

CENTRAL HAWKE'S BAY DISTRICT COUNCIL INDEPENDENT EVALUATION REPORT



Te Korowai

//

May 2025

An independent assessment report issued by the Independent Evaluation Panel for Te Korowai, local government's continuous improvement programme.

ASSESSMENT SUMMARY

At a glance >

Tamatea - Central Hawke's Bay is a district of the Hawke's Bay region on the east coast of New Zealand's North Island, spanning 3,333km², from Pukehou in the north to Takapau in the south, and from the Ruahine Ranges in the west to the Pacific coastline in the east. It offers a blend of rural charm, historical depth, and natural beauty.

While comparatively large in terms of area, the district has a much smaller population than Hastings district or Napier City. Central Hawke's Bay's population is around 16,600, reflecting a steady growth. There are only 8,395 ratable properties in the district (at June 2025).


The two primary towns are Waipukurau and Waipawa. Other settlements include Ōtāne, Takapau, Tikokino, Pōrangahau, and Ongaonga, as well as several beach communities.

The district has diverse landscapes, which include the fertile Ruataniwha and Takapau Plains, rolling hills, the rugged Ruahine Ranges, and long stretches of outstanding coastal vistas. The area is ideal for agriculture and outdoor recreation.


Early Māori tribes settled the area, and European pastoralists established large farming stations in the 1800s. Central Hawke's Bay is dotted with historic villages, majestic homesteads, and marae at each 'corner' of the district.

The district is home to the world's longest place name, Taumatawhakatangihangakoauauotamateaturipukakapikimaungahoronukupokaiwhenuakitanatahu, near Pōrangahau.

BELOW INFO FROM [Central Hawke’s Bay District Council] (Census data 2023) <https://tools.summaries.stats.govt.nz/places/TA/central-hawkes-bay-district>


 **Serves:** 15,480

 **Occupied private dwellings:** 6867

 **Population is a mix of:** Ethnic Groups, over time (census data 2023)

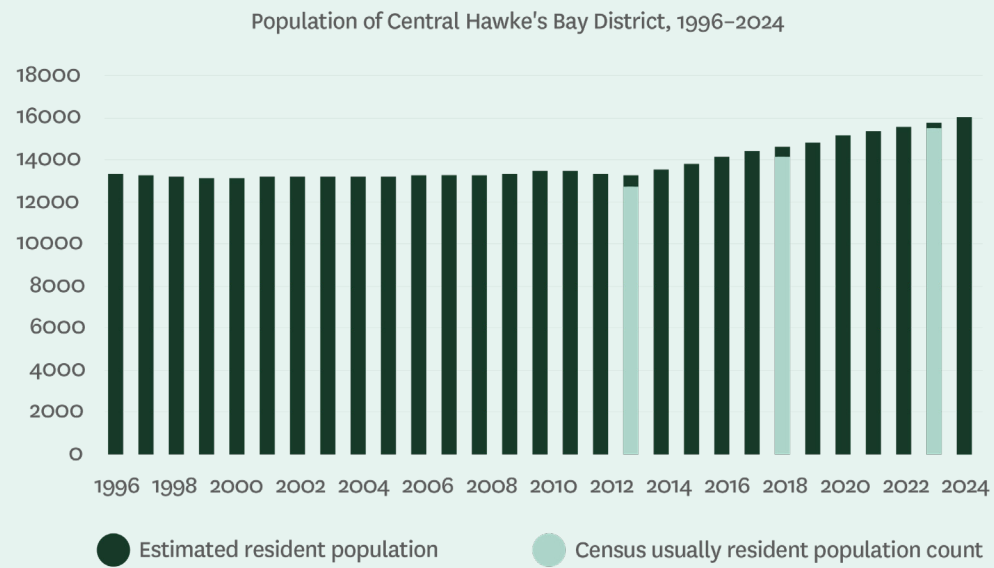
CATEGORY	% OF POPULATION
EUROPEAN	83.9
MĀORI	25.2
PACIFIC	3.1
ASIAN	2.9
OTHER	1.3

BELOW INFO FROM [Hawke’s Bay Regional Council] <https://www.hbrc.govt.nz/hawkes-bay/projects/outstanding-water-bodies/> FOR WATER BODIES AND <https://tools.summaries.stats.govt.nz/places/TA/central-hawkes-bay-district> FOR POPULATION STATISTICS

 **Water bodies** There are several significant waterbodies in the district:

- LAKE WHATUMĀ** - Cultural or spiritual values; Ecology (habitat for aquatic native birds, particularly Australasian bittern)
- TUKITUKI RIVER** - Cultural or spiritual values including wāhi taonga for the estuary; Ecology (habitat for native aquatic birds, particularly in the lower river)
- PŌRANGAHAU RIVER AND ESTUARY** - Cultural or spiritual values; Ecology (habitat for native aquatic birds)

↑ **Population growth:**



**What % of
NZ total Land
area**

3,332 KM²



**Real Gross
domestic
product per
person**

\$43,300
per person (as of March 2023)



**How many KM
of roads**

1,264KM

Iwi

Tamatea Pōkai Whenua is the Post Settlement Entity (PSGE) for Tamatea - Central Hawke’s Bay and Heretaunga – Hastings. They represent 23 marae and 43 hapū of Heretaunga and Tamatea. In Tamatea Central Hawke’s Bay they have nine elected Trustees to the Board, representing the hapū of the Tamatea rohe connected to the Marae of Rongomaraeroa, Te Rongo a Tahu, Rākautātahi, Mataweka, Te Tapairu, Whatuiāpiti, Kairākau, Pourērere and Pukehou.

Ngāti Kahungunu iwi is the third largest tribal group in Aotearoa. Like a number of other iwi, it is more correct to consider Kahungunu as a grouping of tribes and hapū, all of whom descend from Kahungunu the ancestor. Central Hawkes Bay is known as Ngāti Kahungunu ki Tamatea.



Kia ora Alex raua ko Doug,

On behalf of Local Government New Zealand, congratulations on reaching this point in our local government continuous improvement programme, Te Korowai.

In Māori culture, the korowai refers to a traditional cloak that serves as a protective garment, shielding its wearer from external elements. The process of weaving a korowai involves the collaboration of multiple craftspeople, each contributing their skills and knowledge to create a unified piece. As a cloak is woven, it gradually takes shape and transforms from individual threads into a cohesive garment.

In the name Te Korowai, we seek to share core values of protection, strength, unity and growth. Te Korowai is our commitment to supporting and empowering councils on their journey towards excellence and continuous improvement.

Members of the Central Hawke's Bay District Council have shown great strength and unity in their participation in this programme. We were thrilled to gain input from [95] kaimahi including [80] staff, [9] councillors, 2 Pou Whirinaki and [4] ELT members along a range of diverse stakeholders who shared their views openly and constructively.

They provided a balanced and reasoned view of your performance. They are both motivated by the opportunities ahead and pragmatic about the challenges you face. They are also committed to supporting you strive for excellence.

Our sincere thanks to everyone involved.

HOW TE KOROWAI WORKS?

Te Korowai applies a descriptive, action orientated four-point range of performance benchmark as outlined below.

Mauri Moe - INACTIVE:

When in this state, a council considers there is no need to change, or organisational agreement to change or unawareness of the change that is needed.

Mauri Oho - AWARE:

At this stage, a council has acknowledged there is a need to invest and recognise the need to change. Performance demonstrates a transition from inactivity or low performance to active involvement, suggesting a willingness to explore untapped potential and initiate progress.

Mauri Tū - ACTIVE:

In this state, a council has made a commitment and developed a plan to change. They are undertaking the work and actions required to realise the aspiration statement.

