



Hastings District Council

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OPEN

ATTACHMENTS UNDER SEPARATE COVER

COUNCIL MEETING

Meeting Date: **Tuesday, 10 December 2019**

Time: **1.00pm**

Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

ITEM	SUBJECT	PAGE
7.	HAWKE'S BAY AIRPORT LIMITED - ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019	
	Attachment 2: HBAL Annual Report 2019	1
19.	COUNCIL DELEGATIONS AND APPOINTMENTS TO COMMITTEES, SUBCOMMITTEES, JOINT COMMITTEES AND EXTERNAL ORGANISATIONS	
	Attachment 1: - Committee and Rural Community Board Register of Delegations 2019-2022	61
20.	ELECTED MEMBERS' REMUNERATION UPDATE AND EXPENSES AND ALLOWANCES POLICY	
	Attachment 1: Policy on Elected Members' Allowances and Expenses - July 2019	105





Item 7

Attachment 2



Item 7

Attachment 2

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Solicitors

Kensington Swan

Auditors

Baker Tilly Staples Rodway Audit Limited
on behalf of the Auditor General







4 | Hawke's Bay Airport Ltd | Annual Report 2019

Item 7

Attachment 2

About Your Airport

In 2019 Hawke's Bay Airport celebrated 55 years of official service to the local community, travellers and international visitors.

Since the 15th of February 1964, millions of passengers have passed through its gates, and many hundreds of thousands more engage with the Airport in myriad ways.

The Airport is 50% owned and operated by the Crown with Napier City Council holding 26% and Hastings District Council 24%.

It sits within a unique estuarine environment that, until the destructive 1931 Hawke's Bay earthquake, was a tidal lagoon. The magnitude 7.9 quake raised the seabed by up to two metres, creating many hectares of land where once there had been only water. The Airport values its physical position and the responsibilities that come with the environment surrounding it. Many native species occupy the wetland areas within the current 183ha site, and the Airport team works hard to maintain healthy habitats for the wildlife that share this space.

Hawke's Bay Airport is a true transport hub. Air New Zealand, Jetstar, Originalair and Sounds Air offer commercial flights to and from our Airport. Charter flights, car rental, aero club and air ambulance services also operate from the site. As the Airport grows increasingly busy, Hawke's Bay Airport Limited continues to review and improve infrastructure and services, always moving steadily towards the goal of being the most vibrant and successful regional airport in New Zealand.

With passenger movements on target to reach one million by 2025, Hawke's Bay Airport really is the gateway to Hawke's Bay and its development and improvement will help ensure sustained future growth for all who reside here.



Chairman's Report

I am pleased to report on the performance of Hawke's Bay Airport Limited for the financial year ended 30th June 2019.

There have been significant demands over this period. However, in spite of these, the Airport has enjoyed another year of substantial growth and commercial success. Despite higher than expected expenses as a result of some unanticipated one-off costs, the Company has delivered another strong financial performance. Revenue has grown to a record \$7.7M and a net profit after tax of \$1.58M. The Board wishes to thank and pay tribute to the management team for its hard work and dedication during what have been, at times, trying circumstances.

Undoubtedly, the most challenging of the demands faced by the Airport was the voluntary administration of Arrow International Contractors in February 2019, necessitating a key change to the delivery of our Major Terminal Expansion Project. This hurdle had the potential to derail our project. However, with good risk analysis and planning by the Board and Executive Management, the project was able to continue almost seamlessly with the establishment of a new subsidiary company, Hawke's Bay Airport Construction Ltd. Under Arrow, the Airport Company had significantly progressed construction with Stage One, the arrivals hall area, opened in January 2019. Stage Two of the project is forging ahead and it is pleasing to see both the roof and floor completed. Work is on track for the opening of the new departure hall in October 2019.

The complete footprint of the terminal is now clearly evident and it is drawing a lot of favourable comment. The revised design allows for growth in passenger numbers to between 1 and 1.1 million per year, better amenities for passengers and future-proofing for any further security enhancements that may be required down the line. I would like to acknowledge the valuable input of Mana Ahuriri's representatives into the design of the new terminal's "sense of place". The Board and I are excited by the opportunities that the new facilities will provide to our airline business partners, travellers, retailers and the region as a whole.

Passenger growth continues to track well. The Airport set a new record of 750,000 passenger movements in the FY19 - 50,000 passengers ahead of last year. This 7.3% growth in passengers has been underpinned by a 6% growth in seat capacity. There are a number of other changes and improvements to our business which are outlined

further within the report, but I wish to record three in particular here. Over the year, we have continued to see a strong culture of safety and customer service develop. This culture is actively fostered by management and is evident at all levels of our business. We have also seen organisational change and we warmly welcome new CFO, Rachel Orchard, and Technical Works Coordinator, Mark Frew to the Airport. This year has also seen us make great strides towards building stronger partnerships with the Hawke's Bay community and cementing our place within it. As examples, our new community-based Airport Ambassador volunteer programme commenced early in 2019; and we have signed a Memorandum of Understanding with Hawke's Bay Air Ambulance Charitable Trust to provide annual sponsorship.

The management team has made significant progress in developing a 20-year Airport Masterplan during the year. They have completed work on demand forecasts, technical aeronautical studies and the early stages of an air freight feasibility review. Their study has been supported by the Government, with a \$200,000 grant from the Provincial Growth Fund. This has enabled them to commission consultants to undertake a detailed air freight review, the aim being to research the feasibility of the Airport acting as a catalyst for significant growth in the international market for the Bay's fresh products. The first draft of the Masterplan is due to be completed in early 2020, prior to a period of public and stakeholder engagement.

FY2020 will see our Airport landscape and supporting services physically transformed and I am very much looking forward to this change being realised. On behalf of the Airport Company Board, I would like to acknowledge and thank our shareholders and our stakeholders for their continued support throughout the year. In particular, I would like to thank those who have supported us through the challenges and helped to enable our success. Finally, I would like to extend a special thanks to the team of volunteer Airport Ambassadors who are doing a wonderful job helping passengers navigate through the terminal.



Tony Porter | Chairman



Item 7

Attachment 2

Chief Executive Officer's Report

Inheriting the leadership of Hawke's Bay Airport during a period of significant change has been exciting and invigorating.

The past year was an important one – as a business, we re-set our strategic direction and restructured our team, while developing the capabilities to deliver excellence.

We saw strong aeronautical growth throughout the 12 months, and are delighted to announce that we have crossed the 750,000 passenger movement mark – a real achievement for Hawke's Bay. An increase in passenger numbers gives us both a lift in revenue and a flow-on effect to other passenger-related income streams.

This growth, and projected passenger figures, underpins our decision to increase the investment into our terminal design. Along with the greater capacity it will bring – the primary reason for the higher investment – passengers will notice a greatly improved sense of place when arriving, departing, or picking up from the Airport. Developed with our shareholders, key stakeholders, the community and Mana Ahuriri, the design will really speak to who we are and what we deliver as a region and I am very much looking forward to seeing it completed.

As a result of the positive changes to our design plans, we were able to optimise the delivery of our staged project, and opened our arrivals hall ahead of the original plan by some six months. Procurement of a new car parking payment system and associated infrastructure design has been completed and will be up and running by the end of 2019.

However we also experienced some notable challenges with the project, requiring a rapid and workable solution from the team. When Arrow went into voluntary administration, we were able to swiftly gain a mandate from the Hawke's Bay Airport Limited Board to establish a subsidiary that would retain key construction staff and contractors.

There were a few sleepless nights as negotiations progressed but ultimately the decision to move forwards with the project under Hawke's Bay Airport Construction Ltd was a good one – the project was set back by a period of less than three weeks. Having said that, we are experiencing a short delay to the project completion date which is now anticipated to occur in late 2020 – a few months later than envisaged.

Revenue growth has been solid over the past year with growth of 16% per annum and NPAT of 4%, 13% above SOL. NPAT is slightly lower than forecast due to some essential but one-off restructuring costs during 2018. EBITDA of \$3.93m is 16% above SOL. Margins remain strong and are anticipated to grow over the coming year.

Other revenue streams such as car rentals and advertising have seen significant uplifts through commercial renegotiation and innovation.

With the scale and complexity of works going on around site, safety is – and will remain – our greatest focus. The Airport has invested significantly in this area, recruiting a new Airside Safety Officer, and ensuring optimal safety through our wildlife hazard management and contractor induction processes.

During June the Civil Aviation Authority undertook its five-yearly recertification of the Airport which was awarded on 29/07/2019. Now, the team is preparing for the planned Safety Management Certification Audit which takes place in October.

Work is also well underway on the Airport's 20-year Masterplan, which commenced in 2018. The Masterplan workstreams completed include aeronautical forecasts and airfield infrastructure studies. The plan also includes a sustainability framework and supporting goals, which are outlined within this Annual Report.

Partnership was identified as a key area of strategic focus and we are proud of the strides we have made in forming meaningful relationships with community organisations, councils and businesses across Hawke's Bay. We were recently named the Platinum Sponsor for Biodiversity Hawke's Bay – a partnership that enables us to take a greater role in protecting the unique ecosystem surrounding the Airport, and to fund important projects that benefit Hawke's Bay both now and into the future.

As you will note throughout this report, people – and how they interact with our Airport – are intrinsic to what we do as business. For the first time, we have commenced a bi-annual customer survey which we aim to share publicly and use to underpin our continuous improvement during FY19/20.

I am pleased to be presenting this 2019 Annual Report and look forward to working in collaboration with our shareholders and key business partners on the delivery of our 2019/2020 SOL.

Ngā mihi maoha,



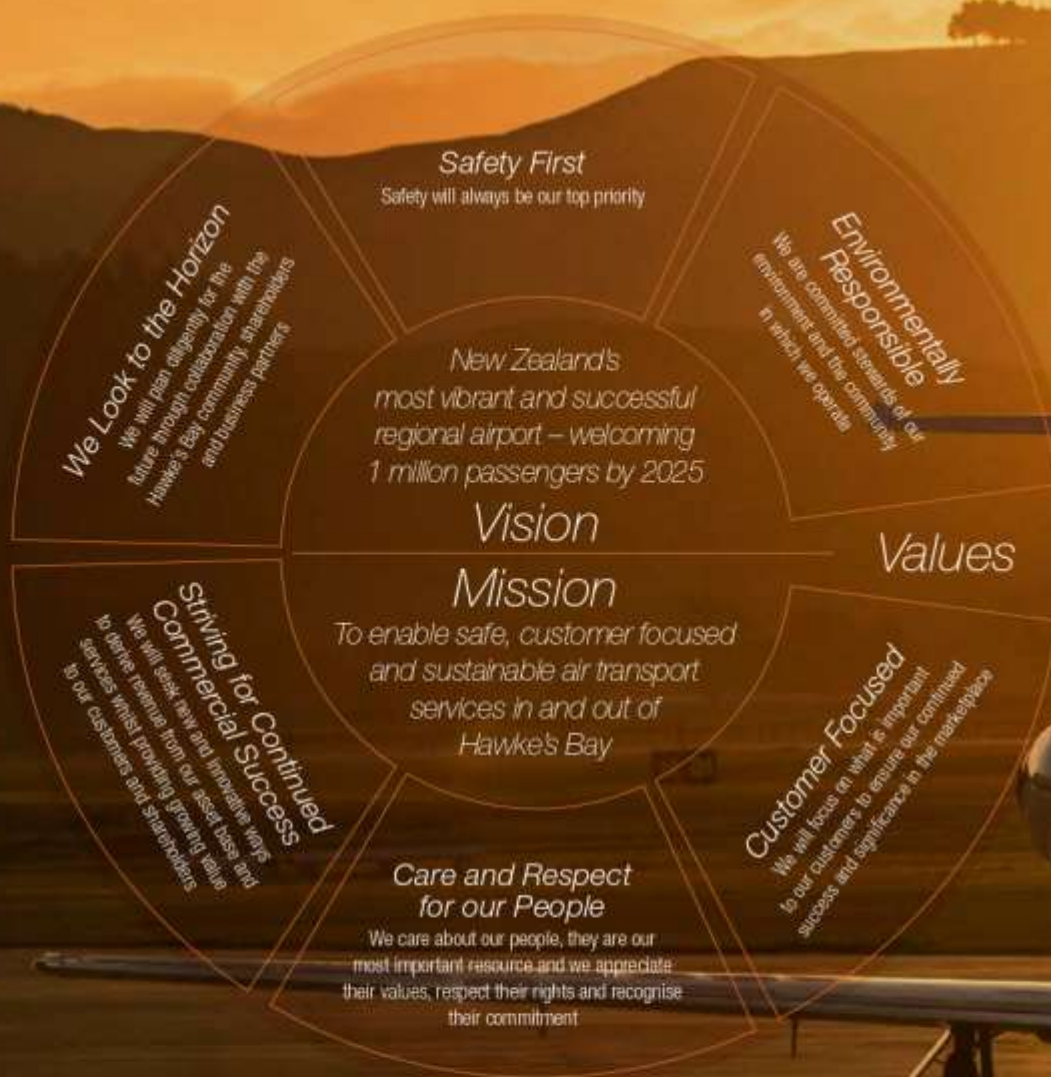
Stuart Ainslie | Chief Executive Officer



Where We Are Heading

We are committed to delivering outstanding service to everyone who comes in contact with our Airport. That means taking into account a variety of factors, from how we prioritise safety, to the way we treat the environment, to the projects we embark on and who we engage to lead them.

Our vision, mission, values and strategic pillars are set to reflect how we wish to move forward.



Strategic Pillars



PROPERTY

Making the best use of our land whilst safeguarding our Airport to optimise returns and increase value to our shareholders.



PEOPLE

Working together to get the best outcomes from our people in a great place to work and live.



COMMERCIAL

Maximising the returns across our aeronautical business whilst delivering greater value and a strong sense of place.



OPERATIONS

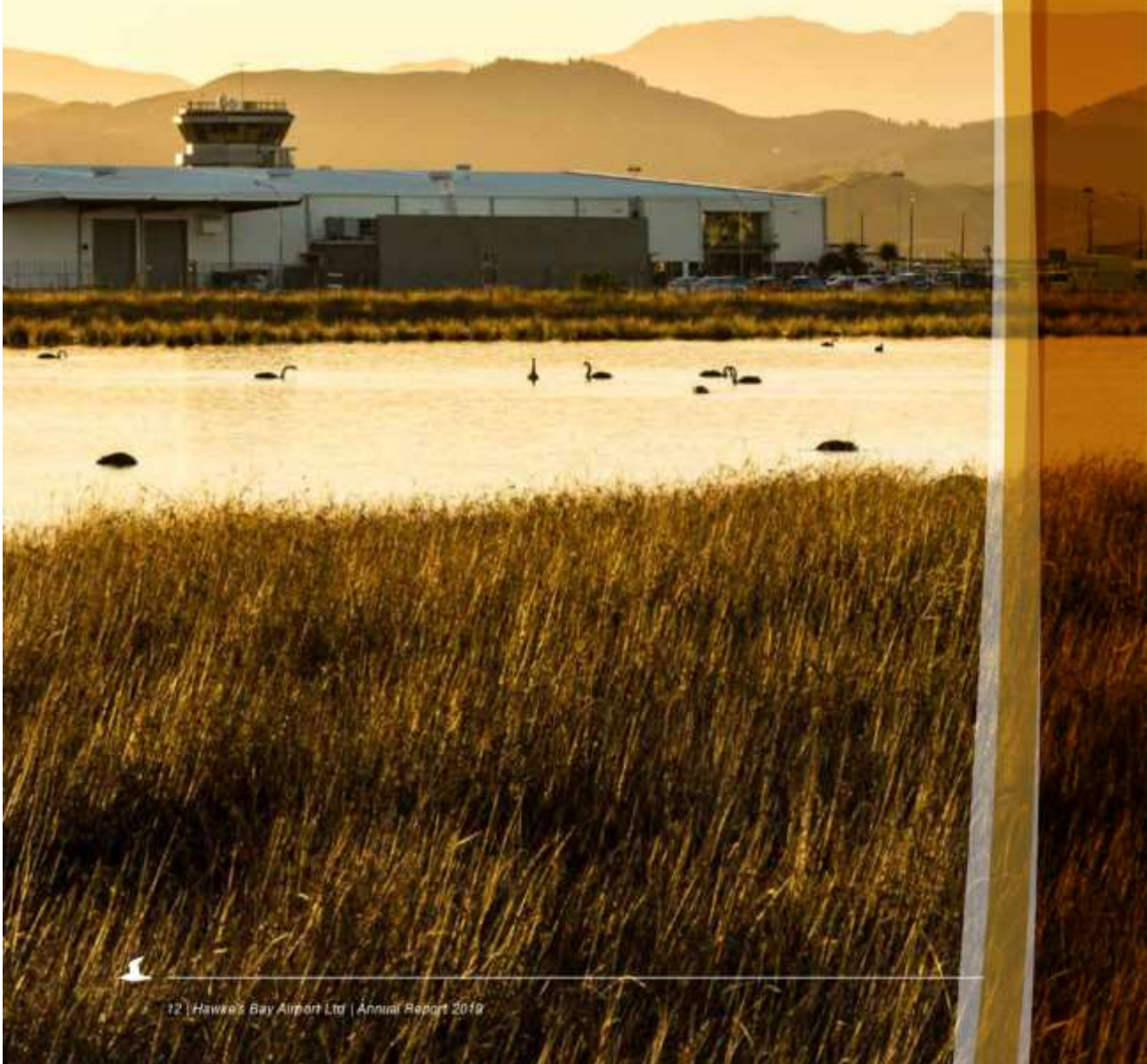
Ensuring a safe, rewarding and delightful journey for our travellers. Striving for excellence in everything we do.



PARTNERS

Engaging with our customers, stakeholders, business partners and community to grow our Airport in a way which benefits everyone. A great place to do business.

"Our vision is to be New Zealand's most sustainable Airport. We will achieve this by embedding sustainability at the heart of everything we do."



t2 | Hawke's Bay Airport Ltd | Annual Report 2019

Item 7

Attachment 2

Sustainability Framework

Our commitment to sustainability will be unwavering. It is a guiding principle that will shape our decision making to ensure it takes a holistic approach that considers all four pillars of our sustainability framework.

We will grow our business in a way that delivers financial returns; is environmentally excellent; socially responsible and operationally efficient.

	FINANCIAL RETURN 	ENVIRONMENTAL EXCELLENCE 	SOCIAL RESPONSIBILITY 	OPERATIONAL EFFICIENCY 
GOALS (SO1)	Stimulate economic growth via intelligent solutions with attractive payback periods to deliver lifecycle savings and revenue	Focus on innovation, new technology and asset utilisation to deliver exceptional environmental outcomes	Invest in our people and positively contribute to sustainable and healthy communities whilst being a good neighbour	Optimise the airfield layout and core processing nodes to enhance punctuality, operational flexibility and resilience
OBJECTIVES	<p>Deliver a unique Hawke's Bay experience and exemplary customer service to all</p> <p>Catalyse regional economic growth and nurture commercial success</p>	<p>Manage and use natural resources and energy sustainably</p> <p>Grow and develop the Airport sustainably for the benefit of future generations</p>	<p>Respect equality, celebrate diversity and embrace inclusion in the workplace</p> <p>Embrace the wellbeing, health and quality of life of the local community</p>	<p>Operate a safe and secure Airport for all users</p> <p>Be operationally efficient, innovative and resilient to natural disasters and climate change</p>
OUTCOMES (SO1)	<ul style="list-style-type: none"> • Support local & regional businesses • Facilitate local procurement opportunities • Attract inward investment • Expand global business networks • Enhance retail product 	<ul style="list-style-type: none"> • Carbon neutrality • Appropriately manage noise • Clean stormwater • Develop resilient infrastructure • Improve air quality • Optimise natural resource use • Improve biodiversity 	<ul style="list-style-type: none"> • Local job creation & skills training • Support local charities & communities initiatives • Staff engagement • Diversity & inclusion • Effective noise management 	<ul style="list-style-type: none"> • Terminal capacity • Simple spatial & functional layouts • Efficient operational procedures • Intuitive wayfinding • Safety & security • Passenger & staff wellbeing • Wildlife control

Board of Directors



Tony Porter

Chairman

Tony has served as a director of HBAL since 1997 and was elected Chairman of Directors in July 2014. He has enjoyed a noteworthy engineering career in structural and bridge design, transportation asset management and business management, specialising over the latter years in asset management and procurement options for managing road networks.

Tony has a BE (Hons) in Civil Engineering, is a Fellow of the Institute of Professional Engineers and a Member of the Institute of Directors New Zealand.



Sarah Park

Chair of the Audit and Finance Committee

Sarah was appointed to the Board of HBAL in July 2014. She has a degree in Economics from the University of Edinburgh. Sarah has a good executive pedigree gained from working in the Mergers and Acquisitions and Capital Markets teams at HSBC Investment Bank (UK) and the PwC (NZ) and in the venture capital arena in the US and Asia. A strong foundational executive career has progressed into multiple roles in governance in New Zealand. Sarah's directorships include Pacific Edge, Focus Genetics and Eurogrow. She also sits on the Board of Trustees at Hereworth School.



Wendie Harvey

Wendie was appointed to the HBAL board in July 2016 following an extensive legal career specialising in employment law and human resource management. Wendie brings over 25 years' experience as a lawyer, executive manager, business consultant and professional director.

