary Industries, Aged Care,
Retail/Hospitality



TOP 3

ethnicities of placements:
NZ European, Māori, Other



154

TOTAL NUMBER OF
REGISTERED JOBSEEKERS



988

Total number of registered
businesses

Here's a snapshot of what we've achieved so far. (As at 30/06/2025)



141

Unique jobseeker
referrals



68

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



186

CHB Business
connections



100%

Local Central
Hawke's Bay residents

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Statement of Compliance and Responsibility

DRAFT

Independent Auditor's Report

To the readers of Central Hawke's Bay District Council's
Annual Report for the year ended 30 June 2025



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Section Two

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Groups of Activities

We've got an ambitious plan to bring the vision and goals for a Thriving Central Hawke's Bay of the future to life. How the activities and services we deliver support the achievement of our community's vision and goals can be summarised below.

Vision		Central Hawke's Bay – a proud and prosperous district, made up of strong communities and connected people, who respect and protect our environment and celebrate our beautiful part of New Zealand.						
Our DNA		Working Together Customer Excellence Thinking Smarter Planning for Tomorrow						
Goals		 Proud District	 Prosperous District	 Strong Communities	 Connected Citizens	 Smart Growth	 Environmentally Responsible	 Durable Infrastructure
Groups of Activities:	Leadership, Governance and Consultation	✓	✓	✓	✓	✓	✓	
	Planning and Regulatory Services	✓	✓	✓		✓	✓	
	Land Transport		✓		✓			✓
	Solid Waste	✓	✓	✓	✓	✓	✓	✓
	Water Supplies	✓	✓	✓	✓	✓	✓	✓
	Wastewater	✓	✓	✓	✓	✓	✓	✓
	Stormwater						✓	✓
	Places and Open Spaces	✓	✓	✓	✓		✓	

Leadership, Governance and Consultation Group

Leadership, Governance and Consultation

What Council does

This activity enables elected Councillors to effectively govern the activities, services and projects delivered by the Council. Councillors must represent their communities and make decisions in an open, transparent and accountable manner.

The activity in this section supports the decision-making processes of elected members and ensures decisions are made in accordance with guiding legislation, including the preparation of reports and other supporting functions, to ensure a functioning local democracy exists in Central Hawke's Bay.

Through this activity, funds such as the Community Voluntary Organisation Scheme (CVOS) are sourced and distributed to community organisations through the Social Development Activity.

The Leadership, Governance and Consultation Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council that listens to its community, responds efficiently and effectively, communicates well and has a can-do customer services attitude.	85% of people who consider that Council has responded well or very well to community needs and issues.	Not Achieved 48% of people believe the Council has responded well or very well to community needs and issues. 2024 Result: 43%.
	100% of formal consultation follows legislative and policy requirements.	Achieved All consultation has been compliant with legislation and policy. 2024 Result: 100%.
	85% of people consider that Council has communicated well on Council business.	Not Achieved 62% of people consider that Council has engaged and communicated well about Council business. Of these, 16% rated Council had engaged and communicated 'very well' and 46% rated Council had communicated 'well'. 2024 Result: 59%.
	50% of responding Marae that are satisfied/very satisfied that their Mana Whenua status is recognised by Council and they have the opportunity for meaningful involvement in decision-making.	Achieved Five out of nine marae have responded to the evaluation questions. A 56% response rate. 2 marae were very satisfied (40%), and 1 with marae satisfied (20%) with Councils acknowledgement of the marae's mana whenua status and the opportunity provided by Council to participate in meaningful decision making. 1 marae was neutral (20%), 1 marae was dissatisfied (20%) with Councils acknowledgement of the marae's mana whenua status and the opportunity provided by Council to participate in meaningful decision making. 2024 Result: Not Achieved

Social Development

What Council does

Council provides Social Development services to foster the growth of community social assets.

Council's role is to advocate, facilitate and coordinate the sustained enablement and enhancement of the community's social well-being.

Primarily this is achieved through the implementation of the district's Community Wellbeing Strategy, along with the management of the 'network of networks', which provides important social services and connections across the district and region.

The activity also coordinates Council's community planning programme. Community plans are the voice of a community. They obtain local people's views on the place that they call home, celebrate the things that make a community special, highlight people's goals and aspirations, and create a future vision for the community. Council has worked with the Tikokino, Takapau and Ongaonga communities to support the development of community plans, with the Ōtāne community plan being finalised.

The distribution of community funding, both funded by Council and other organisations such as Creative NZ and Sport NZ, is also a major focus of this activity.

The Social Development Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
In partnership with our community we develop and implement effective strategies, policies and initiatives that support community wellbeing.	85% of the community is satisfied with the Social Development activity of Council.	Achieved 100% of Network of Network partner agencies surveyed were satisfied or very satisfied with the social development activity of Council. 2024 Result: 73%.
	Central Hawke's Bay Network of Network Action Plans are developed and implemented.	Achieved 2024 Result: Achieved
Council provides quality advice, information and support to community groups, agencies and communities and helps build a strong community and voluntary sector.	95% of community groups associated with the Social Wellbeing Network that are satisfied with the advice and support provided by Council.	Achieved 97% of Network of Network partner agencies surveyed were satisfied or very satisfied with the advice and support provided by Council. 2024 Result: 93%.

Economic Development

What Council does

This activity primarily supports the sustainable economic well-being and prosperity of Central Hawke's Bay. Primarily delivered through the District's Economic Development Action Plan 2019, it leverages on coordinated leadership and the facilitation of shared outcomes.

The Economic Development Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council supports the enhancement of economic well-being by the delivery of increased job opportunities, a diversified and resilient local economy, and increased productivity.	Implement the Economic Development Action Plan (Implementation Plan).	Achieved 52 out of 61 actions from the 2019 EDAP have been achieved, with those remaining WIP, paused or no longer relevant.

An Economic Growth Strategy refresh, underpinned by the 2019 EDAP, was adopted by Council in May 2025, with a 12 month focus (2025 – 2026) on water security, land-use optimisation and growth & development.

Work on the remaining strategic pillars will also continue. A full strategy refresh will commence in the new triennium.

2024 Result: Not Achieved

Funding Impact Statement for Community Leadership

Funding impact statement for the year ending 30 June 2025

	Annual Plan 2024 \$000	Annual Report 2024 \$000	Long Term Plan 2025 \$000	Actual 2025 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	1,980	1,980	2,326	2,356
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	335	1,460	487	560
Fees, charges	17	24	16	20
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	98	0	11
Total operating funding	2,331	3,562	2,829	2,947
Applications of operating funding				
Payments to staff and suppliers	1,708	2,578	2,206	2,165
Finance costs	0	0	0	0
Internal charges and overheads applied	0	610	629	561
Other operating funding applications	607	0	0	0
Total applications of operating funding	2,315	3,188	2,835	2,726
Surplus (deficit) of operating funding	16	374	(6)	221
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	0	0	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	21	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(6)	374	(6)	221
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	16	374	(6)	221
Surplus (deficit) of capital funding	(16)	(374)	6	(221)
Funding balance	(0)	0	0	0

Council's operational income was slightly ahead of budget due to external funding from Central Government, offset by similar increase in operational costs.

Planning and Regulatory Group

District Planning

What Council does

The Council prepares plans and policies that deliver the Resource Management Act 1991 (RMA), including Development Strategies and the District Plan.

The District Plan, a legal requirement under the RMA, controls the way we use, subdivide and develop land in our District. It identifies where activities can take place, how land can be developed and what special features of our District should be protected.

This requires careful consideration and balancing of the need to protect our heritage, taonga and quality of living environments with enabling development and growth.

District Plan Review

In May 2023 Council publicly notified its decisions on provisions and matters raised in submissions on the Proposed District Plan. A number of appeal points have been raised by submitters, and these are now being managed through an Environment Court process.

Council's decisions were the result of a full review of the District Plan beginning in 2017. The Proposed District Plan underwent comprehensive consultation with the community in order to bring it up to date with legislative requirements and community aspirations.

Over the next three years investment is planned to resolve appeals on the Proposed District Plan so that it can be made operative and replace the current District Plan in full. Investment is also planned to ensure continued rolling reviews of the District Plan, to ensure that it continues to evolve and is fit for purpose. Rolling reviews will also be critical to ensuring the Plan remains compliant with the RMA. It will also, importantly, ensure we keep pace with and prepare for the growth our district is currently experiencing, growth that is projected to continue for the next three decades.

The District Planning Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council creates an environment where development and the use of land in our District balances the need for growth while protecting our special places and community values.	A District Plan that is compliant with the Resource Management Act and other higher order Resource Management Act instruments, within the timeframes required.	Achieved The District Plan was made 'operative in part' in Q2, 2024. The District Plan is currently compliant with the RMA and the higher order planning documents that were in place when the plan was reviewed. Work continues to monitor national direction to ensure ongoing compliance, and officers continue to work through the one outstanding appeal on the District Plan. 2024 Not Achieved
	Develop and maintain a programme of work to ensure the District Plan is responsive to growth, is focussed on achieving positive environmental outcomes, and is consistent with the requirements of the broader planning framework.	Achieved Recent government announcement was to stop all work on District Plan changes in light of the RM Reform but it's not yet understood how this will impact this work programme.

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Land Use and Consenting

What Council does

The Council processes and provides advice on resource consent applications, which enable the use, development and subdivision of land in line with our District Plan and other policies.

When assessing applications or providing advice, we look at how any proposed use, development and subdivision will affect the whole community.

We work with developers to facilitate new initiatives and developments in our District. As part of this, we work to ensure the advice we give and the consents we issue benefit the wider community and facilitate good development decisions.

We monitor compliance with the District Plan standards and conditions of consents to ensure any negative effects on the environment are avoided, remedied or mitigated.

This sometimes means there are appeals to the Environment Court on our decisions, and managing that process is an important part of this activity.

Growth a major focus

While we are in a period of uncertainty, we are at the tail of managing a level of growth and development in the district not seen to the same extent since the 1960s. In the three years to 2024 we averaged 220 resource consents per year, the majority of these being subdivision consents.

The Land Use Consent Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council enables the use, development and subdivision of land in line with our District Plan and other environmental policies.	60% of resource consents (non-notified) are processed within 20 working days (the statutory time frame).	Not Achieved 100% achieved for the year. 124 consents have been issued. All consents were processed within the statutory timeframe. 2024 Result: 51%.
	65% of customers are satisfied with the land use and subdivision consent services provided.	Achieved 90.5% - 55 out of the 60 surveys completed were satisfied by the services provided. 2024 Result: 57%.
	80% percentage of planning enquiries responded to within five working days.	Achieved 82.38% - 730 planning enquiries were received this financial year, 589 of these were completed within 5 working days. 2024: New Measure

Building Control

What Council does

Council is responsible for receiving, processing and issuing building consents. This involves processing applications, conducting inspections throughout building projects, enforcing building standards, and responding to building-related complaints.

As a council, we must manage building consents in a manner that contributes to the health and wellbeing of the community. We work hard to ensure that all people, including developers, understand the requirements, costs and timeframes involved in a building process. Providing advice and guidance through the process is an important part of this activity and helps to generate successful outcomes for all.

We encourage people to come in and talk to us before or during works to ensure things are done correctly the first time.

A growing District

There are 1,500 new homes forecast for construction in Central Hawke's Bay over the next ten years. This is a median growth scenario and it is expected consenting numbers will continue to remain conservative as economic pressures come into play, such as interest rates and the cost to build.

The Building Control Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council provides an effective Building Consent Authority service to the district.	95% of building consents are processed within 20 working days (the statutory time frame).	Achieved 96.78% of building consents were processed within the statutory timeframes – 301 of 311 consents. 2023 Result: 94.7%.
	85% of customers are satisfied with the building consent services provided.	Achieved There was 95.67% customer satisfied with the building consent services. Total of 20 survey results received. 2024 Result: 75%.
	100% of Code Compliance Certificates processed and issued within 20 working days (the statutory timeframe).	Not Achieved 99.43% of code compliance certificates were processed and issued within the statutory timeframes – 348 of 350 total. 2024 Result: New Measure

Environmental Health

What Council does

The Council monitors and enforces environmental and public health standards to keep our community safe and healthy.

We ensure that public health standards are maintained so that you can be confident that your food is safe when you go out to eat. We also respond to complaints in accordance with our legislative responsibilities.

This activity delivers three key functions among other powers and responsibilities:

- Registration and inspection of premises including hair salons, camping grounds and funeral directors
- Registration and auditing of food premises
- Alcohol licensing

The Environmental Health Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
To keep the community safe and healthy by ensuring environmental and public health standards are maintained.	100% of Complaints received are responded to within 3 working days.	Not Achieved 91.43% 35 complaints total received in the 2024/2025 year. 3 complaints were not responded to within three working days. 2024 Result: 100%.
	80% of customers satisfied with the public health services delivered.	Achieved To ensure we measure satisfaction of our highest users being businesses e.g. liquor/food premises etc we created a targeted survey. There were 18 responses (excludes those that say 'don't know') of which 94% were satisfied with the public health services provided. We did ask the same satisfaction question in the Resident Opinion Survey of which 35 responded. The results from this survey showed that only 68% were satisfied with the public health services provided, however when looking at those that said dissatisfied or very dissatisfied of which there were 12. Only a couple of comments around the 'why'. 2024 Result: 80%.

Animal Services

What Council does

The Council delivers services to manage dog and stock control, safeguarding the public from wandering, threatening and aggressive animals. This includes educating the public on responsible animal ownership and providing services for dog registration.

We receive and respond to complaints from the public and issue fines for breaches of legislation when necessary.

The Council operates a pound, which provides roaming or abandoned animals with shelter and food and offers a microchipping service.

This involves rehousing stray animals where possible and appropriate. We have a statutory responsibility to undertake this activity, through the Dog Control Act 1996 and the Stock Impounding Act 1955.

The Animal Services Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
To ensure that animals are looked after in a humane manner and are not menacing, dangerous or a nuisance to the public.	More than 95% of known dogs are registered.	Achieved 96% of dogs are currently registered. Number of dogs registered 5170, number of unknown dogs in the district 216. 2024 Result: 96%.
	100% of serious dog incidents are responded to within two hours.	Achieved A total of 28 serious dog incidents have been received to 30 June 2025, all of which were attended to within two hours. 21 dog's attacks on animals and 6 dog attacks on people. 2024 Result: 100%.
	100% response to all stock complaints and requests within 24 hours.	Achieved A total of 78 stock complaints have been received to 30 June 2025, all of which were attended to within 24 hours. 2024 Result: 100%.
	90% of users are satisfied with the Animal Control service provided.	Not Achieved 75% of people were satisfied with the animal control services provided. Of these 27% were 'very satisfied' and 48% were 'satisfied'. 2023 Result: 58%.

Compliance and Monitoring

What Council does

This activity ensures that standards, either set by Council through policies or bylaws, or by Central Government legislation that Council is required to monitor, are being met.

This includes monitoring the conditions of resource consents and requirements of the Resource Management Act 1991 (RMA).

We carry out inspections under legislation, including the inspection of swimming pool fences and management of earthquake prone building legislation. We also implement our requirements under the Building Act 2004, relating to Building Warrants of Fitness and other related requirements.

We respond to noise complaints and other bylaw breaches, and issue Land Information Memorandums (LIMS) and Property Information Memorandums (PIMS).

Earthquake-prone Buildings

In 2018, Council commenced work to implement the Building (Earthquake-prone Buildings) Amendment Act 2016. This legislation sets timeframes to identify potentially earthquake-prone buildings in the district, and to notify owners to either strengthen or demolish buildings that are confirmed as earthquake-prone. The current government is reviewing this Act and at the time of writing we are awaiting legislative changes as a result of this.

The Compliance and Monitoring Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council provides a compliance and monitoring service that is compliant, efficient and customer friendly.	85% of swimming pools inspected within the three-yearly inspection period.	Achieved 112 pools inspected year to date. The balance of the pool inspections will occur over years 2-3 of the inspection window. 2024 Result: New Measure
	90% LIMs are issued within the statutory timeframe.	Achieved 99% - There have been 177 requests for LIMS this financial year, 175 of these were issued within 10 working days. 2024 Result: 94%.
	100% Complaints about non-compliance with bylaws are responded to within three working days.	Achieved A total of 105 complaints have been received during the year and 100% were addressed within three working days. 2024 Result: 100%
	90% Environmental compliance enquiries (in relation to the Resource Management Act or resource consent conditions) are responded to within three working days.	Achieved 100% - 20 compliance enquiries were received this year. All of these have had an initial response within 3 working days. 2024 Result: New Measure

Funding Impact Statement for Planning & Regulatory

Funding impact statement for the year ending 30 June 2025

	Annual Plan 2024 \$000	Annual Report 2024 \$000	Long Term Plan 2025 \$000	Actual 2025 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	1,682	1,684	2,181	2,165
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	147	0	124
Fees, charges	2,298	1,919	2,121	1,531
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	15	31	11	(37)
Total operating funding	3,995	3,781	4,313	3,783
Applications of operating funding				
Payments to staff and suppliers	3,786	3,528	3,419	3,150
Finance costs	104	107	186	138
Internal charges and overheads applied	0	0	0	768
Other operating funding applications	755	729	852	0
Total applications of operating funding	4,646	4,364	4,457	4,056
Surplus (deficit) of operating funding	(651)	(583)	(144)	(273)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	1,101	480	144	(10)
Gross proceeds from sale of assets	0	0	0	321
Lump sum contributions	0	0	0	0
Total sources of capital funding	1,101	480	144	311
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	450	75	0	424
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	(178)	0	(386)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	450	(103)	0	38
Surplus (deficit) of capital funding	651	583	144	273
Funding balance	0	0	0	0

With the downturn in the economy the number of consents (building and land use) has fallen creating a shortfall in fee revenue. Costs, where possible, have also been pulled back to match this lower level of activity. Council has also provided some consent processing for another Council to minimise the fee shortfall.

The new district plan is now operative, and the final couple of appeals are being worked through.

During the year Council was able to purchase the old SPCA site and will operate it's dog pound from this site going forward. This has allowed Council to dispose the vacant land it previous held for the build of a new pound.

Land Transport Group

Land Transport

What Council does

Council is the road controlling authority for Central Hawke's Bay. Our role is to provide a transport system that improves well-being and liveability by providing safe, sustainable, reliable, efficient and effective movement of people and goods.

The existing transport network is a significant part of the District's core infrastructure and contributes to the social and economic well-being of residents, visitors and businesses.

Our transport network is essential to the continued growth and economic success of Central Hawke's Bay District and must be managed safely, efficiently and effectively now and in the future.

Funding Assistance Rate (FAR)

As part of the National Land Transport Programme run by Waka Kotahi NZ Transport Agency, each Council receives a Funding Assistance Rate (FAR). This offsets the rates cost of local land transport activities, such as local road maintenance and improvements, public transport and cycling improvements.

Currently Council receives a 59% FAR from Waka Kotahi NZ Transport Agency, with rates forming the remaining 41% of the cost of current subsidised works Council completes. The FAR rate is due for review in 2026/2027.

Roading Recovery

Council has an enhanced emergency funding rate of 89% on approved Cyclone Gabrielle repairs.

The Land Transport Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
To deliver safe, reliable and lasting road assets that connect our people and places and allow our District to prosper.	Reduce fatalities and serious injury crashes on the local road network to zero.	Not Achieved One fatality Eight serious injuries 2024 Result: Not achieved (zero fatalities and 9 serious injuries)
	85–90% quality of ride on a sealed local road network, measured by smooth travel exposure.	Achieved The average ride quality on the local sealed road network is 95% 2024 Result: 95%
	At least 50% of the footpaths are in excellent condition and no more than 10% of the footpaths are in poor condition measured annually.	Achieved 2025 Result: Not Measured as below: As the footpath condition rating only happens once every three years (last undertaken in 2022), the goal has been met (footpaths do not deteriorate as rapidly due to their usage being lighter and any damage from incidents is reported and repaired quickly). 2024 Result: Not measured

	7–10% of the sealed local road network is resurfaced.	Not Achieved 3.2% (by area). This has been impacted by lower than requested funding being approved by NZTA, cost escalations, and bitumen prices. 2024 Result: 5.3%
	100% of customer service requests relating to road and footpaths are responded to within three working days.	Not Achieved 91% of customer service requests relating to road and footpaths were responded to within three working days. 2024 Result: 79%
	65% of users are satisfied with the roading service provided.	Not Achieved 49% of people were satisfied with the roading services provided. This is despite record levels of investment in recovery over the last 12 months and major improvements in the land transport activity. 2024 Result: 63%

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Funding Impact Statement for Land Transport

Funding impact statement for the year ending 30 June 2025

	Annual Plan 2024 \$000	Annual Report 2024 \$000	Long Term Plan 2025 \$000	Actual 2025 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	7,780	7,786	9,261	9,242
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	3,132	20,087	4,471	5,227
Fees, charges	67	73	39	38
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	176	158	130	148
Total operating funding	11,155	28,104	13,901	14,655
Applications of operating funding				
Payments to staff and suppliers	7,638	17,014	32,382	9,853
Finance costs	0	0	0	22
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	2,289	2,238	2,488	2,488
Total applications of operating funding	9,926	19,252	34,870	12,363
Surplus (deficit) of operating funding	1,229	8,852	(20,969)	2,292
Sources of capital funding				
Subsidies and grants for capital expenditure	4,144	15,451	27,169	22,320
Development and financial contributions	0	0	100	0
Increase (decrease) in debt	1,100	0	980	513
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	5,244	15,451	28,249	22,833
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,050	695	500	5,485
- to replace existing assets	6,007	23,406	7,010	19,374
Increase (decrease) in reserves	(584)	202	(230)	266
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	6,473	24,303	7,280	25,125
Surplus (deficit) of capital funding	(1,229)	(8,852)	20,969	(2,292)
Funding balance	0	0	0	0

This year saw the continuation of the Cyclone Gabrielle repairs. Council received \$19.6m of emergency reinstatement subsidies from Waka Kotahi which allowed \$21.6m of recovery works to be undertaken. The \$2m of unfunded works were funded by a mixture of rates, use of reserves, and debt. Due to the level of repairs required it could take several more years to get the district roading network back to pre-cyclone standards.

Solid Waste Group

Solid Waste

What Council does

Our solid waste activities cover refuse collection and disposal, transfer stations, recycling, hazardous waste management, management of the district's operating landfill on Farm Road and closed landfill sites, and support for waste minimisation and educational activities.

We typically manage over 14,000 tonnes of waste annually. This comes from Council and private kerbside collections and deliveries direct to our transfer stations. Nearly 12,000 tonnes heads directly to landfill from within the district and outside of the district, such as Taranaki, which utilises our landfill. Approximately 4,750 tonnes of waste is diverted through our recycling services and waste diversion services, e.g. green waste and e-waste.

A major focus for Council has been its vision for a Waste Free CHB. This vision, established through the Waste Management and Minimisation Strategy in 2019, introduces three new targets:

- To increase diversion from landfill to 70% by 2040
- To increase diversion from landfill to 48% by 2025
- To increase participation in kerbside recycling services (measured through set-out rates) to 60% by 2025



The 2024-2027 Three Year Plan makes provision to review our Waste Management and Minimisation Plan in the first year of the Three Year Plan, ahead of major investment proposed in year 3 of the Plan to begin investment in a new landfill cell.

The Solid Waste Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Provide communities with access to safe, efficient and cost-effective rubbish and recycling services to achieve Waste Free CHB goals.	40% of total waste from transfer station and kerbside collections is diverted from the landfill to recycling, reuse and recovery.	Not Achieved 30% for the year. Reduced Greenwaste and concrete at transfer station reduced diversion rates. Concrete may be diverted through private means or in the case of Greenwaste, through home composting. 2024 Result: 36%
	83% of users satisfied with the kerbside recycling services.	Achieved 84% of people were satisfied with the kerbside recycling services provided. 2024 Result: 59%
	94% of users satisfied with the recycling drop off centres.	Not Achieved 89% of people were satisfied with the recycling drop off centres. Of these 23% were 'very satisfied' and 66% were 'satisfied'. 2024 Results: 66%
	78% of users satisfied with the district's transfer stations.	Not Achieved 70% of users were satisfied with the district's transfer stations. Of these, 17% were 'very satisfied' and 53% were 'satisfied'. 2024 Results: 55%
	89% of users satisfied with the rural mobile recycling services.	Not Achieved 87% of people were satisfied with the rural mobile recycling services provided. Of these, 28% were 'very satisfied' and 59% were 'satisfied'. 2024 Results: 64%
Incentivise, provide or support waste minimisation initiatives to achieve Waste Free CHB goals.	The amount of green waste processed each year is >2,400 m ³	Achieved Council introduced a weighbridge in December 2025, so has moved to a weight based system, but it is estimated that 2,600 m ³ was processed during the year, or 865 tonne. 2024 Result: 4,980 m ³
	17 schools participating in waste minimisation programmes.	Achieved 17 out of the 18 schools in the district are participating in a form of education programme. 2024 Results: 17 schools
	6 waste minimisation promotional events in the district each year.	Achieved 9 events were held during the year.. 2024 Results: 5 events

Funding Impact Statement for Solid Waste

Funding impact statement for the year ending 30 June 2025

	Annual Plan 2024 \$000	Annual Report 2024 \$000	Long Term Plan 2025 \$000	Actual 2025 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	1,347	1,348	1,953	1,939
Targeted rates	609	607	666	664
Subsidies and grants for operating purposes	750	564	801	803
Fees, charges	2,694	2,404	2,648	2,644
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	5,400	4,923	6,068	6,050
Applications of operating funding				
Payments to staff and suppliers	4,271	4,247	4,949	4,523
Finance costs	60	70	89	76
Internal charges and overheads applied	0	619	727	658
Other operating funding applications	683	0	0	0
Total applications of operating funding	5,014	4,936	5,765	5,257
Surplus (deficit) of operating funding	386	(13)	303	793
Sources of capital funding				
Subsidies and grants for capital expenditure	0	243	0	0
Development and financial contributions	11	4	70	0
Increase (decrease) in debt	53	153	(95)	(249)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	64	400	(25)	(249)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	291	300	56	6
- to replace existing assets	64	38	68	73
Increase (decrease) in reserves	95	49	154	465
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	450	387	278	544
Surplus (deficit) of capital funding	(386)	13	(303)	(793)
Funding balance	0	0	0	0

This year saw the landfill receive 8,876 tonne of waste despite diverting 30% of its waste to recycling and processing 2,600 m³ of greewaste.

This year also saw the weighbridge at the Waipukurau Transfer Station (largely externally funded by the Ministry for the Environment) become operational with weight based charging commencing in December 2024.

Water Supplies Group

Water Supply

What Council does

Council operates seven different water supply schemes servicing Kairakau, Pourerere, Pōrangahau, Takapau, Te Paerahi, Waipawa and Ōtāne, and Waipukurau. These supply schemes provide water to over 4,100 households and businesses.

Our water supply schemes require a large amount of infrastructure, including water treatment plants, reservoirs, pump stations, pipe networks, water meters, backflow prevention units, hydrants and more.

The water supply systems are designed to treat raw water to make sure it is safe to drink, and to continuously supply this water to users at a suitable pressure and quantity through a piping network. Council's water supply systems also need to provide enough water pressure for firefighting services in urban areas. Council undertakes these water supply activities because of public demand, statutory obligations and duty of care.

Investment has been planned over the Three Year Plan to continue to invest in critical water projects, including the Waipukurau Second Water Supply, replacement of reservoirs in Waipawa and continuing the pipeline renewal programme. These projects mitigate critical risks to our networks and supply system and will increase our overall network resilience.

We work under a Ministry of Health framework to ensure our supplies are meeting the Drinking Water Standards for New Zealand.

The Wastewater Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
To provide safe, reliable and consistent water supplies to our community, working with our customers to support wise and sustainable water use.	100% of the local authority's drinking water supply complies with the new Part D rules under the DWQAR's (bacteria compliance criteria).	Achieved 100% compliance 2024 Result: New Measure - DWQAR's have changed
	100% of the local authority's drinking water supply complies with the new Part T rules under the DWQAR's (protozoal compliance criteria).	Not Achieved 98.4% for the year. One non-compliance this quarter relating to 1 failing minute for UVT at Kairakau WTP. 2024 Result: New Measure - DWQAR's have changed
	No more than 40% of real water loss from the local authority's networked reticulation system.	Not Achieved Unable to be measured 2024 Result: Not Achieved
	Attendance to urgent call-outs: no longer than two hours from notification to the time that service personnel reach the site.	Achieved 0.3 hours on average for the year. 2024 Reported: 0.27 hours

	Resolution of urgent call-outs: no longer than 12 hours from the time that the local authority receives notification to the time the service personnel confirms resolution of the fault or interruption.	Achieved 1.9 hours on average for the year 2024 Reported: 0.47 hours
	Attendance for non-urgent call-outs: no longer than six hours from the time that the local authority receives notification to the time the service personnel reaches the site	Achieved 0.8 hours on average for the year. 2024 Reported: 0.77 hours
	Resolution of non-urgent call-outs: 72 hours from notification to the time that service personnel confirms resolution of the fault or interruption.	Achieved 6.0 hours on average for the year. 2024 Reported: 14.83 hours
	No more than five complaints relating to drinking water received (per annum per 1,000 connections to the local authority's networked reticulation system).	Achieved 0.66 complaints received per 1,000 connections (10 complaints) 2024 Reported: 2.4 complaints per 1,000
	≤1.80 m³ average consumption of drinking water per day per water connection.	Achieved 1.1 cu.m³ per day on average for the year. 2024 Reported: 1.41 cu.m³ per day
	90% of users are satisfied with the water supply service provided.	Not Achieved 72% of people were satisfied with the water supply services provided. Of these, 14% were 'very satisfied' and 58% were 'satisfied'. 2024 Result: 68%

Funding Impact Statement for Water Supply

Funding impact statement for the year ending 30 June 2025

	Annual Plan 2024 \$000	Annual Report 2024 \$000	Long Term Plan 2025 \$000	Actual 2025 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates	4,503	4,401	5,683	5,614
Subsidies and grants for operating purposes	0	35	0	0
Fees, charges	5	0	0	3
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	4,508	4,436	5,683	5,617
Applications of operating funding				
Payments to staff and suppliers	2,648	2,985	3,144	3,060
Finance costs	633	818	1,143	1,022
Internal charges and overheads recovered	0	830	1,027	997
Other operating funding applications	884	0	0	0
Total applications of operating funding	4,166	4,633	5,314	5,079
Surplus (deficit) of operating funding	342	(197)	369	538
Sources of capital funding				
Subsidies and grants for capital expenditure	0	653	589	450
Development and financial contributions	817	292	850	292
Increase (decrease) in debt	6,764	1,985	10,466	4,083
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	7,581	2,930	11,905	4,825
Applications of capital funding				
Capital expenditure				
- to meet additional demand	128	56	200	-1
- to improve the level of service	6,143	1,991	6,535	1,513
- to replace existing assets	2,882	811	6,442	3,627
Increase (decrease) in reserves	(1,229)	(125)	(903)	224
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	7,923	2,733	12,274	5,363
Surplus (deficit) of capital funding	(342)	197	(369)	(538)
Funding balance	0	0	0	0
Drinking Water Capex				
Second Supply Project			5,065	1,126
Reticulation & Water Security			5,922	3,686
Reservoir Replacement			2,190	102
Total			13,177	5,139

Council has been working through the Local Water Done Well (LWDW) legislation and has consulted with the community on options and has elected to join with its neighbouring Councils Hastings and Napier to form a new water entity to delivery services in the future. As part of this consultation Council received feedback on its planned capital delivery program and has spent the later part of the year reviewing legislation changes and capital upgrade sequencing to try to optimise resilience, compliance, and affordability. This has seen some budgeted upgrades like the second supply project delayed while options have been worked through.

Wastewater (Sewerage) Group

Wastewater

What Council does

Council operates and manages six wastewater schemes, servicing the urban areas of Pōrangahau, Ōtāne, Takapau, Te Paerahi, Waipawa and Waipukurau.

