

Thursday, 11 November 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Operations and Monitoring Committee Meeting

Kaupapataka

Attachments Under Separate Cover

Te Rā Hui:
Meeting date: **Thursday, 11 November 2021**

Te Wā:
Time: **1.00pm**

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

**Watch Council meetings
streamed live on our website
www.hastingsdc.govt.nz**

HASTINGS DISTRICT COUNCIL
207 Lyndon Road East, Hastings 4122 | Private Bag 9002, Hastings 4156
Phone **06 871 5000** | www.hastingsdc.govt.nz
TE KAUNIHERA Ā-ROHE O HERETAUNGA

ITEM	SUBJECT	PAGE
5.	HAWKE'S BAY AIRPORT LIMITED ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021	
	Attachment 1: HBAL Annual Report 2021	3
6.	FINANCIAL QUARTERLY REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2021	
	Attachment 1: 1st Quarter Dashboard Sept 2021	73
7.	PERFORMANCE AND MONITORING REPORT	
	Attachment 1: Performance and Monitoring Report - Quarter 1, 2021-2022	79







Tau mai ki
Te Matau-a-Māui
me ōna ātaahua
katoa
Welcome to
Hawke's Bay and
all its beauty

It's a new era for Hawke's Bay Airport.

The doors to our new terminal have been thrown wide open and we are proud to welcome you into the vibrant new heart of our airport.

Step off the tarmac and you'll find a space that speaks of Hawke's Bay, celebrates the best of our region, and reflects the stories of our people, our land and our skies.

We're ready for the next leg of our journey and look forward to being part of yours.

HAWKE'S BAY AIRPORT LTD - ANNUAL REPORT 2021 | 1





CONTENTS

CHAIR'S REPORT	4
CHIEF EXECUTIVE OFFICER'S REPORT	6
HIGHLIGHTS	8
YEAR IN BRIEF	9
STRATEGY	10
PROPERTY	13
PEOPLE	19
COMMERCIAL	23
OPERATIONS	27
PARTNERS	31
BOARD OF DIRECTORS	34
SENIOR MANAGEMENT	34
DIRECTORY	35
FINANCIAL STATEMENTS	37
DIRECTORS' REPORT	38
STATEMENT OF SERVICE PERFORMANCE	42
STATEMENT OF COMPREHENSIVE INCOME	46
STATEMENT OF CHANGES IN EQUITY	47
STATEMENT OF FINANCIAL POSITION	48
STATEMENT OF CASH FLOWS	49
NOTES TO THE FINANCIAL STATEMENTS	50
INDEPENDENT AUDITOR'S REPORT	63

TE PŪRONGO A TE TOIHĀU CHAIR'S REPORT

As a key gateway to the region, Hawke's Bay Airport has proudly served the community since 1935. Alongside our community, the organisation has weathered both natural and economic disasters.

I am delighted to report that Hawke's Bay is well on the road to recovery from the most recent of those challenges: the devastating impacts of COVID-19. In fact, Hawke's Bay Airport Limited (HBAL) has enjoyed a much quicker financial recovery than what we envisaged only 12 months ago, mainly off the back of the swift actions and hard work of our team but also the stronger than expected domestic travel market.

The year-end result and a return to profitability is a great confidence boost and sets a strong foundation for us to rebuild from as we move forward into 2022.

The team have worked diligently to stay focused on the completion of our terminal and a refinancing exercise, and I am proud of the way they have delivered against our strategy to enable a more resilient future through revenue diversification, while balancing social and environmental obligations and the preservation of shareholder value.

Following last year's lockdown, Hawke's Bay Airport was granted a loan by shareholders to underwrite the terminal construction. The organisation rose to the challenge of recovery, minimising expenses and increasing overall revenue, and I am pleased to report that HBAL has not needed to draw down on the loan. The shareholder loan has now been relinquished, but we were extremely grateful for the vital support provided by our shareholders during this uncertain time and I thank them for that.

In August this year, we were pleased to open the doors to our inspirational airport terminal. Our new gateway to the region reflects the resilience of Hawke's Bay Airport in overcoming a series of challenges, including the voluntary administration of construction company Arrow International in 2019, the halting of construction due to lockdown, and the economic effects of the pandemic. The project is a showcase of partnerships, collaboration and input from mana whenua, the community and local business. It is simply stunning. The new Hawke's Bay Airport is a waharoa for us to welcome and farewell whānau and visitors alike – one that reflects who we are and what we aspire to be.



With the terminal now fully operational, we will continue to work on presenting a number of new offerings within the space that reflect the unique character, culture and heritage of Hawke's Bay, and on attracting new air capacity to the region.

I am enormously proud of the hard work and dedication of every single member of the Hawke's Bay Airport team, including our volunteer ambassadors. I am mindful of the fact that no matter the challenges, our airport has continued to operate safely and functionally for airport passengers, tenants, community stakeholders and visitors. I have our team to thank for that. We care about our people and this year we rolled out a wellbeing programme to enhance our team's ability to look after our visitors, themselves and each other.

Our focus is now on the future and the diversification of our revenue base. We are proud to progress to the next stage of our large-scale solar project and have committed to the goal of net zero emissions by 2030, with the bold aim of becoming New Zealand's first carbon neutral airport.

Our commercial development activities have taken off with the launch of stage one of our new property precinct, Ahuriri Aeropark. We are working hard to create a high-quality sustainable transport and logistics hub to support the region.

There is much to look forward to. In closing, I'd like to thank our Chief Executive, Stuart Ainslie, and fellow directors for their support and leadership during 2020/2021. I'd also like to specifically acknowledge the significant contribution of outgoing board member Sarah Reo – the business acumen, leadership, and insight into Te Ao Māori she brought to the boardroom have been deeply appreciated. I extend a warm welcome to aspiring director Jonathan Norman, who has been placed with the HBAL Board under the Future Director programme. We have a strong team in place for 2021/2022 and continue to build our internal capability with diversity of thought and experience, which will hold us in good stead for the months ahead. We look forward to working with our communities, partners and stakeholders to provide a safe, sustainable and best-in-class gateway for our region.

Ngā mihi,
WENDY HARVEY

TE PŪRONGO A TE TUMU WHAKARAE CHIEF EXECUTIVE OFFICER'S REPORT

The impact of COVID-19 on our business and the wider community during 2020 and 2021 has reinforced how critically important the resilience of our people, our balance sheet, and our regional economy are to our future success.

As we moved cautiously into July 2020, we were only just starting to understand the potential impacts of COVID-19 on the airport business. By year-end, passenger numbers had quickly returned to around 90% of pre-COVID schedules, with routes to the South Island returning above 100%. Annualised passenger numbers finished at 461,000, putting our base growth back to around 2015 levels – that's approximately 45% above forecast but with a much stronger revenue growth.

We expect this growth to continue building off the back of a strong recovery in domestic travel for leisure. As a result, this year we are delighted that Hawke's Bay Airport has returned to a net profit after tax, with a final result of \$555,314 at revenue levels greater than those seen in any prior years. This is a pleasing recovery and a significantly better financial result than we initially anticipated.

Despite significant challenges, I am pleased to report strong progress against our strategic plan, with a continued focus on building resilience and diversifying revenue.

I am extremely proud of our airport team, consultants and sub-contractors for their efforts in completing our new terminal, which opened in August 2021. The new terminal has been warmly welcomed by our passengers, visitors and community. It is an engaging new space – a showcase of mana whenua collaboration, business and community partnerships, and inspirational design.

We completed our third biannual Airport Service Quality Survey, which continues to be administered by our highly-engaged team of Airport Ambassadors. Results from the third survey are still to come, but we understand that prolonged construction has impacted on some customer satisfaction around toilets and food and beverage. However, we are pleased to say that the new terminal takes our customer experience to the next level, with a fantastic café, relaxing viewing areas and high-quality amenities.

Our 2040 master plan was completed during this reporting period, with a number of community information sessions held at the Aero Club at the airport. The information sessions were well-attended and there was overwhelming positivity from the more than 100 members of the community there to learn about our long-term plans. We have already made strides into working with partners on building future air seat and freight capacity for the region.

We were pleased to become the first regional airport in New Zealand to achieve Airport Carbon Accreditation Level 2 and make progress towards carbon neutrality. Further progress was made against our sustainability strategy with the opening of the Willis Legal Bikeport, connecting cyclists to the region's cycleways; the advancement of our solar farm project, and a focus on electricity and water minimisation.

We are pleased to welcome Ian Lowry, our new Commercial Asset Manager, who brings years of experience across the airline, retail and commercial sectors and will lead our property development. Under Ian's guidance, we are excited to have launched the first stage of our commercial property development, Ahuriri Aeropark, located along either side of Watchman Road on the approach to the airport.



To keep us focused on the future and as part of our revised Customer Experience Strategy, we have recently welcomed Judi Godbold to the new leadership role of Customer Experience and Marketing Manager. In line with our strategy to better understand all aspects of our business performance, we also welcomed Michelle Crompton, our new Commercial Support Analyst, to the team in May 2021.

I am mindful of the challenging environment our team have worked through during 2020 and 2021. Further COVID lockdowns and construction supply chain delays all took their toll, but we made it through. Our people are central to our mission to deliver a safe, sustainable and customer-centric airport experience and we value our most important assets. We do this by nurturing our positive culture. In June this year, we embarked on a wellbeing programme for our entire team, including our highly-valued ambassadors, to help support a balance between work, life and health.

After welcoming our new fire team in July 2020, we continue to build on our strategy of keeping safety, security and compliance at the core of our business, and we have continued to expand the team to cater for future growth and resilience. This year, we will start our quest to procure a new airport fire truck, a significant but critical investment.

An announcement from Airways NZ in April 2020 of its intention to withdraw staff from regional airport control towers caused significant industry concern. I am pleased to report that after a conclusive aeronautical study in collaboration with Airways, New Plymouth Airport and Gisborne Airport, it was agreed that ATC services should remain at the Hawke's Bay Airport Air Traffic Control tower.

We welcome a recent announcement from the Minister of Transport that a first principles review of air navigation systems, including regulatory settings, new technologies, funding and integration of the system, will be completed in partnership with the industry.

We believe that partnerships with mana whenua, the region's councils, local businesses and the community are critical to our success, and we are proud of the work we have undertaken during the reporting period to reinforce this through joint ventures, partnerships and sponsorships. I am pleased to be presenting this 2021 Annual Report and look forward to working in collaboration with our shareholders and key business partners on the delivery of our 2021/2022 SQI.

Ngā mihi maioha,
STUART AINSLIE

NGĀ HIRAHIRATANGA HIGHLIGHTS



Opening our
brand new terminal



Returning to
profitability 17 months
ahead of forecast



Retaining air traffic
control services



Completing
our 20-year
master plan



airport
carbon
accredited
reduction

Taking our next step
toward carbon neutrality
by attaining Level 2 ACA



Committing
to net zero carbon
emissions by 2030



Completing a feasibility
study for our proposed
solar farm development



Taking our first steps
toward the development
of the Ahuriri Aeropark



Introducing two
electric vehicles
into our fleet

HE MĀTAITANGA O TE TAU A YEAR IN BRIEF

461,000 passengers, down 15%	\$6.6M revenue, up 6%	\$3.8M EBITDA, up 72%
\$555,314 net profit after tax	Zero lost time injuries	75 toolbox talks and safety inspections held on construction site
14% reduction in bird strike	45% increase in passenger numbers from budget	30+ stakeholders engaged in aviation security meetings
100+ attended master plan community information sessions	82% of procurement supports local business	\$8M+ spent with local suppliers

TE RAUTAKI STRATEGY

EYES ON THE HORIZON

We've set our sights on being the most vibrant and successful regional airport in New Zealand.

Getting there means challenging ourselves with new thinking and bold targets, investing purposefully, and working together with partners who share our goals.

Work toward our vision is driven by a comprehensive strategy centred around safety, sustainability, security and engaging with others. These principles are at the heart of who we are and the way we do business.

Our strategic goals are focused around five pillars of our business: **property, people, commercial, operations, and partners.**

We are proud to be part of Hawke's Bay and aim to be a force for good in our community. By 2030, we intend to welcome one million passengers through our gates - and to bring a smile to each one with exceptional customer service, a thoughtfully-designed environment, and inspiring stories of our place and its people.

We're also on a mission to be the most sustainable airport in New Zealand, making sustainability a guiding principle in every decision. Our work is grounded in a comprehensive and considered sustainability framework, which recognises that there are many threads to being a truly sustainable business. The framework sets out four areas of focus within which we direct our efforts: environmental excellence, financial return, operational efficiency and social opportunity.

We're not afraid to push the boundaries and have set ourselves an ambitious goal: to be carbon neutral by 2030. Getting there will mean transforming the way we do business, and we're up for the challenge.



TE WHĀINGA | VISION

Te taunga rererangi ā-rohe
ngangahau, angitu katoa o Aotearoa
**New Zealand's most vibrant and successful
regional airport.**

TE KORONGA | MISSION

E haumarū ai, e aro-kiritaki ai, ā, e pūmau ai
anō hoki ngā ratonga kai whenua, kai rangi
anō hoki ki Te Matau-a-Māui, i Te Matau-a-
Māui anō hoki.
**To enable safe, customer-focused and
sustainable land and air transport services
in and out of Hawke's Bay.**

NGĀ UARATANGA | VALUES

MĀTĀMUA KO TE HAUMARUTANGA SAFETY FIRST

Safety will always be our top priority.

KA TITIRO MĀTAU KI TE PAE WE LOOK TO THE HORIZON

We will plan diligently for the future through
collaboration with the Hawke's Bay community,
shareholders and business partners.

TE HAEPAPA KI TE TAIĀO ENVIRONMENTALLY RESPONSIBLE

We are committed stewards of our environment
and the community in which we operate.

TE ARO-KIRITAKI CUSTOMER-FOCUSED

We will focus on what is important to our customers
to ensure our continued success and significance
in the marketplace.

TE MANAAKI ME TE WHAKAUTE I TE TANGATA CARE AND RESPECT FOR OUR PEOPLE

We care about our people – they are our most important
resource and we appreciate their values, respect their
rights and recognise their commitment.

TE NGANA KIA RITE TONU TE ANGITU Ā-ARUMONI STRIVING FOR CONTINUED COMMERCIAL SUCCESS

We will seek new and innovative ways to derive
revenue from our asset base and services while
growing value to our customers and shareholders.





NGĀ RAWA PROPERTY



Strategic Goal: Making the best use of our land while safeguarding our airport to optimise returns and increase value to our shareholders.

WELCOME TO OUR PLACE

The doors are open and we are proud to be welcoming passengers to the new heart of our airport: a transformed terminal that reflects our deep roots in Hawke's Bay.

Opened to travellers in August 2021, Hawke's Bay Airport's new terminal is a vibrant space that draws on our local history, culture, and landscape to create a distinctively 'Hawke's Bay' experience for every traveller passing through our gates.

Designed in collaboration with Designgroup Stapleton Elliot and Mauvan Scott Architects, the form of the building is inspired by the kuaka or bar-tailed godwit, a native bird that returns from Alaska to the nearby wetlands every year – one of the longest migration flights of any bird. A timber waharoa in the centre of the building represents the kuaka's beak, while its wings stretch out over the arrival and departure lounges that flank either side of the main building.

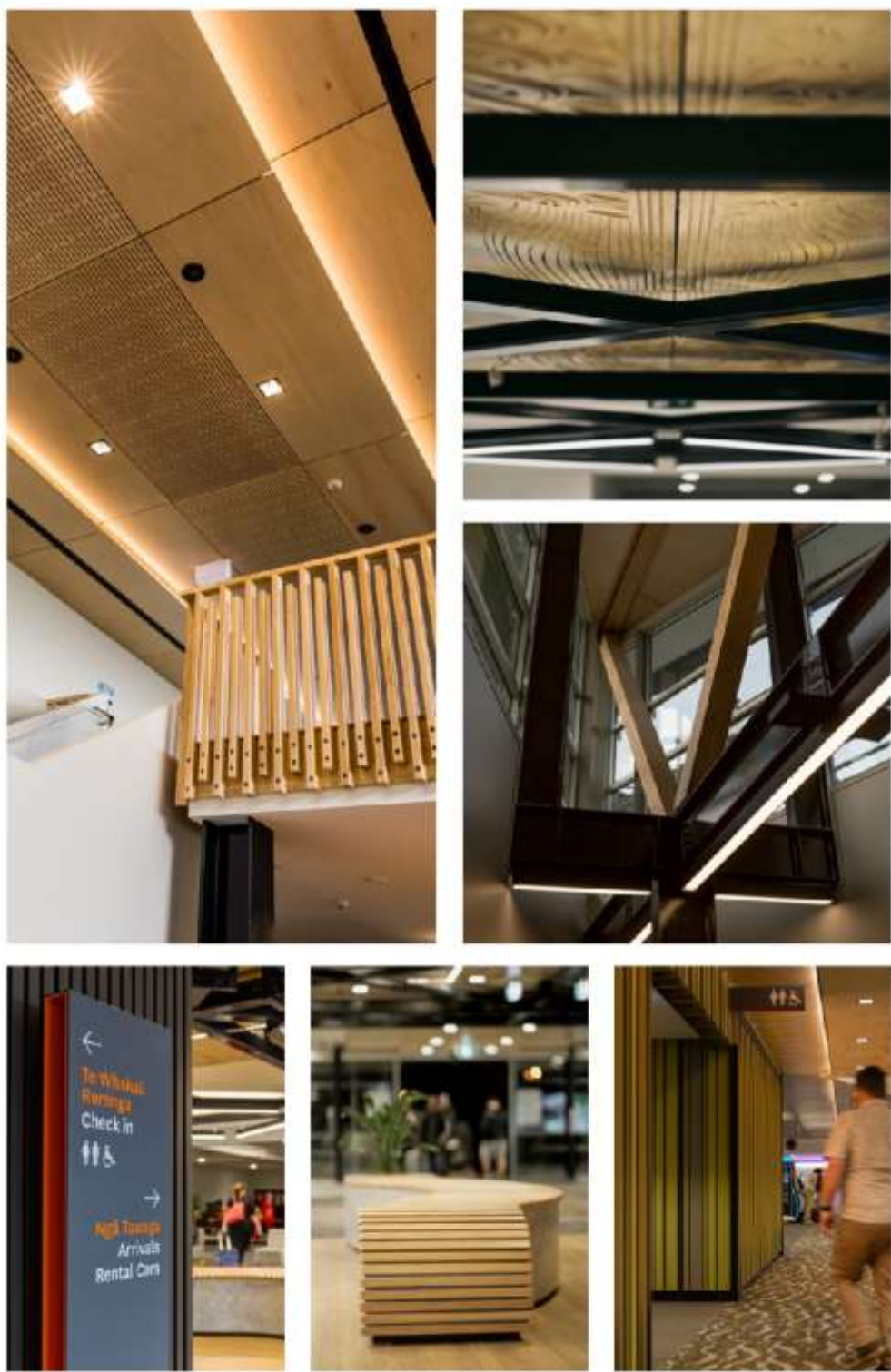
Inside the building, every detail has been thoughtfully considered. Spaces are curated with passenger comfort in mind, while a children's play area is designed to bring a smile to the faces of our youngest travellers. A series of carved wooden ceiling panels tell the cultural stories of Te Matau-a Maui (Hawke's Bay) and bring warmth and meaning to the space.

Art and historic aviation artefacts offer interesting touchpoints for passengers, and a unique installation of wine bottles leads to the story of our viticulture industry. The passenger experience is taken to new heights, with business travellers well-served by meeting rooms, a viewing mezzanine, hospitality services and a spacious new Air New Zealand regional lounge.

The heart of the new building is the Bay Espresso café and Roosters bar, a bustling hospitality zone offering organic coffee, great food, and the best of our local wine, cider and craft beer.

The building is a testament to the dedication and resilience of Hawke's Bay Airport staff and contractors, who overcame significant challenges – including the collapse of construction firm Arrow International, the pandemic lockdown, and global supply chain issues – to see this project through to completion. It positions Hawke's Bay Airport to cater to one million passengers by 2030, with space allocated for future retail zones and further commercial partnerships as passenger numbers grow.

The new terminal is a big step toward our goal of creating an inspiring journey from carpark to gate, and we are proud to be able to share our new space with our passengers, partners, and community.





NAVIGATING OUR FUTURE

We concluded a comprehensive master planning process this year, examining a number of passenger and freight scenarios, talking to our tenants and community, and consulting a range of experts to determine what our business, land and infrastructure might look like in the future. The result is a blueprint that will guide our investment and development over the next 20 years.

By 2040, Hawke's Bay Airport is expected to be welcoming 1.4 million passengers – almost double the numbers we see now – and up to 615 tonnes of air freight. Our expanded terminal is an important step toward catering for this growth, but we also need to allow for growth in the class of aircraft landing here. Commercial jetliners like Airbus and Boeing are expected to fly here in the near future, which means we need to plan for an extension of our main runway, improvements to the apron and taxiways, and the possible relocation of our fire station and air traffic control tower. We will also need to prepare for the future of flying, ensuring we have the infrastructure to welcome new hybrid electrical aircraft and other emerging aircraft technologies as these enter the commercial market.

We will need to allow for additional car parking as we grow, but we also want to ensure we can welcome people by foot, bike, e-bike, taxi, bus, or ride share.

In addition to preparing for the future of our aeronautical business, the master plan considered how we could use undeveloped airport land, diversify our revenue base, and optimise returns for our shareholders. The airport's expanse of flat land is well-suited to a commercial precinct and 10 hectares has been allocated for the development of the Ahunui Aeropark. The initial steps of this development are already underway.

With so much Hawke's Bay sun on offer, a solar farm was identified as an effective way of utilising land to the west of the runway that is unable to be developed in other ways. This project is already well progressed, with a detailed feasibility phase completed, and will help deliver our sustainability goals by generating renewable energy for the airport, our tenants and potentially customers further afield.

We will continue to make the best use of our land over the coming 20 years, working hand-in-hand with mana whenua to ensure we are protecting this shared asset, and developing new opportunities for growth that benefit everyone who lives or visits here.

1.4M passengers expected in 2040 

OPEN FOR BUSINESS

Hawke's Bay Airport is already home to 18 businesses, and we're looking forward to welcoming more. This year, we took the first steps toward the development of the future Ahuriri Aeropark – a 10-hectare slice of the airport precinct that will be transformed into a thriving business community in the years ahead.

The airport is ideally situated to accommodate a range of commercial and industrial activities, with its proximity to Napier Port, industrial zones and major highways likely to make it particularly attractive to freight and logistics businesses. The Ahuriri Aeropark will be located on the eastern side of the airport, with easy access via Watchman Road and a quick connection to the Napier/Hastings Expressway. Tenants within the Aeropark community will have access to a range of meeting and hospitality facilities within the new airport terminal, with corporate visitors able to step straight off the plane and into a meeting.

Sustainability will be built into the development from the beginning, with the design and construction of any new infrastructure to be guided by sustainable design principles and set requirements for energy efficiency, water usage, and wastewater management.

An information memorandum was released to market in July. We are already engaging in early discussions with interested parties, and look forward to working with businesses who share our commitment to Hawke's Bay and our vision for a green future.



10 hectares – size
of the future
Ahuriri Aeropark
business precinct



CLEAN ENERGY POWERHOUSE

We are working hard to optimise our land assets, powering ahead with plans to construct a solar farm on an under-utilised parcel of airport land.

The proposed development will harness Hawke's Bay's high sunshine hours to generate clean, renewable energy, and export it back into the grid to be purchased by retailers. The project would be the first large-scale photovoltaic installation on airside land and would make Hawke's Bay Airport the first solar-powered airport in New Zealand.

A feasibility study undertaken in partnership with lines company Centralines and solar development experts Vector Powersmart was delivered in May 2021 and found that the proposal was both technically and commercially feasible.

The next steps for the project are to secure equity and offtake partners, engage in community consultation, and pursue resource consent.

A LIGHTER FOOTPRINT

Clever thinking, conscious purchasing, and working together with like-minded partners has enabled us to nearly double the size of our terminal without doubling our environmental footprint.

Energy-efficient LED lighting installed throughout the new terminal is lighting the way without any increase in energy requirements, while large windows, atriums and skylights make the most of Hawke's Bay's natural sunlight. Sensors in spaces with typically more sporadic use, such as meeting rooms and bathrooms, are eliminating unnecessary use of power. A high-performance heat pump system provides passengers with a comfortable climate with minimal energy input.

Construction choices such as cross-laminated timber beams and natural wood detailing throughout have lowered the carbon footprint of the build process and give a beautiful natural finish.





18 | HAWKE'S BAY AIRPORT LTD - ANNUAL REPORT 2021

Item 5

NGĀ TĀNGATA PEOPLE



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

People are the heart and soul of our business – our team, our volunteers, our passengers, and our partners. We are working hard to make Hawke's Bay Airport a welcoming destination, an employer of choice, and a great place to do business.

We are proud to have a strong, dedicated team who care about our airport, our community and each other. This year, we welcomed new faces in new roles, adding to the depth of expertise within our team. We also strengthened our focus on health and wellbeing, engaging our people in a new programme to enhance resilience.

WELCOMING NEW EXPERTISE

This year, we welcomed Ian Lowry in a new position as Commercial Asset Manager. Ian comes to us with a strong background in property development and management, with previous roles at Air New Zealand and Woolworths Australia. Ian will deliver against our property strategy, leading the Ahuriri Aeropark development while also enhancing key commercial assets, including our existing property portfolio and new digital advertising displays.

Data specialist Michelle Crompton joined the team in May 2021 as Commercial Analyst and Support, a new role designed to unlock the value of the data we collect in the course of our business. Through data analysis and visualisation, this role will deliver insights to improve efficiency and enhance customer experience.

In August 2021, we appointed Judi Godbold to our executive team as Customer Experience and Marketing Manager. Judi returns to New Zealand after nine years in Asia, delivering brand experience and live events for a host of international brands, including Changi Airport, Netflix and InterContinental Hotels. In this new role, Judi will be delivering seamless journeys for our customers, passengers and partners.

A WELL WORKFORCE

We care about our people and this year, we were proud to introduce an ongoing Resilience at Work programme. The programme saw all staff and the majority of our volunteers take an online survey and receive an individualised wellness assessment. We ran separate workshops for staff and volunteers, exploring the results and offering tools to strengthen wellbeing and resilience. All participants now have the opportunity to take up one-on-one coaching to boost any area of their wellbeing.

It was a valuable opportunity for our teams to connect and to affirm our commitment to being a healthy workplace.

The next stage of the programme will look at how our teams work together, and what we each can do to build healthy, productive team dynamics.

**35 people engaged
in Resilience
at Work
programme**





OFFERING A HELPING HAND

Our Airport Ambassadors are the friendly face of Hawke's Bay Airport, welcoming our passengers, answering questions, and smoothing their journey. Staffed entirely by volunteers, the scheme runs seven days a week and covers our busiest periods.

Since its inception in 2019, the personal touch and customer care our ambassadors provide has made a real difference to thousands of passengers. With many of the airport's services and facilities temporarily relocated during the construction of the terminal, the need for the service was stronger than ever this year.

As the scheme matures, we are working together with our volunteers to ensure we provide a unified and professional service. This year, we updated the

ambassador uniform in line with the look and feel of the new airport, introducing a shirt and jacket featuring the design elements woven throughout the terminal. In conjunction with the opening of the new terminal, we also introduced a handbook for our volunteers to ensure we are providing consistent service and communication.

Our next step will be to engage with Hawke's Bay Tourism and other regional partners to grow our volunteers into ambassadors not just for the airport, but for our wider region – equipping them with the knowledge to make recommendations for great places to stay, eat, and visit while in Hawke's Bay.

MAINTAINING
PASSENGER EXPERIENCE

We are working hard to develop a deep understanding of our customers – who they are, what they need, and how we can improve their experience at Hawke's Bay Airport.

In April 2019, we became the first regional airport in New Zealand to roll out the twice-yearly Airport Service Quality Departure Survey, the international gold standard in measuring passenger experience. Developed by Airports Council International, the ASQ survey offers a scientific and standardised approach and benchmarking against similar airports around the globe.

The survey is undertaken over a six-month period, with respondents spread across different times, days and flight destinations. Passengers are asked a series of 38 questions to gauge their satisfaction with performance across areas including carparking, restaurant facilities, and customer service. Our surveys are carried out by Airport Ambassadors, all of whom have completed a specialist training programme to become accredited by ACI.

We now have two comprehensive sets of results as a basis for benchmarking, with the first survey undertaken prior to full Stage 2 construction works and the second completed during the construction and opening of the new departures terminal.

The results show customer satisfaction declined only slightly over this time, despite the significant disruption caused by construction. This is a reflection of the thought our team put in to providing workarounds for our passengers, and the effort put into minimising disruption and maintaining service levels, as well as the vital helping hands offered by our Airport Ambassadors.

We undertook the survey for a third time this year, with results due in the coming months. We intend to work towards achieving Airport Service Quality accreditation to ensure that we are continuously focused on delivering an enjoyable, safe and optimised passenger journey.





22 | HAWKE'S BAY AIRPORT LTD - ANNUAL REPORT 2021

TE ARUMONI COMMERCIAL



Strategic Goal: Maximising the returns across our aeronautical business while delivering greater value and a strong sense of place.

At Hawke's Bay Airport, we are committed to delivering value for our customers, our shareholders, and our region.

We are working to drive growth in our aeronautical business by developing seat capacity and expanding choice in flights, destinations, and carriers.

Over the long haul, we are focused on strengthening resilience through broadening our revenue base. Incomes from car parking, air services and property helped to weather a turbulent 2020, and the opening of our terminal brings new opportunities in advertising, retail and corporate facilities.

We continue to pursue a strategy of sustainable property development, building the value of our existing property portfolio while working to attract new businesses to the airport precinct. Renewable energy generation will also add another string to our bow, enhancing both our financial and environmental sustainability.

LOCAL FLAVOUR FOR HOSPITALITY

At the heart of our new terminal is a partnership with iconic local business Bay Espresso. Known and loved across Hawke's Bay for their commitment to great coffee and delicious food, Bay Espresso runs cafés in Hastings and Havelock North, a coffee roastery, and a boutique brewery, as well as being a popular fixture at the Hawke's Bay Farmers' Market.

With a Bay Espresso café and Roosters bar now at the centre of the airport, owners Chris and Jonelle Jarvis are serving up a taste of Hawke's Bay's vibrant food and beverage scene. Travellers and locals can fuel up with organic coffee, opt for fresh food to go, or order a meal from the kitchen. Alternatively, they can choose from a selection of exceptional Hawke's Bay wines or unwind with a local craft beer or cider.

The hospitality space was designed with input from Bay Espresso, and locals will recognise the distinctive mural hand painted by Jonelle, which brings the space to life. The café cabinetry and bar were fabricated by local firm Future Products Group, who also designed the vintage aviation-inspired seating area. The result is a warm, welcoming space that invites people to relax, connect with friends and family, and take in the wall-to-wall views of the action on the runway.

EN ROUTE TO GREATER CHOICE

Hawke's Bay Airport is a vital gateway into our region for tourists, corporates, and the local community, and we are committed to building the range of services and connections available.

In the latter part of 2020, we engaged Hawke's Bay Tourism, the Hawke's Bay Chamber of Commerce, and key economic development agencies in a workshop to begin shaping a sustainable aviation development strategy for the region.

We made a strong start on that strategy this year, engaging with new airline partners to develop prospective services between Hawke's Bay and other regions. With a stronger than expected recovery in domestic travel post-COVID, we look forward to seeing these services take off in the near future.



LOCAL BUSINESS ON DISPLAY

Hawke's Bay Airport is proud to support local business, and a suite of digital billboards throughout the new terminal is designed to do just that. Installed in ten strategic locations, the high impact LED screens are providing local companies with valuable exposure and the opportunity to connect with new customers.

With more than 461,000 passengers arriving or departing Hawke's Bay in the past year, these digital advertising spaces offer a platform to showcase homegrown products and services to a wide range of consumers, from local residents and holidaymakers to business travellers and high-value lounge customers.

We worked together with the Hawke's Bay Chamber of Commerce on a soft launch for the billboards, ensuring the screens were loaded with local businesses from the moment our first travellers stepped through the arrivals gate.

Retaining control of the advertising network in-house ensures that we can respond quickly to our advertisers' needs, while also giving us the flexibility to utilise the screen system for non-commercial purposes such as COVID-19 messaging in the event of an alert level change.

10 new digital advertising locations



LOUNGE IN STYLE

Healthier food, more space and a dedicated café await travellers in a brand new Air New Zealand regional lounge, located on Level 1 of the terminal. The lounge caters for around 130 guests – almost double the seating capacity of the previous space – and offers several distinct zones for customers to relax in, including a café area, a self-service buffet and drinks station as well as dedicated business and quiet areas.

The new lounge is part of an investment Air New Zealand is making in regional lounges across the country, and is open to all Airpoints Elite, Gold, Elite Partner and Koru members departing on an Air New Zealand flight.



CAR RENTAL RECOVERY

A surge in domestic tourism has driven a strong recovery in car rentals, with a growing number of New Zealanders choosing Hawke's Bay in place of an international destination.

Rental concessions have rebounded to pre-COVID levels after the disruption of lockdown in 2020, and with passenger numbers higher than initially forecast, a number of our rental firms are now looking to expand their fleets as new stock becomes available.

Rental car providers are an important partner for our business, and we continue to work with them to ensure their services remain economically viable and sustainable.

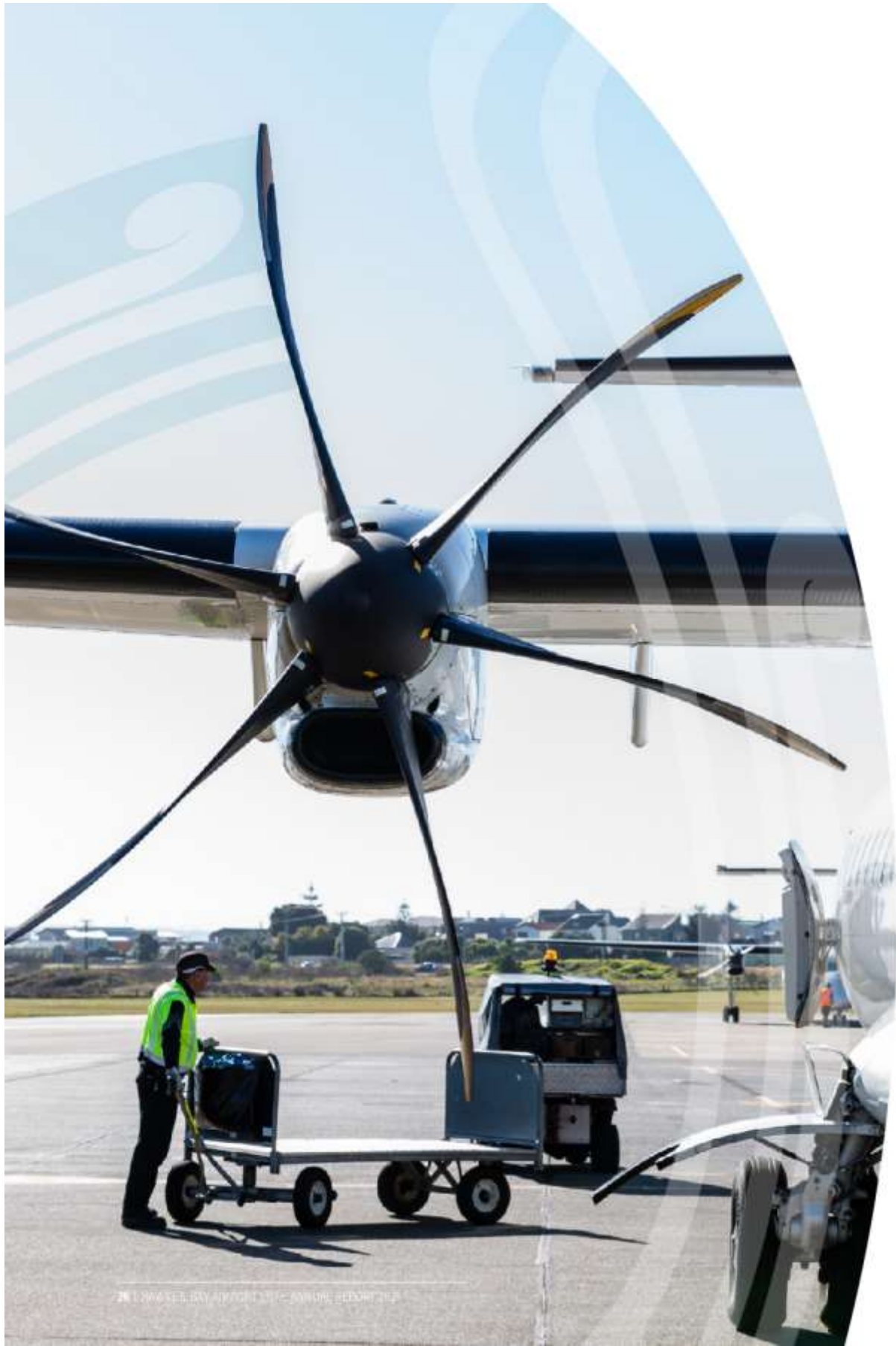
WASTE NOT, WANT NOT

We have worked hard to design waste out of our new terminal, working closely with our commercial partners and embracing circular initiatives.