Wendie's governance career reflects her interests in strategy development, infrastructure management and the promotion of health and safety in the workplace. Her appointments include the Boards of Port of Napier, Centralines Limited, Aurora Energy Ltd as directorship, ETCO (Electrical Training Company Ltd) and Fire and Emergency New Zealand. Wendie also serves as a Commissioner on the New Zealand Gambling Commission and is a Council Member of the Eastern Institute of Technology.



Taine Randell

Following an extensive professional rugby career in New Zealand and the UK, including Captaincy of the All Blacks, Taine pursued a career in finance and commodity markets both offshore and locally. These skills have enabled him to contribute to a number of governance roles in both commercial and social sectors.

Taine's current directorships include Australian Lobster Company, Kahutia Limited, Fiordland Lobster Company, Kiwigarden. Taine is also a trustee of the Wharanaki Trust, an organisation that provides social services in Flaxmere.



Senior Management



Stuart Ainslie

Chief Executive Officer

Stuart is a senior airport executive with over 18 years' experience in public and privately-owned international hub and regional airports in the UK, Australia and Papua New Guinea. A professionally qualified engineer, Stuart is a consummate senior leader with a special focus on, and understanding of, airports and associated infrastructure. He has also run and managed his own aviation consultancy.

Stuart is a director of the New Zealand Airports Association and sits on the board of the Art Deco Trust.



Rachel Orchard

Chief Financial Officer

An experienced leader, Rachel's work across a number of industries has seen her lead change and revamp business processes within organisations. She has significant experience as a senior manager, working with all levels to effectively manage an entity's commercial and business performance.

Rachel is a valued member of the Hawke's Bay Airport Limited team, and is regularly involved in strategy discussions. Along with her strong commercial acumen, she brings a laser focus to the bottom line. Rachel is an Associate Chartered Accountant and gained distinction when completing her MBA.



Dean Smith

Strategy & Business Development Manager

Dean joined Hawke's Bay Airport in 2016 bringing with him over 15 years of professional experience across the financial services and wine industries in both New Zealand and mainland China.

Dean leads Hawke's Bay Airport's business development, commercial and communications functions as well as holding responsibility for the development and integration of the company's strategic planning process.

Dean holds Bachelors degrees in both Commerce and Science from the University of Auckland.



Gareth Mentzer

Operations Manager

Gareth brings over 15 years' experience in diverse operational and business roles to Hawke's Bay Airport. He enjoys the variety of his position with the Airport, learning from other leaders and meeting the challenges of a multi-faceted operational landscape.

Gareth holds a Bachelor of Computing Systems and applies his practical and analytical skills daily, within a busy airport environment experiencing both growth and change. Outside of work, Gareth can often be found on the sidelines of his children's sports matches.



Stephanie Murphy

Airport Planner

Stephanie has devoted her career to commercial planning and infrastructure and has held key roles within electricity, energy and aviation companies.

She relishes the challenge of developing new projects from an environmental, commercial and long-term strategic planning perspective, with a career highlight the consenting of Australasia's largest wind farm. Stephanie enjoys seeing sustainable progress take shape and unblocking the potential of Hawke's Bay Airport alongside a highly engaged team.

She holds a Bachelor of Resource and Environmental Planning, and loves spending time with family and friends travelling, cycling, skiing and exploring.



Hawke's Bay Airport Ltd | Annual Report 2019 | 15



Item 7

Attachment 2

Our Changing Airport



PROPERTY: Making the best use of our land whilst safeguarding our Airport to optimise returns and increase value to our shareholders.

Watchman Road Project

Journeys to and from the Airport changed this year, as our Watchman Road project wrapped up and the new approach opened to the public. We have enjoyed hearing feedback on these roading improvements, and their positive effect on efficiency, safety, visibility and aesthetics. We also acknowledge the collaborative approach taken in getting the Watchman Road project to completion – it was a true coming together of several agencies (including contractors, Napier City Council, Mana Ahuriri and NZTA) to achieve something very special.

We certainly feel that our enhanced gateway to the region is leaving a lasting impression on those who travel through it.

Terminal Redevelopment

Now, our focus shifts to the terminal expansion, which was increased in scope by 540sqm in order to meet future demands such as upcoming security screening requirements and changing revenue opportunities. Another reason for the revision was projected passenger numbers. Our original expansion plan was set to cater for up to 800,000 passengers, forecasted for 2024. But with strong passenger growth showing, that forecast has been brought forward to 2020. Hawke's Bay Airport expects to reach one million passenger movements by 2025 and additional floor space was required to accommodate the increasing volume of travellers.

The collapse of Arrow Construction in February 2019 was an unforeseen challenge, but was handled efficiently by all at Hawke's Bay Airport Limited. More on this, and the subsequent establishment of Hawke's Bay Airport Construction Limited, can be found on page 21.

Our complete terminal redevelopment will open towards the end of 2020, and we are confident it will be well received by the people of Hawke's Bay, and visitors to our region. Artist Jacob Scott, of Mana Ahuriri, has taken a lead role in the development of the visual components of the Airport, weaving local and global stories into the Airport elements, and showcasing the bountiful region we live in. Jacob was instrumental in the design elements of the Watchman Road project and the storytelling he has achieved here will be brought right through the Airport terminal.

Airport Land Development

New ground lease agreements have been entered into for the development of approximately 3,000sqm of Airport land.

This will facilitate the relocation of the existing aviation fuel farm to a site that is strategically positioned relative to the future growth of the apron. Other developments at the Airport will include the establishment of a new private jet centre and the construction of a new general aviation hangar. Negotiations are also well advanced in relation to an additional 2,500sqm of development – anticipated early in the new financial year. It has been encouraging to see the positive impact the Watchman Road project has had in stimulating development interest at the Airport.



Masterplan and the Resource Management Act

The update of our 20-Year Masterplan is advancing to schedule. The imperative is to ensure that the Masterplan safeguards the ability for the Airport to grow sustainably into the future and in alignment with HBAL's Strategic Framework.

In order to continue developing future passenger growth forecasts, we have established a partnership with Christchurch International Airport. Their aviation planning experts will help with forecasts to underpin the Masterplan's growth assumptions.

In addition, we have retained planning consultants Mitchell Daysh to work hand-in-hand with Executive Management in identifying the required planning framework.

Following the engagement of an acoustic consultant, we have been compiling noise monitoring information via two noise monitoring sites deployed to the north and south of the airfield. The data collected will inform the proposed noise boundaries within the Masterplan. Furthermore, aeronautical planning experts AirBiz – who were engaged following HBAL approval in March – have led a series of workshops to identify the necessary infrastructural provisions to be included in the plan. These cover items such as sustainability, main runway length and cross runway usage.

Other main studies to be undertaken include transport, landscape, archaeology, cultural and stormwater. Public consultation will commence early in the new financial year.

Sustainability Framework

Significant focus has been placed on defining the Airport's sustainability framework. This process has identified the following pillars: operational efficiency, financial return, environmental excellence and social responsibility. This Framework will be embedded at the core of the airport's Strategic Plan and will underpin future development decisions.



18 | Hawke's Bay Airport Ltd | Annual Report 2019



Item 7

Attachment 2



Case Study:
Taking Flight

When visitors step off their flight and into the terminal, they will know immediately where they are and what our place offers them. That's the goal of artist and Mana Ahuriri representative Jacob Scott, who is tasked with telling the stories of the region through the various elements of the Airport. "The Airport is the gateway – the Waharoa – to the region," says Jacob. "It's a place to welcome travellers, and to send them off from. And it's a place to come home to."

Jacob has chosen the kuaka – or godwit – to inspire others' connections to our region. Kuaka come to feed each year from Alaska and can be spotted in the Ahuriri Estuary from around September. After enduring a nine-day flight, without stopping to rest or eat, they then enjoy the bounty of the Estuary, putting on enough weight to survive the journey back to Alaska to breed. There is huge significance in their migration to Hawke's Bay each year for Mana Ahuriri, whose people also used the estuary as a primary food source. "The godwits provide an amazing metaphor for this project – they provide us with a link to the outside world, and of course they use the air to do that."

The kuaka will feature prominently in every facet of the Airport redesign – from the shape of the terminal itself, akin to a godwit in flight, to the interior in the departures and arrival areas. "Our aim is to utilise every element of the build and make it part of the story, from the ground up," explains Jacob.

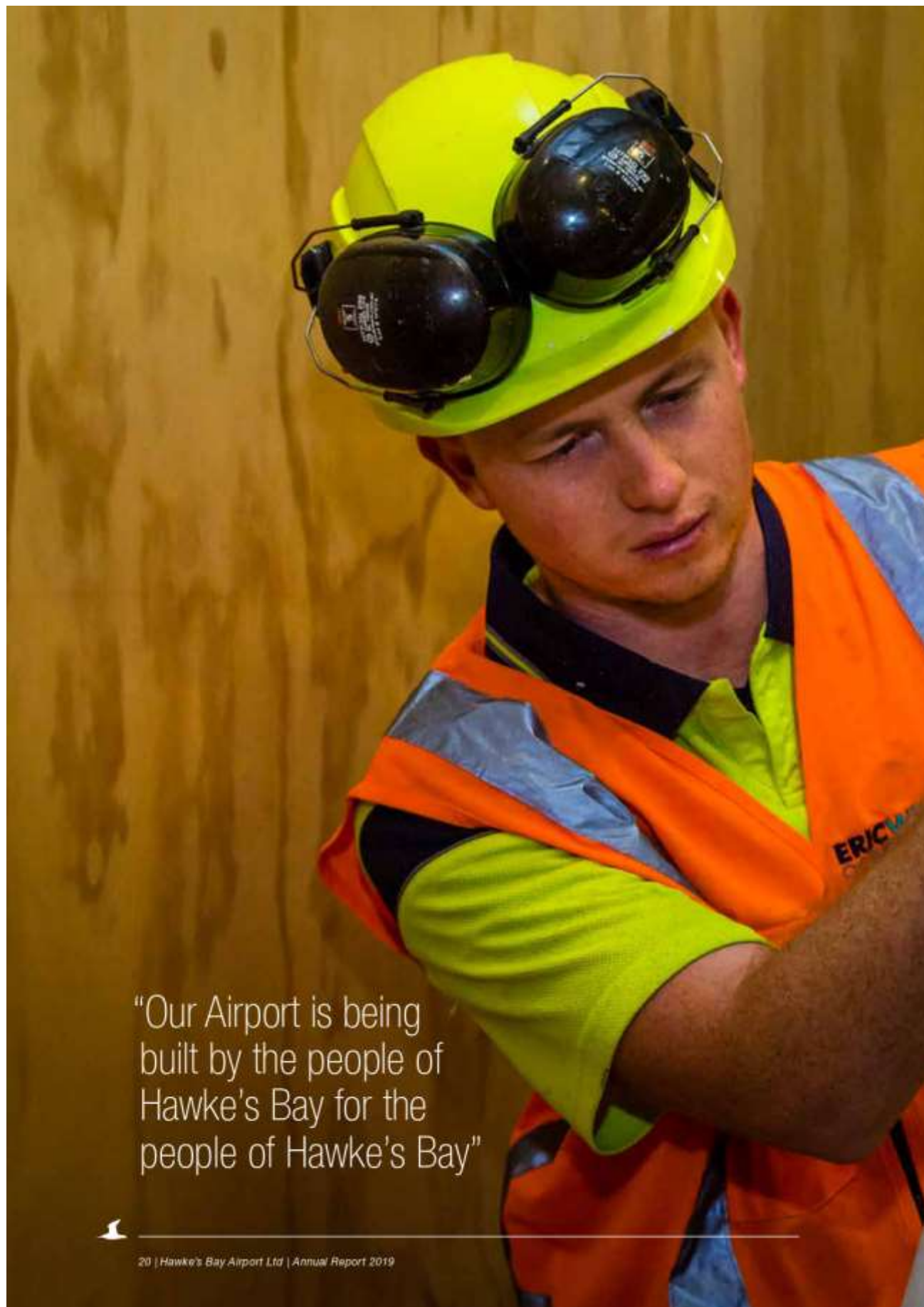
To do so requires collaboration between the many businesses and agencies involved in the terminal redevelopment. Jacob says having been through the process with the Watchman Road project, he's excited to see what can be accomplished. "Watchman Road was a great experience – terrific," Jacob says. "The way all the stakeholders worked together set a real benchmark for future projects. It was a process that was in no way adversarial – instead it recognised there was a job to do and an opportunity in it for everybody. It was a progressive atmosphere."

The Watchman Road project was recently recognised at the Institute of Public Works Engineers Australasia NZ Excellence Awards, taking home the award for Best Public Works Project over \$5 million. On receiving the award, NZTA paid tribute to the valuable input from Jacob and Mana Ahuriri, among others, stating that much of the success of the project came down to the advice of the many stakeholders. "By setting up a 'connection group' with residents, estuary protection advocates and tangata whenua, we were able to create an asset that the community can be proud of," said the NZTA.

Jacob, too, could not be more pleased with the outcome of Watchman Road, how it warmly welcomes visitors to the Airport, represents the characteristics of the entire region and begins telling the story of the incredible kuaka.

"What provides the most pride, though, is the bringing together that has been achieved – that people have learned projects like this are possible and that working relationships can be positive and progressive."

Hawke's Bay Airport Ltd | Annual Report 2019 | 19



Item 7

Attachment 2

A Creative Solution

In early 2019, Hawke's Bay Airport Limited faced a challenge unlike any it had experienced before.

Just months into our \$20.2m expansion project, the Airport's lead construction contractors, Arrow International, went into voluntary administration. With years of planning and intellectual property (as well as the incomes and livelihoods of the construction team) suddenly at risk, a swift, sustainable solution was sought.

Working at speed to resolve the issue, our management team met with sub-contractors and members of the board within days of the event, quickly undertaking to retain key personnel by establishing a wholly-owned subsidiary company – Hawke's Bay Airport Construction Limited.

With guidance from Chief Executive Stuart Ainslie and the HBAL board, and under the auspices of the subsidiary, the project was able to continue near-seamlessly with the same project managers, quantity surveyors, engineers and other team members remaining on board.

As well as safeguarding the future of the project at a critical juncture, another advantage of the approach is that the Airport expansion is now being led by a Hawke's Bay company. Effectively, our Airport is being built by the people of Hawke's Bay, for the people of Hawke's Bay – something in which we take considerable pride.

Project Progression

- **January 2019:** Our arrivals hall and new baggage claim area opened
- **February 2019:** Arrow International went into voluntary administration
- **March 2019:** Hawke's Bay Airport Construction Limited established
- **October 2019:** New airline counters and airline back-of-house facilities to open
- **November 2019:** New state-of-the-art car park access control technology installed
- **Mid 2020:** Forecourt upgrade and pickup/drop-off areas remodelled
- **Mid 2020:** Airport terminal food, beverage and retail offerings open
- **Late 2020:** Our Airport expansion project is completed



The Best People



PEOPLE: Working together to get the best outcomes from our people in a great place to work and live.

Visitors to the Airport might notice an influx of friendly faces around the terminal. We launched our ambassadors programme at the beginning of 2019, and so far, consider it a huge success.

Ambassadors work on a voluntary basis, assisting passengers as they navigate the Airport, find their way to rental car counters or into the car park, or with answering any questions travellers might have about the region. They wear an ambassador's uniform for easy identification and are provided with refreshments and fuel vouchers to get to and from the Airport.

Volunteers were recruited through online and print marketing, and with a huge response from keen locals willing to help, we cut off applications early. A selection and induction programme led by Customer Service Administrator Sara Cartwright followed, and we now have a team of over 30 passionate and committed ambassadors welcoming passengers to Hawke's Bay. A huge thank you to all who have joined us.

Rachel Orchard was appointed to the role of interim CFO in January and following Jeanette Yule's resignation has been retained on a long-term basis. Rachel's ability to step in and provide stability and strategic insight has been invaluable and we thank her for her ongoing efforts.

Stephanie Murphy joined the Airport as Airport Planner in September. The primary purpose of this appointment is to provide strategic oversight and management of the Airport's next-generation sustainable Masterplan.

Further to our recent organisational review, and in line with Hawke's Bay Airport Limited's revised strategic plan, an appointment was made to the newly created Technical Works Coordinator role in January. Our recruitment for the new Airside Safety Officer position has wrapped up and that role commenced in July 2019.

Our commitment to recruiting the very best people in all roles, including our volunteer positions, ensures our Airport continues to deliver exemplary service to everyone who partners with us, does business here, or passes through our terminal.





Case Study: Meet and Greet



When Felicity Grant saw an ad and article encouraging potential Airport ambassadors to apply for a raft of newly created positions, she leapt at the chance. "I've always been fascinated by the Airport and by air travel and as a young girl, I'd wanted to become a flight attendant," says the 56-year-old. "Sadly, I was too short and couldn't swim! So when I saw the call for ambassadors, I thought volunteering would be a great way to serve Hawke's Bay and get involved in some more community work."

She believes that it's her "friendly approach and the welcoming smile on my face" that make her a good candidate for the job. Stan Simmonds (80), shares her view. "It is an enjoyable role. You're welcoming people to Hawke's Bay with a big smile whether they are visitors or passengers returning home."

Stan, originally from the United Kingdom, is retired, having served in the Royal Navy and the Essex Police Constabulary, then the New Zealand Police and as a Napier City Councillor. "What I learned from those roles was to be prepared to appreciate other peoples' points of view. To be successful as an ambassador you need good communication skills, a sense of humour, and to listen."

Felicity has many years as a mother, security officer and community advocate under her belt and sees herself as the "eyes and ears of the Airport."

"As well as answering questions and giving directions, I tend to look out for any suspicious behaviour, the safety of young children, and making sure they're with an adult."

She also relishes any opportunity to assist disabled or elderly passengers as they navigate the terminal and find their onwards transport.

Volunteers typically work on four-hour rostered shifts, from around two shifts a month up to two shifts a week. It's a great way to meet people, says Stan, and offer any assistance he can.

The most common questions are around carparking costs, the renovation work and where to find public conveniences, "and we are getting more and more passengers asking for directions to their AirBnB accommodation," notes Felicity.

"I love meeting them all. Some might have come off a bumpy flight or have had delays arriving but a big 'welcome to sunny Napier!' seems to put them in a great frame of mind."



Hawke's Bay Airport Ltd | Annual Report 2019 | 23



Item 7

Attachment 2

Growth and Vibrancy



COMMERCIAL: Maximising the returns across our aeronautical business whilst delivering greater value and a strong sense of place.

Our Airport is much more than take-offs and landings. Our business model is multi-faceted, incorporating a number of different revenue streams as well as providing a base for a wide array of commercial partners.

Roads and Car Parking

Our plans to improve traffic management and wayfinding are well advanced. Traffic flow will be enhanced via a new internal roading network which has been developed in order to optimise safety, navigation and access to the carpark.

Civil works are required to complete the changes and create seamless integration of the Watchman Road project with our existing infrastructure.

An open tender procurement process that concluded in February 2019 saw us select new carpark access technology to be installed this coming financial year as part of a \$500,000 upgrade to our public carparking areas. This specialised equipment is being manufactured to our specifications by German company Scheidt and Bachmann, who have a proven track record in airport carparks around the globe. Benefits will include tap-and-go on exit functionality and a variety of new payment options.

Another improvement in our ground transport offering is the addition of solar powered parking sensors under the taxi rank. These sensors feed an LED screen which advises waiting taxis of spaces, when they come available. The installation has been a success, particularly as the technology also helps provide useful metrics on the pick-up and drop-off area – this information will help us better understand peak usage and inform resourcing.

Car Rental

We negotiated new licence agreements with car rental companies ahead of them moving into the redeveloped terminal building in January. The new agreements include a change in commercial settings to best reflect the passenger growth that the Airport and its partners have enjoyed.

Advertising and Billboards

We were successful in having resource consent granted for new billboard sites at the new entrance to the Airport. As part of the process, we described the innovative construction methodology employed, including the use of shipping containers located on landscaped mounds to ensure they match their surrounding environment.

Air Freight Feasibility

A successful application was submitted to the government's Provincial Growth Fund with \$200,000 secured to assist with an air freight feasibility study. This work is now well underway.



Hawke's Bay Airport Ltd | Annual Report 2019 | 25



Item 7

Attachment 2

Case Study: Wheels in Motion



One of the very first things on the minds of a growing number of passengers disembarking at Hawke's Bay Airport is finding a rental car in which to explore the region. The Napier branch of Avis Budget is the third busiest counter in their North Island network (after Auckland and Wellington) and Manager Nico Putter says the company's clients are increasingly coming from all over the country, and all walks of life.

"They can be anyone, from Aucklanders who are looking to move to the region and need a short-term rental to zip around in, business travellers using rentals for meetings, through to travellers looking for great wine, lots of sun, and the tranquillity of a small city – and an incredible region – that punches above its weight."

Nico says as new – or existing – airlines have added Hawke's Bay Airport to their schedule, he's noticed an influx of customers from "New Plymouth, Blenheim, and Palmerston North. So rather than being in a central city location, the Airport is ideal for the Avis Budget operation. This is because it makes it easy for our customers to touch down in Napier, pick up their car and get to where they want to be quickly and efficiently."

In fact, Avis Budget has no other counter in Hawke's Bay – 100% of its business is done at the Airport.

It means Nico needs to ensure a high-quality staff to service the vehicles, which are often required within a tight turnaround window. "We have over 25 employees who are on a variety of working patterns at the Airport. Once a customer drops a car off, it is driven by our staff to be groomed at the wash bay. A key part of the Napier operation is our team who help us with moving and refuelling cars throughout the day – they are all retired people whose experience, enthusiasm and companionship are a huge asset. We also have a partnership with CCS Disability Action, a nationwide organisation that provides support and advocacy for disabled people, meaning that every day we have a 23-year-old who helps our wash bay team. The time he spends with us is as much about helping out where he can, as it is about him interacting and bonding with our team."