Council provides a variety of infrastructure to manage sewerage within our identified urban and residential areas. Our sewer system includes sewer service lines, manholes, underground pipes, pump stations and sewer treatment plants. Major investment is required across our entire network as a result of rates being held at artificially low levels over a number of years, at the expense of essential renewals.

This activity also includes Council's tradewaste functions, which include the monitoring and treatment of liquid discharged from businesses into the wastewater system.

We undertake wastewater activities because of statutory obligations, duty of care and public demand. The alternative to a Council provided sewerage system is the use of septic tanks. These independent systems are approved and monitored by the Hawke's Bay Regional Council (HBRC).

The six Council managed wastewater schemes all have resource consents that have expired or will expire in the life of this plan.

Our vision for Wastewater:

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

The Wastewater Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
To provide for the effective reticulation, treatment and disposal of wastewater in a way that protects the health of our communities and natural environment.	No more than ten dry weather sewerage overflows (per 1,000 connections to the total sewerage system).	Achieved 3 total overflows for the year, being 0.8 per 1000 connections. 2024 Reported: 1.9 per 1,000
	No more than 30 total sewerage overflows (per 1,000 connections to the total sewerage system).	Achieved 5 total overflows for the year, being 1.4 per 1000 connections 2024 Reported: 3.5 per 1,000

	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: • zero abatement notices • zero infringement orders • zero enforcement orders • zero convictions received by the territorial authority	Achieved Zero abatement notices, Zero infringement orders, Zero enforcement orders, and Zero convictions received by the territorial authority. 2024 Reported: Zero
	No more than a one-hour median response time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that service personnel reaches the site).	Achieved 0.4 hours average median response time for the year. 2024 Reported: 0.4 hours
	No more than a four-hour median resolution time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that service personnel confirms resolution of the blockage or other fault).	Achieved 3.1 hours average median response time for the year. 2024 Reported: 2.98 hours
	No more than ten complaints received per annum per 1,000 sewerage connections about any of the following: Sewage odour Sewerage system faults Sewerage system blockages or Council's response to issues with its sewerage systems	Achieved 2 total complaints for the year being 0.56 complaints per 1000 connections. 2023 Reported: 5.2 per 1,000
	90% of users are satisfied with the wastewater service provided.	Achieved 94% of people were satisfied with the wastewater services provided. 2024 Reported: 78%

Funding Impact Statement for Wastewater

Funding impact statement for the year ending 30 June 2025

	Annual Plan 2024 \$000	Annual Report 2024 \$000	Long Term Plan 2025 \$000	Actual 2025 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates	3,766	3,761	4,810	4,787
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges	775	459	400	380
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	4,541	4,220	5,210	5,167
Applications of operating funding				
Payments to staff and suppliers	2,108	3,061	2,304	2,335
Finance costs	988	955	1,282	979
Internal charges and overheads recovered	0	844	1,026	997
Other operating funding applications	884	0	0	0
Total applications of operating funding	3,980	4,860	4,612	4,311
Surplus (deficit) of operating funding	562	(640)	598	856
Sources of capital funding				
Subsidies and grants for capital expenditure	0	224	293	569
Development and financial contributions	957	784	900	679
Increase (decrease) in debt	11,765	865	3,886	(439)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	12,722	1,873	5,079	809
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,391	152	300	87
- to improve the level of service	6,266	697	450	67
- to replace existing assets	6,159	455	4,900	913
Increase (decrease) in reserves	(1,533)	(71)	27	598
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	13,283	1,233	5,677	1,665
Surplus (deficit) of capital funding	(562)	640	(598)	(856)
Funding balance	0	0	0	0
Wastewater Capex				
Te Paerahi/Pōrganahau Plant			150	53
Takapau Plant			300	11
Reticulation Upgrades			0	0
Total			5,650	1,067

Council has been working through the Local Water Done Well (LWDW) legislation and has consulted with the community on options and has elected to join with its neighbouring Councils Hastings and Napier to form a new water entity to delivery services in the future. As part of this consultation Council received feedback on its planned capital delivery program and has spent the later part of the year reviewing legislation changes and capital upgrade sequencing to try to optimise resilience, compliance, and affordability. This has seen some budgeted upgrades like the Dissolved Air Flootation unit (DAF) in Waipukurau delayed while options have been worked through.

Stormwater Group

Stormwater

What Council does

Stormwater is the water that runs off surfaces such as roads, driveways, footpaths and rooftops after rain events.

The Council operates and manages four stormwater systems in Ōtāne, Takapau, Waipawa and Waipukurau. These systems are designed to take stormwater away from built-up urban areas and disperse it to waterways (streams, rivers and the ocean) to minimise the effects of flooding on properties and the risk to human life.

Our stormwater systems include underground pipes, open drains, overland flow paths, pump stations and stormwater ponds.

Networks in Pōrangahau, Ongaonga, Te Paerahi, Tikokino and other coastal settlements form part of the roading network and drainage system.

Alongside our urban stormwater drainage systems, the Hawke's Bay Regional Council (HBRC) is responsible for managing rivers and rural drainage schemes to ensure our communities are protected from flooding.

Freshwater Management – National Policy Statement

The National Policy Statement Freshwater Water Management 2020 came into effect in September 2020.

The new policy statement aims to avoid further loss or degradation of waterways and will involve a whole new approach to how stormwater is currently managed in the District.

This means Council can expect required upgrades to its existing and/or new stormwater discharges, with the ongoing levels of maintenance and treatment standards of stormwater to be much higher than currently provided for in future resource consents.

The Stormwater Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
To effectively manage stormwater in a manner that respects and protects private and public assets and preserves the health of our waterways.	For each flooding event, zero habitable floors will be affected. (Expressed per 1,000 properties connected to the territorial authority's stormwater system.)	Achieved 0 properties affected per 1,000 connections 2024 Reported: zero
	Compliance with the territorial authority's resource consents for discharge from its stormwater systems measured by the number of: • Zero abatement notices. • Zero infringement orders. • Zero enforcement orders. • Zero successful prosecutions, received by the territorial authority in relation to those resource consents.	Achieved Zero abatement notices, orders, and prosecutions. 2024 Reported: Zero
	No more than a two-hour median response time to attend a flooding event (measured from the time that the territorial authority receives notification to the time that service personnel reaches the site).	Achieved Median for the year was 0 hours 2024 Reported: 11.6 hours

	No more than five complaints received about the performance of the stormwater system (expressed per 1,000 properties connected to the stormwater system).	Achieved Zero complaints per 1,000 properties. 2024 Reported: Zero
	90% of users are satisfied with the stormwater service provided.	Not Achieved 69% of people were satisfied with the stormwater services provided. 2024 Result: 62%
	100% of open drain network and culverts inspected to inform maintenance requirements and ensure optimal network performance.	Achieved 100% of network inspected 2024 Reported: New Measure
	20% of open drain and culvert network for which maintenance has been carried out.	Achieved 66% of network maintained 2024 Reported: New Measure

Funding Impact Statement for Stormwater

Funding impact statement for the year ending 30 June 2025

	Annual Plan 2024 \$000	Annual Report 2024 \$000	Long Term Plan 2025 \$000	Actual 2025 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	97	97	147	146
Targeted rates	962	962	924	926
Subsidies and grants for operating purposes	0	0	860	365
Fees, charges	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	1,059	1,059	1,931	1,437
Applications of operating funding				
Payments to staff and suppliers	525	1,254	1,151	658
Finance costs	64	135	227	246
Internal charges and overheads recovered	0	320	390	388
Other operating funding applications	335	0	0	0
Total applications of operating funding	924	1,709	1,768	1,292
Surplus (deficit) of operating funding	135	(650)	163	145
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	1,862
Development and financial contributions	230	80	100	80
Increase (decrease) in debt	1,965	1,168	1,339	839
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	2,196	1,248	1,440	2,781
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,268	85	815	772
- to improve the level of service	628	314	300	1,909
- to replace existing assets	875	165	675	132
Increase (decrease) in reserves	(441)	34	(188)	113
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	2,330	598	1,602	2,926
Surplus (deficit) of capital funding	(135)	650	(163)	(145)
Funding balance	0	0	0	0

	Long-Term Plan 2024 \$000	Actual 2024 \$000
Stormwater Capex		
Bush Drain Restoration	25	0
Districtwide	750	207
Lake Whatumā Health	50	0
Ōtāne Shortfalls	50	0
Waipawa McGreevy St Drain	250	32
Waipawa Parkland	90	132
Waipawa Shortfalls	50	0
Waipukurau Shortfalls	175	129
Waipukurau CBD	350	0
Waipukurau College Rd Drain	0	508
Waipukurau Growth Precinct - IAF Funded	0	1,805
Total	1,790	2,813

This year Council undertook a significant amount of drain maintenance work (100% of network was inspected and 66% of the network was maintained). Due to operational savings not all the \$860k of grant funding was required in 2024/25 with the balance now being carried over to 2025/26.

During the year Council received \$1,862 of subsidy from the Infrastructure Acceleration Fund (IAF) to help with the development of the Waipukurau South Growth Precinct. This was spent building stormwater retention ponds.

Places and Open Spaces

Reserves and Open Spaces

What Council does

This activity manages open spaces and parks across Central Hawke's Bay.

This includes active and passive recreation, playgrounds, sports fields and walking tracks. The activity beautifies and celebrates our townscape and promotes pride in our places. Providing quality public open spaces gives our locals spaces to enjoy, promotes the district and attracts visitors.

Reserves alongside riverbanks or the coast provide for passive recreation, access to water and promote conservation values.

We also maintain some reserves that provide, for operational purposes, access or drainage. This activity works with other community groups and organisations to develop walking and cycling facilities in our district and the Hawke's Bay Region.

The Reserves and Open Spaces Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council provides a range of parks and reserves that are affordable, well maintained and safe, and that provide for the recreational (play and sport), cultural and environmental well-being of the community.	Monitoring the number of health and safety incidents or injuries due to inadequate or poor maintenance in our parks, reserves or sports grounds. Target 0.	Not Achieved There were two incidents or injuries due to inadequate or poor maintenance. 2024 Reported : Zero
	40% of residential dwellings are within a ten-minute walk (pedshed) of a Council-owned or supported playground.	Achieved 41% This is calculated based on the total number of residential parcels across the District's urban areas (below) that are within the target zone, divided by the total number of residential parcels within the township zone. There has been no change to this calculation in this financial year. 2024 Reported 41%
	60% of urban dwellings are within a ten-minute walk (pedshed) of a park or community open space.	Achieved 61% This is calculated based on the total number of residential parcels across the District's urban areas (below) that are within a ten-minute walk of a park or community open space divided by the total number of residential parcels within the urban areas. 2024 Reported: 61%

	80% of people have used or visited a park, reserve or open space in the last 12 months.	Achieved 81% of people have used or visited a park, reserve or open space in the last 12 months. 2023 Reported: 83%
	90% of people are satisfied with the parks, reserves and open spaces.	Not Achieved 89% of people were satisfied with the parks, reserves and open spaces. Of these, 24% were 'very satisfied' and 65% were 'satisfied'. 2024 Reported: 69%

Public Toilets

What Council does

Council provides and maintains 25 public toilets across the district.

You can find these at parks and other prominent locations in the district. Public conveniences meet the needs of our community and visitors as they are out and about. They are located for the convenience of people using spaces and facilities such as beaches and playgrounds, or as they travel through the district.

RURAL	WAIPUKURAU AND WAIPAWA	COASTAL
• Forest Gate Domain • Ōtāne Hall • Ōtāne Recreation Ground • Tikokino Hall • Ongaonga (at Ongaonga Museum) • Takapau Town	• A'Deane Park • Coronation Park • Madge Hunter Park • Nelly Jull Park • The Green Patch (Post Officer Corner) • Bogle Brothers Esplanade • Russell Park • Russell Park back Sports Field • Waipawa Cemetery	• Aramoana Beach • Blackhead Beach • Kairakau Beach Campground • Kairakau Beach North End • Pourerere Beach • Pourerere portaloos (Christmas holidays only) • Te Paerahi changing shed • Te Paerahi freedom camping area • Whangaehu • White Domain – Pōrangahau

The Public Toilets Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council provides public toilets that are clean, safe, in good working order, and meet the needs of our community and visitors.	Fewer than eight complaints are received about inadequate maintenance and poor cleaning of our toilets.	Achieved No complaints were received for the year. 2024 Reported: 4 Complaints

Retirement Housing

What Council does

Council owns and operates 48 flats across Waipukurau and Waipawa, providing retirement housing to those aged over 65.

Our aged population is increasing. Demand for housing is high and a long waiting list exists for retirement housing.

The Retirement Housing Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council provides safe, well maintained and comfortable community housing for our retired community.	90% of tenants are satisfied with Council's Retirement Housing service.	Achieved 100% overall tenants' satisfaction with Council's Retirement Housing services based on responses from the annual Retirement Housing Residents Survey. Low response rate with 17 out of 48 tenants completing the survey (35.4% response rate). 2024 Result: 100%

Libraries

What Council does

Libraries provide a space where our community can fully participate in society, providing social connectedness, lifelong learning and literacy in the widest sense – from celebrating the love of reading to developing skills related to business, the arts or science.

Central Hawke's Bay is serviced by two libraries in Waipawa and Waipukurau, as well as a range of online services to our community.

In addition to traditional lending services, libraries provide a range of programmes, online services and opportunities for social connectedness, including free wi-fi 24/7. The programmes on offer seek to break down barriers many face and empower our community to lead better lives. Through the Three Year Plan submissions, the community suggested the use of more volunteers in the libraries, particularly through the Friends of the Library and other organisations that use the library. Officers will continue to work with the community to build on the current volunteers in the library.

Libraries Strategic Framework

The service is guided by a strategic framework adopted in 2019. The Strategic Framework is guided by the outcomes and vision in Project Thrive, 'Connecting Minds, Creating Futures'. This vision is supported by four goals:

- Leading the Way – relevant to all
- Facilitators for discovery, innovation and lifelong learning
- Empowering our community to lead better lives
- Inspiring everyone to thrive

Guided by our Libraries Strategic Framework, our libraries are transitioning into providing services that have wide-ranging relevance to our community

The Libraries Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Our libraries are inclusive places and all people are encouraged to make use of the libraries' services.	130,000 physical visitors to Libraries.	Not Achieved The totals in the four quarters were 126,069 people visiting the libraries. 2024 Reported: 125,370 visitors
	20,000 digital visits to the libraries' facilities through website, online databases and online platforms.	Achieved The total number of digital visits was 28,114, which exceeds the target. 2023 Reported: 24,894
Council will provide a range of information services for community to access.	Six issues per capita per annum, both physical and digital.	Not Achieved The number of books equates to 5.5 issues per capita per year to date, which is under the target set. 2024 Reported: 6 Issues

Council will provide a range of activities and learning opportunities.	400 events and programmes available.	Achieved The total number of programmes run in the four quarters was 830. 2024 Reported: 522
	6,000 participants in events, including programmes, exhibitions, author events and classes.	Achieved The total number of participants attending programmes in the four quarters was 10,554. 2024 Reported: 13,318

Community Facilities

What Council does

The Council manages built community assets and places, including halls, museums, theatres, swimming pools and the Council administration building.

Our primary role is in the provision and management of these facilities on behalf of our community, regularly liaising directly with users, lessees or operators of the facilities.

We directly manage the Central Hawke's Bay Municipal Theatre and lease the Waipukurau Civic Theatre. We also support a number of hall committees in the operation of Council and community-owned halls.

We manage and operate the Waipawa and Districts Centennial Memorial Pool and provide an operational grant to the Central Hawke's Bay Community Trust for the operation of the Centralines Pool. We employ staff on behalf of the Central Hawke's Bay Museum and provide an operational grant towards its operation each year.

The Community Facilities Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council provides safe, affordable and appropriate facilities that provide cultural and social well-being of our community. These, that are activated, are vibrant community spaces used by our community.	12,000 community users of the Waipawa pool.	Achieved Season total: 12,128 2024 Reported: 12,904
	75% of District Hall Committees satisfied with the advice and support provided by Council.	Achieved 93% of our District Hall Committees are satisfied with the advice and support provided by Council. 2024 Reported: 80%

Cemeteries

What Council does

The Council provides and maintains cemeteries across the District, maintaining accurate records of lost loved ones. We provide and operate 11 operational cemeteries and 4 closed cemeteries in the District.

The history and essence of our community are contained within our cemeteries. The community expects attractive and peaceful cemetery facilities to celebrate the lives of their loved ones, which will need to cater for a growing range of differing needs and preferences.

Families and loved ones can arrange burials at Council's cemeteries or through the services of a funeral director. Providing and managing cemeteries is carried out in accordance with the Burial and Cremations Act 1964.

OPERATIONAL	CLOSED
• The CHB Cemetery • Waipawa Cemetery • Waipukurau Cemetery • Ōtāne Cemetery • Takapau Cemetery • Tikokino/Hampden Bush Cemetery • Forest Gate Cemetery (Ongaonga) • Pōrangahau Cemetery • Ashley-Clinton Cemetery • Makaretu Cemetery • Elsthorpe Cemetery	• Old Kaikora North Cemetery, Ōtāne • Old Hampden Bush Cemetery, Tikokino • Unofficial: • St. Peter's Church Cemetery Reserve, Waipawa • Church Knoll Reserve, Pōrangahau

The Cemeteries Activity supports the following goals of Council:



What we delivered

LEVEL OF SERVICE TO BE DELIVERED	TARGETS TO MEASURE OUR SUCCESS IN 2024/25	ACHIEVED LEVEL OF SERVICE
Council looks after its cemetery grounds, providing a special place of remembrance for loved ones amongst attractive and well-maintained grounds.	90% of the community are satisfied with the condition and maintenance of our district's cemeteries.	Achieved 96% of people were satisfied with the condition and maintenance of the District's cemeteries. 2024 Reported: 69%
	Zero complaints about late or inadequate services at our cemeteries.	Not Achieved There was one complaint throughout the year. 2024 Reported: One

Funding Impact Statement for Recreation & Community

Funding impact statement for the year ending 30 June 2025

	Annual Plan 2024 \$000	Annual Report 2024 \$000	Long Term Plan 2025 \$000	Actual 2025 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	4,907	4,908	5,441	5,431
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	3	138	105	154
Fees, charges	887	891	927	916
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	45	84	55	91
Total operating funding	5,842	6,021	6,528	6,592
Applications of operating funding				
Payments to staff and suppliers	5,156	5,288	3,914	4,255
Finance costs	106	107	226	161
Internal charges and overheads recovered	0	1,272	1,409	1,303
Other operating funding applications	1,202	0	0	0
Total applications of operating funding	6,464	6,667	5,549	5,719
Surplus (deficit) of operating funding	(623)	(646)	979	873
Sources of capital funding				
Subsidies and grants for capital expenditure	0	364	0	318
Development and financial contributions	183	138	217	100
Increase (decrease) in debt	2,325	1,284	(182)	(320)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	2,508	1,786	35	98
Applications of capital funding				
Capital expenditure				
- to meet additional demand	50	0	51	0
- to improve the level of service	697	246	111	218
- to replace existing assets	935	620	593	502
Increase (decrease) in reserves	203	274	259	251
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	1,885	1,140	1,014	971
Surplus (deficit) of capital funding	623	646	(979)	(873)
Funding balance	0	0	0	0

There were some variances to budget within this group which are detailed below.

Places and Open Spaces

This year was business as usual. Council obtained some external funding from the Tourism Infrastructure Fund to upgrade the TukiTuki Trails.

Public Toilets

This year was business as usual. The upgrades of toilets at Lindsay Bush and OngaOnga have occurred with assistance from grant funding care of the Ministry of Business, Innovation and Employment (MBIE).

Retirement Housing

Retirement housing is a self-funding activity and operational surplus or deficits are funded from reserves. During the year this activity made a small surplus allowing funds to be put aside for future capital replacements (roofs, painting, carpets, etc.).

Libraries

This year was business as usual with both libraries running their full suite of programs. A booking system for the meeting rooms at the libraries as been well received and seen a small boost in revenue from commercial hirers.

Community Facilities

Elsthorpe Hall, Waipawa Municipal Theatre, Onga Onga Town Hall, Waipukurau Civic Theatre are all at various stages of having solar and batteries fitted as part of adding resilience to our communities civil defence evacuation centres. This has been funded by the Ministry of Business, Innovation and Employment (MBIE).

Cemeteries

This activity operated largely on budget throughout the year.



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Section Three

Financial Information

For the Year Ended 30 June 2025

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Annual Report Disclosure Statement

For the year ended 30 June 2025

What is the purpose of this statement?

The purpose of this statement is to disclose Council's financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

Council is required to include this statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates (income) affordability benchmark

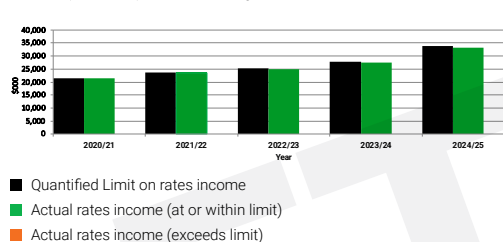
Council meets the rates affordability benchmarks if:

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

The following graphs compare Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long-Term Plan (LTP). The quantified limit is the total rates as forecast in the 2024-2027 Three Year Plan.

Total rates income for 2024/25 is \$389,000 below the defined limit.

Rates (income) affordability - Total Rates



Rates (increases) affordability benchmark

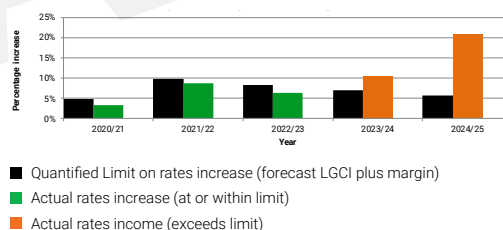
The following graph compares Council's actual rates increases with a quantified limit on rates increases contained in the financial strategy included in Council's LTP. The quantified limit as set in the 2024-2027 Three Year Plan is:

Rates increases to existing ratepayers will not exceed the Local Government Cost Index (LGCI) plus 3%.

The additional 3% provided in the rates increases limit is included to cover costs relating to natural disasters, new initiatives, additional responsibilities or higher standards imposed by Central Government, or increases to the levels of services approved by Council. The limits set for rates increases are the upper limit and Council will work hard to maintain increases to levels below these limits.

For the 2024/25 year, this was set at LGCI (2.7%) plus 3%, or 5.7% in total, which was non-compliant with the benchmark. As signaled in the Three Year Plan the 20.8% increase was driven by Cyclone Recovery (mainly stormwater maintenance and roading rebuilds), impacts of construction inflation, rising interest rates, increases in debt relating to water infrastructure improvements.

Rates (increases) affordability benchmark

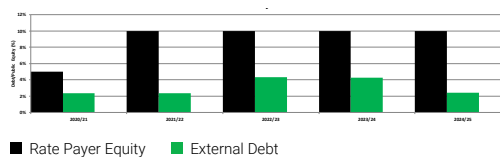


Debt affordability benchmark

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limit in the 2024-2027 Three Year Plan was 10% of Council's equity.

For 2024/25 Council's external debt equated to 2.4% of Council's equity, which was compliant with the benchmark. This is an improvement against last year's benchmark, not because debt has decreased or become more affordable, but due to the significant increase in Council equity relating to the revaluation of its roading network.

Debt affordability benchmark

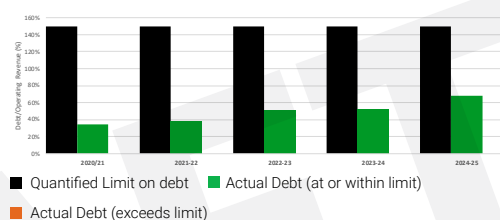


Debt as a percentage of operating income

Council meets the debt as a percentage of operating income benchmark if Council's external debt level remains below 150% of its annual operating income. This limit is set in Council's Treasury Management Policy.

For 2024/25, Council's debt was 68% of its 2024/25 operating income so was compliant with this benchmark.

Debt as a Percentage of Operating Income



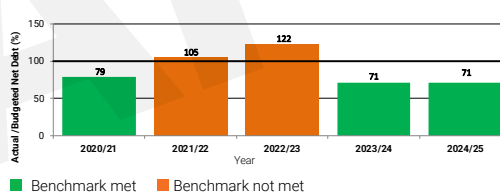
Debt control benchmark

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets.

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

As Council worked through the changes proposed for Local Water Done Well (LWDW) and the associated changes in wastewater discharge standards Council paused some of its 3 waters investment and focused on Cyclone Roding Recovery. Therefore it didn't complete the original planned capital construction programme for the year, nor draw the associated debt.

Debt control benchmark

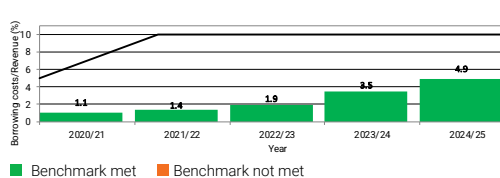


Debt servicing benchmark

The following graph compares Council's actual borrowing costs with a quantified limit set in Council's long-term plan. The quantified limit in the 2024-2027 Three Year Plan was 10% of operating revenue.

Council's borrowing costs are well below the prescribed benchmark of being equal to or less than 10% of revenue.

Debt servicing benchmark



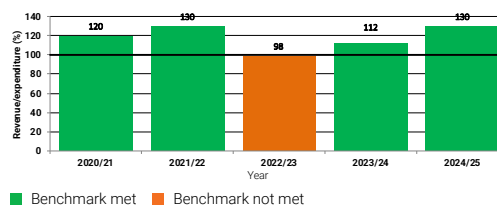
Balanced budget benchmark

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

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

In 2024/25 Council received additional emergency cyclone recovery funding from NZTA to repair its roads (operational costs) and replace destroyed assets (capital expenditure). This has assisted the achievement of this benchmark.

Balanced budget benchmark



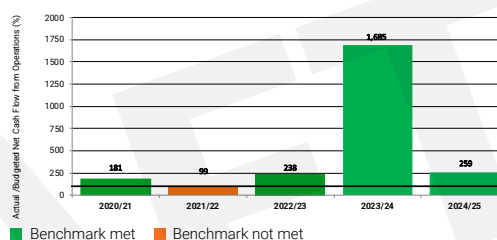
Operations control benchmark

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

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

During the previous financial year, Council received significant, unbudgeted grants to assist with cyclone recovery, which has distorted this graph. For the current year Council has met this benchmark.

Operations control benchmark

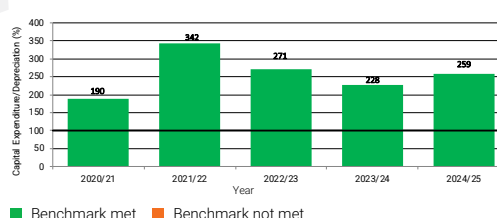


Essential services benchmark

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

Despite the pause on 3 Waters referred to under "Debt control benchmark", Council has continued to replace its assets faster than their expected deterioration. This is due to the major roading rebuild programme that is currently being undertaken post-Cyclone Gabrielle).

Essential services benchmark



Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2025

	Actual 2024 \$000	Note	Budget 2025 \$000	Actual 2025 \$000
Revenue				
Rates revenue	27,622	2 (f)	33,418	33,363
Subsidies and grants	39,919	2 (g)	35,175	33,086
Interest and dividends	327		181	460
Fees and Charges	5,772	2 (h)	6,151	5,532
Development contributions	1,302		2,272	1,168
Other revenue	536	2 (i)	396	1,565
Total revenue	75,477		77,591	75,175
Expenditure				
Personnel costs	9,491		11,932	10,633
Depreciation and amortisation	15,731	2 (a), 6	15,385	15,694
Written Off Cyclone Damaged Assets	0		0	0
Finance costs	2,074		3,236	2,490
Other operating expenses	38,717	2 (c)	50,339	28,304
Total operating expenditure	66,013		80,892	57,120
Net Operating Surplus/(Deficit)	9,464		(3,301)	18,054
Other (Gains)/Losses				
(Gains)/Losses on Public Debt	0		0	0
(Gains)/Losses on Investments	303		0	(217)
Total Other (Gains)/Losses	303		0	(217)
Operating surplus/(deficit) before tax	9,161		(3,301)	18,272
Income tax expense	0		0	0
Net surplus/(deficit) after tax	9,161		(3,301)	18,272
Other comprehensive income				
Gains/(losses) on the revaluation of property, plant and equipment	49,318	10	25,573	865,987
Gains/(Losses) on the Disposal Revalued Property, Plant and Equipment	0		0	0
Impairment of Cyclone Damaged Assets	0		0	0
Total other comprehensive income	49,318		25,573	865,987
Total comprehensive income for the year	58,479		22,272	884,258

The accompanying notes form an integral part of these Financial Statements.