We are working to eliminate single-use plastics from our terminal, having removed vending machines and installed a refill station for water. We are pleased to welcome cup borrowing scheme Again Again to the Bay Espresso café in the terminal. Passengers will be able to forgo a single use cup in favour of a lidded aluminium reusable, which they can return or exchange at any of the growing number of cafés participating in the scheme. Bay Espresso customers who do opt for a single-use cup will receive one that is carbon neutral, fully compostable, and made from FSC-certified paper.

We have also introduced a new three-bin system for waste, with specific bins for organics, recycling and landfill. All café serveware is fully compostable and can be placed in the organics bin, while a separate bin will ensure Bay Espresso coffee cups go to a local commercial composting facility.





NGĀ WHAKAHAERE OPERATIONS



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

This year has been an exercise in creative solutions, with our team working hard to provide a smooth passenger experience amidst the construction of our new terminal. We are proud to have welcomed 461,000 passengers while maintaining a secure travel journey from carpark to gate.

Safety is at the centre of our operation and we are committed to providing a safe and secure environment for our people, our partners, and our passengers. We uphold a strong safety and reporting culture and are proud to have achieved zero lost time injuries in the past year. Hawke's Bay Airport also became an even safer place to land in 2021, with a focus on effective wildlife management further lowering our risk of bird strike.

SAFETY ON THE GROUND

We are now realising the full benefits of the decision to integrate the Airport Fire Service into our team in 2020, with the closer relationship providing more direct input into safety and security on the tarmac. Bringing Airport Fire in-house has also eliminated the uncertainty that comes with outsourcing a critical operational service to a contractor.

This year, we introduced new Airport Fire and Operations Officer position descriptions, which better recognise the breadth and scope of the team's responsibilities. Alongside their core fire safety responsibilities, the team are now also recognised as covering health and safety, security, maintenance and wildlife management. We also added a further two roles to the team and invested in new protective wear, uniforms and breathing gear.

Zero lost time
injuries



KEEPING AIR TRAFFIC UNDER CONTROL

In May 2020, Airways NZ began a review of air traffic control services at regional airports, including Hawke's Bay. We engaged in a collaborative process, partnering with Airways, Gisborne Airport and New Plymouth Airport to commission an independent assessment by industry experts To70. The resulting report provided a comprehensive picture of our ATC needs now and into the future, informed by data-driven modelling out to 2045. The report recommended retaining air traffic control services at Napier, given the volume of passengers flowing through our operation and the growth projected in coming years. We were pleased to have this recommendation upheld by Airways and valued the opportunity to engage in a constructive process.

Airways is now exploring the possibility of divesting its ownership and management of runway lighting and power at airports across the country, in line with standard international practice. We are supportive of this idea in principle and look forward to engaging with Airways over the coming year.



STRIKING A NATURAL BALANCE

With protected wetlands, coastal habitats, and an estuarine breeding ground on our boundaries, bird strike has historically been a major hazard at Hawke's Bay Airport. We aim to manage this risk in a way that respects the balance of the ecosystems around us.

A wildlife management plan commissioned in 2018 gave us a better understanding of the natural instincts and behaviours of our birdlife, and we are now deploying this knowledge to manage bird populations in a gentle and effective way. Allowing longer grasses in our immediate surroundings has encouraged spur-winged plovers to nest elsewhere, while topping pasture to reduce the prevalence of seed has made airport land less attractive for birdlife.

We monitor bird populations on our land on a weekly basis and are actively working with the Department of Conservation, Napier City Council, Hawke's Bay Regional Council and Fish & Game to manage habitats in our broader area, including our adjacent swamplands, the Ahuriri estuary and Westshore beach.

In the past year, we have successfully reduced bird strike at Hawke's Bay Airport by 14%.

14% reduction in bird strike



NET ZERO FUTURE

New Zealand is firmly on a path to carbon neutrality, with both the New Zealand Government and Hawke's Bay Regional Council committing to reaching net zero carbon emissions by 2050. Currently, domestic aviation makes up 1.24% of New Zealand's carbon footprint. While emissions from airports are excluded from that figure, we have a vital role to play in supporting the decarbonisation of the aviation industry.

This year, Hawke's Bay Airport made a public pledge to reach net zero scope 1 and 2 emissions by 2030. This is a step change for our business and will require targeted action and investment. Achieving net zero will mean eliminating or offsetting all scope 1 and 2 emissions – those from sources Hawke's Bay Airport owns or controls, like vehicles and generators, and those generated by direct purchases, such as electricity.

Our scope 1 and 2 emissions are relatively low in comparison to other infrastructure providers and a focus on reduction over the past 18 months has already addressed several major sources of emissions. A review of commercial and operational activities identified nearly 40 initiatives that will make a further difference, and these have been incorporated into a comprehensive decarbonisation plan. Future projects include upgrading carpark lighting to energy-efficient LED or solar lighting and installing EV charging stations.

AIRPORT CARBON ACCREDITATION

In 2020, we committed to pursuing the *Airport Carbon Accreditation* programme as a transparent, robust, and structured path to sustainability. Designed by the Airports Council International, the programme is considered the industry gold standard for carbon management and sets out six levels of certification. It is based on internationally-recognised standards ISO 14064-1:2018 and the GHG Protocol Corporate Accounting and Reporting Standard, and provides a stringent process for quantifying and reporting greenhouse gas emissions.

Last year, we achieved Level 1: Mapping, with both our carbon footprint and sustainability policy independently verified by an accredited expert. This year, we were proud to be the first regional airport in New Zealand to achieve the Level 2: Reduction accreditation. This required us to demonstrate a reduction in Scope 1 and 2 emissions, set a target for reduction, and present a plan to achieve it – all independently reviewed and verified in line with international standards. The Level 2 accreditation recognises Hawke's Bay Airport's commitment to emissions reduction, climate change mitigation, and sustainable development.

We are committed to following the Airport Carbon Accreditation programme and are now working towards attaining Level 3: Optimisation. This stage encompasses the inclusion of additional scope 3 emissions, such as fuel used in aircraft during take off and landing, fuel used in passenger and contractor vehicles, waste to landfill, staff travel and water consumption. It also requires developing a comprehensive stakeholder engagement plan outlining how we will communicate, share best practice, and collaborate with our stakeholders to reduce emissions from activities we can influence.

CLIMATE RESILIENT INFRASTRUCTURE

Napier experienced a one-in-250-year flooding event on 9th November 2020, with 237 millimetres of rain in 13 hours – the second highest rainfall on record for Napier. Low-lying areas of the city were inundated by floodwaters, and a state of emergency declared.

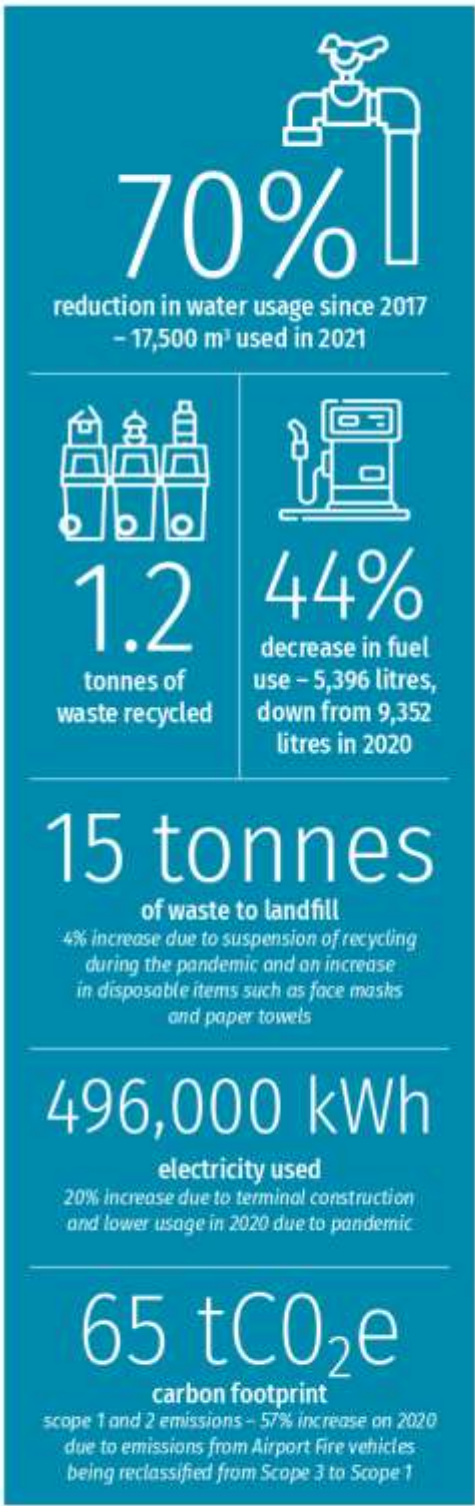
The downpour was a significant test for Hawke's Bay Airport's drainage infrastructure. Our pump station and drains were under pressure but performed as designed and ensured that the runway and terminal were free of surface water. The airport remained operational, with all scheduled flights able to land.

With extreme weather events likely to become more frequent with climate change, we are reviewing our infrastructure and developing a climate adaptation strategy in partnership with key regional stakeholders to ensure that we can continue to provide the services our region needs.

DRIVING EMISSIONS DOWN

Hawke's Bay Airport is making meaningful change in our carbon emissions and this year, we took the first step toward electrifying our fleet, introducing a fully electric Applestone utility vehicle and a Mitsubishi PHEV Outlander to our airside operation.

The Mitsubishi hybrid was selected for its ability to run fully electric within shorter distances, meaning it can be operated as an EV on the tarmac. Combined, the two electric vehicles have saved 10.5 tonnes of carbon emissions and cut fuel costs by 41%.





NGĀ HOA PARTNERS



Strategic Goal: *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.*

Partnerships are integral to a healthy future for our business, our economy, our community and our environment. At Hawke's Bay Airport, we are building genuine, meaningful partnerships with like-minded business, government and iwi organisations; collaborating on common goals and working together for the benefit of all.

We endeavour to make a positive contribution to our region and as we grow, we are working hard to bring our community along with us. This year, we have strengthened connections with our community both in person and online, sharing progress at the airport through our social channels and engaging our community in a series of information sessions about our master plan. Community partnerships have also played a special role in our new terminal, enriching the building with a sense of history, culture and place.

We are committed to investing in our community into the future and are proud to support a range of organisations, including Biodiversity Hawke's Bay, the Art Deco Trust, and Export Hawke's Bay.

PARTNERSHIPS WITH MANA WHENUA

The development of our new terminal presented a unique opportunity to grow and strengthen our relationships with mana whenua, working together to create a space that reflects the rich cultural heritage of Aotearoa and Ngāti Kahungunu.

We worked closely with Mana Ahuriri, engaging local designer and artist Jacob Scott (Ngāti Kahungunu, Te Arawa, Ngāti Raukawa, Te Atiawa) to design a series of carved panels that feature throughout the building.

Installed overhead, the unique digital carvings welcome and farewell our passengers, tell stories of people and place, and speak of flight, change and the collective challenges ahead. Upon arriving in Hawke's Bay, travellers are welcomed by carvings that represent a whaikaranga calling manuhiri (visitors) in, seven mana whenua hapū, and their haka and waiata. These carvings also tell the story of the devastating 1931 earthquake, represented by a jagged chevron pattern; one of the many changes that have impacted on this place in the world. They carry a message about resilience and the need to meet the challenges of change with innovation.

Above the café and lounge area in the heart of the terminal, another set of carvings represents the fuselage of an aircraft, the space between earth and sky, and the way air flows over wings to enable flight. It speaks of the connections between people and nature, the challenges to our planet, and the change we must make.

Travellers departing Hawke's Bay are farewelled by a third set of carved panels, which depict our connection to the rest of the world and illustrates mana whenua guiding travellers on their way.

We are privileged to have the stories of Te Matau-a-Māui (Hawke's Bay) woven through our new terminal, imparting a deep sense of place to the travellers passing through. We look forward to growing our relationships with mana whenua as we continue to work together into the future.



Willis Legal partner Mark Goodson

FREE RIDE FOR CYCLISTS

Sustainability is a collective effort, and we are working hard to bring our local community along for the ride.

This year, we partnered with Willis Legal and EECA (the Energy Efficiency Conservation Authority) to create a dedicated facility for bikes and e-bikes. With room for 12 bikes, a repair rack and charging stations for e-bikes, it provides a zero emissions option for travel to and from the airport.

The Willis Legal Bikeport links Hawke's Bay Airport into the region's popular Rotary cycle paths, with local cyclists welcome to stop in for a rest, repair, or a coffee. It includes a cleverly-designed "plastic-negative" bench seat from environmental start-up Critical, made from around 1300 items of plastic waste that would otherwise have gone to landfill.

900 natives
planted by
Biodiversity
Hawke's Bay and
the airport team



SUPPORTING BIODIVERSITY

Hawke's Bay Airport is committed to being a responsible kaitiaki, protecting and enhancing our environment. We are proud to be the Platinum Sponsor of Biodiversity Hawke's Bay, a local organisation on a mission to build a nature-rich future for our region. The partnership supports ecological restoration programmes across Hawke's Bay and is a natural fit with our focus on sustainability.

As part of our partnership, we are working together to green the areas around the airport. In October, the airport team joined Biodiversity Hawke's Bay volunteers to plant a previously barren stretch of waterway along the Watchman Road entrance to the airport. The 900 native plants – a mix of hebes and grasses – were grown in a local nursery adjacent to the airport and selected for their hardiness and suitability for the site. Over the coming years, they will enrich the soil, soak up carbon, and provide an additional habitat within our local ecosystem.

We are now working together to plant out an area of gravel beach on the approach to Hawke's Bay Airport. A council-owned protected zone for the airport's cross runway, known to locals as 'The Gap', it is home to native plants pimelea urvilleana, sand coprosma and wiwi, which are being threatened by invasive weeds.

With the help of Plant Hawke's Bay and our neighbours in Westshore, we are trialling a number of plants to find those best suited to the harsh environment. We are hopeful that The Gap may become a refuge for the leafless pohuehue, a rare plant native to the North Island, and that the project may become a blueprint for environmental collaboration.



A TASTE OF LOCAL HISTORY

A restored 1928 AA Ford pickup truck is giving our new arrivals lounge an Art Deco flavour, thanks to a partnership with vintage car enthusiasts Neville Smith and Simon Moore. Originally owned by a local plumber, the truck was found in a state of disrepair and has been carefully stripped, blasted and repainted over many hours in an airport workshop. As a finishing touch, it was given a Lagoon Farms logo designed by Moore – a reference to the name given to the area of land around the airport after it was raised out of the sea by the 1931 earthquake.

The truck now occupies pride of place in our future retail zone, displaying a haul of locally made artisan foods and giving tourists a striking welcome to the Art Deco capital of the world.

A NEW CHAPTER IN OUR HISTORY

This year saw the publication of *Wings Over Hawke's Bay – The Story of Our Airport*, a book on the history of Hawke's Bay Airport by locally-based historian Michael Fowler. The book covers the complete story of aviation in Hawke's Bay, from fledgling attempts to build and fly an aeroplane in 1908 to the Napier Aero Club's establishment of an airfield on reclaimed land after the 1931 earthquake, to the development of the airport as we know it today.



12 bike spaces in the Bikeport, a dedicated facility for bikes and e-bikes in partnership with Willis Legal



6+

sponsor partners



3

partners in aeronautical study assessing the level of Air Traffic Control services

– Airways, New Plymouth Airport, and Gisborne Airport

3rd year as Platinum Sponsor of Biodiversity Hawke's Bay

15

winners recognised in Airside Artwork competition for local primary schools, from 85 designs for a sustainable airport of the future

1,300

pieces of plastic recycled into Bikeport seat

BOARD OF DIRECTORS



WENDIE HARVEY
CHAIR



SARAH PARK
DIRECTOR



JON NICHOLS
DIRECTOR



SARAH REO
RETIRING DIRECTOR



TONY PORTER
RETIRED DIRECTOR

SENIOR MANAGEMENT



STUART AINSLIE
CHIEF EXECUTIVE OFFICER



RACHEL ORCHARD
CHIEF FINANCIAL OFFICER



GARETH MENTZER
OPERATIONS MANAGER



STEPHANIE MURPHY
AIRPORT PLANNER



IAN LOWRY
COMMERCIAL ASSET MANAGER

DIRECTORY

HAWKE'S BAY AIRPORT LIMITED

REGISTERED OFFICE

Terminal Building
111 Main North Road
Napier 4140
Hawke's Bay
New Zealand

POSTAL ADDRESS

PO Box 721
Napier 4140
Hawke's Bay
New Zealand

admin@hawkesbay-airport.co.nz
www.hawkesbay-airport.co.nz

BANKERS

ASB Bank Limited

SOLICITORS

Dentons

AUDITORS

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





Item 5

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Hawke's Bay Airport Limited (the Company) is a company incorporated in New Zealand under the Companies Act 1993 and is owned by the Crown (50%), Napier City Council (26%), and Hastings District Council (24%). The Company is domiciled in New Zealand and its principal place of business is 111 Main North Road, Westshore, Napier. Hawke's Bay Airport provides airport facilities, infrastructure and supporting aeronautical services. The Company earns revenue from aeronautical activities, retail and rental leases, car parking facilities, transport operators, advertising and tenants occupying sites within its business park.

DIRECTORS

BOARD APPOINTMENTS AND RETIREMENTS

Jon Nichols was appointed as a Director, effective 1 September 2020. Sarah Reo ceased to be a Director on 30 June 2021, and as at 30 June 2021, a new Director has yet to be appointed to fill this position. Tony Porter retired from the Board on 22 September 2020.

DIRECTORS' REMUNERATION

The amount of \$117,458 per annum was paid to Directors holding office in the 12 months to 30 June 2021.

W N Harvey	Chairperson	44,000
S N Park	Chairperson – Audit, Finance & Risk Committee	25,500
S Reo	Director	23,000
J Nichols	Director	19,083
T M Porter	Director	5,875
		117,458

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

BOARD COMMITTEES

As at 30 June 2021, the Company had an Audit, Finance and Risk Committee comprised of all Directors, being Sarah Park (Chair), Wendie Harvey and Jon Nichols. The committee is responsible for overseeing:

- the quality and integrity of financial statements, reporting, budgets and material investment proposals;
- current risk exposures and the future risk strategy of HBAL, including strategy for capital and liquidity;
- the selection and performance of our external auditors; and
- accounting policies, the effectiveness of internal controls, the financial risk management system and related matters.

DIRECTORS' INTERESTS

During the year ended 30 June 2021, the Directors declared general disclosure of interests in the following entities:

W N HARVEY

Excellence in Business Solutions Limited	Director/Shareholder
New Zealand Gambling Commission	Commissioner
Eastland Group Limited	Director
Eastland Network Limited	Director
Eastland Port Limited	Director
The Electrical Training Company Limited	Director
Aurora Energy Limited	Director
Fire and Emergency New Zealand	Director
Hawke's Bay Airport Construction Limited	Director
Gisborne Airport Limited	Director
Centralines Limited	Director - Retired October 2020

S N PARK

Scotch & Sparkles Limited	Director/Shareholder
Eurogrow Potatoes Limited	Director
Pacific Edge Limited	Director
Pacific Edge Diagnostics New Zealand Limited	Director
Pacific Edge Analytical Services Limited	Director
Board of Trustees of the National Provident Fund	Independent Trustee
Hawke's Bay Airport Construction Limited	Director
Rapid Response Nursing	Director/Shareholder
Even Capital GP Limited	Director/Shareholder
Waiapu Anglican Social Services Trust Board	Independent Chair of Audit & Risk Committee

J NICHOLS

Eastland Group Limited	Director
Eastland Network Limited	Director
Eastland Port Limited	Director
Gisborne Airport Limited	Director
Electra Limited and subsidiaries	Director
Nichols Consulting Limited	Director/Shareholder
Palmerston North Airport Limited	Director
Hawke's Bay Airport Construction Limited	Director
Hastings District Council	Independent Chair of Risk & Assurance Committee
Maungaharuru-Tangitū Trust	Independent Chair of Risk & Assurance Committee
Centralines Limited	Director - Retired October 2020

S M REO

Heretaunga Tamatea Settlement Trust	Trustee
Sarah Reo Consulting Limited	Director/Shareholder
Orawa Limited	Director/Shareholder
Te Kura o Pakipaki	Trustee
Hawke's Bay Airport Construction Limited	Director

T M PORTER

Pomell Tractor Company Limited	Director
Hawke's Bay Airport Construction Limited	Director

S AINSLIE - CEO

Art Deco Trust Inc.	Board member
ExportNZ Hawke's Bay	Chair

Details of any related party transactions made during the year are shown in Note 18 of the Notes to the Financial Statements.

BOARD ATTENDANCE

DIRECTOR	POSITION	TENURE	MEETINGS ATTENDED	OF A POSSIBLE
W N Harvey	Chair	Full year	10	10
S N Park	Director/AFRC Chair	Full year	10	10
S Reo	Director	Full year	9	10
J Nichols	Director	10 months	9	9
T M Porter	Director	3 months	2	2

EMPLOYEE REMUNERATION

The number of employees or former employees who received remuneration and other benefits of \$100,000 or more for the year ended 30 June 2021 and prior was as follows:

REMUNERATION	NUMBER OF EMPLOYEES	
	2021	2020
\$140,001 - \$150,000	1	2
\$150,001 - \$160,000	1	-
\$160,001 - \$170,000	-	1
\$180,001 - \$190,000	1	-
\$290,001 - \$300,000	1	1

CHIEF EXECUTIVE REMUNERATION

In the financial year ended 30 June 2021, the Chief Executive was paid total remuneration of \$296,056. This included an at risk component of \$22,500 related to achievement of key performance indicators directly aligned with the Group's strategy. (2020: total remuneration \$297,498, including an at-risk component of \$25,000).

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 Baker Tilly Staples Rodway Audit Limited has been appointed to provide these services.

DIVIDENDS

As agreed with shareholders, no dividend will be paid for the financial year ended 30 June 2021 (2020: nil)

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that the financial statements and the Statement of Service Performance fairly present the financial position of the Company as at 30 June 2021 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, are supported by reasonable judgements and estimates, and that all relevant financial reporting and accounting standards have been followed.

DIRECTORS' INFORMATION

The Hawke's Bay Airport Limited Board regularly reviews its skills against current and future requirements. Despite its relatively small size of four Directors, the current Board has a diverse skill set with particular strengths in the aeronautical and infrastructure sectors, risk and compliance, legal and regulatory matters, and corporate governance. Strengthening the Board's capability in property development and management, environmental sustainability and green energy, technology and cyber security, and iwi partnerships will be areas of focus for future appointments. The size of the board means securing capabilities across all areas is challenging, and makes capability building essential. This occurs through targeted skill development for directors and management, engaging external consulting support, and ongoing professional development for directors.

STRATEGIC CONTEXT FOR ALIGNMENT OF CAPABILITY	CAPABILITY	NUMBER OF DIRECTORS WITH HIGH AND MODERATE CAPABILITY				FOCUS FOR FUTURE BOARD APPOINTMENTS
CREATING VALUE FOR STAKEHOLDERS THROUGH DELIVERY OF STRATEGY	Aeronautical	●	●	●		●
	Infrastructure	●	●	●		
	Property development and management	●	●			●
	Environmental sustainability and green energy	●	●	●	●	●
ENSURING EXCELLENCE IN OPERATIONAL AND FINANCIAL MANAGEMENT	Financial	●	●	●	●	
	Risk and compliance	●	●	●		
	Legal and regulatory	●	●	●	●	
	Technology and cyber security	●	●	●		●
	Corporate governance	●	●	●	●	
SAFETY FIRST	Health and safety	●	●	●		
BEING A PEOPLE AND VALUES-BASED COMPANY	People and culture	●	●	●	●	
	Iwi partnerships	●	●			●

KEY: ● High Capability ● Moderate Capability ● Future Focus

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2021

The following is a Statement of Service Performance relating to the key objectives listed in Hawke's Bay Airport Limited's Statement of Corporate Intent for the year ending 30 June 2021.

		SOI FULL YEAR	RESULT TO DATE	% VARIANCE	STATUS
OPTIMISE SHAREHOLDER VALUE & RETURNS	Passenger numbers	317,923	461,056	45%	●
	Revenue	4,178,546	6,661,208	59%	●
	EBITDA	1,024,680	3,755,532	267%	●
	NPAT	-1,566,945	555,314	135%	●
	ROE - annualised	-5.10%	1.64%	132%	●
	Gearing	47%	40%	14%	●
	Equity	49%	52%	7%	●

	ACTIVITY & OUTCOME	MEASURE	TARGET DATE	COMMENTARY	STATUS
COVID-19 RECOVERY	1 An uncompromising safety focus and compliance with COVID-19 operational guidelines at all times	Monthly review of COVID-19 management plan, risk and business recovery	Monthly	Continuous review of COVID-19 safety procedures in line with government policies	●
	2 Dynamic calibration of financials and business planning	Monthly review of aeronautical recovery forecasts and resource allocation	Monthly	Development of various forecast scenarios	●
	3 Actively encourage pragmatic whole of aviation industry approach to recovery	HBAL presence at all relevant forums. Regular meetings with relevant aviation stakeholders including Air NZ, Airways and other airports.	Ongoing	Completed workshop with economic development agencies in October 2020. Stalled due to RED review	●
	4 Regional collaboration to champion Hawke's Bay air connectivity as critical part of national tourism strategy	Develop Regional Air Services Strategy in consultation with Hawke's Bay Tourism	30/06/20	Workshop with regional economic development agencies held at end of 2020. Strategy stalled due to COVID-19 impacts and review of HB Business Hub/economic development agencies	●
	5 Review economies of scale and insourcing versus outsourcing of key operational resources	Review complete and implemented	7/01/20	Insourcing of Fire Service and review of operations/ administration resource	●
	6 Review aeronautical pricing in consultation with major airline partner	Aeronautical pricing consultation complete and agreed with key parties	30/12/20	Aeronautical pricing consultation completed October 2020	●

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

	ACTIVITY & OUTCOME	MEASURE	TARGET DATE	COMMENTARY	STATUS
COVID-19 RECOVERY	7 Optimise returns from existing infrastructure by reviewing product offering and developing differentiated propositions	Segmented propositions implemented	30/12/20	Review of car parking completed July 2020	●
	8 Manage short term in-terminal retail proposition to best meet customer demand whilst preserving viability of third-party operators	Monthly meetings with retail operator to review passenger feedback and performance	Monthly	Flexibility around timings and operations of airport temporary cafe	●
	9 Prioritise the safe reinstatement of Airport Ambassador programme	Enhanced customer satisfaction/ASQ	Monthly	Ambassador programme managed in coordination with NZ Government requirements. ASQ waiver granted until April 2021	●
	10 Proactively monitor wellbeing of staff	Internal welfare survey completed	Quarterly	Continuous staff meetings by Zoom during COVID-19. Wellbeing assessment underway	●
	11 Achieve financial and operational targets as per SOI	SOI FY2020-21 with a focus on reducing cost and optimising revenues	30/06/21	Exceeding target	●
OPERATIONS	12 Operating and effective safety management system	Internal SMS Tracker updated monthly	Monthly	Safety management plan in place as per CAA audit, health and safety data tracking positively	●
	13 Practical completion of terminal redevelopment	Stage 3 completed	31/03/21	Delayed due to COVID impacts (i.e. resources). Opened 6 August 21.	●
	14 Bi-annual Strategic Risk/ Compliance Review	Review implemented	Biannual	Risk registers reviewed regularly. Governance risk reviewed early 2021	●
	15 Review and refine Wildlife Management Plan	Second phase plan implemented	30/11/20	Ongoing review of wildlife management undertaken	●
	16 Reduction of carbon emissions against established benchmarks.	Achieve Level 2 Airport Carbon Accreditation (ACA)	30/01/21	Achieved January 2021	●

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

	ACTIVITY & OUTCOME	MEASURE	TARGET DATE	COMMENTARY	STATUS	
COMMERCIAL	17	Improve service levels and returns by leveraging existing infrastructure	Implement research-based product segmentation of carpark	31/01/21	Work to advance in line with Full Surface Transport Strategy	
			Develop and implement revised aeronautical conditions of use	31/08/20	New CoU implemented Nov 2020	
			Complete review of general aviation charges in line with industry benchmarks	31/08/20	Completed November 2020. Users paying new charges – some negative response	
	18	Improve carpark to gate and customer experience and car parking returns	>10% of transactions are ticketless/Improved ASQ scores	31/06/21	New carparking system bedded in. Introduction of ticketless payment	
	19	Revise Ground Transport Strategy to ensure alignment with sustainability framework and new technologies	Transport Strategy review complete	30/09/20	Work in progress in alignment with Ground Transport Strategy	
	20	Leverage grants/ sponsorship where possible to expedite sustainability outcomes	Network with private and public stakeholders to identify opportunities for collaboration	Ongoing	Funding support from HBT for new airline startup & RED. EECA funding for Bikeport & EV chargers	
	21	Grow in-terminal retail engagement and per passenger spend rates	Procure new retail operator/s. Strong focus on non-price attributes. Maximise returns from digital advertising assets	30/11/20	Bay Espresso signed up for new F & B contract. Procurement of new digital assets	
PROPERTY	22	Work closely with Napier City Council planners to ensure HBAL interests are considered in district plan review	Completed RMA Framework	30/08/20	Draft documentation provided to NCC in October 2020. NCC Draft District Plan release delayed till mid-2021	
	23	Refine commercial property strategic plan in alignment with RMA/sustainability framework and market demand	Property Strategy and Marketing plan in place	30/11/20	Marketing plan for Ahunui Aeropark developed and ready to go to market end June 2021	
	24	Stimulate property development opportunities	Proactive engagement and collaboration with key strategic partners	Ongoing	A number of pipeline property opportunities at time of writing. Two new GA hangars completed	
	25	Develop guidelines for future development to ensure strategic alignment	HBAL development guidelines approved	31/12/20	Draft guidelines developed and to be reviewed in line with NCC District Plan review process	
	26	Develop renewable energy project	Feasibility study complete for land-based renewable project	31/10/20	Solar farm feasibility study completed and business case tabled to board	

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

	ACTIVITY & OUTCOME	MEASURE	TARGET DATE	COMMENTARY	STATUS
PARTNERS	27 Proactively engage with Hawke's Bay community, local and central government and other key stakeholders	Supportive environment for wider airport	Ongoing	Maintained positive contact with local/NZ Government. Development of Regional Economic Development Framework	●
	28 Partnership/collaboration with regional leaders around sustainability outcomes	Ensure airport presence/voice at regional forums	Ongoing	Establishment of Napier Port Sustainability Initiative. Attended HBRC event with Simon Upton. HB Trails official partner	●
	29 Undertake stakeholder and public consultation as part of NCC district plan review	Community to work as one team.	31/07/20	Public information sessions completed in June	●
	30 Continued collaboration with mana whenua	Regular meetings/engagement/property partnerships	Ongoing	Regular meetings with Mana Ahuriri. Collaboration around culture and land use	●
	31 Collaborate on a plan for the future delivery of air traffic services	Regular meetings with Airways and partner airports	Ongoing	Successfully completed aeronautical study in collaboration with Airways	●
	32 Partnership with regional stakeholders to grow air services	Develop Regional Air Services Strategy in partnership with Hawke's Bay Tourism and other stakeholders	31/08/20	Working on establishment of Regional Aviation Development Strategy	●
PEOPLE	33 Invest in team's development and training	Training and development programme	30/06/21	RFS/ASQ training	●
	34 Develop team capability	Resources/expense in line with financial forecast	30/06/21	RFS training. Insourcing completed satisfactorily	●
	35 Proactively engage with staff to ensure engagement and optimise wellbeing in the workplace	Staff engagement and culture survey completed	Quarterly	Regular communications/Wellbeing programme being planned	●
	36 Continue to build on success of Airport Ambassador programme	>85% of existing Ambassadors complete two years of service	30/06/21	80% of Ambassadors still in programme. Regular communications during COVID lockdowns. Natural attrition	●

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

CONSOLIDATED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Aeronautical		3,933,817	3,750,257
Ground Transport		1,811,959	1,910,202
Business Park		402,768	398,886
Other Revenue		512,664	217,156
Total Revenue	4	6,661,208	6,276,501
Less Operating Expenses	5	(2,905,675)	(4,094,005)
Operating Profit Before Financing Costs and Depreciation		3,755,532	2,182,496
Depreciation		(2,386,284)	(2,140,097)
Impairment Reversal/(Charge)		-	696,400
Gain/(Loss) on Disposal of Assets	6	(44,337)	(1,371,441)
Finance Income		25	569
Finance Expense		(342,103)	(349,309)
Net Profit before income tax		982,833	(981,382)
Income Tax Expense	7	(427,519)	(31,258)
Net Profit after income tax		555,314	(1,012,640)
Items that will not be reclassified into profit or loss:			
Deferred tax on revaluation	7	138,336	138,336
Total Comprehensive Income		693,650	(874,305)

CONSOLIDATED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital	Retained Earnings	Revaluation Reserve	Total Equity
Balance at 1 July 2020	13,789,155	8,374,816	11,065,081	33,229,051
Profit/(Loss) for the period	-	555,314	-	555,314
Revaluation of Property, Plant & Equipment	-	-	-	-
Reclassification of depreciation on revalued assets	-	494,056	(494,056)	-
Movement in deferred tax on revaluation reserve	-	-	138,336	138,336
Total comprehensive income		1,049,371	(355,721)	693,650
Distributions to shareholders (note 11)	-	-	-	-
Movement in equity for the period	-	1,049,371	(355,721)	693,650
Balance at 30 June 2021	13,789,155	9,424,186	10,709,360	33,922,701
Balance at 1 July 2019	13,789,155	8,893,400	11,420,801	34,103,356
Profit/(Loss) for the period	-	(1,012,640)	-	(1,012,640)
Revaluation of Property, Plant & Equipment	-	-	-	-
Reclassification of depreciation on revalued assets	-	494,056	(494,056)	-
Movement in deferred tax on revaluation reserve	-	-	138,336	138,336
Total comprehensive income		(518,584)	(355,721)	(874,305)
Distributions to shareholders (note 11)	-	-	-	-
Movement in equity for the period	-	(518,584)	(355,721)	(874,305)
Balance at 30 June 2020	13,789,155	8,374,816	11,065,081	33,229,051

CONSOLIDATED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
Trade and other receivables	8	924,671	748,178
Cash and cash equivalents		420,234	281,818
Total current assets		1,344,905	1,029,996
Property plant and equipment	9	58,181,256	52,127,424
Investment property	10	4,822,594	4,960,606
Intangibles		383	961
Right of use assets	15	296,637	420,510
Total non-current assets		63,300,870	57,509,500
Total Assets		64,645,775	58,539,495
EQUITY			
Issued capital		13,789,155	13,789,155
Retained earnings		9,424,186	8,374,815
Revaluation reserve		10,709,361	11,065,081
Total equity	11	33,922,701	33,229,051
LIABILITIES			
Trade and other payables	12	1,932,168	996,513
Employee benefits		116,620	110,882
Borrowings	13	-	18,261,762
Provision for retentions payable	14	225,697	153,971
Lease liabilities	15	108,371	105,181
Total current liabilities		2,382,856	19,628,309
Deferred tax liability	7	4,205,952	4,355,256
Rentals in advance	12	927,308	1,011,549
Borrowings	13	23,000,000	-
Lease liabilities	15	206,958	315,329
Total non-current liabilities		28,340,218	5,682,135
Total liabilities		30,723,073	25,310,444
Total equity and liabilities		64,645,775	58,539,495

These financial statements were authorised for issue by the board on 8 September 2021 on behalf of Hawke's Bay Airport Limited.