Nico, an Avis Budget Fleet Manager and local Branch Manager, also needs to maintain outstanding relationships with Avis and Budget franchises in nearby locations such as Taupo and Gisborne, to supply additional cars during peak times. "The backbone of the operation is the locals we employ as casual drivers who collect cars from other branches and bring them back to Napier. They also drive the rental cars from Hawke's Bay to other locations if needed."

With the Airport expansion project nearing completion, Nico says he's excited at the prospect of even greater base from which to work, and what the future might hold for Avis Budget and its Airport counter. "To help continue to grow both the Airport and the local economy, we would like to see some focus on the Australian market and bringing these travellers direct to Hawke's Bay. Napier is located perfectly on the East Coast to take some international flights and to assist with cancelled flights from Auckland and Wellington.

"Development has been a long time coming but now Hawke's Bay Airport is looking to the future and it is great to see."



Hawke's Bay Airport Ltd | Annual Report 2019 | 27



Item 7

Attachment 2

Safe and Sound



OPERATIONS: Ensuring a safe, rewarding and delightful journey for our travellers. Striving for excellence in everything we do.

Safety Management

In any airport environment, safety is paramount. At Hawke's Bay Airport, we continuously analyse risk, monitor hazards, and promote a safety culture across the business. Safety remains at the very top of the priority list in everything that we do.

Over the last year we have implemented a new sign-in and induction process for contractors and visitors to our management team. It's an electronic system that ensures visitors are informed of any potential threats as well as how to evacuate in an emergency.

We led a full-scale emergency exercise on December 18th 2018. The exercise simulated a passenger flight being unable to land safely, with a subsequent on-airport accident involving injuries. This valuable simulation was an opportunity for the Airport and connected agencies to test processes and procedures in accordance with Civil Aviation Authority (CAA) Rule 139 requirements. This practical rehearsal exercise was followed with a desktop exercise in February 2019.

It has been an excellent year for compliance. Our CAA-regulated Safety Management System implementation plan was approved in 2018 and work has progressed ahead of its November 2019 go-live date. In addition, our five-yearly CAA recertification audit was undertaken in June 2019. The Airport completed the audit with only one minor finding, and received many pleasing comments from the CAA. The audit also gave the team an opportunity to continue building capacity and capability with Dean Smith stepping in for the interview component of this audit.

Elsewhere we have seen an uplift in the reporting of Airport incidents, contributing to a robust health and safety environment and development of leading and lagging measures.

We have employed a steward to oversee the Airport's pick-up and drop-off zone, improving traffic and pedestrian safety as well as managing congestion.

Wildlife Management

The past year has seen a greater focus on the Airport's wildlife management. Although bird strikes at Hawke's Bay Airport remain relatively rare, it was important to develop a sound wildlife hazard management plan to mitigate this key safety risk.

We engaged external specialists Avisure, who worked with us on drafting a plan relevant to the bird breeds and native species that gather near the Airport, as well as the coastal location and pasture land that make up the Airport environment.

Avisure's expertise, coupled with input from the Airport team, has seen our wildlife hazard management plan adopted and well understood. One indication of its success thus far is our growing emphasis on reporting and analysing any incidences as they occur, as well as new thinking when it comes to the treatment of pests around the Airport.

Assets and Infrastructure

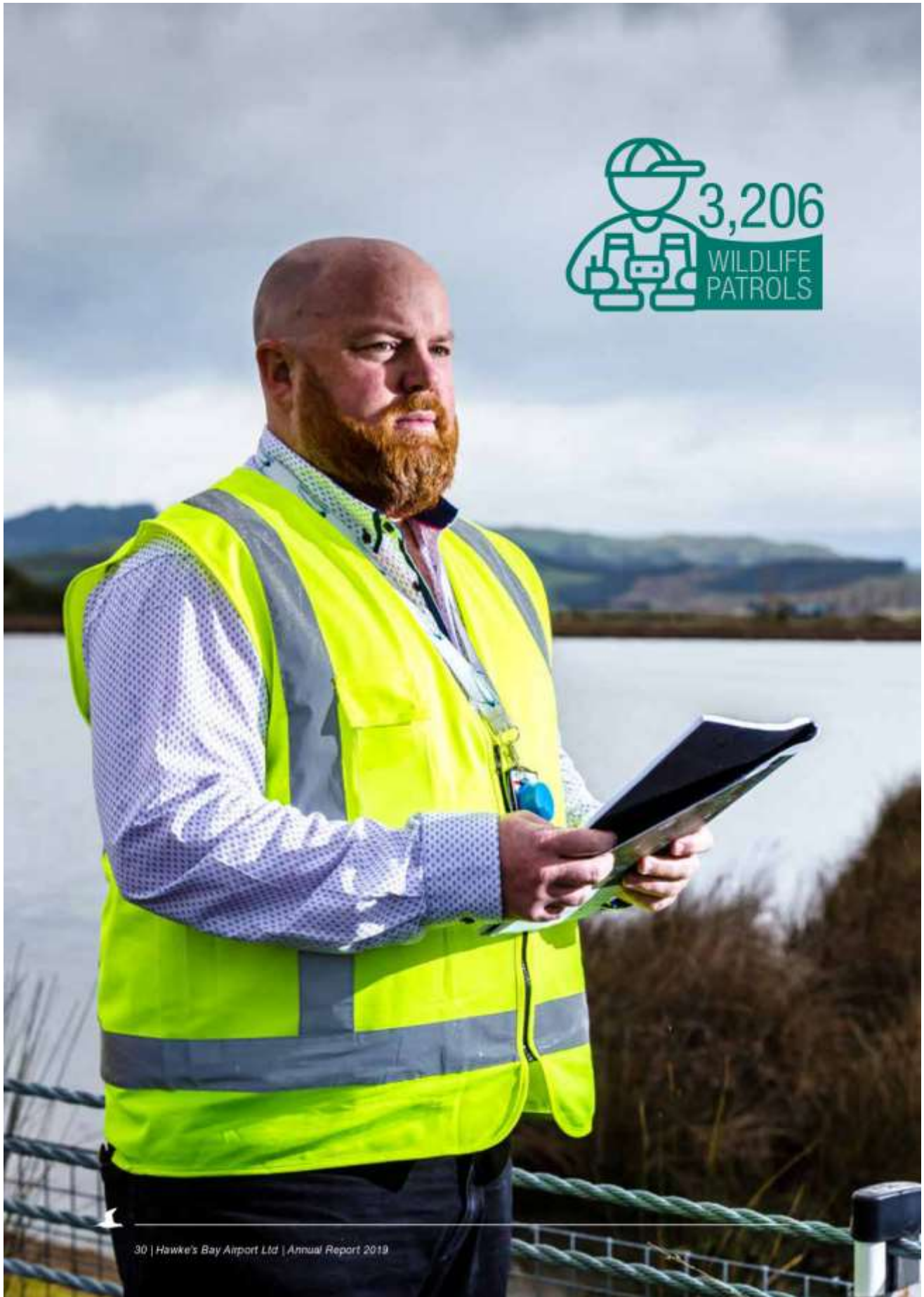
Our most significant infrastructure milestone of the year was the opening of our arrivals hall and baggage claim area in January 2019. We were particularly pleased to reach this goal six months ahead of schedule, due in part to the revised staging of our Airport expansion project.

With changes to the airside terminal frontage, new gate markings were required. Gates 3, 4 and 5 were moved to the west in staged approach that allowed the Airport to maintain operation of services while the works were completed.

Using industry leading MEX software, the Airport has recently implemented better systemisation of our asset management. We have also commenced work on a project that will map the Airport using Geographic Information Systems (GIS).



Hawke's Bay Airport Ltd | Annual Report 2019 | 29



Item 7

Attachment 2



Case Study:
Wild Things

"I've learned a lot more about birds than perhaps I'd anticipated I would," says Gareth Mentzer, Operations Manager for the Airport.

One of Gareth's areas of responsibility is wildlife management – that is, minimising any risk to aircraft from bird strike. Where once, using rifles to scare birds away was the most common method of wildlife control, Gareth takes a systematic and logical approach to "discouraging birds from being at the Airport but encouraging them to be elsewhere."

It's no small task. In working with Avisure to complete a wildlife hazard management plan, Gareth has explored many facets of bird behaviour including the different feeding, nesting and laying patterns of various species – and he's had to cover a lot of ground. "Birds move from point to point and over quite a large distance," he explains, "so we went out over a 20 to 23-kilometre radius from the Airport to see where our potential wildlife sources are. As an example, to understand red billed gull behaviour, we took a look at Omanui Landfill and what impact that might have on the Airport."

"Aircraft are on approach from quite a distance and they start getting low over some potential trouble spots within that radius, so we keep a watching brief on land use around the Airport as well as any changes outside the Airport that might introduce a new hazard."

Within the Airport environment, Gareth also utilises different treatment methods to discourage a range of species. One mitigation is grass height. "A number of birds don't like long grass so we manage the pasture and the length of the grass to keep them away. We've noticed a drop in the number of spur winged plovers this season and as they nest on the ground, we think our pasture management might have something to do with that."

Another way of dissuading bird activity is to remove food sources – like insects – from the Airport environment. And sometimes, the Airport team will support a particular bird population in order to keep land-based pests at bay. "We do keep a number of hawks around the Airport – they are very intelligent and learn quickly to avoid aircraft. And because they are birds of prey, hawks discourage rats, frogs, mice and other ground animals."

Native birds pose no real threat – kuaaka, for example, don't fly over the Airport. It's Canada geese that are the major risk to aircraft. With no natural predators close by, and weighing around five kilograms apiece, they can do serious damage to jets, propellers and aircraft windscreens. The Airport has engaged a local specialist to help manage the goose population.

In the meantime, Gareth will continue to learn about wildlife and record his findings. With the help of the Fire Rescue team, who visit seven birdlife sites around the Airport each Monday and note the populations they find, the Airport's understanding of wildlife is growing all the time. "It means that if there's an incident, we can delve deeply into what's happened, why it happened, the species of bird, its size, even what the weather was doing. We aim to have a well-informed idea of what has occurred."

Hawke's Bay Airport Ltd | Annual Report 2019 | 31

Supporting Progress



PARTNERS: *Engaging with our customers, stakeholders, business partners and community to grow our Airport in a way which benefits everyone. A great place to do business.*

Hawke's Bay Airport Limited values its place in our Hawke's Bay community and works hard to connect deeply with it. We do this in many ways – by fostering strong relationships with our customers and asking them directly what more we can do to make their experience with us a great one; by engaging in dialogue with our stakeholders and business partners; by lending support to community organisations; and by making ourselves available and accessible to those wanting to learn more about the Airport, its people and how we operate.

Sponsorship

In March 2019, Hawke's Bay Airport signed on as the sole Platinum Sponsor of Biodiversity Hawke's Bay, committing funding and in-kind support of around \$450,000 over the next five years. This support will help build an Endowment Fund that Biodiversity Hawke's Bay will use to create a nature-rich future for our region. The Memorandum of Understanding entered into is hugely beneficial to both entities – for the Airport, it is another way of protecting the environment in which we operate and for Biodiversity Hawke's Bay, the package will help lift its profile and fund important work to support ecological restoration, protect habitats and improve biodiversity outcomes.

As both an enabler and benefactor of our regional tourism economy, the Airport was delighted to help contribute towards a visit of 40 Masters of Wine, who travelled from around the globe to learn more about the wines of Hawke's Bay. Hosted by Hawke's Bay Winegrowers, the trip was an opportunity for the region to showcase its iconic syrahs and chardonnays, soil types and unique terroir. Hawke's Bay Airport also lent its support as a key sponsor to both the Hawke's Bay Tourism Awards, and the Hawke's Bay Export Awards in 2019.

We have reaffirmed our ongoing commitment to Hawke's Bay's air ambulance service, the Air Ambulance Charitable Trust. We see this as a critical service for our region.

The Napier Aero Club has also benefited from Airport support. We waived landing fees for their Aero Deco event as part of the iconic Napier Art Deco Festival. In addition, the club was permitted to use Airport land for event carparking.



Promotion

Our terminal is prime real estate for the promotion of our region in relevant and meaningful way. In 2019, we created a pop-up space in the new arrivals hall. This space has been used to create a sense of theatre and to promote a number of local businesses. It was also used as a platform to promote the Central Hawke's Bay region.

Customer Service

We strive to create an outstanding customer experience at the Airport. We recently became members of Airports Council International (ACI) and signed up to their Airport Service Quality (ASQ) program. The programme includes biannual surveys of outgoing passengers in an effort to better understand the customer experience. The results of these surveys will be helpful in progressing our continual improvement objectives.

We enjoy ongoing dialogue with our range of stakeholders and community groups and are happy to fulfil requests to give public presentations on what is happening at the Airport. We are also very proud of the close working partnership developed with Mana Ahuriri who blessed our terminal at the completion of Stage One of the expansion project. Iwi input will be strongly evident in the design of the Airport retail and refreshment precinct with Jacob Scott engaged to provide design elements. You can read more on his role on page 19.







Item 7

Attachment 2



Case Study:
Regenerating The Gap

There's a unique piece of gravel beach along Westshore that has been largely undisturbed by development, landscaping or hard engineering. It's called The Gap, and it's a Council-owned protected zone for the Airport's cross runway. "It really has been a forgotten part of the Hawke's Bay landscape," says Stephanie Murphy. "And while it's a bit overgrown with weeds at the moment, it's been identified by Biodiversity Hawke's Bay as an important part of our regional ecosystem."

Stephanie is the Airport Planner at Hawke's Bay Airport and also takes an interest in the long-term protection of Hawke's Bay's unique coastal environment. In her spare time, she's a Biodiversity Hawke's Bay Guardian – and she's delighted to see her employer stepping in to take a key commercial sponsorship role in the organisation she loves. Airport support will help build an Endowment Fund that Biodiversity Hawke's Bay will use to create a nature-rich future for our region.

"But the other benefit is that a portion of the funding goes towards a separate Project Fund, which the Guardians use to support community groups with an interest in enhancing biodiversity," Stephanie says.

The Gap is set to directly benefit from that fund. Richard Karm from the Westshore Residents Association has led a small team taking care of this small patch for the past three years – largely focused on spraying, watering, hand-weeding, and rubbish removal.

There has also been some trial planting, to ascertain which plants might thrive on the site. Marie Taylor owns Plant Hawke's Bay and has spent many hours investigating the ecological habitat of The Gap in her role as a Biodiversity Guardian. "The objective is to recreate a gravel beach landscape with an appropriate suite of species adapted to the site. So far the most successful species we've trialled is the leafless pohuehue *Muehlenbeckia ephedroides*, which looks a bit like wire. It's rare in Hawke's Bay, and is only known from a small at-risk population in Te Awanga where it's subject to damage from vehicles. So if we can make The Gap a refuge for this species, that will be a very good outcome."

Established in 2018, Biodiversity Hawke's Bay relies on membership from individuals, schools, local bodies and businesses both big and small. Its overarching goal is to protect threatened priority habitats and rare species in Hawke's Bay, as well as support ecological restoration programmes. It's a goal that fits neatly with Hawke's Bay Airport's own sustainability framework, says Airport Chief Executive Stuart Ainslie. And now, with Airport Council, Biodiversity Hawke's Bay, Guardians and the neighbourhood working together, it seems all stakeholders are confident that The Gap could become a living example of how to use funds wisely to effectively manage gravel beach environments in Hawke's Bay.

"Where else could you do a project like this in the middle of a residential area, with a willing corporate partner?" asks Richard. "It is a great project, and if done properly, will outlive us all."

Hawke's Bay Airport Ltd | Annual Report 2019 | 35



Item 7

Attachment 2

Financial Performance

Hawke's Bay Airport Limited has exceeded its performance targets as defined in the Statement of Intent for the financial year ended 30 June 2019.

Underlying net profit after tax of \$1.5m, on EBITDA growth of 9%, was 16% ahead of the Statement of Intent.

This represents a 4% NPAT increase on the prior year with the key driver being the uplift in operational earnings supported by an overall recalibration of commercial terms across various revenue streams, including:

- Aeronautical charges associated with aircraft landing and parking;
- Uplift in car parking revenues;
- Renegotiating commercial settings across various other tenants and Airport operators.

This strong revenue growth has supported the robust operational earnings result for this financial year but is offset in part by costs associated with the company's significant capex programme (especially the terminal expansion project currently underway) i.e. depreciation and interest.

Expenditure before interest and depreciation of \$9.75m was 16% higher than budget and 23% ahead of last year and reflects investment in key positions, consultancy, legal fees and some one-off costs associated with the change in strategic direction and growth aspirations.

The strong operation result underpins a return on equity of 4.7%, which is 0.4% higher than the Statement of Intent. The Company's gearing ratio of 24% was closely aligned with the target of 22.2% in the Statement of Intent and reflects the debt funding associated with the expansion of the terminal building.

The company paid a record fully imputed dividend of \$577,990 to shareholders in December 2018.

Financial Statements

<i>Directors' Report</i>	38
<i>Statement of Service Performance</i>	40
<i>Statement of Comprehensive Income</i>	41
<i>Statement of Changes in Equity</i>	42
<i>Statement of Financial Position</i>	43
<i>Statement of Cash Flows</i>	44
<i>Accounting Policies</i>	45
<i>Notes to the Accounts</i>	48
<i>Independent Auditor's Report</i>	55

Directors' Report

for the year ended 30 June 2019

Directors

Directors' Remuneration

The amount of \$105,000 per annum was paid to members of the board for the twelve months to 30 June 2019.

T M Porter	40,500
S N Park	21,500
T C Randell	21,500
W N Harvey	21,500
	105,000

No other remuneration or benefits other than normal reimbursement of expenses has been paid or given to Directors.

There has been no change in Directors during the year.

Board Committees

As at 30 June 2019 the Company had the following committee:

AUDIT COMMITTEE: Members are Sarah Park (Chair), Tony Porter, Wendie Harvey and Taine Randell

Entries in the Interests Register

As at 30 June 2019, the Directors have declared general disclosure of interest in the following entities:

T M Porter

The Ponnell Tractor Company Limited	Director
-------------------------------------	----------

S N Park

Scotch & Sparkles Limited	Director/Shareholder
Focus Genetics Management Limited	Director
Focus Genetics Partnership Limited	Director
Eurogrow Potatoes Limited	Director
Hereworth School Trust Board	Trustee
Pacific Edge Limited	Director

T C Randell

Fiordland Lobster Company Limited	Director
Australian Lobster Company (GP) Limited	Director
FLC Trustee Limited	Director
Deltap Holdings Limited	Director
ZSB Holdings Limited	Director/Shareholder
Kahungunu Asset Holding Company Limited	Director
KAHC Investments Limited	Director
Kiwigarden Limited	Director



W N Harvey

Centralines Limited	Director
Excellence in Business Solutions Limited	Director/Shareholder
Port of Napier Limited	Director
New Zealand Gambling Commission	Commissioner
Eastern Institute of Hawke's Bay and Tarawhiti (EIT)	Council Member
The Electrical Training Company Limited	Director
Aurora Energy Limited	Director
Fire and Emergency New Zealand	Director
Napier Port Holdings Limited	Director

Employee Remuneration

Employee Remuneration and other benefits exceeding \$100,000

	2019	2018
\$100,000 - \$110,000	-	1
\$110,001 - \$120,000	-	-
\$120,001 - \$130,000	-	2
\$130,001 - \$140,000	2	-
\$140,001 - \$150,000	-	-
\$150,001 - \$160,000	-	-
\$160,001 - \$170,000	-	1
\$170,001 - \$180,000	-	-
\$180,000 - \$190,000	-	-
\$190,000 - \$200,000	1	-
\$200,001 - \$210,000	-	-
\$210,001 - \$220,000	-	-
\$220,001 - \$230,000	-	-
\$230,001 - \$240,000	-	-
\$240,001 - \$250,000	-	-
\$250,001 - \$260,000	1	-

Auditors

The Office of the Auditor General is appointed as auditor under Section 15 of the Public Audit Act 2001 and Section 70 of the Local Government Act 2002. Philip Pinckney of BakerTilly Staples Rodway Audit Limited has been appointed to provide these services.

Directors Responsibility Statement

The Directors are responsible for ensuring that the financial statements and the Statement of Service Performance present fairly the financial position of the Company as at 30 June 2019 and its financial performance and cashflows for the year ended on that date.

The Directors consider that the financial statements of the Company have been prepared using appropriate accounting policies consistently applied, and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.



Consolidated Statement of Service Performance

for the year ended 30 June 2019

The following is a Statement of Service Performance relating to the Key Objectives listed in the Company's Statement of Corporate Intent for the year ending 30 June 2019.