Statement of Financial Position

As at 30 June 2025

	Actual 2024 \$000	Note	Budget 2025 \$000	Actual 2025 \$000
Assets				
Current assets				
Cash and cash equivalents	6,839	4	6,444	8,902
Trade and other receivables	10,280	3	7,933	9,216
Prepayments	369		306	466
Stock on Hand	25		26	42
Current Investments	429	5	843	621
Assets Held for Sale	732		0	732
Total current assets	18,674		15,552	19,979
Non-current assets				
Investments	799	5	752	1,267
Property, plant and equipment and Intangibles	1,083,165	6	1,127,291	1,967,076
Total non-current assets	1,083,964		1,128,043	1,968,344
Total assets	1,102,639		1,143,595	1,988,323
Liabilities				
Current liabilities				
Trade and other payables	15,745	7	14,155	13,735
Employee entitlements	827	7	652	1,017
Current Public Debt	11,530	7	10,372	11,365
Total current liabilities	28,102		25,179	26,118
Non-current liabilities				
Non-Current Public Debt	33,000	8	55,670	38,000
Provisions for Landfill Closure	3,823	9	2,710	2,464
Carbon Credit Receivable Liability	277		345	46
Total non-current liabilities	37,100		58,725	40,510
Total liabilities	65,202		83,904	66,628
Equity				
Special & Other Funds	7,097	10	5,173	7,823
Trust Funds	189	10	186	190
Revaluation Reserve of Assets	751,589	10	792,518	1,617,628
Ratepayers' Equity	278,562		261,814	296,053
Total equity	1,037,437		1,059,691	1,921,695
Total Liabilities and Equity	1,102,639		1,143,595	1,988,323

Statement of Changes in Equity

For the year ending 30 June 2025

	Actual 2024 \$000	Note	Budget 2025 \$000	Actual 2025 \$000
Opening Equity Balance	978,958		1,037,419	1,037,437
Total comprehensive income for the year	58,479		22,272	884,258
Closing Equity Balance	1,037,437		1,059,691	1,921,695
Components of Equity				
Ratepayers Equity at the beginning of the Year	270,434		264,774	278,561
Net Surplus/(Deficit) for the Year	9,161		(3,301)	18,272
Transfers to (from) other reserves	(1,034)		341	(780)
Ratepayers Equity at end of Year	278,561		261,814	296,052
Special & Other Funds at the beginning of the Year	5,993	10	5,514	7,097
Transfers to (from) Special Funds	1,104		(341)	727
Special & Other Funds at the end of the Year	7,097		5,173	7,823
Trust Funds at the beginning of the Year	186	10	186	189
Transfers to (from) Trust Funds	3		0	1
Trust Funds at the end of the Year	189		186	190
Revaluation Reserves at the beginning of the Year	702,344	10	766,945	751,589
Gains/(Losses) on the Revaluation Property, Plant, and Equipment	49,318		25,573	865,987
Impairment of Recreation and Community Asset	0		0	0
Transfers to (from) Revaluation Reserves	(73)		0	52
Revaluation Reserves at the end of the Year	751,589		792,518	1,617,628
Total Equity at end of Year	1,037,437		1,059,691	1,921,695

Statement of Cash Flows

For the year ending 30 June 2025

	Actual 2024 \$000	Note	Budget 2025 \$000	Actual 2025 \$000
Cash flows from operating activities				
Cash was provided from:				
Receipts from rates revenue	27,505		33,400	33,212
Operating subsidies and grants received	40,744		35,175	31,552
Fees and charges received	2,543		6,151	9,136
Interest received	270		181	185
Receipts from other revenue	536		396	1,673
Development Contributions	1,302		2,271	1,168
Cash was disbursed to:				
Payments to suppliers of Goods and Services	(37,119)		(50,356)	(32,993)
Payments to employees	(9,317)		(11,932)	(10,442)
Interest paid	(1,834)		(3,237)	(2,558)
Net cash from operating activities	24,630		12,049	30,932
Cash flows from investing activities				
Cash was provided from:				
Proceeds from capital subsidies and grants received	0		0	0
Proceeds from sale of property, plant and equipment	21		0	364
Proceeds from investments	1,862		0	264
Cash was disbursed to:				
Purchase of investment	(275)		886	(650)
Purchase of intangible assets	0		0	(40)
Purchase of property, plant and equipment	(30,091)		(29,881)	(33,278)
Net cash from investing activities	(28,483)		(28,995)	(33,340)
Cash flows from financing activities				
Cash was provided from:				
Proceeds from borrowing	16,000	8	16,432	19,000
Cash was disbursed to:				
Repayment of borrowings	(14,371)	8	0	(14,530)
Net cash from financing activities	1,629		16,432	4,470
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(2,224)		(514)	2,062
Cash, cash equivalents and bank overdrafts at the beginning of the year	9,064	4	6,958	6,840
Cash, cash equivalents and bank overdrafts at the end of the year	6,840	4	6,444	8,902
	Actual 2024 \$000	Note	Budget 2025 \$000	Actual 2025 \$000
Net Operating Surplus/(deficit) after tax	9,161		(3,301)	18,272
Add/(less) non-cash items				
Depreciation and amortisation expense	15,731		15,385	15,694
Written Off Cyclone Damaged Assets	0		0	0
Landfill discounted Cashflow Rate Adjustment	82		0	96
Work in Progress Assets Expensed	61		0	63
Property, plant, and equipment impairment	0		0	0
Vested Assets revenue	0		0	109
(Gains)/Losses in fair value of investment property	0		0	(217)
(Gains)/Losses on derivative financial instruments	0		0	0
Total non-cash items	15,874		15,385	15,745
Add/(less) items classified as investing or financing activities				
Proceeds from capital subsidies and grants received	0		0	0
(Gains)/losses on disposal of property, plant and equipment	(303)		0	217
Total items classified as investing or financing activities	(303)		0	217
Add/(less) movements in working capital items				
(Increase)/decrease in receivables	(2,381)		0	1,063
(Increase)/decrease in prepayments	(63)		0	(97)
(Increase)/decrease in inventory	0		0	(16)
Increase/(decrease) in payables	2,166		(35)	(4,442)
Increase/(decrease) in employee entitlements	175		0	191
Net movement in working capital items	(103)		(35)	(3,302)
Net cash inflow from operating activities	24,630		12,049	30,932

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Funding Impact Statement for Whole Of Council

For the year ending 30 June 2025

	Annual Plan 2024 \$000	Annual Report 2024 \$000	Long Term Plan 2025 \$000	Actual 2025 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	17,811	17,890	21,335	21,372
Targeted rates	9,840	9,731	12,083	11,991
Subsidies and grants for operating purposes	5,359	22,985	7,124	7,567
Fees, charges	6,742	5,771	6,151	5,532
Interest and dividends from investments	79	327	181	460
Local authorities fuel tax, fines, infringement fees and other receipts	486	591	336	1,453
Total operating funding	40,317	57,295	47,210	48,375
Applications of operating funding				
Payments to staff and suppliers	38,003	49,655	63,971	40,001
Finance costs	1,982	1,992	3,200	2,393
Other operating funding applications	(1,956)	(1,447)	(1,700)	(1,064)
Total applications of operating funding	38,029	50,200	65,471	41,330
Surplus (deficit) of operating funding	2,288	7,095	(18,261)	7,045
Sources of capital funding				
Subsidies and grants for capital expenditure	4,144	16,934	28,051	25,519
Development and financial contributions	2,197	1,302	2,272	1,168
Increase (decrease) in debt	24,761	2,000	16,432	5,000
Gross proceeds from sale of assets	21	21	58	364
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	31,123	20,257	46,813	32,051
Applications of capital funding				
Capital expenditure				
- to meet additional demand	3,837	293	1,366	857
- to improve the level of service	15,597	4,336	7,970	9,657
- to replace existing assets	17,417	25,728	20,141	24,878
Increase (decrease) in reserves	86	(2,165)	225	(1,019)
Increase (decrease) of investments	(3,526)	(840)	(1,150)	4,723
Total application of capital funding	33,411	27,352	28,552	39,096
Surplus (deficit) of capital funding	(2,288)	(7,095)	18,261	(7,045)
Funding balance	0	0	0	0

Notes to the Financial Statements

1. Statement of Accounting Policies

Reporting Entity

Central Hawke's Bay District Council (Council) is a New Zealand territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing Council's operations includes the LGA and the Local Government (Rating) Act 2002.

Council provides local infrastructure and local public services, and performs regulatory functions to the community. Council does not operate to make a financial return and accordingly, Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

The financial statements of Council are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 2 October 2025.

Basis of Preparation

Statement of Compliance

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

The financial statements have been prepared in accordance with and comply with PBE Standards.

Measurement Base

The financial statements have been prepared on a historical cost basis, except for the revaluation of land and buildings, certain infrastructural assets and certain financial instruments.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars. There will be rounding of numbers in the Report as certain balances have been rounded to the nearest dollar or thousand dollars.

Changes in Accounting Policies

There have been no changes in accounting policies during the year.

Standards Issued and Effective

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to Council:

No standards have been early adopted.

Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below:

Goods and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

The budget figures are those approved by Council in its 2024-2027 Three Year Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council in preparing these financial statements.

Revenue

Revenue is measured at the fair value of consideration received or receivable. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Revenue may be derived from either exchange or non-exchange transactions.

Exchange Transactions

Exchange transactions are transactions where Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to another entity in exchange.

Non-exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange revenue transaction, Council receives value from another entity without directly giving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. A liability arises only when there is a condition attached to the revenue that requires the entity perform in a certain way or return the asset.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange revenue transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Non-Exchange Revenue**Rates revenue**

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced quarterly within the financial year for which the rates have been set. Rates revenue is recognised when payable.

Government subsidies

Council receives government and crown agencies grants, which subsidise part of Council's costs in providing the local infrastructure and community services. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the assets is obtained.

Fees and charges

Non-exchange revenue from the rendering of services consists of services in activities where Council subsidises the activity. Such revenue is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided only when there are conditions attached that require the funds to be returned if performance does not occur. When no conditions are attached, revenue is recognised when receivable.

Exchange Revenue**Contribution revenue**

Development contributions are recognised as revenue when Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise, development contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

Rates revenue from water by meter

Water meter revenue is based on actual usage charged at the time of use.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash.

Interest and dividends

Dividends are recognised when the right to receive payment has been established. Interest revenue is recognised using the effective interest method.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

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

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

Operating Leases as Lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental revenue (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts, where applicable, are shown within borrowings in current liabilities in the Statement of Financial Position.

Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor; probability that the debtor will enter into bankruptcy, receivership or liquidation; and default in payments are considered indicators that the debtor is impaired.

When the receivable is uncollectible, it is written off against the provision account for receivables.

Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Inventories

Raw materials and stores and finished goods are stated at the lower of cost and net realisable value costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

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

Council classifies its financial assets into the following categories: fair value through surplus or deficit; held-to-maturity investments; and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for selling in the short term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits and related party loans.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the assets are impaired or derecognised are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

Impairment of financial assets

At each balance sheet date, Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Loans and other receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/ issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or deficit in the Statement of Comprehensive Revenue and Expense. When the receivable is uncollectable, it is written off against the allowance account.

Overdue receivables that have been renegotiated are reclassified as current (i.e., not past due).

For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy and default in payments are considered indicators that the instrument is impaired.

Property, Plant and Equipment and Intangibles

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. Property, plant and equipment consist of:

Operational assets

These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

Current assets held for sale

These include assets immediately available for sale, and the disposal is likely to occur within 12 months.

In this case it relates to 83 Pōrangahau Road, Waipukurau. This property was purchased to enable a stormwater attenuation basin to be built on the rear of the property as part of the housing development project known as the Waipukurau South Growth Precinct. The front of this property, which includes the existing house, is surplus to the development project and has been subdivided off and will be sold in the next financial year.

Infrastructure assets

Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Intangible assets

These include software and GIS District Imagery.

Restricted assets

Restricted assets are parks and reserves owned by Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction and the museum's assets are not depreciated.

The useful lives and associated depreciation and amortisation rates of major classes of assets have been estimated as follows:

Asset category	Useful life	Depreciation rate
Operational & Restricted Assets		
Buildings	4-190	0.5%-25.0%
Monuments	42-96	1.0%-2.4%
Computer equipment	4	25%
Furniture and fittings	10	10%
Landfill post closure	35-57	1.75%-2.8%
Library books	1-10	10%-100%
Motor vehicles	4	25%
Plant and equipment	5-50	2%-20%
Swimming pools	9-50	2%-11.1%
Intangible Assets		
Software	4-5	20%-25%
GIS Imagery	4	25%
Infrastructural Assets		
Roading		
Base Course	50-75	1.3%-2%
Bridge (Deck)	70-140	0.7%-1.4%
Crossing	75	1.3%
Drainage	30-80	1.3%-3.3%
Footpath	30-80	1.3%-3.3%
Marking	2	50%
Minor Structure	75	1.3%
Railing	20-40	2.5%-5%
Retaining Wall	35-75	1.3%-2.9%
SW Channel	75	1.3%
Sign	15	6.7%
Street Light (Bracket)	25	4%
Street Light (Light)	6	16.7%
Street Light (Pole)	25	4%
Sub Base [urban]	50-75	1.3%-2%
Sub Base [rural]	50-75	1.3%-2%
Top Surface	3-25	4%-33.3%
Sewerage Network		
Pipes and manholes	60-135	0.7%-1.7%
Manholes	100	1%
Treatment ponds and pumps	15-100	1%-3.8%
Flow monitoring equipment	10	10%
Stormwater		
Pipes	30-100	1%-3.5%
Manholes	100	1%
Water Network		
Monitoring equipment (hardware)	5-20	5%-20%
Monitoring equipment (software)	5-20	5%-20%
Pipes, hydrants, valves	25-50	2%-4%
Treatment plants and pumps	5-20	5%-20%
Items under construction	Non-depreciable	

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end

Revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

REVALUATIONS	MINIMUM FREQUENCY
Roads (except land under roads)	Annually
Bridges	Annually
Sewerage	Every 3 years
Stormwater	Every 3 years
Water	Every 3 years
Land, excluding land under roads	Every 3 years
Restricted Assets	Every 3 years
Buildings	Every 3 years

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value.

All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The results of revaluating are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Infrastructural asset classes: roads

Roading assets are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. The most recent valuation was performed by Pauline True, Consultant, BBS Economics, PGDipArts (GIS), Stantec, through their professional services contract. The revaluation is based on a straight-line depreciation following the NZ Infrastructure Asset Valuation and Depreciation Guidelines. The unit rates are based on the commercial rates previously determined by GHD Consultants and have been adjusted using NZTA's infrastructure cost indices. The valuation is effective as at 30 June 2025. There are no restrictions on the assets.

Infrastructural asset classes: water, sewerage and stormwater systems

Water, sewer and stormwater infrastructure assets are revalued at fair value determined on a depreciated replacement cost basis. The valuation was completed internally using commercial rates provided by and reviewed by an independent external consultant (GHD). Revaluation is based on straight line depreciation following the NZ Infrastructure Asset Valuation and Depreciation Guidelines (NZIAVDG), using Council asset management programmes. The most recent valuation was effective as at 31 March 2025.

Operational and restricted land and buildings

These are revalued at fair value as determined from market-based evidence by an independent valuer.

The most recent valuation for land was performed by Registered Valuer David Nagel, B.Agr.Sc (RVM), SPINZ, ANZIV, and James Wilson, MPINZ from QV Asset & Advisory, and the valuation is effective as at 30 June 2024. The most recent valuation for buildings was performed by Registered Valuer Susie Penrose, BBS VPM ANZIV SPINZ, CBRE, and the valuation is effective as at 30 June 2024.

Land under roads

Land under roads is based on cost less accumulated depreciation and impairment.

Unformed or paper roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the Statement of Financial Position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to value. In addition, there is a very limited market for sale to the surrounding or adjacent property owner and cannot be measured reliably because of the small individual area of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

Intangible Assets**Carbon credits**

Purchased carbon credits are recognised at cost on acquisition. They are not amortised but are instead tested annually for impairment. They are derecognised when they are used to satisfy carbon emission obligations.

Creditors and other payables

Trade and other payables are measured by amortised cost using the effective interest method.

Trade payables are usually paid within 30 days of recognition. Due to their short-term nature, they are not discounted.

Employee Benefits**Short-term benefits**

Employee benefits are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, retiring and long-service leave entitlements able to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Long-term benefits

Long-Service Leave: These are long-term employee benefits that are assessed on an actuarial entitlement basis at current rates of pay.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Borrowing

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Comprehensive Revenue and Expense.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- ratepayers' equity;
- revaluation reserves;
- special funded reserves; and
- trust funds.

Special funded and council-created reserves

Special funded reserves are reserves restricted by Council decision. Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Trust funds

Trust funds are those subject to specific conditions accepted as binding by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Cost Allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using specific allocation ratio.

Statement of Cash Flows

Cash means cash and cash equivalent balances on hand, held in bank accounts, demand deposits and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Council invests such assets as part of its day-to-day cash management.

Operating activities are the principal revenue-producing activities of the entity, and other activities that are not investing or financing activities. They include cash received from all revenue sources (such as rates, taxes and operating government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of non-current assets, which are intended to generate future income and cash flows. Investing and financing activity transactions have had their respective sources and applications of cash netted off where roll over of financing has occurred and where there have been transfers between Council bank accounts.

Financing activities comprise activities that change the equity and debt capital structure of Council.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Overdue receivables provision

The appropriate note discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding impairment provision for overdue receivables.

Landfill aftercare provision

The appropriate note discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example, the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible, for example, stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- estimating any obsolescence or surplus capacity of an asset.
- estimates that are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or underestimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense.

To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which give Council further assurance over its useful life estimates.

Experienced independent valuers are used in performing or reviewing Council's infrastructural asset revaluations and impairment assessments.

Critical Judgements in Applying Council's Accounting Policies

Management has exercised the following critical judgements in applying Council's accounting policies for the period ending 30 June 2025.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of Council's housing policy. These properties are accounted for as property, plant and equipment.

Financial Information

Rounding

There will be rounding of numbers in the Report as the model used calculates to the dollar, but the Report is rounded to the nearest thousands.

Local Water Done Well

Since the change of Government in 2023, the National lead coalition has replaced the previous Government's Three Water Reform programme with Local Water Done Well (LWDW). LWDW introduces a new delivery system and regulatory regime for New Zealand's water services. This regime introduces the need to prepare Water Services Plan by mid-2025 and for water services to be financially sustainable by 1 July 2028. Councils can choose to do this as stand-alone councils or through a wider regional grouping of councils.

Central Hawkes Bay District Council, Hastings District Council, and Napier City Council have, following consultation, agreed to setup a regional water entity (a jointly owned Council Controlled Company). Post balance date the three councils have prepared a joint Waster Service Delivery Plan (WSDP) which has been submitted on the 3rd September to the Department of Internal Affairs for approval.

If the Regional CCO is setup and if the joint WSDP is approved there is likely to be a material impact on Council's future financial statements. No allowance has been made in the 30 June 2025 financial statements for this possibility, but the table below details at a high level the categories that will be impacted should this progress:

	2024 Council \$'000	2025 Council \$'000
3 Waters Revenue	11,748	16,154
3 Waters Operational Spend	11,202	10,682
3 Waters Capital Spend	4,726	9,018
3 Waters Assets - Plant, Property and Equipment	140,011	162,533
3 Waters Liabilities	46,940	51,422

2 Operating Revenue and Expense

This note lists items requiring separate disclosure, having not been disclosed on the face of the Statement of Comprehensive Revenue and Expenses or in other notes.

(a) Pursuant to Section 98 of the Local Government Act 2002, Council incurred the following expenses:

	2025 Council \$'000	2024 Council \$'000
Insurance premiums	820	761

(b) Council incurred the following expenses.

	2025 Council \$'000	2024 Council \$'000
Depreciation and Amortisation	15,568	15,731

(c) Other Operating expense

The major expense types included in 'Other Operating Expenses':

	2025 Council \$'000	2024 Council \$'000
Repairs and maintenance	4,556	3,238
Contractors	16,638	27,364
Fees to Auditors	184	159
Other	6,926	7,956
Total	28,304	38,717

Note both the 2024 and 2025 figures includes fees paid to contractors for roading repairs due to Cyclone Gabrielle Damage which has inflated these numbers.

Audit Fees are Broken down as follows

Fees to EY for audit of financial Statements	182	157
Fees to EY for audit of LTP	0	0
Fees to EY for trustee reporting assurance	2	2
	184	159

(d) Budget variance

Variances to forecast budgets are explained in the Funding Impact Statements earlier in these financial reports.

(e) Revenue

Revenue included in Surplus or Deficit includes amounts where the associated expenditure has been or will be capitalised. In the current year, \$234,952 of Interest Revenue has been credited to Special Funds following recognition in the Statement of Comprehensive Revenue and Expenses and during 2024, a total of \$825,063 of Development Contributions were received and \$401,612 were applied to capital projects.

(f) Breakdown of rates and further information

	2025 Council \$'000	2024 Council \$'000
General Rates	21,282	17,799
Targeted rates attributable to activities		
Metered Water Revenue	578	484
Other Water Rates	5,036	3,917
Sewerage	4,787	3,761
Stormwater	926	962
Refuse and Recycling	664	607
Rate discounts taken	116	109
Rate remissions	(26)	(18)
Total Rates	33,363	27,622

(g) Breakdown of Subsidies and Grants

	2025 Council \$'000	2024 Council \$'000
Roading Subsidies - Waka Kotahi NZ Transport Agency	22,115	34,953
Infrastructure Projects - MBIE (NIFF)	6,936	1,280
Economic Stimulus Packages - Various Government Agencies	518	1,405
Tourism Infrastructure and Responsible Camping - MBIE	105	218
Landfill Subsidy - MfE	743	807
Infrastructure - IAF	1,871	0
Other Grants and Subsidies	798	1,256
Total	33,086	39,919

(h) Breakdown of fees & charges

	2025 Council \$'000	2024 Council \$'000
Building and resource consent charges	1,176	1,359
Landfill Charges	1,772	1,711
Transfer Stations Charges	567	467
District Trade Waste Sewerage	380	459
Retirement Housing and District Property Rents & Hires	566	536
Campground Charges	95	92
Other fees & Charges	975	1,147
Total	5,532	5,771

(i) Breakdown of other revenue

	2025 Council \$'000	2024 Council \$'000
Petrol Tax Income	128	135
Gain (Loss) on Property Plant and Equipment Sales	109	(54)
Mayoral Fund Donations	23	98
Vested Rooding Assets	2	0
Others	1,302	357
Total	1,565	536

(j) Summary revenue and expenditure for group of activities

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the year.

	2025 Council	2024 Council
Revenue (including Targeted Rates)		
Community Leadership	591	1,582
Land Transport	27,733	35,769
Planning and Regulatory	1,939	2,097
Recreation and Community Facilities	1,579	1,615
Solid Waste	3,447	3,215
Civil Defence	175	175
Water Supplies	745	980
Wastewater (Sewerage)	1,628	1,467
Stormwater	2,307	80
Total Activity Revenue	40,144	46,980
Plus Internal Revenue	1,667	875
General Rates	33,363	27,622
Total Revenue	75,175	75,477
Expenditure		
Community Leadership	2,726	3,188
Land Transport	12,774	28,457
Planning and Regulatory	13,005	4,366
Recreation and Community Facilities	7,554	8,973
Solid Waste	5,270	5,215
Civil Defence	438	438
Water Supplies	5,488	6,141
Wastewater (Sewerage)	8,444	6,325
Stormwater	1,824	2,165
Total Activity Expenditure	57,522	65,267
Plus Internal Expenditure	(402)	746
Total expenditure	57,120	66,013

3 Trade and Other Receivables

Accounting Policy

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Loss (ECL).

Council applies the simplified ECL Model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

A provision matrix is then established based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Rates are "written off"

- when remitted in accordance with Council's rates remission policy, and
- in accordance with the write-off criteria of Sections 90A (where rates cannot reasonably be recovered) and 90B (in relation to Māori freehold land) of the Local Government Rating Act 2002.

	2025 Council \$'000	2024 Council \$'000
Rates Receivable - Non-exchange	846	748
Rates Receivable - Exchange (Water Meter)	258	204
NZ Transport Agency Subsidies and other Government Agencies - Non-exchange	6,103	3,756
General Debtors - Non-exchange	2,196	5,693
Total	9,402	10,401
Less Provision for Impairment of Receivables	186	121
Total	9,216	10,280

Trade and Other Receivables Aging is as follows:

	2025 Council \$'000	2024 Council \$'000
Current	8,497	9,237
Overdue (net of impairment)	719	1,043
Total	9,216	10,280

Rates Receivables

Council does not provide for ECL on rates receivables. With the exception of Māori land arrears, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four (4) months after the due date for payment. If payment has not been made within three (3) months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayer can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is minimal.

Other Receivables

The ECL rates for other receivables at 30 June 24 and 30 June 23 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroscopic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of the macroeconomic factors are not considered significant.

The aging profile of receivables at year end is detailed below:

	2025 Council \$'000	Expected Credit Loss Rate 2025	Lifetime ECL 2025 \$'000
RATES			
Current & Past Due < 90 Days	573	0%	0
Past Due > 90 Days	273	3%	8
Total	846		8
WATER RATES			
Not Past Due	177	10%	18
Past Due 31-60 Days	14	15%	2
Past Due 61-90 Days	17	30%	5
Past Due > 90 Days	49	72%	35
Total	256		60
GENERAL DEBTORS			
Not Past Due	1,477	0.1%	1
Past Due 31-60 Days	113	1%	1
Past Due 61-90 Days	42	4%	2
Past Due > 90 Days	378	30%	114
Total	2,009		118
NZTA & Other Govt Agencies	6,103	0%	0
Total	8,112		118
TOTAL	9,216		186

	2024 Council \$'000	Expected Credit Loss Rate 2024	Lifetime ECL 2024 \$'000
RATES			
Current & Past Due < 90 Days	369	0%	0
Past Due > 90 Days	379	3%	11
Total	748		11
WATER RATES			
Not Past Due	153	15%	23
Past Due 31-60 Days	3	13%	0
Past Due 61-90 Days	3	40%	1
Past Due > 90 Days	45	78%	35
Total	204		59
GENERAL DEBTORS			
Not Past Due	572	1%	6
Past Due 31-60 Days	432	2%	9
Past Due 61-90 Days	18	3%	1
Past Due > 90 Days	255	14%	35
Total	1,277		51
NZTA & Other Govt Agencies	8,051	0%	0
Total	9,328		51
TOTAL	10,280		121

All receipts greater than 30 days in age are considered past due.

Movements in the provision for impairment of receivables are as follows:

	2025 Council \$'000	2024 Council \$'000
At 1 July	121	201
ECL Adjustment due to the adoption of PBE IPSAS 41	0	0
Additional provision made during the year	61	19
Provisions reversed during the year	-	-
Receivable written off during the period	(94)	(99)
At 30 June	186	121

Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

During the year, Council has written off a total of \$94,247 of debt. Most of this relates to the debt that had previously been identified as doubtful. This is a mix of rates on Māori land (unenforceable), Trade Waste miscalculation credit, or where the debtor cannot be traced or has no ability to pay.

4 Cash & Cash Equivalents

	2025 Council \$'000	2024 Council \$'000
Cash and cash equivalents		
Cash at bank and in hand	8,902	6,839
Short-term deposits maturing 3 months or less from date of acquisition	1	1
Total Cash and Cash Equivalents	8,902	6,839

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$189,000 (2023: \$186,000).

5 Investments

	2025 Council \$'000	2024 Council \$'000
Term Deposit and Bonds - Current	276	249
Carbon Credit Units Held	345	180
Term Deposit and Bonds - Non Current	1,239	771
Total Bonds, Stock	1,860	1,200

	2025 Council \$'000	2024 Council \$'000
NZ Local Government Insurance Corp. Limited	27	27
Total Shares	27	27
Total Term Investments	1,887	1,226
Investments in Associates (non controlled)		
HB LASS	1	1
Total Investments	1,888	1,227

Amortised Costs

The amortised costs of local authority and bonds/notes are reflected in the above values, which are based on EIR method.

6a Property Plant and Equipment

2025	Opening Cost 1 July 2024	Additions*	Vested Assets	Disposals	Transfers	Revaluation	Impairment	Closing Cost 30 June 2025	Opening Acc Depn 1 July 2024	Depn	Disposals	Revaluation	Closing Accn Depn 30 June 2025	Net Book Value 30 June 2025	Net Book Value 30 June 2024
Wastewater	56,165	69	0	0	246	22,938	0	79,419	0	(1,835)	0	0	(1,835)	77,585	56,165
Water	55,548	862	0	0	145	(3,294)	0	53,261	0	(1,767)	0	0	(1,767)	51,494	55,548
Stormwater	28,299	508	0	0	0	5,201	0	34,007	0	(532)	0	0	(532)	33,476	28,298
Roadings**	827,605	6,161	0	0	2,527	841,287	0	1,677,580	0	(8,914)	0	0	(8,914)	1,668,667	827,605
Roadings - Land Under Roads	37,657	145	0	0	0	(145)	0	37,657	0	0	0	0	0	37,657	37,657
Solid Waste	548	0	0	0	0	0	0	548	(1)	(12)	0	0	(13)	535	547
Landfill	9,300	(1,456)	0	0	0	0	0	7,844	(3,282)	(384)	0	0	(3,666)	4,178	6,018
Total Infrastructure Assets	1,015,122	6,289	0	0	2,917	865,987	0	1,890,316	(3,282)	(13,443)	0	0	(16,726)	1,873,592	1,011,839
Land	26,581	18	0	(139)	3	0	0	26,463	0	0	0	0	0	26,463	26,581
Buildings	22,049	858	0	(117)	76	0	0	22,867	(701)	(1,516)	1	0	(2,216)	20,650	21,348
Motor Vehicles	864	37	0	(77)	0	0	0	824	(569)	(142)	75	0	(635)	189	295
Emergency Equipment	135	54	0	(5)	0	0	0	184	(132)	(4)	5	0	(131)	53	2
Misc Plant	3,132	139	0	0	300	0	0	3,571	(2,458)	(251)	0	0	(2,709)	860	673
Computer Equipment	706	55	0	0	0	0	0	761	(431)	(106)	0	0	(537)	224	275
Office Furniture & Equipment	614	30	0	(4)	0	0	0	640	(510)	(21)	4	0	(527)	113	105
Monuments	436	(1)	0	0	0	0	0	435	0	(14)	0	0	(14)	421	436
Library Books	921	(57)	0	0	0	0	0	865	(502)	0	0	0	(502)	363	419
Total Operating Assets	55,438	1,134	0	(342)	379	0	0	56,608	(5,303)	(2,054)	85	0	(7,271)	49,336	50,133
Software and Other Intangibles	948	40	0	0	0	0	0	988	(804)	(71)	0	0	(875)	113	144
Total Intangibles	948	40	0	0	0	0	0	988	(804)	(71)	0	0	(875)	113	144
Total	1,071,508	7,463	0	(342)	3,296	865,987	0	1,947,912	(9,389)	(15,568)	85	0	(24,872)	1,923,041	1,062,116
Work In Progress	21,050	26,344	0	(63)	(3,296)	0	0	44,035	0	0	0	0	0	44,035	21,050
Total	1,092,558	33,807	0	(405)	0	865,987	0	1,991,947	(9,389)	(15,568)	85	0	(24,872)	1,967,076	1,083,166

2024	Opening Cost 1 July 2023	Additions*	Vested Assets	Disposals	Transfers	Revaluation	Impairment	Closing Cost 30 June 2024	Opening Acc Depn 1 July 2023	Depn	Disposals	Revaluation	Closing Acc Depn 30 June 2024	Net Book Value 30 June 2024	Net Book Value 30 Jun-23
Wastewater	61,916	251	0	0	667	(6,669)	0	56,165	(1,422)	(1,465)	0	2,887	0	56,165	60,495
Water	50,513	484	0	0	1,807	2,744	0	55,548	(798)	(1,508)	0	2,306	0	55,548	49,715
Stormwater	25,124	5	0	0	0	3,170	0	28,299	(456)	(456)	0	912	0	28,298	24,669
Roadings**	782,539	25,252	0	0	1,149	18,666	0	827,605	(8,127)	(9,165)	0	17,292	0	827,605	774,412
Roadings - Land Under Roads	37,657	76	0	0	0	(76)	0	37,657	0	0	0	0	0	37,657	37,657
Solid Waste	533	3	0	0	26	(14)	0	548	(12)	(12)	0	24	(1)	547	521
Landfill	7,689	9	0	0	844	758	0	9,300	(3,025)	(257)	0	(3,282)	0	6,018	4,664
Total Infrastructure Assets	965,971	26,080	0	0	4,493	18,579	0	1,015,122	(13,840)	(12,863)	0	23,421	(3,282)	1,011,839	952,132
Land	23,441	0	0	0	0	3,140	0	26,581	0	0	0	0	0	26,581	23,441
Buildings	20,085	387	0	0	0	1,577	0	22,049	(1,760)	(2,159)	0	3,218	(701)	21,348	18,325
Motor Vehicles	881	51	0	(68)	0	0	0	864	(485)	(151)	67	0	(569)	295	395
Emergency Equipment	210	0	0	(75)	0	0	0	135	(199)	(8)	75	0	(132)	2	11
Misc Plant	3,107	69	0	(48)	4	0	0	3,132	(2,255)	(251)	48	0	(2,458)	673	851
Computer Equipment	1,026	138	0	(458)	0	0	0	706	(777)	(112)	458	0	(431)	275	249
Office Furniture & Equipment	705	40	0	(131)	0	0	0	614	(623)	(17)	131	0	(510)	105	82
Monuments	379	12	0	0	0	45	0	436	(12)	(12)	0	24	0	436	367
Library Books	854	67	0	0	0	0	0	921	(463)	(39)	0	0	(502)	419	390
Total Operating Assets	50,688	764	0	(780)	4	4,762	0	55,438	(6,574)	(2,750)	779	3,242	(5,303)	50,133	44,112
Software and Other Intangibles	948	0	0	0	0	0	0	948	(686)	(118)	0	0	(804)	144	262
Total Intangibles	948	0	0	0	0	0	0	948	(686)	(118)	0	0	(804)	144	262
Total	1,017,607	26,844	0	(780)	4,497	23,341	0	1,071,508	(21,100)	(15,731)	779	26,663	(9,389)	1,062,116	996,506
Work In Progress	22,071	3,537	0	(61)	(4,497)	0	0	21,050	0	0	0	0	0	21,050	22,071
Total	1,039,678	30,381	0	(841)	0	23,341	0	1,092,558	(21,100)	(15,731)	779	26,663	(9,389)	1,083,166	1,018,577

Addition*
All assets are constructed
by Council except
for vested Assets

Roadings**
Land under roads has not
been revalued this year

6b Work in Progress

	2025 Council \$'000	2024 Council \$'000
Animal Control Pound	0	75
Parks & Reserves	382	416
Halls, Property and Buildings Projects	0	0
Roading Projects	21,357	5,152
Solid Waste Landfill Cell Capping/Leachate Irrigation	0	0
Solid Waste Transfer Station Weighbridge	0	300
Stormwater	844	327
Wastewater	5,834	5,086
Water	12,551	8,422
IAF Project	3,066	1,272
	44,035	21,050

6c Depreciation by Activity

	2025 Actual \$'000	2025 Annual Plan Budget \$'000	2024 Actual \$'000	2024 Annual Plan Budget \$'000
COMMUNITY LEADERSHIP GROUP				
Depreciation expense for the year	0	0	0	0
Capital Expenditure	0	0	0	0
Difference (Depreciation - Capital Expenditure)	0	0	0	0
REGULATORY GROUP				
Depreciation expense for the year	13	10	2	1
Capital Expenditure	424	0	75	0
Difference (Depreciation - Capital Expenditure)	(411)	10	(73)	1
LAND TRANSPORT GROUP				
Depreciation expense for the year	8,949	9,204	9,204	8,070
Capital Expenditure	24,859	7,510	24,100	7,304
Difference (Depreciation - Capital Expenditure)	(15,910)	1,694	(14,896)	766
SOLID WASTE GROUP				
Depreciation expense for the year	409	339	279	318
Capital Expenditure	80	124	339	299
Difference (Depreciation - Capital Expenditure)	329	215	(60)	19
WATER GROUP				
Depreciation expense for the year	1,767	1,609	1,508	908
Capital Expenditure	5,139	13,178	2,859	6,431
Difference (Depreciation - Capital Expenditure)	(3,371)	(11,569)	(1,351)	(5,523)
WASTEWATER GROUP				
Depreciation expense for the year	1,835	1,565	1,465	1,291
Capital Expenditure	1,067	5,650	1,304	8,106
Difference (Depreciation - Capital Expenditure)	768	(4,085)	161	(6,815)
STORMWATER GROUP				
Depreciation expense for the year	532	511	456	375
Capital Expenditure	2,813	1,790	564	1,992
Difference (Depreciation - Capital Expenditure)	(2,281)	(1,279)	(108)	(1,617)
RECREATION AND COMMUNITY GROUP				
Depreciation expense for the year	1,779	1,714	2,306	1,311
Capital Expenditure	720	755	865	1,446
Difference (Depreciation - Capital Expenditure)	1,059	959	1,441	(135)
OVERHEADS				
Depreciation expense for the year	411	433	511	269
Capital Expenditure	291	470	252	741
Difference (Depreciation - Capital Expenditure)	120	(37)	260	(472)
TOTALS				
Depreciation expense for the year	15,694	15,385	15,731	12,543
Capital Expenditure	35,392	29,477	30,357	26,319
Difference (Depreciation - Capital Expenditure)	(19,698)	(14,092)	(14,626)	(13,776)

7 Trade and other payables

	2025 Council \$'000	2024 Council \$'000
Trade Creditors - Exchange	9,866	12,835
Revenue in Advance - Non Exchange	2,535	1,681
Other Accounts Payable and Accrued Expenses - Non Exchange	1,334	1,230
Total Trade Creditors and Other Accounts Payables	13,735	15,745
Other		
Current Public Debt	11,365	11,530
Employee benefit liabilities	1,017	827
Total Other Current Debt	12,383	12,357
Total Current Liabilities	26,118	28,102

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

8 Public Debt

	2025 Council \$'000	2024 Council \$'000
Loans as at 1 July	44,530	42,371
Interest Accruals	365	530
Fair Value Adjustments	0	0
Plus Loans raised during the year	19,000	16,000
Less Loans repaid during the year	(14,530)	(14,371)
Total Public Debt	49,365	44,530
Less Loans Repayable within 12 months	(11,365)	(11,530)
Non-Current Public Debt	38,000	33,000

Interest rates payable are in the range 2.03% to 5.75% (2024: 1.25% to 3.85%). The weighted average interest rate payable is 4.68% (2024: 2.198%).