WENDIE HARVEY
Chair



SARAH PARK
Director & Audit, Finance & Risk Committee Chair

CONSOLIDATED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Revenues	6,517,429	6,281,680
Interest received	25	569
	6,517,454	6,282,249
Cash was disbursed to:		
Suppliers and employees	(3,100,254)	(4,069,868)
Goods & Services Tax (Net)	(12,848)	190,993
Interest paid	(479,489)	(383,955)
Income tax paid	(108,339)	(235,304)
	(3,700,931)	(4,498,133)
Net Cash Flows from Operating Activities	2,816,523	1,784,116
CASHFLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Sale of fixed assets	-	46,549
Cash was disbursed to:		
Capital works	(7,311,166)	(8,894,021)
Net Cash Flows from Investing Activities	(7,311,166)	(8,847,472)
CASHFLOWS FROM FINANCING ACTIVITIES		
Cash was provided from:		
Borrowings	4,738,238	7,197,462
Cash was disbursed to:		
Lease payments	(105,181)	(34,333)
Net Cash Flows from Finance Activities	4,633,057	7,163,129
Net increase/(decrease) in cash and cash equivalents	138,415	99,772
Add opening cash and cash equivalents	281,818	182,046
Closing cash and cash equivalents at end of year	420,234	281,818
Represented by:		
Cash at bank	416,121	277,332
Cash in hand	4,113	4,486
	420,234	281,818

AP

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 BASIS OF PREPARATION AND PRINCIPLES OF CONSOLIDATION

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, the classification of financial assets and the recently completed masterplan asset, in addition to the timing of capitalisation of interest.

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are disclosed in each of the applicable notes to the financial statements and are designated with an AP and as shown below.

AP

2 CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies and all accounting policies adopted are consistent with the prior year.

3 SIGNIFICANT TRANSACTIONS AND EVENTS IN THE FINANCIAL YEAR

The financial position and performance of the Group was particularly affected by the following events during the reporting period.

COVID-19

In March 2020, the World Health Organisation declared the outbreak of COVID-19 as a pandemic. Both globally and in New Zealand, international border closures, domestic lockdowns and ongoing travel restrictions due to COVID-19 have had an immediate and dramatic impact on airlines, air services, airport traffic and therefore revenues for those in the industry. Initially HBAL management moved swiftly to preserve the cash position of the business by implementing a recovery plan that amongst other factors significantly reduced the cost base, deferred non-essential capital expenditure and accessed all available Government subsidies. The purpose of those actions was to offset as much of the reduction in revenue as possible, while still being able to operate safely to the required CAA standards and provide needed services for airport users.

Throughout the 2021 financial year Hawke's Bay Airport has remained focused on achieving its strategic goals, albeit within the context of navigating the recovery cycle from the effects of COVID-19.

Despite the ongoing uncertainty around Alert Level restrictions, the Trans-Tasman bubble and the some negative economic impacts following the 2020 lockdowns, the demand for air travel within New Zealand has rebounded quicker than originally forecast with air traffic capacity reaching around 90% of pre-Covid-19 levels by the end of the 2021 financial year.

The recovery seen in the latter part of the financial year is very positive, evidenced by July 2021 recording the highest ever revenue month for the business. However, a return to a nationwide COVID-19 Level 4 lockdown in August 2021 highlights that the Group remains vulnerable to Covid-19 related impacts and as such, the board and management team continue to maintain forward-looking scenarios to enable the airport to rapidly respond to changes in operating conditions and keep close control of cost, whilst also building resilience from diversified revenue streams.

Management have assessed the impact of COVID-19 on the balance sheet; specifically on the carrying value of Property, Plant & Equipment and receivables, with any provisioning reflecting management's best estimate of the impact based on information available at the time of preparing these financial statements. There has been no material impact on the balance sheet.

4 OPERATING REVENUES

Aeronautical income includes all revenue from landing charges, aircraft parking, concessions, airfield and terminal rentals.

Ground Transport revenue includes all income from the car parks and associated transport operators.

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, subsidies and other revenue.

All revenue is net of discounts and rebates.

AP

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.

5 OPERATING EXPENSES

	2021 \$	2020 \$
Audit Fees - audit of financial statements	45,845	60,062
Directors Fees	117,458	115,304
Employee Benefits	1,209,521	1,113,126
One-off Restructuring Costs	-	218,060
Other Operating Expenses	1,532,851	2,587,453
	2,905,675	4,094,005

6 GAIN/(LOSS) ON DISPOSAL OF ASSETS

	2021 \$	2020 \$
Write off of the net book value relating to parts of the old terminal building which were demolished during the financial year.	(44,337)	(1,371,441)

AP

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.

7 TAXATION

	2021 \$	2020 \$
A. Current Year Reconciliation		
Profit Before Taxation	982,833	(981,382)
Prima Facie Taxation @ 28%	275,193	(274,787)
Adjusted for the tax effect of:		
Depreciation on revalued assets	138,335	138,336
Non deductible expenses	10,784	167,708
Prior Years (over)/under provision	3,206	-
Income Tax Expense	427,519	31,258
Comprising		
Current Tax	438,488	24,844
Deferred Tax	(10,969)	6,414
	427,519	31,258
B. Taxation Payable/(Receivable)		
Balance at 1 July	38,931	245,733
Prior period adjustment	24,591	3,474
Terminal Tax (paid)/refunded	(63,522)	(235,120)
	-	14,087
Current Tax Payable	413,897	24,844
Provisional Tax paid	(44,466)	-
RWT paid on Interest	(3,963)	-
Balance at 30 June	365,468	38,931

	2021 \$	2020 \$
C. Imputation Credit Account		
Imputation Credits carried forward	3,535,558	3,300,173
Decrease arising from tax refunded during the year	-	(24,715)
Increase arising from tax paid during the year	488,221	260,100
Applied to Dividends paid	-	-
Balance at 30 June	4,023,779	3,535,558
D. Deferred Tax Reconciliation		
Opening balance	4,355,256	4,487,178
Deferred tax expense	(10,969)	6,414
Revaluation of PP&E	(138,336)	(138,336)
Closing balance	4,205,952	4,355,256
Reconciliation of Deferred Tax Expense		
Reclassified from current tax		
Charged to tax expense	(10,969)	6,414
Credited to other comprehensive income	(138,336)	(138,336)
	(149,305)	(131,922)
E. Deferred Tax Analysis		
Holiday Pay	(16,474)	(8,246)
Provision for doubtful debt	-	4,526
Intangibles	(47)	(47)
Income in Advance	(285,609)	(309,209)
Runway Refurbishment	326,947	386,552
Capitalised interest	92,083	53,615
Revaluation of PP&E	2,804,060	2,942,396
IFRS 16 - leases	(2,383)	-
Asset Base and Depreciation Differences	1,287,375	1,285,668
	4,205,952	4,355,256

AP

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.

8 TRADE AND OTHER RECEIVABLES

	2021 \$	2020 \$
Accounts Receivable	487,386	396,909
Provision for doubtful debts	-	(15,951)
Prepayments	345,014	287,796
GST Receivable	92,271	79,423
	924,671	748,178

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

AP GST

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

9 PROPERTY, PLANT AND EQUIPMENT

	Land & Land Improvements	Airport Infrastructure & Buildings	Other Assets	Capital Work in Progress	Total
AT 30 JUNE 2020					
Fair Value	6,077,688	38,896,960	2,698,457	5,659,987	53,333,092
Accumulated Depreciation	0	(0)	1,205,668	-	1,205,668
	6,077,688	38,896,960	1,492,789	5,659,987	52,127,424
Opening net book value	6,077,688	38,896,960	1,492,789	5,659,986	52,127,424
Additions	3,036	3,150	28,418	8,151,434	8,186,038
Disposals	-	3,974	4,506	22,466	30,946
Depreciation	966	1,899,019	201,274	-	2,101,260
Transfers		17,917	117,722	(135,639)	0
Closing net book value	6,079,759	37,015,035	1,433,148	13,653,314	58,181,256
AT 30 JUNE 2021					
Fair Value	6,080,725	38,914,054	2,840,091	13,653,314	61,488,183
Accumulated Depreciation	966	1,899,019	1,406,942	-	3,306,927
	6,079,759	37,015,034	1,433,148	13,653,314	58,181,256

PROPERTY, PLANT AND EQUIPMENT (PPE) VALUATION APPROACH

The valuation of the Group's PPE is completed in accordance with recognised financial reporting and valuation standards and the Group's accounting policies. At the end of each reporting period, the Group makes an assessment of whether the carrying amounts differ materially from fair value and whether a revaluation is required. In order to make this assessment, the Group seeks independent advice from a registered independent valuers with specialist expertise in the relevant asset classification.

Management review and discuss the key inputs into the valuation with the valuers. Discussion about the valuation process, methodology, key inputs and results are held between Management and the Board. Additions subsequent to any revaluation are carried at cost.

LAND AND LAND IMPROVEMENTS

Land and Land Improvements are valued at Fair Value as defined by NZ IAS 16. Fair Value is determined using Market Value- Highest and Best Alternative Use methodology. Recent market based sales evidence is considered in the assessment. The Land valuation uses Level 3 inputs for the rural land and car park, as per categorisation in the Fair Value Hierarchy.

Land was valued by Telfer Young as at 30 June 2021. The results of this valuation conclude that there has been an increase in fair value of land assets relative to the previous valuation as at 30 June 2020. The Group has taken a conservative approach and considered that the increase in fair value is not sufficiently material to warrant a revaluation at this time, bearing in mind the uncertainties relating to COVID-19 at the time of preparing these financial statements.

AIRPORT INFRASTRUCTURE, BUILDINGS & OTHER ASSETS

Airport Infrastructure and Buildings are valued at Fair Value as defined by NZ IAS 16. They include the terminal building, sealed surfaces (runways, apron, taxiways), car park, fencing, utilities, motor vehicles and roading assets.

These assets were valued by Peter Seed as at 30 June 2021, using an income based approach to calculating Fair Value in accordance with NZ IFRS 13- Fair Value Measurement. The valuation methodology calculated Enterprise Values for aeronautical assets (assets used for passenger transport including terminal) and non-aeronautical assets (retail and commercial lease assets, carparking) from discounted cash flows derived from forecast passenger numbers, revenues, expenditures and capital expenditure. This is level 3 in the Fair Value Hierarchy.

The results of this review conclude that there has been an increase in the fair value of Airport Infrastructure and Buildings assets relative to the carrying value. The Group has taken a conservative approach and considered that the increase in fair value is not sufficiently material and contains sensitivity (see below) to the extent that it does not warrant a revaluation at this time, bearing in mind the uncertainties relating to COVID-19 at the time of preparing these financial statements and the fact that the Airport Expansion Project is not yet fully complete. Refer to sensitivity analysis below for potential impact and note 3 for more discussion of COVID-19 implications.

SENSITIVITY ANALYSIS

Due to the impact of COVID-19 on the Group and the uncertainty that exists around the timeframe for recovery of the aviation sector from the latest lockdowns, the sensitivity of the discounted cashflow valuation to the key variables of passenger numbers and WACC was calculated. With all other variables held constant, the impact of these changes to the central enterprise value in Peter Seed's valuation report of \$61.612m is:

	Range	Impact on Value
Passenger Volume*	Low-9% to high+8%	-\$7.1m to +\$5.2m
WACC	-0.5% to +0.5%	+\$2.7m to -\$2.5m

*The passenger related sensitivity range is not symmetrical as based on specific passenger forecasts.

As shown in the Statement of Changes in Equity there was an additional depreciation charge of \$494,056. (2020: \$494,056) as a result of the prior year revaluation of the Airport Infrastructure & Buildings assets.

AP

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, vehicles and equipment.

ASSETS UNDER CONSTRUCTION/CAPITAL WORK IN PROGRESS

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.

AP

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%	Fencing	5.00% to 15.00%
Surface	6.67% to 10.00%	Lighting	4.00% to 10.00%
Business Park Infrastructure	0.00% to 10.00%	Furniture & Fittings	10.00%
Buildings	2.50% to 10.00%	Motor Vehicles	12.50%
Plant & Equipment	2.90% to 40.00%	Office Equipment	30.00%
Car Park & Roading	1.67% to 5.00%		

AP	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.

10 INVESTMENT PROPERTY

	Land & Land Improvements	Business Park Infrastructure & Buildings	Capital Work in Progress	Total
AT 30 JUNE 2020				
Cost	2,899,688	3,000,830	145,402	6,045,920
Accumulated depreciation	170,509	914,806	-	1,085,315
	2,729,179	2,086,025	145,402	4,960,606
Opening net book value	2,729,179	2,086,025	145,402	4,960,606
Additions			22,562	22,562
Disposals			-	-
Depreciation	33,619	126,955		160,574
Closing net book value	2,695,559	1,959,071	167,964	4,822,594
AT 30 JUNE 2021				
Cost	2,899,688	3,000,830	167,964	6,068,482
Accumulated depreciation	204,128	1,041,760	-	1,245,889
	2,695,560	1,959,070	167,964	4,822,594

The Group is developing a business park on the surplus airfield land under the brand name "Ahuriri Aero Park". The development commenced in 2013. The initial tenant of the Ahuriri Aero 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 2021 the Group considered whether any indicators of impairment exist and calculated the recoverable amount. The Ahuriri Aero Park land has been valued at \$7,320,000 (2020: \$5,810,000) by an independent valuer, Telfer Young Ltd as at 30 June 2021. This is a bare land valuation and does not include the value of land improvements or existing rental streams. The asset is recorded at cost less accumulated depreciation and any impairment losses.

AP 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. Subsequent to initial recognition, investment property is recorded as cost less accumulated depreciation using the cost model allowed under NZ IAS 40. Investment properties include all aspects of the Ahuriri Aero Park development adjacent to the airport.

AP **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 EQUITY

	Shares on Issue	2021 \$	2020 \$
Ordinary shares	1004	13,789,155	13,789,155
Revaluation Reserve		10,709,360	11,065,081

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. No dividend was declared or paid during the 2021 financial year (2020: nil)

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.

12 TRADE AND OTHER PAYABLES

	2021 \$	2020 \$
General: Trade	206,739	412,543
Capital Expenditure	1,245,389	464,366
Rentals in Advance	88,905	84,286
Income in Advance	25,667	-
Income Tax Payable	365,468	35,320
	1,932,168	996,514

Rentals in advance due beyond twelve months totals \$927,308 (2020: \$1,011,549).

13 BORROWINGS

The Group refinanced its debt funding facilities during the financial year and as at 30 June 2021 has a Term Loan facility of \$23m; Revolving Credit facility up to \$5m and Overdraft facility up to \$500,000 available with the ASB Bank. As at the prior year, 30 June 2020, the Group had a term facility of \$19.5m, and a flexible facility of up to \$1.5m available from the ANZ Bank.

The term loan facility is divided into two equal tranches with two and three year terms respectively with an evergreen clause included in the facility agreement. The average interest rate on the term loan facility was 2.16% p.a (2020: 2.56% p.a).

The revolving credit facility has a two year term and the average interest rate on funds drawn during the year was 1.57% (2020: 4.89%). The facilities are secured by a General Security Agreement.

On the 29th of June 2021 the Group cancelled the shareholder loan facilities totalling \$9m (Crown \$4.5m; NCC \$2.34m; HDC \$2.16m) which were established on 10 July 2020 to enable completion of the Terminal Expansion Project and ensure the Group's working capital requirements could be met throughout the period of recovery from the effects of COVID-19.

The shareholder loan facilities were not drawn on at all during the financial year.

Facility	Commencement Date	Expiry Date	Facility Limit 30/06/21	Amount Drawn 30/06/21	Amount Drawn 30/06/20
ASB TERM LOAN:					
Tranche A	Jun-21	Jun-23	11,500,000	11,500,000	-
Tranche B	Jun-21	Jun-24	11,500,000	11,500,000	-
ASB Revolving credit	Jun-21	Jun-23	5,000,000	-	-
ASB Overdraft	Oct-20	On Demand	500,000	-	-
ANZ Flexi facility	Mar-18	Oct-20	1,500,000	-	1,296,337
ANZ Term Loan	Mar-18	Oct-20	19,500,000	-	16,965,424
SHAREHOLDER LOAN FACILITIES:					
Crown	Jul-20	Jun-21	4,500,000	-	-
ANZ Term Loan	Jul-20	Jun-21	2,340,000	-	-
ANZ Term Loan	Jul-20	Jun-21	2,160,000	-	-

14 PROVISION FOR RETENTIONS PAYABLE

Various subcontractors engaged on the Terminal Expansion Project are subject to retention clauses within their construction contracts. Retentions are held in trust by the Group until such time as it is appropriate to release them i.e. either upon practical completion of the works or at the end of the defects liability period.

	2021 \$	2020 \$
Provision at the Start of the Year	153,971	37,520
Increase/(decrease) to the Provision during the year	96,490	116,451
Use of the Provision during the year	(24,764)	-
Provision at the End of the Year	225,697	153,971

15 RIGHT OF USE ASSETS AND LEASE LIABILITIES

	2021 \$	2020 \$
a) Amounts Recognised in the Balance Sheet		
Right of Use Assets		
Land	48,890	48,890
Vehicles (Fire Appliance)	247,747	371,620
	296,637	420,510
Lease Liabilities related to leases are split between current and non-current		
Current	108,371	105,181
Non-current	206,958	315,329
	315,329	420,510
There were no additions to the right-of-use assets during the 2021 financial year (2020: \$420,510.)		
b) Amounts recognised in the statement of comprehensive income		
Depreciation charge on Right of Use Assets		
Right of Use Assets	113,692	-
Land	-	-
	113,692	-
Interest expense	48,419	34,333

AP

All leases are accounted for by recognising a right-of-use asset and a lease liability in accordance with NZ IFRS 16, except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to access that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated based on a termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in the profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in the profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it allocates any amount of the contractual payments to, and accounts separately for, any services provided by the supplier as part of the contract.

16 COMMITMENTS

OPERATING COMMITMENTS:

As at 30 June 2021 the Group had an agreement to lease a fire appliance until June 2023. The lease is included in the lease liabilities note 15. The Group has 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. Due to the perpetual nature of the lease, the lease liability is calculated as \$48,890. Both the aforementioned leases are recorded as a lease liabilities under NZ IFRS 16 Leases.

CAPITAL COMMITMENTS:

As at 30 June 2021 the Group is contractually committed to capital expenditure totalling \$1,740,491 relating to the Terminal Expansion project. In the prior year at 30 June 2020 the Group was contractually committed to capital expenditure totalling \$6,625,217, with \$6,593,038 of this relating to the Terminal Expansion Project and the balance associated with general business.

17 CONTINGENCIES

There are no known contingent liabilities (2020: nil).

18 TRANSACTIONS WITH RELATED PARTIES

SHAREHOLDERS

Hawke's Bay Airport Ltd is owned by Napier City Council, Hastings District Council and the Crown. The Group 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

On the 29th of June 2021 the Group cancelled the shareholder loan facilities totalling \$9m (Crown \$4.5m; NCC \$2.34m; HDC \$2.16m) which were established on 10 July 2020 to enable completion of the Terminal Expansion Project and ensure the Group's working capital requirements could be met throughout the period of recovery from the effects of COVID-19.

The shareholder loan facilities were not drawn on at any time during the financial year.

SUBSIDIARIES

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 Expansion 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.

KEY MANAGEMENT PERSONNEL COMPENSATION

	2021 \$	2020 \$
Compensation paid to key management personnel (Directors, Chief Executive and Chief Financial Officer) during the financial year was:	593,917	566,721

The remuneration of directors is agreed annually, after consultation with the shareholders and approved at the Company's annual general meeting. The remuneration of the Chief Executive is determined by the Board and the remuneration of key management personnel is determined by the Chief Executive and recommended to the Board having regard to the performance of individuals and market comparisons.

19 FINANCIAL INSTRUMENTS

The Group 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 Group 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 and 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).

AP

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 (FVOCI) 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 financial assets 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 financial assets 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.

20 EVENTS SUBSEQUENT TO BALANCE DATE

On the 17th of August 2021 the New Zealand Government announced a nationwide COVID-19 Level 4 lockdown. At the time of signing these financial statements this remains in place for the Auckland region, with the rest of New Zealand operating under COVID-19 Level 2 restrictions. As was the case in 2020, the Group's management have moved swiftly to preserve the cash position of the business by implementing a recovery plan that amongst other factors reduces the cost base where possible, defers non-essential capital expenditure and accesses all available Government subsidies. The purpose of those actions is to offset as much of the reduction in revenue as possible, while still being able to operate safely to the required CAA standards and provide needed services for airport users. Throughout the 2021 financial year Hawke's Bay Airport remained focused on achieving its strategic goals, albeit within the context of navigating the recovery cycle from the effects of COVID-19. The Group considers that the recovery from the latest COVID-19 lockdown will allow for continued focus on all strategic priorities within the current financial year.

The Group opened the new terminal building to the public on 6th August 2021, noting there are some external works to be finished to complete the forecourt and external aesthetics of the building so that a final Certificate of Code Compliance can be granted by Napier City Council.

(2020: On 27 August 2020 the Group received written confirmation from the ANZ Bank that it waives the breach of the leverage covenant by the Group as at 30 June 2020 and that existing debt facilities remain available to the Group to support Terminal Expansion Project expenditure and operational working capital until expiry of the facilities in November 2021).



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HAWKES BAY AIRPORT LIMITED'S GROUP FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

The Auditor-General is the auditor of Hawkes Bay Airport 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 46 to 62, that comprise the statement of financial position as at 30 June 2021, 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 pages 42 to 45.

In our opinion:

- the financial statements of the Group on pages 46 to 62:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; 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 pages 42 to 45 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 2021.

Our audit was completed on 8 September 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. 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.

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 audit 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 company for assessing the company'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 it 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 decision of readers taken on the basis of these financial statements and the performance information.

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 company'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 company'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 obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and the performance of the group audit. We remain solely responsible for our audit opinion.

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 4 to 41, but does not include the financial statements and the 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

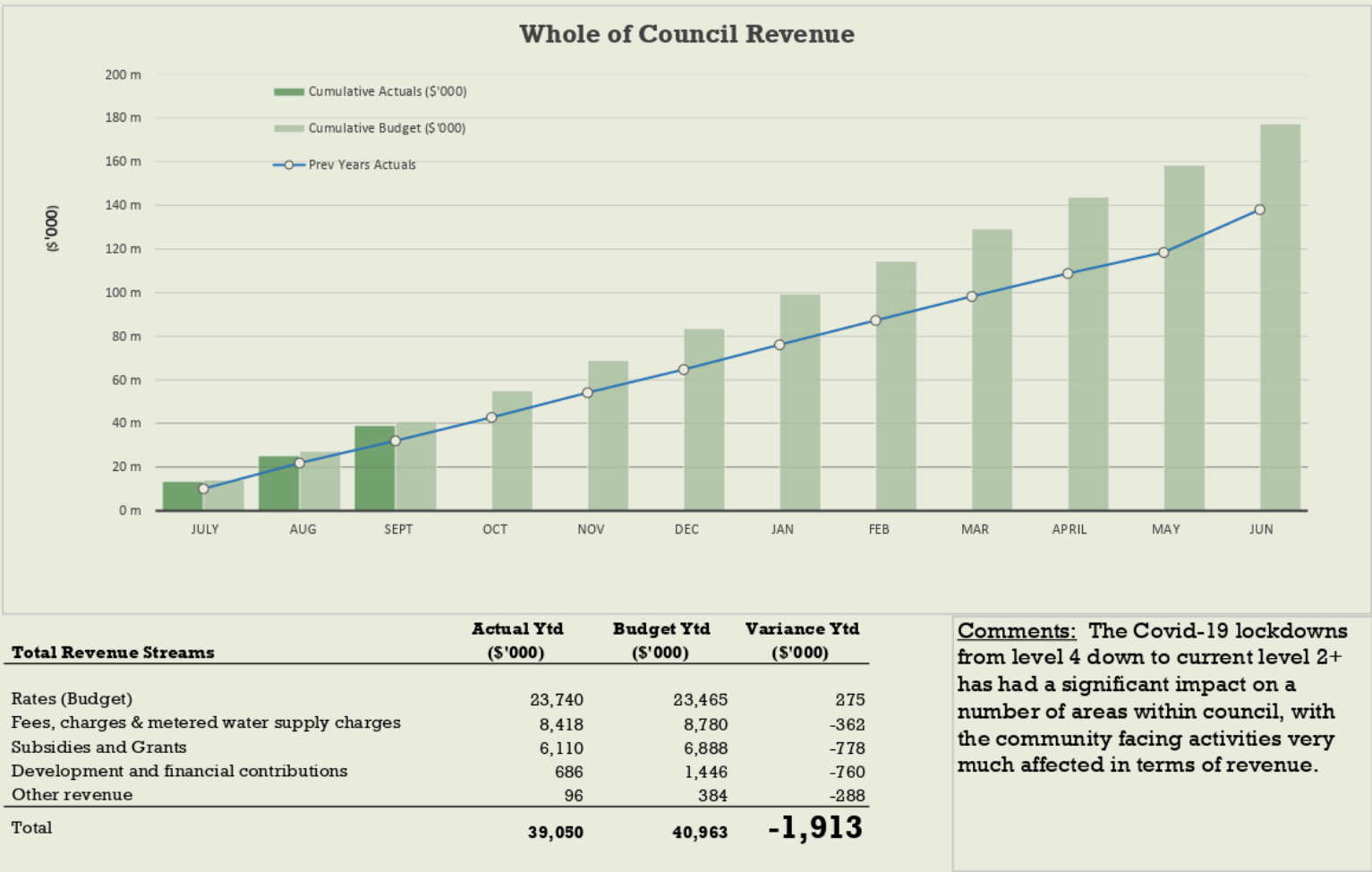
We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing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

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

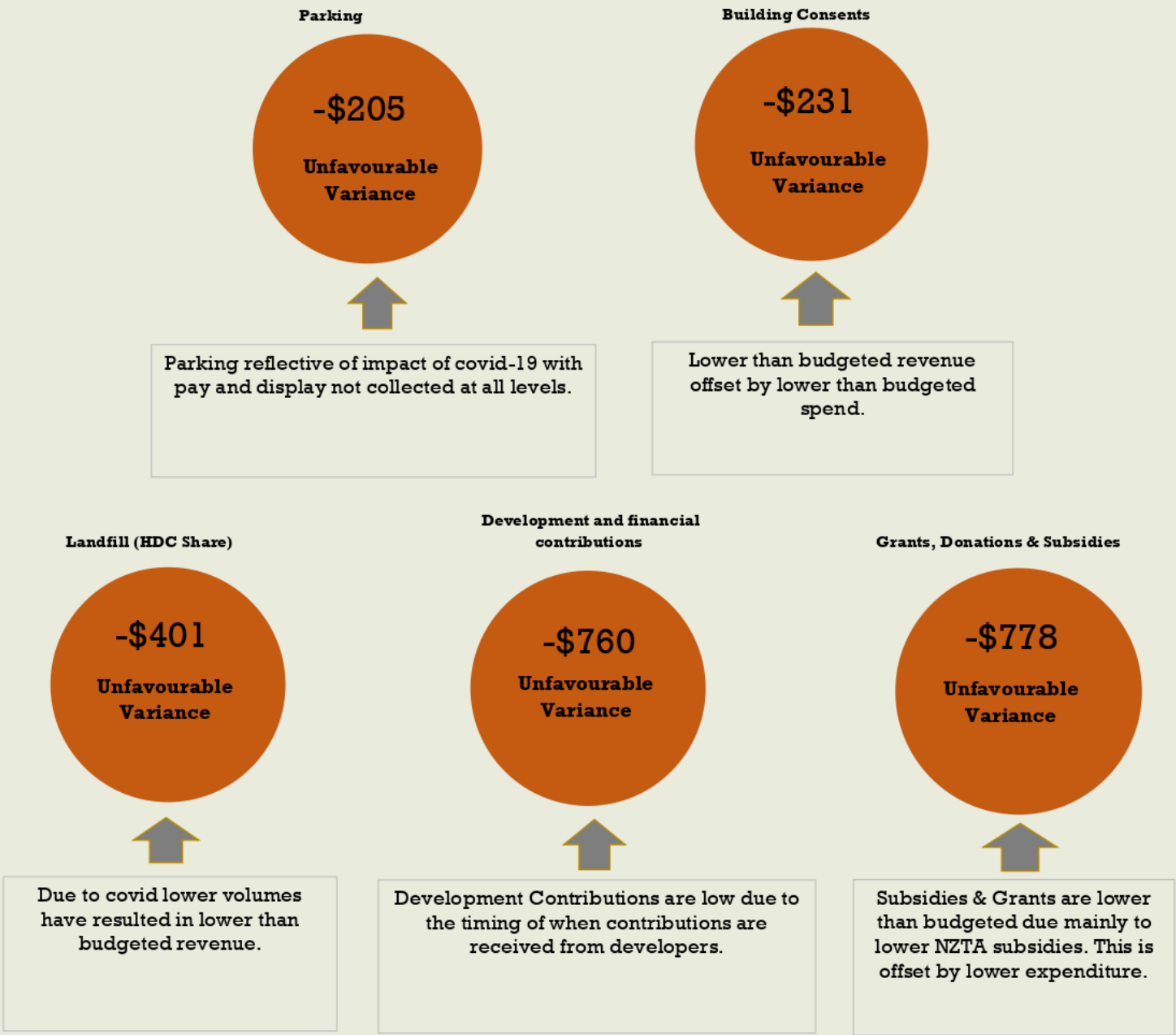
Philip Pinckney
Baker Tilly Staples Rodway Audit Limited
On behalf of the Auditor-General
Hastings, New Zealand

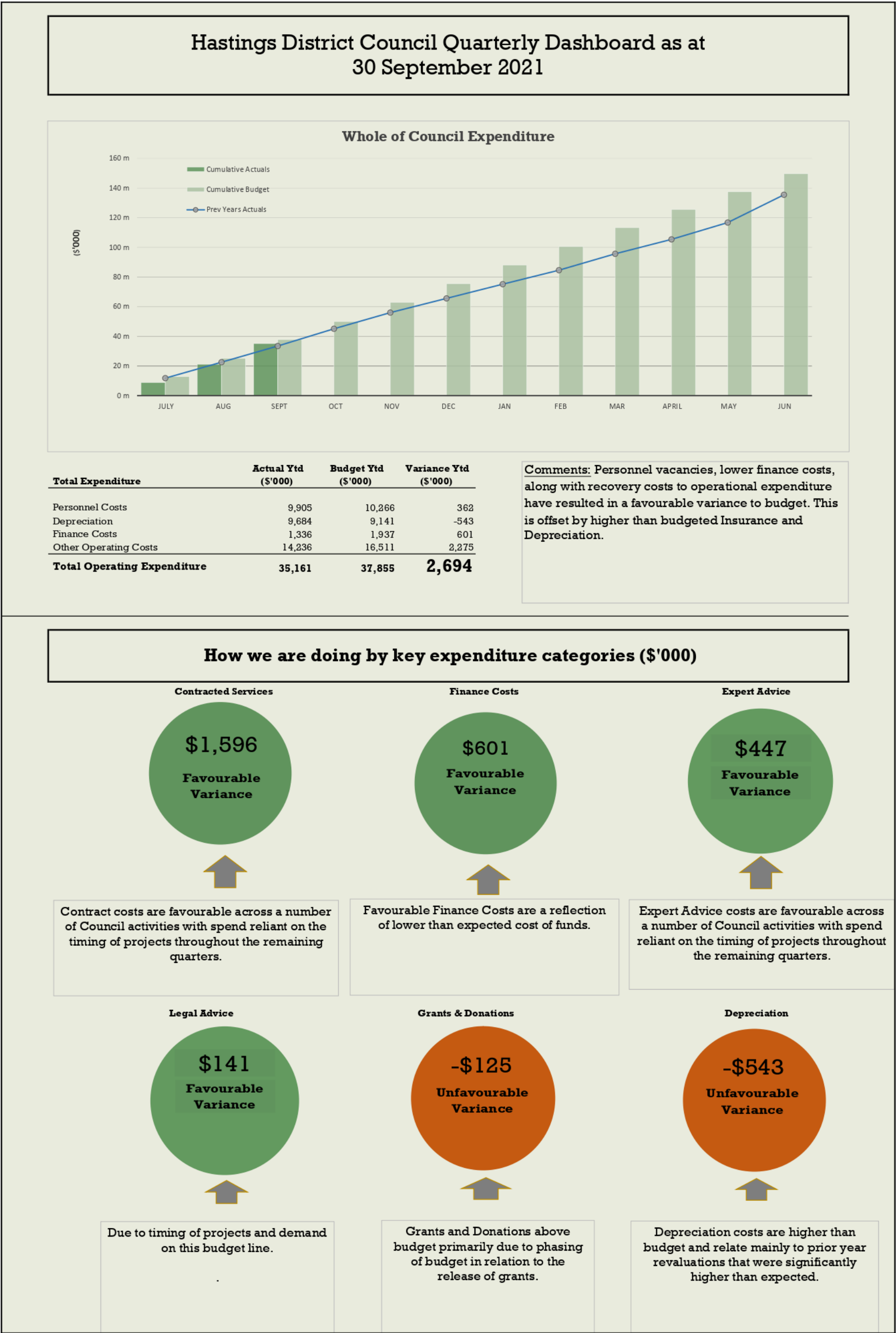


Hastings District Council Quarterly Dashboard as at 30 September 2021



How we are doing by key revenue streams (\$'000)



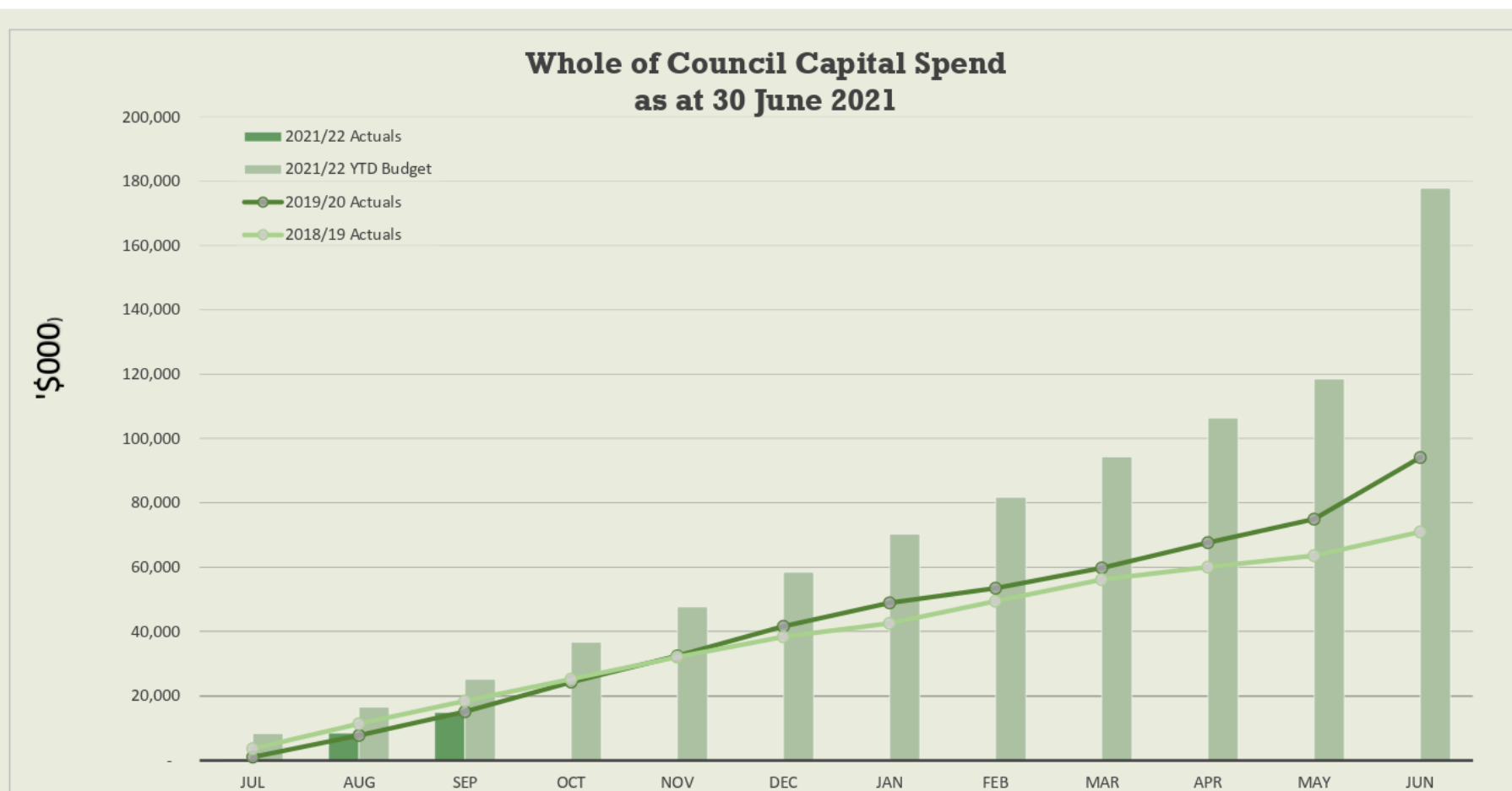


Hastings District Council Statement of Comprehensive Revenue and Expense as at 30 September 2021

