

Thursday, 13 February 2025

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Extraordinary Council Meeting

Kaupapataka
Agenda

Te Rā Hui:
Meeting date: **Thursday, 13 February 2025**

Te Wā:
Time: **9.00am**

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

Te Hoapā:
Contact: **Democracy and Governance Services
P: 06 871 5000 | E: democracy@hdc.govt.nz**

Te Āpiha Matua:
Responsible
Officer: **Chief Executive - Nigel Bickle**

Thursday, 13 February 2025

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
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Agenda

Tiamana

Chair: Mayor Sandra Hazlehurst

Mematanga:

Membership:

Ngā KaiKaunihera

Councillors: Ana Apatu, Marcus Buddo, Alwyn Corban, Malcolm Dixon, Michael Fowler, Damon Harvey, Henry Heke, Kellie Jessup, Tania Kerr (Deputy Mayor), Eileen Lawson, Hana Montaperto-Hendry, Simon Nixon, Wendy Schollum, Heather Te Au-Skipworth and Kevin Watkins

Tokamatua:

Quorum:

8 members

Apiha Matua

Officer Responsible:

Chief Executive – Nigel Bickle

*Te Rōpū Manapori me te
Kāwanatanga*

Democracy and

Governance Services:

Louise Stettner (Extn 5543)

Te Rārangi Take

Order of Business

1.0 Opening Prayer – *Karakia Whakatūwheratanga*

2.0 Apologies & Leave of Absence – *Ngā Whakapāhatanga me te Wehenga ā-Hui*

At the close of the agenda no apologies had been received.

At the close of the agenda no requests for leave of absence had been received.

3.0 Conflict of Interest – *He Ngākau Kōnatunatu*

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Manager: Democracy and Governance (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

4.0 Confirmation of Minutes – *Te Whakamana i Ngā Miniti*

Minutes of the Council Meeting held Thursday 12 December 2024.
(Previously circulated)

5.0 Funding of Hawke's Bay Tourism

7

6.0 Minor Items – *Ngā Take Iti*

7.0 Urgent Items – *Ngā Take Whakahihiri*

8.0	Recommendation to Exclude the Public from Items 9 and 10	21
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9.0 Flaxmere Land Divestment

10.0 Flaxmere Commercial Centre

Thursday, 13 February 2025

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā: Naomi Fergusson, Group Manager: Marketing & Communications
From: Bruce Allan, Deputy Chief Executive

Te Take:
Subject: Funding of Hawke's Bay Tourism

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 Hawke's Bay Tourism Limited (HBT) is the official Regional Tourism Organisation (RTO) for the Hawke's Bay region, responsible for marketing and promoting the area under the brand 'New Zealand's Food & Wine Country.' The organisation plays a key role in regional economic development through destination marketing, event coordination, tourism advocacy, and strategic partnerships.
- 1.2 Historically funded primarily by the Hawke's Bay Regional Council (HBRC) through an economic development targeted rate, HBT now faces a funding shortfall due to HBRC's decision to defund tourism in their 2024-2034 Long Term Plan. HBRC has historically funded HBT \$1.5m p.a. Without alternative funding sources, HBT's ability to operate and support the regional visitor economy is at risk.
- 1.3 HBT has explored various funding alternatives, including passenger levies, increased membership fees, council grants, sponsorship, and accommodation-based levies. However, most options are either unfeasible or insufficient in the short term. Consequently, the only viable immediate solution is for local councils—Hastings District Council (HDC), Napier City Council (NCC), and Central Hawke's Bay District Council (CHBDC)—to provide financial support through an operational grant.
- 1.4 Given the economic significance of tourism to Hawke's Bay—contributing \$774 million in visitor expenditure and over 5,000 jobs in 2023—securing short-term funding for HBT is critical to sustaining the region's visitor economy and long-term growth potential.
- 1.5 To maintain core operations at a reduced level, HBT requires a minimum funding commitment of \$1 million from councils and continued industry support of \$150,000. The proposed funding split is:
 - HDC and NCC: \$462,500 each
 - CHBDC: \$75,000