Public Debt is due for repayment in the following periods:

Current	11,365	11,530
One to Two years	15,000	8,000
Two to Five years	23,000	25,000
More than Five years	-	-
	49,365	44,530

Amounts shown as due for repayment are based on the contractual maturity profile of the loans.

Internal Borrowings

Internal borrowings are eliminated on consolidation of activities in Council's financial statements.

	Council Balance 1 July 2024	Borrowed	Interest	Principal Repaid	Council Balance 30 June 2025
	\$'000	\$'000	\$'000	\$'000	\$'000
Cemeteries	(0)	0	0	0	(0)
Properties and Buildings	542	35	23	93	484
Parks and Reserves	2,718	0	109	254	2,464
Public Conveniences	352	48	16	25	375
War Memorials	5	0	0	1	4
Retirement Housing	0	0	0	0	0
Land Transport	0	560	22	47	513
Solid Waste	1,908	0	76	249	1,659
Stormwater	3,396	2,749	246	1,911	4,235
Theatres, Halls, and Museums	328	0	13	22	306
Animal Control	330	426	30	336	420
Wastewater	23,168	1,312	979	1,750	22,730
Water Supplies	20,375	5,170	1,022	1,087	24,457
Libraries	109	0	4	15	94
IT	(0)	0	0	0	(0)
Civil Defence	1,144	0	46	718	426
GIS Maps	(0)	0	0	0	(0)
District Plan	1,978	220	88	273	1,925
Resource Consents	350	0	14	33	317
Building Consents	140	0	6	13	127
Total	56,844	10,519	2,695	6,827	60,536

9 Provision for Landfill Decommissioning and Aftercare Cost

	2025 Council \$'000	2024 Council \$'000
Opening Balance	3,823	2,983
Effect of Discounting	96	82
Additional Provisioning/ (Release of Provisioning)	(1,455)	758
Release of Provision		
Closing balance	2,464	3,823

Council gained resource and land use consents for the district landfill in 1995 with the consent expiring in 2030. The landfill opened for operation in July 1996. The current resource consent expires in 2030. Council has a responsibility for closure of the landfill and ongoing maintenance and monitoring after the closure. To determine the financial provision that should be made for the post closure maintenance and monitoring requirements, the Discounted Cash Flow model is used. The model is used to calculate the present value of the cost of closure and capping of the landfill, and the aftercare costs for the 30-year consent period post closure. This is then capitalised as an asset, which will be depreciated up until the point of closure. This depreciation expense should then be funded annually and a reserve put aside to cover these costs when they occur. Estimated Time of closure = 31 May 2030

- Estimated Remaining Capacity in undeveloped cells (based on short-term developments stages 1-3) = 120,477 m³ Air Space Volume
- Estimated additional remaining capacity in undeveloped cells (based on longer-term developments beyond Stage 3) = 889,000 m³ Air Space Volume
- Average tonnes of waste received by the landfill over the last three years = 12,263 tonnes per annum
- Length of post-closure monitoring period = 30 years
- Total expected cash outflow - undiscounted = \$6.05 million
- Discount rate = 4.08%

The unwinding of the discount during the year has been recognised as an expense within finance costs.

10 Public Equity

For the purpose of Council's capital management, Council's capital is its equity, including accumulated comprehensive revenue and expense and all equity reserves attributable to Council. Equity is represented by net assets.

Council manages its capital largely as a by-product of managing its revenue, expenses, assets, liabilities and general financial dealings. The Local Government Act 2002 requires Council to manage its revenue, expenses, assets, liabilities and general financial dealings in a manner that promotes the current and future interests of the community. In addition, The Local Government (Financial Reporting and Prudence) Regulation 2014 sets out a number of benchmarks for assessing whether Council is managing its revenue, expenses, assets and liabilities prudently.

The primary objective of Council's capital management is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by Council. Intergenerational equity requires Council to spread the funding of the cost of its assets over the current and future generations of ratepayers, such that: current ratepayers are required to meet the cost of using the assets, but not the full cost of long-term assets that will benefit ratepayers in future generations; and ratepayers in future generations are not required to meet the costs of deferred asset renewals and maintenance.

In order to achieve this overall objective, Council has in place asset management plans for major classes of assets, detailing renewals and programmed maintenance.

An additional objective of capital management is to ensure that the expenditure needs identified in Council's LTP and Annual Plan are met in the manner set out in these plans. The Local Government Act 2002 requires Council to make adequate and effective provision in its LTP and in its Annual Plan to meet the expenditure needs identified in those plans. The factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities are set out in the Local Government Act 2002. The sources and levels of funding are set out in the funding and financial policies in Council's LTP. Council monitors actual expenditure incurred against the LTP and Annual Plan.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2025 and 2024.

(a) Council Special & Other Funds

Special funds are established by Council resolution restricting how the funds may be used. To show independence from general ratepayers' equity, a separate account is maintained from each fund.

Council Special Funds	Council Balance 1 July 2024	Council Transfers from Ratepayers Equity	Council Transfers to Ratepayers Equity	Council Balance 30 June 2025
	\$'000	\$'000	\$'000	\$'000
Reserves held for Emergency Purposes				
Adverse Events Reserve Fund	892	38	(0)	930
Catastrophic Events Reserve Fund	2,344	100	(283)	2,161
	3,236	138	(283)	3,091
Reserves for Future Asset Purchases	\$'000	\$'000	\$'000	\$'000
Capital Projects Fund	14	0	(66)	(53)
Ruahine Ward Disbursement Fund	652	26	0	679
Ruataniwha Ward Disbursement Fund	20	1	-0	21
Aramoana Ward Disbursement Fund	192	8	-0	200
Esplanade Reserve Fund	189	7	1	197
Rural Fire Reserve	-	0	0	-
Stormwater Renewal Reserve	-	0	0	-
Water Rates Smoothing Reserve	25	0	(25)	0
Wastewater Upgrade Reserve	390	0	(175)	215
EQC Pourerere	-	0	0	-
Bridge Replacement Funding	284	11	0	296
TukiTuki Trails Swing Bridge Replacement	-	577	(1)	577
CHB District Retirement Housing Reserve	247	95	0	342
Vehicle Depreciation Reserve	757	201	(0)	958
Landfill/Transfer Station Smoothing Reserve	-	0	0	-
LT Vehicle Depreciation Reserve	82	34	(0)	116
	2,852	960	(266)	3,546

Reserves held for Future Operational Costs	\$'000	\$'000	\$'000	\$'000
Mayoral Fund	5	3	(3)	5
Elections & By-elections Reserve Fund	63	3	-0	66
Ruahine Ward Hall Maintenance Reserve	47	2	-0	49
Library Fund	23	1	-0	24
Road Legalisation Funding	24	1	-0	25
Waste Minimisation Fund	215	87	-0	302
Landfill Aftercare Depreciation Reserve	556	108	-0	664
Recreation and Community Facilities Reserve	0	0	0	0
Total	934	205	(4)	1,135
	7,022	1,303	(553)	7,772

Other Funds

From time to time Council assists community organisations and holds funds on their behalf.

	Council Balance 1 July 24	Council Transfers From Ratepayers Equity \$'000	Council Transfers to Ratepayer Equity \$'000	Council Balance 30 June 2025
	\$'000	\$'000	\$'000	\$'000
Te Aute Drain Channel Clearing Reserve	74	2	(25)	51
	74	2	(25)	51
Total Council Special & Other Funds	7,097	1,305	(578)	7,823

(b) Trust Funds

Trust funds are set up to account for grants to Council with restrictions on their use. They usually consist of donations and bequests.

	Council Balance 1 July 2024	Council Transfers from Ratepayers Equity \$'000	Council Transfers to Ratepayer Equity \$'000	Council Balance 30 June 2025
	\$'000	\$'000	\$'000	\$'000
Waipawa Building Society Scholarship Trust	116	3	(3)	116
Eric Tate Scholarship Trust	73	2	(1)	74
Creative NZ Grants unspent	-	-	-	-
	189	5	(4)	190
	7,285			8,014

(c) Asset Revaluation Reserve

Infrastructure	Water Wastewater, Storm Water, Solid Waste, \$'000	Roading \$'000	Total \$'000
Opening Balance	90,675	615,780	706,455
Revaluation	24,845	841,141	865,986
Revaluation Reserve Change	-	-	-
Transfer from/(to) Ratepayers Equity	-	-	-
Closing Balance	115,520	1,456,921	1,572,441

Other Property, Plant and Equipment

	Land \$'000	Buildings & Monuments \$'000	Total \$'000
Opening Balance	23,726	21,409	45,135
Current Year Revaluation	0	0	0
Current Year Impairment	-	-	-
Disposal of Asset (Write Back)	54	(2)	52
Closing Balance	23,780	21,407	45,187

Total Revaluation Reserve

	Council \$'000
Opening Balance	751,590
Revaluations	865,986
Disposal of Asset (Write Back)	52
Closing Balance	1,617,628

11 Related Party Transactions Other Than Remuneration of Key Management Personnel

All related party transactions that Council entered into during the year occurred within a normal client/supplier relationship and under terms equivalent to those that prevail in arm's length transactions in similar circumstances. Therefore, Council did not disclose these transactions and balances.

No provision has been required, nor any expense recognised, for impairment of receivables for any loans or other receivables to related parties (2024: nil).

12 Statement of Commitments

	2025 Council \$'000	2024 Council \$'000
Lease Payments		
Takapau Transfer Station	2	2
RSV Depot	44	40
Visitor Information Centre	35	5
Digital Hub & Library Building	35	35
Kairakau Water Treatment Plant	3	3
Total Lease Payments	255	214
Carbon Credit Forward Contract Settlements	1,702	2,641
Total Commitments	1,957	2,855

Non Cancellable Lease and Carbon Credit Commitment

	2025 Council \$'000	2024 Council \$'000
Less than 1 year	255	214
1–2 years	1,126	1,154
3–5 years	1,553	1,510
Over 5 years	2,290	3,203

Landfill

Landfill rental of \$75,000 per annum (inflation adjusted) plus a turnover rent of \$5/tonne (also inflation adjusted) for quantities of over 7,000 tonnes in any 12-month period.

Further terms = ten years

Final expiry date = 28 November 2045

Takapau Transfer Station

Rent reviews are carried out at 5-yearly intervals from 11 September 1995

Amounts are subject to these reviews

Further terms = two of ten years

Final expiry date = 11 September 2025

Annual rental = \$1,820 plus GST

RSV Depot Lease

Rent reviews are carried out on 31 October 2026

Rent amounts are subject to this review

Further terms = two x three years

Final expiry date = 31 October 2029

Annual rental = \$44,500 plus GST

Visitor Information Centre Building

Rent reviews are carried out 3-yearly to CPI plus 2%

Rent amounts are subject to this review

Further terms = five years

Final Expiry Date = 30 April 2030

Annual Rental \$34,740 plus GST

Digital Hub and Library Building

Rent reviews are carried out on 01 July 2026, 01 July 2028 and 01 July 2030

Rent reviews are subject to this review

Further terms = two years

Final expiry Date = 30 June 2032

Annual rental = \$34,980 plus GST

Kairakau Water treatment Plant

Rent reviews are carried out 5-yearly from 2026, 2031, 2036 and 2041

Further terms = three x ten years

Final expiry date = 30 June 2072

Annual rental = \$3,000+ GST

13 Employee Staffing Levels and Remuneration

The Chief Executive of Central Hawke's Bay District Council, appointed under Section 42 of the Local Government Act 2002. Total Chief Executive remuneration for the year ending 30 June 2025 is \$283,729 (2024: \$283,729) as detailed below:

Chief Executive Remuneration	2025 \$	2024 \$
Salary	272,280	257,852
Superannuation	8,479	8,033
Vehicle	10,083	10,083
Fringe Benefit Tax	7,740	7,761
Total Package	298,582	283,729

Annual Remuneration Bands	2025	2024
\$59,999 and under	16	17
\$60,000 - \$79,999	17	18
\$80,000 - \$99,999	20	22
\$100,000 - \$119,999	11	9
\$120,000 - \$139,999	8	14
\$140,000 - \$159,999	12	0
\$140,000 - \$266,000	0	11
\$160,000 - \$286,000	8	0
Total Employees	92	91

	2025 Council \$'000	2024 Council \$'000
Salaries and other short-term employment benefits paid		
CE and Key Management	1,277	1,121
Mayor and Councillors	489	470

Number of Employees as at 30 June	2025 FTE	Head Count	2024 FTE	Head Count
Number of full time Key Management Personnel	4	4	5	5
Number of full time employees	74	70	72	72
Number of part time employees	12	18	10	14
Total Employees	90	92	87	91

The above FTE headcount only includes Council-funded employees. Council also had seven externally funded employees in 2025 (2024: seven).

Employee staffing levels and remuneration are required to be disclosed under Clause 32A, Schedule 10 of the Local Government Act 2002. Definitions used in this disclosure are those contained in Clause 32A.

14 Severance Payments to Staff

There was no severance payments made during the year that were outside of contractual obligations for staff. (2024: \$0)

15 Councillors' Fees

	2025	2024
Mayor		
Alex Walker	123,685	119,272
Councillors		
Kelly Annand (Deputy Mayor)	59,109	57,000
Brent Muggeridge	43,489	41,937
Timothy Aitken	43,489	41,937
Gerard Minehan	43,489	41,937
Jeromy Greer	43,489	41,937
Exham Wichman	43,489	41,937
Kathryn Taylor	43,489	41,937
Pip Burne	43,489	41,937
Total cost of remuneration for the Mayor and Councillors	487,217	469,831

16 Financial Instruments

Financial Instrument categories

The accounting policies for financial instruments have been applied to the line items below:

	Classification PBE IPSAS 41	2025 Council \$'000	2024 Council \$'000
Financial Assets			
Unlisted Shares	FVTOCRE	27	27
Cash and Cash Deposits	Amortised Cost	8,902	6,839
Debtors and Other Receivables	Amortised Cost	9,216	10,280
Local Authority Stock, Bonds, Term Deposits	Amortised Cost	1,860	1,200
Public Debt	Amortised Cost	49,365	44,530
Creditors and other payables	Amortised Cost	14,752	16,572

All borrowing costs are recognised as expenses in the period in which they occur.

Financial Instruments Risks

Council's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. Council has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. CHBDC has established Council-approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market Risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Council does not have foreign currency risks as all transactions are in New Zealand dollars.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose Council to fair value interest rate risk. Council's Liability Management Policy is to maintain between 40% to 100% of its borrowings in fixed rate instruments.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issues at variable interest rates expose a council to cash flow interest rate risk. As Council's financial instruments are a mixture of variable and fixed rates (i.e. floating rate and fixed rate borrowing through LGFA, floating and fixed rate bonds and bank term deposits), Council has the ability to use an interest rate swap to minimise exposure. The use of interest rate swaps has the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available to Council at fixed rates directly. Under the interest rate swaps Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to Council, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and listed bonds, which gives rise to credit risk.

Council's investment policy limits the amount of credit exposure to any organisation based on the following limits. The Local Government Funding Agency is limited to \$10 million. Any NZ registered bank is limited to \$10 million with the exception of Council's transactional bank, which may exceed this for up to 5 working days. There is no limit for investment in the NZ Government.

Other than NZ Government, Council invests funds only with entities that have a Standard and Poor's credit rating of at least A- for short-term and A+ for long-term investments.

Council holds no collateral or credit enhancements for financial instruments that give rise to credit risk.

Maximum Exposure to credit risk

Council's maximum credit risk exposure for each class of financial instrument is as follows:

	2025 Council \$'000	2024 Council \$'000
Cash at bank and term deposit	8,902	6,839
Receivables	9,216	10,280
Community and related party loans	-	-
Bonds	-	-
LGFA Borrower Notes	1,671	979
Derivative Financial Instrument	(156)	41
Financial guarantees	-	-
	19,633	18,139

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	2025 Council \$'000	2024 Council \$'000
Counterparties with Credit Ratings		
Cash at bank and term deposits A-(ST) or A+(LT)	8,902	6,839
Bonds A-(ST) or A+(LT)	-	-
LGFA Borrower Notes A-(ST) or A+(LT)	1,671	979

Receivables arise mainly from Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to receivables as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. For details on the ageing of receivables, see Note 4.

Derivative Financial Instruments

Accounting Policy – Council uses derivative financial instruments to economically hedge exposure to interest rate risk arising from financing activities. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. Council's derivative financial instruments are not designated as hedging instruments for accounting purposes. Accordingly, the associated gains or losses on derivatives are recognised in surplus or deficit.

Fair Value – The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters, such as interest rate yield curves. Most market parameters are implied from instrument prices.

Interest Rate Swaps – The notional principal amounts of the live interest rate swap contracts for Council was \$5 million (2024: \$0). At 30 June 2025, the fixed interest rates for the live interest rate swap was 3.83% (2024: nil).

The notional principal amounts of the forward starting interest rate swap contracts for Council were \$30m (2024: \$10m). At 30 June 2025, the fixed interest rates for the single interest rate swap was 3.46%-3.91% (2024: 3.9%).

Council manages its interest rate risk through the use of interest rate swaps. At the end of each financial year, Council revalues its interest rate swap portfolio to the current market value. The movement in this valuation reflects what has happened to the floating interest rate during the year. As floating rates rise, the cost to Council to hold these interest rate swaps to maturity decreases; as floating rates fall, Council's cost to maturity increases. This year's recognised but unrealised gain of \$41,000 (2024: \$41,000) on revaluation reflects this change in interest rates and essentially means that over the next five years, assuming interest rates remain at today's current rates, Council will continue to benefit from the reduced interest costs.

Liquidity Risk

Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

As part of meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy.

Council has a maximum amount that can be drawn down against its overdraft facility of \$4 million (2024: \$4 million). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses Council's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
2025						
Payables	13,735	13,735	13,735	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	49,365	54,912	10,175	4,956	39,781	-
Finance leases	-	-	-	-	-	-
Total	63,101	68,647	23,910	4,956	39,781	-
2024						
Payables	15,745	15,745	15,745	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	44,530	51,439	11,820	9,216	30,403	-
Finance leases	-	-	-	-	-	-
Total	60,275	67,184	27,565	9,216	30,403	-

Contractual maturity analysis of financial assets

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
2025						
Cash and cash equivalents	8,902	8,902	8,902			
Receivables	9,216	9,216	9,216			
Other financial assets						
-term deposits	-	-	-			-
-community and related party loans	-	-				
-listed bonds	-	-	-	-	-	-
-LGFA Borrower Notes	1,671	1,845	373	388	1,084	-
Total	19,789	19,963	18,491	388	1,084	-
2024						
Cash and cash equivalents	6,839	6,839	6,839			
Receivables	10,280	10,280	10,280			
Other financial assets						
-term deposits	-	-	-			-
-community and related party loans	-	-				
-listed bonds	0	0	0	-	-	-
-LGFA Borrower Notes	979	1,092	166	219	707	-
Total	18,098	18,211	17,285	219	707	-

17 Contingencies

Riskpool was a mutual fund for New Zealand councils that provided professional indemnity insurance cover. Central Hawke's Bay District Council was a member of Riskpool; but ceased being a member in 2015. In 2014, Riskpool had several "leaky building" claims made against it. These have been subject to legal proceedings ever since. On 1 August 2023 the Supreme Court dismissed Riskpool's final appeal in LGMFT v Napier City Council [2023] NZSC 97. This created an immediate liability for Riskpool, which necessitated a call on members in December 2023. Central Hawke's Bay District Council's share was \$67,000 (2023) and subsequent \$13,000 (2025) and \$16,000 (2026) and these have been paid. This court case has opened the door for three other claims that had previously been declined and are now subject to further legal proceedings. There is the possibility of further, future calls being made on Central Hawke's Bay District Council. The timing and quantum of these calls is unknown. There are no other known contingent liabilities against Council.

18 Events Subsequent to Balance Date

In the ordinary course of business, Council can be subject to subsequent events that may have a material effect on Council. Council does not consider that any subsequent events have arisen. (2024: Nil).

19 Supplementary Information

In accordance with the Local Government Act 2002 Schedule 10 section 30A and 31A.

Rating Base Information

All rating units for the district:

	2025	2024
Number of rating units	8,395	8,144
Capital Value	\$9,313,182,600	\$9,171,224,700
Land Value	\$5,973,993,900	\$5,946,930,400

Insurance Information - Assets**Year ending June 2025**

		Total Value Covered \$'000	Maximum Amount Available \$'000	
Insurance Contracts	-Buildings, Plant & Equipment	\$148,807	\$46,200	
	-Infrastructure	\$221,679	\$30,000	Loss Limit
Financial Risk Sharing		\$-	\$-	
Self Insured		\$-	\$-	

Year ending June 2024

		Total Value Covered \$'000	Maximum Amount Available \$'000	
Insurance Contracts	-Buildings, Plant & Equipment	\$149,907	\$46,200	
	-Infrastructure	\$252,805	\$30,000	Loss Limit
Financial Risk Sharing		\$-	\$-	
Self Insured		\$-	\$-	

Total Replacement Cost of Infrastructure

Activity	Total Replacement Cost (TRC)
Water	\$112,911,147
Wastewater	\$115,471,875
Stormwater	\$50,040,097
Roading	\$1,118,051,876
Totals	\$1,396,474,995

20 Comparison to Prospective Financial Statements

The 2024/25 financial year was impacted by three main themes. Firstly it was the second year of recovery post Cyclone Gabrielle which impacted the roading activity, Local Water Done Well (LWDW) and associated changes to wastewater standards have caused uncertainty and Council delayed capital projects while this was understood, and the general economic downturn effected volumes in consenting and landfill operations.

When the 2024-2027 Three-Year Plan was put together Council hadn't had confirmation of the Central Government's contribution towards the roading rebuild post Cyclone Gabrielle. In order to complete the Three-Year Plan Council worked on an assumption that it would undertake \$25 million of repairs and that Central Government would pick up 95% of the cost, with the balance coming from the ratepayer, loans, and the use of reserves. What actually occurred was the Council received a mixture of funding assistance on a project-by-project basis ranging from 99% down to 59%. In total Council received \$19.8 million in funding from various government departments, and spent \$22.3 million on roading recovery activities. In the budget all of the \$25 million of recovery activities was treated as repairs (a operating expense in the Council Statement of Comprehensive Revenue and Expense, but in practice only \$2.3 million was expensed, and the balance of \$19.9 million was treated as creating a new or replacement assets which appears in the Councils Statement of Financial Position. This distorts Councils financial results as the income appears in one place, and the majority of the costs in another.

During the year Central Government has been enacting several pieces of legislation to enable LWDW as well as amending the wastewater discharge standards. Central Hawkes Bay District Council (CHBDC) has been working with Hastings District Council, Napier City Council, and initially Wairoa District Council with the view of understanding what a combined water delivery model would look like. This formed part of the consultation undertaken in May/June 2025. As a result of the financial modelling indicating an affordability issue, and changes in the wastewater discharge standards Council chose to pause some aspects of the capital delivery program while it worked through options. This saw it only deliver \$9.0 million of the \$20.6 million planned. As most of this was to be loan funded it has meant that Council finished the year with external debt of \$49 million versus the \$66 million in the Three-Year Plan.

The economic downturn that New Zealand is currently in the midst of has also impact Council's business as usual activities. For example if you look at Council's Fees and Charges they are down \$0.6 million on budget, and Development Contributions are \$1.1 million down. This reflects the slowdown in the housing market and construction sector which in

turn was reflected in Council's consenting revenues (both Resource and Building consents) being down \$0.5 million on budget. Solid Waste volumes were also down, but due to the mix of income streams it isn't so visible in the income line. A large part of solid waste activity cost base is variable (driven by the volumes) and it was able to pulled back to match revenues, but with much of the consenting activity costs being largely fixed (such as salaries) it is harder to flex costs to be inline with the lower revenues. During the year the staffing levels were reduced through a restructure and council undertook additional processing for another Council, who were short staffed, in an attempt to reduce the gap. Despite best efforts these consenting activities still finished the year \$0.4 million behind budget.

Personnel costs were \$1.3 million below budget and reflects vacancies carried during the year, and the right sizing restructure that was undertaken during the year (this extended beyond just consenting mentioned earlier).

Financing costs were \$0.7 million under budget and reflects both the drop-in interest rates during the year and the lower overall debt levels than budgeted.

Operating Costs were \$22.0 million under budget, but \$22.7 million of this relates to land transport recovery activities and the classification of costs (see earlier explanation). Outside of this Council had a mix of overs and unders such as higher insurance, electricity, and water **monitoring** costs, offset by savings in solid waste (volume related) and less district plan appeal costs than anticipated. In addition to these variations council did receive some external funding for setting up and equipping emergency evacuation centres, some tourist **infrastructure** funds for public toilets and cycle trials, which resulted in both unbudgeted spend and income and had not rates impact.

This year Council revalued its roading assets, and 3 waters assets. This has resulted in a revaluation gain of \$866 million as opposed to the budgeted projection of \$25 million. Only \$25 million of this related to 3 waters with the balance coming from roading. Now that Council is 2 years into a significant roading rebuild program it has a number of contracts that can be used as market unit rates to value the remainder of its network. This has shown that the unit rates it used in previous valuations was low and based on old data. The new values reflect current construction rates reflects the high level of construction inflation council has experienced over the past few years. This revaluation is a non-cash income line and simply reflects that Council's asset are worth more than at last valuation and will cost more to replace in future years as they wear out. It will also impact future years depreciation charges.

Elected Council Members

The Central Hawke's Bay District Elected Council comprises of Her Worship the Mayor and eight elected councillors representing the district's two wards. Elections are held every three years. Why not get involved next time?