Previous YTD Actuals (\$'000)	Description	YTD Actuals (\$'000)	YTD Budgets (\$'000)	YTD Variance (\$'000)	Full Year Budget (\$'000)
	Revenue				
21,923	Rates	23,740	23,465	275	93,860
7,380	Fees, charges & metered water supply	8,418	8,780	(362)	34,964
7,383	Subsidies and Grants	6,110	6,888	(778)	41,305
1,170	Development and financial contributions	686	1,446	(760)	5,785
878	Other revenue	96	384	(288)	1,537
38,941	Total Revenue	39,050	40,963	(1,913)	177,450
	Expenditure				
9,217	Personnel Costs	9,905	10,266	362	40,533
9,233	Depreciation & Amortisation Expense	9,684	9,141	(543)	36,566
1,257	Finance Costs	1,336	1,937	601	7,747
14,120	Other Operating Costs	14,236	16,511	2,275	64,915
33,828	Total Expenditure	35,161	37,855	2,694	149,760
5,113	SURPLUS/(DEFICIT)	3,889	3,108	781	27,690

Hastings District Council Funding Impact Statement As At: 30 September 2021

Previous YTD Actuals (\$'000)	Description	YTD Actuals (\$'000)	YTD Budgets (\$'000)	YTD Variance (\$'000)	Full Year Budget (\$'000)
	Operations - Funding Source				
21,923	Rates	23,740	23,465	275	93,860
1,782	Subsidies and Grants	1,856	2,020	(164)	9,616
7,273	Fees, charges metered water supply	8,308	8,682	(375)	34,573
220	Interest and dividend revenue	(56)	4	(61)	17
241	Other revenue	258	227	31	911
31,439	Total Operating Funding	34,106	34,399	(293)	138,977
	Operations - Use of Funding				
9,217	Personnel Costs	9,905	10,266	362	40,533
12,026	Supplier Costs	12,177	14,646	2,468	56,303
1,258	Finance Costs	1,337	1,937	600	7,747
1,925	Other Operating Costs	2,033	2,171	138	7,667
24,426	Total Use of Operating Funding	25,452	29,020	3,567	112,249
7,013	Operating Funding Surplus/(Deficit)	8,653	5,379	3,274	26,727
	Capital - Funding Source				
5,601	Capital Subsidies grants	4,254	4,868	(614)	31,689
1,144	Development financial contributions	658	1,379	(721)	5,515
6,163	Debt - Increase or (decrease)	5,735	12,066	(6,331)	101,552
1,615	Sale of Assets	63	153	(90)	467
27	Other Capital Funding	28	68	(40)	270
14,549	Total Capital Funding	10,737	18,533	(7,796)	139,492
	Capital - Use of Funding				
929	To meet additional demand (Growth)	828	1,550	(722)	28,161
8,136	To improve the level of service (New Works)	7,319	10,916	(3,598)	91,474
5,957	To replace existing assets (Renewals)	6,678	12,321	(5,642)	58,615
6,482	To Increase or (decrease) reserves	4,166	(932)	5,099	(12,258)
375	To Increase or (decrease) Investments	399	57	342	228
21,879	Total use of Capital Funding	19,391	23,912	(4,521)	166,220
(7,330)	Capital Funding Surplus/(Deficit)	(8,654)	(5,379)	(3,274)	(26,727)
(317)	TOTAL FUNDING BALANCE	-	-	-	-



Key projects	Actual Ytd (\$'000)	Budget Ytd (\$'000)	Var Ytd (\$'000)	Total Budget (\$'000)
Renewal Projects				
Toitoti/Municipal Building	2.1 m	2.5 m	0.4 m	10.0 m
Maintenance Seals	0.1 m	0.6 m	0.5 m	2.5 m
Wastewater Rising mains	0.1 m	0.0 m	-0.1 m	4.2 m
Trunk Sewer	1.5 m	2.3 m	0.8 m	4.3 m
Outfall	0.3 m	0.2 m	-0.2 m	4.3 m
New Works projects				
Drinking water project	3.9 m	4.9 m	1.1 m	31.9 m
Coastal Protection Works	0.1 m	0.1 m	0.0 m	0.1 m
Streetscape	0.2 m	0.2 m	0.0 m	1.1 m
Growth projects				
Omahu	0.0 m	0.0 m	0.0 m	1.5 m
Lyndhurst	0.4 m	0.5 m	0.1 m	2.8 m
Irongate	0.2 m	0.3 m	0.1 m	0.9 m
Iona/Middle	0.5 m	0.7 m	0.2 m	13.3 m
Howard	0.0 m	0.0 m	0.0 m	5.0 m

Capital - Commentary

Capital spend to 30 September 2021 is \$14.9m compared to a year to date budget of \$25.2m. The full year revised budget has been set at \$177.9m and includes \$51m of approved capital carry forwards from 2020/21. The large programme of capital works will be challenging given both market resourcing condition along with the uncertain effects of the pandemic. It is likely that there will be significant projects from the current financial year that will be uncompleted that will need to be carried forward into the 22-23 financial year.

Statement of Comprehensive Revenue & Expense - Commentary

Revenue Variances

Revenue is \$1.9m unfavourable to budget for the year to date, due to: timing of roading subsidies (\$1.1m), timing of development contributions (\$0.76m), and revenue shortfalls due to covid related impacts.

Expenditure Variances

Whilst revenues are down for the first quarter, overall expenditure is also lower than budget. This is a reflection of the timing of projects coming on stream and are likely to even out over the financial year.

Result

Whilst economic indicators for Hawkes Bay region show a positive trend, activities within Council will continue to experience ongoing impacts from the effects of covid. This is particularly so for community facing facilities where revenues will be lower than budget. An example of this is the need to close Splash Planet in order to mitigate risk to the community.

Cost Centres of Interest		
<div><div>Cemeteries & Crematorium</div><div><div>\$54</div><div>Favourable Variance</div></div><div>Net Operations Surplus /(Deficit)</div></div> <div><div>Comment</div><div>Whilst cemetery revenue is slightly below budget this has been offset by lower operational costs across both cemeteries & crematorium.</div></div>	<div><div>Parking</div><div><div>-\$185</div><div>Unfavourable Variance</div></div><div>Net Operations Surplus /(Deficit)</div></div> <div><div>Comment</div><div>The Parking deficit is primarily the result of parking metre revenues not collected over part of the current delta outbreak levels.</div></div>	<div><div>Landfill</div><div><div>-\$49</div><div>Unfavourable Variance</div></div><div>Net Operations Surplus /(Deficit)</div></div> <div><div>Comment</div><div>Landfill is unfavourable due to the impact of Covid and resulting in lower tonnages in the first quarter. This affected the level of revenues earned.</div></div>
<div><div>Toitoi</div><div><div>-\$288</div><div>Unfavourable Variance</div></div><div>Net Operations Surplus /(Deficit)</div></div> <div><div>Comment</div><div>The main drivers affecting the unfavourable operations deficit are: depreciation due to higher land and buildings valuations, along with the impact of covid in the first quarter.</div></div>	<div><div>Building Control</div><div><div>-\$2</div><div>Unfavourable Variance</div></div><div>Net Operations Surplus /(Deficit)</div></div> <div><div>Comment</div><div><div>While building consents remain at high levels, revenue has not reached budgeted levels partly due to vacancies within the building team that are unable to be filled.</div><div>This has meant a corresponding drop in operational expenses related to the processing and inspection of consents.</div><div>At a net operations level Building Control remains on track.</div></div></div>	<div><div>Housing for the Elderly</div><div><div>\$3</div><div>Favourable Variance</div></div><div>Net Operations Surplus /(Deficit)</div></div> <div><div>Comment</div><div><div>Whilst revenue remains above budget there is some offset with higher depreciation costs resulting from a significant uplift in land and buildings valuation.</div><div>While this activity is operating in line with budget there is very little scope to adjust and meet additional costs as they arise, particularly in light of the aging stock that council operates.</div></div></div>

Net Operations = Revenue less Operational (includes Recharges, Recoveries but excluding Capital)



Performance & Monitoring Report

Operations & Monitoring Committee

Quarter 1, 2021-2022



Contents

Executive summary	3	Customer Services.....	57
The economic powerhouse.....	6	Risk Management	62
Economic Development.....	7	IMBT (Information Management and Business Transformation)	64
Industrial Land	9	Marketing & Communications.....	68
Homes for our people	10	Media Communications.....	69
Residential Growth.....	11	Digital Communications.....	70
Community Housing.....	17	Events	71
Getting around	18	Key Projects	72
Roads and Transport.....	19	Community Engagement Activities	73
Rural living.....	21	Awards and Recognition	74
Bridges and Roads	22	Glossary.....	75
Rural Support.....	23	Acronyms, Terms and Māori Translations	76
Our natural treasures	24	Appendices	78
Water Supply.....	25	List of Appendices	79
Wastewater	28		
Stormwater	29		
Refuse	31		
Environmental Enhancement.....	35		
Hastings alive	36		
Hastings City Centre.....	37		
Pathways for people	39		
Youth Development	40		
Enhancing where we live	42		
Recreation/Leisure	43		
Aquatics	48		
Playgrounds, Reserves and Sportsgrounds.....	50		
Community Planning.....	51		
Community Safety	53		
Cemeteries	55		
Corporate Communications.....	56		

Executive summary

As the Chief Executive of the Hastings District Council, I am proud to present what will be the last Consolidated Quarterly Report to the Operations and Monitoring Committee for the 2021 calendar year.

As this report will be my last for this standing committee during the 2021 calendar year, I would like to take this opportunity to reflect and comment on some important challenges and achievements which our organisation has been dealing with over the last few months in slightly more detail.

This year has been extraordinarily busy for our organisation and this last quarter of the year has been no different. Despite all of the challenges thrown at us by COVID-19, we have been moving at pace with a large number of our strategic priorities. This has seen our Council achieve a number of significant milestones for our community.

These achievements include:

- The turn-out across Hawke's Bay for Super Shot Saturday on Saturday 16th October. Across the country, 129,995 COVID-19 vaccinations were administered across the day which was a fantastic effort. But more importantly, Hawke's Bay had the highest turnout compared to any region in the country. We delivered vaccinations to 4.4 per cent of our community. Council proudly supported our health partners to achieve this significant accomplishment.
- Council's adoption of its Final Proposal with respect to representation arrangements for the 2022 local body elections. The proposal is for the Mayor, and 12 councillors elected from a slightly modified version of the existing five general wards structure (Flaxmere 1, Hastings-Havelock North 7, Heretaunga 2, Kahurānaki 1 and Mohaka 1), and three councillors elected from the newly created Takitimu Māori ward. The final proposal, along with any appeals and objections, will be submitted to the Local Government Commission before January 15, 2022. The Local Government Commission considers resolutions, submissions, appeals and objections and makes a determination before April 11, 2022.

- Clive's new drinking water facility is supplying water to the town's residents; the fourth of eight Hastings small community supply upgrades was completed this quarter. To date, Haumoana/Te Awanga/Parkhill, Waimārama, Te Pōhue and Clive have been completed, Whirinaki/Esk and Waipātiki are under construction, planning for Whakatū is underway, and some minor enhancements need to be made to the Waipatu supply. All are due to be completed by the end of 2022. In Clive, a new bore into the existing water source has been drilled and a 300,000 litre storage reservoir and state-of-the-art treatment facility with UV light treatment and filters added.
- Progress on homes for our people continues with construction of new homes right across the district, covering the spectrum from public to affordable to market housing. Since the Hastings Place-Based Housing Plan was launched in 2019, we have seen:
 - 99 new Kāinga Ora social homes completed with 120 further in construction and 79 in planning.
 - 39 new papakāinga homes either built or under construction.
 - Within the Te Taiwhenua o Heretaunga-owned Waingākau Housing Development there are now eight completed homes, 13 currently under construction or in advanced planning. They are well on the way to building over 120 homes in West Flaxmere.
 - 17 affordable homes and 18 public homes at Taret Street in Flaxmere underway.
 - Infrastructure work about to get underway for 150 homes at Caernarvon Drive and 244 Flaxmere Ave.
- Foodstuffs North Island and HDC announced last month a new retail complex, which includes a new generation New World supermarket and retail shops, will be built by Foodstuffs North Island on vacant land adjacent to Swansea Road in Flaxmere. At 1900sqm, the brand new New World will be larger than the nearby existing store. The new store will provide employment and career opportunities

for up to 80 locals including experts in fresh foods, produce, butchery, bakery, seafood and deli. It's estimated it will take about three years to design and construct the new supermarket and retail complex, which would see it up and running by mid-2024. Over the last few months, Foodstuffs North Island and Council have been negotiating over the sale of the vacant one hectare commercially-zoned lot, which follows 10 years of council engaging with the community and testing the market with potential supermarket operators.

- This retail complex is further progress on council's strong commitment to enhance Flaxmere, which is also in line for further developments including a new skate park, basketball court, pump track and up to 150 homes, either being built or earmarked for construction on council-owned land. This is in addition to developments underway by other providers, including Te Taiwhenua o Heretaunga's Waingākau housing project.
- Revitalisation of our CBD has progressed this quarter, with the streetscape upgrade of the 300 block in Heretaunga Street underway which will coincide with the opening of the Municipal Building at Toitoti.

Earlier this quarter, Hastings District Council submitted three expressions of interest to Kāinga Ora's Infrastructure Acceleration Fund (IAF), for more homes for Hastings. Council has clearly demonstrated its commitment to solving our district's housing crisis and proven its ability to plan and execute major projects to this end. Council applied for funding to enable the next tranche of solutions in its Hastings Place-Based Housing Plan to be realised.

Council were notified by Kāinga Ora in October that the two expressions of interest submitted to the Infrastructure Acceleration Fund passed through the first gateway and were both successful in progressing to the Request for Proposal (RFP) stage. Council also supported a submission from the Heretaunga Tamatea Settlement Trust which also got the green light to progress to the RFP round. Kāinga Ora received over 200 applications, totalling \$58 worth of infrastructure investment from all over Aotearoa New Zealand. Kāinga Ora advised that the three HDC applications were three of 80 applications that were progressed. Council officers will now further develop the proposals, working with Kāinga Ora officials towards the December 17th deadline to ensure Council puts its best foot forward. If the applications are successful, and dependant on the level of funding awarded, it could enable up to 7,000-8,000 homes to be developed over the next 10-20 years without any infrastructure constraints.

Council has also been successful in securing \$350k from the New Zealand Māori Tourism Fund to go towards the completion of cultural installations along Karamū Road. As part of the same application, \$350k was also allocated to the restoration of the Church of the Immaculate Conception in Pakipaki.

As well as this, Council is expecting a decision this month on our joint \$2.25m application with Napier City Council, Hawke's Bay Museums Trust and Ngāti Kahungunu to the Regional Cultural & Heritage Fund to go towards the Hawke's Bay Museums Collections Storage Centre.

As Chief Executive, I am really proud of all of these milestones which have been achieved despite of the ongoing COVID-19 uncertainties and disruptions. The end of 2021 has continued to be difficult for many, given the introduction of differing alert level restriction requirements, uncertainties around the government's new vaccination 'passports' and the new COVID traffic light system has meant many of our iconic end-of-year events and celebrations have been majorly impacted.

After careful consideration, Council decided last month the risks to public health were too great to open Splash Planet for this summer season. Although the facility could open under Alert Level 2 guidelines with numbers restricted to 1000 people at any one time so two-metre physical distancing requirements could be met, there were big challenges with managing this, coupled with uncertainty over when vaccination rates would reach 90 per cent of the population.

With many of our visitors being young children who would not be vaccinated, and the possibility it might be some time before 90 per cent vaccination rates are reached, Council has considered the risks were too high. There were also financial implications associated with opening at Alert Level 2 with reduced numbers, and not opening at all would save operational and staff costs, and give certainty to the public and staff.

This is no doubt a difficult decision for our elected members, staff, community and visitors – all of whom passionately love Splash Planet. I would like to acknowledge the thorough and detailed work done by all of our staff to help our council reach this decision.

Council is also considering its options following the government's decision to mandate its Three Waters Reform. Councils were asked to give feedback on the proposal to create four entities across the country to manage drinking water, waste water and storm water – the aim being to enable water quality standards to be met consistently across the three water systems. Council expressed the view that while the status quo

for three waters management and delivery was not viable and needed to change, our preference was for a Hawke’s Bay three waters service delivery and asset owning entity. This was rather than the large entity proposed by Government that would incorporate 21 territorial authorities across Gisborne, Hawke’s Bay, lower Manawatu-Whanganui, Wellington, Tasman, Nelson, and Marlborough regions.

One final update from me is regarding the Keep New Zealand Beautiful Awards. As you will remember, Hastings was named a finalist in the 2021 Keep New Zealand Beautiful Awards: Most Beautiful Small City. The awards have a strong environmental focus, judged on litter prevention and waste minimisation, recycling projects, sustainable tourism, reducing greenhouse gas emissions, and community beautification. We were meant to be finding out the winners last month, however COVID-19 travel restrictions have meant the judges will now be visiting our beautiful district in January (restrictions-dependent). We are hoping for a positive announcement early next year on our success.



Nigel Bickle
Chief Executive



Economic Development



Overview

The Hastings District economy is looking good on virtually every economic indicator. Infometrics provisionally estimates that economic activity in Hastings grew 7.0%pa in the June 2021 year compared with 6.5%pa across the Hawke's Bay Region and 4.2%pa growth nationwide. Consumer spending remains strong with the value of electronic card transactions in Hastings growing 14%pa in the June 2021 year.

Both the economic activity and consumer spending results are abnormally strong because the previous year includes the lockdown-affected June 2020 quarter. But there's no disguising the fact that Hastings has recovered well from lockdown, with fruit prices, consumer spending and building work leading the way.

International fruit prices remain strong but disruptions to international supply chains are creating concerns about growers' access to refrigerated shipping containers, and some ships missing New Zealand ports completely to stay on schedule.

Consumer spending is being boosted by tourism spending which hit \$183m in the June 2021 year, compared with \$139m the previous year and \$145m the year before that.

Residential consents grew 23%pa in the June 2021 year. The June 2021 year is being boosted by an unprecedented 183 consents in the September 2020 quarter. At 110 consents, the June 2021 quarter was much lower but still well above the 10-year average of 77.

Non-residential consents remain at very high levels, growing 28%pa in the June 2021 year. The June 2021 quarter saw strong consent numbers for "Office, administration, and public transport buildings", "Hostels, boarding houses, and prisons" and the "Factories and industrial buildings".

The Hastings job market is doing well with construction, healthcare, food processing and wholesale trade all gaining jobs in the past year. The unemployment rate has dropped from a recent peak of 5.0% in the December 2020 year to 4.6% in the June 2021 year. The number of Jobseeker Support recipients is also trending downwards

with 3,006 recipients in the June 2021 quarter compared with a peak of 3,687 in the September 2020 quarter.

Refer to Appendix 1 for further information about the Hastings District in the Infometrics Quarterly Economic Monitoring report.

Business Enablement and Investment

Hastingsnz.com landing page for promoting Business Attraction campaign "Hastings Like a Big City but Better" a review is underway of the website requirements, continuing to liaise with property developers and real estate on vacant retail space. Currently 98% occupancy of available retail space.

Great Things Grow Here Platform

Regional funding partners met and have agreed to continue funding with additional support for a website review, SEO, and new attraction brochure for Hawke's Bay.

FoodEast

The Board of Directors are working with the construction company to identify savings and deliver the building within budget.

Events Strategy

Lantern Festival planning for April 2022; Hi-tech event February 2022 with AI Waikato; Sustainable is Attainable workshops held and waste stream data to be gathered.

Constraints

Like all of New Zealand Hawke’s Bay construction sector is being impacted by COVID. The impact is evident in a shortage of materials and supplies as well as shortages of experienced and skilled staff. Factors cited are, securing critical materials from overseas due to shipping delays and then when ships do arrive, efficiently moving products through our ports.

The extended lockdown in Auckland worsens the problem as much of the countries’ critical materials, for example, plasterboard and insulation is manufactured in Auckland. Although Government has since made changes to allow Auckland businesses producing critical materials to resume operating.

The supply-side issues are being exacerbated by the high demand for construction work with the surge in new housing and commercial construction.

A further impact is the rising price of building materials, leading to uncertainty over the costs of projects and when projects will be completed.

Kāinga Ora, for example, has cited supply constraints as impacting on their building programme in Hastings and Waingākau Housing Development has experienced a large rise in the cost of building an “affordable” house compared to when the project commenced.

Industrial Land

Omāhu Road (North) Industrial Zone

Construction of the roundabout at Henderson Road began in January this year. The works were scheduled to be completed in May 2021, however, due to contractor delays, the works are now slated to be completed before Christmas.

The work on a roundabout at Chatham Road is scheduled to begin early 2022. Since the last committee meeting, five resource consent applications and seven building consent applications have been submitted for properties in the zone.

Officers are working with additional businesses currently in the planning phase for further development.

A ten lot subdivision in the zone has secured several purchasers already.

Irongate

The construction of the roundabout at Maraekākaho and Irongate Roads, which commenced in January this year, is now complete, making an attractive entrance to the zone.

Development and subdivision activity continue at pace. Since the last committee meeting, three resource consent applications and six building consent application were submitted for properties in the zone.

Several recent land purchases in the zone will bring additional development and two large subdivisions in the zone are quickly filling up.



Residential Growth

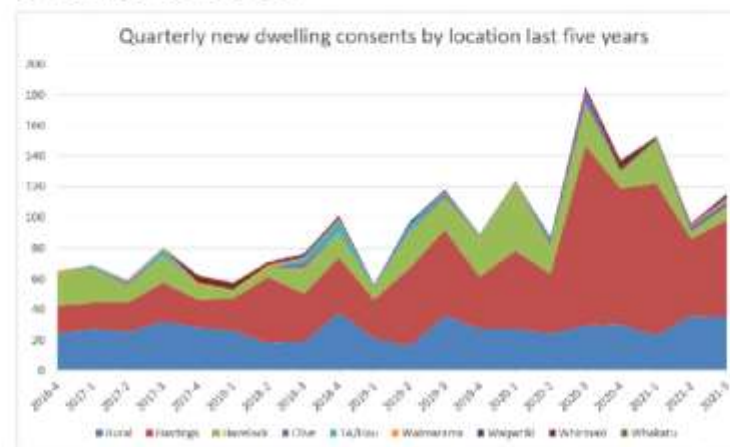


Areas of interest

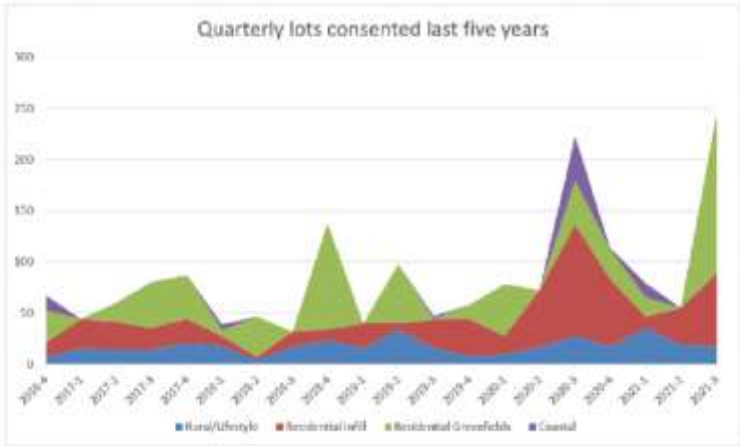
The list below provides a snapshot of residential subdivision activity over the third quarter of 2021.

Subdivision	Progress	Lots
Kauri Street/ Place	Construction is underway in Kauri Street / Kauri Place with completion due end of 2021.	40
Cunningham Crescent	Construction is underway to create 16 Kānga Ora residential lots.	16
Te Awanga Downs	Construction underway to create 45 residential lots.	45
Brookvale	Consent has been granted for a 96 lot subdivision.	96
Tōmoana Road	Construction underway to create 28 residential lots.	28
Keirunga, Havelock North	Consent is pending for an 18 lot subdivision.	18
Corner Fenwick/ Karamū Road	Consent has been granted for a Comprehensive Residential Development for 7 residential dwellings.	7
Lyndhurst	Consent has been granted for a 62 lot subdivision.	62
Flaxmere	There is planned development in the following locations: 33 lots at 244 Flaxmere Avenue. ~40 lots in the Flaxmere Town Centre. ~60 lots at 72 Caernarvon Drive. Construction is complete for Tarbet Street with 18 MSD units under construction and 17 market sites sold to first home buyers and owner occupiers.	133 35

Dwellings Consented



The third quarter of 2021 was lower than previous quarters yet still above the long term average. There was a decrease in dwelling consents in Hastings and Havelock North. Rural dwelling consents were consistent with previous quarters.



Quarter three lots consented were higher than the previous quarters with ~158 lots consented within greenfield growth areas in quarter three. This will lead to additional dwelling consents and construction in the coming quarters.

Kāinga Ora Plans for Hastings

The Regional Housing Programme, as stated by Kāinga Ora, makes the most efficient use of land to build hundreds of new warm and dry homes, to meet the demand for more state housing across the country.

The development programme is accelerating with commencement of 40 houses in Kauri Street, Resource Consents for Tranches 4 and 5 which amount to 75 additional houses have been granted consent. In addition 15 'infill' dwellings are in the construction phase, with completion scheduled for the end of 2021.

Update on Greenfield Development Areas

Northwood, Mahora, Hastings

Northwood is mostly subdivided with many of the remaining sections currently under active development.

Construction of a large 28 lot subdivision off Tōmoana Road is underway.

Lyndhurst Stage 2, Frimley, Hastings

A large developer has completed a number of stages totalling around ~185 lots.

An additional consent application has been granted by a separate developer for ~50 lots. Construction is planned to begin in the coming months.

Resource consent has now been granted for a large ~62 lot subdivision.

'Portion 3' three water services have commenced and is expected to be completed in late October 2021.



LYNDHURST SUBDIVISION

Te Awanga Downs, Te Awanga

Consent granted for 45 residential sections in Stage 1, 2 & 3.

Construction started on stage 1 with titles expected 2021/ 2022.

Flaxmere, Hastings

Te Taiwhenua o Heretaunga (TTOH) and its sister company Waingākau housing developments Ltd have launched the build of its ~120 home development 'Waingākau Suburb'. This suburb borders rural land in Flaxmere West.

A 13 lot application for stage 1 has been approved and building of houses is currently underway.

A resource consent application for an additional 42 lots has been granted.

Infrastructure works are underway.

Brookvale Road, Havelock North

The Stormwater Management Plan for the Brookvale Urban Development Area has been endorsed by the HBRC.

Area A within the Brookvale Structure Plan is now available for development.

Resource consent for Stage 1 earthworks consent has been granted.

The first subdivision within Area A (Stage 1) has received consent for 6 lots.

An additional Resource Consent for 96 lots has been approved.



Keirunga, Havelock North

Consent sought for 14 residential sections and 4 lifestyle blocks.

Construction expected to start end of 2021 with titles to follow.

Howard Street, Parkvale, Hastings

Developed design for the internal road and associated services is complete.

Once land acquisition has occurred the construction of internal road and associated services could begin.

Council is now working through the development process with intentions to commence the first portion of external physical works in early 2022.

Iona/Havelock Hills, Havelock North

The upgrade of Breadalbane Avenue is complete.

Officers are working with owners on infrastructure arrangements for the main development area.

Council has begun to install infrastructure to strengthen network resilience along Campbell Street through Middle Road.

Works are planned to continue until the end of 2022 along Middle Road and Iona Road to fully service the development area.

Planning and rezoning details can be viewed at www.hastingsdc.govt.nz/iona

Crown Infrastructure Projects

Status Summary

Work Package	Status
HPUDS	<ul style="list-style-type: none"> Stage 1 Breadalbane Avenue completed. Stage 2 Campbell Street to Middle Road 3 Waters in construction phase.
244 Flaxmere Avenue	<ul style="list-style-type: none"> Resource Consent granted 30 July 2021.
Flaxmere Town Centre	<ul style="list-style-type: none"> Resource Consent granted 14 July 2021. RFT notified 1 September. Closed 29 September 2021.
72 Caernarvon Drive	<ul style="list-style-type: none"> Survey Plan received. Preliminary Design and Resource Consent underway.
Flaxmere EOI Review	<ul style="list-style-type: none"> 10 EOIs received, currently in the Evaluation phase.
Housing PCG	<ul style="list-style-type: none"> On track. Meetings scheduled every six weeks. Ministry of Education brought into the group.
Key Account Kāinga Ora	<ul style="list-style-type: none"> KO Trance 6 Wastewater modelling is the key issue to resolve. Hood/Beatty/Sussex Streets area approximately 60 additional dwellings. KO have agreed to the 25% cost share with modelling underway as at this week. Costs for Wastewater Modelling for Mayfair as wastewater system is at capacity. The modelling will identify what upgrades are needed to allow a higher density and increase the existing level of service for everyone else. David MacKenzie approved this arrangement last month.

Social Housing Register

The number of applicants on the Social Housing Register continues to increase each quarter, rising from 714 in March 2021 to 732 in June 2021, another record high.

The number of transitional housing places increased to 200 from 168.

Public Housing tenancies (Kāinga Ora) increased to 1189 from 1185



Consents

Resource Consents

Total resource consents received July, August, September 2021	199
Applications received that required further information from the applicant before they could proceed to decision	83

Themes/Notable Consents

Plenty of residential infill subdivisions and rural lifestyle subdivisions, Kāinga Ora developments, Comprehensive Residential Developments, Papakāinga, Industrial subdivisions/developments Omāhu Rd, telecoms facilities, earthworks, and a number of notable and complex consent applications.

Notable consents include:

- 'Parkhill Studios' Screen Production Studio Te Awanga
- 24 lot Comprehensive Kāinga Ora Subdivision Grove Road Hastings
- Relocate Playcentre from Cornwall Park to Duke Street reserve
- Kura Outline Plan, Bennett Road
- 12 Home Comprehensive Residential Development Caernarvon Dr
- Reserve Subdivision Waipātiki
- Kennards Self Storage Omāhu Rd
- Non-Complying 7 lot rural lifestyle subdivision Timoti Rd
- Non-Complying Plains Zone subdivisions for additional residential sites in East Clive
- 10 Lot and 6 Lot industrial subdivisions Omāhu Rd
- New World Supermarket Havelock Road
- Application to hold 32 events at Black Barn each year

Means of managing

Recruiting

We have two vacancies. We have one consents planner finishing 29 October 2021, and will be advertising this role imminently. We are currently interviewing for the vacant Planning Technician role.

We remain at very high workloads and high levels of pressure in terms of consent processing requirements and related enquiries.

We remain dependant on external consultants to help with workloads.

We are aware of continued consent staff shortages in our adjoining territorial authorities, and to keep working on boosting morale in busy times.

Use of consultants to process resource consents on behalf of HDC

Consultants continue to be used where they are available to process resource consents. In the past, consultants have been used for more complex consents and there will be a need to return to this approach.

In the meantime, consultants will continue to be used for more simple to medium complexity consents.

Consent timeframes

Due to the overall complexity and total number of resource consents received, there remains a challenge to meet the statutory working day timeframes on resource consents. This has not been possible to meet consistently at the levels we regularly aim for.

The overall number of consents received to date remains approximately five weeks ahead of where we were at the same time last year (RMA20210508 was received on 30/9/2021, RMA20200508 was received on 4/11/2020). This is a continual challenge.

Building Control

	July - September 2021	April - June 2021
Amendments Issued	90	79
Amendment over Time	19	34
Amendments % compliance	79%	57%
CCC Issued	312	384
CCC overtime	10	7
CCC % compliance	97%	98%
BC Granted	399	469
BC overtime	128	112
BC % compliance	68%	76%
Value of Building Work	\$141,736,630	\$92,120,804
BC Accepted	380	447
New Dwellings	89	91

Community Housing



Senior Housing

The Annual Petal Power Gardening Competition is well underway with some beautiful gardens springing up across the complexes. The residents are enjoying getting out to help make their complexes look lovely and are all looking forward to the prize giving in November.

During the recent COVID-19 lockdown, a team of five Council Officers called the residents twice a week to check in on them. The residents appreciated the calls and enjoyed chatting to the team.

The Healthy Homes schedule of works is nearly complete with just under half of the kitchen extractors left to go in.

There are currently three units under renewal with tenants ready to move in. The wait register is steadily building with 215 people registered. A number of prospective tenants present with higher needs and requirements and have an advocate working with them to support their application.

The Senior Housing team is working closely with Hawke's Bay District Health Boards (HBDHB) Social Workers and church groups to help their clients. There is an increase in referrals from the team back to HBDHB for Needs Assessment and Service Coordination services (NASC) for current residents around house care and personal care. Residents are grateful for this additional referral process.





Roads and Transport



Key Routes - Corridors and Roundabouts

Karamū Road corridor / St Aubyn Street corridor - Draft study received and is currently under review by Transport Policy and Planning Team.

Pakowhai Road corridor (Maraekakāho Road to St Aubyn Street) - PDS issued. Some delays with data capture due to COVID-19 restrictions.

Omāhu Road / Henderson Road Roundabout – This project has been severely delayed due to contractor difficulties with major staff turnover, material supply constraints and some quality of work challenges. The projected completion date is early November 2021.

Omāhu Road / Chatham Road Roundabout – Design for this project has been finalised. The project will be constructed early in 2022.

North Eastern corridor – No progress in quarter but working to finalise point of entry to get one that is endorsed by Waka Kotahi.

Efficient Streets

LED street light conversion - All streetlights have been converted to LED. We are now working through setting up the CMS/RAMM interface.

Walking and Cycling

Tauroa Road shared path – Stage 1 Board walk – Concrete footpath has been installed. Materials procured for the construction of the boardwalk. Awaiting delivery. Commence with foundations and piles. Board walk to be completed before Christmas break. Stage 2 designs are progressing.

Middle Road shared path – Property negotiations progressing. Enabling works and Construction to commence during the second quarter of the financial year.

Skills training in schools has continued as possible around school holidays and COVID-19 alert levels. Training programmes have been delivered to a number of schools, and have included cycle and scooter skills, excursions on the pathway network and to the skate park, and support for school events. It is also pleasing to see cycling being used as part of school EOTC programmes. An adult confidence cycling course is also in the planning stages

Innovating Streets – temporary traffic calming measures have been installed outside four schools (Kimi Ora, Irongate, Mayfair, and Hastings Central) as part of this national programme for innovative projects, with 90% funding from Waka Kotahi. Planter boxes and seating are also being installed, street art to follow.

Phase 2 of the roundabouts improvements trial is underway, with the remarking of five more roundabouts to include sharrow markings.