ACTIVITY	MEASURE	SOI	ACTUAL RESULT	% INCREASE	STATUS
OPTIMISE SHAREHOLDER VALUE & RETURNS	Achieve Performance Targets:				
	- Passenger Numbers	706k	750k	6%	
	- Revenue	6,633,623	7,685,915	16%	
	- EBITDA	3,395,609	3,934,196	16%	
	- NPAT	1,322,926	1,496,120	13%	
	- ROE - annualised	4.3%	4.7%	0.4%	
	- Gearing	22%	24%	2%	
	- Dividend	529,000	577,900	9%	
APPROPRIATE INFRASTRUCTURE	Terminal - Complete Stage 1 Northern Extension				
	Terminal - Stage 2 in progress and on track for completion Oct 2019				
	Complete Watchman Road entranceway project				
	Progress Completion of apron layout and extension design				
	Planning complete for Car Park new technology and redevelopment works late 2019*				
IMPROVE IMPACT ON THE ENVIRONMENT	Benchmark established by completed Waste Audit				
	Terminal Recycling trial conducted and fully implemented				
	Carbon Footprint measurement completed*				
	Sustainability Framework initiated*				
DIVERSIFY THE REVENUE BASE	Increased share of revenue from non-regulated commercial activities				
RISK MANAGEMENT	SMS implementation plan and gap analysis				
	NZ Civil Aviation approved safety management implementation plan on track for Nov 19				
	Independent Board Evaluation				
	Twice yearly risk reviews				
	Quarterly internal QA audits				
	Wildlife Management Programme & Training Developed				
	Renewal of Aerodrome Operating Certification*				
POSITIVE CUSTOMER EXPERIENCE	Conduct Airport Quality Survey				
	Monthly apron user meetings				
	Established sponsorship arrangements with Biodiversity Hawkes Bay, Air Ambulance, 'Yarny Army'				
PEOPLE DEVELOPMENT/ EMPLOYER BRAND	New team consolidated with new CEO				
	Good working relationships across management team and Board				
	HR Strategy and Supporting Framework				
	Business Park rezone				
	20 Year Masterplan in progress (Technical Studies Completed)*				
	Engaged over 30 Community Airport Ambassadors*				

KEY: – Meets or exceeds target – Within 10% of target – 10% or more below target

Full commentary in respect of the objectives measured above are given in the Chairman's and Chief Executive's report on pages 6 to 9.

* Activities that are additional to those identified in the Statement of Intent.



Consolidated Statement of Comprehensive Income

for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Aviation		4,891,625	4,014,956
Carparking		2,275,721	2,102,473
Business Park		390,597	367,104
Other Revenue		127,971	164,634
Total Revenue	1	7,685,915	6,649,167
Less Operating Expenses	2	(3,751,719)	(3,041,665)
Operating Profit Before Financing Costs and Depreciation		3,934,196	3,607,502
Depreciation		(1,550,531)	(1,396,041)
Finance Income		392	948
Finance Expense		(130,061)	(71,701)
Net Profit before income tax		2,253,996	2,140,708
Income Tax Expense	3	(757,877)	(695,733)
Net Profit after income tax		1,496,120	1,444,975
Items that will not be reclassified into profit or loss:			
Revaluation of Property, Plant & Equipment, net of deferred tax	8	2,944,287	-
Deferred tax on revaluation	3	96,373	96,372
Total comprehensive income		4,536,780	1,541,347

Consolidated Statement of Changes in Equity

for the year ended 30 June 2019

	Issued Capital	Retained Earnings	Revaluation Reserve	Total Equity
BALANCE AT 1 JULY 2018	13,789,155	7,631,082	8,724,329	30,144,567
Profit for the period	-	1,496,120	-	1,496,120
Revaluation of Property, Plant & Equipment	-	-	2,944,287	2,944,287
Reclassification of depreciation on revalued assets	-	344,188	(344,188)	-
Movement in deferred tax on revaluation reserve	-	-	96,373	96,373
Total comprehensive income	-	1,840,308	2,696,472	4,536,780
Distributions to shareholders (note 5)	-	(577,990)	-	(577,990)
Movement in equity for the period	-	1,262,318	2,696,472	3,958,790
Balance at 30 June 2019	13,789,155	8,893,400	11,420,801	34,103,356
BALANCE AT 1 JULY 2017	13,789,155	6,528,921	8,972,144	29,290,220
Profit for the period	-	1,444,975	-	1,444,975
Reclassification of depreciation on revalued assets	-	344,187	(344,187)	-
Movement in deferred tax on revaluation reserve	-	-	96,372	96,372
Total comprehensive income	-	1,789,162	(247,815)	1,541,347
Distributions to shareholders (note 5)	-	(687,001)	-	(687,001)
Movement in equity for the period	-	1,102,161	(247,815)	854,346
Balance at 30 June 2018	13,789,155	7,631,082	8,724,329	30,144,567



Consolidated Statement of Financial Position

as at 30 June 2019

	Note	2019 \$	2018 \$
Assets			
Property plant and equipment	8	47,317,601	34,912,723
Investment property	9	4,376,319	4,535,317
Intangibles		1,538	3,384
Total non-current assets		51,695,458	39,451,424
Trade and other receivables	4	1,035,893	950,909
Cash and cash equivalents		182,046	277,979
Total current assets		1,217,939	1,228,888
Total assets		52,913,397	40,680,312
Equity			
Issued capital		13,789,155	13,789,155
Retained earnings		8,893,400	7,631,082
Revaluation Reserve		11,420,801	8,724,329
Total equity	5	34,103,356	30,144,566
Liabilities			
Deferred tax liability	3	4,487,178	3,577,996
Rentals in advance	7	1,096,022	1,180,264
Borrowings	6	10,688,562	4,026,792
Total non-current liabilities		16,271,762	8,785,052
Trade and other payables	7	2,092,652	1,702,702
Employee benefits		69,889	47,992
Borrowings	6	375,738	-
Total current liabilities		2,538,279	1,750,694
Total liabilities		18,810,041	10,535,746
Total equity and liabilities		52,913,397	40,680,312

These financial statements were authorised for issue by the board on 3 October 2019 on behalf of Hawke's Bay Airport Limited.



TONY PORTER
CHAIRMAN



SARAH PARK
DIRECTOR

Consolidated Statement of Cash flows

for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Revenues		7,597,581	6,540,467
Interest Received		392	948
		7,597,974	6,541,415
<i>Cash was disbursed to:</i>			
Suppliers and Employees		(3,744,543)	(3,303,211)
Goods & Services Tax (Net)		(116,750)	(41,071)
Interest Paid		(252,563)	(46,636)
Income Tax Paid		(863,547)	(1,462,704)
		(4,977,404)	(4,853,622)
Net cash flows from operating activities	10	2,620,570	1,687,793
Cash flows from investing activities			
<i>Cash was disbursed to:</i>			
Capital Works		(9,176,021)	(5,445,173)
Net cash flows from investing activities		(9,176,021)	(5,445,173)
Cash flows from financing activities			
<i>Cash was provided from:</i>			
Borrowings		7,037,508	4,026,792
<i>Cash was disbursed to:</i>			
Dividends Paid		(577,990)	(687,001)
Debt Repayment		-	-
NET CASH FLOWS FROM FINANCE ACTIVITIES		6,459,518	3,339,791
Net increase/(decrease) in cash and cash equivalents		(95,933)	(417,589)
Add Opening Cash and Cash equivalents		277,979	695,568
Closing cash and cash equivalents at end of year		182,046	277,979
REPRESENTED BY:			
Cash at Bank		167,578	261,816
Cash in hand		14,469	16,163
		182,046	277,979



Accounting Policies

For the year ended 30 June 2019

Significant Accounting Policies

Reporting Entity

Hawke's Bay Airport Limited is a company incorporated in New Zealand under the Companies Act 1993 and is owned by the Crown: 50%, Napier City Council: 26%, Hastings District Council: 24%.

The Company is domiciled in New Zealand and its principal place of business is 111 Main North Road, Westshore, Napier. The company operates the Hawke's Bay Airport.

Hawke's Bay Airport Limited is defined as a Council-controlled organisation pursuant to Part 5 of the Local Government Act 2002.

Statement of Compliance

The financial statements have been prepared as required by the Local Government Act 2002 and in accordance with all applicable financial reporting standards and other generally accepted accounting practices in New Zealand. They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to profit oriented entities applying the Reduced Disclosure Regime.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Hawke's Bay Airport Limited and its wholly owned subsidiary, Hawke's Bay Airport Construction Limited (the Group).

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intragroup balances and transactions are eliminated in preparing the consolidated financial statements.

Measurement Base

The financial statements have been prepared on a going concern basis in accordance with historical cost concepts as modified by the revaluation of certain assets and liabilities as identified in specific accounting policies below.

Presentation Currency

These Financial Statements are presented in New Zealand dollars (\$), which is the functional currency of the Group, rounded to the nearest dollar.

Critical Accounting Estimates, Assumptions and Judgments

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical estimates are included in the impairment assessment of Investment Property, and in the assessment of the recoverable amounts of Capital Work in Progress and the fair value of Property, Plant and Equipment. Management has exercised its judgement on the selection of depreciation rates and the classification of financial assets.

Particular Accounting Policies

1. Revenues

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of Goods and Services Tax (if applicable), returns, rebates and discounts. The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the group's activities. Revenues consist mainly of landing charges, car parking fees, terminal and leased land rentals and concessions. Lease income is recognised on a straight-line basis over the term of the lease.

2. Trade and Other Receivables

Trade and other receivables are stated at net realisable value after provision for doubtful debts.

3. Taxation

Income tax expense

Income tax on profits for the period comprises current tax, deferred tax and any adjustment for tax payable in previous periods. Income tax is recognised in profit or loss as tax expense except when it relates to items credited directly to equity, in which case it is recorded in other comprehensive income.



Current tax

Current tax is the expected tax payable on the income for the period based on tax rates and tax laws which are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax arises by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the equivalent amounts used for tax purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the assets or liabilities giving rise to them are realised or settled.

Deferred tax assets, including those related to the tax effect of income tax losses available to be carried forward are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be realised. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. Cash Flow Statement

The following definitions have been used for the preparation of the Statement of Cash Flows:

Cash and cash equivalents: Cash and cash equivalents are cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Operating activities: Transactions and other events that are not investing or financing activities.

Investing activities: Activities relating to the acquisition, holding and disposal of non-current assets and of investments, such as securities, not falling within the definition of cash.

Financing activities: Activities which result in changes in the size and composition of the capital structure of the Group, both equity and debt not falling within the definition of cash.

5. Valuation of Property, Plant And Equipment

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs. Subsequent to initial recognition, land and land improvement and airport infrastructure and buildings are carried at fair value less accumulated depreciation and accumulated impairment losses. Capital work in progress is carried at cost and transferred to another category as assets are completed. Other assets are recorded at cost less accumulated depreciation and accumulated impairment losses.

Any revaluation increment is credited to the revaluation reserve and included in other comprehensive income, except to the extent that it reversed a previous decrease of the same asset previously recognised within net profit in the statement of comprehensive income, in which case the increase is recognised within net profit in the statement of comprehensive income.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement, and the depreciation based on the original cost is transferred from the revaluation reserve to retained earnings.

Property, plant and equipment comprises airfield and other infrastructure, car parks, buildings and equipment.

Assets under construction

The cost of assets under construction is recorded at incurred cost as at balance date.

Disposal of property plant and equipment

When an item of plant property and equipment is disposed of any gain or loss is recognised in the profit or loss calculated at the difference between the sale price and the carrying value of the asset.

Cyclical maintenance upgrades

Significant expenditure involving renewal of runway surface components is capitalised and subject to depreciation at the appropriate rates.

6. Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, including transaction costs. Costs include all expenditure relating to infrastructure development and construction. Investment property is depreciated using the cost model allowed under NZ IAS 40. Investment properties include all aspects of the business park development adjacent to the airport.

7. Depreciation

Depreciation is charged on a straight-line basis to write off the cost or value of property, plant and equipment and investment property over their expected economic lives.

The principal depreciation rates are as follows:

Airfield Infrastructure: Base	0.71% to 5.56%
Surface	6.67% to 10.00%
Business Park Infrastructure	0.00% to 10.00%
Buildings	2.50% to 10.00%
Plant & Equipment	2.90% to 40.00%
Car Park & Roading	1.67% to 5.00%
Fencing	5.00% to 15.00%
Lighting	4.00% to 10.00%
Furniture & Fittings	10.00%
Office Equipment	30.00%



8. Intangibles

Intangibles comprise computer software that is not an integral part of the related hardware. This software has either been purchased or developed internally and is initially recorded at cost. Subsequent costs are included in the software's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of maintaining the software are charged to profit or loss. Software is amortised over three years using the straight-line method.

9. Financial Instruments Recognition and Measurement

Financial assets

The Group classifies its financial assets in the following categories: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortised cost. The classification depends on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. At balance date, the Group had financial assets classified only as amortised cost.

Amortised cost

Financial assets at amortised cost have contractual terms that give rise to cash flow on specified dates that are solely principal and interest and are held within a business model whose objective is to hold assets in order to collect those contractual cash flows.

The Group's amortised cost financial assets comprise of cash and cash equivalents and accounts receivable.

Purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed.

After initial recognition, amortised cost financial assets are carried at amortised cost using the effective interest method, less impairment.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation. Trade payables and borrowings are classified as financial liabilities.

10. Impairment Testing of Assets

At each reporting date, the Group reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

11. GST

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

12. Leases

The Group only has operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

13. Changes in Accounting Policies

The Group has adopted "NZ IFRS 9 Financial Instruments" for the year ended 31 March 2019. The impact of this standard was to change the classification of financial assets. Due to the Group's business model for managing financial assets and the contractual nature of the assets there has been no change to the recognition and measurement of the assets. The assets previously classified as loans and receivables carried at amortised cost are now in the amortised cost category.

The Group has also adopted "NZ IFRS 15 Revenue from Contracts with customers". Due to the nature of the Group's revenue, this standard has not had a material impact on the Group's financial statements.

There have been no other changes in accounting policies.

Notes to the accounts

for the year ended 30 June 2018

1. Operating Revenues

Aviation income includes all revenue from landing charges, aircraft parking, concessions, airfield and terminal rentals. Carparking includes all income from the short term, daily and long stay car parks. Business park revenue includes all rental income from tenants occupying sites on the business park investment property. Other revenue includes advertising, use of the conference facilities and other revenue. All revenue is net of discounts and rebates.

2. Operating Expenses

	2019 \$	2018 \$
Audit Fees - audit of financial statements	30,879	28,809
Directors Fees	105,000	105,000
Lease of Land	34,000	34,000
Employee Benefits	1,106,536	733,527
Other Operating Expenses	2,475,304	2,140,329
	3,751,719	3,041,665

3. Taxation

	2019 \$	2018 \$
<i>A. Current Year Reconciliation</i>		
Profit Before Taxation	2,253,996	2,140,708
Prima Facie Taxation at 28%	631,119	599,398
<i>Adjusted for the tax effect of:</i>		
Depreciation on revalued assets	96,373	96,372
Non deductible expenses	30,384	(38)
Prior Years (over)/under provision	-	-
Income tax expense	757,877	695,733
<i>Comprising</i>		
Current Tax	801,398	827,598
Deferred Tax	(43,522)	(131,865)
	757,877	695,733



B. Taxation Payable/(Receivable)

Balance at 1 July	307,764	942,870
Terminal Tax (paid)/refunded	(294,404)	(942,870)
	13,360	(0)
Current Tax Payable	801,398	827,598
Provisional Tax paid	(569,084)	(519,834)
RWT paid on interest	59	-
Balance at 30 June	245,733	307,764

C. Imputation Credit Account

Imputation Credits carried forward	2,662,304	1,398,733
Decrease arising from tax refunded during the year	(22,890)	1,461,285
Increase arising from tax paid during the year	885,533	-
Applied to Dividends paid	(224,774)	(197,714)
Balance at 30 June	3,300,173	2,662,304

D. Deferred Tax Reconciliation

Opening balance	3,577,996	3,806,233
Deferred tax expense	(139,895)	(228,237)
Revaluation of PP&E	1,049,077	-
Closing balance	4,487,178	3,577,996

Reconciliation of Deferred Tax Expense

Reclassified from current tax		
Credited to tax expense	(43,522)	(131,865)
Charged to other comprehensive income	(1,145,450)	(96,372)
	(1,188,971)	(228,237)

E. Deferred Tax Analysis

Holiday Pay	(9,736)	(5,725)
Impairment Provision	(194,992)	(194,992)
Provision for doubtful debt	60	(14,619)
Intangibles	(47)	(47)
Income in Advance	(332,809)	(356,409)
Runway Refurbishment	446,157	505,762
Capitalised interest	34,301	-
Revaluation of PP&E	3,080,732	2,128,028
Asset Base and Depreciation Differences	1,463,512	1,515,997
	4,487,178	3,577,995

4. Trade and Other Receivables

	2019 \$	2018 \$
Accounts Receivable	503,971	572,916
Provision for doubtful debts	-	(52,428)
Prepayments	261,933	276,965
GST Receivable	269,989	153,456
	1,035,893	950,909

5. Equity

	shares on issue	2019	2018
Ordinary shares	1004	13,789,155	13,789,155
Revaluation Reserve		11,420,801	8,724,329

All shares have equal voting rights and share equally in dividends and surpluses on winding up.

All shares are fully paid and have no par value.

On 01 December 2018 a dividend of \$575.69 cents per share was paid to the holders of ordinary shares (2017: \$684.26 cents per share).

The revaluation reserve arises on the revaluation of property, plant and equipment. When revalued property, plant and equipment is sold, the portion of the revaluation reserve that relates to that asset is transferred directly to retained earnings.

6. Borrowings

The company has a flexible facility up to \$1.5m, (2018: up to \$2.5m), and a term facility stepping up from \$14.5m at 30 June 2019 to \$19.5m on 1 January 2020 (2018: \$14.7m) available from the ANZ Bank. At balance date the term facility was drawn down to \$10,688,561.73 (2018: \$4,026,792) and the Flexible Facility was drawn down to \$375,738.15 (2018: \$0).

The average interest rate on the term facility was 3.27% p.a (2018: 3.52% p.a). The term facility matures on 30 November 2021.

The current interest rate on the Flexi Facility is 4.89% (2018: 4.89%). The Flexi Facility matures on 30 November 2021.

The facilities are secured by a General Security Agreement.



7. Trade and Other Payables

	2019 \$	2018 \$
General - Trade	420,943	452,898
- Capital Expenditure	1,336,642	836,839
Rentals in Advance	89,334	105,201
Income Tax Payable	245,733	307,764
	2,092,652	1,702,702

Rentals in advance due beyond twelve months totals \$1,096,022 (2018: \$1,180,264).

8. Property, Plant and Equipment

	Land & Land Improvements	Airport Infrastructure & Buildings	Other assets	Capital Work in Progress	Total
<i>At 30 June 2018</i>					
Fair Value	5,567,362	26,831,509	1,316,791	5,299,250	39,014,912
Acc dep	12,696	3,133,717	955,776	0	4,102,189
	5,554,666	23,697,792	361,015	5,299,250	34,912,723
<i>Opening net book value</i>	5,554,666	23,697,792	361,015	5,299,250	34,912,723
Additions	0	345,185	40,788	9,381,371	9,767,344
Disposals	0	0	0	0	0
Revaluation	246,661	3,746,703	0	0	3,993,364
Depreciation	966	1,277,308	111,242	0	1,389,515
Transfers	0	7,381,022	348,248	(7,695,584)	33,685
<i>Closing net book value</i>	5,800,362	33,893,393	638,809	6,985,037	47,317,601
<i>At 30 June 2019</i>					
Fair Value	5,800,362	33,893,393	1,705,788	6,985,037	48,384,580
Acc dep	(0)	(0)	1,066,979	0	1,066,979
	5,800,362	33,893,393	638,809	6,985,037	47,317,601

As at 30 June 2019 the Land was valued by an independent valuer - Logan Stone Limited and the Airport Infrastructure & Buildings were valued by an independent valuer - Peter Seed Ltd.

The valuations were on the basis of current fair value. Logan Stone Limited determined the fair value by direct reference to recent market transactions on arm's length terms for properties comparable in size and location, taking into account the highest and best use for the land, in particular the proximity of the car park land to the airport terminal. This is level 2 on the fair value hierarchy - see note 14.

Peter Seed Ltd used a discounted cashflow model as there was an absence of sale of similar properties and this is industry practice. This discounted cashflow was based on future forecast income and expenditure for the aeronautical and non-aeronautical assets. This is level 3 on the fair value hierarchy - see note 14.

At reporting date, if passenger growth forecasts used in the Discounted Cash Flow were +2% or -1% with all other variables held constant, it would increase/(decrease) the value of Property Plant and Equipment by \$3.6m/(\$1.6m).

Additions subsequent to the revaluation are carried at cost.

As shown in the Statement of Changes in Equity there was an additional depreciation charge of \$344,188 (2018: \$344,187) as a result of the prior year revaluations on the Airport Infrastructure & Buildings assets.

9. Investment Property

	Land & Land Improvements	Business Park Infrastructure & Buildings	Capital Work in Progress	Total
<i>At 30 June 2018</i>				
Cost	2,977,203	2,875,214	145,270	5,997,687
Accumulated depreciation and impairment	228,887	1,233,483	-	1,462,370
	2,748,316	1,641,731	145,270	4,535,317
<i>Opening net book value</i>	2,748,316	1,641,731	145,270	4,535,317
Additions	-	-	132	132
Disposals	-	-	-	-
Depreciation	33,619	125,511	-	159,130
Transfers	-	-	-	-
<i>Closing net book value</i>	2,714,697	1,516,220	145,402	4,376,319
<i>At 30 June 2019</i>				
Cost	2,977,203	2,875,214	145,402	5,997,819
Accumulated depreciation and impairment	262,506	1,358,994	-	1,621,500
	2,714,697	1,516,220	145,402	4,376,319

The company is developing a business park complex on the surplus airfield land. The development commenced in 2013. The initial tenant of the business park has prepaid its rentals for the 21 year term of the lease. This income is being recognised over the term of the lease.