Mauri Ora - THRIVING:

This signifies a state of vitality or flourishing within the organisation. It represents a high level of awareness, active involvement and continuous evolution, where the organisation is vibrant, adaptive and thriving in its activities and relationships.

YOUR EVALUATION

Attached to this letter is your independent assessment report, including areas of strength and weakness, a statement of overall performance and a statement of performance across the four priority areas. When interpreting the data, note that the four priority areas are not weighted equally, with financial management and service delivery considered to hold more bearing on overall performance than governance, leadership and strategy.

Overall, your performance has been evaluated as **Mauri Tū** recognising that Central Hawke's Bay District Council is in a strong position to build on the momentum of its recovery from the significant challenges and effects of Cyclone Gabrielle, with capable leadership, effective community engagement, and clear pockets of strong performance — particularly in governance, asset management, and people and culture. While the council is actively focused on continuing to improve, particularly in relation to its long term financial strategy and critical infrastructure such as Three Waters, these two areas remain constraints to deliver on the long-term aspirations of the district. The council is demonstrating commitment and follow-through and is well placed to return to a more strategic and future-focused planning approach again, following the Cyclone.

Across the four priority areas, your council has been evaluated as follows:

PRIORITY 1/

Governance, leadership and strategy

Your performance has been evaluated as **Mauri Ora**.

PRIORITY 2/

Financial decision making and transparency

Your performance has been evaluated as **Mauri Tū**.

PRIORITY 3/

Service delivery and asset management

Your performance has been evaluated as **Mauri Tū**.

PRIORITY 4/

Communications and engagement

Your performance has been evaluated as **Mauri Ora**.

MAKING SENSE OF IT ALL

When processing all this information, it is important to reflect on both the areas for improvement, and the strengths in your council. Celebrate your strengths and continue to invest in them. It can take very little for things to change for the worse. For example, as you are aware, a community's view of council communication and asset management could change dramatically following a single, severe weather event.

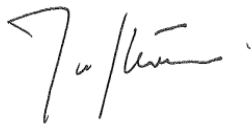
Similarly, while it can be tempting to focus on areas of improvement we have highlighted. These can be the result of many factors including changes in personnel, external changes or decisions made long in the past that have now come to light.

Community priorities are also a factor in evaluation. A council may be high performing in terms of service delivery, but if they are not focused on the things the community has deemed most important, then the council's performance will be evaluated less positively.

Regardless of the outcome, Te Korowai is a programme to support ongoing performance improvement and the strive for excellence. Te Korowai takes a holistic focus and is less about your 'starting point' and more about supporting you to continually move in a positive direction through self-reflection, planning and carefully targeted action.

It has been our pleasure to work with you on this assessment.

Ngā mihi,



Toby Stevenson Chair, Te Korowai



OVERVIEW

COUNCIL'S CURRENT CONTEXT

Central Hawke's Bay District Council is a typical rural council with a small ratepayer base and a large area. The council has had a challenging time, following the generational challenges from Cyclone Gabrielle, repairing cyclone damage and helping its communities return to normal. The challenges from Cyclone Gabrielle have compounded the significant infrastructure investments it faces - particularly in three waters and it faces long term financial challenges as a result.

1. **ENVIRONMENTAL MANAGEMENT:** There are major environmental issues, highlighted by the Cyclone meaning stormwater and flood management and hazard management are front of mind for the Council and its communities.
2. **GOVERNANCE:** The council presents as a cohesive group that has worked together through two terms, during which the district endured a heavy rain event, Covid-19 and a cyclone. There has been a successful transition of one CEO to another with a different management style.
3. **DISTRICT CHALLENGES:** There are major infrastructure challenges particularly around three waters. The region, with CHBDC, is reviewing the effects of climate change and evaluating what might be needed in terms of adaptation.
4. **STAKEHOLDER RELATIONSHIPS:** There are excellent relationships with Mana Whenua and other councils including the regional council. Over-time there has been close co-operation across government around cyclone recovery.
5. **POLICY COMPLIANCE:** Critical policies and regulations are well written and well organised. Currently, due to the uncertainty Cyclone Gabrielle, the council is working to a three-year plan – a dispensation to address the uncertainty for councils so significantly affected by Cyclone Gabrielle. It will, however, need to develop a ten-year plan and that will again require some tough decisions.

KEY CHALLENGES AND OPPORTUNITIES

Following the Cyclone and the changes to the economic environment, this small, capable council has trimmed its sails to focus on what matters most, namely facing up to its infrastructure challenges and right sizing the organisation.

- > **CLIMATE CHANGE:** CHBDC is working closely with other councils in the region to understand the implications of climate change, to prepare its communities for adaptation to a changing environment. At present, the effects of Cyclone Gabrielle are still be addressed.
- > **INFRASTRUCTURE MANAGEMENT:** A great deal of work has gone in to document the current state of infrastructure, in roading, drinking water supply and wastewater management. There is much better consideration of capital projects and options/trade-offs on how to implement those changes. Key infrastructure, however, is outdated and no longer provides the required levels of services. Replacing it will be expensive, particularly in areas like drinking water distribution and wastewater management. The affordability issue is significant and there is a small rate payer base. This however is not a new issue for the district.
- > **ORGANISATIONAL CULTURE:** Organisation culture is positive and cohesive, supported by a clear direction from council, with clear councillor priorities. Engagement and other staff scores are positive, and turnover is low.
- > **STAKEHOLDER ENGAGEMENT:** CHBDC engages particularly well with its approximately nine communities. Mana Whenua and other stakeholders noted the commitment of the Mayor and council staff to connecting at a community level.
- > **REGIONAL COORDINATION:** Likely, there will be a regional spatial plan. In terms of supporting its functions, CHBDC partners with Hastings on data and digital, and is assisting Horowhenua with building inspection and consenting services.

COMMONLY USED TERMS



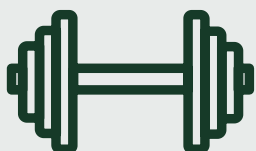
Term	Definition
Asset Management Plan (AMP)	A tactical plan for managing a council’s infrastructure and other assets to deliver an agreed standard of service.
Infrastructure	Roads, bridges, water treatment plants, wastewater treatment plants, pipes and community facilities.
Local Government Act 2002	The legislation that provides a framework and powers for councils to decide which activities they undertake and the manner in which they will undertake them.
Long Term Plan (LTP)	The document required under the Local Government Act that sets out a council’s priorities in the medium to long-term.



KEY FINDINGS

The council was severely challenged by a heavy rain event in 2022 and Cyclone Gabrielle in 2023, both of which necessitated considerable repair work and adaptation, with a multi-year recovery period expected. Going into that recovery work, as part of the Long Term Plan 2021 – 2031 CHBDC had recognised its water infrastructure was aged and there had not been rating for most use (depreciation) of the asset base. Now the council has a complicated situation where repairs to the roading network are still needed, whilst simultaneously needing to upgrade drinking water infrastructure and wastewater plants. There is currently a three-year plan modelled over ten years, and a ten-year plan modelled over 30 years will again be needed. The ten-year plan will be instructive of its ability to sustain its roading and water infrastructure.

Despite that, CHBDC has a clear connection to communities and their priorities, reflected in a strategy and mirrored in councillor priorities, with strong alignment to council activities. Asset management and contract management skills have greatly improved.