MAYOR

Alex Walker	+64 27 860 7752	alex.walker@chbdc.govt.nz
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ARAMOANA/RUAHINE WARD

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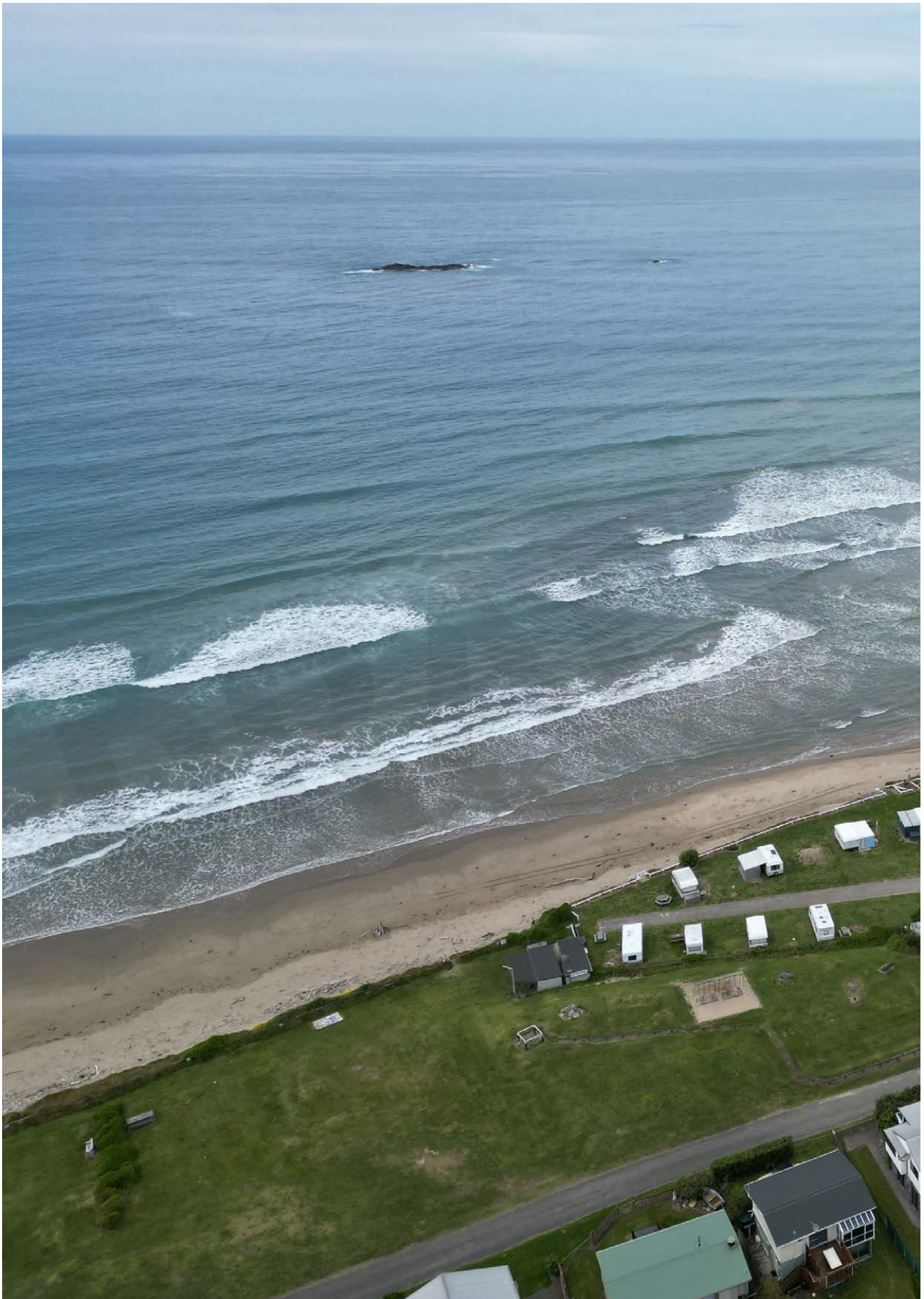
For more information about the elected Council structure, please refer to our Local Governance Statement, available from Council on request or on our website: www.chbdc.govt.nz



Glossary

Activity	Services, projects or goods provided by, or on behalf of, Council (e.g. libraries). These activities are then combined into groups of activities.
Annual Plan	The Annual Plan is produced in the intervening years between long-term plans. It includes the work programme for the year and financial statements.
Annual Report	Reports on the performance of Council against the objectives, policies, activities, performance measures, indicative costs, and sources of funds outlined in the Annual Plan and the Long-Term Plan.
Asset	Something of value that Council owns on behalf of the people of Central Hawke's Bay, such as roads, drains, parks and buildings.
Asset Management Plan	A long-term plan for managing an asset to ensure that its capacity to provide a service is kept up and costs over the life of the asset are kept to a minimum.
Borrowing	Refers to the raising of loans for capital items, such as the sewerage scheme.
Capital Expenditure	Expenditure that will increase the value of Council's assets.
Capital Value	Value of land, including any improvements.
Community Boards	Local elected bodies set up under the Local Government Act. Community boards are consulted by Council and can represent community concerns to Council. Central Hawke's Bay District has no community boards.
Community Outcomes	Goals that the community believe are important for its present and future economic, social, cultural and environmental well-being.
Council Controlled Organisations	Council-controlled organisations are organisations in which one or more local authorities control 50 per cent or more of the voting rights or appoint 50 per cent or more of the directors.
Financial Year	Council's financial year runs from 1 July to 30 June of the following year.
General Rate	A rate levied across all properties for activities that benefit the whole district.
Group of Activities	Several activities combined together (e.g. cultural and community facilities).
Land Value	Value of land, excluding any improvements.
Local Government Act 2002	The key legislation that defines the powers and responsibilities of local authorities like Central Hawke's Bay District Council.
Long-Term Plan (LTP)	A ten-year plan that sets out Council's response to community outcomes and how Council will manage its finances and the community's resources. The requirement for the LTP was introduced by the Local Government Act 2002.
Operating Expenditure	Money Council spends on such items as salaries, materials, electricity and plant hire.

Operating Revenue	Money earned through the activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided (e.g. New Zealand Transport Agency subsidies, rental income, permits and fees).
Operating Surplus (Deficit)	The expressions 'operating surplus' and 'operating deficit' are accounting terms meaning the excess of income over expenditure and excess expenditure over income respectively. Income and expenditure in this context exclude 'capital' items such as the receipt or repayment of loans, the cost of capital works, and transfers to and from Reserves. An operating surplus/deficit is inclusive of non-cash items, such as income and expenditure owing but not paid (Debtors and Creditors) and depreciation.
Performance Measure	A measure that shows how well Council is doing in achieving the objectives it has set for itself.
Rates	Funds collected by Council from levies on property. These are based on the capital and land value of the property but the term is often used to include uniform annual general charges and targeted rates.
Revenue and Financing Policy	This describes how Council's work will be paid for and the mechanisms for gathering the funds (such as general rate, targeted rates, user charges and grants).
Significance	Degree of importance of the issue, proposal, decision or matter as assessed by the local authority in terms of its likely consequences for the current and future social, economic, environmental, or cultural well-being of the community.
Subsidies	Amounts received from other agencies for the provision of services (e.g. NZ Transport Agency roading subsidies).
Targeted Rates	Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater and solid waste.
Transfer to/from Reserves	Transfer of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.
User Charges	The charges levied for use of Central Hawke's Bay District Council services (e.g. building consent fees, health inspections).
Working Capital	These are Council's net current assets that are held in cash or can be readily converted to cash, less liabilities due for payment within a year. This is indicative of Council's ability to meet its obligations as they become due.





DRAFT

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

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**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

6.3 RISK STATUS REPORT

File Number:**Author:** Nicola Bousfield, Group Manager - People & Business Enablement**Authoriser:** Doug Tate, Chief Executive**Attachments:** 1. Quarterly Risk Register Update Sept 2025  

RECOMMENDATION

That the Risk & Assurance Committee receives the Risk Status Report.

PURPOSE

To report on Council's risk landscape, risk management work in progress and to continue a discussion with the Risk & Assurance Committee about risk.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as of some significance, noting the attached risk register updates being reported.

BACKGROUND

The Risk Status Report is part of regular reporting designed to provide governance with oversight and input into the way that identified risks are being managed within Council.

The Risk Maturity Review undertaken in 2023 identified opportunities and recommendations for officers reporting risks to the Risk & Assurance Committee (R&A Committee). The key recommendation was to focus the discussion on current top risks specific to our Central Hawke's Bay context and discuss only those risks that sit outside of the risk appetite settings set by Council.

The attached Risk Register Update sets out the current top risks to Council, as determined by the Executive Leadership Team in conjunction with Council.

These top risks are continuously reviewed and updated, those that are trending outside of the risk appetite set by Council have commentary provided in the Risk Register Update and those trending outside of appetite for two quarters or more are reported to Council.

DISCUSSION

Risk work progressed following June Risk & Assurance meeting

At the June 2025 R&A Committee meeting, officers presented a workshop setting out the top risks from that attached register, gap analysis of each risk was undertaken throughout the work programme. During that session officers were directed to undertake further work, which resulted in refreshed risk assessments being undertaken on these risks.

As the risk assessment work progressed, a number of changes were made to the attached risk register which are detailed in this report. The risk assessment results will be presented in workshop at this meeting.

Risk Register updates this quarter

1. Commentary updated in each item where the risk is trending outside of appetite

2. Residual risk trends for Q1 have been updated following completed risk assessments this quarter, commentary has been included where there has been a change.
3. A new risk has been added to the register for reporting to the R&A Committee:

Risk	Commentary
Stranded overhead costs because of Local Water Done Well transition	The cost of "stranded overheads" will impact Council and this risk needs to be considered and mitigated through the transition planning for Local Water Done Well.

4. Risks that are no longer on the attached register for reporting to the R&A Committee:

Risk	Commentary
Reduced capability and capacity of Council staff	While not currently considered a top risk to be report to R&A, this risk will remain on Council's risk register. This risk will be escalated to the top risks reported to R&A during periods of occurrence. In the past this has been when a number of senior roles were vacant for an extended period of time creating significant risk to the organisation.
The CHB community's inadequate response to a natural disaster or civil defence emergency	This risk (and relevant controls) has been removed and merged with the 'Council's inadequate response to a natural disaster or civil defence emergency'.
Investment in critical infrastructure is delayed in flood risk areas	This risk has been removed and is merged with the risk "Growth and capital investment in infrastructure is hindered in flood risk areas"
Waipukurau wastewater infrastructure is unable to service growth	This risk has been removed from the top risks report to R&A (but will remain on Council risk register until works are complete) following the endorsement of the revised water services capex programme and the included investment to increase the capacity of the Waipukurau wastewater network.
Structural failure of drinking water rising and falling mains in Waipukurau and Waipawa	This risk has been removed and merged with "failure of drinking water reservoirs and/or associated critical infrastructure in Waipawa and Waipukurau" to better group relevant risks where risk likelihoods, consequences and controls are similar and/or interdependent on assets that are connected to the same piece of infrastructure.

NEXT STEPS

Officers will present the recent risk assessment work in the workshop of this R&A Committee meeting.

This risk report will continue to be reported to Council where risks are trending outside of appetite.

Officers will continue to receive feedback from the R&A Committee on the reporting and discussions on risk.



Risk Register Update - Quarter 1 2025/2026

Risk and Assurance Committee – 23 September 2025

PROUD DISTRICT										
Risk Title	Appetite	Risk Statement			Controls	Trend				Narrative for those risks outside of Risk Appetite settings
		Event	Cause	Consequence		Q2 24/25	Q3 24/25	Q4 24/25	Q1 25/26	
Council loses its social licence to operate	Council has a low appetite to take risk	Community feels Council is not in-tune with community needs	Perception and misinformation	Council loses its social licence to operate resulting in intervention from Central Government	1. Transparent and open reporting to Council 2. Undertaking effective engagement and consultation 3. Independent assurance via Risk & Assurance Committee 4. Proactive and transparent provision of information 5. Elected members are readily accessible to the public 6. Multi-channel communication approach					The residual risk changed from green to amber following recent risk assessments undertaken this quarter. While this risk is unlikely after the application of controls, the consequence of the risk occurring remains high.
Failure of Council to deliver water and/or roading infrastructure to achieve community outcomes	Council has a low appetite to take risk	Council doesn't deliver the capital investment as planned in three waters, roading maintenance and roading recovery	Ineffective planning, programming, capacity and capability and funding constraints	Council fails to achieve community outcomes resulting in a loss of confidence and social licence.	1. Capital works delivery programme aligned with annual plan cycles 2. Formal governance arrangements for reporting and decision making 3. Stakeholder and partner engagement 4. Asset and activity management 5. Programme and project resource planning 6. Process and systems improvements within the Programme Delivery Team	New				Inherently there is some risk with the delivery of infrastructure that Council has varying levels of influence over e.g. weather, changing standards, external funding uncertainty, consenting and property acquisition, partner engagement. Planning of the capital works delivery programme, resource planning and asset/activity management have all matured significantly in the last year. The forecasted delivery will also become increasingly certain throughout the financial year.

Correct as at:	18 September 2025
Prepared by:	Nicola Bousfield, Group Manager – Corporate, Community & Regulatory
Sponsor:	Doug Tate, Chief Executive

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PROSPEROUS DISTRICT										
Risk Title	Appetite	Risk Statement			Controls	Trend				Narrative for those risks outside of Risk Appetite settings
		Event	Cause	Consequence		Q2 24/25	Q3 24/25	Q4 24/25	Q1 25/26	
The delivery of water services is unaffordable to the rate payer	Council has a moderate appetite to take risk	Council is unable to deliver an affordable water delivery solution through Local Water Done Well and associated regulatory reform	The scale of the required investment combined with the legislative requirements relating to financial sustainability	The delivery of water services is unaffordable to the rate payer and Council is unable to meet its regulatory thresholds	1. Working with regional partners on the creation of a Regional Water Services CCO 2. Review of the water services capital programme 3. Effective engagement with elected members 4. Executive and political leadership alignment across the region 5. National political advocacy on affordability challenges 6. Community engagement and communications		New			The residual risk changed from amber to red following recent risk assessments undertaken this quarter. The likelihood has reduced after the application of controls, but the consequence of the risk occurring remains high. While the revised water service capital programme has reduced the proposed cost burden on ratepayers, this is also underpinned by a number of assumptions (regulatory change, growth projections, scale efficiencies, etc). As these assumptions increase in certainty, the existing controls may become more effective, or additional controls may be required. This risk will be regularly reviewed and influenced through the transition to the regional water services organisation.
The impact of stranded overhead costs from Local Water Done Well transition	Council has a moderate appetite to take risk	Transition of water services out of Council	Local Water Done Well legislative reform	Council is left with “stranded overhead costs” that were previously funded through water rates	1. Effective transition and workforce planning with regional partners through the establishment of the Water Services CCO 2. Agreed regional strategy for overhead transitioning 3. Financial modelling, planning, resizing of Council structures 4. Assessment of rating implications and consideration of a potential rating review				New	
Closure of the CHBDC landfill (temporary or permanent)	Council has a moderate appetite to take risk	Volume of the landfill significantly decreases below the viable minimum	Reducing waste volumes, competition with other private landfills and no contracted agreements with primary users to guarantee volumes	Closure of CHBDC landfill and increasing unit cost of managing solid waste	1. Section 17A Review 2. Renegotiating contract agreements 3. Exploring and securing other external solid waste sources of volume 4. Monitoring volumes, revenue and reporting to FI&P Committee		New			

Correct as at:	18 September 2025
Prepared by:	Nicola Bousfield, Group Manager – Corporate, Community & Regulatory
Sponsor:	Doug Tate, Chief Executive

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STRONG COMMUNITIES										
Risk Title	Appetite	Risk Statement			Controls	Trend				Narrative for those risks outside of Risk Appetite settings
		Event	Cause	Consequence		Q2 24/25	Q3 24/25	Q4 24/25	Q1 25/26	
Failure to maintain Council's earthquake-prone buildings - CHB Municipal Theatre and Waipukurau Memorial Hall	Council has a high appetite to take risk	Failure to maintain Council's earthquake-prone buildings - CHB Municipal Theatre and Waipukurau Memorial Hall	An earthquake	A Council building is no longer operational	1. Delivery of the strengthening activities for these buildings as set out in the Asset Management Plan 2. Post event assessment of building to determine if operational 3. Contingency plan for Emergency Response alternative venue					The residual risk changed from red to amber following recent risk assessments undertaken of this quarter. The likelihood and consequence have reduced after the application of controls.
A critical workplace accident or incident	Council has a low appetite to take risk	A workplace critical incident	Failure of workplace procedure	Serious injury or loss of life to a worker	1. Health & Safety system and processes implemented to ensure all H&S risks are identified and controls implemented to reduce the risks as far as reasonably practicable 2. Critical Risk Management and assurance programme. 3. Contractor Pre-qualification and monitoring programme 4. Engage staff in the H&S system to ensure a proactive health and safety culture 5. Assurance programme to ensure the HSMS is fit for purpose					The residual risk changed from amber to red following recent risk assessments undertaken of this quarter. The likelihood has reduced after the application of controls, but the consequence of the risk occurring remains high. Developing and implementing the critical risk standards continues to be the priority for addressing this risk, focusing on the critical health and safety risks that can cause serious injury or loss of life to a worker.
Communities significantly flooded during Cyclone Gabrielle are not adequately protected in future heavy rain events	Council has a moderate appetite to take risk	Upgraded and new flood protection is not provided in a timely way	Uncertainty in timeframes, budget and unexpected delays with flood protection and future scheme work led by HBRC	The Waipawa and Pōrangahau communities are not adequately protected during future rain events	1. HBRC to ensure flood mitigation in CHB built to adequate standards 2. Reimagining flood protection project (Waipawa only) 3. Locality specific information is developed and shared with Controllers and community 4. Early warning from HBRC if a particular CHB community will be at risk 5. Good communications to community about what has been completed, and what remains to be done 6. CHBDC has visibility on the HBRC led-work programme					
Roading recovery isn't fully completed to the community's expectations.	Council has a moderate appetite to take risk	Recovery programme is not delivered to the community's expectations	Available funding cannot be utilised to repair all impacted recovery sites	Damage to Councils reputation due to a reduction in service	1. Ongoing conversations with NZTA to secure high FAR 2. Right sized solutions based on affordability 3. Regular updates to the Land Transport Committee 4. Regular community conversations and engagement		New			

Correct as at:	18 September 2025
Prepared by:	Nicola Bousfield, Group Manager – Corporate, Community & Regulatory
Sponsor:	Doug Tate, Chief Executive

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CONNECTED CITIZENS										
Risk Title	Appetite	Risk Statement			Controls	Trend				Narrative for those risks outside of Risk Appetite settings
		Event	Cause	Consequence		Q2 24/25	Q3 24/25	Q4 24/25	Q1 25/26	
Council and community are unable to respond and recover from a civil defence emergency	Council has a low appetite to take risk	A major civil defence emergency occurs	Capacity and capability constraints in the local and regional civil defence systems	Council and community are unable to respond and recover from a civil defence emergency.	1. Recommendations from reviews are adequately implemented 2. Collaborative regional governance approach 3. Partner and community exercises are held, and clear communications lines are established 4. IMT staff are fully trained 5. Debriefs are held after each event and corrective actions are implemented 6. Local Emergency Services meetings are held 7. Response and resourcing plans for most common events are developed and implemented 8. Community resilience training is delivered to communities and mana whenua 9. Locality specific information is developed and shared with the EOC and community 10. Communities and mana whenua have the resources to respond 11. Communities and mana whenua have input into what recovery looks like in their community 12. Community Emergency Hubs (CEH) are in place and are resourced 13. Communication processes are in place between CEH and IMT					The HBCDEM Transformation Strategy, adopted on 27 January 2025, continues to guide regional emergency management reform. On 28 July 2025, the HBCDEM Joint Committee adopted a Service Level Agreement (SLA), clarifying roles and expectations for all regional emergency management partners. While Council is well placed at a local level to respond to minor events, there are concerns around the ability to respond to a major event. <u>Action:</u> Officers continue to progress local actions to meet the intent of the Strategy.

Correct as at:	18 September 2025
Prepared by:	Nicola Bousfield, Group Manager – Corporate, Community & Regulatory
Sponsor:	Doug Tate, Chief Executive

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A major privacy breach of customer information occurs	Council has a low appetite to take risk	A major privacy breach of customer information	Cyber security controls are breached	Customer information is not protected	1. Cyber security work programme including the cyber security implementation plan 2. Cyber specific support agreement with Hastings District Council IT team and external vendors for 24/7 monitoring and support 3. Cyber incident management processes and training 4. Cyber security tools 5. Cyber security training for staff 6. Privacy Policy and processes 7. 3rd party software cyber protection					The residual risk changed from amber to red following recent risk assessments undertaken of this quarter. The likelihood has reduced after the application of controls, but the consequence of the risk occurring remains high. 2025 Audit findings were presented to Risk and Assurance Committee on 11th June. Findings from this report will inform the ongoing work plan to maintain our security posture with particular attention to the classification of data held across all our platforms/vendors. While Council is underway with the cyber security work programme that adds security layers, the risk will always increase at a greater rate than we can mitigate.
Council is unable to remotely monitor the delivery or safety of drinking water	Council has a low appetite to take risk	Remote connection to drinking water monitoring systems failure	A cyber event that impacts Council's systems prevents remote access to water data and monitoring systems	Council is unable to remotely monitor the delivery or safety of drinking water	1. Technology systems and access control protocols in place, followed and regularly reviewed 2. SCADA network segregation (separate the SCADA onto its own network) 3. Physical monitoring of water treatment plants, but limited resourcing 4. Introducing additional security measures to all remote access sites 5. Improved operational response planning incorporating lessons learned from events 6. Implementation of multiple communication methods (data transfer) from sites and central server 7. Premium water operations contractor engaged 8. Implementation of Regional Water Services CCO	New				The residual risk changed from red to amber following recent risk assessments undertaken of this quarter. This change reflects the progress in the development of the controls which has had an impact on reducing the residual risk. An operational technology assessment has been completed, this has identified several issues with across the SCADA network that require a planned investment and delivery approach, investment has been provided in the Annual Plan for the 2025/26 financial year. For the SCADA network segregation project, we have opted for the timeliest solution as an immediate step to mitigate this risk, this work is underway. This is not however, the most effective mitigation. <u>Action:</u> Assess the recommendations and develop a planned approach to remedy the issues identified in the Operational Technology assessment.

Correct as at:	18 September 2025
Prepared by:	Nicola Bousfield, Group Manager – Corporate, Community & Regulatory
Sponsor:	Doug Tate, Chief Executive

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SMART GROWTH										
Risk Title	Appetite	Risk Statement			Controls	Trend				Narrative for those risks outside of Risk Appetite settings
		Event	Cause	Consequence		Q2 24/25	Q3 24/25	Q4 24/25	Q1 25/26	
Council infrastructure is unable to service development	Council has a high appetite to take risk	Council infrastructure is unable to service development	Funding constraints	Council does not enable growth and development	1. Delivery of the revised capital water services plan (includes second water supply) 2. Working with HBRC to understand the implications of the river corridor review 3. Relocation of Waipawa drinking water treatment plant is funded and scheduled 4. Upgrade of wastewater pump station on Mt Herbert Rd 5. Lobbying central government for external funding to support growth 6. Statement of expectation for Regional Water Services Council Controlled Organisation and Regional Water Services Strategy 7. Progressing actions following the Smart Growth Review					The residual risk changed from red to amber following recent risk assessments undertaken of this quarter. This change reflects the progress in the development of the controls which has had an impact on reducing the residual risk.
Growth and capital investment in infrastructure is hindered in flood risk areas	Council has a high appetite to take risk	Capital investment plan in CHB is not delivered in accordance with LTP	The uncertainty due to the Upper Tukituki Review outcomes	Wastewater and drinking water infrastructure delivery programmes are not delivered as planned impacting growth and resilience	1. Modular 'just in time' infrastructure investment to service growth. 2. Work closely with HBRC to understand the implications of the review and reduce uncertainty for CHBDC. 3. Relocation of Waipawa drinking water treatment plant is funded and scheduled 4. Application of appropriate engineering standards to achieve infrastructure resilience. 5. Monitor rate of growth to maintain understanding of infrastructure needs. 6. Planning policy requiring developers to undertake and align with serviceability assessments 7. RMA reform changes the consenting framework for discharges to the environment. New regional spatial plan maps environmental constraints and directs development away from these areas		New			The residual risk changed from red to amber following recent risk assessments undertaken of this quarter which reduces the likelihood after the implementation of controls.

Environmentally Responsible										
Risk Title	Appetite	Risk Statement			Controls	Trend				Narrative for those risks outside of Risk Appetite settings
		Event	Cause	Consequence		Q2 24/25	Q3 24/25	Q4 24/25	Q1 25/26	
Council fails to meet wastewater consent conditions	Council has a high appetite to take risk	Council is unable to meet wastewater consent requirements within reasonable timeframes	Treatment systems cannot meet consent conditions	Council is prosecuted for non-compliance	1. Maintain clear communication with HBRC as the regulator 2. Delivery of key wastewater projects to improve effluent discharge aligned with revised waters services plan (Sept 2025) 3. Continual maintenance and optimisation of existing treatment processes 4. Establishment of RWSCCO and promotion of outcomes within the Water Services Strategy via SoE					The residual risk changed from red to amber following recent risk assessments undertaken of this quarter which reduces the likelihood after the implementation of controls.

Correct as at:	18 September 2025
Prepared by:	Nicola Bousfield, Group Manager – Corporate, Community & Regulatory
Sponsor:	Doug Tate, Chief Executive

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DURABLE INFRASTRUCTURE										
Risk Title	Appetite	Risk Statement			Controls	Trend				Narrative for those risks outside of Risk Appetite settings
		Event	Cause	Consequence		Q2 24/25	Q3 24/25	Q4 24/25	Q1 25/26	
Failure of critical roading infrastructure	Council has a moderate appetite to take risk	Significant failure of critical roading infrastructure (including Patangata bridge, Makaramu bridge, Cooks Tooth Road)	Age/ condition/ vulnerability/ lack of redundancy of our assets	Council's ability to maintain critical roading and infrastructure lifelines is compromised	1. Asset inspection regime 2. Asset Management Plans 3. Infrastructure Strategy 4. Critical asset register 5. Catastrophic Events Reserve 6. Renewals programme 7. Operational scenario planning 8. Community activation/household resilience 9. Securing co-funding and local share	New				The residual risk changed from amber to red following recent risk assessments undertaken of this quarter. The likelihood has reduced after the application of controls, but the consequence of the risk occurring remains high. While officers further assessed this risk, and the reviewed the risk matrix the residual risk score shifted into the red, there is no new risk that has been identified. There is ongoing work both within council and regionally with the Hawkes Bay Lifelines Vulnerability Study (HBCDEM) to better understand how to manage this risk to our communities now and in the future, this is an area that continues to mature nationally, and Council will make sure that it stays involved and informed while leading its own improvement. <u>Action:</u> continue to manage the risk by using the various controls including regular assessments, development and improvement of the AMP, and identifying these critical assets for renewal regionally (RLTP) and with NZTA to advocate for funding.
Failure of drinking water reservoirs and/or associated critical infrastructure (including mains) in Waipawa and Waipukurau	Council has a low appetite to take risk	Failure of drinking water reservoirs and/or associated critical infrastructure (including mains) in Waipawa and Waipukurau	Age/ condition/ vulnerability/ lack of redundancy of our assets	Council's ability to provide safe drinking water to Waipawa or Waipukurau is compromised	1. Accelerated delivery of second water supply 2. In the interim, regular inspections are carried out to identify deterioration 3. Operational scenario planning and contingency plans 4. Small scale capital investment to improve the network operational resilience 5. Small scale capital investment to improve the network operational resilience 6. Targeted asset condition assessment 7. Procurement of critical spares					The residual risk changed from amber to red following recent risk assessments undertaken of this quarter. The likelihood and consequence of the risk remain high, even after the application of controls. The revised water services capital programme, and confirmation of the programme for 2025/26, place significant emphasis on the delivery of the second water supply programme to mitigate this risk. Additionally, detailed condition assessments on the critical pipelines are planned to be undertaken this financial year, alongside regular visual inspections of the reservoirs. Viable contingency plans are understood and will be further developed as the second water supply programme progresses. <u>Action:</u> Continue regular asset condition inspections and strengthen interim mitigations as much as practicable until the scheduled work is completed.

Correct as at:	18 September 2025
Prepared by:	Nicola Bousfield, Group Manager – Corporate, Community & Regulatory
Sponsor:	Doug Tate, Chief Executive

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6.4 HEALTH AND SAFETY REPORT: 1 MAY – 31 JULY 2025

File Number:

Author: Michelle Annand, Health and Safety Advisor

Authoriser: Adrienne Martin, People and Capability Manager

Attachments: 1. Risk and Assurance - Health and Safety Report September 2025 [↓](#)



RECOMMENDATION

That the Risk & Assurance Committee receives the 'Health & Safety' report dated 1 May – 31 July 2025.

PURPOSE

To provide the health, safety and wellbeing update on the key health and safety initiatives for the period 1 May to 31 July 2025.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

Elected members, as 'Officers' under the Health and Safety at Work Act 2015 (HSWA), are expected to undertake due diligence on health and safety matters.

The HSWA requires those in governance roles, and senior management to have a greater understanding of their organisation's health and safety activities.

This report and its attachments provide information to assist elected members to carry out their due diligence role. It also provides the health and safety information you need to be aware of your responsibilities under the HSWA.

DISCUSSION

Governance Health and Safety Report

The Health & Safety Report to the Risk & Assurance Committee is **attached**. The key areas covered in the report are:

- Critical Risk – Project Update
- Health and Safety Performance
- Council and Contractor event reporting.

NEXT STEPS

To continue to progress Council Health and Safety work programme priorities.



Risk and Assurance Committee

Health and Safety Report

1 May 2025 – 31 July 2025

Central Hawke's Bay District Council – Health and Safety Report

1

Author: Michelle Anand

Date: September 2025

OVERVIEW

The Health and Safety Report is a high-level update on Officers progress of the Health and Safety Work Programme and includes lead and lag event reporting for both Council and Contracting partners.

EXECUTIVE SUMMARY

This report provides a comprehensive overview of the key health and safety metrics and events for the period from August 1, 2024, to July 31, 2025, with a focus on the months of May, June and July 2025 – the reporting period following the last Risk & Assurance meeting. The report highlights both positive trends and areas of concern, offering insights and recommendations to enhance safety and risk management.

Key Metrics and Trends:

- Near-miss reports have shown a slight decrease, indicating a minor improvement in identifying and reporting near-miss incidents.
- Safety observations have significantly increased, reflecting a proactive approach to identifying and mitigating potential hazards.
- Incidents have slightly decreased, but the number remains relatively high, indicating an ongoing focus is required in incident prevention.
- Violence and aggression events have increased, highlighting the need for focused interventions in this area.
- Hazardous energy events and light vehicle events have remained relatively stable, while transport corridor events have shown no change.
- Hazardous substance events and working at height events have increased, necessitating further attention and preventive measures.

Contractor Events Linked to Critical Risks: The bar chart titled “Contractor events linked to a critical risk May 2025 – 31 July 2025” shows that Veolia and Green by Nature had the highest number of events overall, particularly in the categories of “excavations” (including trenches) and “operating mobile plant and machinery”. Downer also had notable events involving light/heavy vehicles.

Incident Summaries and Recommendations:

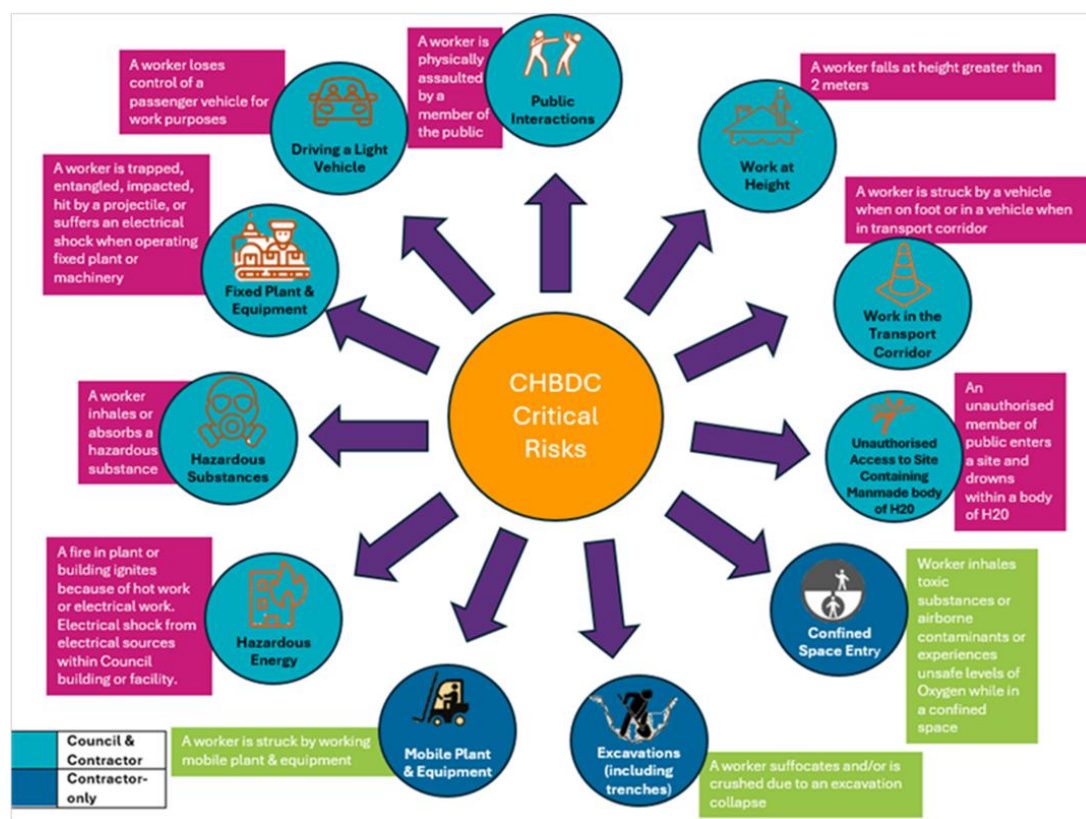
- **Working at Height Events:** The increase in incidents was primarily due to contractors performing tasks at a Council facility. Improvements have been made to the Council's systems and processes to ensure contractors identify critical hazards and implement necessary controls before commencing work. Notably, there were no working at height events reported for May, June, and July 2025 which demonstrates improvements in our initiatives have been effective.
- **Near Miss Due to Loss of Traction:** The incident occurred in a wetter-than-expected drain with an incline. The particularly muddy spot has been added to the contractor's site hazards. Recommendations include staying aware of ground conditions, especially in drains and waterways.
- **Disengaged Brake on Mower:** The mower was not in operation and was being transported. The issue likely occurred because the brakes were not properly applied. The next weekly equipment check will include double-checking the brake engagement, and if the issue recurs, the vehicle will be taken in for servicing.
- **Temporary Power Lead:** A power lead was used as a stop-gap solution for 24 hours, coinciding with the operator's site visit. The power lead has since been removed.