As at 30 June 2019 the company has considered whether any new indicators of impairment exist. The recoverable amount of the land has been considered separately for the developed and the undeveloped land.

The recoverable amount of the developed land has been calculated by undertaking a lease capitalisation calculation on the net lease income from existing tenants. The recoverable amount of the prepaid lease has been calculated by undertaking a discounted cash flow calculation based on the lease income for the remainder of the lease term.

The recoverable amount of the undeveloped land has been valued by a third party valuation expert, Logan Stone Ltd, as at 30 June 2019, based on a value per square metre derived from knowledge of recent market transactions.

When the estimated value of the developed land and the valuation of the undeveloped land is combined, the recoverable value is greater than the net book value per the financial statements. Therefore, no impairment exists.

The Company will continue to monitor the ongoing financial performance of the business park at each reporting date to confirm whether previous impairments have reversed or further impairments should be recognised.

10. Reconciliation of Net Profit After Income Tax to Net Cashflows from Operating Activities

	2019 \$	2018 \$
Operating Profit/(Loss) After Taxation	1,496,120	1,444,975
Add/(Less):		
Non Cash Items		
- Depreciation	1,550,531	1,396,041
- Doubtful debts	(52,426)	52,212
- Deferred Tax	(43,522)	(131,865)
Interest Costs Capitalised	(90,322)	-
Changes in Trade and Other Receivables	(46,187)	(234,346)
Changes in Payables and Income in Advance	(193,623)	(839,225)
Net Cash flows from Operating Activities	2,620,571	1,687,793



11. Commitments

Operating commitments:

As at 30 June 2019 the company had 2.5 years remaining of a new five year contract with a provider of rescue fire, grounds maintenance and security services at \$799,000 per annum. This contract runs until 31 December 2021.

The company has entered into a lease agreement to lease land as part of the runway extension for a term of 35 years expiring on 30 April 2045 with ongoing rights of renewal.

	2019 \$	2018 \$
No longer than 1 year	34,000	34,000
1 - 5 years	136,000	136,000
Longer than 5 years	697,000	731,000
	867,000	901,000

Capital commitments:

As at 30 June 2019 the Company is contractually committed to capital expenditure totalling \$9,789,229, with \$9,061,395 of this relating to the terminal redevelopment project and the balance associated with masterplan and carpark development projects.

In the prior year at 30 June 2018 the Company had a contractual commitment of \$11,625,846 in respect of the terminal redevelopment project.

For further information on the new terminal expansion project refer to the Chairmans and Chief Executives report.

12. Contingencies

There are no known contingent liabilities (2018: Nil).

13. Transactions with Related Parties

Hawke's Bay Airport Ltd is owned by Napier City Council, Hastings District Council and the Crown. The company enters into numerous transactions with government departments, Crown entities, State-owned enterprises and other entities controlled by the Crown and pays rates to the Napier City Council.

These transactions are not separately disclosed where they:

- Are conducted on an arm's length basis;
- Result from the normal dealings of the parties; and
- Meet the definition of related party transactions only because of the relationship between the parties being subject to common control or significant influence by the Crown

Hawke's Bay Airport Limited incorporated a 100% owned subsidiary, Hawke's Bay Airport Construction Limited on 15 March 2019.

Hawke's Bay Airport Construction Limited is the company that contracts to Hawke's Bay Airport Limited to undertake the construction management of the airport terminal redevelopment project.

All transactions between Hawke's Bay Airport Limited and Hawke's Bay Airport Construction Limited are eliminated on consolidation so there are no related party transactions to disclose at Group level.

Amounts paid to key management personnel (Chief Executive, Chief Financial Officer, and the Directors) during the year were \$678,247 (2018: \$451,218).



14. Financial Instruments

The Company is party to financial instruments as part of its normal day to day operations.

The main financial instruments are:

- Cash and cash equivalents
- Accounts receivable
- Trade payables
- Borrowings

The Company has no off balance sheet financial instruments.

Fair Value of Financial Instruments

All financial assets and financial liabilities carrying amounts are a reasonable approximation of fair value.

The fair value estimates were determined by the following methodologies and assumptions.

CASH AND CASH EQUIVALENTS: The reported amounts approximate fair value.

ACCOUNTS RECEIVABLES: The reported amount approximates fair value because they are assessed for impairment and all amounts are receivable within three months of balance date.

TRADE PAYABLES: The reported amount approximates fair value because they are payable in the short term.

BORROWINGS: The reported amounts approximate fair value because they are at market interest rates.

Fair value estimation

Assets and liabilities are recorded at fair value are valued according to the fair value hierarchy as follows:

LEVEL 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

LEVEL 2 - Inputs rather than quoted prices included in level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices.)

LEVEL 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

15. Events Subsequent to Balance Date

On Wednesday 25 September 2019 Jetstar announced that it would be ceasing Regional Turboprop air services across regional New Zealand from 30 November 2019 meaning Jetstar will cease its current Auckland – Hawkes Bay flights from that date.

Jetstar's decision to leave the regional market represents a reduction in seat capacity however not necessarily a drop in passenger demand noting that the competitive element introduced by Jetstar stimulated some of the extra demand by introducing elasticity in air fares.

The announcement creates some material uncertainty around the future value of the group's Property, Plant and Equipment as passenger numbers are a significant input into the discounted cash flow model as detailed in note 8.

The group estimates that due to a change in significant inputs the potential future impact on the Net Book Value of Property, Plant and Equipment is a decrease in the range of \$0.95m to \$3.6m.

The above announcement has meant that the financial statements that were issued to the shareholders on 25 September 2019 were withdrawn in order that the above disclosure could be prepared. Due to the timing of the announcement and the process required to be undertaken to draft the above disclosure, the updated financial statements have not been approved by the directors until after 30 September 2019 which is a technical breach of the Local Government Act 2002.

There have been no other events subsequent to balance date. (2018: The company received approval for a major transaction from all of its shareholders enabling a further increase to the terminal expansion of \$4.5m).





Independent Auditors Report

TO THE READERS OF HAWKES BAY AIRPORT LIMITED'S GROUP FINANCIAL
STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2019

The Auditor-General is the auditor of Hawkes Bay Airport Limited group (the group). The Auditor-General has appointed me, Philip Pinckney, using the staff and resources of Baker Tilly Staples Rodway Audit Limited, to carry out the audit of the financial statements and the performance information of the group on his behalf.

Opinion

We have audited:

- the financial statements of the group on pages 41 to 54, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the group on page 40.

In our opinion:

- the financial statements of the group on pages 41 to 54:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime; and
- the performance information of the group on page 40 presents fairly, in all material respects, the group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the group's objectives, for the year ended 30 June 2019.

Our audit was completed on 3 October 2019.
This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to other matters. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Replacement financial statements, statement of service performance, and audit report

Without modifying our opinion, we draw attention to the fact that the financial statements on pages 41 to 54 and the statement of service performance on page 40 replace the previously issued financial statements and statement of service performance dated 24 September 2019. The previous financial statements and statement of service performance have been replaced because, on 25 September 2019, Jetstar announced that it would be ceasing Hawkes Bay flights from 30 November 2019 creating material uncertainty around the future value of the group's Property, Plant and Equipment as passenger numbers are a significant input into the discounted cash flow model as detailed in note 8. Attention is drawn to note 15 on page 54, which outlines the circumstances in more detail. This audit report replaces the audit report issued on 24 September 2019.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the group for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the group for assessing the group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and the performance information.

For the performance information, our procedures were limited to checking that the information agreed to the group's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.



- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the group's framework for reporting performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 39, but does not include the financial statements and performance information, and our auditor's report thereon.


Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the group.



Philip Pinckney
Baker Tilly Staples Rodway Audit Limited
On behalf of the Auditor-General
Hastings, New Zealand

Item 7

Attachment 2

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Committee and Rural Community Board Register of Delegations 2019-2022

Schedule of Amendments, Additions and Deletions

Date	Page	Amendment/Addition/Deletion and Name/s of Relevant Committee/Subcommittee	Authorisation

Item 19

Attachment 1

Contents

Schedule of Amendments, Additions and Deletions	1
Part 1 Introduction	3
1. Role of the Committee & Rural Community Board Register of Delegations	3
2. Philosophy of Council Regarding Delegations	3
3. Characteristics of Delegations	3
4. Functions that Council Cannot Delegate	4
5. Delegation to Officers	4
6. Sub-delegation	4
7. Reporting Decisions	4
8. Term of Delegation	4
9. Policy and Delegated Decision Making	4
10. Amendments to this Register	5
11. Council Committee Principles	5
12. Committees	5
13. Role of the Mayor	6
14. Hastings District Rural Community Board	6
15. Appointment of Committees	6
16. Principles of Council's Committee Structure	6
17. Ambiguity and Conflict	7
Part 2 Standing Committees	8
1. Strategy and Policy Committee	8
2. Operations and Monitoring Committee	9
3. Hearings Committee	10
4. Risk and Assurance Committee	11
5. Heretaunga Takoto Noa Māori Standing Committee	12
6. Hastings District Licensing Committee	14
7. Chief Executive Performance Committee	15
Part 3 Community Board	17
1. Hastings District Rural Community Board	17
2. Rural Halls Subcommittee	19
Part 4 Subcommittees	20
1. District Development Subcommittee	20
2. Eco District Subcommittee	21
3. Great Communities Subcommittee	22
4. District Planning and Bylaws Subcommittee	23
5. Civic and Administration Subcommittee	24
Part 5 Joint Committees	26
1. Hastings District Council: Tangata Whenua Wastewater Joint Committee	26
2. Hawke's Bay Crematorium Committee	27
3. Joint Waste Futures Projects Steering Committee	28
4. Omarunui Refuse Landfill Joint Committee	30
5. Clifton to Tangoio Coastal Hazards Strategy Joint Committee	33
Part 6 Advisory Groups	37
1. Landmarks Advisory Group	37
2. Youth Council	38
3. International Advisory Group	39
Part 7 District Champions	40
1. Role of District Champions	40
2. Hastings District Ambassador	40
3. Hastings District Transport Development Champion	41
4. Flaxmere Development Champion	41

Item 19

Attachment 1

Part 1 Introduction

1. Role of the Committee & Rural Community Board Register of Delegations

This Committee & Rural Community Board Register of Delegations (the **Register**) has been adopted by the Hastings District Council (**Council**) to define its governance relationships and responsibilities.

2. Philosophy of Council Regarding Delegations

Council believes it is essential, in the interests of good management and effective administration, to encourage the delegation of decision making to the most appropriate level of competence. This should ensure best use of the abilities of elected representatives, minimise the cost of material, technical and financial resources and enable efficient/effective consideration and decision-making.

Authority and responsibility go together. Those with responsibility for a task or function should always have the authority to carry it out effectively. Those with authority should always be responsible for its wise use. Delegations will not remove from the Council and management the ultimate accountability for the affairs of Council.

It is the statutory function of Council to lead and guide the good management of Hastings District. Council achieves this by determining primary goals and objectives and setting strategies and policies for the achievement of these objectives through the considered use of committees and the appointment of a Chief Executive.

Officers through delegation from the Chief Executive contribute to strategy and policy formulation, implementation and administration to provide and manage the infrastructures and services on which Hastings District is based.

In accordance with Section 39(c) of the Local Government Act 2002, the Council must maintain a clear separation between regulatory and service delivery functions. The management structure must also reflect this separation. The delegations to both committees and staff have been written to coincide with this statutory imperative.

A power to hear evidence or consider a proposal is not a delegation and is not therefore generally included in this Register. This Register has been prepared on the basis that all committees and subcommittees have authority to hear any matter within their jurisdiction and decide the matter or submit a report or recommendation to a higher authority unless that is prohibited by law.

3. Characteristics of Delegations

Council does not lose the function, power or duty by delegation and may exercise this concurrently with those to whom it has granted a delegation (the **Delegate**).

The Delegate, while having the authority to make a decision under delegation, has the right not to exercise that delegation and therefore not make a decision. In such instances, the Delegate should refer the matter to the delegator.

Schedule 7, clause 30(6) of the Local Government Act 2002 makes clear that a local authority or committee is not able to rescind or amend a decision made under a delegation. The Council would be bound by the decision to the extent that the decision had already become binding on the Council by the operation of law and could not be reversed.

The delegations contained in this Register are made in accordance with the Local Government Act 2002 and any other statutory authority permitting delegation including (but not limited to) the Resource Management Act 1991, Building Act 2004, Dog Control Act 1996 and Reserves Act 1977.

4. Functions that Council Cannot Delegate

Under the Local Government Act, Council can delegate all statutory powers other than the following:

- a) The power to make a rate; or
- b) The power to make a bylaw; or
- c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan; or
- d) The power to adopt a Long-Term Plan, Annual Plan or Annual Report; or
- e) The power to appoint a Chief Executive; or
- f) The power to adopt policies required to be adopted and consulted on under the Local Government Act in association with the Long-Term Plan or developed for the purpose of the Local Governance Statement; or
- g) The power to adopt a remuneration and employment policy.

5. Delegation to Officers

Council can only delegate certain powers to officers. Delegations to the Chief Executive are contained in a separate Register (Register of Delegations to the Chief Executive). Staff members receive their delegations from the Chief Executive. These delegations are contained in separate delegations registers including the Statutory Delegations Register.

6. Sub-delegation

Every committee may further delegate any power granted to them in this Register or otherwise by the Council either generally or specifically, and may impose any term or condition upon that sub-delegation.

7. Reporting Decisions

A Delegate need not generally report decisions to the person or body that granted the delegation, except that all tenders accepted under delegated authority are to be reported by the Delegate (in this case either a Department Manager, the Management Team, or a Standing Committee) to the next higher level of authority (either the Chief Executive via the Management Team, Standing Committee or Council) at the earliest opportunity.

8. Term of Delegation

Unless any delegation is expressed to be for a definable term, it shall continue until revoked by the delegator or Council, or withdrawn in any way by operation of law.

9. Policy and Delegated Decision Making

In reaching a decision under delegated authority full regard must be had to both:

- a) any Council policy applying to an issue; and
- b) all relevant facts applying to the case.

Should any Delegate, having considered all the facts of the case, be unable to make a decision which complies with Council policy on any matter, the correct action is then to refer the matter to Council.

10. Amendments to this Register

This Register shall be maintained by the Manager, Democracy and Governance Services who shall amend it in accordance with:

- a) Any instruction to that effect given by the Council; or
- b) Any need for typographical, grammatical or other minor amendment where the intention of the Council in the matter of a delegation is not altered.

This Register will be revised after each Triennial Election. This process will be initiated by the Manager, Democracy and Governance Services.

11. Council Committee Principles

Council Committees will be assigned responsibility and operate in a way that reinforces the wholeness of the Council's function and does not interfere with the delegation from the Council to the Chief Executive.

- a) Council Committees will ordinarily assist Council to carry out its governance function by preparing policy alternatives and implications for Council deliberation. They should not extend their work into operational areas helping or advising the Chief Executive and staff. Unless specifically delegated authority to do so, Council Committees may not instruct the Chief Executive and staff beyond reasonable requests for information and advice. If, in the Chief Executive's opinion, meeting such requests would consume a material amount of staff time or funds outside those budgeted, or would be disruptive, the Chief Executive may refer the request to Council.
- b) Council Committees may not speak for the Council except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Chief Executive.
- c) As the Chief Executive works for the Council as a whole, s/he will not be required to obtain the approval of a Committee before taking an executive action. For the avoidance of doubt no Chair or member of a Committee has or may exercise any executive power unless expressly delegated such power by Council.
- d) Council Committees are to avoid over-identification with Council parts rather than the whole. A Council Committee that has helped the Council create policy on some matter will not be used to monitor Council performance on that same matter.
- e) While the Council may delegate authority to committees, including the monitoring of performance within their areas of responsibility, the Council remains at all times the superior body.
- f) This policy applies to any group that is formed by Council action whether or not it is called a committee and regardless of whether the group includes Council Members. It does not apply to Committees formed under the authority of the Chief Executive.

12. Committees

The law relating to Committees is generally found in Schedule 7 of the Local Government Act 2002. Unless otherwise stated, references to clauses are references to clauses in Schedule 7.

While a Committee may include persons other than elected members (other than under Section 12 Fencing of Swimming Pools Act 1987), it must include at least one elected member. Council Officers may only be appointed to subcommittees (Clause 31(4)). The minimum number of members of a committee is three, (Clause 31(6)(a)) with a quorum being at least two, including at least one elected member, (Clause 23(3)(b)). The Council will determine the quorum.

A Committee may delegate any of its functions, duties, or powers to a Subcommittee, subject to any conditions, limitations, or prohibitions imposed by Council or the Committee.

A Subcommittee may comprise Elected Members or staff (Clause 31(4)(b)) or other persons but the minimum number of members of the subcommittee is two (Clause 31(6)(b)).

13. Role of the Mayor

The role of the Mayor is to provide leadership to the other elected members of Council and the Hastings District Community. The Mayor leads the development of our Long Term Plan and Annual Plan, policies and budgets.

The Mayor is a member of all committees of Council, may establish committees and may appoint chairs of committees.

14. Hastings District Rural Community Board

The Rural Community Board is a separate entity to Council and is not a committee of Council.

Section 51 of the Local Government Act 2002 states that a community board is:

- a) An unincorporated body.
- b) Not a local authority.
- c) Not a committee of the relevant territorial authority.

The role of the Rural Community Board is set out in Section 52 of the Local Government Act (and is set out in the section of this Register relating to the Rural Community Board). The delegation of powers by Council to the Rural Community Board is provided for in Clause 32.

15. Appointment of Committees

Section 41A of the Local Government Act 2002 gives the Mayor the authority to establish committees and to appoint the Chair of each of these communities should they wish to do so.

In this Register a 'Field of Activity' is a specific activity or function which the Standing Committee or Subcommittee has responsibility for. 'Delegated Powers' define what the Committee or Subcommittee is allowed to do.

Council determines the fields of activities for its Committees and Subcommittees. Committees and Subcommittees may generally deal with all matters covered by their respective fields of activity for which financial provision has been made but subject to any conditions set by the Council.

Statutory matters that do not have to be dealt with by Council are delegated to either Committees or Subcommittees within their respective fields of activity.

Provision for 'Joint Committees' with other local authorities or public bodies is provided for in Clause 30(1)(b) of The Act.

Final decisions can be made by Committees and Subcommittees only on those matters where authority to make decisions has been delegated. All other decisions must be in the form of recommendations to the Council, or, in the case of Special Committees or Subcommittees, to the parent Committee. Recommendations may extend over any of the items included in, or similar to, the Committees or Subcommittees fields of activity. Committees can delegate final decision-making power to Subcommittees, but only in relation to matters within the delegated authority of the Committee and only subject to any conditions imposed on such a delegation by Council itself (Schedule 7 Clause 32), or limitations imposed by statute.

While Schedule 7 Clause 30(3) makes it clear that every Committee *is "subject in all things to the control of [Council] and must carry out all general and special directions ..."* the Council is not entitled to rescind or amend a decision made by a Committee exercising a delegated authority to make the decision (Clause 30(6)). However, if it considers that a Committee has erred the Council could amend the authorities delegated to that Committee.

16. Principles of Council's Committee Structure

Council's Committee structures (as laid out in these delegations) are based on the following governance principles:

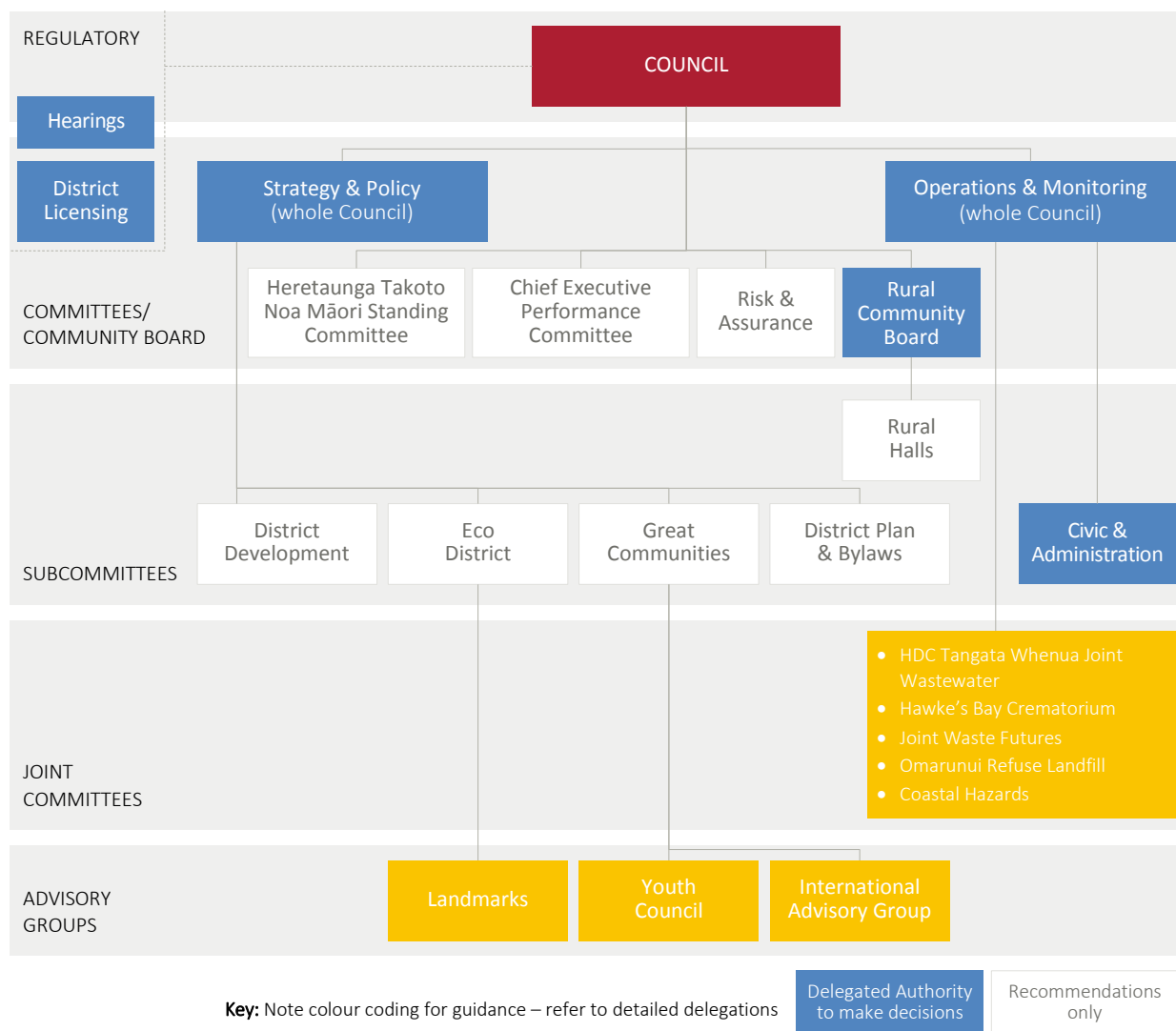
- 1) There should be appropriate separation between the Council's
 - Strategy and policy development functions,
 - Monitoring of finances and operational performance, and
 - Role in regulatory matters (see 39(c) of the Local Government Act 2002).
- 2) Other Committees and Subcommittees (to support the main Committees) will focus specifically on key areas requiring that additional focus.