STRENGTHS/

- > An excellent understanding of CHBDC's road and water networks and their challenges
- > Now, much stronger capability to manage consultants and other contractors by re-establishing core functions in asset management and contract management
- > A competent approach to regulatory management that makes the best of what it can afford in community services
- > An engaged, well performing staff led well by the Chief Executive
- > Clear, active and engaging leadership from all elected members, with well-expressed and practical priorities for management
- > Strong and active engagement with communities from elected members and council officers



AREAS OF IMPROVEMENT/

- > The affordability of the district's infrastructure requires scrutiny through a thirty-year view of the required investments. The infrastructure strategy needs to be reworked with a long view of the district
- > Undertake more financial scenario planning particularly if the medium growth trajectory assumed in the strategic plan is not achievable
- > Look for opportunities to partner with Mana Whenua, in practical ways, such as (possibly) management of camping sites

Leading
Locally >

Governance Leadership & Strategy

SETTING THE DIRECTION FOR THE REGION

Central Hawke's Bay District Council's vision and overall strategy was developed with the community in 2017 following the 2016 election. This strategic direction – known as Project Thrive – developed by council, in consultation with the community, has stood the test of time. Since 2017, Project Thrive, together with identified community outcomes and priorities, has provided the framework guiding the operational implementation of council goals and priorities.

The strategic direction has assisted in adversity. "Project Thrive was an appropriate vehicle for our return from surviving to thriving in the immediate post-COVID period, where we leant on the clear vision to assist us in returning to some semblance of normality as quickly as possible."

An inspirational, yet realistic vision supported by a solid strategy is vital for organisational resilience. Resilience has been tested with the wettest year on record in 2022, followed in 2023 by Cyclone Gabrielle. These two weather events caused considerable – and in some cases irreparable – damage across the region, with a great deal of stress for its communities and at a cost that was impossible for the community alone to cover.

CHBDC sharply narrowed its focus and reprioritised emergency response and the recovery effort. A recovery and resilience plan were adopted, with a three-year plan put in place rather than a long-term plan and there was considerable pace in repairing networks and supporting communities. While this three-year plan has greatly assisted and underpins implementation to recover from \$155 million of damage, the scale of the damage and its impact on the community and its resources is significant and will be felt for well beyond three years. "Further reprioritisation, ruthlessly focused on three urgent priorities – land transport, critical three waters investment and recovery – was necessary in order to continue to serve the community well."

There are ongoing tough calls for CHBDC as it balances substantial, ongoing infrastructure issues, with affordability for a small rate base. The addition of uncontrollable economic pressures to ongoing recovery is reaching its most difficult stage, and the cost of compliance with Local Water Done Well legislation exacerbates the challenge.

Project Thrive is now at the point of needing a refresh, to provide a vehicle for further conversations with communities about adaptation, resilience and further infrastructure investment. That refresh will stand the CHBDC in good stead for the ten-year plan it will now need to describe.

EFFECTIVELY MANAGING COUNCIL BUSINESS

Committee structures are clear and domains for decision making are clear. Following a review, in June 2024 CHBDC reinstated a committee structure. The flat structure designed in the beginning of the triennium was not fit for purpose with the challenges of a sizeable recovery programme. These committees-of-the-whole (excluding the Risk & Assurance Committee which also includes independent members) deal with much of the day-to-day business decision-making. The new structure has helped to accelerate the key programmes and land transport recovery.

Policy documents are clear and well written. A Governance Statement updated in 2023 sets out how the business of council will be conducted. It is a collection of information on council's role, governance and decision-making arrangements. This document is published on the website.

We observed elected members' priorities and key projects for the year, set at the beginning of the triennium, at an induction workshop in Taumarunui, are on posters throughout the council buildings.

The Mayor and the committee chairs meet fortnightly, and the Mayor also meets with the Chief Executive weekly.

The councillors work together well. There is, however, a succession risk, with nine councillors having been there for a long time.

DEVELOPING ELECTED MEMBER CAPABILITY

Developing elected member capability is taken very seriously by elected members, and is well organised, and council funded. There is elected member specific, targeted training and training for council issues of the moment.

As an example of training for council issues, councillors were aware that previous councils had not been good at asset management and have worked hard to build their expertise in infrastructure governance. At the same time, the Chief Executive has been developing the infrastructure teams. Councillors pursued asset management qualifications in infrastructure. The council undertakes joint training on key topics with a health and safety training session scheduled in the calendar.

There is an individualised approach to needs supported by the governance team. There is a framework for the Elected Members Professional Development Pathway. This framework details the professional development and support available to councillors and summarises the development options and training opportunities. "The new draft Elected Member Professional Development Pathway was presented at a Council workshop and outlines the Working Genius styles of elected members, introduces the LGNZ Ākōna e-learning platform, and details the development options available for all Council, Risk and Assurance, and individuals." A revised Elected Member Individual Professional Development Plan template supports elected members with their development planning.

Elected members are experienced with five of them completing training to become commissioners. There has, with the recovery phase, been a lot of learning on the job such as around civil defence. This effort seems to have paid off with regional contributions from elected members being viewed favourably.

ENSURING WELL-INFORMED COUNCIL DECISIONS

Councillors are, just now, receiving particularly useful reports on capital infrastructure, with a useful dashboard display of the infrastructure pipeline and progress against plan. Councillors indicate there has been a big shift in how they work with senior managers in managing this pipeline, and in how they give direction. In addition to the excellent reporting, executives attend council meetings - the asset owner, the asset manager and the contract manager all attend. The discussion gives a great deal of clarity to councillors about the reality of the situation on the ground and from the perspective of delivery to community expectations.

In November 2020, councillors' relationship with staff was tested via a Local Government Workplace Health, Safety and Wellbeing Survey released to staff. Councillors treat staff professionally. They:

- > treat staff and each other the way they ask us to treat customers: 70%
- > model the behaviours they expect of us: 70%
- > take health and safety seriously and act to address issues: 75%
- > consider psychological wellbeing to be as important as productivity: 69%

Now dated, this survey is going to be re-run. There is no reason to believe the scores will worsen.

DRIVING CHIEF EXECUTIVE PERFORMANCE

Considerable effort goes into managing CE performance, building on and as part of the transition from the last CE. The Chief Executive Employment and Performance Committee has a clear and well documented set of expectations outlined in its terms of reference, reviewed mid-2024. There is a Chief Executive Pay & Performance Policy providing a framework for the Chief Executive's performance and pay, and the role of the elected members as the employer, the role of the Chief Executive Employment & Performance Committee, and the process for performance and pay.

There is a clear and thorough two-year performance framework which we would term an agreement. The committee reviews against this framework twice yearly with other informal check ins quarterly and monthly. There is strong alignment between this agreement and the councillors' priorities with two primary areas of attention being 'accountable delivery' and 'right sized for the future'. The chair of the committee seeks feedback from councillors, and this feedback is, now, formalised and gathered through an independent advisor. The committee chair and the independent advisor are working to have revised KPIs and priorities defined by 30 June 2025 ahead of elections.

The process of review is well documented and robust. The chair and other councillors are keeping the work going. "The Committee and Chief Executive have agreed to focus on more specific and deliberate targets for this period also." We agree with that focus – the overall documentation, strategic alignment of the performance agreement and the rigour of review are very commendable. The very thorough performance agreement could do with some more, and hard, performance measures, whilst not risking the broader effort to align CE and organisation with councillors.

CREATING EFFECTIVE IWI PARTNERSHIPS

Both Mana Whenua in Tamatea (Central Hawke's Bay) and CHBDC recognise it is early days with considerable work ahead. A joint Tamatea Partnerships Committee was established in 2022 between Te Taiwhenua o Tamatea, Tamatea Pōkai Whenua, the Post Settlement Group Entity. However, the parties were not able to come together for an initial Tamatea Partnerships Committee.

