

Ngā tino wero ki mua Council's key challenges in the coming years



Council is facing several challenges that are having an impact now and will continue to do so in the coming years. Several of the challenges described below are interconnected. Horizons must focus on being open, responsive, and solutions-focused, while being guided by our strategic priorities and community outcomes (see *Te Anga Rautaki | Strategic Framework*, page 4)

1. Uncertainty about changes to central government policy and the timing and implications of those changes.

The previous Government progressed substantial environmental reform, and several other legislative and policy changes that would have resulted in significant impacts on what we were required to deliver. However, the current Government has indicated that they will change or reconsider some of the policy direction of the previous government. Some of the changes that have been indicated by the new government will require a substantial amount of rework on projects that are already well underway. This presents significant challenges to the long-term planning process as we try to plan projects, work programmes and budgets for the next ten years.

Every Council in Aotearoa New Zealand is faced with the same challenge. It is likely that our plans and budgets will be affected by central government decisions that are made while we are consulting with our communities on our draft plan. We must be as agile as we can during this period and be willing to respond to changes as they are presented.

2. Increasing regulatory complexity

An increasing amount of environmental regulation has contributed to a complex, contentious and litigious regulatory environment. The Government's Essential Freshwater package is an example that is shaping a great deal of our work. This is especially important around stock exclusion requirements and fish passage around flood protection assets that Horizons owns. The increasing regulatory expectations requires additional staff and improved information systems and is driving cost increases across Council.

Increasing regulatory complexity and contestability is not just a result of reform. Under the Resource Management Act 1991 and the existing planning framework, consent processing has generally become more contentious and complex, particularly in relation to activities such as waste water treatment plant renewals, medium to large industrial operations and large civil construction projects. We are experiencing a significant increase in large infrastructure projects, which more than often than not are subject to hearings and court processes. This can involve significant staff time and financial outlay.

Furthermore, the compliance and enforcement side of the business has become more complex due to the nature of the conditions now imposed, increases in defended hearings for prosecutions, and other high level enforcement actions (such as enforcement orders).



He whanaungatanga whai mana
Our region's relationship with iwi and hapū are respectful and mana-enhancing



He whatunga waka mauritau
Our region has effective transport networks



He hapori manawaroa
Our region's communities are resilient to the impact of natural hazards and climate change

3. The impacts of climate change

Building community resilience and responding to climate change is a significant body of work for Horizons. Increasing average temperatures, greater fluctuations in weather patterns and rising sea levels will have a major detrimental effect on the ecosystems in our region. Extreme weather events are increasing in frequency and intensity with significant immediate and long-term impacts experienced by our rural and urban communities. An aligned response between councils, Iwi/Māori and communities is critical for an effective regional response.

See *Āhuarangi hurihuri | Climate change*, page 11 for more information on the impacts of climate change and Horizons' plan of action.

4. Competitive talent market

We are facing a competitive market in terms of securing experienced or specialist staff, external experts, and contractors. We have budgeted to be able to respond to the need for increased staff numbers, however it may be a challenge finding and recruiting people with the required skills and experience. The increasing workload resulting from central government reform and increasing regulatory complexity is compounding this challenge.

5. Changing technology

Rapid advances to technology are changing the way we can gather, manage and share data. This in turn, creates changing expectations from our communities around the sophistication of analysis we should be able to perform, and public access to the information we hold.

Meeting new demands and increasing workload, while still being responsive to our communities' expectations, places strain on our internal systems and processes. While new technology opens up possibilities in terms of analysis, data presentation, and operational efficiency, it requires "back office" investment that is not always easy to explain in terms of direct benefit to ratepayers.

6. Increasing costs / affordability

Increasing costs is a significant challenge across all our activities. This is being driven by increases in asset values and insurance costs, as well as increasing resourcing requirements from new and changing central government policy, as noted above. We are conscious that the cost of living is hitting our communities hard and that substantial increases in rates is the last thing they need. In an effort to keep rates as low as possible and still maintain our levels of service to the community, Horizons' focus in this Long-term Plan is on maintaining existing assets and levels of service rather than new capital projects. Even this lean approach requires increases in expenditure. Council has had to make difficult decisions about where to prioritise our budget in order to achieve our levels of service targets.

Ngā putanga ā-hapori Our community outcomes



He whakamana hapori, he hapori kori
Our region's communities are vibrant and empowered



He pūnaha hauropi ora
Our region's ecosystems are healthy



He rohe piki te ōhanga, piki te taiao
Our region's economy is thriving and environmentally sustainable