17. Ambiguity and Conflict

In the event of ambiguity or conflict between any of the provisions contained in the Delegations Register, resulting in uncertainty or dispute as to where the authority is held to act in respect of a particular matter, the Chief Executive will prepare a written report in respect of that uncertainty or dispute and submit the same to the Mayor (or the Deputy Mayor in the absence of the Mayor) for consideration and determination. The decision of the Mayor (or Deputy Mayor in the absence of the Mayor) will be final and binding.

If neither the Mayor nor the Deputy Mayor is available the decision of the Chief Executive will be final and binding.

For guidance the committee structure is shown graphically below.



Part 2 Standing Committees

1. Strategy and Policy Committee

Fields of Activity

The purpose of the Strategy and Policy Committee is to develop all strategic, policy and planning frameworks for approval by Council.

Membership (Mayor and 14 Councillors)

- Chair appointed by Council.
- Deputy Chair appointed by Council.
- 1 Heretaunga Takoto Noa Māori Standing Committee Member appointed by Council.
- Chair of the Rural Community Board appointed by Council.

Quorum – 8 members

DELEGATED POWERS

- 1) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law or otherwise delegated to another committee) in relation to all matters detailed in this delegation.
- 2) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law) at any time when the Chief Executive certifies in a report that;
 - a) the matter is of such urgency that it requires to be dealt with, or
 - b) the matter is required to be dealt with, prior to the next ordinary meeting of the Council.
- 3) Establish strategic direction to deliver Council Objectives and District Vision.
- 4) Establish policies and guidelines for decision making to assist in achieving strategic outcomes.
- 5) Establish levels of service across Council services in line with strategic goals and priorities.
- 6) Receive and consider reports from Subcommittees.
- 7) Develop draft bylaws for adoption by Council.
- 8) Develop and recommend the financial and infrastructure strategies and budgets for the Long-Term Plan, Annual Plan and Annual Report.
- 9) Consider and approve constitutions and any shareholder agreements for Council Controlled Organisations and other organisations that Council has an interest in.
- 10) Develop the Rating Policy for recommendation to Council for adoption.
- 11) Develop Funding Policies for recommendation to Council for adoption.
- 12) Delegations of powers to sub-committee(s) if so established.
- 13) Approve the purchase of and disposal of land (If included in the Long Term Plan).
- 14) Making submissions on behalf of Council to proposals by other organisations/authorities (Local and Regional).
- 15) Conversion of terminating leases to renewable leases and the settlement of terms except in the case of leases under the Reserves Act.

2. Operations and Monitoring Committee

Fields of Activity

The purpose of the Operations and Monitoring Committee is to ensure consolidated and complete reporting and monitoring of all financial and non-financial information and performance measures against the Annual Plan, Long-Term Plan and Council Strategies, Goals and Priorities.

Membership

- (Mayor and 14 Councillors).
- Chair appointed by Council.
- Deputy Chair appointed by Council.
- 1 Heretaunga Takoto Noa Māori Standing Committee Member appointed by Council.

Quorum – 8 members

DELEGATED POWERS

- 1) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law or otherwise delegated to another committee) in relation to all matters detailed in the Fields of Activity.
- 2) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law) at any time when the Chief Executive certifies in a report that;
 - the matter is of such urgency that it requires to be dealt with
 - the matter is required to be dealt with, prior to the next ordinary meeting of the Council.
- 3) Monitor the performance of Council in terms of the organisational targets set in the Long Term Plan and Annual Plan – both financial and nonfinancial.
- 4) Monitor operational performance and benchmarking.
- 5) Undertake quarterly financial performance reviews.
- 6) Develop the Draft Annual Report and carry forwards.
- 7) Monitor and review the performance of Council Controlled Organisations and other organisations that Council has an interest in.
- 8) Monitor and review tender and procurement processes.
- 9) Monitor major capital projects.
- 10) Recommend to Council on matters concerning project decisions where these are identified as a result of the committee's project monitoring responsibilities.
- 11) Writing off outstanding accounts for amounts exceeding \$6,000 and the remission of fees and charges of a similar sum.
- 12) Settlement of uninsured claims for compensation or damages where the amount exceeds the amounts delegated to the Chief Executive.
- 13) Guarantee loans for third parties such as local recreational organisations provided such guarantees are within the terms of Council policy.
- 14) Authority to exercise the Powers and Remedies of the General Conditions of Contract in respect of the Principal taking possession of, determining, or carrying out urgent repairs to works covered by the contract.
- 15) Grant of easement or right of way over Council property.
- 16) Approve insurance – if significant change to Council's current policy of insuring all its assets.

3. Hearings Committee

Fields of Activity

The Hearings Committee is established to assist the Council by hearing and determining matters where a formal hearing is required under the provisions of the:

- Resource Management Act 1991.
- Building Act 2004.
- Health Act 1956.
- Dog Control Act 1996.
- Litter Act 1979.
- Hastings District Council Bylaws.
- Local Government Act 1974.
- Local Government Act 2002.

Membership 10 Hearings Commissioners (comprising at least 7 seven elected members of Council and up to 3 externally appointed Independent Hearings Commissioners)

- Chair appointed by Council from the membership including externally appointed members.
- Deputy Chair appointed by the Council from the membership including externally appointed members.
- Under section 39B of the Resource Management Act, the Chair must be accredited, and unless there are exceptional circumstances, appointees on hearings panels must have accreditation to make decisions on;
 - Applications for Resource Consents.
 - Notice of Requirements given under section 168 or 189.
 - Requests under clause 21(1) of Schedule 1 for a change to be made to a Plan.
 - Reviews of Resource Consents.
 - Applications to change or cancel Resource Consent Conditions.
 - Proposed Policy Statements and plans that have been notified.
 - Any hearing of an objection under section 357C.

Quorum

- a) For Hearings other than Council Initiated Plan Change hearings, a maximum of three members including the Chair (or Deputy Chair, in the Chair's absence) to meet for any one hearing.
- b) For Council Initiated Plan Change hearings, all members may attend and take part in the decision-making process unless the Chair exercises the power of delegation to assign any function, power or duty of the Hearings Panel to any one or more Commissioner.
- c) For Hearings other than Council Initiated Plan Change hearings the quorum shall be two members.
- d) For Council Initiated Plan Change Hearings, the quorum shall be three members.
- e) Members to sit on any hearing other than a Council Initiated Plan Change Hearing shall be selected by agreement between the Chair (or Deputy Chair, in the Chair's absence) and the Group Manager: Planning and Regulatory Services.
- f) For the purpose of hearing any objection in respect of the matters detailed under the Dog Control Act 1996 the Hearings Committee will consist of any three members selected by the Chair.

4. Risk and Assurance Committee

Fields of Activity

The Risk and Assurance Committee is responsible for assisting Council in its general overview of financial management, risk management and internal control systems that provide;

- Effective management of potential risks, opportunities and adverse effects.
- Reasonable assurance as to the integrity and reliability of the financial reporting of Council.
- Monitoring of Council's requirements under the Treasury Policy.
- Monitoring of Councils Strategic Risk Framework.

Membership

- Membership (6 including 4 Councillors).
- Independent Chair appointed by Council.
- Deputy Chair appointed by Council.
- 2 external independent members appointed by Council.

Quorum – 3 members

DELEGATED POWERS

Authority to consider and make recommendations on all matters detailed in the Fields of Activity and such other matters referred to it by Council.

5. Heretaunga Takoto Noa Māori Standing Committee

This is established between the Hastings District Council and the Māori community.

Context

The Heretaunga Takoto Noa Māori Standing Committee has been established by Council to continue the development of strategic and sustainable relationships with Māori. Council shall meet the intent and spirit of the Council's obligations set out in the legislation more particularly the obligations of the Local Government Act 2002;

- Towards establishing and maintaining processes that provide opportunities for Māori to contribute to the decision processes of Council.
- Fostering the development of Māori capacity to contribute to these processes.
- The provision of information to assist Māori contribution to Council's activities.

The Council wishes the Committee to reflect a spirit of partnership between the Council and the community and to contribute effectively to the Council's activities. To enable this to occur the Fields of Activity and Delegated Powers are framed with the widest scope possible.

The Council wishes the Committee to assist with the development of an integrated policy framework (based on Treaty of Waitangi Principles) for the Council aimed at delivering effective governance, engagement and service delivery for Council's Māori Communities.

Fields of Activity

- To provide policy advice with respect to the District Plan, regarding provisions for Wāhi Tapu, Papakainga, and where relevant to Tangata Whenua, any other amendments to the Plan.
- To provide input to the Long Term Plan and Annual Plan with particular reference to those issues of importance to Māori from within the District.
- To host Council Hui and Hapu events.
- To provide insight into Māori and other strategic community issues with particular reference to the Long Term Plan, the effectiveness of the District Plan and the delivery of the Annual Plan.
- To consider and recommend Māori capacity building activities within budget and resource constraints of Council.
- To assist Council as appropriate in conducting and maintaining effective, good faith working relationships with the Māori community including advice on governance arrangements.
- To make decisions as to the allocation of Marae Development Fund grants within the allocated budget.
- To assist Council with the development of an integrated policy framework and work programme to enable effective governance, engagement and service delivery for Council's Māori Communities.
- To nominate from among its members people whom it considers appropriate for the Council to appoint as members of its other Committees and Subcommittees.

Membership (12 Members)

- Chair – to be elected at the first meeting of the Committee at the beginning of each triennium; and from among the appointed Tangata Whenua members of the committee.
- Deputy Chair – to be elected at the first meeting of the Committee at the beginning of each triennium from among the elected members of the committee.
- The Mayor.
- 5 Councillors.
- 6 members from Tangata Whenua to be appointed by the Council and Kaumatua, taking into account the “*post settlement environment*” and Mataawaka.

Quorum – at least 3 Councillor Members and 3 Tangata Whenua Appointees

DELEGATED POWERS

- 1) Authority to exercise all Council powers, functions and authorities in relation to the matters detailed in the Fields of Activity such as to enable recommendations to the Council on those matters.
- 2) Authority to make decisions on the allocation of Marae Development Fund grants within the allocated budget.
- 3) Authority to develop procedures and protocols that assist the Committee in its operation provided that such procedures and protocols meet the statutory requirements of the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987 and Council's Standing Orders.

The Chair shall not have a casting vote.

Note: The Terms of Reference for the Heretaunga Takoto Noa Māori Standing Committee are subject to review by the Committee at its first meeting in the 2019 Triennium.

Item 19

Attachment 1

6. Hastings District Licensing Committee

A statutory Committee under the Sale and Supply of Alcohol Act 2012.

Fields of Activity

- To consider and determine applications for Licences and Manager's Certificates.
- To consider and determine applications for renewal of licences and manager's certificates.
- To consider and determine applications for temporary authority to carry on the sale and supply of alcohol in accordance with section 136 of the Sale and Supply of Alcohol Act 2012.
- To consider and determine applications for the variation, suspension, or cancellation of special licences.
- To consider and determine applications for the variation of licences (other than special licences) unless the application is brought under section 280 of the Sale and Supply of Alcohol Act 2012.
- With the leave of the Chair for the Licensing Authority, to refer applications to the Alcohol Regulatory Licensing Authority.
- To conduct inquiries and to make reports as may be required of it by the Licensing Authority under section 175 of the Sale and Supply of Alcohol Act 2012.
- Any other functions conferred on licensing committees by or under this Act or any other enactment.

Membership

- Chair appointed by Council.
- Deputy Chair appointed by Council.
- 2 members selected by the Chair from a list developed and maintained by Council.

Quorum

For uncontested applications only the Chair, or Deputy Chair in the Chair's absence, is required.

For contested applications 3 list members including the Chair or the Deputy Chair in the Chair's absence.

STATUTORY POWERS

A licensing committee has all the powers conferred on it by or under this Act or any other Act, and all powers as may be reasonably necessary to enable it to carry out its functions.

Committee Secretary

The Chief Executive is the Secretary of the Hastings Licensing Committee.

7. Chief Executive Performance Committee

Context

The Chief Executive Performance Committee enables an effective and constructive approach to managing the employment relationship with Council's sole employee, the Chief Executive (CE). The Committee is predominantly responsible for leading and managing processes in relation to performance review and planning, remuneration, employment relations issues should they arise, and leading the process for CE appointments. The clear direction of the Mayor is that the full Council will be appropriately involved throughout aspects of these various processes, however to effectively administer the employment relationship, a Committee is the most appropriate body and strongly recommended as best practice by the local government sector.

The work of the CE Performance Committee provides a formal process of considering the employment relationship between the Council and the CE, to ensure there is common understanding of desired outcomes, to foster the relationship and communication between the CE and employer, and to provide feedback on performance to the CE.

A key function of the Committee will be to lead the process of CE Performance Review & Planning. In setting performance indicators and conducting performance reviews, the parties must take into account the requirements of the Local Government Act 2002, as follows;

Part 4 Section 42 Chief Executive

(2) A chief executive appointed under subsection (1) is responsible to his or her local authority for:-

- (a) implementing the decisions of the local authority; and*
- (b) providing advice to members of the local authority and to its community boards, if any; and*
- (c) ensuring that all responsibilities, duties, and powers delegated to him or her or to any person employed by the local authority, or imposed or conferred by an act, regulation, or bylaw, are properly performed or exercised; and*
- (d) ensuring the effective and efficient management of the activities of the local authority; and*
(d)(a) facilitating and fostering representative and substantial elector particularly in elections and polls held under the Local Electoral Act 2001; and
- (e) maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the local authority; and*
- (f) providing leadership for the staff of the local authority; and*
- (g) employing, on behalf of the local authority, the staff of the local authority in accordance with any remuneration and employment policy; and*
- (h) negotiating the terms of employment of the staff of the local authority in accordance with any remuneration and employment policy.*

(3) A chief executive appointed under subsection (1) is responsible to his or her local authority for ensuring, so far as is practicable, that the management structure of the local authority –

- (a) reflects and reinforces the separation of regulatory responsibilities and decision-making processes from other responsibilities and decision-making processes; and*
- (b) is capable of delivering adequate advice to the local authority to facilitate the explicit resolution of conflicting objectives.*

(4) For the purposes of any other Act, a chief executive appointed under this section is the principal administrative officer of the local authority.

And

Schedule 7, Part 1, 34(2)

Terms of employment of Chief Executive

(2) The local authority and the chief executive must enter into a performance agreement.

The CE Performance Review & Planning process commences with an agreement between the CE and their employer on the Performance Plan for the coming financial year. This Performance Plan includes overarching performance expectation information as well as specific Key Performance Indicators. The Key Performance Indicators detail the performance area, the specific goals and objectives, and the targets or measures.

It is the Mayor's intention to gather input from all Councillors and other stakeholders, when undertaking the process to determine performance expectations, Key Performance Indicators and desired behaviours/competencies, as well as when reviewing achievement of those during the review phase.

An experienced consultant will be retained to facilitate the process for performance review and planning. The role of the consultant is not one of decision maker, appraiser or evaluator, but is to assist and guide the Committee.

Membership

- Mayor is the Chair
- Deputy Mayor
- External Consultant

Quorum – 3 members

Note: attendance at any meetings of the Chief Executive Performance Committee is restricted to those members specifically appointed. The Chair may remove this restriction at her discretion, and given the intentions documented above, this is likely to occur.

DELEGATED POWERS

- 1) Review the Chief Executive's performance at least annually on the results achieved against:
 - Overarching Performance Expectations.
 - Key Performance Indicators.
 - Competencies/Behaviours
- 2) Assess the Chief Executive's performance.
- 3) Set new objectives for subsequent years.
- 4) Report to Council at the completion of performance review processes.
- 5) Recommend to Council remuneration changes for the Chief Executive in line with employment agreement requirements.
- 6) As required, lead the appointment process for a Chief Executive and make appropriate recommendations to Council.
- 7) Manage any employment relations issues that may arise.
- 8) Engage external advisors as required.

Part 3 Community Board

1. Hastings District Rural Community Board

The Community Board is a separate entity to Council. The role of the Community Board is set out in Section 52 of the Local Government Act 2002. The Council is authorised to delegate powers to the Community Board.

Membership (6 members)

- Chair (elected by the Board).
- Deputy Chair (elected by the Board).
- 4 Elected Community Board Members.
- 1 Mohaka Ward Councillor.
- 1 Kahuranaki Ward Councillor.

Quorum – 4 members

DELEGATED POWERS

General

- 1) To maintain an overview of services provided by Council within the Community Board's area.
- 2) To represent, and act as an advocate for, the interests of the community represented.
- 3) To consider and report on all matters referred to the Board by Council, or any matter of interest or concern to the Community Board.
- 4) To communicate with community organisations and special interest groups within the community.
- 5) To undertake any other responsibilities that are delegated to it by Council.
- 6) To appoint a member of the Community Board to organisations approved by the Council from time to time.

Long Term Plan/Annual Plan/Policy Issues

Authority to make a submission to the Long Term Plan/Annual Plan process on activities, service levels and expenditure (including capital works priorities) within the Board's area or to make a submission in relation to any policy matter which may have an effect within the Board's area.

Roading and Traffic

Authority to exercise the Council's powers and functions in relation to roads within the Board's area under the following sections of the Local Government Act 1974:

- Section 335 (vehicle crossings);
- Section 344 (gates and cattle stops);
- Section 355 (overhanging trees).

Authority to exercise the Council's statutory powers (including any relevant powers conferred by bylaw) over roads within the Board's area in respect of;

- Road user behaviour at intersections.
- Controls on stopping or overtaking.
- Controls on turning.
- Pedestrian safety.
- Footpath maintenance and improvements.
- Accident investigation studies, lighting and other safety works.

For the avoidance of doubt, nothing in this delegation authorises a Community Board to deal with a matter, in the exercise of delegated authority, in a manner which is in conflict with any policy or decision of Council or any standing committee of Council in relation to the same matter.

2. Rural Halls Subcommittee

A subcommittee of Council.

Fields of Activity

The Rural Halls Subcommittee is responsible for assisting the Rural Community Board by;

- Reviewing applications for grants from the Rural Halls Community Fund.
- Recommending the allocation of grants within the funding available.
- Recommending changes in criteria for grants.

Membership (8 Members)

- The Chair is also the Chair of the Rural Community Board.
- 6 Rural Community Board Members (including 1 Mohaka Ward Councillor and 1 Kahuranaki Ward Councillor).
- 2 Heretaunga Ward Councillors.

Quorum – 4 members

DELEGATED POWERS

- 1) Review Applications for Grants from Rural Halls Maintenance Fund.
- 2) Recommending the allocation of grants within the allocated funding.
- 3) Recommending changes in criteria for grants from the Rural Halls Maintenance Fund.

Part 4 Subcommittees

1. District Development Subcommittee

A Subcommittee of the Strategy and Policy Committee.

Fields of Activity

The District Development Subcommittee is responsible for advising the Strategy and Policy Committee by;

- Providing guidance to Council Officers in respect of the drafting of Council's District Development Strategies and providing oversight of community engagement through the Special Consultative Procedures.
- Providing oversight of the development of Council's District Development Strategy.
- Providing oversight of the implementation of Council's Housing Development, Transport Development, Economic Development, Urban Zone Development and City Centre Revitalisation and Central Business Districts Development Strategies.
- Providing oversight of the development of the Council's 3 Waters strategy.
- Providing guidance to Council Officers relating to development of rating policies and the reviews of existing rating policy.

Membership

- 6 Councillors.
- 1 Heretaunga Takoto Noa Māori Standing Committee Member appointed by Council.
- Chair appointed by Council.
- Deputy Chair appointed by Council.