- 1.6 Wairoa DC have already advised that due to their geographic isolation to the main Hawke's Bay centres and their own financial constraints, they will not be participating with any funding to support HBT.
- 1.7 Under this reduced budget, some services will be scaled back, and additional financial or staffing contributions may be required from councils to support key tourism activities. However, this funding arrangement would allow HDC to have a direct stake in HBT's strategic planning and governance, ensuring alignment with local economic development priorities.
- 1.8 The report concludes with the recommended option that HDC provides an operational grant of \$462,500 for 2025/26 and 2026/27, reassessed in the next Long Term Plan. This ensures continuity of HBT's core functions, supports regional tourism branding, and maintains industry relationships. The trade-off is that savings must be found in other areas of council expenditure.
- 1.9 The status quo option of not funding HBT would lead to the loss of regional tourism promotion, staff expertise, and coordinated marketing efforts. This could impact visitor numbers, sector growth, and Hawke's Bay's competitive position in domestic and international markets.
- 1.10 HBT requires decisions of the Hawke's Bay Councils in February to provide funding surety into the 2025/26 financial year. Without this funding surety, the board of HBT will need to make decisions around winding up the organisation to ensure they are not operating insolvently into the next financial year when HBRC's current funding ceases.

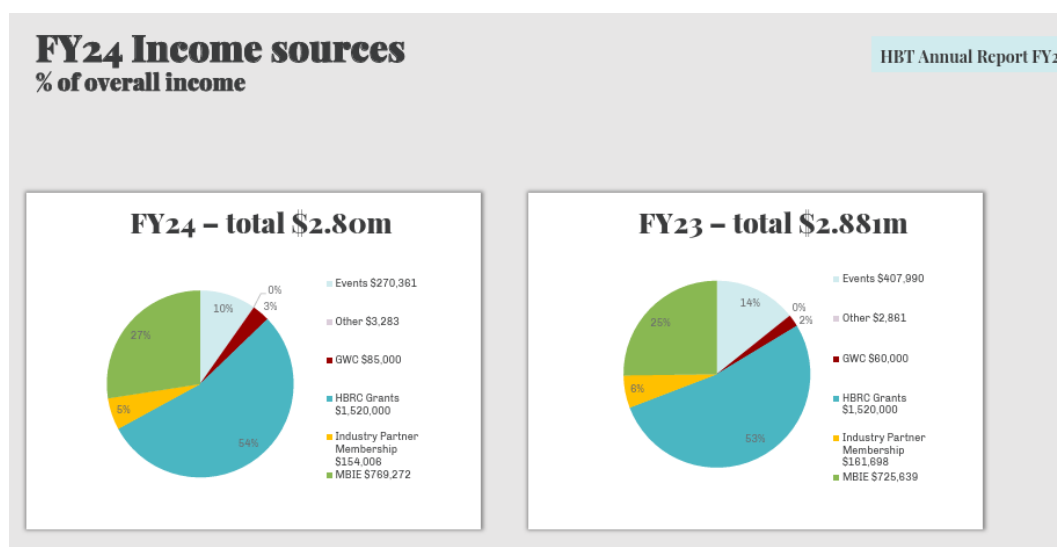
2.0 Recommendations - *Ngā Tūtohunga*

- A) That Council receive the report titled Funding of Hawke's Bay Tourism dated 13 February 2025.
- B) That Council approves funding of Hawke's Bay Tourism Limited:
 - i. That HDC provides an operational grant of \$462,500 for 2025/26 and 2026/27, reassessed in the 2027-37 Long Term Plan, on the proviso this contribution enables Hawke's Bay Tourism Limited to meet its minimum budget requirement of \$1m per annum from council contributions.
 - ii. That HDC, NCC and CHBDC develop a joint funding agreement and associated reporting requirements with Hawke's Bay Tourism Limited.
- C) That Council redirect existing 2025/26 budgets of \$167,700 that currently contributes to Hawke's Bay Regional Council initiatives to support the new funding required for Hawke's Bay Tourism. That funding currently supports the Clifton to Tangoio Coastal Hazard Strategy, the Cycle Network Coordinator and money towards HB Biodiversity.
- D) That the decision to fund Hawke's Bay Tourism Ltd \$462,500 as detailed in B(i) above is dependent on Napier City Council and Central Hawke's Bay District Council providing sufficient funding to meet the \$1m joint Council funding requirement.

3.0 Background – *Te Horopaki*

- 3.1 Hawke's Bay Tourism Limited (HBT) was established in July 2011 as the official Regional Tourism Organisation (RTO) for Hawke's Bay the entire Hawke's Bay region, encompassing Central Hawke's Bay District, Hastings District, Napier City and Wairoa District. Previous iterations prior to that were Hawke's Bay Inc., established in 2008, followed by Venture HB which collapsed in 2010. For 14 years, Hawke's Bay Tourism has provided a stable platform that has seen GDP relating to Tourism increase and support the rebuild of the economy, particularly after the events of the Covid-19 pandemic and Cyclone Gabrielle.