A Representation Review in 2024 heard clearly from Mana Whenua the need to establish a Māori Ward and to ensure a te ao Māori voice at the council decision table. Subsequently, the Council established two Pou Whirinaki (Māori Advisor) roles. A Māori Ward was also established for the 2025 Local Election. We met with one of the Pou Whirinaki and it is clear this role is work in progress. Meeting with Mana Whenua, they were complimentary of council efforts in many directions, albeit noting the occasional setback, and identified iwi leadership in Tamatea is both hapū based and fluid.

Instead, the Tamatea Kāhui is an informal forum. Te Taiwhenua o Tamatea, Tamatea Pōkai Whenua the post settlement entity, local Mana Whenua leaders, elected members and key staff participate, every three months.

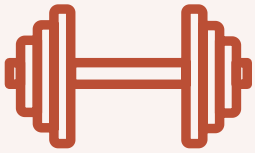
The Council uses other forum including the Te Mana Taiao o Tamatea, an environmental rūpū made up of experts from each marae area, formed by the Taiwhenua with funding support from Council in 2022. This group initially engaged with Council on the cultural guidance group for the Waipukurau second water supply project.

The most substantial progress made has been on the development of a partnership agreement between Council and Tamatea Pokai Whenua as treaty partners. The plan is the partnership agreement will be adopted prior to the 2025 elections.

On specific initiatives, the Mayor and Te Taiwhenua o Tamatea brought together a forum of health providers to address rural health. There is the Tamatea Housing Taskforce which comes together on matters on housing, combined with Ngāti Kahungunu Iwi Incorporated to drive housing outcomes.

There have been concerns around cultural awareness e.g. in the development of freedom camping regulations. Some Mana Whenua felt let down by being grouped with freedom campers during consultation processes. This highlighted a need for more understanding and sensitivity in engagement approaches. There is a need for greater care to ensure Mana Whenua are engaged in a way that reflects their distinct role and perspective.

We were left unclear on the extent to which issues in distribution of water, and in wastewater management involve Mana Whenua.



STRENGTHS/

- > Awareness and action to upgrade elected member involvement in infrastructure investment and management
- > A strong focus on elected member development
- > Considerable effort in managing the CE/Elected members relationship
- > Clear alignment of the framework for managing the CE and council strategic priorities
- > Very clear documents and forms on all policies identified to us.
- > Considerable personal effort in managing relationships with Mana Whenua on the part of elected members and staff



AREAS OF IMPROVEMENT/

- > Refresh Project Thrive
- > Shorten and include more hard targets in CE performance
- > Continue to recognise and uphold Mana Whenua as kaitiaki in camping site management
- > Retest Elected Members relationship with staff through a repeat of the earlier survey

Investing
money well >

**Financial
decision-making
and
transparency**

THE FINANCIAL CONTEXT

Council is clear with its community about the financial challenges it faces as a small but growing council. Currently it is operating with a three-year plan modelled over ten years – a dispensation for councils so significantly affected by Cyclone Gabrielle, and a ten-year plan modelled over 30 years will again be needed. The Three Year Plan 2024 – 2027 states “We’re in a perfect storm in Central Hawke’s Bay. We’re having to invest in catch-up from past underinvestment, meet growing regulatory expectations and invest for the future all at the same time”

Council looked carefully at its financial position noting: “We had to make a number of tough calls to get rates over the next three years to the proposed levels – from closing transfer stations to deferring roles in the organisation, as well as making other smaller reductions over the next three years”.

But Council went on to say that none of this is enough. “This still hasn’t been enough to offset the rates increases required. Even shutting every library and reducing investment across every community service still wouldn’t be enough to offset the costs we face”.

The financial plans reflect this position, and the strategy does strip many activities back to focusing on core activities including a heavy capital investment in infrastructure of cyclone-affected assets. It also has maintained an aggressive programme to rectify its lack of past asset renewal programmes – even though this is debt funded to protect the current ratepayer.

The council is challenged to maintain its financial sustainability in a status quo environment. This is more fully revealed in its ten-year Financial Strategy.

While council can borrow for its future infrastructure needs, the question remains whether that is wise, and whether ratepayers can afford to service a high level of debt, with affordability not being a new issue to the district.

FINANCIAL REPORTING

Substantial effort is made to inform senior management and elected members of the organisation’s performance. This includes a comprehensive reporting to the independently chaired Risk and Assurance Committee.

The Chief Executive continues a fulsome Quarterly Organisation Report with a focus on levels of service and non-financial KPIs. This is matched with comprehensive quarterly financial reporting – including performance against budget and end of year forecasting.

The information is substantial which may be challenging to elected members – especially those less familiar to local authority accounting, funding and financing.

Helpfully, the information provided is similar in nature to Council’s annual reporting.

FINANCIAL PLANNING AND BUDGETING

Council devotes substantial time to developing its financial plans which includes a series of workshops focusing on key funding levers and levels of service. The strategic direction of Project Thrive remains the central initiating point for considering the financial direction of travel.

Elected members step through each activity in workbook sessions, enabling reasonably granular oversight of Council’s budgets. Workshopping also included meeting with key community groups such as Federated Farmers and other community groups. Its approach was focused on relationship of rate (increases) to levels of service and trade-offs that may be implemented to balance ratepayer affordability with levels of service. Workshops are iterative in the annual plan cycle enabling staff to work with, listen and redevelop financial plans with elected members prior to community consultation and adoption of plans.

Internally the finance function is small but is undertaking development of its approach of working with budget holders to better manage financial outcomes. It has implemented more effective project management accounting and seeks stronger “partnership” with the activity managers.

As part of the internal management drive to consolidate systems and approaches, there has been a focus on effective procurement approaches as well better delivery systems which aid financial management and efficiencies.

DEBT LEVELS

Council is direct in its published financial strategy: “The significant capital programme is more than the ratepayer can afford to fund in the year of construction, and the capital programme is replacing assets with a life expectancy of 30+ years. Therefore, to ensure intergenerational equity and to spread the payments over the life of the assets, recognising the period the benefits will accrue, debt funding is planned to be used. The level of this debt will require Council to obtain a credit rating to allow this level of borrowing, particularly on the assumption that no change is made to the future of Three Waters funding and delivery”.

The strategy outlines a substantial increase in debt over the next ten years as it seeks to rectify past underinvestment, meet recovery objectives and provide core infrastructure suitable for its community. It will quickly increase planned debt on a three waters-included basis to about \$210 million. Much of the debt (currently 84%) relates to “three waters” services for which servicing and repayment currently falls on about 4,400 ratepayers connected to the reticulation systems. This will see rates related to these services potentially increase to \$7,600 per annum (by year 10) per rateable property. This is significantly influencing council's recommended option of a regional Council Controlled Organisation under the current national Local Water Done Well reform process.

This level of debt would also place a significant treasury management issue on council (overseen by its Risk and Assurance Committee) to:

- > Find efficient means of managing a substantial debt. CHBDC retains external advisors for this already
- > To pursue a credit rating to lower its average cost of debt and enable it to accommodate the level of debt funding required within prudent limits

While this borrowing is possible, it does not hide the issue of affordability of rates for the council's communities.

MANAGING AUDIT, RISK & CONTROL

The Council has made a step change in the development and activity of its Risk and Assurance Committee. In this, it has appointed two new independent members (one being the Chair) with relevant and complementary skills.

The Committee is developing the organisation's ability to use and communicate in risk relevant ways. The Committee is supported by an effective risk management framework which is seeking to make risks “real”. In conjunction with management, the committee seeks to assist governance through effective risk appetite-based decision making.

There is good communication between the Committee and management with risk discussions taking place, including in informal workshop type settings after the Committee meetings.