Quorum – 3 members

DELEGATED POWERS

- 1) To review and provide comment on draft District Development Strategies, and to recommend to the Strategy and Policy Committee the adoption of draft Strategies for consultation.
- 2) To recommend to the Strategy and Policy Committee the final wording of any new or reviewed District Development Strategy for adoption by the Committee or Council.
- 3) To recommend to the Strategy and Policy Committee changes to rating policy for consideration for inclusion in the Long Term Plan and Annual Plan.

2. Eco District Subcommittee

A Subcommittee of the Strategy and Policy Committee.

Context

The Eco District Strategy works in tandem with the District Development and Great Communities Strategies. This forms the environmental lens to our business, recognising that the other strategies have a more primary focus on both the Economic, and Social/Cultural wellbeing dimensions of the Local Government Act 2002.

It recognises that for real success environmental wellbeing cannot be traded for economic gain and that we want a future-focused district that plans and cares about the future, enhancing its natural and built environment. We need to rise to the challenges of the future and realise the benefits to society from creating clean energy, lowering carbon emissions and reducing our ecological footprint. Our response to changes in our economy, society and climate must leave our environment in a better place. A key role for Council is to grow our district in a sustainable way.

Fields of Activity

The Eco District Subcommittee is responsible for advising the Strategy and Policy Committee by;

- Providing guidance to Council officers in respect of the drafting of Council's ECO District Strategies and providing oversight of any relevant Special Consultative Procedures.
- Providing oversight of the implementation of the Council's ECO District Strategies.
- Providing oversight of the implementation of Councils Green Corridor, Reserve Management Plans, Climate Change, Coastal Hazards, Sustainability and Biodiversity strategies.

Membership

- 6 Councillors.
- 1 Heretaunga Takoto Noa Māori Standing Committee Member appointed by Council.
- Chair appointed by Council.
- Deputy Chair appointed by Council.

Quorum – 3 members

DELEGATED POWERS

- 1) To review and provide comment on draft new or revised ECO District Strategies and to recommend to the Strategy and Policy Committee the adoption of draft Strategies for consultation.
- 2) To recommend to the Strategy and Policy Committee the final wording of any new or reviewed ECO District Strategy for adoption by the Committee or Council.
- 3) To review and provide comment on new or revised Reserve Management Plans and to recommend to the Strategy and Policy Committee the adoption of draft Reserve Management Plans for consultation.

3. Great Communities Subcommittee

A Subcommittee of the Strategy and Policy Committee.

Fields of Activity

The Great Communities Subcommittee is responsible for advising the Strategy and Policy Committee by;

- Providing guidance to Council officers in respect of the drafting of Council's Community Strategies, and providing oversight of any relevant Special Consultative Procedures.
- Providing oversight of the implementation of Council's Community Strategies.
- Providing oversight of the implementation of Councils Community Plans, Fabulous Flaxmere, Safer Hastings, Civic Pride and Events, Youth Pathways, Keep Hastings Beautiful Strategies, Health, Cultural, Education, Sports, Arts and Heritage strategies.

Membership

- 6 Councillors.
- 1 Heretaunga Takoto Noa Māori Standing Committee Member appointed by Council.
- Chair appointed by Council.
- Deputy Chair appointed by Council.

Quorum – 3 members

DELEGATED POWERS

- 1) To review and provide comment on draft new or revised Community Strategies and to recommend to the Strategy and Policy Committee the adoption of drafts for consultation.
- 2) To hear and consider all submissions received in respect of any Community Strategy proposal and to recommend responses to the Strategy and Policy Committee.
- 3) To recommend to the Strategy and Policy Committee the final wording of any new or reviewed Community Strategy for adoption by the Committee or Council.

4. District Planning and Bylaws Subcommittee

A Subcommittee of the Strategy and Policy Committee.

Fields of Activity

The District Plan Subcommittee is responsible for advising the Strategy and Policy Committee by;

- Providing guidance to Council officers with regard to the drafting of the District Plan (or sections thereof) and consultation on discussion documents and drafts.
- Providing guidance to Council officers in respect of the drafting of Council's new or revised bylaws, and providing oversight of the Special Consultative Procedures.
- Te Tira Toitū te Whenua – Hastings District Plan Cultural Values to consider and advise Council how the cultural values of Waahi Taonga and Waahi Tapu are to be integrated within the District Plan.

Membership

- 6 Councillors.
- 3 Heretaunga Takoto Noa Māori Standing Committee Members appointed by Council.
- 1 externally appointed member with relevant qualifications and experience.
- Chair appointed by Council.
- Deputy Chair appointed by Council.

Quorum – 5 members including 3 Councillors

DELEGATED POWERS

- 1) To review and provide comment on draft new or received District Plan provisions and to recommend to the Strategy and Policy Committee the adoption of drafts for consultation.
- 2) To hear and consider all submissions reviewed in respect of any District Plan proposal and to recommend responses to the Strategy and Policy Committee.
- 3) To recommend to the Strategy and Policy Committee the final wording of any new or reviewed District Plan provisions for adoption by Council.
- 4) To review and provide comment on draft new or reviewed bylaws, and to recommend to the Strategy and Policy Committee the adoption of drafts for consultation for onward recommendation to Council to hear submissions and formal adoption.
- 5) To recommend to the Strategy and Policy Committee the final wording of any new or reviewed bylaw for adoption by the Council.

5. Civic and Administration Subcommittee

A Subcommittee of the Operations and Monitoring Committee.

Fields of Activity

The Civic and Administration Subcommittee is responsible for making delegated decisions and advising the Operations and Monitoring Committee by;

- Assisting Council in the allocation of Community Grants by;
 - Reviewing applications for Community Grants.
 - Setting appropriate performance measures to assist in the measurement of delivery of activities funded from Grants.
 - Allocation of grant funding within the budget allocation.
- Assisting Council in its general overview of procurement and tender activity by accepting tenders which exceed the Chief Executive's delegated authority to approve, for projects previously approved by Council or a Standing Committee within the delegated authority.
- Assisting Council by reviewing and considering submissions and deciding applications for temporary closure of roads.
- Recommending to Council the appointment of trustees to Te Mata Park Trust Board.
- Recommending to Council the appointment of directors to Hastings District Holdings Limited.
- Recommending to Council the appointment of List Members to the District Licencing Committee.
- Assisting Council by reviewing, considering nominations and recommending recipients of Civic Awards.

Membership

- 8 Councillors.
- 1 Heretaunga Takoto Noa: Maori Standing Committee Member appointed by Council.
- Group Manager Planning and Regulatory Services to be a member only when the Subcommittee is recommending the appointment of List Members to The Hastings District Licencing Committee.
- The Chief Executive to be a member only when the Committee is making a decision on tendering and procurement matters.
- The Group Manager: Asset Management to be a member only when the Subcommittee is making a decision on tendering and procurement matters.
- The Transportation Manager to be a member only when the Committee is making a decision on applications for temporary closure of roads.
- The Environmental Consents Manager to be a member only when the Committee is making a decision on applications for temporary closure of roads.
- The Chair of the Te Mata Park Trust Board to be a member only when the Committee is making a decision on appointments to the Te Mata Park Trust Board.
- The Chief Financial Officer to be a member only when the Committee is making a decision on appointments to the boards of any Council Controlled Organisations.
- Chair appointed by Council.
- Deputy Chair appointed by Council.

Quorum

- a) A minimum of three members.

DELEGATED POWERS

- 1) Authority to exercise all Council's powers, functions and authorities (except where prohibited by law or otherwise delegated) in relation to the allocation of grant funding within the budget allocation.
- 2) Authority to accept tenders for individual projects previously approved by the Council or a Standing Committee of the Council up to a value of \$10,000,000.
- 3) Responsibility to provide oversight and direction on tendering processes in general and/or specific issues relating to a particular project.
- 4) All the Council's powers and functions in respect to temporary prohibition of traffic under Section 342(1)(b) and clause 11(e) of Schedule 10 of the Local Government Act 1974.
- 5) Recommend to Council the appointment of Trustees to Te Mata Park Trust Board in accordance with the policy on Appointment of Trustees for Te Mata Park Trust Board, and the provisions of section 57 of the Local Government Act 2002.
- 6) Recommend to Council the appointment of director positions for Hastings District Holdings Limited in accordance with the Council's Policy on Appointment and Remuneration of Directors for Council Organisations.
- 7) Recommend to Council the recipients of Civic Awards.
- 8) Recommend to Council the appointment of List Members to the Hastings District Licensing Committee in accordance with the policy on the appointment of members for the District Licensing Committee, and the provisions of Sections 192 – 194 of the Sale and Supply of Alcohol Act 2012.

Part 5 Joint Committees

1. Hastings District Council: Tangata Whenua Wastewater Joint Committee

This Joint Committee is established between Hastings District Council and representation of Tangata Whenua.

Fields of Activity

To be actively involved in developing and monitoring Council's;

- Wastewater treatment and disposal system policies.
- Receiving, reviewing and recommending action on reports concerning the operation and performance of the Council's wastewater disposal system.
- Ocean discharge including alternative treatment and disposal options.
- Provision of advice in regard to the Trends, Technology, Discharge, Environmental and Monitoring Nine Yearly Review, in accordance with the Resource Management Act 1991 and Policies and Plans under the Act.
- To recognise and respect the role of Tangata Whenua as Kaitiaki, and, to satisfy their cultural concerns.

To receive, review and recommend action on wastewater reports.

To recommend the commissioning of reports and future Council actions on wastewater issues including;

- Options for further treatments.
- Options for methods of disposal.
- Monitoring effects on the environment.

To co-ordinate and oversee education of the community on wastewater issues.

Membership (10 Members)

- Chair appointed annually by the Joint Committee from its members. The Chair position is to alternate annually between the Council and Tangata Whenua representatives.
- 5 Councillors.
- 5 Tangata Whenua representatives, appointed by Council.

Quorum – 6 members including not less than 3 Councillor representatives

DELEGATED POWERS

Recommendation to Operations & Monitoring Committee on matters within the Fields of Activity.

The Chair shall not have a casting vote.

2. Hawke's Bay Crematorium Committee

The Hawke's Bay Crematorium Committee was established by Order in Council on 9 June 1989 as part of The Local Government (Hawke's Bay Region) Reorganisation Order 1989.

- 1) The Hastings District Council shall establish and maintain a committee to be called the Hawke's Bay Crematorium Committee.
- 2) The membership of the Committee shall consist of:
 - a) Two members to be appointed by the Napier City Council (NCC); and
 - b) Two members to be appointed by the Hastings District Council (HDC); and
 - c) One member to be appointed by the Central Hawke's Bay District Council (CHB).
- 3) The Hastings District Council shall delegate to the Hawke's Bay Crematorium Committee such functions, duties and powers in respect of the supervision and operation of the Hawke's Bay Crematorium as the Council considers appropriate.

Membership (5 Councillors)

- Chair appointed by the Committee.
- Appointed in accordance with the Reorganisation Order:
 - 2 HDC Councillors.
 - 2 NCC Councillors.
 - 1 CHB Councillor.

Quorum – 3 members

DELEGATED POWERS

Authority to develop policies and provide operational and financial oversight of the Hawke's Bay Crematorium.

3. Joint Waste Futures Projects Steering Committee

Background

Section 43 of the Waste Minimisation Act 2008 states that a territorial authority must adopt a Waste Management and Minimisation Plan (WMMP) which provides:

- Objectives, policies and methods for effective and efficient waste management and minimisation.
- Collection, recovery, recycling, treatment and disposal services.
- Facilities for waste management.
- Waste minimisation activities including education and public awareness; and
- A framework for funding implementation, grants and advances of money.

In 2014 the Joint Council Waste Futures Project Steering Committee was established to oversee and manage a range of programmes and interventions to achieve effective and efficient waste management and minimisation within the Omarunui Landfill catchment.

The WMMP must be reviewed every 5 years. Council adopted the WMMP in 2019.

Purpose

- To be responsible for overseeing, supporting, monitoring and reporting progress toward achieving the intent of WMMP.
- To represent the interests of Council in the WMMP.
- To review the Joint Waste Management and Minimisation Plan at least every six years to meet the requirements of the Waste Management Act 2008.

Members (6 Councillors)

- Chair – Councillor from one Council elected by Group.
- Deputy Chair – Councillor from the other Council elected by Group.
- 2 other HDC Councillors.
- 2 other NCC Councillors.

Status

By agreement of the local authority member, the Joint Waste Futures Joint Project Steering Committee has been established as a Joint Committee under clause 30A of Schedule 7 of the Local Government Act 2002.

DELEGATED AUTHORITY

The Joint Committee will have responsibility and authority to:

- 1) Accept and hear submissions on the joint Waste Management and Minimisation Plan 2017-2023, and report back to the individual Council on an as required basis.
- 2) To make recommendations to each participant Council on the Waste Management and Minimisation Plan.
- 3) To monitor performance and progress to give effect to the purpose of the WMMP and to make recommendations to the constituent Councils accordingly.

Administering Authority and Servicing

Hastings District Council shall administer the Joint Committee meetings.

Meetings

The Hastings District Council's Standing Orders will be used to conduct the Joint Committee meetings.

The Joint Committee shall meet as and when required as agreed for the achievement of the purpose of the joint committee.

Quorum

The quorum at any meeting shall be not less than four (4) including not less than two representatives of each of the member bodies.

Voting

- The members shall strive at all times to reach a consensus.
- Each representative shall be entitled to one vote at any meeting.
- There shall be no casting vote.

Variations

Any member may propose an amendment (including additions or deletions) to the Terms of Reference which may be agreed to by the Joint Committee.

Variations to the Terms of Reference must be referred to the constituent Councils for ratification.

Term of Office

The primary purpose of this Joint Committee is the approval and adoption, by both Councils, of the Waste Management and Minimisation Plan 2018. However the Joint Committee will continue to meet as and when required to oversee performance of the WMMP in operation.

4. Omarunui Refuse Landfill Joint Committee

The Heads of Agreement for the Omarunui Refuse Landfill Joint Committee have been adopted by Council for the 2019-2022 Triennium and are incorporated into the Committee & Rural Community Board Register of Delegations.

1.	Parties	Hastings District Council and Napier City Council (the Councils)
2.	Nature of Relationship	A Joint Committee between the Councils who already own a property at Omarunui as tenants in common in the following shareholding percentages for refuse disposal purposes: Hastings District Council: 63.68% Napier City Council: 36.32%
3.	Objectives	To jointly develop and operate generally for the benefit of the Councils a refuse disposal facility (including any ancillary activities) in compliance with resource and regulatory consents.
4.	Participation of each Council	Each Council shall participate on the basis of the following shareholding percentage: Hastings District Council: 63.68% Napier City Council: 36.32% (subject to any specific provisions following)
5.	Joint Committee	
5.1	Omarunui Refuse Landfill Joint Committee (Joint Committee):	This Committee shall comprise four elected members of the Hastings District Council and two elected members of the Napier City Council or the alternates of those elected members and an alternate when acting in the place of an elected member shall be deemed to be an elected member. The functions of this Joint Committee shall be to determine policies to ensure the objectives are achieved and to monitor the implementation of those policies by obtaining reports from the Facility Manager or any other persons involved in the refuse disposal operation.
5.2	Administering Authority	The Hastings District Council shall be the Administering Authority. It shall provide technical, financial and secretarial services and shall be the employing authority for staff required in the administration and conduct of the refuse disposal operation. The Administering Authority shall make any information required by the Joint Committee available to that Committee.
6.	Joint Committee General Powers	<p>1.1 Subject to Clause 6.2 the general powers of the Joint Committee shall be:</p> <ul style="list-style-type: none"> a) Except as provided in Clause 6.3 all such powers as shall be necessary to develop and operate the refuse disposal facility in compliance with the resource and regulatory consents already obtained including, if necessary, the power to seek further resource and regulatory consents. b) To construct buildings, purchase and dispose of plant, equipment and materials. c) Arrange insurance cover to ensure that there is comprehensive insurance in respect of the establishment and operation of the refuse disposal facility. d) To indemnify any Council or Council representative acting on behalf of the Councils pursuant to this agreement in connection with the development or operation of the refuse disposal operation after the execution hereof. e) To fix and recover fees and charges payable by landfill users. f) The licensing of users. g) To recommend to the Councils the raising of loans. For the purpose of loan raising the 'Administering Authority' shall undertake all loan raising on behalf of the Councils. h) To enter into contracts within the estimates it being acknowledged by each of the Councils for the purposes of the Local Government Act 2002 that the Joint Committee shall be delegated power to enter into any contract limited to such an amount as may be fixed by the Councils from time to time unless the prior written approval of each Council shall have been obtained. i) To use any part of the Omarunui property not required for refuse disposal for any lawful purpose including leasing thereof. j) Such further specific powers as may be delegated to it as agreed by the Councils. <p>1.2 The Joint Committee shall operate within budgets approved by the Councils. In the event that over expenditure is anticipated or incurred the Joint Committee shall immediately report that fact to the Councils.</p> <p>1.3 The powers delegated to the Joint Committee shall not entitle that Committee to sell or otherwise dispose of on behalf of any Council any asset owned by that individual Council or to sell the Omarunui land or any other land administered by the Joint Committee for refuse disposal purposes.</p> <p>1.4 Subject to Clause 6.2 and 6.3 all decisions made by the Joint Committee pursuant to its delegated powers shall without confirmation of the Councils bind each of the Councils as if it had been done in the name of each Council.</p>

7. Joint Committee Procedural Matters	7.1	Each elected member or the alternate of such member shall have one vote.
	7.2	The elected members shall elect a Chair and Deputy Chair.
	7.3	Quorum at meetings shall be four elected members including at least one elected member from each Council. The parties note that this conflicts with the provisions in clause 30 (9) (b) of schedule 7 of the Local Government Act 2002. To avoid any possible doubt the parties shall operate the committee based on the specific requirements in this agreement at all times.
	7.4	All meetings may be attended by officers of the Councils but officers shall not be entitled to vote.
	7.5	Meetings may be requisitioned by any two elected members who shall state the nature of the business and the Administering Authority shall convene a meeting (giving notice of the business) and Councils shall ensure that at least one of their elected members attends.
	7.6	Annual meetings shall be held within three months of the end of the financial year and the business of such meeting shall include the financial accounts for the previous year.
	7.7	Budget estimates for the following financial year shall be prepared and supplied to the Councils no later than 31 January in each year for their approval.
	7.8	Meeting procedures shall be in accordance with NZS 9202: 2003, or such other version of standing orders as mutually agreed between the parties, except to the extent that specific provision is contained herein and is not contrary to law.
8. Joint Committee Financial Provisions	8.1	The Joint Committee shall provide financial and management accounting records and reports which provide sufficient detail to enable the committee and the Councils to assess performance of each separate business activity within the Landfill.
	8.2	The administering authority shall circulate a draft budget prior to the meeting at which the Joint Committee is to consider the estimates for recommendation to the Councils.
	8.3	Surpluses and deficits shall be received and borne by the Councils in the following shareholding percentage: Hastings District Council: 63.68% Napier City Council: 36.32%
	8.4	All amounts payable by each Council shall be paid within one calendar month of notification of the amount payable. If any Council shall consistently fail to make payments as required by this clause the Joint Committee may impose a penalty on the defaulting Council which shall be met by such Council.
9. Duties of the Individual Councils	9.1	To comply with the resource and regulatory consents relating to the operation.
	9.2	The Councils shall make bylaws to ensure the efficient operation of the refuse disposal facility and set and adopt fees and charges and licensing procedures.
	9.3	To establish and operate transfer stations and to adopt charges in relation to such transfer stations.
10. Changes in Participation	1.1	The establishment and operating costs of the Councils up to the time of any Change in Participation shall be safeguarded as far as possible.
	1.2	The addition or withdrawal of any party shall require agreement of the Councils.
11. Staff Appointments	11.1	Where any Council is involved in the provision of staff or services, such Council shall be reimbursed for the cost of such persons or services.
	11.2	It is recognised that it will be desirable for the staff required to be employed by one of the Councils.
12. Facility Manager	12.1	The Facility Manager appointed by the Administering Authority shall be a suitably qualified person who shall report to the Joint Committee and attend its meetings and will be responsible for the day to day operations at the landfill site.
	12.2	During any further development the Facility Manager, as appointed by the Administering Authority, shall be considered to be the officer responsible for all development activities unless otherwise directed by the Joint Committee.
13. Secretarial Services	13.1	Secretarial and Accounting services shall be provided by the Administering Authority.
	13.2	The functions to be fulfilled shall include: a) Convening of meetings. b) Keeping of minutes. c) Preparation of estimates and accounts. d) Keeping the Joint Committee informed. e) The recovery of fees and charges. f) Such further specific powers as may be delegated by agreement of the Councils.
	13.3	All documents to be signed on behalf of the Joint Committee shall be signed by the Chair (or in his absence one elected member of that Committee) together with such other person authorised by the Administering Authority.
14. Commencement and Duration	14.1	This Joint Committee shall commence from the date of this agreement and shall continue thereafter until terminated by agreement of the Councils.
	14.2	On termination of this agreement the assets shall be applied, first, in the repayment of all debts, second, in the repayment of any capital contributions, advances or sums of money that may have

		been made or may be due to any of the Councils, third, the surplus, if any, shall be distributed between the Councils in the following shareholding percentage: Hastings District Council: 63.68% Napier City Council: 36.32%
	14.3	In the event of a short-fall on the termination of this agreement the Councils shall contribute in the following shareholding percentage: Hastings District Council: 63.68% Napier City Council: 36.32% To such short-fall, with any necessary adjustments being made to reflect any amounts due by or to any individual Council at termination.
15. Arbitration	15.1	In the event of any dispute relating to this agreement the same shall be referred to arbitration pursuant to the Arbitration Act 1996 and each Council who is a party to the dispute shall be entitled to appoint an Arbitrator.
	15.2	The Arbitrators before embarking on the Arbitration shall appoint an umpire whose decision shall be final in the event that the Arbitrators are unable to agree.