Safety Improvements

Napier City Council and Waka Kotahi have confirmed new speed limits that impact Springfield Road and Elwood Road. Council resolved during our speed limit review to implement changes following these decisions. As such Elwood Road will reduce from 70km/h to 60km/h from SH51 to existing signs (near Elwood Park), and Springfield Road will reduce to 80km/h for its entire length.

Guardrail construction on Waimārama Road is complete. Concerns were raised regarding the proximity to the traffic lane by members of the public. A post-construction audit confirmed the layout is appropriate for the site, however we will monitor for any strikes in the future.

Waiohiki Pedestrian safety improvements are being constructed currently.

Construction is nearly completed on Te Aute Road / Gilpin Road geometric improvements. Asphalt supply issues are impacting the completion of this project, as such we are looking into alternative surfacing solutions.

The design for Maraekakāho Road / Stock Road intersection safety improvements is nearly complete, pending safety audit. Construction planned 2022.

The design for St Georges Road / Hassalls Lane intersection and curve safety improvements is nearing completion.

Design ongoing for Napier Road / Crosses Road roundabout, with construction programmed for 2022.

Renewals

Sealed road pavement Mt Erin road is out on tender while Warwick Road is reported to be completed end of November – Mt Erin Road construction to commence in January – this is programmed works - there are no escalated pavement renewals planned. Focus is on resealing and asphalt renewals.

Footpath renewals are ongoing.

Drainage renewals are ongoing as part of AWPT work and some standalone renewals through the maintenance contract.

Traffic services - Line marking renewals due this summer.



Bridges and Roads



Bridge Strategy

Strengthening Programme

The programme is progressing well with 74 bridges completing investigations.
Rissington Bridge construction is almost complete with three more projects expecting to be tendered in next quarter.

Ageing Roads

Renewal Escalations

Unsealed road metalling - ongoing activity with a focus on logging routes.
Maintenance seals - Significant focus on resealing with a significant investment in the rural sealed pavements. Resealing has commenced and will continue well into the new year as we have a programme significant programme of 100km+.
Sealed road pavement - Kahuranaki Road – pavement renewals appropriate to the bentonite clay geology to be completed on the last 5 km of this road. Methodology to provide top up metalling, then stabilise and shape with new seal. This should provide 15 to 20 years.
Drainage improvements - Associated drainage renewals to be completed in conjunction with above works.

Rural Support



Government Rural Halls Support

Celebration Event

The planned event to celebrate the large amount of maintenance work that was made possible by the additional Provincial Growth Fund (PGF) grant was cancelled due to the recent COVID-19 lockdown.

Rural Halls Network Event

To support the district's 21 rural halls, the rural halls subcommittee, with support of Hastings District Council staff, hosted another rural halls workshop and networking event. This session focused on not-for-profit law and was delivered by Mark von Dadelszen. Mark is a local lawyer and advises not-for-profit entities, legal firms, and individuals throughout New Zealand. His work includes drafting and amending rules and trust deeds, advising on strategic and governance issues and chairing meetings.

Where: Twyford & Raupare Memorial Recreation Centre (Twyford Community Hall), 142 Twyford Road RD 5 Hastings, 4175.

When: Wednesday, October 27, 2021 | 5.30pm to 8pm.

Rural halls funding

Council's rural halls maintenance funding scheme is designed to assist with the building maintenance of halls in the rural and plains areas of Hastings. The following Halls currently have council funding:

2021/22 Rural Hall	Project	Received	Update
Kereru Hall Society	Roof repairs	\$8,619.11	Funding approved June 2021 Work on track
Waimārama Maraetotara Memorial Hall	Amenities upgrade	\$6,427.66	Funding approved June 2021 Work on track

Maraekākaho Church Hall Trust	External repairs, maintenance and painting of the stage end of the hall	\$7,671.35	Funding approved June 2021 Work on track
2020/21 Rural Hall	Project	Received	Update
Tūtira community Hall	Re piling and strengthening works	\$64,124.00	Planned for Dec 2021 weather dependent
Patoka Memorial Hall	Bathroom refurbishment	\$3,750.00	On track
St Therese Hall, Whakatū	Hall upgrade, including floors and outside painting	\$1,300.00	On track
Twyford Raupare Recreation Hall	Hall upgrades, including wall and ceiling works	\$39,626.76	Work Completed
Kereru Hall	Upgrading the electricity supply	\$4,241.28	Work Completed
Sherenden Hall	Rainwater and gutters project	\$7,000.00	On track
2020 PGF Rural Hall	Project	Received	Update
Waikare and District Sports Club	Roofing and internal repairs	\$84,664.00	Work Completed
Matapiro and Districts Recreation Hall	Roofing repairs	\$20,407.00	Work Completed
Te Awanga Community Hall	Flooring upgrade	\$2,908.00	Work Completed
Kereru Hall	Flooring repairs and planting	\$11,280.00	Work Completed
Poukawa Hall	External weatherboard repairs	\$34,400.00	Postponed Planned for Dec 2021 weather dependent
Kaiwaka Hall	Building painting	\$4,246.00	Work Completed
Maraekākaho Hall	Electrical and safety enhancements	\$132,489.00	Work Completed

These investments have enabled the small hall sessions to occur.



Water Supply



Drinking Water Strategy

Frimley

Work is continuing in accordance with programme and schedule, with the following major components undertaken during the reporting period;

Reticulation Pipeline contract complete.

Bore FR2 is nearing target depth, with screen design complete and installation due in late October. This will ensure we have 2 completed bores available for commissioning purposes in early 2022.

Reservoir tank construction complete, filled to 100% and passed leak test.

Water treatment plant construction including underground work and foundations complete, floor poured and wall panels and roof structure installed. The next phase includes completing roof and commencing internal fit out.



Waiairoha

Work is concurrently progressing on this project, with the following work completed during the reporting period;

Eastbourne Pipelines – Additional resources have been added to the contractor capacity, with a focus on completing significant major connection details into the existing network prior to the end of the year, which will allow network shutdowns to be carried out with minimal effect, once pipe laying work are complete. Major pipework construction has been focussed in Eastbourne Street, which will move into Warren Street prior to Christmas. Some work will progress into the new year.





Bore – Once the latest Frimley bore is complete it is proposed to relocate the welldriller to the Waiaroha site to install the new bore at this site, before the end of this year. This is necessary due to the early start to reservoir construction and limitations on site space for all contractors.

Reservoir – Preloading of the northern reservoir site has shown settlement figures to be less than expected, which is allowing the project to commence construction of the southern reservoir earlier than anticipated, now scheduled for late October.

Water treatment plant – This is nearing the end of the building consents process and once complete site works and pipe works will commence.

Waiaroha education building - Design, plans and specification details have been completed to the extent of being able to lodge for building consent, proposed before the end of October. Interpretive and co-design processes advancing now the final site detail has been confirmed.

Covid impacts – We are managing in this space at this time, however there is pressure on:

- shipping and airfreight from the northern hemisphere.
- timber and steel supplies.
- design modifications to allow for available materials.
- access to materials and staff from Auckland and Level 3 border requirements.

- cost of Covid down time.

Small Community Water Treatment Upgrades

Work is progressing on the Small Community upgrades.

The Haumoana, Waimārama, Te Pōhue and Clive Water Treatment Plants are in production.

The Parkhill Booster Pump upgrade is completed and in operation.

Commissioning of the Whirināki - Esk Plant is scheduled to commence in November.

Construction of the Waipātiki plant is progressing with the new plant and container on site, mechanicals installed and site fencing completed. Electrical fit out is in progress.

Commissioning of the Waipātiki plant is scheduled to start February 2022.



WAIPĀTIKI WTP

Community engagement work at Whakatū has progressed well. The project team is seeking Council approval on 14 October to progress the upgrade on Ngāruroro Avenue Reserve and proceed with required statutory process.

Demand Management Strategy

The Water loss assessment for the 2020/21 period has recently been completed. Water losses from this reporting period are calculated as 29.8% for the Hastings Urban Water supply. This figure includes both HDC network as well as customer side losses. The calculation has a number of assumptions with the largest uncertainty in this reported figure coming from non-metered residential properties where a 2% sample of properties are used to estimate this component. Planning is underway to increase the confidence in this reporting by installing further monitoring meters to account for a 10% sample of residential properties.

Modelling is being undertaken to identify future works requirements to facilitate pressure reduction across the Hastings Urban supply following completion of the Frimley and Waiaroa WTPs.

Water use is being monitored on an ongoing basis with targeted leak detection being deployed where increased usage is identified. Leak detection specialists are currently being engaged to identify the source of higher demand that has been identified in the Haumoana and Te Awanga supply.

Renewals and Consent Compliance

Renewals

The programme for proactive Copper lateral replacements being delivered through the maintenance contract is being accelerated.

Planned renewals for this year are progressing as scheduled.

Consent Compliance

2020/21 annual reporting was submitted to HBRC in September.

All consents are compliant aside from a few minor technical non-compliances associated with meter verifications that cannot be undertaken until WTP and source upgrades being undertaken as part of the Drinking water strategy are completed.

Drinking Water Standards Compliance

All HDC drinking water supplies are compliant with the Bacteriological compliance criteria for Q1 of the 2021/22 compliance year.

Wastewater



Trunk Main Renewals

The contract for the renewal of 1,254m of the No1 trunk main has been completed.

Pump Station Upgrades

Telemetry renewals planning for our pump stations is underway.

Condition assessments to inform the renewals strategy are being undertaken.

Treatment Plant Renewals

East Clive

The East Clive WWTP control system upgrade project is currently in the commissioning phase and, once completed, will ensure we have a robust and reliable automated treatment system for the plant using the latest equipment and technology. Renewal of the groyne (or revetment) structure is complete and will ensure the integrity of the outfall structures at the beach.

Several key minor renewals projects have been completed and are underway to ensure the ongoing high standard of treatment of the district's wastewater.

Renewals planning is ongoing to ensure key renewals are carried out over the next 18 months.

Waipātiki

Installation of the campground wastewater connection will be installed and capped.

Key renewals and upgrades have been identified to resolve compliance issues (see below for compliance issues).

In order to accept the campground wastewater flows, it has been identified that key upgrades are required to the wastewater treatment plant and irrigation field. In conjunction with this, a consent variation is also required. Due to the scale of the upgrades required at the wastewater treatment plant and the consent variation, coupled with the below compliance issues, replacement of the consent is required.

Consent Compliance

East Clive

The East Clive WWTP continues to operate within its consent conditions. Routine quarterly sampling has been completed for the first quarter of the 2021-2022 reporting period with no complications.

Annual compliance report has been submitted to HBRC for 2020/2021. The WWTP was fully compliant for 2020/2021.

Waipātiki

Routine quarterly sampling has been carried out at the Waipātiki WWTP as per the consent and has identified that the wastewater treatment plant is not meeting the effluent quality required of the consent. This is due to its inability to remove nitrate.

Due to the scale of the remedial works required to resolve this compliance issue and to enable the campground to connect, replacement of the consent is required. HBRC have been notified and we are working closely with them on this issue.

Consent variation has been submitted to enable the operation of the new Waipātiki water treatment plant. Filter backwash from the new water treatment plant will be discharged to the wastewater treatment plant.

Reticulation

Over the last quarter there were no overflows reported to HBRC.

Trade Waste

As part of our routine compliance inspections, officers monitor compliance with the trade waste users to confirm that they are operating within their approved conditions. Five industries breached their trade waste approval limits, but all were addressed and rectified. This work is ongoing and ensures that industrial discharges do not impact on our resource consent or create adverse conditions within our piped network, e.g. hydrogen sulphide which corrodes the internal concrete linings.

Stormwater



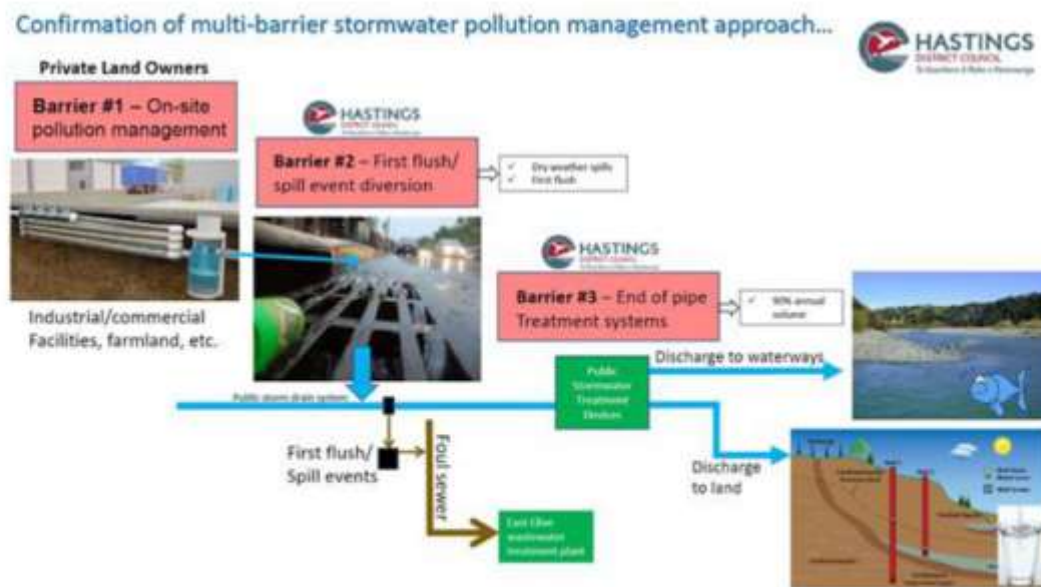
Stormwater Quality Improvement

The bulk of our stormwater quality improvements continue to focus on implementing solutions in the southern catchments of the Omaha Rd industrial areas. This includes Lowes Pit, Barnes Place and James Rochfort catchments which are impacted by the industrial developments around them.

Further investigations will commence in the Ruahāpā catchment as part of our ongoing surveillance monitoring to detect pollution events. There is a significant industrial presence upstream and we need to understand the mechanisms that lead to illegal discharges and where they get into our system.

Lowes Pit

Officers and consultants have developed a three barrier "multiple barrier" approach to manage stormwater pollution in and around Lowes Pit and the wider Ōmahu Industrial Area. The multiple barrier approach is illustrated in the table below.



PERFORMANCE & MONITORING REPORT | QUARTER 1, 2021-2022

Specialist consultants are developing the designs to install gross pollutant traps and divert first flush flows (Barrier 2) from the stormwater network into the wastewater system and providing additional treatment of stormwater (Barrier 3) before it discharges into Lowes Pit. Lake level monitoring equipment has been installed in Lowes Pit to confirm the barrier 3 sites and enable design details to be finalised for both Barrier 2 and Barrier 3 treatment devices.

Emphasis is being placed on completing detailed design work for the end of pipe treatment devices at Lowes Pit (Barrier 3) to support the Land use consent application and AEE. This work is expected to be completed by the end of December along with lodgement of the Land Use Consent to construct the end of pipe treatment device(s).

In parallel with this, we are finalising preparations to enable discussions with HBRC and Iwi on a Barrier 1 strategy prior to approaching high risk Ōmahu industrial sites on “at source” stormwater pollution management requirements. It is intended that these discussions are held prior to Christmas.

Updated Lowes Pit Delivery Programme	
Survey of pit and stormwater network, concept design	Oct 2020 – Jan 2021
Installation of network sensors	Mar 2021 – Apr 2021
Preliminary Design	Feb 2021 – May 2021
Detailed Design	May 2021 – Dec 2021
Consenting	May 2021 – Dec 2021
Industry onsite stormwater pollution management strategy confirmed	Dec 2021
Construction of first flush and end of pipe systems	Feb 2022 – May 2022
Implementation of industry stormwater Pollution Management Strategy	Feb 2022 onwards

Caroline Road Stormwater Extension

A report is being prepared to detail the work required to ensure that stormwater discharges from the Caroline Rd catchment are safely conveyed to the HBRC drainage system. There is a bottleneck at the showgrounds that requires large pipes and a pump station to move stormwater that collects in Kenilworth Rd and floods roads and properties in this vicinity.

Consent Compliance

We have been notified of several significant non-compliances in relation to the Havelock North dams. These non-compliances have resulted from items that are in relation to land management, stock control and maintenance activities identified over several years.

We will be undertaking remedial works over the next few months to address all items that are outstanding including the removal and relocation of fences, increased mowing and vegetation control and CCTV inspections of critical assets.

Refuse



WMMP Waste Minimisation

Henderson Road Refuse Transfer Station and Blackbridge Refuse Transfer Station. (Blackbridge is operated by Bin Hire Company).

Both sites have been fully operational during this quarter, and operated under Covid lockdown restrictions in line with government guidelines.

From 1 July 2021, the Henderson Road RTS charges increased to account for changes to the waste disposal levy and Emissions Trading Scheme.

WASTE DISPOSAL COSTS FROM 1 JULY 2021

	MINIMUM CHARGE	NEW CHARGE - PER TONNE	OLD CHARGE - PER TONNE
GREEN WASTE	\$8	\$117.30	\$115
RUBBISH	\$12	\$295.55	\$230.00
POLYSTYRENE	\$283.50	\$2047.00	\$2047.00
TIMBER	\$12	\$378.00	\$378.00

A community engagement process is underway to gather feedback and ideas from the community for improvements that could be made at the Henderson Road Refuse Transfer Station. Once the feedback is collated and analysed the process forward will be identified. This opportunity was reported in the July report.

Rural recycling sites – fully operational.

Incidents of illegal dumping and contamination have occurred and letters have been sent to residents where evidence was found.

Martin Place Recycling Facility

Closed due to the cessation of the licence to occupy by the current landowner.

When the new owners are confirmed post a potential land transaction and they have settled on their plans for the site, officers are hopeful that there may be an opportunity to re-establish a recycling facility. It is likely that any new facility would be set up differently, be secured and opened only during staffed hours. This would be to address the issues relating to mis-use of the previous site; contamination, illegal dumping and health & safety risks.

A paper will be presented to Council once officers know what option(s) are available for this site to get approval on next steps.

Kerbside Recycling and Rubbish Services

The average rubbish wheelie bin weight remains at 9.7kg and 65% of the wheelie bins are being presented on a weekly basis.

Collection of kerbside refuse remain constant, with a slight decrease of residential participation with bin weight increasing to a current average of 10.08kgs per bin in September most likely due to the lock down. Increased weights are attributed to increased food waste. It could be possible that increased weights are due to less frequency in presentation to the kerbside, in order to qualify for the rate remission.

Recycling volumes increased slightly on the previous quarter due to more people being at home during the lockdown.

Contamination of recycling continues to remain low.

Customer Request Managements (CRMs) have continued to remain low, with some insights below:

CRMs generated for missed refuse services have been minimal, with 50% being resident fault.

Recent staff/driver changes with the recycling contractors workforce has shown increased inconsistency in collection practices, that have been proactively managed with Council assistance – missed services increased slightly and were resolved within 4 to 24 hours of CRM being raised.

The infographic below provides more detail regarding the kerbside collection services.



Waste Management and Minimisation Plan Implementation Update

Current Initiatives underway

Plastic Free July

Plastic Free July is a global campaign promoting reducing plastic. It encourages people to take the pledge to try and cut down on plastic for the month of July. There are three pledge options for people to choose from depending on where someone is on their waste reduction journey:

- Avoid single-use plastic packaging.
- Target takeaway items (the Top 4: bags, bottles, straws and coffee cups).
- Go completely plastic-free.

This year, the Waste Minimisation Team held six events as part of Plastic Free July, which included practical tips and advice on how to start reducing plastic use at home. Overall the workshops proved to be very popular with the team engaging with 115 people over the course of the month.

Alongside this, regular posts went out on social media to support the national campaign lead by WasteMinz.

Again Again Reusable Coffee Cup Scheme

The Packaging Forum has estimated that in New Zealand we throw out around 295 million single use cups each year, which equates to about 4 million in Hastings alone!

During July, the Waste Minimisation Team launched the Again Again reusable cup scheme into 15 cafés across Hastings with the help of our Subsidy. As part of the launch, we ran several competitions with local radio stations, took part in interviews and promoted the scheme online through various channels. The launch was really successful and received lots of positive media attention.

With Again Again, the customer pays a \$3 deposit to borrow the cup and then this is refunded when the cup is returned. This means you eliminate the barrier of people having to remember their cup, and they can bring multiple cups back at a time.

COVID has definitely affected people's confidence in using reusables but Again Again has provided clear guidance on a COVID-handling process to ensure that that cups can be collected back safely.

The team is due to catch up with the cafés at the end of the month to see how they have been finding the scheme so far.

Events Waste Minimisation Approach

An event waste minimisation guide to support event organisers has been created. A packaging guide is currently being designed that will help stallholders with purchasing the right types of food packaging that can be compostable locally.

48 coloured wheelie bins have been purchased to be loaned out for community events to help support their waste minimisation goals. Flags and other signage that will be used with the bins has also been designed to ensure event attendees can find and use the services easily.

A trailer to house and transport the loan equipment has been designed and is going through the Council procurement process.

Pan Pac Treated Timber Disposal Option

The team has been working with Pan Pac, the Hawke's Bay Regional Council, and Napier City Council to submit an expression of interest to the National Waste Minimisation Fund which closed on May 21. The submission is for funds to support a trial to test whether burning treated timber is feasible in the boilers at Pan Pac. HDC assisted with coordination of the expression of interest and providing written supporting information. The project was successful in progressing to the full application stage, which was submitted in early August. To date the outcome is unknown.

Supporting this application (if successful) could provide an alternative solution for ~14,000 tonnes of timber per annum, significantly helping to progress the Joint WMMP goal of reducing organic waste by 30%.

Solid Waste Bylaw Review

A Request for Proposal process will be completed for a suitably qualified professional to support both Councils to complete reviews of the Solid Waste Bylaws. This work will be completed in 2022.

Recruitment

Recruitment is underway for a Waste Minimisation Officer to replace the current officer who has resigned and finishes at the end of October.

The team is also recruiting for two new roles: Regional Construction and Demolition Waste Minimisation Advisor and Waste Community Engagement Advisor.

HazMobile

The 2021 joint HazMobile collection is scheduled to be held Sunday 21 November at the Mitre 10 Sports Park. The event will use the booking system used for the past two events and will only run in Alert Level 1 or 2.

Ōmarunui Landfill Development

Ōmarunui Landfill

New landfill charges came into effect on 1 July 2021. The charge for general municipal waste increased from \$119 per tonne (excl. GST) to \$142 per tonne (excl. GST). This increase was almost entirely the result of a \$10 per tonne (excl. GST) increase in the government waste levy and a \$10 per tonne increase in Emission Trading Scheme (ETS) compliance costs.

A change has also been made to the special waste category with skins, pelts and other tannery waste now being charged at the higher rate of \$300 per tonne (excl. GST).

Landfill development works were paused over the winter months and will recommence when weather conditions allow.

A total of 107,792 tonnes of waste was received in the 2020/21 year of which 25,791 tonnes was special waste. In terms of total tonnes, this represents an increase of 8.5% on last year's volume. This increase is a result of higher volumes of special waste being received at the site.

Improvements have been made to the gas capture and destruction system at the site. These improvements, along with the changes to the acceptance criteria of problematic wastes (including increased charges), have resulted in reduced odour and hydrogen sulphide problems at the site. A deodoriser system is also being installed at the site which to assist with any odour related events that may occur.

Next Landfilling Area

HDC has lodged "resource consent" and "alteration of designation" applications with the Hawke's Bay Regional Council and Hastings District Council respectively and these applications have been publicly notified. Submissions to the Hawke's Bay Regional Council concerning the necessary resource consents closed on 17 February and submissions to the Hastings District Council concerning the "alteration of the designation" closed on 22 February.

Three independent commissioners have been appointed and a hearing date was originally set for 16 and 17 September. Unfortunately, the hearing has since been deferred to 1 and 2 November due to COVID-19 related reasons.

Closed fill sites

No reported issues.

Environmental Enhancement



Biodiversity Hawke's Bay (BHB) Support

Meeting with BHB on "The Gap" project at Napier. Working through assistance options.

Pop-up Irrigation

Flaxmere Pop-Up Irrigation procurement is under review. RFP will go out as soon as possible to selected suppliers identified in the Procurement Plan. Budget is \$270k.

Havelock North Stream Enhancement

Significant remedial work is about to commence on the right bank of the Karituwhenua Stream (approximately 200m downstream of Te Mata Rd) at the site of an old landfill that has been exposed.

Initial clean-up works involved the removal of loose and hazardous material. A retaining wall will be constructed in the bed of the stream, removing further waste material then reinforcing and reinstating the bank before the care group move in to replant trees and vegetation.

This work is being carried out by the HBRC Works Group under HDC supervision.

Leaky log dams installed with assistance of the Karituwhenua care group.

Palmbrook Care group have relocated and stored plants prior to removal of rubbish dumped.

Care Group Support

Ongoing winter planting days with Tainui, Tauroa and Palmbrook Reserve care groups. Council supplying plants for care group to plant out.

Native plant supply to River Road Reserve resident to enhance area.

Waipātiki

All planting for the season is completed.

There are five Pohutukawa trees to be planted in the Domain.

Animal Pest Control complete for the season.

Planting around Water Treatment Plant is completed.

Meeting with the Bush committee to be scheduled and booked before Christmas.



Hastings City Centre



A more comprehensive summary of Hastings City Centre projects will be given in the next Performance and Monitoring Report.

CBD Vibrancy and Activation Plan

Due to COVID, there was a delay in the July/August delivery of installations and activations.

In September, the activation 'Water Fun' was installed in the CBD fountain and from the Vibrancy Fund, 'The Sphere' was installed in Albert Square.



Civic Square and Central Mall Projects

Planning is underway for Civic Square for delivery in 2022/23; Central Mall planning to commence in 2022/23.

300 Heretaunga Street East

The upgrade of Heretaunga Street East between Warren St and Hastings St is about to get underway, as part of the wider programme of streetscape enhancements in the city centre and the upgrade of Municipal Buildings. The design uses elements from the design palette used throughout the city centre, including planter boxes, enhanced outdoor dining areas, additional streetlights and new paving areas. The upgrade includes the enhancement of the paving area outside Hawke's Bay Today, where there will be a new seating area and planting.

STAGE 1 start date: Monday 8 November 2021

STAGE 1 finish date: Tuesday 7 December 2021

STAGE 2 start date: Monday 10 January 2022

STAGE 2 finish date: Mid-March 2022



Municipal Building

The Municipal Building redevelopment continues and is currently operating on time and on budget. There are, however, cost and time pressures with some materials in very short supply.

Work continues to secure tenancies to complement the ground floor activities and the i-SITE relocation is progressing with design and concepts being developed.

Museum Storage and Research Facility

RTA Studios (architects) have been engaged with supporting specialist advisors. The preliminary design stage is due for completion mid November with Developed Design to commence after that. A report to Council is expected on 9 December with the Developed Design concepts.



Youth Development



Youth Employment

Whilst working remotely during the recent COVID-19 level 4 and 3 lockdown the Mahi for Youth team provided ongoing support to rangatahi by keeping in constant contact with those that needed additional support.

As the team strive to grow and expand their approach, the opportunity was taken during the lockdown period to identify gaps and opportunities within the Mahi for Youth programme.

One focus was analysing the data for rangatahi who have switched between 'job seeker' to 'employed' and back again. 28% of these rangatahi have been engaged in two or more jobs. The reasons for this were varied and included the job not being the 'right job' or experimenting to find the right career path, drug testing, lack of transport to regularly attend and seasonal or casual contracts. Collecting and analysing this data has enabled the team to adjust their approach to increase contact with employed rangatahi and their employers.

Serve the Bay

Most industries in Hawke's Bay are feeling the labour force pinch none more so than hospitality. COVID-19 has hurt this sector. When times were tough many hospitality workers secured roles in other industries and have not returned and those gaps are now not able to be filled. Council's Employer Connector, EIT and MSD have set up a working group to look at what can be done to support this industry. The result was an employer evening where 25 business owners and 10 supporting agencies got together to discuss the situation and talk about possible solutions.

A sector Taskforce has been formed to work through some of the issues and opportunities.

Statistics

He Poutama Rangatahi Contract July 2020-June 2022	
245	Rangatahi Engaged
80	Rangatahi in Work
22	Training or Study
58	Job seekers
20	Whānau Connector Referrals
27	Hinengaro Connector Referrals

Youth Council

At the end of July, members of the Hastings Youth Council attended the 2021 Festival for the Future Forum (FFTF) held in Wellington. This festival is a carefully tailored fusion of inspiring speakers, workshops, entertainment and a festival marketplace activation space for social innovation. The Youth Council represented Hastings and continue to communicate with the many other Youth Councils and Youth Advocacy groups around New Zealand that they connected with. This provides ongoing professional dyadic conversations across these new partnerships.

Being at FFTF meant the Youth Councillors were able to step out of their comfort zone and expand their knowledge and experience. The Youth Councillors attended workshops that exposed them to different ways of life and allowed them to experience the different backgrounds of New Zealanders. Through these workshops the Youth Councillors were able to both question and shift their way of thinking around how they see the world. Leaving the Festival the Youth Councillors collectively felt a sense of grounding and willingness to try new ideas and creative initiatives to help make Aotearoa and the rest of the world a better and more sustainable place to live in.

Representing Hastings Youth Council at this year's Festival were:

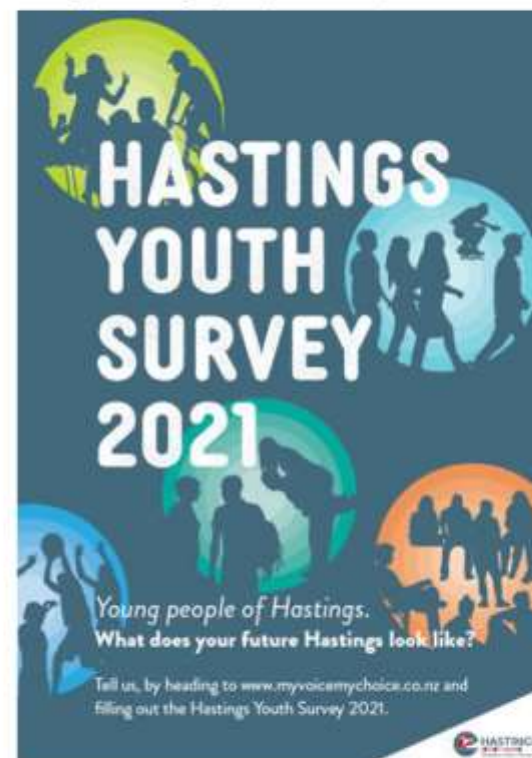
Keelan Heesterman, Matilda Ellis, Calais Byrne, Satyam Saha, Riley Boggard-Allan, Louis Gaffaney, Lena Ormsby, Zoe Smith, Esta Chaplin, Tyler Brown, Taneshia Gill.



During the recent lockdown the Youth Council met online regularly through Zoom, discussed the Hastings Youth Strategy Survey and provided feedback on the different survey themes - education, employment, knowledge and feeling safe.

Youth Space

The need for a Youth Space is being consulted on as part of the larger Hastings Youth Survey 2021. The results from the Survey and additional workshops will inform the 2021 Youth Strategy and will highlight any need for a Space.





Recreation/Leisure



Toitoti – Hawke's Bay Arts and Events Centre

Statistics	
30	Performances and events held at Toitoti
16	Community events
13	Commercial events
10	Postponed events (7 days/2,350 pax)
6	Cancelled events (11 days/230 pax)
3,168	Tickets sold
6,937	Attendance at non-ticketed events
10,105	Total performance and event attendance

July

Theatre and corporate events highlights for July included the Te Taiwhenua o Heretaunga – Matariki Living Taonga Awards. The event is held every three years, during Matariki where those stars, who quietly work hard to support the community are celebrated. 700 people attended.

The Hawke's Bay Export Awards was hosted at Toitoti for the first time in 11 years the event was hugely successful and has rebooked for 2022. 245 people attended.

After almost two years of postponement dates Comedian Chopper finally made it to the Opera House stage with just under 900 people in attendance.

Toitoti co-presented two works: comedy musical Olive Copperbottom by Penny Ashton and cabaret show The Look of Love with Ali Harper.



August

Theatre and events highlights for August were:

- The NZ Apples and Pears Conference is hosted every two years and was the first fully national conference Toitoti has hosted since reopening. The client has signalled their intention to rebook at Toitoti for 2023. 220 people attended.
- Toitoti hosted the first 'Ngāti Kahungunu Haka Ngahau', celebrating the best of competitive Kahungunu kapa haka teams within the rohe.



- Dance was a feature in August with 'Dance NZ Made' - a schools dance competition, and renowned national contemporary dance company Footnote Dance with their new work 'Dance, Danced, Dancing'.

On Wednesday 18 August, New Zealand went into Level 4 lockdown.

Corporate events postponed/cancelled in August included:

- Registered Master Builders Hawke's Bay House of the Year – 350 people, cancelled and rebooked for 2022.
- HB Hospitality Awards – 350 people, postponed (have since cancelled and delivered the event virtually).
- HCBA – Hastings CBD Celebration – 240 people, postponed until January 2022.

September

The NZ Blood Drive was the only event hosted through September – 250 people over four days.

Corporate events postponed/cancelled in September included:

- HB Wine Auction – 500 people, postponed until November 2021 but likely to cancel – currently rebooked for September 2022.
- Guilin Sister City Banquet – 150 people, cancelled.
- Toitoto Youth Awards – 150 people postponed until November 2021.
- HDC Youth Hui – postponed, date tbc.
- NZEA NZ Event Awards – 400 people, postponed until December 2021.

Postponements vs Cancellations

It has been encouraging to note that there is a stronger appetite to postpone rather than cancel events. The events that have been postponed have been rebooked for 2022. There will be a severe impact on revenue for the first and second quarter of the 2021/22 financial year but the third and fourth quarters have a stable base of bookings that can be built on to partially mitigate the reduced revenue from the first two quarters.

Hastings District Libraries

34 events were held at the libraries from July until mid-August starting with Matariki and school holiday programme activities. A large number of activities, programmes and events were curtailed with Levels 3 and 4 and even under Level 2. A number of events (including language week celebrations) were postponed or cancelled, or had an online presence only.

Programmes and outreach are significantly impacted by Level 2 Delta restrictions, but staff are progressively restoring as much as possible while remaining within government guidance.

36 Skinny Jump face-to-face sessions were held and a further 12 Skinny Jump packs were issued during Levels 3 and 4.

Almost 1,000 items have been digitised as part of the externally-funded digitisation of Local History material project that runs through until the end of June 2022.

Some of the regular user groups are eager to return to the libraries and reconnect socially over everything from baking, books, newspapers and board games to knitting needles and a shared love of anything from A-Z.

Visitor Numbers July-September*	
Hastings	54,108
Havelock North	24,051
Flaxmere	12,203
TOTAL	90,362

*Libraries were closed during lockdown 18 August – 8 September 2021.



Pasifika Language Week displays at our libraries

Hastings City Art Gallery

Visitor Numbers	
July	4,152
August	3,330
September	1,098
TOTAL	8,580

Exhibitions

July/August

The Holt Gallery had an exhibition entitled 'Head Above the Water' by Gisborne artist Brian Campbell. Brian explored a variety of topical issues exploring such things as global warming, the attitude of superiority humans seem to have over the natural kingdom and tales that adults tell their children. The exhibition attracted a good number of people who travelled down from Gisborne especially for this exhibition.

Over the last 18 months, Ayesha Green has been developing a body of work specifically for the Holt Gallery called 'To the Best of My Knowledge'. This exhibition showcases the work of this award winning and high profile Kahungunu artist. Her work explores the conscious colonising intent of the curriculum and curriculum delivery of Māori Girls Schools in the early days with a focus on Hukarere Girls College.

Many of Ayesha's extended family and members of the local arts community attended the opening along with the Principal of Hukarere College, Shona West, and a group of students from the school. The following day, Ayesha gave a very informative and thought-provoking floor talk which generated a lot of open discussion and laughter.

In our Foyer Gallery, we have an exhibition called 'Young Art'. This exhibition features two local artists, Sharleen Gable and Ashton Lexie Jamieson. Both of these artists are graduates of the Masters programme at the Ideaschool at EIT.

Work exhibited in the Foyer Gallery is chosen by an Advisory Panel that is made up of members of the Hawke's Bay Art Community. The aim is to choose work that

showcases the work of artists. Sharleen and Ashton's exhibition is a good example of how this philosophy and process is working well.