The report underscores the importance of continuous vigilance and proactive measures in maintaining a safe working environment. While there are positive trends in safety observations and incident reduction, areas such as violence and aggression events require focused attention. The insights and recommendations provided in this report aim to guide further improvements in health and safety practices across the organisation.

CRITICAL RISKS – PROJECT UPDATE

The Critical Risk programme is advancing well, with audit templates being developed for the verification of critical controls. These templates are currently in various stages of completion. In conjunction with the review of critical risk standards, these audits templates are being integrated into the Councils auditing software programme (SafetyCulture) to ensure a streamlined and thorough verification programme.

The table on page five outlines the progress of each critical risk standard, including the current state, maturity level, and next steps. For example, the standards for driving and public/animal interactions have been approved and are progressing, while other standard such as transport corridor and working at height are still in progress and out for review.



Priority	Critical Risk Standards	Council / Contractor Focus	Draft Written	Gap analysis of controls completed	Endorsed by ELT	Monitoring Plan Implemented
1	Driving	Both	✓	✓	✓	Progressing
2	Public / Animal Interactions	Council	✓	✓	✓	Progressing
3	Transport Corridor	Both	✓	In-progress Out for review		
4	Working at Height	Both	✓	In-progress		
5	Unauthorised Access to a Site Containing a Man-made Body of Water	Both	✓	In progress Out for review		Being Developed in line with contractor procurement / induction process
6	Hazardous Energy	Both	✓	In review		
7	Fixed Plant & Machinery	Contractor	✓	In-progress Out for review		Being Developed in line with contractor procurement / induction process
11	Hazardous Substances	Contractor/subcontractor	✓	In-progress Out for review		
10	Excavations (included trenches)	Contractor /Subcontractor only	✓	✓		Being developed in line with contractor procurement / induction process
8	Mobile Plant & Machinery	Contractor /subcontractor only	✓	In-progress Out for review		Being Developed in line with contractor procurement / induction process
9	Confined Spaces	Contractor /subcontractor only	✓			

Key	Completed	In-progress	Not started – Note: Although this phase of the development of the standard reads “not started” there are a number of controls that are already practiced and in-place but are yet to be captured and formalised in the development of the Critical Risk Standards.
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There are two categories of critical risks to safety within the Council:

Council Employees & Contractor Shared Safety Risks – risks that are related to work activities undertaken by **both** employees and contractors/subcontractors.

Contractor-only Safety Risks – a risk that relates to work undertaken by **contractors/subcontractors only**

Project Timeline

Critical Risk	Quarter 1 July-Sept	Quarter 2 Oct-Dec	Quarter 3 - Jan-Mar	Quarter 4 Apr-Jun	Status
Driving	Monitoring				On-track
Public / Animal Interactions	Monitoring				On-track
Transport Corridor	Gap analysis	ELT endorsed	Monitoring	Monitoring	On-track
Working at Height	Gap analysis	Gap analysis	ELT endorsed	Monitoring	On-track
Unauthorised Access to a Site Containing a Man-made Body of Water	Gap analysis	ELT endorsed	Monitoring	Monitoring	On-track
Hazardous Energy	Gap analysis	Gap analysis	ELT endorsed	Monitoring	On-track
Fixed Plant & Machinery	Gap analysis	Gap analysis	Gap analysis	ELT endorsed	On-track
Hazardous Substances	Gap analysis	Gap analysis	ELT endorsed	Monitoring	On-track
Excavations (including trenches)	Gap analysis	ELT endorsed	Monitoring	Monitoring	On-track
Mobile Plant & Machinery	Gap analysis	Gap analysis	Gap analysis	ELT endorsed	On-track
Confined Spaces	Gap analysis	Gap analysis	Gap analysis	ELT endorsed	On-track

GOVERNANCE H&S CHARTER

The document previously known as the Health, Safety and Wellbeing Governance Charter has undergone a review and has been updated to ensure it is right size and reflects how we do health, safety and wellbeing at Central Hawke's Bay District Council. This work has been completed and seeking endorsement from the R&A Committee ahead of going to Council for adoption.

HEALTH AND SAFETY PERFORMANCE

The attached graphs (Attachment 1) provide an overview of the health and safety performance of the organisation inclusive of any contracted work.

The metrics reported are:

- Number of Incidents
- Number of Near Misses.
- Number of Safety Observations
- Council events aligning to Critical Risk

Council Events

Metric	2025 YTD (May, June, July)	1 Aug 2024 – 31 July 2025	1 Aug 2023 – 31 July 2024
Near-miss reports	5	11	12
Safety Observations	5	24	14
Incidents	10	33	34
Hazard / Risk management assessments completed	0	0	0
# Violence & aggression events (people/animals)	4	12	8
# Hazardous energy events	2	1	2
# Light vehicle events	1	6	6
# Transport corridor events	0	1	1
# Hazardous substance events	0	4	3
# Working at height events	0	3	1
# Fixed plant & equipment events	0	0	0
# Unauthorised access to site containing manmade body of water events	0	0	0

Commentary on metrics:

Near-miss reports: There has been a slight decrease from 12 in the 2023 -2024 period, to 11 in the 2024 – 2025 period. This indicates a minor improvement in identifying and reporting near-miss incidents, but the number for May, June and July 2025 is relatively low at five, suggesting that there may be underreporting or fewer near-miss incidents during these months.

Safety Observations have seen a significant increase from 14 in the 2023 -2024 period to 24 in the 2024 -2025 period. This is a positive trend, indicating that more safety observations are being made, which can help in identifying and mitigating potential hazards. The number for May, June and July is five, which is consistent with the overall increase. The standardisation of types of events may also contribute to this increase in numbers

Incident numbers has slightly decreased from 34 in 2023–2024 to 33 in the 2024-2025 period. While this is a minor improvement, the number of incidents for May, June and July is 10. Four of these involved interactions with the public.

Violence and aggression events (people/animals) have increased from eight in the period from 2023-2024, to 12 in the period from 2024- 2025. This is a concerning trend, as it suggests an increase in violent and aggressive behaviour. The number for May, June, and July 2025 is 4, which is relatively high for a three-month period. Proactive measures are being implemented to address this growing concern and ensure the safety and wellbeing of our people.

Transport corridor events have remained the same, with 1 event in both the periods from 2023-2024, and 2024-2025. There were no transport corridor events for May, June, and July 2025, indicating a positive trend in this area.

Hazardous substance events have increased from 3 in the period from 2023- 2024, to 4 in the 2024-2025 period. There were no hazardous substance events for May, June, and July 2025.

Working at height events have increased from 2023-2024, to 3 in the period from 2024- 2025. The increase in working at height events was primarily due to contractors performing tasks at a Council facility. To address this, improvements have been made to Council's systems and procedures, ensuring that contractors identify critical hazards and implement necessary controls before commencing work. Notably, there were no working at height events reported in May, June and July 2025.

Overall, the data shows some positive trends, such as the increase in safety observations and the decrease in incidents and light vehicle events. However, there are also areas of concern, such as the increase in violence and aggression events which is being prioritised across the business.

Council Events linked to a critical risk - learnings and improvement

Critical Risk	Summary	Findings and recommendations
Public Interactions	Council received a threatening letter from member of public	Customer has been trespassed. Recommendation: Seeking advice on legal/privacy ramifications for implementation of a risk register that identifies high risk customers who have been issued trespass notices.
Public Interactions	Verbal threat made to Council Staff member at public meeting	Risk assessment had been undertaken prior to this meeting and agreed controls implemented to keep staff safe. Police notified.
Driving a Light Vehicle	While driving a Council vehicle on SH2, a car merged from a side street in front of Council Officer causing driver to swerve and brake to avoid collision.	3 rd party vehicle failed to give way. EROAD review showed Council Officer travelling within speed limit Vehicle pre-start check had been undertaken – only defect was fuel level. Driver had undertaken 4WD driving course Due to harsh braking survey equipment moved around in the back canopy of Ute (separated from driver) – looking at additional ways to secure this equipment. De-brief undertaken with driver and support provided.
Public Interactions	Angry customer presented at main reception desk	Customer had hearing impairment that contributed to their presentation. De-escalation techniques used by Council Officer who knew this person implemented with good effect for both parties.

Hazardous Substances	Chlorine gas sensors and monitoring equipment at Waipawa Swimming Pool were found to be overdue for regular maintenance and testing.	There was no written scope of pool operator or contractor resulting in no defined responsibility for undertaking or maintenance and testing. An assessment of the treatment assets and setup has determined a number of essential upgrades required to ensure the safe operation and management of the chlorine gas and auxiliary systems. The proposed upgrades include best practice storage requirements, alarming, health and safety, and emergency response requirement. Recommendations: Development of agreement with Contractor to manage H&S risks relating to managing and handling Chlorine Gas. This, and collaboration on an ERP (emergency Response Plan) will be include in contacts for the Pools ongoing operation.
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Leadership and engagement

Action	Finding/Outcomes/Issues Raised	Future Plan/Recommendations
Critical Risk safety conversations by executive team and portfolio leads	Issue raised by GM – absence of critical controls by one of our small panel contractors while undertaking excavation work Critical Risk controls knowledge gaps for Council Officers to be able to identify critical controls for critical risk work.	- Each week a different team shares a critical risk that applies to them and presents in weekly words how this affects them and the controls they put in place to manage these - Critical Risk Quiz for staff to completed to help sharpen their ability to identify critical risks and controls - Critical control audits to be finalised for officers to verify critical controls are in place - Risk assessment training is being rolled out to all groups

Engagement and participation

Key items raised at HSW committee meetings, and other worker feedback

Forum	Activity	Comment
Health, Safety and Wellbeing Committee	Continue to meet monthly Development of schedule for each group to show active participation in the Critical Risk Programme	Groups are actively contributing to weekly words and staff meetings identifying the critical risks for the work they undertake and how they are implementing controls.
Group monthly team meetings	Health, Safety and Wellbeing form being incorporated into all meetings with key focus on critical risks and controls	The introduction of the reviewed form has facilitated the documentation of discussions and actions taken by each group as part of the critical risk programme, while also identifying and addressing gaps in training within teams, ensuring that the critical risk programme is not merely a paper exercise.
Monthly contractor Health, Safety and Wellbeing meeting	Scheduled monthly meetings continue with Councils contractors to share learnings.	Attendance has dropped over the last two months with some contractors not actively working on the network. Critical Risk discussions remain priority of conversation. Contractors are at different levels of alignment with the Governments critical risk focus. This variation needs to be considered when updating Council's monthly Health, Safety and Wellbeing reporting template so that it acceptable across all contractors and the data received is standardised.

Training	Status
Essential First Aid – re-validation being booked. New staff to be booked into courses - priority	100% of staff trained have valid certificates
Situational Awareness – incorporating conflict de-escalation, emergency procedures	79% of front facing staff have completed training
Risk Assessment Training to all groups	On-going
4WD Training (Land Transport)	On-going
Health and Safety Representative Stage 1 Training	70 % of H&S Reps have completed
Health and Safety Representative Stage 2 Training	70 % of H&S Reps have completed
ICAM (Full investigation) training (IMPAC)	Upcoming

Policy, Procedure, Framework or System	Status
Contractor Site Induction Process	Development in progress
Audit Schedule	In progress
Health, Safety and Wellbeing Governance Charter	In progress and due for completion end August
Our Health, Safety and Wellbeing Policy Statement	Completed
Health, Safety and Wellbeing Terms of Reference	Review in progress
Emergency Procedures	Scenario planning to test procedures
Event Reporting and Investigation Procedure	Further review in progress in line with updated risk register
Hazard / Risk Management Procedure	In progress – near completion
Fatigue Management Guideline	In development
Hazard and Risk Register	Near completion

All Contractor Events linked to a critical risk



Commentary on metrics:

Veolia and Green by Nature had the highest number of events overall, particularly in the categories of Excavations/Trenches and Operating Mobile Plant. Downer also had notable events involving light vehicles. This data highlights which contractors and activities are most frequently associated with critical risks during this period.

There was one injury to a worker as due to a worker hitting their head requiring first aid after hitting head on open door while bending down to pick up bottle an object not realising that doors did not clip back.

Critical Risk Site Assessments (in reporting period) - Learning and Improvements

Critical Risk	Summary	Findings/Recommendations
Operating Mobile Plant & machinery	Close approach permits not present on site	Assessment of overhead services not close enough to warrant a permit on this occasion but would be for the following day
Working in Transport Corridor	Worker sitting in Ute while managing stop-go paddle	Requirement for operator to meet and greet members of public when manning paddles. Reminder to STMS and Foreman to remind team.
	No stabilising, and low-lying fog identified as safety hazard.	Change of scope of works due to high chances of morning fog. Pavement crew will change tasks and be proactive whilst visibility is poor. Additional tasks given until visibility improves and fog lifts to continue programmed work,
Excavations/Trenches	Worker using hand auger to excavate pothole – no service location undertaken	Training for worker

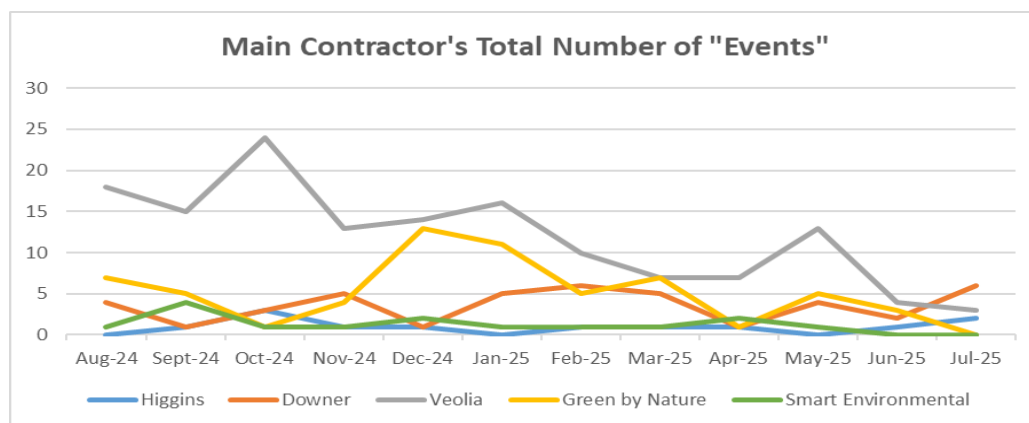
Events reported by Contractors linked to Critical Risks (in reporting period)

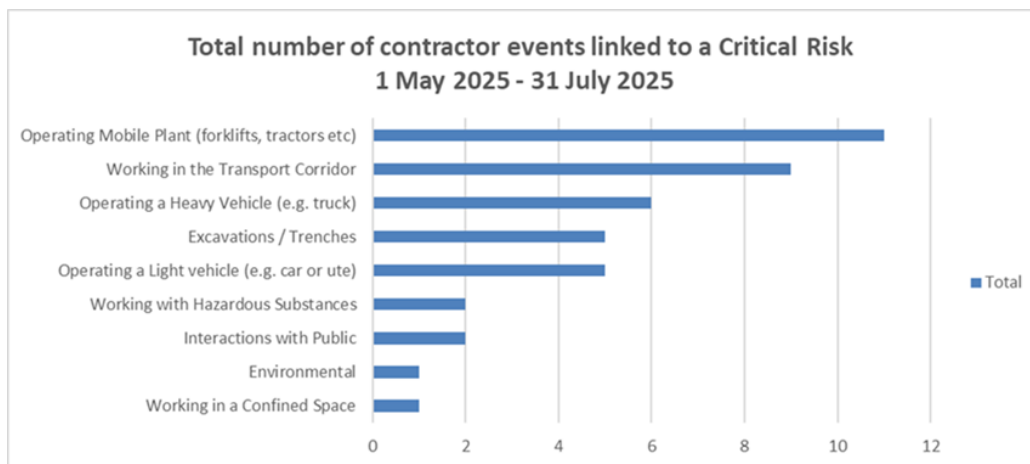
Critical Risk	Summary	Findings/Learnings/Recommendations
Interactions with public	Member of public stopped traffic and abused TTM crew setting up site	Nil
	Threatening phone call to contractor unhappy with contractors destroying the berm outside private property	Team have discussed this with the contractors and made them aware they must consider this when working in this area of the network.
Excavations (including trenches)	Contractor had make-shift shielding in place to protect from collapse	In-progress.
	Damage to chorus cable while excavating	Line was found to be redundant which is why it didn't show up when trying to service locate. Recommendations: Continue use of service locate equipment. Check with utility companies before digging.
	Mower strapped onto transported started to roll down back of truck when brake disengaged. Operator quickly caught disengaged mower and tied straps down.	The incident involving the disengaged brake on the mower highlights team's vigilance and quick thinking. The mower was not in operation and was being transported. The issue likely occurred because the brakes were not properly applied. In the next weekly equipment check, we will double-check the brake engagement and, if the issue recurs, take the vehicle in for servicing.
	Loss of traction of tractor while drain spraying	The near miss occurred due to a loss of traction in a wetter-than-expected drain with an incline. Although the contractor's policy requires operators to walk sites beforehand, the operator only walked a portion and deemed it safe. The particularly muddy spot has been added to the contractor's site hazards. Recommendations: Stay aware of ground conditions, especially in drains and waterways, as they can be boggy even when other areas are dry.
	Live electrical cable running across a mowing strip at oxidation pond post repair to aerator	Power lead was a stop gap solution that was only up for 24 hours to bridge between the problem and solution - it just so happened that 24 hours was when our operator attended the site for mowing. Power lead removed.
Confined Space	Bosun seat being used in a confined space entry. got caught on concrete lid of wet well and then tore away from strapping supports, operator had a safety line that was also attached to the crane line.	Pre-start checks had been undertaken of equipment – no issues identified. Supplier deemed bosun seat fit for purpose despite issue, however contractor has replaced equipment as it would not pass a pre-inspection check.

	Bosun seat taken of service and sent to supplier.	
Hazardous Substances	Chlorine alarm sticker not updated as Waipawa Swimming Pool	Identified by Council Officer while undertaking site inspection. Alarm had been tested and had passed; contractor had forgotten to replace sticker on this particular alarm. All other stickers had been updated accordingly.
	Chlorine bottle slipped out of operator's hands while lowering it on to the trailer, no damage to bottle or injury to worker.	No clear reason for why incident occurred. Experienced operation supported by another more experienced operator. Recommendation: Review work procedure and ensure teams are handling all tools and equipment safely.
Driving a Light Vehicle	Operator parked Ute on side of road then pulled out in front of 6-wheeler truck	Ute turned without looking for vehicles and did not use indicator. Ensure team understands this is not acceptable practice and to be aware in this kind of situation. Driving is one of our highest critical risk activities.
Operating a heavy Vehicle	Another contractor truck and trailer crossed lane nearly swiping another contractor on a closed lane.	Operator driving proactively and believes the closed lane did not have adequate signage in both directions and therefore lead to confusion.
	Car pulled out in front of a contractor towing a trailer resulting in trailer nearly jack-knifing and ended up on other side of the road to avoid collision with vehicle.	Operator driving defensively and able to avoid collision
	While driving over hill, hit two turkeys who were crossing road as driver didn't have enough time to stop.	Driver noticed the turkeys as soon as they came into visual range and started to brake. With the flushed road surface and close proximity of turkey, driver did not have enough time to stop and avoid hitting turkey. Driver pulled over and cleared the road. Be aware on country roads and drive to conditions, one should always be able to stop within the distance of visibility.
	Small sign fell off back of truck	Sign did not lock into position before truck left the site. Site vehicle and al gear secured before leaving sites.

Contractor Dashboard

The total number of events is shown in the graph below are further broken down into lead indicators (Safety Observations, Near Misses, Safety Observations, and Site Visits/Critical Risk Sweeps) and lag indicators (Incidents)

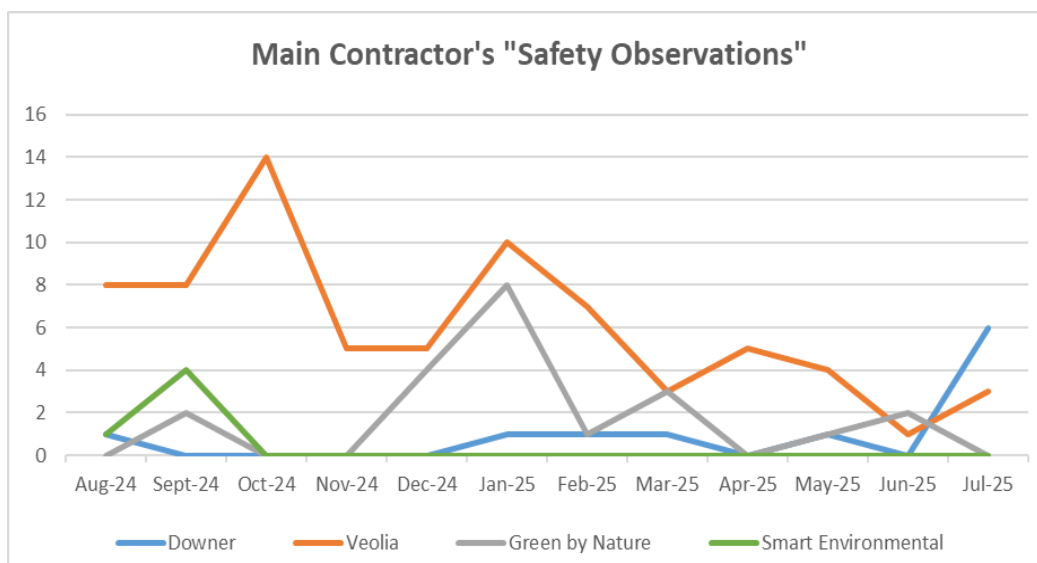




Lead Indicators

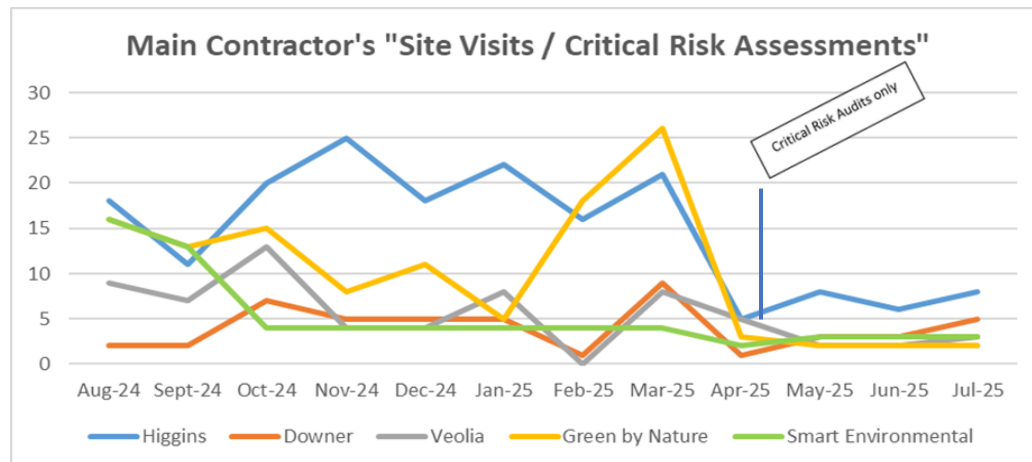
Safety Observations

Recording of a worker's positive or negative safety behaviour or observation of an absent or failing control e.g., not wearing correct PPE, inappropriate Traffic Management set-up.



Leadership Activities – Contractor Site Visits/Critical Risk Sweeps

These are “lead indicators” and inclusive of site visit assessments, critical risk audits, and any improvements to work undertaken by Contractor.

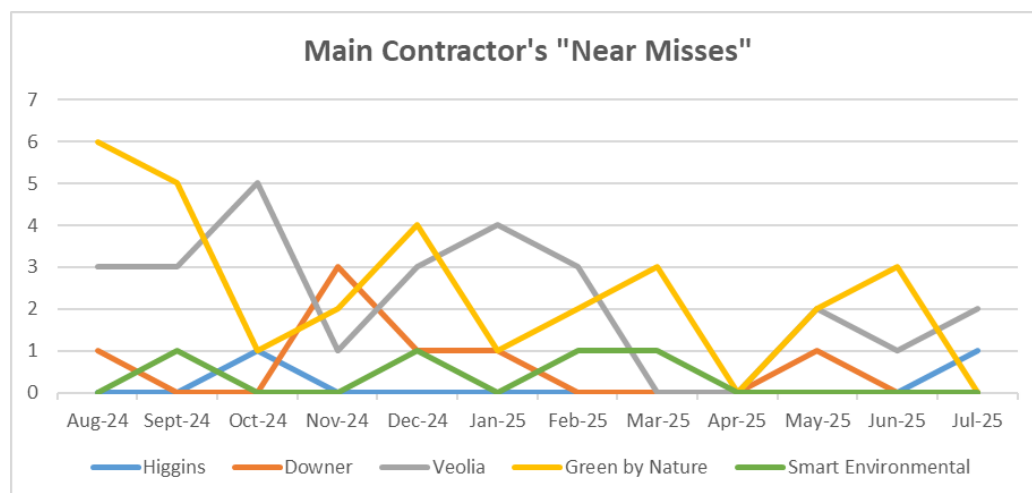


In line with Council's focus on Critical Risks the data will now be collected to show the audits on Critical Risks undertaken by contractors. We will progress to show a percentage of critical risk verification as we progress the critical risk programme.

Contractor Near Misses

These are “lead indicators” as these are representative of where an unplanned event has occurred without consequence (e.g., injury/illness, or damage). However, there was the potential for injury/illness or damage to occur.

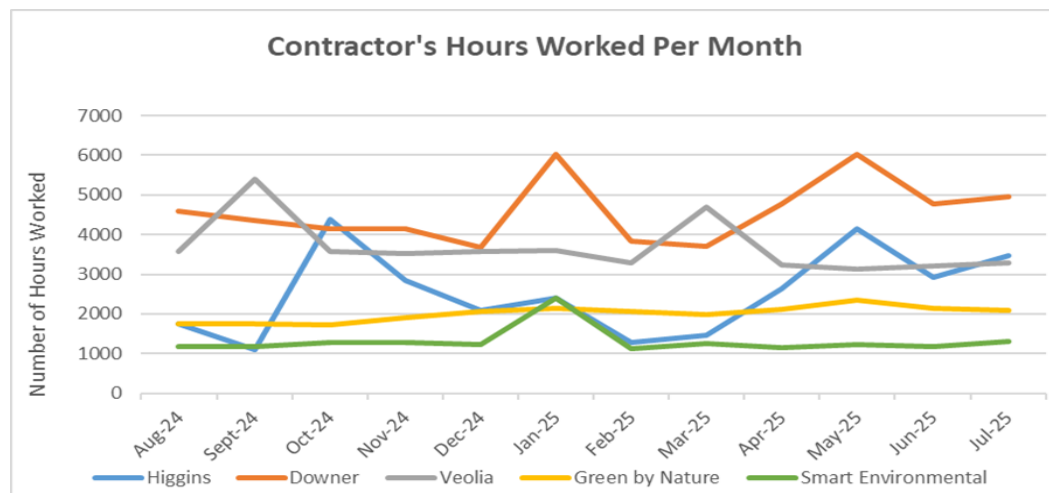
Reporting of near misses provides an insight about working conditions, highlighting any areas that may need attention before they've had a chance to become a serious problem.



Lag Indicators

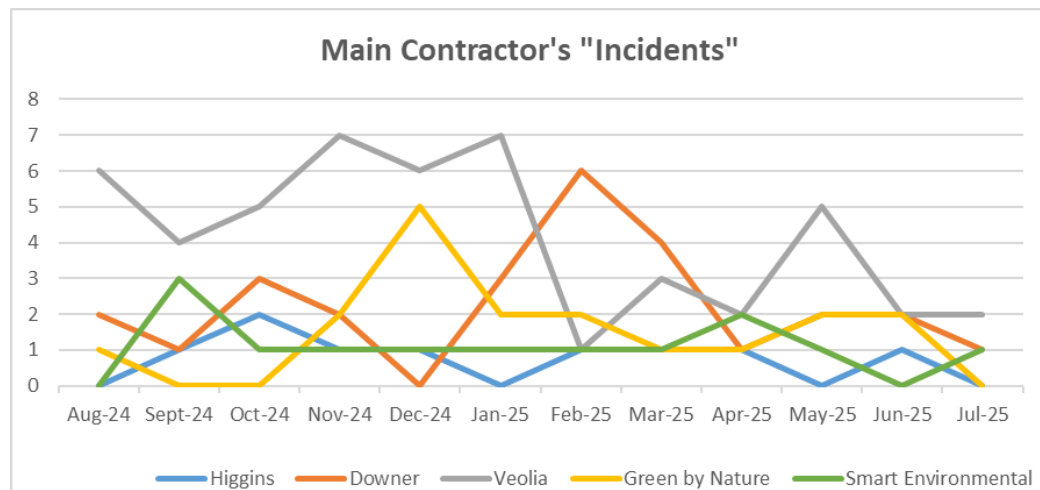
Contractor Man Hours Worked

The below graph is a report on man hours worked by the main contractors which gives visibility to the contractor size and scale as a comparison.



Contractor Incidents

These are "lag indicators". Any unplanned event where there has been some consequence such as injury/illness or damage



6.5 ELECTED MEMBERS EXPENSES FOR 1 FEBRUARY - 30 JUNE 2025**File Number:** COU1-1410**Author:** Brent Chamberlain, Chief Financial Officer**Authoriser:** Doug Tate, Chief Executive**Attachments:** Nil**PURPOSE**

To provide an update on Elected Members' Expenses for the period from 1 February to 30 June 2025.

RECOMMENDATION

That the Risk & Assurance Committee receives the Elected Members Expenses for 1 February to 30 June 2025.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as being of some importance due to the sensitive expenditure contained in the report. No further engagement is required.

DISCUSSION

The [Elected Member Remuneration and Expenses Policy](#) forms the basis of how expenses are assessed.

The table below shows the elected members' expenses for the last five months of financial year. The expenses included in the totals are:

- mileage reimbursement
- car expenses
- data charges
- phone costs
- travel
- meeting, and
- professional development expenses including accommodation and any meals.

The main costs in this period were attendance at the LGNZ Super Local Conference, and Rural and Provincial meeting.

The below table is the Elected Member Expenses for the period 1 February 2025 to 30 June 2025:

	Mileage, Travel, & Accommodation Expenses	Conferences, Meetings and Training	Phone/Data	Period to Date Total
Mayor Alex Walker	2,663	2,549	158	5,369
Cr Tim Aitken	175	-	-	175
Cr Pip Burne	41	143	-	185
Cr Kelly Annand	30	1,851	-	1,881
Cr Kate Taylor	1,870	1,800	-	3,670
Cr Jerry Greer	-	-	-	-
Cr Gerard Minehan	-	-	-	-
Cr Exham Wichman	-	-	-	-
Cr Brent Muggeridge	-	1,801	-	1,801
Period Total	4,779	8,144	158	13,081
Annual Total	18,657	12,626	530	32,113
Annual Budget	27,500	33,000	2,000	62,500
Budget Remaining	8,543	20,374	1,470	30,387

During this period, as per Schedule 7 of the Local Government Act 2002 and the Local Government Members (2024-2025) (Local Authorities) Determination 2023, a vehicle has been provided to the Mayor for restricted private use.