BEING CLEAR AND TRANSPARENT

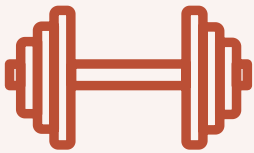
Management is upfront with elected members about the financial performance and condition of council finances. The information provided is substantial. It meets its external accountability requirements on an annual basis.

The council has demonstrated a willingness and capacity to be open and frank with its communities as well. This has been well demonstrated by its three-year plan and associated asset and finance strategies.

FORMULATING THE TEN-YEAR PLAN

The rising debt profile increases debt servicing costs, in addition to charges for asset use and presents a test of long-term financial resilience and rate-payer ability to pay.

It may be helpful for council to frame its ten-year financial plan as an opportunity to explore a range of plausible futures. Understanding trade-offs such as delaying capex, partnering regionally, or revisiting levels of service may give elected members greater confidence in steering through uncertainty. It may also support more meaningful engagement with the community.



STRENGTHS/

- > Openness and transparency between management, elected members and community
- > Involvement of community in the financial planning process through workshops
- > Comprehensive financial and non-financial reporting on a quarterly basis
- > Extensive risk and assurance committee scrutiny
- > Use of external advisors – specifically on debt



AREAS OF IMPROVEMENT/

- > Develop forecasting and scenario modelling out to thirty years
- > Monitor the strength of the forecasts and underlying assumptions
- > Continue with better project accounting and recording of work-in-progress (including work contracted, work completed and paid, work completed and not paid, and work committed)
- > Reconfirming with elected members and senior managers the information value of the comprehensive financial and non-financial data provided regularly
- > Consider renaming and refocusing Project Thrive with a focus on resilience.

Delivering
what's
important >

Service Delivery and Asset Management

CHBDC has developed strong capability in asset management and regulatory activities despite its small size. Having dealt with cyclone recovery, there is no easy path for this council with its small ratepayer base to deal with the next set of issues confronting it in wastewater and drinking water.

CHBDC has clear line of site on the issues created by historic poor asset management and has a difficult path in front of it.

SERVICE DELIVERY | SPATIAL PLANNING

Growing the rate payer base

This needs to read: CHBDC developed its Integrated Spatial Plan in 2020. It currently includes three main centres being Ōtāne, Waipawa and Waipukurau. A key assumption of the plan is demographic growth of two percent per annum which converts to 100 new houses per year. Development capacity was assessed and identified as available within the boundaries of the three towns - Waipawa has double the capacity required, Waipukurau has nearly double the capacity and Ōtāne has well over double. This growth in ratepayer base is a critical assumption in the planning documents, and in council infrastructure sustainability. In the past, growth has surpassed expectations but now, we observed greatly reduced calls on the building inspectors and recommend CHBDC to test sensitivity around this growth statistic and where the growth happens.

Significant progress has been made with CHBDC investing in the generational review of the District Plan – the first since its initial adoption. The District Plan is now compliant, positioning the council well to manage future growth while protecting key environmental and productive land assets. For a small, rural council, this represents a substantial achievement, reflecting a strategic commitment of resources and effort. The updated plan provides a clear framework for sustainable growth, ensuring that development is matched with infrastructure capacity and that the council retains viable options to respond to changing demands and priorities.

The new district plan tightens up areas that can be developed, to protect productive land. As a result, before proposed changes, several developers put forward development plans which are being worked through and in some instances modified. The provision and funding of three waters infrastructure remains a major constraint to enabling growth.

The Waipukurau South Growth Precinct is a key development area and is seen as important development land for over twenty years. The development was funded through the Te Tūāpapa Kura Kāinga administered Infrastructure Acceleration Fund. “If it takes off then it would be transformational” with the potential for 950 plus lots over 15 to 20 years. If this growth were to happen then the ratepayer base could increase from the 4,400 connections to something somewhat larger.

There have been capacity issues in the past in consenting activities. There were considerable issues with CHBDC's growth to respond to developer consents. Recognising the issue, the council initiated a *Smart Growth Review* initiative, during which it talked with relevant stakeholders, who identified issues with expensive and time-consuming consenting processes, often due to outsourced planning consultants. In response, CHBDC has focused on building a small, agile on-staff team. This intervention will likely rectify the low rating in the 2023/24 Annual Report. Developers felt heard and there is a general view amongst stakeholders the developments are based on more meaningful discussions – for instance, there are pre-application meetings early in the process during which council officers can give guidance. There was a development manager role, but this has been reabsorbed into the consent manager role following an organisational ‘rightsizing’ restructure.

Some council requirements were also removed. For instance, CHBDC required its contractor to connect to the water network. Now, others can organise the connection, and cost and timeliness of response have improved with competition.

Infrastructure is a rate limiter for the development zone in Waipukurau South Growth Precinct. Despite this zoning, and ongoing demand for homes in the area, development has not progressed due to a need for upgraded road and stormwater infrastructure. Waste, drinking water and storm water will also need to be addressed through a set of renewal programmes and development fees. There is an ongoing council discussion about how infrastructure can be funded and development financed.

Climate change

CHBDC reports a significant and unsurprising step forward in the maturity of incorporating a climate change lens into future planning and decision-making. “Having taken away lessons from Cyclone Gabrielle, we've applied a future focused climate change and resilience focus to our decision making and future planning.” Drier periods and more frequent storm events are anticipated. The Hawke's Bay Climate Action Joint Committee is currently leading an evidence-based review of regional climate risk assessment. Flood management is being reviewed and CHBDC states it has a good understanding of flooding around towns now although knowledge of the wider area is less good, and flood planes for Cyclone Gabrielle are not yet available. Currently, we are informed the district plan is based on a reasonably up to date flood hazard layer.

However, flood modelling is expensive particularly for a small, rural council. More needs to be done to fully understand flood risk and other hazards. The regional initiative needs to deliver on this but will only be able to do so if the key variables of extent, depth and velocity are available, particularly for the Tuki Tuki.

A Regional Policy Statement will set the overall direction for land use planning. And it would seem sensible to implement a regional spatial plan. Like all councils, the link between coastal inundation, flood plains and soil instability, with spatial plans, is evolving.

CHBDC is an active member of the Regional Climate Action Joint Committee and is planning to recruit for a new Risk and Resilience role for the organisation to address the risks the district faces. Stakeholders indicated community resilience in Pōrangahau was good and proactive planning had worked well in the face of the required response to Cyclone Gabrielle. In this council, the investment cost will be too high for many communities to fully avoid flooding so community response might need to be the way forward.

CHBDC is also aware that it is in a zone for other potential shock events such as coastal inundation as well as rain inundation, winds and earthquakes. The council has an increasingly good view of where those events might intersect with soil vulnerabilities.

INVESTMENT PLANNING FOR INFRASTRUCTURE

Investment plans were severely disrupted by Cyclone Gabrielle. There are now, just the three priorities of land transport, three waters and the recovery programme. The three-year plan focuses on cyclone recovery and building the platform for further investment. Rates affordability is a material constraint. Plans for wastewater were significantly impacted by Cyclone Gabrielle and resilience will be a characteristic of any future investment. The recovery plan was an extensive, community connected planning exercise

CHBDC has undertaken significant work in a stocktake of current assets and has a very good understanding of the substantial issues facing it in all its roading and water networks and facilities. The council is very aware:

- > the roading network will have to be reduced
- > the six wastewater plants will need to be centralised and re-sited
- > the two earthquake prone reservoirs will have to be replaced
- > ageing pipework for drinking water will need to be replaced over time.