September

In September, in the midst of installing the exhibition 'Out of the Shadows: a print journey with Carole Shephard and Friends', another COVID-19 lockdown began. All preparation for this show had to be put on hold and new dates had to be created. The lockdown not only affected the scheduling of exhibitions but also meant that many of the public programmes supporting these shows, including openings, had to be rescheduled or cancelled.

'Out of the Shadows' can be seen as a celebration of printmaking in the variety of techniques employed by Shephard and the other printmakers she has chosen to exhibit alongside her.

Education and Public Programmes

It has been a busy past three months, with 1717 visitors engaging with the programmes and events.

The great majority of these numbers related to the 'te MOKO on our face/in your face' exhibition which also included three artist floor talks with nine different artists speaking about their work and the galleries first ever fashion show at the Gallery.

'Salvage' fashion show was a collective effort of repurposing fashion items to create eclectic high fashion street wear as a response to issues of today such as global warming, COVID, gender diversity, technology and the state of the environment. The show was designed by Kahungunu artists and more than 20 models contributed to it. Over 200 people attended.

Musician and artist, Darryl Thomson, whose artwork was exhibited in 'te MOKO' led three artist workshops to students from Irongate School (Flaxmere) and Hastings Boys' High School. Darryl and fellow Toimairangi artists created a six-metre long artwork for each session adorned with imagery that told local stories of the myths and legends related to Hawke's Bay.

Irongate teacher, Rangitiah Jones said "We had an amazing time at the Gallery, I cannot stress how much the kids enjoyed it. The students really enjoyed working with the artists, and two of our girls that came along learned how to properly draw a koru. In class, these girls sometimes have such low confidence that they don't even try to

have a go. So it was really awesome to see them find success in such a small amount of time with people they had just met!"

From July through to September, the gallery ran a pilot work experience programme with a group of rangatahi from Kōwhai Specialist School in Hastings. This programme was developed in direct response to the school's needs and was the result of an ongoing outreach and relationship-building initiative with the school. Over this period students worked on developing personal responses to artworks and were involved in decision-making, public speaking, te reo Māori pronunciation/engagement and becoming comfortable in the gallery space.

The response from Kōwhai School teachers was overwhelmingly positive. Deputy Principal, Angie Dent said "We saw increased confidence in communication and social interaction skills resulting in our students being able to transfer skills and knowledge into a new environment and context. Increasing confidence in dealing with new environments is vital learning for Kōwhai Specialist School students." She also noted "students showed a sense of pride and greatly enhanced mana when they presented to classes from both Kōwhai School and another local specialist school. The programme was developed alongside each student, with resources tailored to their chosen artwork, educational needs and learning outcomes."

As a result of this programme, Arts Access Aotearoa did a feature article on our Schools LEOTC Educator Kelsey Hankins.

In addition other educational activities at the HCAG included:

- Four Kids' Drop-in Art Days in the school holidays – one of the most popular programmes which always gets whānau into the Gallery. On average there were approximately 150 visitors per day.
- Art and Win competition for children inspired by Brian Campbell paintings in 'Head Above the Water' exhibition. There were 50 entries from children and seven prize winners.
- Multi award-winning and renowned artist Ayesha Green (Kai Tahu, Ngāti Kahungunu) delivered an artist floor talk to public and school students from Te Aho o Te Kura Pounamu (The Correspondence School) about her exhibition, 'To the best of my Knowledge'.
- Floor talks for artist Larisse Hall and curator talks for groups such as U3A.



Community Centres

Camberley Community Centre (CCC)

N4N reopened its food distribution service at the CCC under Level 3 operating a contactless service which was very appreciated by the community. Under Level 2, this service has resumed with CCC staff and volunteers, and numbers have crept up with 100 whānau through in the first two offerings in October.

The centre has had a complete change of staff in recent months with previous manager, Bridget Paku, leaving Council in September. A new appointment will be made in the coming weeks but in the meantime FCC Kaiwhakahaere Anahera Te Whaiti-McClutchie is leading the team of Te Aho Jordan (Youth Coordinator), Summah Tumarae (Programmes Coordinator) and Cheyne Dunn who have all been working hard to establish the CCC as a fun, safe and vibrant space for all in the community.

There has been a big upturn in the number of young people attending after school activities at the CCC which is really encouraging.

Regular programmes have started up again and a new Step programme is planned from early November which should appeal to a new demographic.

CCC Visitor Numbers July-September*	
Programmes and Visitors	2,500
User Groups	1,230
TOTAL	3,740

Flaxmere Community Centre (FCC)

Programmes that had begun in the last reporting period (Poly Active, AquaFit) were starting to attract solid numbers just in time for August’s lockdown and subsequent Level 2 Delta. The main hall was transformed in to the gym for the rest of the reporting period, so visitor numbers are down and classes have had to be cancelled pending an easing of COVID restrictions.

Staff have launched a new programme, Taheat, focusing on Tahitian dance and fitness training. This will be popular with the community once it resumes – hopefully soon!

The FCC acknowledged FlaxRock Basketball Legends’ 30th anniversary training at the facility in July. Past members of his group include notable national and local basketball heroes. Acknowledgment of thirty years of three-times-a-week training sessions was marked with presentation of a singlet to the FCC, which has been framed and now hangs in the Centre.

A second singlet was presented to mark the importance of the Hoops in Parks to the local community.

FCC Visitor Numbers July-September*	10,800
-------------------------------------	--------



Sports Centre

Hastings Sports Centre (HSC)

The Wellbeing Wall is a community-based project to enhance the impact of wall space in the HSC carpark by creating a mural based on te Whare Tapa Wha model. This is a collaboration with Arts Inc. Heretaunga and Toimairangi. Three workshops were held with HSC community groups in July, while the August and September workshops were postponed until later in the year due to COVID. It is hoped that the design will be presented early in 2022.

A number of organisations are utilising the HSC as first time casual user groups (new business) such as Netball Hawke’s Bay, Ryman Healthcare and The Learning Place. It’s pleasing to see the facility being open to a greater range of community organisations.

Another very successful Chess Tournament was held in July, with 268 students (67 teams) from primary, intermediate and secondary schools participating in the Hawke’s Bay District Teams Chess Tournament. This was a record number of entries and is testament to the enduring appeal of this game to tamariki and rangatahi.

Visitor Numbers July-September*	
Programmes and Visitors	548
User Groups	7,530
TOTAL	8,078



Community engagement session for the Wellbeing Wall project

Aquatics



Splash Planet futures

Throughout the quarter, works to maintain the facilities have continued. The main planned asset renewal of the changing room floors has been completed during this period.

In addition to the planned asset work of the changing room floor, Splash Planet has received capital investment for replacement of the Flying Fox due to the previous structure not meeting code and proving to be beyond economical repair. This will be completed by November.

Following a review of security systems at Splash Planet, there is also an upgrade of the CCTV system occurring. This improvement will be a significant enhancement to both the coverage and capability of the system improving the safety of both our staff and customers.

With the return to heightened COVID alert levels during the quarter, previous operating procedures have been reviewed given the increased knowledge and information available when compared to the previous year. As part of the review, through consultation with Work Safe, Splash Planet has been reclassified from an Event Facility to a Public Venue. However, with the change in alert level, when compared to previous year, and the new highly contagious Delta strain, officers have had to review the potential impacts on opening Splash Planet and model scenarios to present to Council in order to consider the associated risks. This has been a complex exercise in what is a very changeable environment. Outcomes considered came with a significant range in risk in multiple areas and present a complex decision to be made.

Officers are progressing with sourcing information and progressing the Splash Planet/ Windsor Park Review.

- An economic impact assessment has been completed through Economic Solutions Ltd.
- Work on surveying satisfaction and perception of Splash Planet is underway and the team is looking to develop digital surveys with the assistance of Ask Your Team to go out to the target groups.

- Activity towards commissioning an energy performance assessment with the support of The Energy Efficiency and Conservation Authority (ECCA) has begun.
- Discussion continued in the Greater Communities Sub-Committee workshop to steer the review. As a next action Mayor Hazlehurst has requested that presentation is to be made at a full council workshop which is to be scheduled within the coming months.

Splash Planet Opening decision – With risks to public health set to maintain, if not increase, throughout the coming months councillors made the decision not to open Splash Planet for the 2021-2022 season on 28 October 2021.

Pools asset management plan

For the Village Pool and Frimley Pool, the start of preparations for summer opening have begun, with general maintenance happening throughout the quarter and the recruitment process for seasonal staff starting in late September. As part of the Long Term Asset Management Plan, the Village Pool has benefitted from all three pools being repainted along with repairs to grouting and some tiling.

All aquatic facilities have been assessed as part of the security review process and will receive similar upgrades with regards to specification and capability as Splash Planet. Works are planned to start early December for the outdoor pools and the indoor pool upgrades will start in January 2022.

Flaxmere Pool has been undergoing a well needed refurbishment of the reception office and foyer. The planned works follow a consent granted in 2017 which had some amendments from previous management in 2019. As well as refurbishment, work has included an upgrade of fire systems and the addition of accessible changing facilities. Work has been slowed with issues arising due to changes in COVID alert levels however, completion is expected by the end of October.

This quarter, site teams have been using a new method to record attendance numbers at each facility. Visitor and participant information is being recorded on a monthly basis with breakdowns per activity as well as spectator numbers being recorded (which will result in total numbers reporting higher than historical reporting). This information will give us the ability to improve planning and target programme growth.

Clive Memorial Pool recorded a total of 28,973 visits for the quarter. From normal operation in July (13,967 visits) usage dropped by approximately 50% for both August and September due to COVID enforced closure and following capacity restrictions. General swimming accounted about 15% of the total visitation, 2% coming from classes, 24% from clubs / bookings, 12% from events / galas / school bookings and the learn to Swim programme contributing 47%.

Club numbers were supported well by the return of canoe polo at Clive until the winter season was cut short by the escalation to Level 4. Thankfully, the impact of the closures on Swim school was not the same as previous lock downs with numbers enrolled in the programme staying consistent at 621.

Flaxmere Pool recorded 16,287 visits for the quarter. The re-emergence of COVID in August had a greater impact in Flaxmere with numbers reducing to only 30% of that in

July for the following two months. General swimming accounted about 13% of the total visitation, 36% was from clubs / bookings, 25% from events / galas / school bookings and the learn to Swim programme contributing 26%.

Flaxmere also managed to maintain a consistent number of Learn to Swim enrolments starting and finishing the quarter at 409. The impact of lockdowns, however, did result in a large reduction in school visits in August and September. With new protocols in place Schools will be returning for the summer term.

Super Gold card pensioner discount scheme continues to be a great initiative for the pools with use accounting for 28% and driving increasing participation from this demographic. The scheme has now been running for a year and the pools have seen an increase of nearly 3,500 visits compared to pensioner swims from the previous year.

Work continues on a strategic review of the Aquatics facilities. Through an Aquatics update at the Greater Communities workshop, direction has been given to continue to develop strategy towards maintenance and asset management. The importance of these facilities to the communities they serve was highlighted and getting feedback from the public was also encouraged. It has been acknowledged that the impact of the Regional Aquatic facility development at the Regional Sports Park has the potential to be significant, but will remain unknown until the forecast opening in June 2022. A 'honeymoon' period for the new facility should be expected before a levelling out. The next steps, similar to Splash Planet and in line with the feedback received in the workshop, are:

- develop digital surveys with the assistance of Ask Your Team to go out to our target groups to assess satisfaction and perception of the pools.

- commission energy performance assessments with the support of The Energy Efficiency and Conservation Authority (ECCA).

Playgrounds, Reserves and Sportsgrounds



Playgrounds

Whenua Takoha and Ebbett Park playgrounds complete

Construction commenced on St Aubyn Street playground in November

Planning commenced on Ron Giorgi playground.

Officers note that the current COVID-19 restrictions are delaying the construction of playgrounds due to equipment being unable to be delivered from Auckland.

Reserve Upgrades

Expressions of interest for Cornwall Park accessible playground and tea kiosk advertised.

Sportsground Changing Rooms

Investigation work on earthquake strengthening and renewal upgrades has commenced.

Recent tender prices and feedback from the construction community indicates that building works will cost considerably more than the original budget estimate. This means we will do less projects but at the desired quality.

Community Planning



Place Plans

Camberley

The Camberley Planning Committee has been formed and consists of residents, ex-residents and stakeholders to support the implementation of the Camberley Community Plan.

The changing sheds at Kirkpatrick Park have been identified as a possible space to be retrofitted for a community gym. Discussion is underway with the Parks Team.

Te Aho Jordan has started as the new Youth Coordinator at the Camberley Community Centre.

Cape Coast

Two new information kiosks were officially opened in late July as part of the Cape Coast Art and Heritage trail. The kiosks are located on the Haumoana side of Black Bridge and at Clifton Beach. The kiosks showcase coastal historical information and bookend the small information stands that are dotted along the Coastal cycle path.

Tsunami warning signage has now been erected in key locations at Haumoana and Te Awanga. This signage provides evacuation instructions for residents and visitors and supports the messaging in the revised Cape Coast Resilience Plan that was delivered to all households on the Cape Coast earlier this year.

Council has adopted a package of recreation enhancements including the purchase of a new reserve at Te Awanga Terraces. The playground at Te Awanga Domain is to be upgraded and extended along with the replacement of a new toilet block. Community consultation on the playground will commence later this year.

Flaxmere

The Flaxmere Planning Committee are consulting on the development of the new Flaxmere Community Plan and have finalised a community survey that will go out at the end of October 2021. While at COVID-19 Alert Level 2 this will be done via a three-phased approach:

1. Electronically through Flaxmere Facebook Pages, My Voice My Choice and through the Flaxmere Schools.
2. Hard copies available at community locations including Flaxmere Community Centre and Library, Schools and Swansea village.
3. Workshops (alert levels allowing) for the Samoan and Tongan Communities with translators noting the responses in English to support the timely collation of the data.

An across Council hui has been held to discuss up and coming plans from each Council department for Flaxmere. These will continue as the plan is developed.

Due to COVID-19 Level 2, all events such as the Flaxmere Night Market have been cancelled, limiting consultation. This will stay in place until we are moved to Alert Level 1. A promotional video promoting the survey will be developed with Flaxmere leaders to go onto various Facebook Pages and My Voice My Choice.

Consultation with skaters and young people continues on the development of the new Skatepark in Flaxmere Park with draft designs being developed.

Hoops In Parks going into Flaxmere Park is set to begin construction on 26 October 2021. It is hoped to be completed by 10 November 2021. Basketball New Zealand were successful in their funding application to Eastern and Central Community Trust to assist in this development. A date for the court opening is to be confirmed depending on COVID-19 levels.

Mahora

The survey for the development of the Mahora Community Plan has been finalised. While at COVID-19 Alert Level 2 this will be done via a three-phased approach:

1. Electronic copies to go onto My Voice My Choice and through the Mahora Schools, as well as a number of other stakeholders that have been identified such as churches, the Cornwall Cricket Club, neighbourhood support groups and Kāinga Ora residents.

2. Hard copies available at different locations such as the Mahora schools and possibly some shops.
3. Engagement through the Multicultural Association Community Connector to connect with the large Indian population living in the Mahora community.

An across Council department hui to understand plans for the Mahora community over the next five years has been held to help inform the new plan.

Maraekakāho

Focus MKK successfully submitted through Council's Long Term Plan process for a new five-year community plan in 2022 and funding support for village entry threshold signage and traffic calming measures. Final quotes and a Resource Consent application are currently being prepared for the signage. Ground preparation for future planting for traffic calming is underway.

With assistance from the community plan budget the community have repurposed and upgraded their existing community noticeboard.

During Mental Health Awareness week, Focus MKK shared "Farmstrong" messaging via their Facebook page. A community walk is planned to promote river access and picnic spots. The planned pathways have been marked and provide a number of route options for people of differing abilities.

Mayfair

Community Hub - Council Officers have met with representatives from Anglican Care Waiapu and the Heretaunga Seniors Hall to discuss the option of the Heretaunga Seniors building being developed into a Mayfair community hub. The hall is located next to Mayfair school on Willowpark Road. The Waiapu Diocese are assessing the options and opportunities. The current plan is now under review.

Raureka

Council continue to implement actions within the Raureka Community Plan.

A new basketball half court has gone into the Whenua Takoha Reserve with an official opening being planned. Traffic calming measures outside the schools are planned in the 2024 financial year.

Council Officers met with the Pastor of the Station Church to discuss utilising the church building for community classes and events. The Church already provides space for monthly HBDHB hearing and vision testing for the under 5s, a weekly 'community connects' coffee morning for the community (which is often frequented by the

disabled sector) and a weekly Friday morning 'Get Up and Go' session for the over 65s. The Church is happy to see this space further utilised.

Te Pōhue

Work is well under way with the Harapaki Wind farm in and around Te Pōhue.

Over the past few months, Meridian Energy have been busy establishing the site-based project team and undertaking and enabling works as they move closer to starting bulk earthworks in the district.

Meridian are currently establishing the project village which will allow all members of the Meridian team overseeing construction to be located on site.

The project village has been operational since September.

The community (and functioning non-entities) have voted to create a Charitable Trust. This is at the planning stage as further work is needed with the appropriate documentation and registration required to meet the legal requirements.

Waimārama

A community drop-in meeting was held with the Waimārama community identifying 6 key priority areas: roading, parks and reserves, waste, safety, youth development and motor vehicles on beach.

Council officers are currently working through these actions.

Waipatu

The Waipatu plan is mostly complete after the key upgrade to and along SH51. The plan will be reviewed and the community will decide if they wish to develop a new plan.

Whakatū

Council and the community acknowledge the passing of Des Ratima and Chee Seoow and their service to the people of Whakatū. Des was instrumental with the development of the first Whakatū Community Plan and Chee was a long time Whakatū community member and supporter who ran the Whakatū store for more than 20yrs and owns the Whakatū Hall.

The current community plan is complete and is now under review. The community are taking this time to see if they would like to develop a new plan. Currently there are two major projects underway, creating the water storage facility at Ngāruororo Reserve and the road plan for Railway and Station Roads.

Community Safety



Safe Communities Coalition

Safe Communities in Aotearoa New Zealand are currently going through transition driven by changes in the social, political and funding environments as well as the current COVID-19 pandemic. Due to these factors, the Safe Communities Foundation NZ (SCFNZ) board has determined that the current operations of SCFNZ are no longer feasible to support the wider Safe Communities network. The Safe Communities Foundation NZ expects to cease operating as an entity in December 2021/January 2022.

Discussions are underway across the Safe Communities network around the establishment of a new national community-led network. This may involve establishing a governance group or similar, and members working collectively to determine priorities, direction and resourcing. Safer Hastings is part of these ongoing discussions and is particularly interested in a national versus regional network approach.

The Strategic Group met in July and September. The group have been consulted on the Cornwall Park Tea Rooms and Playground upgrade, the Mahora Community Plan and the Homeless Discovery Project. The group are interested in progressing discussions on a regional strategic group to support the wider Safe Community network across Hawke's Bay.

Feedback from the Safe Communities Foundation NZ has been received on the Safer Hastings 2020/2021 online report and case studies "Safer Hastings is going from strength to strength becoming a mature and consistently highly effective Safe Community. Congratulations to all involved."

Goal 1: Safe where I live

A Discovery Study to understand Homelessness in Hastings has been completed. The study gives effect to action 1.8 of Kāinga Pānuku, Kāinga Pānuku - Hastings Medium and Long Term Housing Strategy and includes the characteristics, needs, and causes of homelessness, together with recommendations aligned to the Aotearoa New Zealand Homelessness Action Plan strategic framework. The study was tabled at a

Great Communities workshop in September and will be presented to the Strategy and Policy Committee in November.

Goal 2: Safe transport

The Safer Hastings Older Persons and Disability Focus Groups are working together to develop a mobility scooter training package, specifically aimed at supporting older people who purchase scooters second hand and aren't confident to safely operate them.

Goal 3: Safe in my community

The Disability Focus group are exploring two initiatives around beach accessibility (beach wheelchair / beach mat) and accessible surfing. Discussions are underway on how the coalition can support family harm initiatives, particularly over the holiday period.

Neighbourhood Support

As of September 2021, there are 341 Neighbourhood Support Groups in the District:

278 Street Groups (Urban)

63 Rural Groups.

Eskdale is the latest rural area to sign up for Neighbourhood Support, with a small group of active residents.

The Neighbourhood Support Coordinator is working with residents in the following areas to explore setting up new Neighbourhood Support Groups in Mayfair, Mahora, Akina and Clive.

The National Neighbourhood Support Conference "GROW" was held in Wellington in July. This presented a rare opportunity for the nationally run network of over 65 member organisations across both rural and urban areas of New Zealand to come

together as an organisation to learn new skills, share ideas, be inspired and celebrate our successes.

It was a chance to recognise the invaluable support and outcomes that members, volunteers, and partners contribute to Neighbourhood Support New Zealand and our local communities.

The highlight for Neighbourhood Support Eastern Region at the National Awards Dinner was NZ Police (Hastings) taking out the Partner of the Year for 2021. It's great to see the Hastings Police being recognised for their continued support and guidance, in particular Constables Bruce Miller and Tom Romans for their ongoing work with Neighbourhood Support in the Hastings District.

Coastal Infrastructure and Cell Plans

Haumoana (H18)

A meeting was held with staff and officers of HBRC and HDC on 21 September to determine options for support for the Haumoana H18 initiatives. An email summarising progress to date, since the original December 2019 meeting, which included HDC's continued project support, agreement on design options and advice on possible consenting, funding and project management has been provided to H18 representatives for consideration. The next steps are to have a meeting between HDC and H18 representatives.

Cemeteries



Cremator Maintenance

Cremator – ongoing monitoring of the interior refractory is being carried out.

Work will be needed soon. Refractory specialists Pyrtex NZ are trying to obtain an exemption to travel from Auckland to do a full inspection. Following this inspection work will be scheduled to carry out replacement of the rear portion of the roof and some hearth repairs.

Arrangements are also being made to have Combustion Solutions (Hamilton) to do routine maintenance to the cremator. This company have been assigned as the service agent by Matthews International. This has been complicated by COVID travel restrictions also.

Mangaroa Cemetery Extension

The extension at Mangaroa is progressing and the concrete work will be completed in the next few months.

Two new Columbarium’s have been ordered with an expected delivery time of 6-8 weeks ex China.

Bronze Plaque NZ are working with the contractor doing the concrete work to install upon arrival.

Mangaroa Cemetery (existing)

Quotes for installing water taps at the three entry gates are in progress. Taps installed will be timed to avoid excess water wastage.

Hastings Cemetery

Bronze Plaques NZ will also install a new smaller Columbarium at Hastings cemetery to boost capacity.

New concrete beams have been placed in between the existing “C” & “E” blocks to extend the viability of Hastings for burials. This will give us 30 full burial plots and 20 Still Born plots.

Contractors have removed tree roots from behind the work shed. This area will be developed after a settling period, and it is anticipated that potentially 200 graves will be made available soon.



Customer Services

Customer Experience

Customer Interaction Summary: 1 July to 30 September 2021

Council services remain in high demand despite the disruption of the COVID lockdown from August 18th through to September 7th.

Phone call volumes continue to trend downwards. However, this is offset by increasing numbers of electronic enquiries (emails and online forms).

Activities impacting on customer demand over the quarter included:

Dog Registration: the re-registration process throughout July – a large proportion of owners have completed this online

COVID: ensuring the essential services remained available to the community

Rates due for Hastings District Council and HBRC. Extensions were granted for both, which customers appreciated. The move to level 2 resulted in 324 customers coming in to pay their overdue invoices on September 8th.

In order to monitor trends and compare seasonal fluctuations, a summary of the various channels of enquiry over the past eighteen months is enclosed.

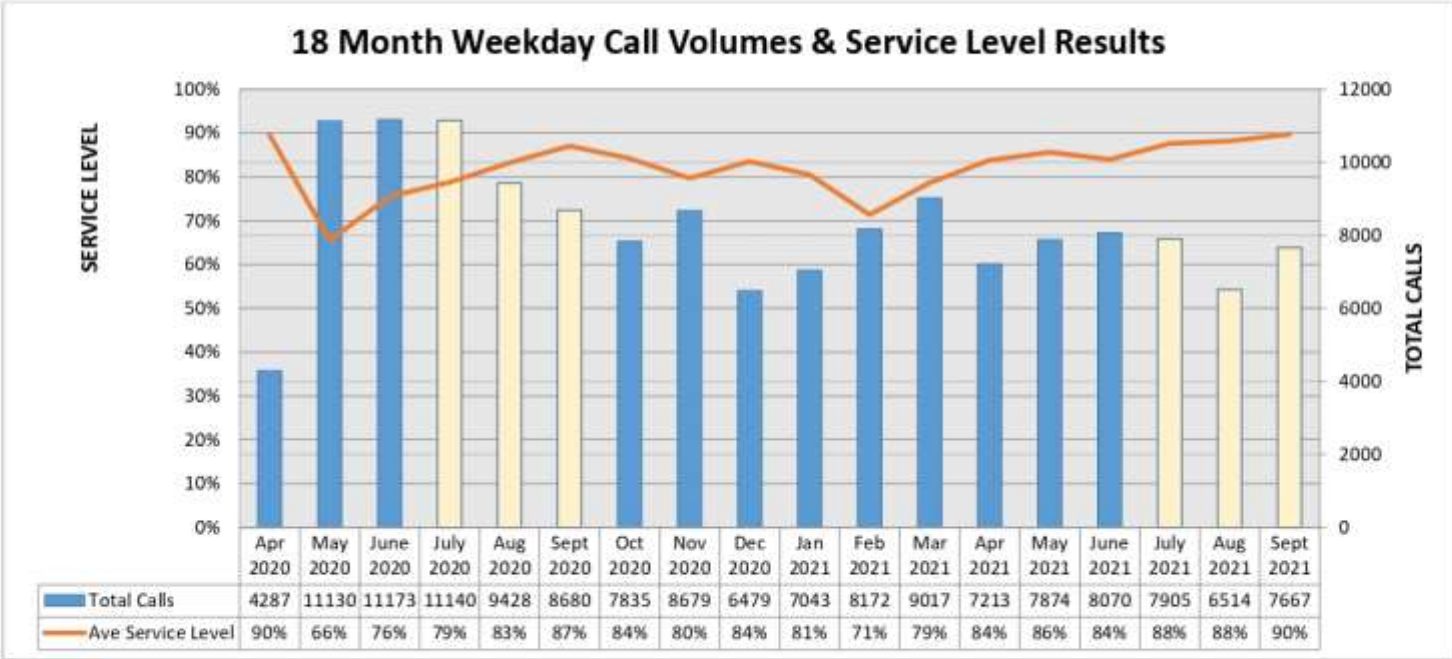
HDC Contact Centre

The contact centre operated throughout the lockdown period with the majority of staff coming into the Civic building and operating from various locations in the building. The cloud based system also enabled a handful of staff to work from home, handling both incoming phone calls and email enquiries. More work is required in refining the process, however progress is being made.

The total number of calls received over the quarter (22,086), much lower than the same period in 2020 (29,248)

Contrary to the 2020 COVID lockdown call volumes were lower as the public adapted quickly due to having “been through it before”.

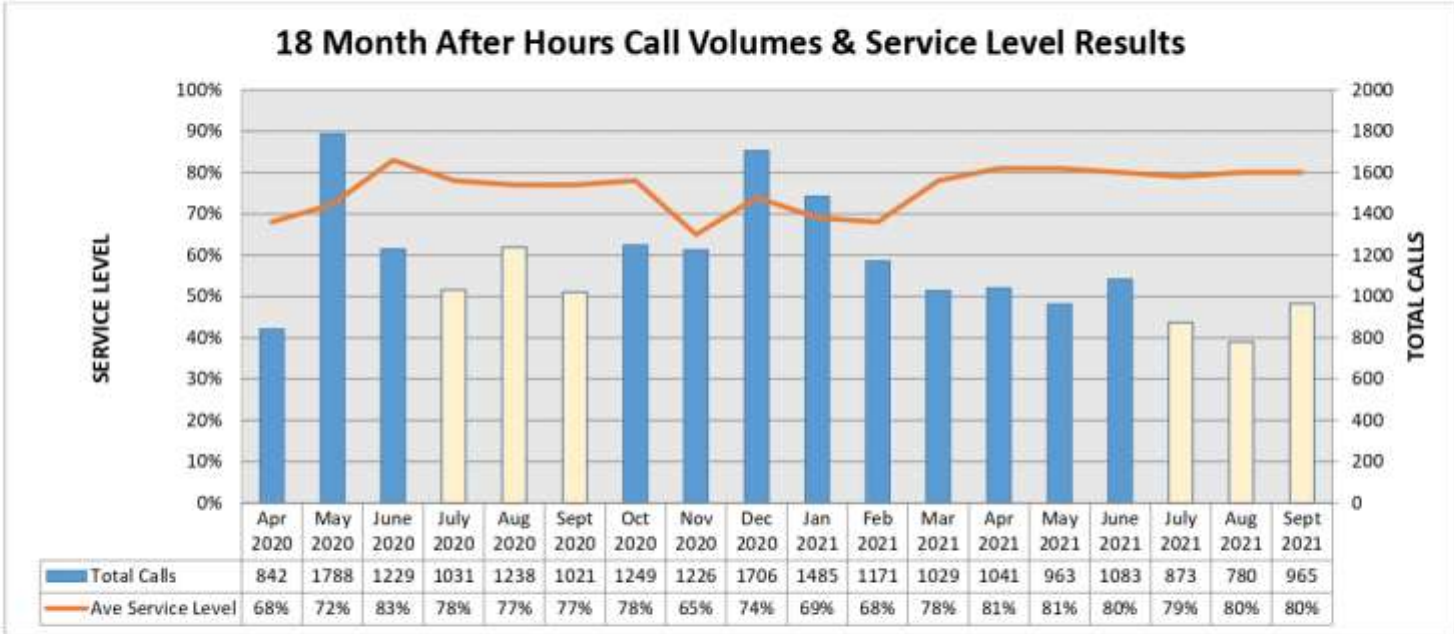
Service levels were strong throughout as calls were being answered quickly.



After-Hours Contact Centre

Calls received after-hours between 1 July and 30 September 2021 (2,618) were down a little on the same period in 2020 (3,290). The COVID lockdown resulting in lower numbers of calls than would typically be expected.

The service level remained consistent throughout the quarter.

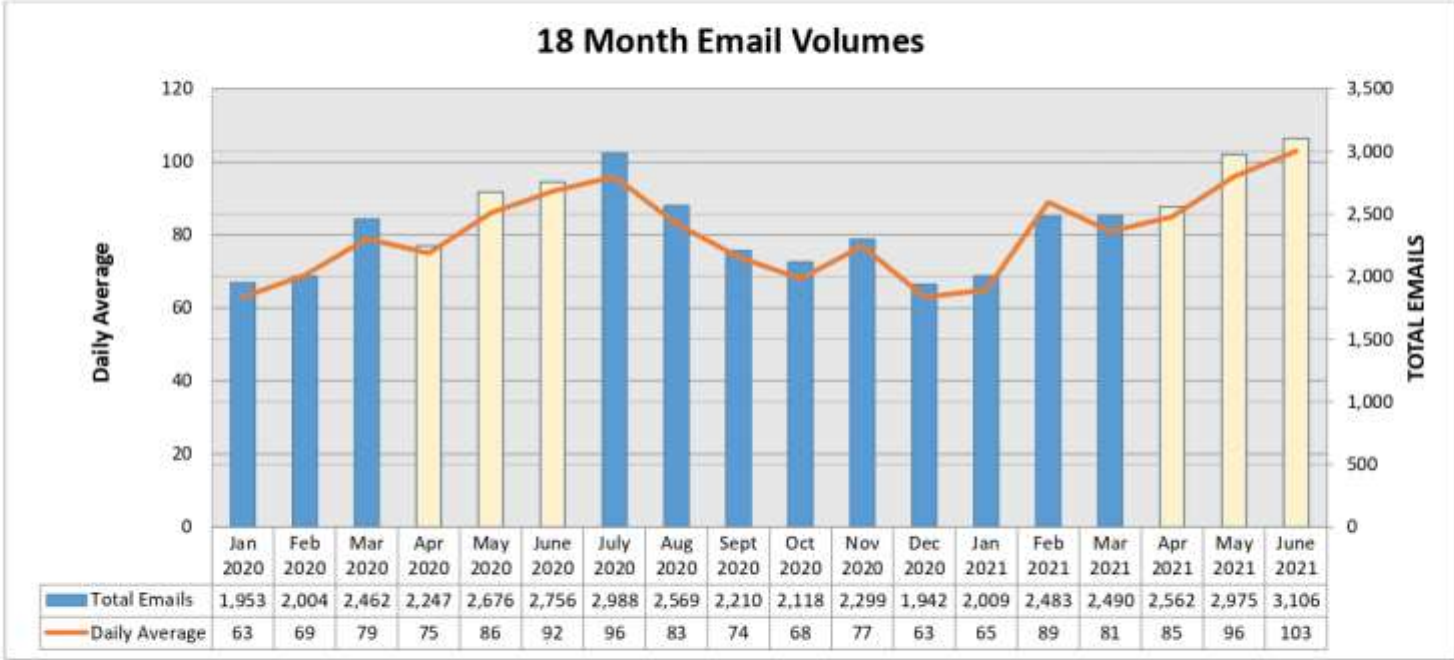


Emails to Customer Service

In contrast to other contact channels email enquiries were higher than the previous year – the 9,368 emails received, was an increase of 1,600 on the corresponding quarter in 2020.

Customers are utilising online channels more and more – COVID perhaps drives this further and enables business to continue remotely via electronic means.

Omni-channel: initial analysis of the data being gathered via the integrated contact centre software indicates the top four activity areas of email enquiries are Building; Animal Control; Waste and Finance (rates) activities.



Customer Service Centre (CSC)

The centre was closed to the public for 15 days during the quarter.

Prior to lockdown the centre had been busy processing dog registrations and were in the initial stages of the rate rebate application period.

Visitor numbers in July were similar to 2020 and an influx of customers post lockdown resulted in September 2021 numbers being higher than in 2020.

Although online activity continues to grow, there are sections of the community who do not utilise technology and rely on the face to face service to pay bills and request help. The Hastings DC and HBRC rates due, along with the rate rebate applications, were the main drivers of the increased foot traffic.



Looking Forward

Remote Working: Testing and refinement of remote contact centre operations is continuing.

Rate Rebates: Working with the retirement villages to assist residents with applications.

Risk Management

Risk and Assurance

The Risk & Assurance Committee reviewed the strategic risk register in light of the changed operating environment caused by COVID-19 outbreaks. The key changes that are being considered after this review are:

Cyber security elevated to a Tier 1 strategic risk.

The uncertainty for Council caused by the loss of trust and confidence in established organisations or mainstream media. As demonstrated by the views regarding COVID vaccination posted on social media channels that have gained wide spread following.

The Committee also continues to monitor the following areas that present an elevated risk profile for Council:

Legislative reform, including 3 waters , Resource Management Act and Local Government reform. The general theme is that there is still a great deal of uncertainty about the nature of the reform and changes facing Council. Ongoing monitoring will continue.

Response to the community and economic growth demands, particularly progression on housing development. A key area of discussion here is sustainability of the growth programme, and update of HPUDS land use plan toward developing an integrated spatial plan.

Treasury management continues to be compliant with policy with a net external debt position of \$167M. On a positive note Standard & Poors, the rating agency has revised Hastings District Council back up to stable with the AA rating being affirmed.

Strategic Risk Profile

The overall risk profile has not changed dramatically in the last 3 months, and on the whole most risk areas are stable. A copy of the full strategic risk register is included as an appendix to this report. The possible areas of future concern are indicated below.

Potential Future Issues

ID	Description	Details	Notes
26.	Climate adaptation failure	Lack of knowledge, protracted decision making or insufficient application of resources may cause climate change adaptation measures to fail adversely impacting economic, social and cultural wellbeing.	Mandatory climate change disclosures now required. This comes on the back of increasing number of scientific studies calling for greater action on reducing activities driving climate change.
28.	Significant statutory reform	Failure to proactively adapt to statutory changes could adversely affect economic, environmental, social or cultural wellbeing.	The statutory change processes for 3 Waters and resource planning continue to progress. Although, the reform programmes are constantly being adjusted.