As per the Determination, Restricted Private Use means—

- the vehicle is usually driven home and securely parked by the mayor or regional chairperson; and
- the vehicle is otherwise generally available for use by other local authority members or staff on local authority business; and
- the vehicle is used solely for local authority business; and
- all travel in the vehicle is recorded via GPS tracker.

Any claims received are reviewed by the Governance team, before being provided to the Chief Executive and Mayor for review. In the case of the Mayor, these are reviewed by the Governance team and Chief Executive Officer, before being presented to the Chair of the Risk and Assurance Committee for approval.

Such expenditure is usually carefully reviewed by Audit at year end. Overall, this organisation has taken a very conservative approach to expenses claimed, in relation to other councils across New Zealand.

FINANCIAL AND RESOURCING IMPLICATIONS

There are no financial or resourcing implications included in this report. These costs are covered within existing budgets.

6.6 ENDORSEMENT OF HEALTH & SAFETY GOVERNANCE CHARTER

Author: Michelle Annand, Health and Safety Advisor

Authoriser: Doug Tate, Chief Executive

Attachments: 1. Health, Safety and Wellbeing Governance Charter - Draft [↓](#) 
2. Health, Safety and Wellbeing Governance Charter - Current [↓](#) 

PURPOSE

To endorse the Health, Safety and Wellbeing Governance Charter for Council approval.

RECOMMENDATION(S)

That the Committee endorses and recommends to Council the Health, Safety and Wellbeing Governance Charter for approval.

BACKGROUND

The Health, Safety & Wellbeing Governance Charter (the Charter) sets out the Council's commitment to the health, safety and wellbeing of its community.

Council adopted the Charter in 2020. It was again reviewed in 2021.

The purpose of the Charter is to define the activities, processes, and supporting structures it needs to meet its governance duties in relation to the Health and Safety at Work Act 2015.

In March 2025, the Charter was presented back to the Committee for consideration. At that point the Charter was left on the table with the Chief Executive and Committee Chair undertaking to complete further work.

Since then, Health and Safety Leadership training has been undertaken with Elected Members and also specific leadership training with Councils Executive Leadership Team. The maturity and understanding levels of assurance, management of critical risks and other key matters relating to health, safety and wellbeing in the organisation has since increases.

At June's meeting, a workshop session on health, safety and wellbeing with the Risk and Assurance Committee and the Executive Leadership team was also held. This specifically sought to understand opportunities in relation to health and safety to be clearer on:

- Roles and responsibilities between the parties
- What reporting requirements looked like
- What the Committees specific role was in relation to assurance of Health, Safety and Wellbeing versus Council
- How does the Committee satisfy its obligations relating to Health, Safety and Wellbeing

The next section of the report highlights the key changes and the success of the current charter.

DISCUSSION

Measuring success of the current Health, Safety and Wellbeing Governance Charter

The current Charter is a very functional document that succinctly sets out the Governance roles and assurance responsibilities.

It is not necessarily specific to Central Hawke's Bay and could be a charter for any organisation similar to Council. Overall, it reflects Councils Health and Safety maturity of the time.

It is difficult to assess the overall efficacy of the Charter.

Subjectively, the Charter has not been a document that is actively used or referred to, but is recognised as part of the overall Health, Safety and Wellbeing system. Largely this could be due to the very functional nature of the current document.

It is also difficult to assess how much the Charter has driven the improvement or understanding of the role, responsibilities and the overall effectiveness of the health, safety and wellbeing system. Substantially, improvement has instead been led by a Governance and Organisational leadership culture that seeks to improve health, safety and wellbeing.

The Governance due diligence assurance reporting framework (page 5 of the Charter) also reflects the functional nature of the current Charter. The framework is very generic and not specific to Central Hawke's Bay. It also reflects a more prescriptive style of health, safety and wellbeing, as opposed to the more dynamic and responsive approach to health, safety and wellbeing and view of critical risks now adopted.

Revised Governance Charter

Overall, the reviewed Charter is a significant step change in the leadership of health, safety and wellbeing, reflecting the growth in the maturity and understanding of the roles and leadership culture of health, safety and wellbeing at Council.

The revised Charter now replaces two separate documents being the Charter, and the Health, Safety and Wellbeing Policy Statement. It creates a succinct and clear description on how we lead Health, Safety and Wellbeing and what can be expected.

It draws and is adapted from the best practice guidance from the Institute of Directors which is referenced in the revised charter.

The revised Charter is now Central Hawke's Bay specific and builds on guidance and best practice to create a Charter fit for the organisation.

While more detailed, it describes the vision, principles and system of health, safety and wellbeing, more accurately describes what success is and clearly describes the collective and grouped functions across the organisation in the system of health, safety and wellbeing.

A vision in the Charter that describes our health

We envision a future where our health, safety, and wellbeing culture is deeply embedded in the fabric of the Council's business, with active participation at all levels. Our commitment to this vision is reflected in our dedication to go beyond minimum standards and expectations.

To achieve this vision, we will collaboratively lead out on the following core principles;

1. **Active Leaders:** We are committed to setting and maintaining a right-sized health, safety and wellbeing culture that prioritises our people. We'll do this by focussing on critical risks, ongoing leadership development and setting a positive joint leadership culture.
2. **Transparency and Trust:** We will foster a trust-based relationship between governance, management, workers and stakeholders, promoting transparency and open communication channels, promptly addressing issues and empowering everyone to contribute to a safer and healthier workplace.
3. **Constant vigilance:** We cultivate a mindset of "constant vigilance," constantly considering how incidents could occur to counter complacency.

4. Continuous Improvement: We strive for continuous improvement by keeping informed and actively managing our most critical risks, regularly reviewing and updating things to reflect best practice and new trends in health, safety, and wellbeing.

The reviewed Charter is **attached**.

STRATEGIC ALIGNMENT

Aligns with Project Thrive and our strategic goal that people are our biggest asset.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of low significance.

OPTIONS/ ANALYSIS

There are two potential options available to the Committee outlined in the table below:

	<u>Option 1</u> Endorse the revised Health, Safety and Wellbeing Governance Charter for Council's Approval	<u>Option 2</u> Do not endorse the current revised Governance Charter and recommend changes for Council's Approval
Financial and Operational Implications	There are no financial implications. Operationally the revised Framework will be easier to implement and understand.	There are no financial implications. Should the changes not be adopted, these will be brought back to the Committee later in the new triennium.
Long Term Plan and Annual Plan Implications	No implications for the Three-Year Plan or Annual Plan.	No implications for the Three-Year Plan or Annual Plan. These are existing obligations and largely captures existing custom and practice.
Promotion or Achievement of Community Outcomes	There are no direct implications to achieving the community outcomes contained within the strategic direction of 'Together we Thrive'.	There are no direct implications to achieving the community outcomes contained within the strategic direction of 'Together we Thrive'.
Statutory Requirements	Meets its governance duties in relation to the Health and Safety at Work Act 2015 and is in-line with governments proposed changes to legislation that prioritises critical risks	Meets its governance duties in relation to the Health and Safety at Work Act 2015.
Consistency with Policies and Plans	The proposed changes do not substantively impact the intent or direction of the Charter but would provide consistency and alignment to other policies and plans by using similar language. The update to the review period will align with other policies and the elected member triennium.	If changes are not adopted, they will be brought back before Committee later in 2025 through a workshop process

FINANCIAL AND OPERATIONAL IMPLICATIONS

There are no new implications from this decision.

RISK ASSESSMENT AND MITIGATION

There are no obvious risks from this decision, with the revised Charter supporting the management of the most critical health, safety and wellbeing risks of the organisation, and overall supporting a lower risk profile of the Council.

RECOMMENDED OPTION

This report recommends **Option 1, Endorse the Health, Safety and Wellbeing Governance Charter** for Council's Approval for addressing the matter.

DELEGATIONS OR AUTHORITY

The endorsement of the Committee is sought to be approved by Council. This is a deliberate change, to see the ultimate responsibility and leadership for Health, Safety and Wellbeing being brought back to Council.

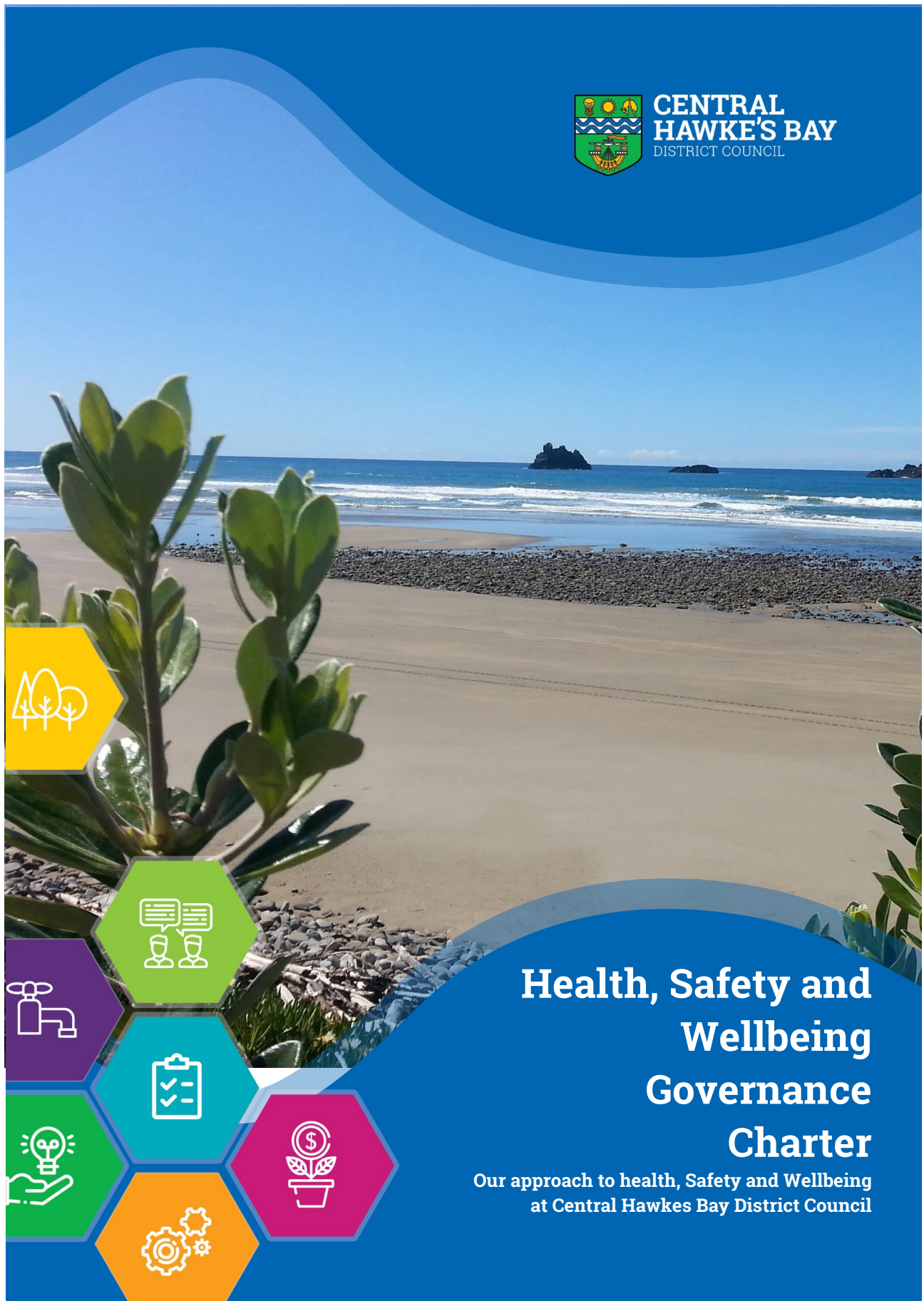
CONSULTATION

The Charter has been reviewed by the Executive Leadership Team, members of the Health, Safety and Wellbeing Committee, and input provided by the Committee as part of a previous workshop.

NEXT STEPS

Implementation of the revised Charter is critical to ensure the cultural understanding of the direction and leadership position is reinforced.

The Chief Executive will be taking a direct leadership role in supporting the roll out of the Charter across leaders and teams, to ensure the roles, expectations and the overall responsibility for Health, Safety and Wellbeing is understood and well implemented across the organisation.



Health, Safety and Wellbeing Governance Charter

Our approach to health, safety and wellbeing at Central Hawke's Bay District Council.

Our Vision:

We envision a future where our health, safety, and wellbeing culture is deeply embedded in the fabric of the Council's business, with active participation at all levels. Our commitment to this vision is reflected in our dedication to go beyond minimum standards and expectations.

Core Principles:

To achieve this vision, we will collaboratively lead out on the following core principles:

1. **Active Leaders:** We are committed to setting and maintaining a right-sized health, safety and wellbeing culture that prioritises our people. We'll do this by focussing on critical risks, ongoing leadership development and setting a positive joint leadership culture.
2. **Transparency and Trust:** We will foster a trust-based relationship between governance, management, workers and stakeholders, promoting transparency and open communication channels, promptly addressing issues and empowering everyone to contribute to a safer and healthier workplace.
3. **Constant vigilance:** We cultivate a mindset of "constant vigilance," constantly considering how incidents could occur to counter complacency.
4. **Continuous Improvement:** We strive for continuous improvement by keeping informed and actively managing our most critical risks, regularly reviewing and updating things to reflect best practice and new trends in health, safety, and wellbeing.

Roles and Responsibilities:

This Charter sets out the roles and responsibilities for how health, safety and wellbeing is led, managed and implemented and there is assurance that the vision for health, safety and wellbeing is being achieved.

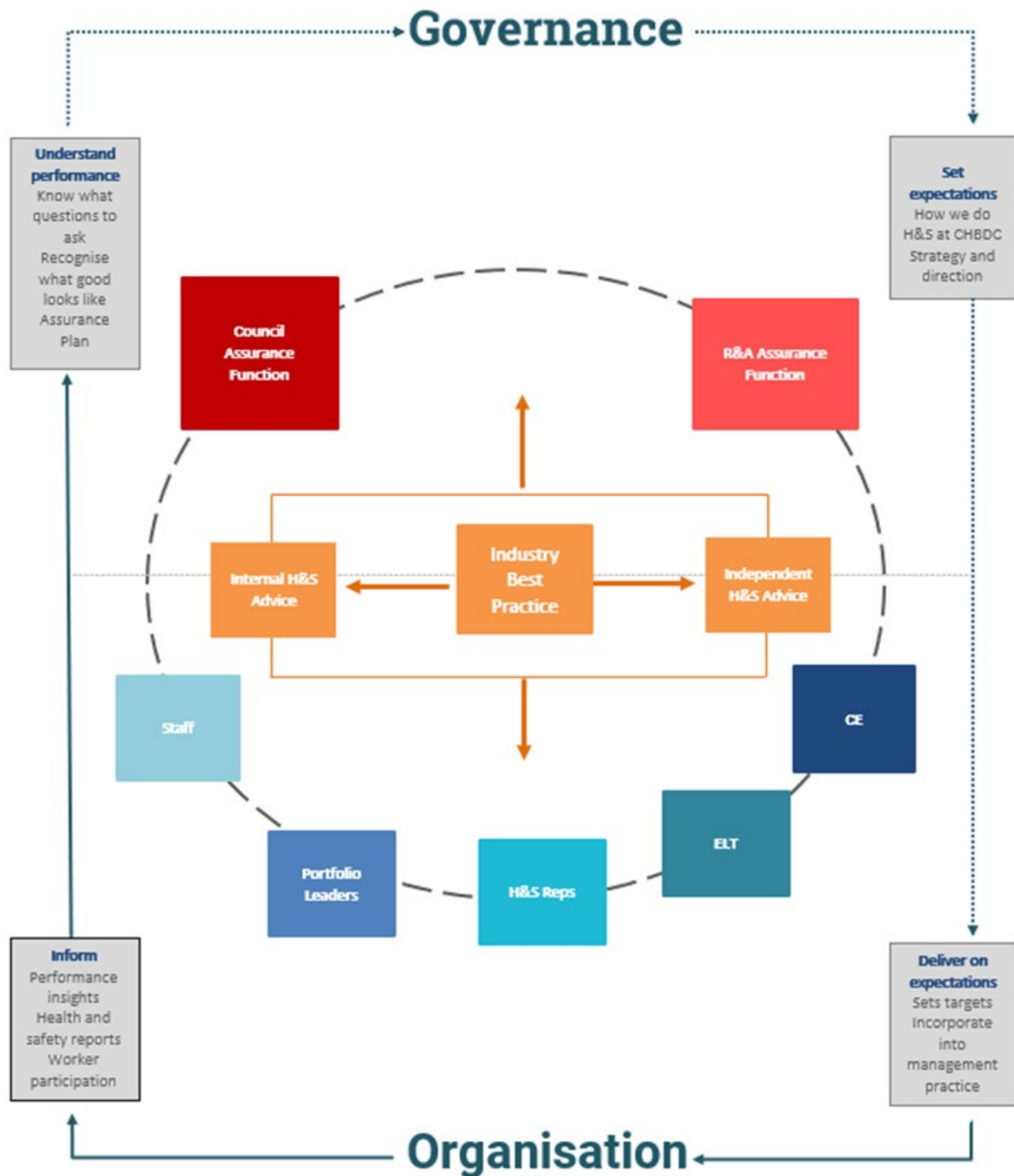
- **Governance:** Leading a governance culture that recognises the importance of positive health, safety and wellbeing to organisational performance. Seeking assurance that the organisation is appropriately and effectively leading and managing its health, safety and wellbeing obligations.
- **Executive Leadership and Management:** Ensure that health, safety, and wellbeing are integral parts of the Council's business operations. Promote a culture of transparency and trust. Focus is prioritised on what matters – our critical risks.
- **Workers:** Actively participate in health, safety, and wellbeing initiatives. Stay informed and vigilant to manage potential risks and contribute to organisational health, safety and wellbeing leadership.
- **Stakeholders:** Collaborate with Council to support and enhance health, safety, and wellbeing efforts.

Kia Haumaru te ora – *together we live safely*

How we will measure progress

We will measure our overall health, safety and wellbeing maturity and progress by the following

What	How	Measure
Health and Safety Culture	Surveys assessing overall view of and confidence in health and safety culture.	Survey results remain static or improved.
Annual Review and continuous monitoring	Policies and procedures are reviewed within review period or sooner if required	Policies are reviewed within period.
External and internal audits	Three yearly HSMS external review is undertaken by IMPAC	The review demonstrates continued health, safety and wellbeing system maturity. <i>Baseline: 2025 IMPAC Health & Safety Gap Analysis</i>
	Critical Risk standard reviews two yearly or as required by Critical Risk Owners	Reviews and completed on time.
	Critical Control verifications	Reviews and completed on time
Contractor Health, Safety and Wellbeing Reports	Monthly reports received by contractors using approved health, safety and wellbeing reporting template	The reporting of incidents in relation to critical risks remains static or declining.
Active participation by workers: Monthly Health, Safety and Wellbeing Form	Form is completed monthly by each group and received by health and safety team for review and follow-up with any actions. Trends shared across business	Reporting numbers remain static or increase.



Acknowledgment: Adapted from the Institute of Directors New Zealand: Health and Safety Governance – Quick Guide: Good Governance for Directors: Governance Ecosystem

How will we make this happen

The following tables set out what the roles and responsibilities are of each other to achieve positive health, safety and wellbeing outcomes at Central Hawke's Bay District Council.

Everyone's collective responsibilities

Health, safety and wellbeing is everyone's responsibility. These are the collective responsibilities we share together.

What	Responsibilities	How
Actively Contributing	Everyone is responsible for ensuring their actions or inactions do not cause harm to themselves or others	Talk about health, safety and wellbeing as a value. Make safety a priority and lead the way!
Vigilance and Proactivity	Everyone must be vigilant and proactive in maintaining safe and healthy work environments	Identify, understand and manage health and safety risks before they result in harm wherever possible
Reporting	Promptly reporting all H&S events and injuries as soon as practicable after the event	Promptly report all incidents and injuries as soon as practicable after the event Participate in the health safety and wellbeing management systems in operation within Council
Participation	- Actively participate in the HSWM management systems in operation within Council - Prioritising the implementation of the Critical Risk programme	Promptly report to relevant health and safety staff any identified risks to the health, safety and wellbeing of staff, visitors or others.
Rehabilitation	Actively participate in any rehabilitation for work-related injuries/illnesses	Actively participate in the rehabilitation for work related injuries/illnesses
Training and Education	Complete health and safety instructions, training, and education as deemed mandatory by the ELT.	Complete, as required, health and safety instructions, training, and education as deemed mandatory by the Executive Leadership Team.
Personal Wellbeing	Take care of personal wellbeing by taking breaks, managing stress and seeking support when needed	Taking care of personal wellbeing by taking breaks, managing stress and seeking support when needed.

Elected Council

What	Responsibilities	How
Governance Competency	Councillors have the necessary skills and knowledge to oversee health and safety effectively	Health and Safety (H&S) training will be provided through IMPAC for Elected Members
Risk Management Oversight	- Identifying, assessing, and managing health and safety risks that could impact on Council's ability to meet its legislative responsibilities. - Ensuring regular health and safety assessments are conducted using appropriate tools and methodologies to ensure a comprehensive evaluation	Assurance from the R&A Committee Self-Assurance
Oversee Risk Management	Ensure that HS&W risks are identified, assessed, and managed effectively. Setting expectations for risk management and ensuring that these expectations are being met by the organisation.	Updates from the R&A Committee Self Assurance
Health and Safety Reporting	Receive updates from the R&A Committee on key Health and Safety matters to ensure the Council is informed about Council's health, safety and wellbeing performance.	Updates and escalation reports from the R&A Committee Review of R&A Committee Agendas
Employee Engagement and Feedback	Ensure employee participation in health, safety and wellbeing initiatives and considers feedback from Council Officer's on health, safety and wellbeing matters, to create a culture of safety and encourages continuous improvement,	Updates from R&A Committee. Worker engagement
Compliance and Audit Results	- Receive updates on relevant health and safety regulations or matters that have been escalated from compliance or audit results - Identifying areas of improvement and ensure Council is meeting its legal obligations	Receiving reports from R&A. Staying updated on legislative change
Collaboration with the Executive Leadership Team	Working closely with the Executive Leadership Team to ensure effective implementation of risk management and compliance policies, helping to align health and safety initiatives with Council's overall strategy.	Gain assurance that H&S initiatives align with Council's overall strategy
Risk Reporting	Ensure regular reporting on health and safety risk management and compliance activities to the Council, providing valuable insights for decision-making, helping to ensure that the Council is well-informed and able to make decisions about health and safety.	Overview of health and safety matters from the Risk and Assurance Committee.

Risk and Assurance Committee

What	Responsibilities	How
Governance Competency	Competency is assessed and updated regularly to ensure the Risk and Assurance Committee has the necessary skills and knowledge to oversee health and safety effectively	Health and Safety (H&S) training will be provided through IMPAC for Elected Members
Risk Management Oversight	- Identifying, assessing, and managing health and safety risks that could impact on Council's ability to meet its legislative responsibilities. - Ensuring regular health and safety assessments are conducted using appropriate tools and methodologies to ensure a comprehensive evaluation	Assurance from HS&W reports to the committee
Oversee Risk Management	Ensure that HS&W risks are identified, assessed, and managed effectively. Setting expectations for risk management and ensuring that these expectations are being met by the organisation.	HS&W risk reports to the committee
Accurate Reporting from Health and Safety Advisor	Receive reports from the Health and Safety Advisor, including updates on incidents, risk assessments, training, compliance, and continuous improvement efforts to ensure that the Risk and Assurance Committee is well-informed about Council's health, safety and wellbeing performance.	Obtain updates on the progress and effectiveness of the critical risks and associated critical control
Employee Engagement and Feedback	Ensure employee participation in health, safety and wellbeing initiatives and considers feedback from Council Officer's on health, safety and wellbeing matters, to create a culture of safety and encourages continuous improvement,	Reports received by H&S Advisor – staff engagement and participation update
Training and Education	Gain assurance of that health and safety training sessions are being conducted, ensuring that employees are well-trained and knowledgeable about health, safety and wellbeing practices.	Reports received by H&S Advisor Worker updates and engagement.
Compliance and Audit Results	Review of results of internal and external health and safety audits to ensure compliance with relevant health and safety regulations. Identifying areas of improvement and ensure Council is meeting its legal obligations	Identify areas for improvements and ensuring compliance with relevant regulations
Collaboration with the Executive Leadership Team	Working closely with the Executive Leadership Team to ensure effective implementation of risk management and compliance policies, helping to align health and safety initiatives with Council's overall strategy.	Gain assurance that H&S initiatives align with Councils overall strategy
Internal Controls	Assessing effectiveness of Council's control system related to health, safety and wellbeing and make recommendations as needed to ensure that Council's health, safety and wellbeing safety practices are robust and effective	Critical Control verifications against Councils critical risk standards
Audit Oversight	Overseeing internal and external audits related to health, safety and wellbeing, review audit findings, and ensuring corrective actions are implemented to help maintain a high standard of health and safety across Council.	External reviews of Council's Health and Safety Management System (HSMS) are undertaken by IMPAC every three years.
Risk Reporting	Ensure regular reporting on health and safety risk management and compliance activities to the Council, providing valuable insights for decision-making, helping to ensure that the Council is well-informed and able to make decisions about health and safety.	Risk Register update

Chief Executive

What	Responsibilities	How
Setting the Tone at the Top	Demonstrate a strong commitment to health, safety and wellbeing by leading by example. Prioritising these values in all decision-making processes and communicating their importance throughout the Council.	Actively promote HS&W in all communications and decisions, ensuring that these values are consistently reinforced
Accurate Reporting	Receive detailed and accurate monthly reports from the Health and Safety Advisor, including updates on incidents, near misses, safety observations, new hazards, risk assessments, training, compliance and continuous improvements reflecting the implementation of Critical Risk programme.	Review and analyse monthly reports to monitor progress of Critical Risk Programme and identify areas for improvements
Collaboration with Executive Leadership Team (ELT)	Work closely with the ELT to ensure the effective implementation of health, safety and wellbeing policies. Provide guidance and support in addressing any health, safety or wellbeing issues.	Collaboration with ELT to discuss HS&W matters and provide necessary support & guidance.
Engagement from Workers	Encourage active participation from all workers in health, safety and wellbeing initiatives, fostering a culture of reporting hazards, incidents and near misses.	Promote a culture of open communication and active participation in HS&W initiatives
Feedback from Risk and Assurance (R&A) Committee	Receive feedback and recommendations from the Risk and Assurance Committee and collaborate with the committee to address any identified risks and compliance issues.	Act on feedback and recommendations from the R&A Committee to address risks and compliance issues
Establishing a Health, Safety and Wellbeing (HS&W) Culture	Fostering a culture that prioritises health, safety and wellbeing at all levels across the Council. Encouraging open and transparent communication and active participation in health, safety and wellbeing initiatives.	Promote open communication and active participation in HS&W initiatives
Ensuring Compliance and Governance	Ensuring that the Council is complying with all relevant health and safety regulations and standards. Overseeing the implementation of governance frameworks and policies.	Monitor compliance with regulations and overs the implementation of governance frameworks and policies
Monitoring and Reviewing Performance	Regularly reviewing the health, safety and wellbeing performance through reports and audits. Identifying areas for improvement and taking corrective actions as needed.	Review H&S performance reports and audits, ensuring corrective actions are implemented where necessary
Engaging with Stakeholders	Engaging with internal and external stakeholders to promote health, safety and wellbeing. Collaborating with stakeholders to address any health and safety concerns where needed.	Engage with stakeholders and collaborate to address any H&S concerns as applicable
Providing Resources and Support	Ensuring that adequate resources are allocated for health, safety and wellbeing activities. Supporting the Health and Safety Advisor and other relevant personnel in their roles to uphold good health, safety and wellbeing practices across the Council.	Ensure resources are allocated and support H&S Advisor and others as required
Governance Assurance	Review health and safety policies, monitor the effectiveness of governance practices, ensuring that Council activities align with health and safety objectives to create a culture of safety and continuous improvement	Review policies and governance practices to ensure alignment with HS&W objectives

Executive Leadership Team

What	Responsibilities	How
Set Vision and Strategy	Establish an overall organisational vision and strategic direction for health, safety and wellbeing to ensure these values are integrated into our strategic goals.	Develop and communicate a clear vision and strategy for health, safety, and wellbeing, ensuring alignment with Council's overall goals
Accurate Reporting	Receive detailed and accurate monthly reports from the H&S Advisor, ensuring that Council's critical risks understood, controlled to tolerable levels and the associated controls are understood and implemented by everyone and in line with industry good practice?	Review and analyse monthly HS&W reports to verify the effectiveness of critical risk controls
Collaboration with Portfolio Managers	Work closely with Portfolio Managers to ensure the effective implementation of health and safety policies. Provide guidance and support in addressing health, safety and wellbeing issues.	Provide guidance and support to Portfolio Leaders in addressing HS&W issues
Engagement from workers	Encourage active participation from all workers in health, safety and wellbeing initiatives. Foster a culture of reporting hazards and incidents.	Foster a culture of reporting hazards, incidents, near miss and safety observations and promote active participation in HS&W programmes. Active participation at monthly HS&WC meetings
Feedback from Risk and Assurance Committee	Receive feedback and recommendations from R&A Committee and collaborate with the committee to address any identified risks and compliance issues.	Collaborate with committee to address identified risks and compliance issues
Providing Leadership and Commitment	Demonstrate a strong commitment to health, safety and wellbeing through actions and decisions, leading by example and promoting a positive health, safety and wellbeing culture.	Lead by example and promote a positive HS&W culture
Establishing a Health, Safety and Wellbeing Culture	Foster a culture that prioritises health, safety and wellbeing at all levels across Council. Encouraging open communication and active participation in health, safety and wellbeing initiatives.	Encourage open communication and active participation in HS&W initiatives
Ensuring Compliance and Governance	Ensure Council is complying with all relevant health and safety regulations and standards. Oversee the implementation of governance frameworks and policies.	Oversee implementation of governance frameworks and policies
Monitoring and Reviewing Performance	Regularly review health, safety and wellbeing performance through reports and audits and identify areas for improvement and take corrective actions if needed.	Identify areas for improvements and take corrective actions where needed
Supporting Health and Safety Initiatives	Provide support for health, safety and wellbeing initiatives and programmes. Ensuring necessary resources are allocated to ensure the success of these initiatives.	Ensure necessary resources are allocated to ensure the success of these initiatives
Engaging with Stakeholders	Engaging with internal and external stakeholders to promote HS&W. Collaborating with stakeholders where necessary to address health and safety concerns.	Collaborate with stakeholders to address health and safety concerns as applicable
Providing Resources and Support	Ensure that adequate resources are allocated for health, safety and wellbeing activities. Support the Health and Safety Advisor and other relevant personnel in their roles.	Support the H&S Advisor and other relevant people in their roles