There is currently no agreed plan in place to achieve this and CHBDC is working on Local Waters Done Well to address affordability challenges. This is challenging given the relatively small number of connections to water distribution assets (approximately 4,400). Pre-planning, however, is excellent, in that there has been considerable effort in establishing the asset registers, understanding the trade-offs between maintenance and replacement, and developing the skills and capabilities to undertake the work as and when it can be afforded.

CHBDC has set sensible principles for managing infrastructure – dig once, no band aids, enabling smart growth, community and environmental bottom lines, fiscal responsibility, and innovation and technology. An example of innovation we observed was use of machine learning in network repairs and maintenance, to assist with optimisation of repair work.

There are a number of focus areas. The first is responding and improving resilience, which sets out a ten-year development plan, with wastewater featuring large from year three out. Another is delivering the renewals programme. A further focus area is delivering against current and future levels of service where the investment is significant in drinking water and wastewater. Lastly, attention is also on a further focus area being planning for and responding to growth.

There has been a lot of hard work in identifying the current state of assets and their remaining life, and levels of service, and setting out likely future investment requirements. Because of this work, CHBDC is fully aware it will need to find an affordable way through its infrastructure issues.

DELIVERY ON CAPITAL SPENDING

CHBDC is making good headway in its effort to build up its asset management team. CHBDC reports the speed of travel is necessarily determined by the size of the internal team. The CE has explicitly replaced a previous preference for pace with a more measured focus on building the asset management platform. "Pace got the output but did not get the outcome." NZTA reports favourably on progress noting that, previously, work got underway more slowly, as consultants would put forward gold plated solutions, which then would be questioned. Now there is a great deal more clarity from CHBDC about what it wants from its roading corridors.

Systems have improved substantially. There is a formal project development pipeline from initiation, to planning, procuring, construction and commissioning. Staff report a maturing of project management capacity. "I was a couple of months in and wasn't happy with the project management office, now we have taken a P3M portfolio programme approach to delivery. With the restructure, we have a very small programme team which has paid dividends and can look at scope and being agile."

In prior years, project costs were not always clearly defined. We were informed it was a time when capital, particularly from external funding was more accessible, and the programmes could cover the under-runs and over-runs. Often multiple projects were coded to one account based on the activity. Now project costs are much more closely managed, and asset and project managers have much clearer cost reporting.

Project reporting is excellent with both councillors and staff commenting favourably on the transparency of the reporting of the programme and projects through dials on programme achievement, risk and budget against forecast. The reporting is up-front and transparent about the risk in the capital programme. "In the last three years, we have a dashboard of KPIs that is the best I have seen."

This concerted effort of review, reflection and then process improvement seems to be paying off. Reseals were completed ahead of plan. For the first year, the water services budget is under (rather than over) and supplier performance has increased.

PROCUREMENT

CHBDC has been growing the capacity and capability of local providers to ensure less embedded omissions, lower costs long term and better local resilience. It will continue with its efforts in improving the local supply chain in the next contracting round. A portion of contracts are ring fenced for suppliers based in the district. Consideration will also be given to supplier workforce development, e.g. through apprenticeships. This should also assist in a small way with the shortages of skilled staff in horizontal infrastructure activities across New Zealand.

The largest procurement activity is roading. The land transport procurement plan was reviewed in 2024. The review noted there is no reason to change the core delivery model. The reviewers noted the key result areas in the plan have now been mapped over to CHBDC's other activities.

ROAD NETWORK

CHBDC had a dry network prior to 2022 - potholing wasn't a big issue, then a wet weather event in 2022 and Cyclone Gabrielle occurred in 2023. Cyclone Gabrielle exposed widespread weaknesses in the network, combined with unstable geology. The consequence was \$129 million of recovery works for 3,642 faults.

Historically the council relied on outsourced expertise and struggled to find the right level of oversight, had an overreliance on consultants, and ended up with a result not lining up with the council's needs. Now, commissioning and delivery of projects has been deliberately slowed down. During the recovery, CHBDC reported it was overwhelming at a personal, council and central government level. Unfortunately, a stakeholder noted that, at this time, issues were escalated politically which, in turn, made it more difficult to co-ordinate at the local level. This escalation happened across the region and became a significant distraction. Now, there is a much more pragmatic view informed by council and community priorities.

NZTA and CHBDC did "get in the room together" and there was a strong commitment to work through the issues. "What seemed like insurmountable hurdles, weren't at all." This often meant scaling consultant advice to something more achievable in the network. "It was really challenging; there were really high expectations from the community." Elected members connected well with communities through this period. NZTA reports the positive pressure on it by the council made it lift its game in responding to communities.

There have been extensive considerations of options for restoring the network acknowledging it is a large population sparse area. Generally, most reinstatements have moved to more affordable options. At times it has been do nothing, do the minimum or do an affordable fix.

There is active consideration of reducing the road network. Measures such as smooth travel exposure are gradually decreasing. Some roads will have to be returned to gravel. Other roads, used by several farmers, for instance, may need to be turned over as private roads. Sealing is less than half of what the asset management plan suggests – due to inadequate co-funding from Central Government. The average age of bridges is 56 years, and they may not be replaced if they fail. There is keenness to undertake work around levels of service in different parts of the network. This review of the network will begin after the elections.

A major risk in the programme going forward is inflation. A rate of six percent has been adopted based on Waka Kotahi's cost adjustment factors, however, CHBDC has experienced significantly higher inflationary increases in recent years – closer to 30 percent.

THREE WATERS

The future of three waters is under active consideration across the region. For CHBDC, the issue is of particular importance. Indicative modelling suggests the cost of a connection in 2034 is \$7,000 if there is a regional council-controlled organisation but \$7,600 if a single council-controlled organisation. Both numbers are very large. No doubt some considerable discussion will be needed.

Even in the lowest-cost scenario, the price of a connection remains high, reflecting the scale of the investment required.

The way forward will depend on further modelling and the development of a range of cost and funding scenarios – these will ultimately require Council to accept a greater level of risk and lower level of resilience of its water networks.

Further modelling across different scenarios would enable more comprehensive consideration of the options available. In the meantime, delivery will need to occur within existing court orders and statutory timeframes.

Despite the affordability challenges, activity management in the three waters space has significantly improved, with capable managers working hard to deliver on commitments and address issues within the constraints faced. Many of the challenges have been inherited and are the result of long-standing, well-documented underinvestment and structural funding pressures, which are not unique to CHBDC but affect the sector more broadly. More recent and improved asset condition data has provided a clearer picture of the extent and urgency of these challenges.

DRINKING WATER

There are three material issues with drinking water.

The four water reservoirs are over 100 years old and are earthquake prone structures. CHBDC is in a high-risk zone for earthquakes and will need to rectify the issue in the next seven years. There is a second water supply planned for both resilience and expansion, but progress is stalled. This second water supply would centralise supply to two towns, and a pipeline needs to cross a river. Conversations with Mana Whenua were generally positive, although it was noted that a council decision in May 2022 impacted trust.

Water treatment is an issue. Drinking water treatment plants need to be re-sited in less flood prone areas as one was impacted in Cyclone Gabrielle. There are substantial issues with the telemetry supporting the plants which will make it difficult to meet the new drinking water regulations. Laboratory sampling of drinking water is mostly compliant. Water supplies are non-compliant in some important respects such as backflow. For some other locations, such as the Tikokino Hall, UV is used but there is no monitoring.

Pipe work is of varying age and material type. However, water reticulation is being managed increasingly well. CHBDC has worked hard to optimise the contract with the contractor. "The trend for the contract is fantastic." Last year the contractor was \$500,000 over budget and this year \$150,000 under. The asset management team is working with a water consulting company to get a better understanding of breakages and cost, to improve the evidence base for planning. Likelihood and consequences of pipe failure are well documented.