Signals for Change

The following table provides a brief note on a sample of signals, or indicators, in the national and global operating context that may present risk to Council in the future.


Hi Impact / Critical			
Predictable	Response: Plan	Response: Understand (Construct Scenarios)	Uncertain
	<ul style="list-style-type: none">Post COVID Talent: Possible retention and recruitment issues from workforce preferences post COVIDSupply Chain Disruption: Increased supplier risk events due to extreme weather events, unplanned outages, supplier financial challenges, pandemic-induced lockdowns and cyberattacks.	<ul style="list-style-type: none">3 Waters, Resource Management & Local Government Reform: These significant reforms are progressing at a relatively fast pace and there is still significant uncertainty about the specific impacts of all three reforms.	
	Response: Monitor	Response: Review	
	<ul style="list-style-type: none">Organisation culture degradation while employees work remotely or in a hybrid workforce model.	<ul style="list-style-type: none">Post COVID China: The deteriorating relationship between China and G7 nations highlighted by the fallout from U.S./China trade talks and transparency concerns denotes an insecurity.Changing community expectations in the post COVID era. There is potential for a noticeable shift in consumer choices that may have an impact on community expectations of Council services.	
Low Impact			

Refer to Appendix 2: Full Strategic Risk Register


IMBT (Information Management and Business Transformation)

The IMBT team manage and support Council’s technology systems and IT infrastructure. The following summarises key project innovations and operational improvements over the reporting quarter (July - September) under ‘what’s hot’, challenges or delays under ‘what’s not’, and new emerging considerations under ‘what’s new’.


Achievements in the Quarter




SecurePass
Electronic Visitor Management System




Free up front counter staff
Visibility of who’s on site
Visitor notifications




Consent Progress Tracker
Progress monitor for Building Consents Stages



Community was requesting greater visibility of consents
Reduces the need for status updates between council and customer – both of us get time back!



“Project Partner”
Replacement for TimeDisciple



TimeDisciple is no longer supported
Technical Support and Product development roadmap
Familiar, easy to user interface – user confidence

What’s new and what’s hot

What’s new:



New! - Project Moonlanding

BI Dashboards and enhanced Reporting



Enhanced Reporting to Leadership

Augmenting with non-financial, volumetric information

Putting a story around the numbers.

What's hot:



Technology Strategy

Developing a Council wide Technology Strategy



Engagement with Council business units
Under-pinning council wide objectives
Strategy design team in place – planning underway

WorkSpace

Modernising our Records Management



Content Manager, plus Introduction of "WorkSpace"
Integrations with Office365, Microsoft Teams...
User friendly, easy to use web interface

Project OX

Refresh of Server and Storage Infrastructure



Renewal project
Request for Information / Open Tender
Implementation late 2021

Regional Datacentre

Shared Server Hosting Environment



Cost savings benefit from shared investment
Reduction of duplication
Begin aligning our technology strategies...

What's hot:



Project Phoenix
Refresh of GIS Service Delivery Infrastructure



Best Practice, Future proofing solutions
Upgrading systems, security, and spatial data
Free up time = Engagement with the business



Urban Aerial Mapping
Aerial Photography of the Region

Renewal project - Joint Council procurement
Critical for decision making and planning
Up-to-date, accurate information (rapid change)

3Waters Partnership
GIS Data Integration with Fulton Hogan



Updating workflows and exchanging data
New GIS tech – developing dashboards+ mobility apps
Resulting in increased visibility to our business



Project Shop
Procurement flow to Contract Management

Currently no formal Contract Management System
SHOP manages the complete lifecycle of purchasing
Robust procurement practice. Well managed contacts.



Media Communications

Releases

Over the quarter, 31 media releases were issued – 70 per cent of which were picked up, mainly by local print and digital media. These ranged from updates on Council’s representation review, progress on Three Waters, Flaxmere housing developments, Council’s LGNZ award wins and Hastings Libraries dropping overdue fines for children. Media release-initiated coverage was 75 per cent positive.

Media Coverage

There were 210 items published related to Hastings District Council this quarter. The tone across this coverage was 60 per cent balanced, 36 per cent positive and four per cent negative. There was a higher presence in national publications due to Council’s inclusion in news of the proposed Three Waters reform. Māori TV picked up on Council’s LGNZ housing award win, and The Listener ran an extensive piece on the Save Our Plains group’s concerns about housing on the Heretaunga Plains.

The key topics of media interest (incorporating releases and media driven stories) included:

July	August	September
Housing in Flaxmere	Three Waters reform	Three Waters reform
Jobs for Heretaunga celebration	COVID-19	SH51 speed limits
HB Museum Lotteries funding	Municipal Building funding	Havelock North cellphone tower
Housing (in general)	Keep NZ Beautiful Awards finalist	Flaxmere housing
LGNZ Award wins	Māori wards	Representation review
Three Waters reform		Joint Police/HDC efforts see vehicles impounded



Digital Communications

Social Media

Council's social media continues to perform well, with 353 new likes on Facebook across the quarter (21,809 followers as at 30 September). 295 posts including 40 videos were shared, driving 134,500 engagements with the content including 9,751 clicks (e.g. to follow a link to further content). Social media continues to be a very useful tool for sharing Council news as well as for explaining complex issues and gathering community feedback. During the quarter, Council did its first Facebook Live session on the topic of Three Waters. This generated 119 comments and 29 shares, and reached 13.3k people with 2.2k link clicks.

While the channel was heavily weighted towards COVID-19 information and guidance, we still had great engagement with posts about our stunning views (a staple in the content plan), parking, student road safety, waste management and housing growth among the top 10 posts for the quarter.

The top Facebook posts for the quarter were:

RANK	POST	REACH	ENGAGEMENTS	COMMENTS
1	Parking fee increases	40.0k	9,920	1,002
2	Splash Planet recruitment open	41.3k	9,226	468
3	Councillor Vaccination Song	12.4k	5,046	512
4	Missing Meatballs (moving to L3 post)	73.2k	4,414	703
5	Seal taking a stroll on Pakowhai Rd	15.4k	3,808	145

LinkedIn – Q1 Summary

LinkedIn is driving useful engagement with professional services, local business and government stakeholders. Updates on Three Waters, the Municipal Building upgrade, and research for understanding business needs related to economic development were among the most popular posts for the quarter. The page is also useful for recruitment, with two posted roles featuring in the top 10 posts.

Total followers	New followers	Number of updates	Engagement rate
1,764	124	21	3.8%

Website

The HDC website had lower activity over the last quarter as measured by page views (367,527, down from 383,512 in the past quarter), with new users at 161,844 (down from 184,399 new users in Q4). This is likely to be reflective of reduced activity in lockdown. There has been a continued focus on improving page content including readability as well as ensuring the site is a good source of detailed information on the large number of projects underway in the district such as housing, drinking water and City Centre upgrades. Information relating to building consents has also been reviewed and updated to improve user experience.

The most popular pages for the quarter were:

Top News Items	<ol style="list-style-type: none"> 1. New cemetery database 2. Triple honours for LGNZ Awards 3. Foodeast build starts
Search terms (search was used by 3.31% of users)	<ol style="list-style-type: none"> 1. Rates 2. District Plan 3. Dog Registration 4. Re-home a Dog 5. Long Term Plan
Popular Pages	<ol style="list-style-type: none"> 1. My Property 2. Events 3. Transfer Stations 4. Cemetery Database 5. Rates 6. COVID-19 FAQs 7. Collection Days 8. Maps and GIS 9. District Plan 10. Rehome a Dog 11. Rubbish & Recycling

Events

This quarter started strong for events with a number of civic events. Our annual Civic Honours Awards was once again a highlight and it was fantastic to see a number of people in our community recognised for all their hard work. Another focus was the launch of the Multicultural Strategy with continued work in progress to develop key relationships and acknowledge our diverse community through events and celebrations.

Typically the spring quarter is full with events and we were on track for a bumper season until Covid-19 struck again which had a large impact on events. With multiple events being forced to postpone and then later cancel, pressure was put on resources and facilities who were faced with no bookings and consistent uncertainty. There was a total of seven cancelled events and a further eight postponements just in the first quarter alone – the largest being our annual Blossom Parade which was forced to cancel after two postponement dates were exhausted. Future planning for summer events is also challenging with regular updates from Government not providing the level of certainty or appropriate lead-in time to allow event organisers to adequately (or confidently) plan for events. However, there are now discussions of mandatory vaccination certificates for event attendees to allow events to proceed in various alert levels with strict protocol in place.

Forward planning with event organisers is our key focus going forward to enable events to proceed and allow our community to once again come out and celebrate all the wonderful things our District has to offer.

Council-owned	
24 July	Multicultural Strategy Launch
27 July	Civic Honours Awards
4 August	Citizenship Ceremony

Council-sponsored (funded/supported)	
16-18 July	Winter Art Deco (various)
23 July	After Hours (Toitoto)
6-8 August	Hawke's Bay Yoga Festival (Napier)
18 September	Hawke's Bay Racing Spring Carnival – Tarzino Daffodil Race Day

Cancelled (Q1 Event Date)		
20 August	NZ Secondary Schools' Federation Cup	Cancelled
26 August	Celebrating our Olympians	Postponed
26 August	Hastings City Celebration Awards	Postponed
16 September	FoodEast Ceremony	Cancelled
21 September	Sister Cities 40 th Celebration Dinner	Postponed
25 September	Hawke's Bay Hundy	Cancelled
29 September	Super Sixes Sports Tournament	Cancelled

Key Projects

COVID-19

The Marketing & Communications team remained heavily involved in the COVID-19 Response group, communicating the changing levels to staff as well as keeping community updated as required by national level changes. HDC is committed to support the HB DHB with public messaging and is actively sharing posts related to COVID-19 and vaccination campaigns.

Drinking Water – Our Number One Priority

Communications including project website pages, community updates and targeted campaigns relating to projects were rolled out to the public including updates across a range of projects:

Campbell Street Water Upgrades

East Clive Waste Water Upgrades

Waiairoha & Frimley

Eastbourne connection

Small Community Water Supplies - Whakatū

Water conservation

Three Waters Reform

Significant effort has been put into sharing government's plans for three waters reform. Although not required of Council, HDC undertook a survey to gather community feedback to inform their own feedback/information requests to government. Over 800 responses were received through the online survey, in addition to emails and stakeholder feedback through officer email channels.

Housing – Homes for our People

Progress continues in the housing space. Following its recognition through two awards, the Hastings Place-Based Strategy has picked up interest within the sector. A 2,000 word feature article as published in IPANZ providing an overview of strategy and the approach that has proved so successful.

Housing Strategy Recognised

The Strategy was recognised in July, winning the Kāinga Ora Homes and Communities EXCELLENCE Award for Social Well-being category of the LGNZ Excellence Awards announced on 16 July. Council won both categories it entered, and was also runner up in one of those categories.

Housing Forum

Council hosted a local government housing forum on 6 August, supported by both the Marketing & Communications team and the Office of the CE. The event allowed delegates to gain a greater understanding of Council's approach to housing.

Flaxmere Development

Flaxmere Development Site 'Request for Expression of Interest' document was pushed live and generated an excellent level of response.

Inner City Living

Consideration of marketing activities that could encourage investors, builders and developers to convert empty Hastings city buildings into inner city apartments, and aid them with user-friendly guidance. (This is in alignment with the Hastings Urban Design Strategy, in particular HPUDs and its goal of building up rather than spreading out onto our fertile and productive Heretaunga plains).

Residential Conversion Guide

Updated Guide and created a webpage to help people who want to convert commercial buildings into inner city homes, in particular it provides advice on the Council Building and Resource Consent process.

www.hastingsdc.govt.nz/services/planning-and-resource-consents/residential-conversion-guide/

Building Consents Information Review

Created new Building Consents landing page to make information more navigable and accessible for users, and to allow them to access the latest editions of the Building Bulletin: www.hastingsdc.govt.nz/services/building-consents-information/

Community Engagement Activities

This quarter was a busy period in terms of community engagement events. A range of events occurred providing a chance for the community to learn more about projects, give feedback and/or speak with Councillors and Council staff on the various projects.

Date	Event
24 July	Launch of Multicultural Strategy (Toitoti)
31 Jul	Landfill Tour and Talk – Extension of Landfill Area B (Waiohiki Marae)
2 August	Representation Review Public Meeting (Council Chambers)
16 September	Three Waters Community Meeting (Facebook Live)



Consultations

Consultation	Description	Publish date	Close date
Hastings Youth Survey 2021	Inviting feedback from youth to shape the future for youth in Hastings.	23/09/2021	30/11/2021
Government's Three Waters Reform	Inviting feedback on the Government proposal to move the management of drinking water, waste water, and storm water (Three Waters) services away from city and district councils, to one of four entities across New Zealand. Feedback to be used to inform the Council's feedback on the draft proposal to Government.	03/09/2021	19/09/2021
Representation Review	Consultation on the Initial Proposal of representation arrangements for public submissions.	30/08/2021	01/10/2021
Representation review pre-engagement	Due to the Council decision to introduce Māori wards earlier this year, Council is required to do a representation review in 2021. Inviting feedback to form an initial proposal for formal public consultation.	24/07/2021	09/08/2021
Flaxmere Skate Park	Flaxmere Park has been the community's preferred site for a new skate facility for 10 years. With funding now available Council is seeking input to inform facility design.	18/06/2021	16/07/2021

Awards and Recognition

Local Government New Zealand Excellence Awards

Winner - Kāinga Ora Homes and Communities EXCELLENCE Award category for Social Well-being - Hastings Place-based Housing Plan



Winner - Creative New Zealand EXCELLENCE Award for Cultural Well-being - Toitō Hawke's Bay Arts and Events Centre



Highly Commended - Kāinga Ora Homes and Communities EXCELLENCE Award category for Social Well-being - Mahi for Youth programme



Keep New Zealand Beautiful Awards
(final judging postponed due to COVID-19)

Finalist - Most Beautiful Small City – Hastings

2021 NZ Procurement Excellence Awards
(winners announced Dec 2021)

Finalist - Innovation of the Year category - Hawke's Bay-wide Progressive Procurement Toolkit and Suppliers' Guide.

2022 New Zealand Bridges Awards
(winners announced March 2022)

Finalist - Excellence in Asset Management & Maintenance - Best practice and innovation in asset management and maintenance - Bridge Maintenance and Renewal Forecasting Tool – (Hastings District Council & WSP).



Acronyms, Terms and Māori Translations

Acronyms	
AWPT	Area Wide Pavement Treatment
BAU	Business As Usual
BBHB	Basketball Hawke's Bay
BBNZ	Basketball New Zealand
BCA	Building Consent Authority
CACTUS	Combined Adolescent Challenge Training Unit
CBD	Central Business District
CCC	Code of Compliance Certificate
CDEM	Civil Defence Emergency Management
CHP	Community Housing Provider
CMS/RAMM	Central Management System/Road Asset Maintenance Management
CRM	Customer Request Management
DWSNZ	Drinking Water Standards of New Zealand
EOTC	Education Outside the Classroom
ESG	Executive Steering Group
FENZ	Fire and Emergency New Zealand
FOH	Functions on Hastings, Toitū, Hawke's Bay Arts and Events Centre
HBAL	Hawke's Bay Airport Limited
HBCFCT	Hawke's Bay Community Fitness Centre Trust
HBMT	Hawke's Bay Museums Trust

Acronyms	
HBRC	Hawke's Bay Regional Council
HPUDS	Heretaunga Plains Urban Development Strategy
HTST	Heretaunga Tamatea Settlement Trust
JFH	Jobs for Heretaunga
KO	Kāinga Ora
LGOIMA	Local Government Official Information and Meetings Act 1987
LEOTC	Learning Experiences Outside the Classroom
LTP	Long Term Plan
MBIE	Ministry of Business Innovation and Employment
MGG	Matariki Governance Group
MSD	Ministry of Social Development
N4N	Nourished for Nil
NCC	Napier City Council
NZTA	New Zealand Transport Authority
PDS	Project Definition Sheet
PGF	Provincial Growth Fund
RMP	Reserve Management Plan
RSE	Recognised Seasonal Employer
RTA	Residential Tenancy Act
SEO	Search Engine Optimisation

Acronyms	
TANK	Tūtaekuri, Ahuriri, Ngāruroto and Karamū – management of freshwater in the greater Heretaunga catchments
WMMP	Waste Management and Minimisation Plan
YTD	Year To Date

Terms	
Assets	An item of property owned by a person or company, regarded as having value and available to meet debts or commitments
Capital Spend (Expenditure)	Funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment
Columbarium Wall	A place for the respectful and usually public storage of urns, holding a deceased's cremated remains
Cosplay	Costume play (designed to portray a character)
Defects	A warranty period
Depreciation	A reduction in the value of an asset over time, due in particular to wear and tear
Enterprise Systems	Large-scale enterprise software packages that support business processes, information flows, reporting, and data analytics in complex organisations
FoodEast	Hawke's Bay Food Innovation Hub
Hog Fuel	Wood chips or shavings, residue from sawmills, etc. used as a boiler fuel
Kāinga Ora	A Crown entity set up under the Kāinga Ora Homes and Communities Act 2019. It brings together the Kiwibuild Unit, Housing New Zealand and its subsidiary. It has two key roles: public housing landlord and partnering with the development

Terms	
	community, Māori, local and central government and others on urban development projects.
Leachate	A liquid produced by precipitation coming in contact with waste and infiltrating through landfills, seeps through the sides and bottoms of the landfill
Manga	Comics or graphic novels which originate from Japan that conform to a specific style
Residual Risk	The amount of risk associated with an action or event remaining after natural or inherent risks have been reduced by risk controls
Revenue	The income generated from normal business operations
Procurement	The process of finding and agreeing to terms, and acquiring goods, services, or works from an external source, often via a tendering or competitive bidding process
Statement of Intent	Local Government Act requirement for Council Controlled Organisations

Māori Translations	
Kaumātua	Elders in the Māori community
Manaaki	Hospitality
Rohe	Area
Taonga	Treasure
Tikanga	Formality/Custom
Wharekai	Dining hall



List of Appendices

- 1. Infometrics Quarterly Economic Monitor
- 2. Full Strategic Risk Register
- 3. Contract Schedule
- 4. Project Status Report
- 5. Summary and Trends

Item 7

Quarterly Economic Monitor

Hastings District June 2021

Overview of Hastings District

The Hastings District economy is looking good on virtually every economic indicator. Infometrics provisionally estimates that economic activity in Hastings grew 7.0%pa in the June 2021 year compared with 6.5%pa across the Hawke's Bay Region and 4.2%pa growth nationwide. Consumer spending remains strong with the value of electronic card transactions in Hastings growing 14%pa in the June 2021 year.

Both the economic activity and consumer spending results are abnormally strong because the previous year includes the lockdown-affected June 2020 quarter. But there's no disguising the fact that Hastings has recovered well from lockdown, with fruit prices, consumer spending and building work leading the way.

International fruit prices remain strong but disruptions to international supply chains are creating concerns about growers' access to refrigerated shipping containers, and some ships missing New Zealand ports completely to stay on schedule. Consumer spending is being boosted by tourism spending which hit \$183m in the June 2021 year, compared with \$139m the previous year and \$145m the year before that.

Residential consents grew 23%pa in the June 2021 year. The June 2021 year is being boosted by an unprecedented 183 consents in the September 2020 quarter. At 110 consents, the June 2021 quarter was much lower but still well above the 10-year average of 77.

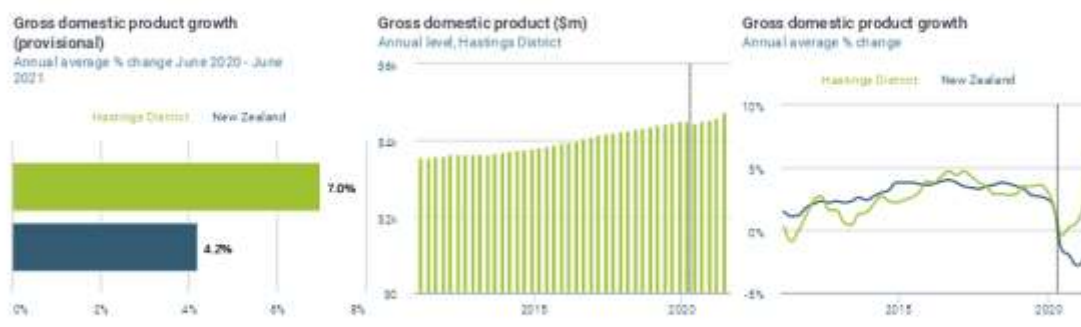
Non-residential consents remain at very high levels, growing 28%pa in the June 2021 year. The June 2021 quarter saw strong consent numbers for "Office, administration, and public transport buildings", "Hostels, boarding houses, and prisons" and the "Factories and industrial buildings".

The Hastings job market is doing well with construction, healthcare, food processing and wholesale trade all gaining jobs in the past year. The unemployment rate has dropped from a recent peak of 5.0% in the December 2020 year to 4.6% in the June 2021 year. The number of Jobseeker Support recipients is also trending downwards with 3,006 recipients in the June 2021 quarter compared with a peak of 3,687 in the September 2020 quarter.

Indicator	Hastings District	Hawke's Bay Region	New Zealand
Annual Average % change			
Gross domestic product (provisional)	7.0 % ▲	6.5 % ▲	4.2 % ▲
Traffic flow	15.0 % ▲	15.0 % ▲	9.6 % ▲
Consumer spending	13.7 % ▲	11.3 % ▲	7.7 % ▲
Employment (place of residence)	2.1 % ▲	2.1 % ▲	-0.1 % ▼
Jobseeker Support recipients	25.6 % ▲	23.0 % ▲	27.7 % ▲
Tourism expenditure	31.7 % ▲	23.1 % ▲	5.4 % ▲
Health enrolments	1.2 % ▲	1.4 % ▲	1.3 % ▲
Residential consents	23.2 % ▲	17.7 % ▲	17.8 % ▲
Non-residential consents	28.0 % ▲	53.6 % ▲	13.1 % ▲
House values *	35.5 % ▲	34.4 % ▲	27.3 % ▲
House sales	11.7 % ▲	12.0 % ▲	39.7 % ▲
Car registrations	23.5 % ▲	27.6 % ▲	2.5 % ▲
Commercial vehicle registrations	19.6 % ▲	21.3 % ▲	9.1 % ▲
Level			
Unemployment rate	4.6 %	4.9 %	4.7 %

* Annual percentage change (latest quarter compared to a year earlier)

Gross domestic product



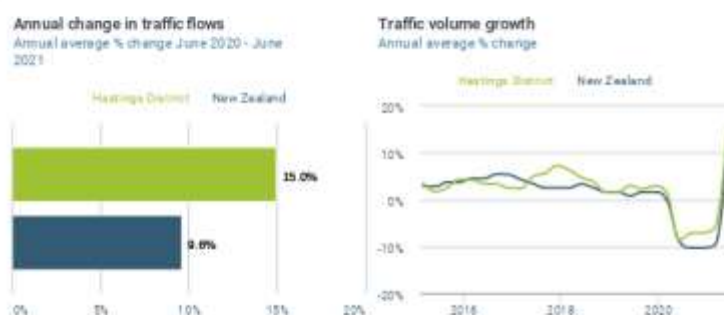
Highlights for Hastings District

- GDP in Hastings District was provisionally up 7% for the year to June 2021 compared to a year earlier. Growth was higher than in New Zealand (4.2%).
- Provisional GDP was \$4,748 million in Hastings District for the year to June 2021 (2020 prices).
- Annual GDP growth in Hastings District peaked at 7% in the year to June 2021.

National overview

Economic activity across New Zealand continues to press higher still, with supply chain issues and skills shortages threatening to limit further growth. Provisional estimates from Infometrics show economic activity up a whopping 17%pa in the June 2021 quarter to take year-end growth to 4.2%. However, the strength in activity is clouded by the comparison June 2020 period including the nearly five-week Alert Level 4 lockdown. Compared to June 2019, economic activity is sitting 3.7% higher, with further expansion seen since the surprisingly strong result in March 2021. Strong construction activity, coupled with higher healthcare and manufacturing activity, are leading the continued improvement in economic activity. Although short-term headwinds may restrict growth going forward, risks to longer-term growth also persist as the economy overheats and drags future growth into the here and now. Higher interest rates in response to booming economic activity might well cool down the economy into 2022, towards more sustainable levels.

Traffic flow



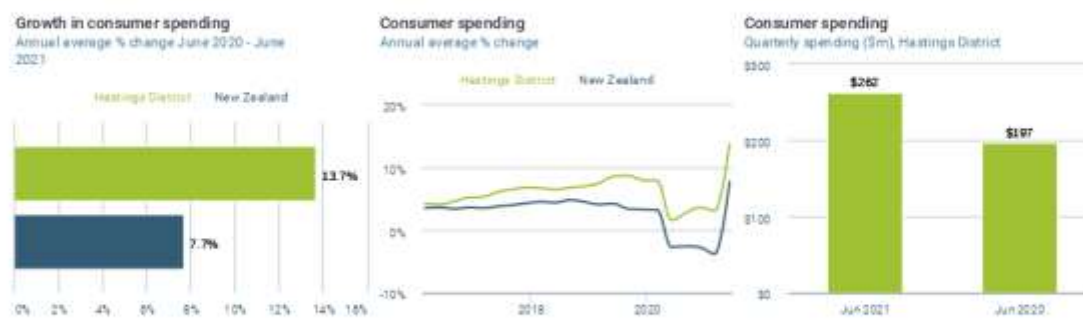
Highlights for Hastings District

- Traffic flows in Hastings District increased by 15% over the year to June 2021. This compares with an increase of 9.6% in New Zealand.

National overview

Traffic activity rose 9.6%pa over the 12 months to June 2021, as the plunge in traffic movements during Alert Level 4 drop out of the numbers. June 2021 quarter traffic flows were sitting 2.6% higher than June 2019 quarter, indicating the strengthening level of traffic movements across the country. Traffic activity remains generally stronger across the North Island, with softer growth in the South Island. Changes to current economic drivers, including across tourism, construction, primary sector, manufacturing, and freight continue to be felt.

Consumer spending



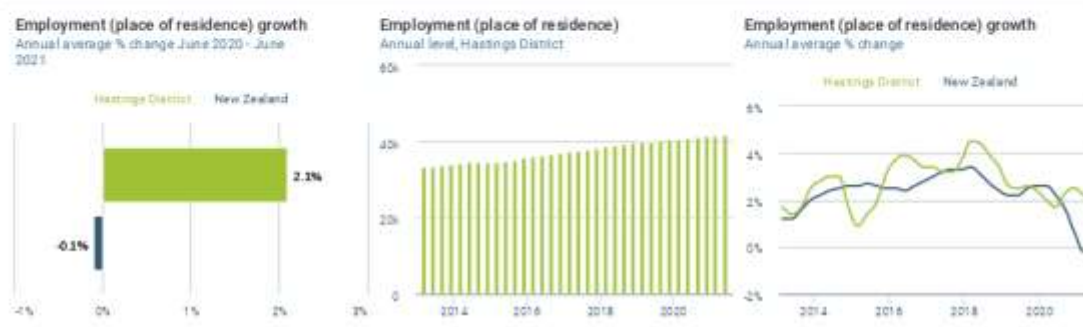
Highlights for Hastings District

- Electronic card consumer spending in Hastings District as measured by Marketview, increased by 13.7% over the year to June 2021 compared to the previous year. This compares with an increase of 7.7% in New Zealand.

National overview

Spending activity across New Zealand continued to rise in the June 2021 quarter, with strong demand conditions across the economy. Spending rose 33%pa in the quarter to take year-end growth to 7.7%pa according to Marketview data. However, this roaring growth is heavily exaggerated by comparing to the 12 months to June 2020 which includes the nearly five-week Alert Level 4 period. Underlying spending growth remains strong, just not that strong, with June 2021 spending up 6.5% compared to the June 2019 quarter. Unsurprisingly, main urban centres and tourism-based economies continue to show slower growth than other parts of New Zealand.

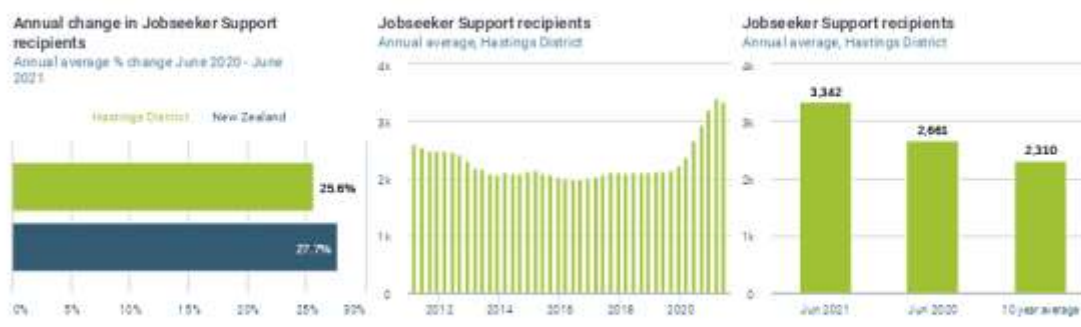
Employment (place of residence)



Highlights for Hastings District

- Employment for residents living in Hastings District was up 2.1% for the year to June 2021 compared to a year earlier. Growth was higher than in New Zealand (-0.1%).
- An average of 41,666 people living in Hastings District were employed in the year to June 2021.
- Annual employment growth for Hastings District residents peaked at 4.5% in the year to March 2018.

Jobseeker Support recipients



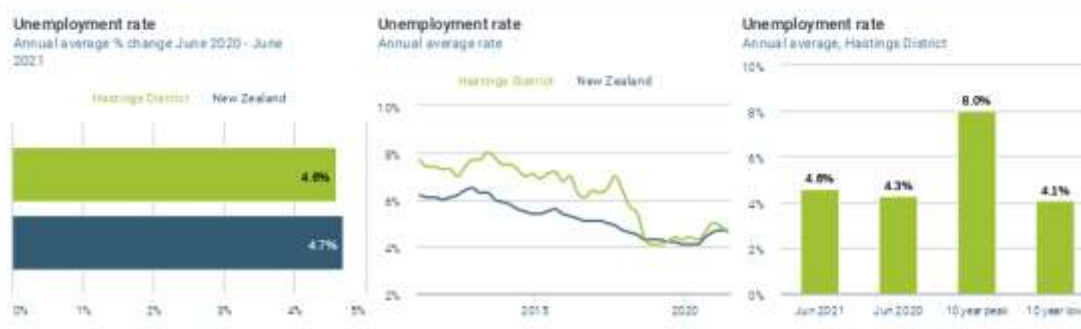
Highlights for Hastings District

- Jobseeker Support recipients in Hastings District in the year to June 2021 increased by 25.6% compared with previous year. Growth was lower relative to New Zealand (27.7%).
- An average of 3,342 people were receiving a Jobseeker Support benefit in Hastings District in the 12 months ended June 2021. This compares with an average of 2,310 since the start of the series in 2012.

National overview

Jobseeker Support recipients continue to fall, reflecting a continued improvement in the jobs market and work by government and local job brokers to support better employment outcomes. June 2021 quarter recipient numbers were sitting at 190,260, 0.1% lower than in June 2020, after the bulk of additions to benefit support occurred. Continued falls in quarterly figures, coupled with the June 2020 skyrocket falling out of the current year numbers, means average Jobseeker Support recipients over the last 12 months have stabilised and will show reductions in future quarters. Jobseeker Support recipients remain substantially above pre-pandemic levels, with 54,000 more people on this benefit in June 2021 than in June 2019. With the jobs market strong, issues around skills matching are expected to become more pertinent.

Unemployment rate



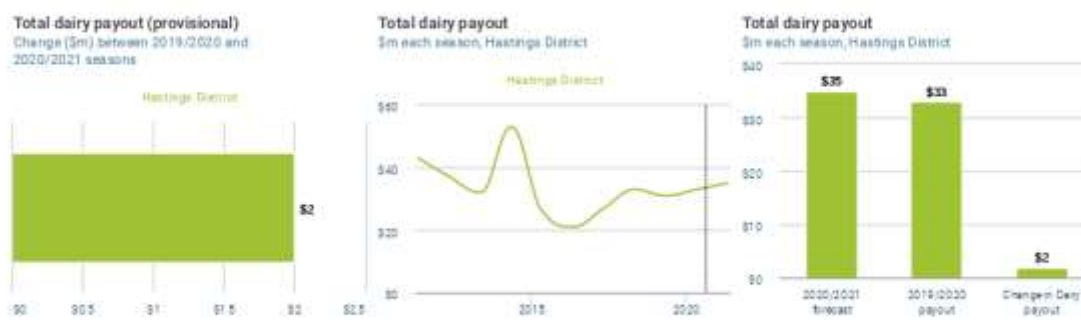
Highlights for Hastings District

- The annual average unemployment rate in Hastings District was 4.6% in June 2021, up from 4.3% 12 months earlier.
- The unemployment rate in Hastings District was lower than in New Zealand (4.7%) in June 2021.
- Over the last ten years the unemployment rate in Hastings District reached a peak of 8.0% in June 2013.

National overview

The unemployment rate plunged to 4.0% on a seasonally adjusted basis in June 2021, as the underutilisation rate also dropped to 10.5%. The fall in the unemployment rate was the sharpest drop on record over the last 35 years, underscoring the substantial improvement in the labour market. The sharp tightening also highlights the pressures faced to meet rampant demand even as the supply of skills remains restricted. The strong labour market performance backs up lower spare capacity in the jobs market, with strong filled jobs growth in June, record job ads, and businesses reporting both the most difficult period to find workers, and highest levels of job churn, on record. Pay increases rose in response, with more pressure on wages expected throughout 2021.

Dairy payout



Highlights for Hastings District

- Hastings District total dairy payout for the 2019/2020 season is estimated to have been approximately \$33 million.
- Hastings District's dairy payout for the 2020/2021 season is expected to be approximately \$35 million, \$2 million higher than last season, assuming that production levels from last season are maintained.
- The total dairy payout for New Zealand is estimated to have been approximately \$13,537 million in the 2019/2020 season, and is expected to be \$1,168 million higher in the 2020/2021 season.

National overview

Dairy sector activity remains robust, with commodity prices coming off their peaks in recent months. Milk production across the country has been stronger than expected, with milk volumes sitting 2.6%pa higher in the 2020/21 season. Higher milk volumes have seen milk prices soften a touch for the season ahead and have also seen Fonterra narrow their farmgate milk price to \$7.45-\$7.65/kgms. This \$7.55/kgms midpoint is 5c below the previous midpoint, but the higher milk collection means our pay-out estimate has edged up 0.6% for the 2020/21 season from our March update, with \$14.7b now expected. This pay-out would be around \$1.2b (8.6%) higher than the 2019/20 season. We expect the 2021/22 season pay-out to decline slightly from the current expected estimate given supply levels.

Tourism expenditure



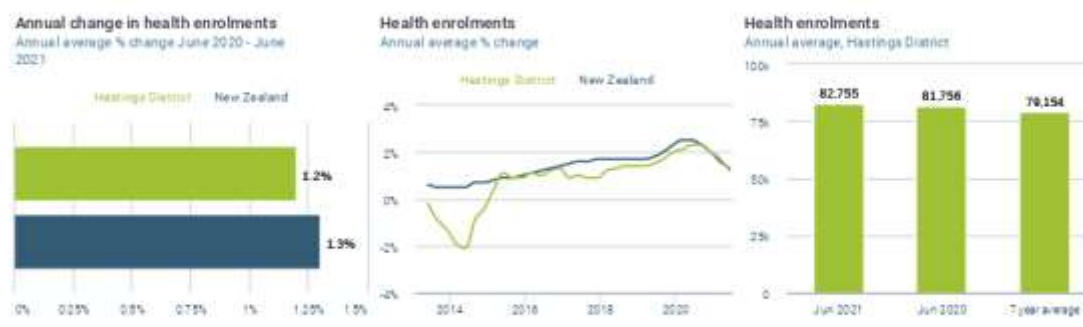
Highlights for Hastings District

- Total tourism expenditure in Hastings District increased by 31.7% in the year to June 2021. This compares with an increase of 5.4% in New Zealand.
- Total tourism expenditure was approximately \$183 million in Hastings District during the year to June 2021, which was up from \$139 million a year ago.