Health and Safety Representatives/Health and Safety Committee

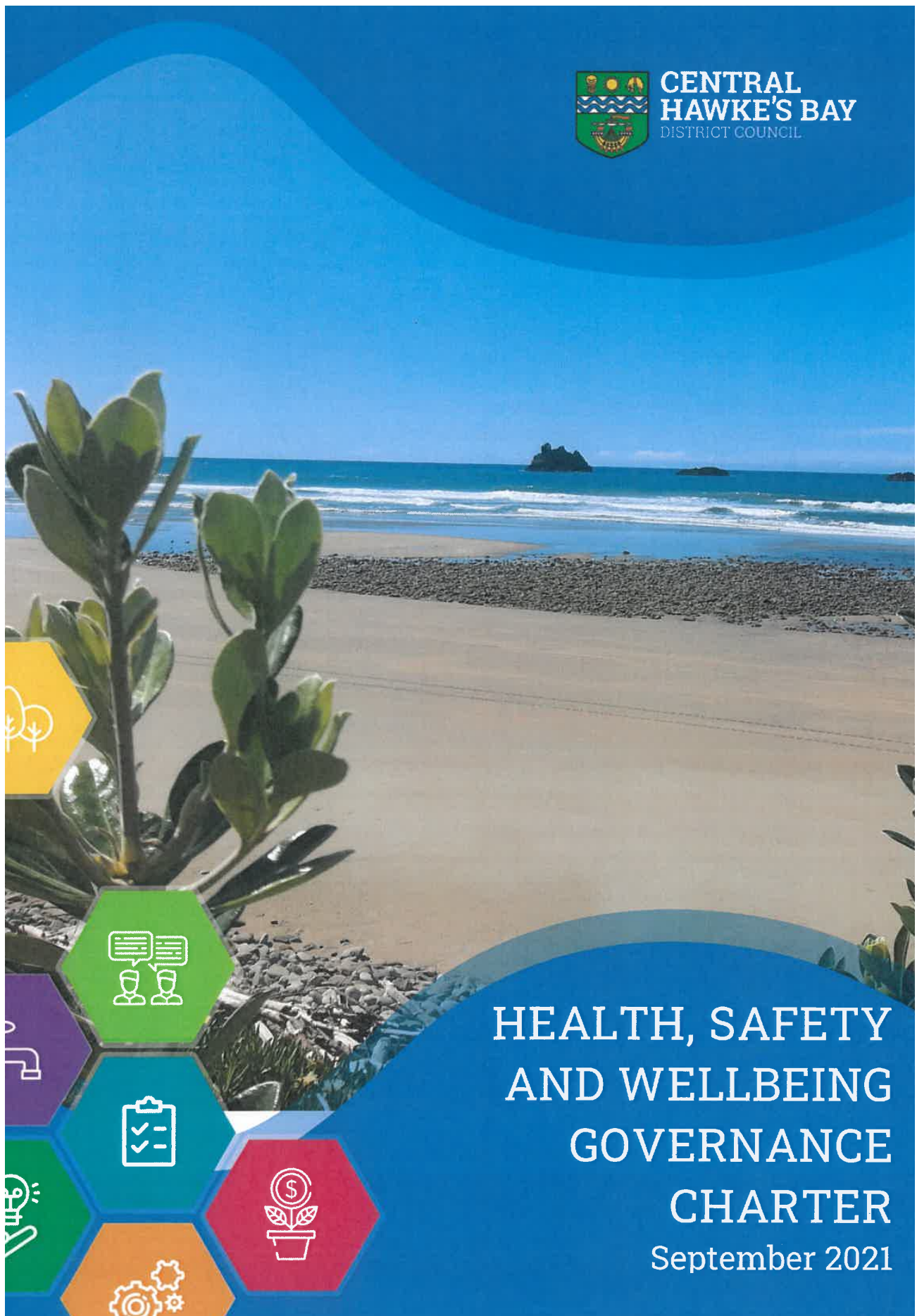
What	Responsibilities	How
Participation and Engagement	Attending monthly Health, Safety and Wellbeing Committee meetings representing the workers	Time is allocated by Managers for Health and Safety Reps to attend monthly meeting.
Worker Representation	Represent workers in health, safety and wellbeing matters ensuring their concerns are communicated to management	Actively engage with workers to gather their concerns and communicate to managers
Safety Inspections	Regularly inspect the workplace to identify potential hazards and ensure compliance with safety standards	Conduct regular safety inspections and use checklists to ensure all areas are covered
Incident investigations	Assist in the investigation of workplace incidents to determine root causes and implement preventative measures	Participate in incident investigations where applicable, gather information, and collaborate with the Health and Safety Advisor to develop corrective actions
Safety Training and Awareness	Assist with the facilitation training sessions to educate employees about safe work practices and promote safety awareness	Help organise and conduct training sessions
Feedback on Health and Safety Policies	Provide feedback on health and safety policies and suggesting improvements to enhance workplace safety	Review existing policies, gather input from workers, and propose changes to H&S Advisor
Reporting	Proactively reporting and incidents, near-misses or safety observations	Use Risk Manager to report any events and help train workers to use this system
Staying Updated	Stay informed about the latest health, safety and wellbeing regulations and best practices	Attend training sessions, read relevant publications, and participate in professional development opportunities
Promoting Safety Culture	Actively promote a culture of safety	Lead by example, encourage safe practices, and recognise and reward safe behaviour.
Health, Safety and Wellbeing Meetings	Participate in health, safety and wellbeing meetings and contribute to discussions on health, safety and wellbeing matters	Prepare for meetings by reviewing relevant materials, actively participate in discussion, and follow up on action items
Consultation	Consult with workers and managers to address health, safety and wellbeing concerns and ensure compliance with regulations	Hold regular consultations with workers, gather their input, and communicate with managers to address concerns
Emergency Response	Assist in the development and implementation of emergency response plans	Collaborate with the H&S Advisor to develop emergency response plans, conduct drills, and ensure employees are trained
Resource Management	Support the Health and Safety Advisor to Ensure that adequate resources are allocated for health and safety activities	Identify resource needs, communicate these to managers/H&S Advisor and assist in securing necessary resources

Health and Safety Advisor

What	Responsibilities	How
Provide Advice and Guidance	Provide advice and guidance on all aspects of health, safety and wellbeing to CE, ELT, managers, staff and Councilors/committees as appropriate	Regularly communicate with stakeholders and stay updated on health & safety trends
Legislation and Best Practice Monitoring	Monitor and research new health and safety legislation and best practices, giving guidance on Council's implementation and compliance	Continuously review and analyse new regulations and provide updates and recommendations
Policy Review and Update	Regularly review and update corporate health and safety and safety policies and arrangements	Conduct periodic reviews and collaborate with stakeholders to implement updates
Risk Assessment and Safe Methods	Advise on the implementation of risk assessments and safe methods of operation, supporting staff to conduct risk assessments	Provide training and support to staff and review risk assessments
Safety Monitoring	Monitor the safety of council operations and premises by coordinating regular checks and audits of the buildings and work practices, preparing reports, and making recommendations for improvements as necessary	Coordinate and conduct regular safety inspections and audits, and prepare reports
Incident Investigation	Assist in the investigation of cases of alleged personal injury/health and safety breaches and provide reports as appropriate	Lead and/or assist in investigations, prepare reports, and recommend corrective actions
Training Programme	- Advise on the council's health and safety training programme, including researching appropriate training solutions and recommending training programmes to meet the needs of Council. - Ensuring that Health and Safety Reps meet legislative training requirements	Recommend training solutions, develop and implement training programmes that are right sized and in line with the critical risk programme. Monitor HSR's training
Accident Management	Maintain and monitor the operational hazard/risk register and health and safety management system (Risk Manager), recording and reporting all incidents, monitoring, investigating, and ensuring that appropriate remedial action is taken.	Record and report incidents, monitor corrective actions, and review the hazard/risk register
Health, Safety and Wellbeing Committee Coordination	Coordinate and attend committee meetings and ensure legislative requirements	Organise meetings, prepare agendas and minutes, and provide advice
Ensure Worker Concerns are Reported to Appropriate Leaders	Ensure that worker health, safety and wellbeing concerns are reported through to appropriate leaders	Communicate with workers, report concerns to managers, and follow up on resolutions

Portfolio Leaders

What	Responsibilities	How
Implementation of health, safety and well-being policies	- Ensure that health, safety, and wellbeing policies are effectively implemented within their respective portfolios. - Communicate policies clearly to all team members.	Communicate policies clearly to all team members and receive clear directives and support from ELT and the H&S Advisor to implement health and safety policies and standards effectively
Conducting Risk Assessments	- Regularly conduct risk assessments to identify potential hazards. - Implement appropriate risk mitigation measures.	Receive regular updates from H&S Advisor and assistance in conducting risk assessments and implementing mitigation measures
Providing Health and Safety Training	- Ensure that all team members receive necessary health and safety training. - Keep records of training sessions and attendance	Identify training requirements for team and collaborate with H&S Advisor
Monitoring and Supervision	- Continuously monitor the work environment to ensure compliance with health and safety standards. - Supervise team members to ensure safe work practices are followed.	Supervise team members to ensure safe work practices are followed & understand how work is being done.
Report and investigate	- Promptly report any incidents or near-misses. - Conduct thorough investigations to determine the root cause of incidents. - Implement corrective actions to prevent recurrence.	Promptly conduct thorough investigations to determine the root cause of incidents and implement corrective actions to prevent recurrence
Communication and Consultation	- Maintain open lines of communication with team members regarding health and safety matters. - Consult with the Health and Safety Advisor and other relevant parties as needed	Consult with H&S Advisor and other relevant parties as needed, & encourage active participation from the team in HS&W initiatives
Ensuring Compliance:	- Ensure that all activities within their portfolio comply with relevant health and safety regulations and standards. - Address any non-compliance issues promptly.	Ensure that relevant audits and inspections are undertaken on time Receive support from ELT in addressing any challenges or barriers to compliance
Allocating Resources	- Ensure that adequate resources are allocated for health, safety and wellbeing initiatives. - Advocate for additional resources if necessary.	Advocate for additional resources necessary
Continuous Improvement	- Continuously seek ways to improve health and safety practices within your portfolio. - Encourage team members to contribute ideas for improvement.	Engage team members to contribute ideas for improvement



INTENT AND PURPOSE

Central Hawke's Bay District Council (Council) is committed to the health, safety, and wellbeing of our community. This commitment extends to those who work for us and with us in the delivery of services and those who receive services from us.

The purpose of this charter is to define the activities, processes, and supporting structures the Risk and Assurance Committee will adopt to meet its governance duties in relation to the Health and Safety at Work Act 2015.

OVERVIEW OF GOVERNANCE DUTIES

It is recognised that individual elected members and the Chief Executive (CE) are Officers of the Person Conducting a Business or Undertaking (PCBU) under Health and Safety at Work Act 2015 and have a duty to exercise due diligence to make sure that (Council complies with health and safety law.

This due diligence duty requires Officers, so far as is reasonably practicable, to:

- a) Acquire, and keep up-to-date, knowledge of work health and safety matters.
- b) gain an understanding of the nature of the operations of the business or undertaking of the PCBU and generally of the hazards and risks associated with those operations
- c) ensure that the PCBU has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and safety from work carried out as part of the conduct of the business or undertaking
- d) ensure that the PCBU has appropriate processes for receiving and considering information regarding incidents, hazards, and risks and for responding in a timely way to that information
- e) ensure that the PCBU has, and implements, processes for complying with any duty or obligation of the PCBU under the HSW Act
- f) verify the provision and use of the resources and processes referred to in points (c) to (e) above.

POLICY AND STRATEGY

It is Council's role to provide leadership and policy that sets the direction for effective health, safety and wellbeing risk management at Council. Council creates expectations and exercises due diligence in holding the Executive Leadership Team strictly and continuously accountable via the following mechanisms:

- Approve and publish a health, safety and wellbeing policy statement. It will be signed by a worker representative, the Risk and Assurance Committee Chair and CE, and will be reviewed on a 2-yearly basis.
- Ensure that health, safety and wellbeing elements, including targets and objectives, are incorporated into annual business planning processes and that they are regularly monitored and reviewed, as for any other element of business plans.
- Ensure that the appropriate resources (human, technical and financial) are provided to ensure the effective management of health, safety and wellbeing and that other Council strategies or objectives do not negatively conflict with health, safety and wellbeing strategies and objectives.
- Hold the CE accountable for the deployment of the health, safety and wellbeing policy and strategy, via a health and safety management system and annual plan.
- Demonstrate leadership and keep up to date with the critical health, safety and wellbeing risks and control processes of the business through the tripartite means of external assurance, internal assurance, and self-assurance.

DELIVERY

Structure to Manage Health and Safety

Health, safety and wellbeing is governed in practice by the Risk and Assurance Committee. The Council may invite members of the Executive Leadership Team or other persons, to attend meetings to make presentations, participate in discussions, or provide information and assistance as required.

Meetings

Health, safety and wellbeing will be a formal agenda item at all Risk and Assurance Committee meetings. Every twelve months a greater proportion of the Risk and Assurance Committee meeting will be devoted to health and safety to allow for the review of policy and strategy, as well as a more rigorous assessment of health and safety performance.

Records

Health and safety information will be prepared for each Risk and Assurance Committee meeting and distributed in advance via the meeting agenda. Discussion on health, safety and wellbeing will be recorded as with any other part of the meeting and copies of minutes will be circulated to all elected members after each meeting.

The Health, Safety and Wellbeing Management System

The Council shall ensure that a fit for purpose health, safety and wellbeing management system is in place that reflects the key requirements of the ISO 45001 standard and is being audited and reviewed effectively by management.

Resourcing

Council allocates resources to achieve the Health, Safety and Wellbeing Action Plan. Additional resources required to achieve successful work and service delivery outcomes are factored in.

ASSURANCE ACTIVITY AND REPORTING

The Risk and Assurance Committee will gain assurance through a governance due diligence assurance reporting framework that is designed to focus on gaining self-assurance, internal assurance, and external assurance on the three key areas of governance: risks, relationships, and resourcing.

The framework drives assurance activity and reporting. Table 1 provides detail on the framework.

REVIEW PROCESS

Council will review and update the following on a 2 yearly basis:

1. The Health, Safety and Wellbeing Governance Charter
2. The Health, Safety and Wellbeing Policy Statement
3. The Health, Safety and Wellbeing Action Plan and resource allocation

IMPROVEMENT ACTION MANAGEMENT

The Council will identify any corrective actions required to be implemented as a result of its deliberations, and ensure they are recorded via the formal minutes and managed to completion.

APPROVAL

This health, safety and wellbeing charter is approved by the Chief Executive and the Risk & Assurance Committee of the Central Hawke's Bay District.

Signature	Signature	Signature
		
Monique Davidson	Neil Bain	Bevan Johnstone
CHIEF EXECUTIVE	CHAIR – RISK & ASSURANCE COMMITTEE	COUNCIL REPRESENTATIVE - HEALTH & SAFETY ADVISOR
Date: 11 November 2021	Date: 11 November 2021	Date: 11 November 2021

This charter is reviewed on a 2 yearly basis. Date of next review: November 2024

Table 1: The governance due diligence assurance reporting framework

	Risks	Relationships	Resourcing
Self-assurance	High-level findings of critical risk reviews done by council members Qualitative feedback from ELT engagements relating to critical risks	Qualitative feedback from ELT engagements and other sources relating to multiple PCBU overlaps Feedback from attendance at sector-wide forums and contractor events	Governance competency assessment and CPD update Feedback from conversations with key staff about capacity to deliver the plan
Internal assurance	High level results of critical risk assessments (done for new risks) and risk reviews (checks of existing risks) High level results of internal audits to standards Success stories update Summary of notifiable events and events involving potential critical risk learning opportunities (significant near miss)	Quantitative and qualitative information from PCBU engagement (number of events against planned, plus key outcomes) Quantitative and qualitative information from internal committee meetings (number of events against planned, plus key outcomes) Summary of H&S recognition and awards Summary of wellbeing initiative outcomes	Progress against the annual health, safety and wellbeing plan (key improvement initiatives) Summary of potential threats to capacity to complete planned critical risk activity Progress against CPD plan, training attendance % HSW committee action summary update Critical risk control checks % to standard
External assurance	High level results of external audits to critical risk control standards Lost Time Injury Frequency Rate (LTIFR) benchmarking Results of external reviews of critical risk assessments and incident investigations	Stakeholder engagement update (comments, compliments, complaints) Media relations update Contractor prequalification / renewal results	External audit score for management system Critical risk control checks % to standard (external specialists) Compliance checks results 2 yearly governance review

6.7 TREASURY MANAGEMENT MONITORING REPORT

File Number: COU1-1408

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

RECOMMENDATION

That the Risk and Assurance Committee receives the Treasury Management Monitoring Report.

PURPOSE

To provide an update on Treasury Management Policy Compliance.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

Council is required under the Local Government Act 2002 to have three policies:

- Treasury Management Policy.
- Liability Management Policy, and
- Investment Policy.

The rationale for the policies is to ensure prudent use of public funds, manage investment returns, borrowing costs, and to minimise the risk of loss of public funds.

Central Hawke's Bay District Council (Council) has combined these into a single policy covering all three topics.

This current policy was adopted on 14 March 2024, following a review supported by Bancorp Treasury, Officers and the Committee, ahead of the preparation of the Three-Year Plan (3YP).

DISCUSSION

Investments

As at 31 August 2025, Council was holding \$8.6m in funds on call (down from \$8.9m from 30 June 2025). Instalment one of Council's annual rates was due on the 20 August, hence the level of funds on hand.

Council has no investments besides LGFA bonds.

Borrowing

As at 31 August 2025, Council had \$47m of external debt drawn (\$49m 30 June 2025, and \$52m last time officers reported to Risk and Assurance in early June 2025). Council has had two loans mature since the start of June and was able to repay those from funds on hand at the time.

Council now has two interest rate swaps that are live and between these and the change in mix of external loans plus interest rate resets, the weighted average cost of funds has fallen from 4.72% pa in June 2025 to 4.52% pa at the end of August 2025.

The table below provides all the details of the existing loans:

Debt Position	Draw Date	Maturity Date	Interest Rate	Amount		Movement
				30/06/2025	Amount Now	
LGFA - Floating Rate	10/08/2022	15/04/2026	3.85%	3,000,000	3,000,000	0
LGFA - Floating Rate	17/04/2023	15/04/2026	3.92%	3,000,000	3,000,000	0
LGFA - Floating Rate	8/07/2024	15/04/2026	3.85%	3,000,000	3,000,000	0
LGFA - Floating Rate	17/04/2023	15/04/2026	3.92%	2,000,000	2,000,000	0
LGFA - Floating Rate	15/04/2025	15/05/2028	4.15%	3,000,000	3,000,000	0
LGFA - Floating Rate	15/04/2025	20/04/2029	4.31%	4,000,000	4,000,000	0
			4.02%	18,000,000	18,000,000	-
LGFA - Fixed Rate	28/08/2017	25/08/2025	3.85%	2,000,000	-	- 2,000,000
LGFA - Fixed Rate	16/03/2020	15/04/2027	2.03%	4,000,000	4,000,000	-
LGFA - Fixed Rate	15/04/2024	15/04/2027	5.47%	11,000,000	11,000,000	-
LGFA - Fixed Rate	14/12/2022	15/05/2028	5.27%	2,000,000	2,000,000	-
LGFA - Fixed Rate	6/03/2023	15/05/2028	5.70%	6,000,000	6,000,000	-
LGFA - Fixed Rate	8/07/2024	20/04/2029	5.36%	6,000,000	6,000,000	0
			5.01%	31,000,000	29,000,000	- 2,000,000
Live ANZ Interest Rate Swap	31/12/2024	15/04/2026	3.83%	5,000,000	5,000,000	0
Live ANZ Interest Rate Swap	15/05/2025	15/04/2026	3.46%	7,500,000	7,500,000	0
ANZ Standby Facility (\$4,000,000)				-	-	-
Total Debt (Excl Swaps)			4.52%	49,000,000	47,000,000	- 2,000,000

Following the Reserve Bank of New Zealand's recent commentary on the economy and its recent Official Cash Rate decision interest rate swaps have fallen. To take advantage of this officers have taken out two new forward starts interest rate swaps of \$12.5m each with interest rates of 3.67% pa and 3.94% pa respectively (full details are shown in the table below).

Forward Start Interest Rate Swap:	Start Date	Finish Date	Interest Rate	Amount		Movement
				30/06/2025	Amount Now	
ANZ	15/10/2025	15/10/2029	3.55%	5,000,000	5,000,000	0
ANZ	15/04/2026	20/04/2029	3.91%	10,000,000	10,000,000	0
ANZ	30/04/2027	30/10/2030	3.67%	-	12,500,000	12,500,000
ANZ	15/04/2027	15/04/2030	3.82%	7,500,000	7,500,000	0
ANZ	30/04/2029	30/04/2030	3.94%	-	12,500,000	12,500,000
Total Swaps			3.80%	22,500,000	47,500,000	25,000,000

The graph below shows the 5-year swap rate movement over the end of 2024 and start of 2025.

Swap rate

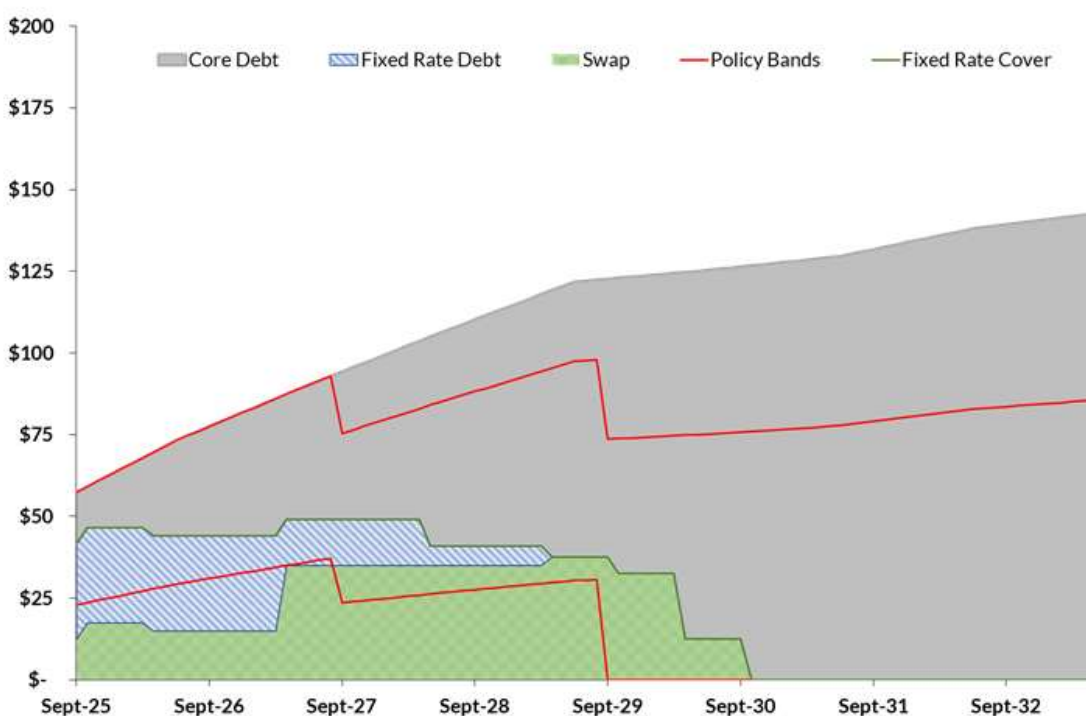


These swaps will bring Council back into policy for its fixed interest rate cover. Although approximately 85% of Council's debt is 3-Waters related, and these swaps won't be live until after the proposed Hawkes Bay Water Entity will be operational. It is envisaged that 85% of these swaps will be assumed by the new entity. They too will require interest rate cover, and we are at or near what is considered neutral interest rates (neither simulating or restricting the economy).

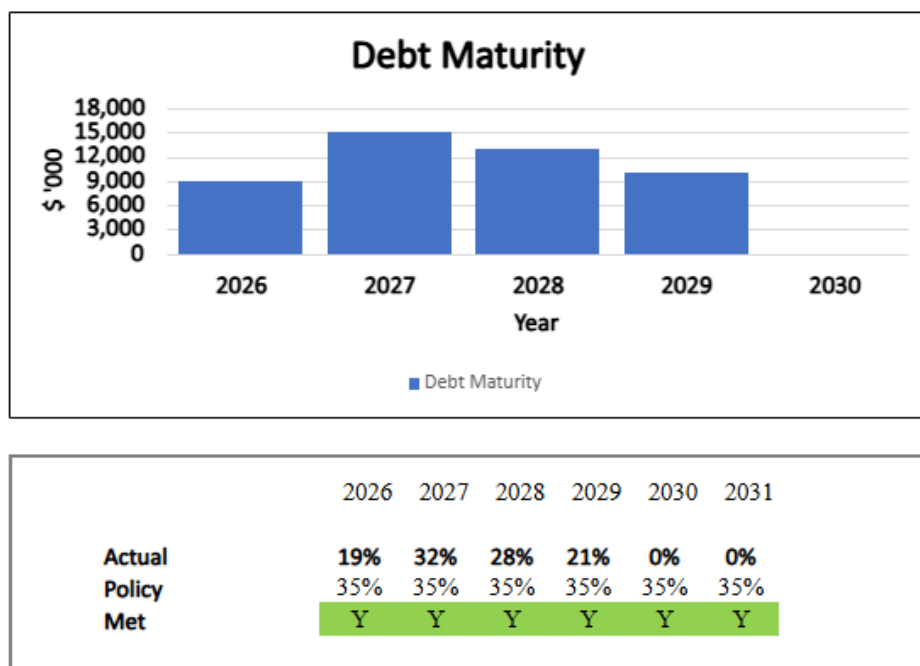
Council has recently reviewed its 3-Waters capital programme with an affordability lens, with an intention to reduce its 10-year programme from \$201m down to \$123m, as part of the requirement Local Water Done Well legislative framework, to address affordability concerns raised.

The graph below shows the reduction in debt profile as a result of this alternative programme (the grey shaded area is Council's planned debt and now visibility flattens from 2029). The blue is Council's fixed interest debt, and the green is its fixed interest rate swaps.

Central Hawkes Bay DC - Debt and Cover



The graph and table below show the maturity of this debt, and how these compare to Council's treasury policy.



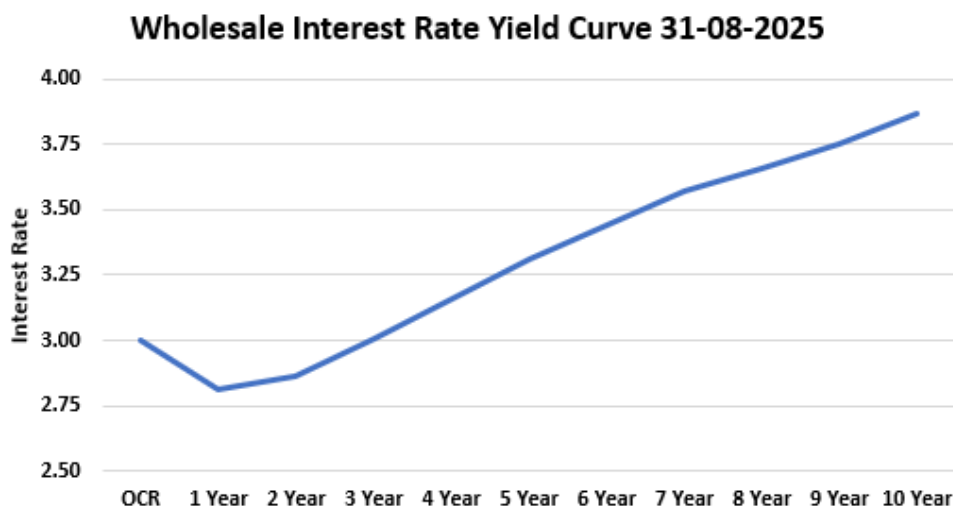
The Treasury Management Policy contains a benchmark for Council's average cost of funds. The resultant benchmark calculations are detailed below:

	Rate	Weighting	Weighted Rate
Average 90 day bill rate for reporting month	3.10%	30%	0.93%
2 Year Swap Rate at end of reporting month	2.86%	10%	0.29%
2 Year Swap Rate, 2 years ago	5.44%	10%	0.54%
4 Year Swap Rate at end of reporting month	3.16%	10%	0.32%
4 Year Swap Rate, 4 years ago	1.56%	10%	0.16%
7 Year Swap Rate at end of reporting month *	3.95%	15%	0.59%
7 Year Swap Rate, 7 years ago *	2.55%	15%	0.38%
Benchmark Targeted Rate			3.21%
Council Achieved Weighted Average Cost of Funds			4.52%

* 7 Year Swap rate was used instead of 8 Year rate due to the 8 year rate not being reported on by RBNZ

This shows that Council is not achieving the expected benchmark due to the majority of Council's debt being drawn recently. Weighting the average cost of funds towards the highest current market rates. It also highlights the usual interest rate market that existed four years ago during Covid.

Currently, the wholesale interest rate yield curve is shaped as shown in the graph below. It shows that the markets are assuming we are almost at the bottom of interest rate easing cycle. Further out than 12 months the market is uncertain of the direction of change and risk comes back onto the table. The longer yields reflect neutral plus a risk allowance which grows the further out you are looking.



Below is a list of Council's debt ratios as per the existing policy:

<u>Liquidity (Liquid Assets + Debt / Debt)</u>		<u>Finance Costs / Total Revenue</u>	
Policy Limit	>115%	Policy Limit	<20%
ANZ Cheque and Call Accounts	8,629,510	Finance Costs	333,176
ANZ Standby Facility Undrawn	4,000,000	Total Revenue	13,653,379
Total Debt	47,000,000		
Achieved Limit	127%	Achieved Limit	2%

<u>Finance Costs / Total Rates Revenue</u>		<u>Debt to Operating Revenue</u>	
Policy Limit	<25%	Policy Limit	<150%
Finance Costs	333,176	Total Debt	47,000,000
Total Rates Revenue	8,918,685	Total Forecast Revenue	68,944,195
Achieved Limit	4%	Achieved Limit	68%

At the end of August 2025, Council was fully compliant with these ratios.

The only caveat on the above ratios is that operating revenue currently is distorted by the Waka Kotahi emergency repairs subsidy. This is making the debt to revenue ratio look much better than if you excluded this one-off revenue stream.

OCR Rate forecasts

On the 20 August 2025, the Reserve Bank of New Zealand (RBNZ), as widely anticipated, cut its Official Cash Rate (OCR) by 0.25% to 3.00% pa.

However, in a dovish surprise to markets, two of the six committee members voted for a 50bps cut, and the projected low point for the OCR was pulled down by 30bps to 2.55% (versus 2.85% in their previous forecasts) – a larger reduction than markets had anticipated. This led to the dip in the swap market that Council transacted on.

This is an infometric of where the RBNZ is now forecasting the New Zealand and Global Economy to go over the next 12 months:

Key views

	Last 3 months	Next 3 months	Next year
Global economy	→	↘	→
NZ economy	↘	↗	↗
Inflation	↗	↗	↘
2 year swap	↘	→	↗
10 year swap	→	→	↗

The next OCR announcement is due on 8 October 2025 where a further rate cut of 0.25% pa is expected.

NEXT STEPS

Officers will continue to provide quarterly updates on the Treasury Management.

6.8 ASSURANCE MONITORING REVIEW OF SENSITIVE EXPENDITURE - GIFTS**File Number:****Author:** Brent Chamberlain, Chief Financial Officer**Authoriser:** Doug Tate, Chief Executive**Attachments:** Nil**RECOMMENDATION**

That the Risk & Assurance Committee receives the Assurance Monitoring Review of Sensitive Expenditure – Gifts report.

PURPOSE

To provide an update on the Council Gift register for the year ended 30 June 2025. This register is to provide transparency of all gifts received and the disbursement of them in a transparent manner.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

DISCUSSION

For the sake of transparency, the table below shows a summary of the type and value of gifts received over the last twelve months (July 2024 to June 2025). During this year \$1,932 of gifts were received, with the bulk of these being received at Christmas time and were redistributed to all staff through a randomised selection process.

The \$1,932 was made of:

Quantity of Gifts	Estimated Total Value	Type
13	\$775.00	Food or beverages provided by contractor/supplier/or public.
3	\$695.00	Branded company products
13	\$462.00	Gift received and regifted / shared by all staff through random selection process.

7 DATE OF NEXT MEETING

RECOMMENDATION

That the next meeting of the xxx be held on 10 December 2025.

8 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
8.1 - Ernst Young Management Report - Audit Findings	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
8.2 - Principal Risks and Issues - Forum Discussion	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

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9 TIME OF CLOSURE