5. Clifton to Tangoio Coastal Hazards Strategy Joint Committee

The Heads of Agreement for the Coastal Hazards Joint Committee have been adopted by Council for the 2019-2022 Triennium and are incorporated into the Committee & Rural Community Board Register of Delegations.

Terms of Reference for the Clifton to Tangoio Coastal Hazards Strategy Joint Committee

As at 28 September 2018.

As adopted by resolution by:

Hastings District Council 23 March 2017

Napier City Council 31 May 2017

Hawke's Bay Regional Council 28 June 2017

1. Definitions

For the purpose of these Terms of Reference:

- **"Act"** means the Local Government Act 2002.
- **"Administering Authority"** means Hawke's Bay Regional Council.
- **"Coastal Hazards Strategy"** means the Coastal Hazards Strategy for the Hawke Bay coast between Clifton and Tangoio¹.
- **"Council Member"** means an elected representative appointed by a Partner Council.
- **"Hazards"** means natural hazards with the potential to affect the coast, coastal communities and infrastructure over the next 100 years, including, but not limited to, coastal erosion, storm surge, flooding or inundation of land from the sea, and tsunamis; and includes any change in these hazards as a result of sea level rise.
- **"Joint Committee"** means the group known as the Clifton to Tangoio Coastal Hazards Strategy Joint Committee set up to recommend both draft and final strategies to each Partner Council.
- **"Member"** in relation to the Joint Committee means each Council Member and each Tangata Whenua Member.
- **"Partner Council"** means one of the following local authorities: Hastings District Council, Napier City Council and Hawke's Bay Regional Council.
- **"Tangata Whenua Appointer"** means:
 - The trustees of the Maungaharuru-Tangitū Trust, on behalf of the Maungaharuru-Tangitū Hapū;
 - Mana Ahuriri Incorporated, on behalf of Mana Ahuriri Hapū;
 - He Toa Takitini, on behalf of the hapū of Heretaunga and Tamatea.
- **"Tangata Whenua Member"** means a member of the Joint Committee appointed by a Tangata Whenua Appointer

¹ The Coastal Hazards Strategy is further defined in Appendix 1 to these Terms of Reference.

2. Name and status of Joint Committee

- 2.1. The Joint Committee shall be known as the Clifton to Tangoio Coastal Hazards Strategy Joint Committee.
- 2.2. The Joint Committee is a joint committee under clause 30(1)(b) of Schedule 7 of the Act.

3. Partner Council Members

- 3.1. Each Partner Council shall appoint three Council Members and alternates to the Joint Committee. If not appointed directly as Council Members, the Mayors of Hastings District Council and Napier City Council and the Chair of Hawke's Bay Regional Council are ex officio Council Members.
- 3.2. Under clause 30(9) Schedule 7 of the Act, the power to discharge any Council Member on the Joint Committee and appoint his or her replacement shall be exercisable only by the Partner Council that appointed the Member.

4. Tangata Whenua Members

- 4.1. Each Tangata Whenua Appointer may appoint one member to sit on the Joint Committee.
- 4.2. Each Tangata Whenua Appointer must make any appointment and notify all Tangata Whenua Appointers and Partner Councils in writing of the appointment.
- 4.3. The Tangata Whenua Members so appointed shall be entitled to vote.
- 4.4. Under clause 30(9) Schedule 7 of the Act, the power to discharge any Tangata Whenua Member on the Joint Committee and appoint his or her replacement shall be exercisable only by the Tangata Whenua Appointer that appointed the Member.

5. Purpose of Terms of Reference

- 5.1. The purpose of these Terms of Reference is to:
 - 5.1.1. Define the responsibilities of the Joint Committee as delegated by the Partner Councils under the Act.
 - 5.1.2. Provide for the administrative arrangements of the Coastal Hazards Strategy Joint Committee as detailed in Appendix 2.

6. Meetings

- 6.1. Members, or their confirmed alternates, will attend all Joint Committee meetings.

7. Delegated authority

The Joint Committee has the responsibility delegated by the Partner Councils for:

- 7.1. Guiding and providing oversight for the key components of the strategy including:
 - The identification of coastal hazards extents and risks as informed by technical assessments;
 - A framework for making decisions about how to respond to those risks;
 - A model for determining how those responses shall be funded; and
 - A plan for implementing those responses when confirmed.
- 7.2. Considering and recommending a draft strategy to each of the Partner Councils for public notification;
- 7.3. Considering comments and submissions on the draft strategy and making appropriate recommendations to the Partner Councils;
- 7.4. Considering and recommending a final strategy to each of the Partner Councils for approval;

7.5. Advocating for and/or advancing the objectives of the strategy by submitting on and participating in processes, including but not limited to:

- Council long term plans;
- Council annual plans;
- District and regional plan and policy changes;
- Reserve management plans;
- Asset management plans;
- Notified resource consent applications;
- Central Government policy and legislation.

7.6. Investigating and securing additional sources of funding to support strategy implementation.

8. Powers not delegated

The following powers are not delegated to the Joint Committee:

8.1. Any power that cannot be delegated in accordance with clause 32 Schedule 7 of the Local Government Act 2002.

8.2. The determination of funding for undertaking investigations, studies and/or projects to assess options for implementing the Coastal Hazards Strategy.

9. Remuneration

9.1. Each Partner Council shall be responsible for remunerating its representatives on the Joint Committee and for the cost of those persons' participation in the Joint Committee.

9.2. The Administering Authority shall be responsible for remunerating the Tangata Whenua Members.

10. Meetings

10.1. The Hawke's Bay Regional Council standing orders will be used to conduct Joint Committee meetings as if the Joint Committee were a local authority and the principal administrative officer of the Hawke's Bay Regional Council or his or her nominated representative were its principal administrative officer.

10.2. The Joint Committee shall hold all meetings at such frequency, times and place(s) as agreed for the performance of the functions, duties and powers delegated under this Terms of Reference.

10.3. Notice of meetings will be given well in advance in writing to all Joint Committee Members, and not later than one month prior to the meeting.

10.4. The quorum shall be 6 Members, provided that at least one Partner Council Member is present from each Partner Council.

11. Voting

11.1. In accordance with clause 32(4) Schedule 7 of Act, at meetings of the Joint Committee each Council Member has full authority to vote and make decisions within the delegations of this Terms of Reference on behalf of the Partner Council without further recourse to the Partner Council.

11.2. Where voting is required, all Members of the Joint Committee have full speaking rights.

11.3. Each Member has one vote.

11.4. Best endeavours will be made to achieve decisions on a consensus basis.

11.5. As per HBRC Standing Order 18.3: The Chair at any meeting does not have a deliberative vote and, in the case of equality of votes, has no casting vote.

12. Election of Chair and Deputy Chair

- 12.1. On the formation of the Joint Committee the members shall elect a Joint Committee Chair and may elect up to two Deputy Chairs. The Chair is to be selected from the group of Council Members.
- 12.2. The mandate of the appointed Chair or Deputy Chair ends if that person through resignation or otherwise ceases to be a member of the Joint Committee.

13. Reporting

- 13.1. All reports to the Committee shall be presented via the Technical Advisory Group² or from the Committee Chair.
- 13.2. Following each meeting of the Joint Committee, the Project Manager shall prepare a brief summary report of the business of the meeting and circulate that report, for information to each Member following each meeting. Such reports will be in addition to any formal minutes prepared by the Administering Authority which will be circulated to Joint Committee representatives.
- 13.3. The Technical Advisory Group shall ensure that the summary report required by 13.2 is also provided to each Partner Council for inclusion in the agenda for the next available Council meeting. A Technical Advisory Group Member shall attend the relevant Council meeting to speak to the summary report if requested and respond to any questions.

14. Good faith

- 14.1. In the event of any circumstances arising that were unforeseen by the Partner Councils, the Tangata Whenua Appointers, or their respective representatives at the time of adopting this Terms of Reference, the Partner Councils and the Tangata Whenua Appointers and their respective representatives hereby record their intention that they will negotiate in good faith to add to or vary this Terms of Reference so to resolve the impact of those circumstances in the best interests of the Partner Councils and the Tangata Whenua Appointers collectively.

15. Variations to these Terms of Reference

- 15.1. Any Member may propose a variation, deletion or addition to the Terms of Reference by putting the wording of the proposed variation, deletion or addition to a meeting of the Joint Committee.
- 15.2. Amendments to the Terms of Reference may only be made with the approval of all Members.

² A description of the Technical Advisory Group and its role is included as Appendix 2 to these Terms of Reference.

Part 6 Advisory Groups

1. Landmarks Advisory Group

Fields of Activity

The Landmarks Advisory Group is established to advise the Council on planning the implementation of the Landmarks Developments.

Membership (9 Members)

- Chair appointed by Council.
- 4 other Councillors.
- The Landmarks Trust Chair.
- 3 others nominated by the Landmarks Trust.

Quorum – 5 members including not less than 3 Councillor members.

DELEGATED POWERS

- 1) To make recommendations to Council on Landmarks design elements in Council initiated projects.
- 2) To approve public art projects that are budgeted for.
- 3) To approve grants from the Abbott Bequest.
- 4) To make recommendations to the Council on Landmarks projects for inclusion in the Long Term Plan.
- 5) To monitor the Landmarks Development Plan and the Hastings CBD Strategy and its programme delivery and effectiveness.

The Landmarks Advisory Group reports to the Eco District Subcommittee.

2. Youth Council

Fields of Activity

The Youth Council's role is to:

- Provide a youth perspective on issues.
- Make sure the views of young people are canvassed and passed on to Council.
- Give advice on planning and infrastructure, particularly relating to any direct impact on young people.
- Promote and encourage youth involvement in planning and developing Council services.
- Provide input on policy and strategic development.

Membership (numbers decided by the Group Manager Communities and Facilities)

This membership should be representative of:

- Gender.
- Mixed abilities.
- Geographical location.
- Educational level.
- Employment/unemployment.
- Diverse Cultural Backgrounds.

Quorum – 50% of the current members

DELEGATED POWERS

- 1) To promote and oversee the matters within the Fields of Activity.
- 2) To report its work and progress to the Great Communities Subcommittee.

Meetings

Youth Councillors are expected to attend fortnightly or monthly or meetings, help organise the Youth Potential awards, take part and attend events that have been confirmed by the Youth Council, and attend an overnight retreat.

The Youth Council reports to the Great Communities Subcommittee.

3. International Advisory Group

Fields of Activity

The Hastings District International Advisory Group is established to advise Council on the development of education, scientific research, migration and cultural relationships with cities in China and the rest of the world, and develop relationships with ethnic communities in Hawke's Bay through the knowledge and experience gained from our Sister City relationship with Guilin.

Membership (10 Members)

- Chair – Councillor appointed by Council.
- Hastings District Mayor.
- 2 other Councillors.
- 1 representative of the Hawke's Bay branch of the New Zealand China Friendship Society.
- 1 representative of the Hawke's Bay Chinese Association.
- 2 representatives of the Multicultural Association Hawke's Bay.
- 1 representative of the Education Link Group.
- 1 representative of the Hastings District Youth Council.
- 1 representative of the Hawke's Bay Settlement Support
- Up to 2 other members may be co-opted at any time.

Quorum – 5 members including not less than 2 Councillor members

DELEGATED POWERS

- 1) To promote and oversee sister city activity between Guilin and Hastings District such as delegation visits and cultural exchanges.
- 2) To support the development of relationships between Hastings District or Hawke's Bay based educational establishments with those in China and the rest of the world.
- 3) To report its work and progress to the Great Communities Subcommittee.

Meetings

Meetings will be held a minimum of three times a year. These are to be advertised as public meetings, and will be fully serviced by the Council's Governance and Democracy Team.

The International Advisory Group reports to the Great Communities Subcommittee.

Part 7 District Champions

1. Role of District Champions

- Ensure progress is made towards the Council's strategic priorities and projects within their area of interest.
- Play a strategic and policy leadership role in their areas of responsibility assisting the Council to meet its strategic objectives.
- Enhance relationships with key stakeholders.
- Collaborate with committee chairs where objectives are shared.
- Work effectively with Council officers.
- Attend any advisory groups or external appointments made and ensure an alternate is available if they cannot attend projects and activities.
- As far as possible attend Council launches of new activities and projects in their area of interest.
- Ensure Council's advisory groups have effective input into their areas of interest.
- Keep the Mayor informed of emerging issues.
- Maintain a no-surprises approach for elected members and staff.

The district Champions also facilitates informal policy discussion between elected members, public and officials on matters within their areas of interest.

2. Hastings District Ambassador

Fields of Activity

The Hastings District Ambassador Champion is to promote Hastings District Civic Pride and ensure the celebration of Community cultural, economic, social and environmental successes and progress.

Working collaboratively with the Mayor, the Ambassador will be an advocate for Civic Pride and Hastings District promotional events (noting the Mayor is Council's principal spokesperson).

DELEGATED POWERS

No delegated authority.

3. Hastings District Transport Development Champion

Fields of Activity

The Hastings District Transport Development Champion is to promote Hastings District transport initiatives and choices including;

- Public Transport.
- Regional Transport.
- Cars.
- Cycling and I Ways.
- Walking.
- Hawke's Bay Airport and Airline Choices.

Working collaboratively with the Mayor, the Transport Champion will be an advocate for transport improvements (noting the Mayor is Council's principal spokesperson).

DELEGATED POWERS

No delegated authority

4. Flaxmere Development Champion

The Flaxmere Development Champion is to promote the Council focus on Flaxmere and ensure the celebration of Flaxmere cultural, economic, social and environmental successes and progress.

Working collaboratively with the Mayor, the Flaxmere Development Champion will be an advocate for Flaxmere (noting the Mayor is Council's principal spokesperson).

Item 19

Attachment 1



Attachment 1 to Report

Item 20

Hastings District Council

Policy on Elected Members' Allowances and Expenses 2019

(As adopted by Council on)

Attachment 1

Contents

1. INTRODUCTION	5
2. COMMENCEMENT	5
3. POLICY ON ALLOWANCES AND EXPENSES	5
3.1 Parking	5
3.2 Use of Public Transport	5
3.3 Mayor's Vehicle	5
3.4 Mileage Allowance	5
3.5 Communications Allowance	7
3.6 Travel Time Allowance	7
3.7 Childcare Allowance	7
3.8 Travel from Additional Place of Residence	8
3.9 Conferences, Courses, Seminars, etc.	8
3.10 Clothing	8
3.11 Stationery	8
3.12 Councillors' Lounge	9
3.13 Travel Insurance	9
3.14 Personal Accident Insurance	9
3.15 Payment	9

Item 20

Attachment 1

1. INTRODUCTION

In addition to determining the remuneration of elected members, the Remuneration Authority (the Authority) is required to determine the allowances' framework for elected members.

The payment of any or all allowances is at the discretion of each local authority. Hastings District Council provides for elected member allowances through the Policy on Elected Members' Allowances and Expenses adopted by Council.

2. COMMENCEMENT

The provisions of this policy take effect from 22 August 2019.

3. POLICY ON ALLOWANCES AND EXPENSES

3.1 Parking

Elected members will be provided with parking spaces at, or close to, the Council's offices for their use when on council business.

Elected members who incur parking charges when on Council business at other locations are entitled to reimbursement of the actual cost.

1.2 Use of Public Transport

Elected members who travel by public transport in relation to Council business are entitled to reimbursement of the actual cost. Evidence of the cost incurred should be provided.

3.3 Mayor's Vehicle

The Mayor of the Council will be eligible to be provided with a vehicle. If the Mayor elects to have the vehicle available for private use, a deduction will be made from their salary as determined by the Authority.

3.4 Mileage Allowance

Subject to the interpretation and exceptions listed below, elected members, excluding the Mayor if provided with a vehicle, are entitled to a mileage allowance when using their own vehicle for Council business.

Eligibility for mileage allowance commences from the members' primary place of residence until the conclusion of their Council business travel.

Mileage will be paid at the maximum rate per kilometre as set out in the current Remuneration Authority determination.

Interpretation

With respect to mileage allowances and reimbursement of public transport costs, the term "Council business" includes attendance at the following:

- Official meetings of the Council and any committee and subcommittee of Council
- Council workshops
- Meetings and workshops of advisory groups established by Council
- Meetings and workshops of external bodies to which the elected member has been appointed by Council
- Statutory hearings
- Meetings of Council-owned companies
- An external event or meeting where there has been:
 - A resolution of Council or a committee, or
 - An authorisation by the Council's Mayor, or
 - With respect to the member of a committee, an authorisation by the Chairperson of that committee
- Visits to, and tours of, facilities, or sites, or works, for which the Council is responsible for, or has involvement in, or which will be the subject of business to come before the Council or any committee
- Seminars and training courses where the elected members' attendance has been authorised
- Discussions with committee chairpersons or Council officers
- Consultation with Mayors, territorial authority committee chairpersons, or elected members
- Official briefings

Mileage may include travel to and from the members' primary place of residence, if the travel is:

- (a) In the members' own vehicle; and
- (b) On Council business as outlined above; and
- (c) By the most direct route reasonable in the circumstances

"Council business" does not include events where the primary focus is on social activity.

Exceptions

If Hastings District Council is providing transport, and an elected member chooses, for personal reasons, to travel separately, they will not be entitled to a mileage allowance.

Where an elected member chooses, for personal reasons, to travel by private motor vehicle to a council authorised conference or seminar outside of the Hastings District, they will be entitled to a mileage payment no more than the

cheapest equivalent air fares available for the day(s) of travel, where such fares are less than the mileage allowance at ordinary rates.

3.5 Communications Allowance

It is expected that elected members have their own communications and computer equipment and that these items are available for elected members to use for their Council related business.

Elected members having such items available for Council business are eligible to receive a communication allowance. The rate payable will be the maximum rate determined by the Authority. The rate will be divided into annual allowances for each eligible item made available by the member for Council business purposes:

- Personal computer, tablet, or laptop, including and related docking station
- Printer
- Mobile phone
- Mobile calls
- Internet connection

An elected member may be issued with a standard specification Hastings District Council mobile tablet device for use on Council business. The use of loaned equipment by an elected member is subject to the following conditions:

- The loaned equipment is provided for Council business purposes
- The loaned equipment remains Hastings District Council's property at all times and must be returned when requested

Hastings District Council will provide a mobile phone for the Mayor and cover all expenses associated with the use of that phone on Council business. The phone remains the property of the Council, and the communication allowance payable to the Mayor will be reduced as outlined above to reflect the provision of the phone.

3.6 Travel Time Allowance

Elected members are entitled to a travel time allowance in relation to travel undertaken in relation to Council business. The rate payable will be the maximum rate determined by the Authority.

3.7 Childcare Allowance

An elected member who is responsible for one or more children under 14 years of age may claim a childcare allowance for childcare required whilst the elected member is on council business, for each eligible child up to the annual maximum limit set by the Authority.

The childcare allowance is only payable if:

- (a) The member is a parent or guardian of the child, or is a person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis); and
- (b) The child is aged under 14 years of age; and

- (c) The childcare is provided by a person who –
 - (i) Is not a family member of the member; and
 - (ii) Does not ordinarily reside with the member; and
- (d) The member provides evidence satisfactory to Hastings District Council of the amount paid for childcare.

Payment of the allowance will be made on submission of a childcare allowance claim from the member. The claim must set out

- the actual costs incurred and paid by the member,
- the date for which the claim is for,
- the nature of the council business the member was undertaking, and
- must include a receipt invoice or other appropriate record of payment for the childcare services provided.

3.8 Travel from Additional Place of Residence

Where an elected member has an additional place of residence (e.g. a holiday home) and they are travelling from that additional place of residence, and that travel involves a distance and/or duration greater than they would travel if they were travelling from their primary place of residence, then they will only be eligible to claim for the mileage and travel time that would have been incurred from their primary place of residence.

3.9 Conferences, Courses, Seminars, etc.

Elected members authorised to attend a conference, course, seminar, etc., will have attendance fees, travel, accommodation, and meals paid for. Unless otherwise agreed by the Chief Executive, all travel and accommodation will be booked through Democratic Services.

Core training will be organised by Democracy and Governance Services. Elected member attendance at one-off events in New Zealand will be subject to approval by the Mayor; in the case of attendance by the Mayor approval will be by the Chief Executive and Manager: Democracy and Governance Services

Overseas conference attendance is to be approved by the Mayor and Chief Executive.

3.10 Clothing

Elected members may be supplied with clothing bearing the Council's branding. These remain Council property at all times.

3.11 Stationery

Stationery is available on request for use on Council business.

3.12 Councillors' Lounge

Elected members are entitled to use the Councillors' Lounge in the Hastings District Council office for Council business purposes.

3.13 Travel Insurance

Travel insurance will be provided for overseas travel on Council business.

3.14 Personal Accident Insurance

HDC's personal accident insurance includes cover for the death or bodily injury of an elected member. Any payment received as a result of a claim made under this cover in respect of an elected member is payable to the Council, and will be utilised for Council purposes only, e.g. as a contribution to the costs of running an extraordinary election. No payment will be made to the elected member (or their estate) who is the subject of the claim.

3.15 Payment

Where applicable, allowances will be paid fortnightly.

Claims for expenses should be made fortnightly on the forms provided, no later than three months after the date the mileage or expense was incurred, and should include all relevant receipts.

Payment will be made by direct credit.