National overview

Total visitor spending over the 12 months to June 2021 was sitting 5.4% higher than in 2020 – a period that included the Alert Level 4 period when tourism was non-existent. This growth overemphasises the position of the tourism sector, but robust tourism activity is supporting spending. Relative to 2019 levels, total tourism spending is 5.2% lower, with international spending down 73%, but domestic tourism spending up nearly 18% from pre-pandemic levels. The Trans-Tasman bubble helped for a period but hopes for further recovery in tourism activity was dashed as the bubble popped and looks unlikely to reopen any time soon.

Health enrolments



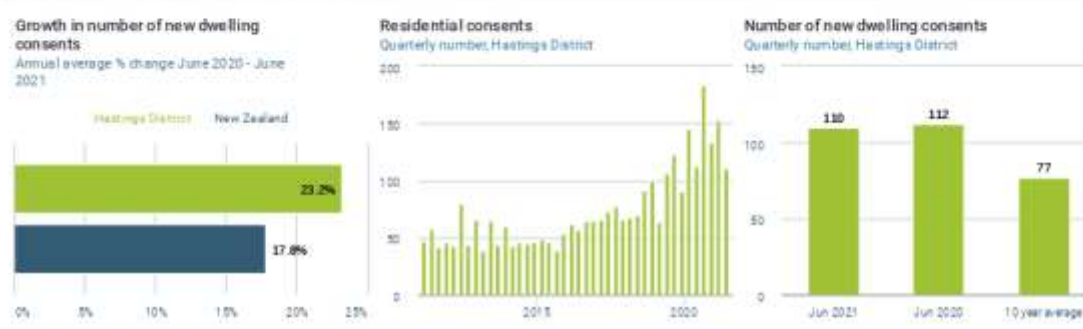
Highlights for Hastings District

- The number of people enrolled with a primary health organisation in Hastings District in the year to June 2021 increased by 1.2% compared with previous year. Growth was lower relative to New Zealand (1.3%).
- An average of 82,755 people were enrolled with primary healthcare providers in Hastings District in the 12 months ended June 2021. This compares with an average of 78,681 since the start of the series in 2014.

National overview

Slower population growth is evident across New Zealand as the collapse in net migration continues. Health enrolments rose by 1.0% in the June 2021 quarter compared to June 2020, the slowest pace in six years. This continued slowdown dragged year-end growth to 1.3%, considerably lower than the 2.5%pa growth seen in early 2020. The lack of migration into New Zealand has contributed to the pressures in the labour market, with the lack of skilled workers severely impacting a number of sectors. MIQ allocations are if anything lower than previously which will keep a low cap on arrivals into New Zealand.

Residential consents



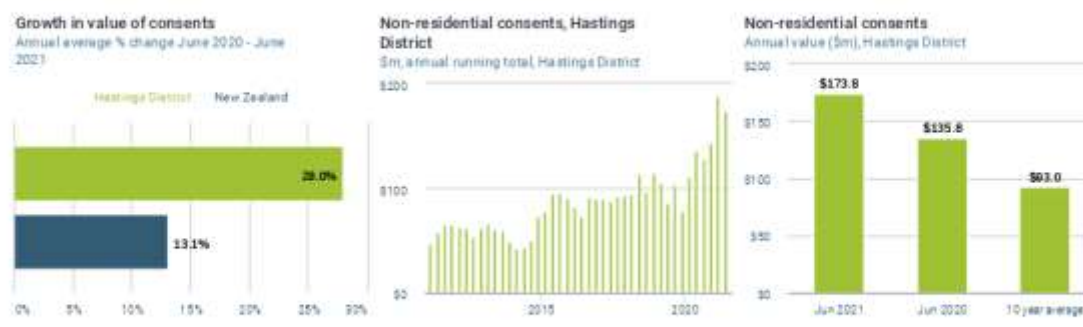
Highlights for Hastings District

- A total of 110 new residential building consents were issued in Hastings District in the June 2021 quarter, compared with 112 in the same quarter last year.
- On an annual basis the number of consents in Hastings District increased by 23.2% compared with the same 12-month period a year ago. This compares with an increase of 17.8% in New Zealand over the same period.

National overview

Residential building consents continue to climb to new record highs. Annual dwelling consents are sitting at 44,299 in the year to June 2021, up a staggering 18% compared to the year prior. Sustained and rampant house price growth has highlighted the need for more housing stock. Additionally, new government policy has been implemented to encourage investors to build new housing. We expect consents to maintain their strength over the remainder of the year, but capacity constraints are becoming a more pressing issue to convert these consents into actual building activity.

Non-residential consents



Highlights for Hastings District

- Non-residential building consents to the value of \$173.8 million were issued in Hastings District during the year to June 2021.
- The value of consents increased by 28% over the year to June 2021. By comparison the value of consents increased by 13.1% in New Zealand over the same period.
- Over the last 10 years, consents in Hastings District reached a peak of \$187.8 million in the year to March 2021.

National overview

The value of non-residential building consents climbed 13% over the year to June 2021. Factory building consents have continued to show strength over the past year. Uncertain international supply chains and rising freight costs provide a strong argument for self-reliance and have helped encourage new factory building. Public consents have also shown incredible strength over the past year, particularly for education, hospitals, and social, cultural, and religious building consents. Strong fiscal stimulus to support the economy coming out of lockdown has helped boost public consents by 51% over the year to June 2021.

House values



Highlights for Hastings District

- The average current house value in Hastings District was up 35.5% in June 2021 compared with a year earlier. Growth outperformed relative to New Zealand, where values increased by 27.3%.
- The average current house value was \$798,087 in Hastings District in June 2021. This compares with \$922,421 in New Zealand.

National overview

House prices continue their rampant run across the country, with house price growth reaching 27% in June 2021. Record low interest rates have encouraged many buyers into the market, with the low rates keeping mortgage repayments affordable despite record prices. As sales outstrip listings, a lack of supply is contributing to pushing up prices further. In recent months, sustained inflation in the economy has become a much more pressing issue, which will likely lead to an increase in the Official Cash Rate sooner than initially thought, and therefore higher mortgage rates, which may contribute to helping slow house price growth.

House sales



Highlights for Hastings District

- House sales in Hastings District in the year to June 2021 increased by 11.7% compared with the previous year. Growth underperformed relative to New Zealand, where sales increased by 39.7%.
- A total of 1,212 houses were sold in Hastings District in the 12 months ended June 2021. This compares with the ten year average of 1,121.

National overview

House sales have grown 40% over the year to June, a growth rate exaggerated by lower sales during Alert Level restrictions in the first half of 2020. Record low interest rates have encouraged buyers into the market. Rampant sales over the past year have meant supply has been unable to keep up with demand. As a result, in recent months house sales have started to show signs of a slowing trend. As prices are continuing their growth, it becomes obvious this slowing of sales is driven by a limited number of listings available for purchase, rather than a drop off in demand. This lack of supply is only contributing to further house price growth.

Car registrations



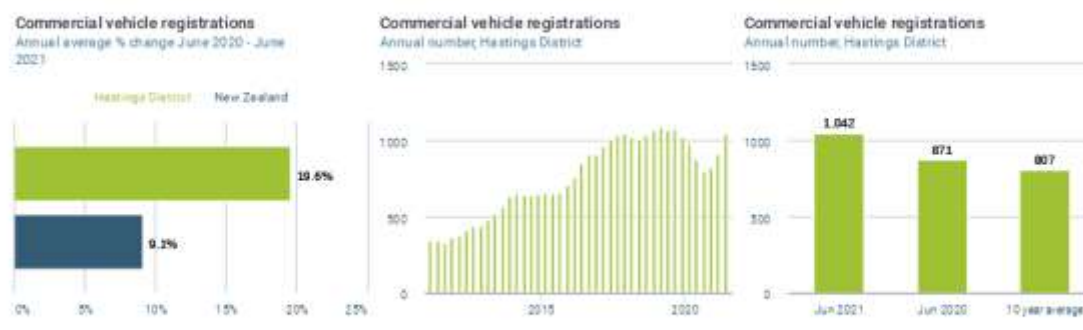
Highlights for Hastings District

- The number of cars registered in Hastings District increased by 23.5% in the year to June 2021 compared with the previous 12 months. Growth was higher than in New Zealand (2.5%).
- A total of 2,968 cars were registered in Hastings District in the year to June 2021. This compares with the ten year average of 2,481.

National overview

Passenger car registrations rose 2.5%pa in the 12 months to June 2021, as the fall in registrations during Alert Level 4 in 2020 moves out of the numbers. The underlying trend for car registrations is continuing to strengthen, with June 2021 quarter registrations sitting just 1.3% lower than 2019 levels. Registrations still have a way to go, with June 2021 year registrations of just under 231,000 still sitting nearly 7% below the 10-year average. Demand for vehicles remains strong, but supply chain issues have hampered registrations, forcing car prices to rise. Stronger demand for EVs is apparent since the government's new rebate was introduced, but its unknown yet how the introduction in 2022 of fees on high-emitting vehicles might influence the market.

Commercial vehicle registrations



Highlights for Hastings District

- The number of commercial vehicles registered in Hastings District increased by 19.6% in the year to June 2021 compared with the previous 12 months. Growth was higher than in New Zealand (9.1%).
- A total of 1,042 commercial vehicles were registered in Hastings District in the year to June 2021. This is higher than the ten year annual average of 807.

National overview

Commercial vehicle registrations have shown continued strength in 2021, with annual registrations of over 54,600 sitting 9.1% higher than in 2020. Stronger economic activity across construction, retail, primary sector, manufacturing, and freight sectors have boosted commercial vehicle needs, and annual registrations are sitting 8% clear of the 10-year average. Relative to 2019 levels, current registrations look a touch weaker, but the last few years prior to COVID-19 showed exceptionally strong registration levels. Sustained strong economic conditions are expected to keep registration levels up, and recent government moves may bolster light commercial registration numbers in 2021 ahead of new fees being added to high-emitting vehicles in 2022.

Technical Notes

Building Consents

Building consents data is sourced from Statistics New Zealand. The number of residential consents issued for new dwellings is the measure for residential consents. For non-residential consents, the measure is the value of both new buildings and alterations.

Consumer Spending

The consumer spending data is sourced from Marketview. It measures total electronic card spending using spending through the Paymark network and adding to it an estimate of non-Paymark network spending using the pattern of BNZ card holder spending at non-Paymark retailers. For further breakdown of the data by storetype and other variables contact Marketview.

Employment (place of residence)

Employment data is based off a range of Stats NZ employment datasets, and represents the number of filled jobs, based on the area of residential address for the employee (rather than workplace address). This place of residence location means that the employment series reflects trends in employment of an area's residents, which may be different to trends in employment at businesses in an area, particularly when there are strong commuting flows. The most recent quarter is based off the average of Monthly Employment Indicator (MEI) filled jobs from Statistics New Zealand for the past three months, with previous quarters being backcasted using the percentage change in the quarterly Business Data Collection dataset published by Statistics New Zealand.

Gross Domestic Product

Gross Domestic Product is estimated by Infometrics. A top down approach breaks national industrial production (sourced from production based GDP measures published by Statistics New Zealand) is broken down to TA level by applying TA shares to the national total. Each TA's share of industry output is based on earnings data from LEED. GDP growth in recent quarters is based on a model which uses the various partial economic indicators presented in this report as inputs. Estimates of GDP for these most recent quarters are provisional until Infometrics updates its annual GDP series in the Regional Economic Profile at the beginning of each year. Gross domestic product is measured in 2020 dollar terms.

Health Enrolments

Health enrolments are sourced from the Ministry of Health. They record the number of people in each area who are enrolled with a Primary Health Organisation (PHO). Enrolment is voluntary, but most New Zealanders enrol at a general practice for health reasons and for the benefits of enrolment, such as cheaper doctors' visits and reduced costs of prescription medicines. Changes to how the Ministry of Health recorded this data led to Infometrics revising our approach to health enrolment figures for the March 2019 Quarterly Economic Monitor onwards. Our new approach completely revises our timeseries of health enrolments, so care should be taken when comparing the March 2019 report with previously downloaded reports.

Previously, the data provided was only for those people whose addresses are able to be accurately recorded by the Ministry of Health. We have now switched to breaking down TA-level health enrolments based on trends in stated health enrolments by area, to ensure that the total number of enrollees published in the Monitor align with the national-level figures published by the Ministry of Health. A new system for classifying and recording health enrolment addresses from March 2019 onwards by the Ministry means significantly higher numbers of unallocated enrollees, resulting in the need to review our model.

House Sales

The number of house sales is sourced from REINZ. The indicator measures the number of house sales at the point when the sale becomes unconditional. The unconditional date is the date when all the terms of an agreement have been satisfied and the sale and purchase can proceed to settlement.

House Values

House values (dollar value) are sourced from CoreLogic. The levels quoted in the report are average values for the quarter.

Jobseeker Support Recipients

In July 2013 the New Zealand's welfare system changed to better recognise and support people's work potential. As part of this the Jobseekers Support benefit was introduced. This benefit is for people who can usually look or prepare for work but also includes people who can only work part-time or can't work at the moment, for example, because they have a health condition, injury or disability.

Data presented for the September 2013 quarter onwards is provided by the Ministry of Social Development (MSD). Data prior to September 2013 are Infometrics estimates based on re-grouping pre-July 2013 benefit categories to be consistent with the post-July 2013 benefit categories. The pre-July 2013 benefit categories used to estimate the number of Jobseekers Support recipients are: Unemployment Benefit and Unemployment Benefit Hardship; Unemployment Benefit Training and Unemployment Benefit Hardship Training; Sickness Benefit and Sickness Benefit Hardship; Domestic Purposes Benefit - Sole Parent (if youngest child is 14 or over); Women Alone and Widow's Benefit (without children or with children 14 or over).

Tourism Expenditure

New Tourism Electronic Card Transactions (TECTs) are an interim replacement for the Monthly Regional Tourism Estimates (MRTes). We have removed our previous timeseries of MRTes and published the three annual snapshots provided in the TECTs. The TECTs reflect the expenditure for all electronic card transactions (ECTs) in New Zealand related to tourism. Marketview use a base of spending on the Paymark network (approximately 70 per cent of total ECT spend) to scale up to total ECT spend.

Traffic Flow

Traffic flow growth rates are calculated from the number of vehicles passing approximately 110 sites monitored by New Zealand Transport Agency. Each of the sites has been mapped to a territorial authority.

Unemployment Rate

Regional level unemployment rates are sourced from Statistics New Zealand's Household Labour Force Survey. Trends in the number of Jobseekers are used to break down regional unemployment rates to TA levels. The TA level unemployment rates are benchmarked on census following the release of each census. To reduce volatility the unemployment rate is presented as an average for the last four quarters.

Vehicle Sales

Car and commercial vehicle sales data are sourced from New Zealand Transport Authority. Sales are based on new registrations which include the first time registration of new vehicles and used vehicles imported from overseas.

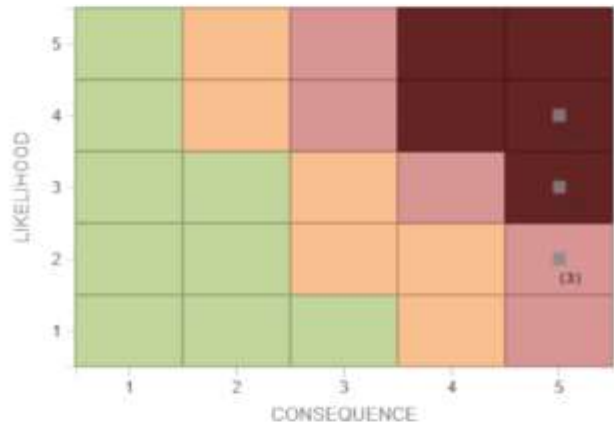
Weekly Rents

Rents (\$ per week) are sourced from monthly data provided by MBIE and averaged across each quarter or year using weighted geometric means. Rental data pertains to averages from data collected when bonds are lodged and does not control for specifications of the home (eg. size, number of bedrooms, age of home, etc).

Appendix 2: Full Strategic Risk Register

It should be noted that the risk analysis of the strategic risks is still underway. As a result, the current risk levels have not been estimated so the table below only provides the inherent risk assessments.

Inherent Risk for Strategic Risk



ID	Description	Details	Inherent risk level
3	People Safety & Wellbeing	Exposure to poor working conditions giving rise to serious health impacts affecting workers (including; employees, contractors and volunteers), customers and public as a result of activities undertaken by Council. Serious health impacts are considered those conditions which result in either a serious injury or illness requiring significant medical treatment (e.g. hospitalisation), or resulting in permanent disability/impairment or death.	Extreme
21	Significant Operational Service Failure	Operational failure that may have material impact on delivery of Council services to the community.	Extreme
22	Water Quality & Quantity	As a result of climate change and human activities, there may not be a sustainable quantity of quality water to support the communities economic, social and environmental wellbeing aspirations.	Extreme
23	Financial Sustainability	Due to over committing to work programmes the financial sustainability of the Council may be compromised affecting delivery of all goals.	Extreme
24	Inequitable resource allocation	Ineffective or complex district plan land-use policies may compromise the ability to deliver equitable access to resources affecting Social, Cultural, Economic and Environmental wellbeing.	Extreme
25	Spatial and asset management planning	Failure to accurately understand community needs may lead to poor spatial and asset management planning that compromises delivery of the services required by the community adversely affecting economic, social and cultural wellbeing.	Extreme
26	Failure of climate adaptation	Lack of knowledge, protracted decision making or insufficient application of resources may cause climate change adaptation measures to fail adversely impacting economic, social and cultural wellbeing.	Extreme
14	Governance Failure	Failure to clearly define Councils goals and strategy, or to monitor the achievement of anticipated outcomes, or to work effectively together as a team, will detract from the quality of decisions and impede the achievement of strategic objectives. Inadequate oversight of management or the failure to ensure legal compliance exposes the organisation to significant financial, service delivery and reputation risks.	High
27	Increasing social inequity	Failure of community engagement, consultation and stakeholder partnerships, particularly Iwi and Government agencies, may lead to further increases in social inequity in the community adversely affecting Social, Cultural and Economic wellbeing.	High
28	Significant statutory reform	Failure to proactively adapt to statutory changes could adversely affect economic, environmental, social or cultural wellbeing.	High

Appendix 3

2021/22 [Q1] Contract Schedule

[1] Other costs can include site investigations, design and consultancy fees, supply of materials and supporting activities delivered via existing maintenance contracts and by others

Index #	Month	Contract #	Contract Name	Contract Estimate	Tenders	Range of Tenders	Selected Tenderer	Accepted Tender Value	Other Costs (see note 1)	Total	Funds Allocated	Variance
1	Jul	CON2021044	Manifold – Land Based Concrete Outfall Investigations	\$146,904	1	\$166,904 to \$166,904	Drainways Contracting Ltd	\$166,904	\$0	\$166,904	\$166,904	\$0
2	Jul	CON2021049	Cornwall Park Aviary - Advice on Bird Composition and Living Environment	\$5,000	1	Negotiated	Massey University	\$1,386	\$0	\$1,386	\$5,000	\$3,614
3	Jul	CON2021046	Electrical Switchboard Survey 2021-22	\$65,000	2	\$62,562 to \$80,020	Direct Earth Limited	\$62,562	\$0	\$62,562	\$150,000	\$87,438
4	Jul	CON2010051	Heretaunga Street East 300 Block - Municipal Building - Supply of Paving	\$80,000	1	Negotiated	Horizon International Limited	\$57,340	\$0	\$57,340	\$80,000	\$22,660
5	Jul	CON2021058	Splash Planet Flying Fox	\$100,000	1	\$69,356 to \$69,356	Playground Centre	\$69,356	\$10,000	\$79,356	\$100,000	\$20,644
6	Aug	CON2021059	City Centre Lighting Activation Project 21/22 (Water Fun)	\$12,000	1	\$11,000 to \$11,000	Angus Muir Design	\$11,000	\$0	\$11,000	\$100,000	\$88,000
7	Sep	CON2021070	Heretaunga Street East 300 Block - Paving Work	\$125,000	1	Negotiated	Creations Paving Limited	\$119,705	\$0	\$119,705	\$125,000	\$5,295
8	Sep	CON2021072	Heretaunga Street East 300 Block - Supply of Paving	\$45,000	1	Negotiated	Creations Paving Limited	\$43,146	\$0	\$43,146	\$45,000	\$1,854
9	Sep	CON2021073	Heretaunga Street East 300 Block - Supply of Planter Boxes	\$50,000	1	Negotiated	Tilley Group Limited	\$46,119	\$0	\$46,119	\$45,000	-\$1,119
10	Sep	CON2021074	Heretaunga Street East 300 Block - Supply of Hedge Plants	\$15,000	1	Negotiated	Twinning Valley Nurseries	\$12,389	\$0	\$12,389	\$15,000	\$2,611
11	Sep	CON2021075	Heretaunga Street East 300 Block - Supply of Snakeheads	\$82,000	1	Negotiated	Patton Engineering	\$79,936	\$0	\$79,936	\$80,000	\$64
12	Sep	CON2021076	Heretaunga Street East 300 Block - Supply of Furniture	\$52,000	1	Negotiated	Ross MacKay Design Ltd	\$49,162	\$0	\$49,162	\$50,000	\$838
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												

[1] Other costs include site investigations, design and consultancy fees, supply of materials and supporting activities delivered via existing maintenance contracts and by others

Appendix 4

PROJECT INFORMATION				PROJECT	COMMENTS				
#	Asset	Consultant	Project Description / Name	Overall Project Status	Notes	HDC Input Required	HDC Actions	Updated by	Date Updated
1	Consent and Environmental	Stantec	Stormwater Replacement Consent	OK	First hui complete. Next planned 28th October			GR	19/10/2021
2	Consent and Environmental	Stantec	CMP Operations	Complete	Report and guidance documents issued for HDC to format (Omahu Rd North). Project will be closed, all reports issued			MS	29/09/2021
3	Wastewater	Stantec	Inland Trunk Sewers - Planning	Hold				MS	18/10/2021
4	Wastewater	Stantec	Inland Trunk Sewers - Relining MSQA	OK	Relining complete, waiting for contractor to request PC			MS	18/10/2021
5	Wastewater	Stantec	School Road Rising Main	Complete	Project now finished. Practical completion finished. In defects to 7/12/21.			JCH	27/08/2021
6	Wastewater	Stantec	Park Road Rising Mains	Complete	Practical completion for the contract works was achieved 6/8/21. Issues regarding costs payable by Unison for incorrectly installed services still to be resolved			JCH	27/08/2021
7	Drinking Water	Stantec	Water Safety Plans	OK	Haumoana/Te Awanga, Waimarama and Clive draft Water Safety Plans with HDC for input. Whirinaki/Esk and Whakatu need final workshop. Waipātiki workshops underway.	MK	Review and input to draft Water Safety Plans.	VB	19/10/2021
8	Stormwater	Stantec	HDC Dams	OK	Flood study issued. Dam break analysis will follow. Meeting held regarding inspections			MS	18/10/2021
9	Drinking Water	Stantec	Water Model and Strategy	OK	Hastings split to be rescope			MS	18/10/2021
10	Combined 3 Waters	Stantec	Lyndhurst BWS	OK	Construction expected to be complete at the end of the week.			JCH	18/10/2021
11	Transportation / 3 Waters	Stantec	Asset Management Co-ordination Report	Hold	MSQA of potholing contract as required, no current works programmed. Ownership of Pothole contract management to be discussed under the Panel.	AB	Decision on potholing under the panel to be made. Individual panel members to follow process?	MS	18/10/2021
12	Wastewater	Stantec	Outfall Renewal Programme - Diffuser Inspection	OK	Fabrication of Wye leak repair fittings being progressed for November install. Transfer to panel			MS	18/10/2021
13	Wastewater	Stantec	Outfall Renewal Programme - Manifold Land Based	OK	Procurement Plan for tendering approved. Investigations for renewal option continuing. Reporting under action will be issued before. Meeting to be organised 19/10			MS	18/10/2021
14	Wastewater	Stantec	WWPS Renewal Programme	OK	Excel file to IPS Issued and Stantec considering HDC feedback. Waiting on WSP survey. Meeting with HDC 5/10. Following meeting with HDC PCN will be drafted for panel			MS	18/10/2021
15	Wastewater	Stantec	CCTV and Trenchless Repair	Hold	Stages 3 and 4 have been closed (moving to panel). No current programmed works.			MS	18/10/2021
16	Wastewater	Stantec	Reticulation Lining Contract	OK	Underway and making good progress			MS	18/10/2021
17	Wastewater	Stantec	Renewal Planning	Hold				MS	18/10/2021
18	Wastewater	Stantec	Urban Trunk Investigations	OK	CCTV investigations underway, to be carried out with Inland Trunks.			MS	18/10/2021
19	Wastewater	Stantec	Maraekākaho Rd WW	Hold	RFT issued for HDC approval. Tendering and construction on hold pending road and wastewater budget confirmations.	AB	Need transportation input for timing	MS	18/10/2021
20	Wastewater	Stantec	Emergency Beach Outfall	OK	Pipe cleaning has been completed, waiting on CCTV and profile reports. Remaining actions to be confirmed with HDC.			MS	18/10/2021
21	Stormwater	Stantec	Arataki Road Stormwater	Complete	Final certificate issued 9/08/2021, project closed out			MS	29/09/2021
22	Stormwater	Stantec	Kopanga Road Stormwater	OK	Project now finished. Practical completion finished. In defects to 7/12/21.			MS	18/10/2021
23	Wastewater	Stantec	Eastern Interceptor Trunk Wastewater Main	OK	Tender meeting held 5th October, 9th November TET			JCH	18/10/2021
24	Transportation / 3 Waters	Stantec	Howard Street Development	OK	Tender meeting held 29th September, 1st November TET			MS	18/10/2021
25	Drinking Water	Stantec	Te Aute Road Drinking Water Main	Caution	Final walkover completed and list of issues provided to contractor but still to be completed. Final connection installed has been requested by HDC to be completed by end of September. Pricing under the maintenance contract to complete the final connection received and very high compared to Drainways original price.			MS	18/10/2021
26	Drinking Water	Stantec	Middle Road Drinking Water Main	Caution	Pressure testing will start this week closing up will follow. Issues with the large connection in Duart will now be a live tap, programme to the end of December with commission in January.			MS	18/10/2021
27	Drinking Water	Stantec	Reservoir Programme	OK	Nigel Beatson used funding for Havelock reservoir column issues answering contractor queries			MS	18/10/2021
28	Drinking Water	Stantec	Florence Place Drinking Water Renewal	OK	As-builts received 13/10/21			JCH	18/10/2021
29	Stormwater	Stantec	Karamū Road South Stormwater	OK	Final report submitted. \$ to be completed for budgeting purposes			MS	18/10/2021

30	Drinking Water	Stantec	Belmont, Everest, Ashford Drinking Water Renewal	OK	Detailed design nearing completion, due to go through internal reviews next week. OoS for procurement phase to be submitted / approved once tenders are in for other projects.			MS	18/10/2021
31	Transportation	Stantec	Arbuckle Road Construction	Complete	Final completion issued			MK	29/09/2021
32	Transportation / 3 Waters	Stantec	Omahu Chatham Roundabout	OK	Tender due out 27th October			DB	19/10/2021
33	Transportation / 3 Waters	Stantec	Omahu Henderson Roundabout	Critical	Completion expected Mid November			DB	19/10/2021
34	Transportation / 3 Waters	Stantec	Iona Development	OK	Risk and SiD workshop to finalise design booked in 2nd November			SL	19/10/2021
35	Transportation	Stantec	Mt Erin Road	OK	Out to tender, closing 10th November			DB	19/10/2021
36	Transportation / 3 Waters	Stantec	Irongate Industrial Roundabout	OK	Practical completion for the contract works was achieved 6/8/21. Issues regarding costs payable by Unison for incorrectly installed services still to be resolved			DB	19/10/2021
37	Transportation / 3 Waters	Stantec	Maraekākaho / York Rd Roundabout	OK	Stantec have prepared a report regarding drainage to present to HBRC - 30/09. Construction of works programmed to start August 2022. Consent requirements to be resolved before going to tender (Grant Russell progressing)			DB	19/10/2021
38	Transportation / 3 Waters	Stantec	Warwick Road AWPT	Critical	Most recent Contractor programme indication completion of works on 23/11/21.			DB	19/10/2021
39	Transportation / 3 Waters	Stantec	Te Mata Peak Road AWPT	Caution	Final preliminary design due Thursday 28th October. Cost to be formally agreed. Project will then be shutdown and reopened (if required) in the panel	FB / MVK	Final direction on wall types to finalise preliminary design	MK	19/10/2021
40	Bridges	Stantec	HPMV Evaluations Year 4 - 10	OK	Evaluations progressing.			JD	19/10/2021
41	Consent and Environmental	Stantec	Ōmarunui Landfill Plant Management	OK	August monitoring for Taita Rd complete. Rest of Aug monitoring halted due to lockdown. Catch up monitoring to be completed asap together with Sept monitoring.			VB	29/09/2021
42	Bridges	Stantec	Tawa	OK	Signed PCN's 18/10			JD	19/10/2021
43	Bridges	Stantec	Heays Gorge	OK	Signed PCN's 18/10			JD	19/10/2021
44	Bridges	Stantec	Material Testing - Bridge Evaluations	OK	Material testing started 29/09, expect report mid October			JD	19/10/2021
45	Combined 3 Waters	Stantec	General Technical Advice - Three Waters	OK	No work requests received			MS	19/10/2021
46	Transportation	Stantec	General Technical Advice - Transport	OK	No work requests received			CS	19/10/2021
47	Bridges	Stantec	Bridge Evaluations 2021/22 (Grants Overhead, Mangarau, Awanui, Havelock Culvert)	OK	Evaluations progressing.			JD	19/10/2021
48	Transportation	GHD	Mad Mile Road Safety Audit	Complete	Complete				
49	Transportation	GHD	Simla Avenue 820m - RP 0-820 - Te Mata Rd to Greenwood Ave		Awaiting PDS	FB	Issue PDS	DM	16/09/2021
50	Transportation	GHD	Kahuranaki Road Crash Reduction		Awaiting PDS	FB	Issue PDS	DM	16/09/2021
51	Transportation	GHD	Stortford Lodge Roundabout		GHD to revise OOS and get underway	FB	Approve OOS once resubmitted	DM	16/09/2021
52	Transportation	GHD	Havelock Rd / Karanema Roundabout		Awaiting PDS	FB	Issue PDS	DM	16/09/2021
53	Transportation	GHD	Lyndhurst-Nottingly Roundabout		Awaiting PDS	FB	Issue PDS	DM	16/09/2021
54	Transportation	GHD	HPMV 151 - Seafield No. 1		Underway		N/A	DM	16/09/2021
55	Transportation	GHD	HPMV 812 - Louisa		Underway		N/A	DM	16/09/2021
56	Stormwater	GHD	Gordon Road Puriri to Kennedy SW - GHD	Hold	Awaiting HDC confirmation to proceed	AB	Confirm next steps	DM	16/09/2021
57	Stormwater	GHD	Caroline Road Extension Temp Works_ GHD	Hold	Awaiting HDC confirmation to proceed (awaiting MK secondment to progress)	AB / CT	Confirm next steps	DM	16/09/2021
58	Stormwater	GHD	Caroline Road Extension Perm Works - GHD	Caution	HDC to approve MK secondment to enable next steps re. decision making and funding. GHD to complete current phase deliverables.	AB / CT	Confirm next steps	DM	16/09/2021
59	Stormwater	GHD	Flaxmere Town Centre	Caution	RFT issued this week based on early design stage due to political pressures, growing public attention - HDC internal comms plan to be developed by Dave Bishop	DB	Comms plan development	DM	16/09/2021

60	Stormwater	GHD	Gum Tree Block	Caution	Growing public attention - HDC internal comms plan to be developed by Dave Bishop. Seek to apply Flaxmere lessons learnt to Gum Tree	DB	Comms plan development	DM	16/09/2021
61	Bridges	WSP	Bridge Evaluations 2021/22 (Arapaoanui Low Level Bridge, Lambs Hill No.1 Bridge, Rossers Bridge, Te Apiti No.4 Bridge)	OK	OoS Accepted, Progressing with Assessment			MS	29/09/2021
62	Bridges	WSP	Material Testing - Bridge Evaluations	OK	OoS Accepted, Programmed last week of Sept/ First week Oct			MS	29/09/2021
63	Bridges	WSP	Forecasting Tool	OK	WSP Forming OoS			MS	29/09/2021
	Bridges	WSP	Rissington Bridge Vertical Clearance MSQA	OK	Project to begin 4th Oct				29/09/2021
64	Combined 3 Waters	WSP	General Technical Advice - Three Waters	OK	No work requests received			MS	29/09/2021
65	Transportation	WSP	General Technical Advice - Transport	OK	No work requests recieved			MS	29/09/2021
66	Bridges	WSP	General Technical Advice - Bridges	OK	WSP answering questions for Anu regards to Rissington Bridge complete, Mangatahi flows ongoing, require additional budget moving forward.	FB	Speak with Anu regards additional budget and either new PDS or we can supply PCN. HDC to confirm	MS	29/09/2021
67	Transportation	WSP	Tauroa rd retaining wall face renewal/refurbishment	Caution	Draft report of options and assessment of wall complete, working with desired option and design. Trying to tie in with boardwalk works and Downer			MS	29/09/2021
68	Transportation	WSP	Middle Rd Shared Path	Caution	WSP has completed RFT awaiting confirmation from HDC due to budget restraints	FB	Communicate with WSP once budgets confirmed and change in timeline	MS	29/09/2021
69	Transportation	WSP	Te Mata Peak rd CMP implementation	OK	OoS Approved and programme draft submitted, kickstart meet undertaken, progressing with project			MS	29/09/2021
70	Transportation	WSP	Karamu rd Pavement Investigation	OK	WSP working on OoS			MS	29/09/2021
71	Transportation / 3 Waters	WSP	Napier Crosses Roundabout	Caution	Finalising Detailed Design	FB	Confirmation of retaining wall aspects with Café and cultural perspective if required from Charlie (Darryl).	MS	29/09/2021
72	Transportation	WSP	Tauroa rd Stage 2	Caution	Finalising Preliminary aspects and provided guidance on proceeding to HDC, budget restraints and RFT on hold	FB	Need approval to continue with geotech investigation and Safety Audit with the thought of an interim prelim deliverable where WSP can continue with Detailed design after.	MS	29/09/2021
73	Transportation	WSP	Stoney Croft Street		Awaiting PDS			MS	29/09/2021
74	Transportation	WSP	Karamu Road - Grove to Collinge		Awaiting PDS			MS	29/09/2021
75	Transportation	WSP	Delineation improvements		Awaiting PDS			MS	29/09/2021
76	Transportation	WSP	Middle Rd Corridor Design		Awaiting PDS			MS	29/09/2021
77	Transportation	GHD	Heretaunga roundabout investigation		GHD to respond to request for support			DM	16/09/2021

Appendix 5



Summary & Trends (1)

Current Quarter (2021/22: Q1)

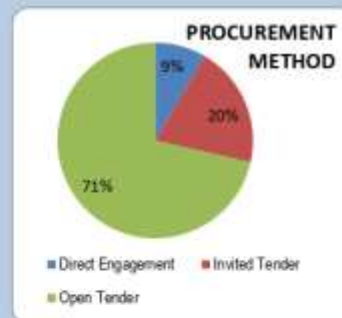
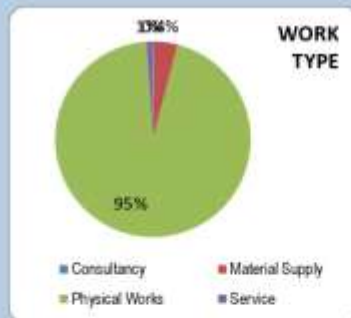
QUARTERLY CONTRACT REPORT

2021/22	FINANCIAL YEAR:	2021/22
Q1	QUARTER:	Q1

Number of Contracts awarded this Quarter (#): 12 (to 11 different suppliers)

Value of Contracts awarded this Quarter (\$): \$719,006

Category Groups by Value of Contracts Awarded during Period:





Summary & Trends (2)

2-Year Trend (2020/21 to 2021/22)