Capital spend in the three year plan is \$40.8 million including the second water supply, however, renewals work is partially loan funded, and progressing slowly.

WASTEWATER

Wastewater is “a spanner in the works” and is a big cost driver of the initial projected connection cost of \$7,000 per annum connection cost. One estimate is a forecast capital spend of \$88 million - \$120m - for 4,400 ratepayers. All recognise the need to revisit the strategy with the regional modelling. As one staff member said, “centralisation is expensive, land based is expensive, local treatment is expensive.” And staff acknowledge \$88 million is not enough to meet the new standards.

CHBDC is very clear on the issue it faces and has been forthright with its ratepayers. Public documents have statements such as “Facing the facts – Poor historic investment decisions” and “# the BIG Wastewater Story”. The network for wastewater is very spread out with six waste water treatment plants. Asset use (depreciation) was not rated other than for pipes renewals.

Although wastewater plants were upgraded between 2013 and 2017, the previous council chose to continue to discharge into the Tuki Tuki and Waipawa rivers. In 2017, CHBDC pleaded guilty to breaches in discharge consents. The indicators on council reporting for wastewater are a sea of red in such matters as e. coli, dissolved reactive phosphorous and total suspended solids. The regional council is giving CHBDC some leeway given recent events but will soon need to put its regulatory hat back on. In the risk register, we note CHBDC has “a high appetite for risk” from delays in wastewater infrastructure delivery, with the consequence noted as “council is prosecuted for non-compliance”.

The previous intention was to centralise Waipukarau, Waipawa and Ōtāne in a combined wastewater solution, irrigating to land, at a cost of \$79.2 million. Pōrangahau and Te Paerahi would be centralised at a cost of \$26.9 million. And there would be an upgrade of the Takapau plant, at \$6.2 million. However, it is back to the drawing board.

There is a lot riding for CHBDC on decisions around regional water management. “If Local Waters Done Well doesn't work in terms of a local model, we are back to where we were.”

STORM WATER AND FLOOD WATER

There has been a lot of community feedback on storm water resulting in a significantly increased maintenance programme, delivered by a local panel of contractors. Only 64 percent of ratepayers were comfortable with the stormwater service, and it would be interesting to measure this again, after this effort.

Storm water management needs to be managed with flood water management in Waipawa and Pōrangahau. The council reports “We are undertaking maintenance work using local contractors and achieving great value for money. Also, we are getting a better view on capex requirements and the impacts of flooding on habitable floors.”

A regional council independent review came up with a series of recommendations on managing flood water. The region is, now, looking at spatial relationships to water and asking questions such as how do deal with stop banks that are over-topped. This work is just getting under way. Local resilience will be an important design element with more preplanning should a flood event happen again.

Capital intensive flood infrastructure such as pump stations is expensive and unlikely to be implemented in the council's catchments.

LANDFILL AND WASTE MANAGEMENT

Environmental waste is substantially funded with revenue generated through user pays. There is a targeted rate for curb-side collections, and a balance coming through the general rates funding, and levy funding. Two transfer stations have been closed as part of recent trades offs in the three year plan.

CHBDC has a potential long term viability issue with its landfill. The landfill is viable at around 12,000 tonnes and is used by CHBDC and a neighbouring council. That council could switch to using another landfill in Rangitikei. The volumes of waste coming in greatly affect the cost structure of the landfill and its commercial viability. A full business case is underway on waste management generally including looking at the possibility of extension of the landfill and its viability. 35 percent of potentially recyclable material in waste is taken to the landfill. The Council has worked to reduce this through its Waste Management and Minimisation Plan but there is a strong case for greater continued diversion.

The landfill is to be reconsented in 2030. Acknowledging there will be a higher level of compliance and investment required to achieve this, waste volumes will need to ensure the landfill can breakeven.

COMMUNITY SERVICES

Libraries function more as a community hub. There is a lot of focus on community services run out of the hub and, also, banking support (now that banks have closed branches). One of the libraries is unstaffed after-hours, with 24-hour swipe card access. Anyone using the after-hours unstaffed library is appropriately inducted. Staff are adept at using networks to leverage relationships – for instance there is a health workshop with all local providers.

REGULATORY FUNCTIONS

CHBDC is guided by a very good regulatory and compliance strategy applied universally across building and resource consenting, animal management, alcohol licensing, by-laws, food safety and noise. With the growth in the population, CHBDC expects an increase in the number of compliance issues.

The strategy is a good expression of good practice in regulatory management, setting out the steps from education through to enforcement. From what we observed, CHBDC observes this guide and focuses on education but does not shy away from enforcement. Staff indicated to us they are now focusing on a more customer centric approach, process improvements and updates to websites.

Staff report education on consents gets good results on compliance. For instance, a local scrapyard was stacking wrecked vehicles beyond the allowed 3.65 metre height. Once discussed, despite initial defensiveness, compliance was achieved.

There is active monitoring of consents – subdivisions are monitored through gaining title, checking the vehicle crossings, and other conditions of consent. A person has been employed to do reactive compliance. As another example, earthworks are visited, vehicle entrance and corridors inspected, and there is quick reaction if dust occurs during the seasonal construction months. There is evidence of enforcement. CHBDC issued two abatement notices; one for an activity in an area it was not consented for, subsequently resolved, and the other prior to an activity starting which would have breached density standards.

A freedom camping bylaw was adopted in 2024. This bylaw allows appropriate management and enforcement. However, the process of developing the by-law caused angst by inadvertently labelling Mana Whenua as freedom campers.

The building consenting function was audited in November 2024 and given a low-risk categorisation. The staff are well trained; however, building activity levels have fallen and consents are coming in very slowly. In response, CHBDC organised a sub-contract with Horowhenua District Council, to support its building consenting capacity. Working across districts has been revealing and the team recognises some of its process improvement steps have paid off, in terms of being able to find technical information more easily and reducing the number of site visits. The team all hold diplomas. The team meets with contractors and attends trade shows, to stay connected with industry.

Dogs are increasing in numbers and appear to be well regulated. The local SPCA closed, and an animal rescue is now run by a community group.

CHBDC manages its environmental health inspection activities best as it can over the large geographic area. The team is small, with just 1.5 FTE to cover the environmental health activities. There is a shared services agreement with Hastings to access some competencies, such as those required for sanitary notices.

There is ongoing training in intervention strategies through to file training, and ongoing meetings with Police on alcohol licensing, and to keep up to date with case law. "Community safety underpins everything we do."

PEOPLE, CAPABILITY & CULTURE

Employees enjoy working for the council (79 percent) and turnover is 8 percent with scores increasing between September 2022 and 2024. Performance management is strong and there is a performance development plan. The process is taken seriously to meet performance and organisation goals - "You have to meet rigid timeframes if you want a performance increase." There is a strong HR system behind all this work - "it is pretty devolved." The recent down-sizing led to some challenging conversations. Staff feel passionate about learning and development. There is a tidy linkage from strategy to HR strategy, the organisation road map, and a link through to group plans, which then go into performance plans, and training and development.

Pay is an issue being a small council. CHBDC has maximised all non-salary payments, but that initiative has been replicated by other councils meaning CHBDC can no longer call this an employee advantage.

The culture is healthy and some of the comments highlight a strong workplace:

- > it gets on with projects and has a good reputation with other projects – is not political
- > not horrendously risk adverse – what is done is astounding
- > able to grow and get new opportunities internally
- > made to feel a local
- > the people, so many are residents, highly connected networks
- > care about the people, we listen
- > love the support, through training and studies
- > love the collaborative nature of the council and get to decisions quickly
- > lets me work with mana whenua
- > flexible working conditions, not micromanaged
- > commit to growing leaders at all levels of the organisation, and listening to their ideas
- > ability to capture change and create positive impact
- > have been allowed to be a trusted advisor, so fiscally responsible
- > access to leadership and not a sense of hierarchy

The IT team is small but capable and works in partnership with Hastings District Council and the shared services HC5C¹. Artificial intelligence in the form of Co-pilot is being introduced. Staff report tangible efficiency gains in report writing, report digestion, etc. All records that can be sensibly digitised have been. The aim is to start on the journey of managing data better and more systematically, to integrate better (e.g. connect road asset management to NZTA) and to formalise governance over the IT and digital systems environment.

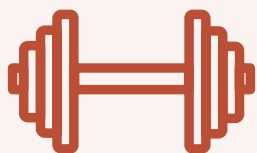
Security incident management has taken a lot of work. All traffic is logged. There is Secure Sockets Layer deep inspection, websites are blocked and there is geo-blocking. Multi factor authentication has been introduced. Cyber security costs the council one tenth of the IT operating budget, at \$100,000.

A great success has been Plot Box, a combination of cemeteries records management with 3-d mapping and drone mapping, with ancestral links.

BUILDING AND PLANNING FOR THE FUTURE

CHBDC is a hard-working council. Staff report they still work with haste rather than pace. The direction to develop platforms and reduce the work rate, with greater effectiveness, is a direction to continue. There may be opportunities to simplify reporting, as the current quarterly reports could potentially be streamlined without losing their effectiveness. Similarly, the CE review process may no longer require the same level of detail as in earlier stages.

While having all staff in one location would be beneficial, this appears unlikely in the near term.



STRENGTHS/

- > CHBDC's generational review of the District Plan has resulted in a compliant framework that supports future growth while safeguarding environmental and productive land assets
- > A good response to concerns about inhibitors of growth in households, through the Smart Growth Review
- > Very good, focused work on restoring the roading network and making hard choices on what aspects of the network is restored
- > High quality asset management work looking at the trade-offs between predicted breakages and replacement in three waters
- > Great indicator and reporting tools on asset management



AREAS OF IMPROVEMENT/

- > Build community resilience in the expectation of more frequent heavy weather events
- > Continue to develop understanding of the hazard landscape particularly flooding
- > Keep focus on finding options and affordable solutions to wastewater problem
- > Consolidate the approach to drinking water by establishing an achievable, affordable investment pathway
- > Stress-test the assumption around population growth – where and when

Listening
and
responding >

**Communicating
and Engaging
with the public
and businesses**

Central Hawke's Bay District Council has a strong foundation of effective communications both locally with its community and also regionally and nationally.

It appears that CHBDC has, for the most part, maintained the trust and goodwill of its community, even in the face of recent challenges within the district. Comments often received praise the personal efforts of the Mayor as an effective communicator and a person "of her word".

In talking with the development community they said "When we dealt with and talked to the council [staff], they got things done". This was echoed by Mana Whenua, who acknowledged the challenges but expressed overall respect for the council. However council is recognising the changing nature of communication – whether it is to keep contact with those in the community who rely on ever decreasing channels such as print media or those for whom social media is a more natural avenue of communication.

The council has worked hard to listen to its communities and does not hide from the realities of cyclone recovery and infrastructure challenges.

COMMUNICATIONS POLICIES

CHBDC has a communication strategy which reflects its current thinking about the changing nature of communication. It is being implemented with a combination of aims that its communications be the central source of truth and a resource for media. It seeks to bridge "the narrative between the aspirational and representational perspective of an elected member with the operational expertise of Council's subject matter experts".

"The intention is to build confidence in the community that they are being effectively represented by their elected members and that the appropriate actions are being delivered by people who know what they are doing."

CHANGING CHANNELS

CHBDC has commenced implementing the change in channels – effective use of its website and soon to be use of an engagement app. It had also engaged with the remaining local newspaper to assist it in reporting local events and matters but that local newspaper has now closed.

In 2024, Council had the deliberate policy of national media engagement to speak on issues relating to the district. By their own assessment they were happy with the level of national coverage.

HAZARDS

CHBDC was substantially tested by Cyclone Gabrielle. It significantly affected the community and required a substantial response of council. In their own assessment, elected members assessed they got communication with the community right following the event with face-to-face workshops.

The response also required working with other organisations such as regional Civil Defence and Emergency Management (its Co-ordinating Executive Group is chaired by the council's Chief Executive). Not all matters were easy but the strength of the relationship between the council's Chief Executive and the CDEM group allowed any communication matters to be raised and cleared effectively.

COMMUNICATION

Generally, staff reflected a tightknit group with a common set of public service values centred around the Thrive vision although some staff wondered if it was time for it to be refreshed. Staff mentioned initiatives such as the 90-day sessions with the Executive Leadership Team which is helpful in integrating the organisation and breaking down of any silos.

ENGAGING DIGITALLY

CHBDC is increasing its digital activity and presence. It recognises this is needed if it is to reach its community and maintain their trust and confidence – this is about upgrading their existing modes (use of their website in a way consistent with their communication strategy) and developing new digital means. This is not at the cost of effective on the ground development of events and contact with community groups.

BUILDING GOOD RELATIONSHIPS

Māori/ Iwi

Iwi representatives expressed confidence in council. One observer commented “There is generational change in iwi”. Even though there were some matters that the council had not got right in the eyes of Mana Whenua, they still expressed confidence and a preparedness to collaborate with council and for their communities to work alongside council in such matters as community welfare after major weather events. One iwi representative also noted a desire for greater self-sufficiency during emergencies, emphasising the importance of not having to wait for Council to “ring the alarm bells” when severe weather strikes.

Business

CHBDC demonstrated it is working hard for its business community through such initiatives as regular “after 5” business events, engagement of a “business connector” and working in with the regional economic development agencies. It has actively carried out or participated in economic analysis of its district and identified the areas or prospective growth and development.

The business group we spoke to endorse the council's efforts.

Central government

Support, especially financial support, remains fundamental to CHBDC operations. A natural focus after the effects of Cyclone Gabrielle is working with, and receiving funding from, NZTA. The challenges of dealing with the cyclone response tested the relationship. Once face-to-face meetings were held and with council staff, pragmatic solutions were identified and a robust programme developed. NZTA noted the capability of elected members and staff to engage the community in level of service discussions when funding is constrained.

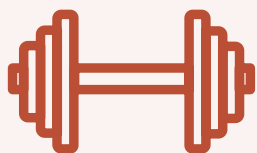
Being a regional player

Council has always and continues to recognise the value of effective relationships with their local government peers. They are heavily involved and support regional work – especially in finding three waters solutions, economic development, regional roading and civil defence.

Reputation

Council has maintained its reputation through a difficult period of the post-cyclone response. This is due to the commitment and capacity of both elected members and staff.





STRENGTHS/

- > Strong community networks and working face-to-face with communities
- > Finding new channels to talk to ratepayers
- > Internal communication is good, and ELT is working hard to make connections through its “go-day” sessions.
- > Council is active in working with regional partners



AREAS OF IMPROVEMENT/

- > The new communications strategy needs to be fully implemented
- > Ongoing communication and connection with Mana Whenua remains important and shouldn't be assumed
- > Use existing communication networks to talk with the community about the implications of the next 10-year plan, and the implications for communities of future investment decisions

ⁱ HC5C Shared Services in Hawke's Bay refers to a collaborative initiative where Hawke's Bay's five local authorities jointly own a company to facilitate shared services, joint procurement, and promote best practices.