- 3.2 HBT is owned by the membership organisation of Hawke’s Bay Tourism Industry Association (HBTIA) which had 164 full members in 2023/24. This means the industry is a partner in the promotion of tourism. Members pay a yearly membership fee to Hawke’s Bay Tourism, which entitles them to a range of membership benefits.
- 3.3 HBT is responsible for the tourism marketing and promotion of Hawke’s Bay under the destination brand of ‘New Zealand’s Food & Wine Country’. Its activities are therefore focussed in the ‘destination marketing and management’ category of economic development and wellbeing services provided across the region.
- 3.4 HBT’s core destination marketing and management activities are currently focussed on five key areas: marketing, PR and communications, travel trade sales, conference and event attraction and co-ordination, and Great Wine Capitals programme.
- 3.5 In addition to core destination marketing and management activities HBT:
- Tourism advocacy, feeding into national tourism organisations and bodies.
 - Contributor to Matariki Regional Development Strategy (Pou 5 “Promoting Our Place”).
 - Coordination and administration of government grants (when available) e.g. Regional Event Promotion Fund.
 - Owns and delivers the Food and Wine Classic (F.A.W.C).
- 3.6 HBT receives funding via two primary sources:
- HBRC economic development targeted rate – much of this funding has been the primary income source for HBT. The agreement provided annual funding of \$1.52 million per year which equates to \$20.08 per rateable unit. This funding agreement ends 30 June 2025.
 - HBTIA membership levies and contra. In 2023/24 financial year this was \$365k in cash and \$59k in contra.
- 3.7 The RTO has also received MBIE grants to support sector recovery from COVID-19 in 2020/2021 and has supported local events and tourism facilities to successfully apply for grants provided through the tourism recovery programme (e.g. Regional Events Promotion Fund, Strategic Tourism Asset Protection Programme (STAPP) and Tourism Communities: Support, Recovery and Re-set Plan). This funding was vitally important to our tourism industry during a period of significant decline in international visitors.
- 3.8 A summary of income sources is below (note: MBIE funding has concluded). **Attachment 1** sets out the HBT Profit & Loss for FY24.



- 3.9 Tourism is driven at three levels – Tourism New Zealand promotes the country, RTO's (HBT) promote regions (Hawke's Bay), and local organisations promote city/place (Hastings).
- 3.10 Tourism is a large contributor to the Hawke's Bay economy. In 2023 it generated:
- \$774m in visitor expenditure
 - \$139m exports (international expenditure)
 - \$271m GDP
 - 5,141 filled jobs.
- 3.11 Domestic tourism is a key component of the region's tourism income. Competing successfully within our domestic markets ensures Hawke's Bay obtains the maximum possible benefit for our region. With reduced international visitation, this is a key market to sustain tourism businesses and associated services.
- 3.12 HBT also led the region's application to become the 12th Great Wine Capital of the World in 2023. The Great Wine Capital Global Network's mission is to sustain the health and prosperity of wine-related industries, communities and tourism in their Capitals through collaborating on a wide range of projects in industry, tourism, education, business and travel.
- 3.13 HDC currently invests approximately \$85k per year on regional and local tourism activity in partnership with HBT:
- Great Wine Capital contribution
 - Joint sponsorship of 'regionally significant' events (Hawke's Bay Marathon, Swimming NZ – National Championships).
 - Sponsorship of HBT event (F.A.W.C)
 - Event-related subscription costs and fees (Event Economics licence, Eventfinda API, Sport Marketing Australia)
 - Regional trade activity (e.g. MEETINGS) – trade show shared costs for Toitoti
 - Advertising in HBT collateral (HB Visitor Guide)
 - HBT Membership (per HDC facility – Splash, Toitoti, HCAG, Waiaroha)
 - HBTIA conference and networking attendance costs
 - Tourism PR & Marketing (for Hastings in partnership with HBT)
- 3.14 HDC invests at the 'local' level, to capitalise on the visitors attracted through regional positioning including:
- Operating of two i-site locations (Havelock North, Hastings). The rating requirement to support this activity is \$594k per annum.
 - National promotion of HDC facilities with a visitor experience (e.g. Waiaroha, Splash Planet).
 - Heretaunga Hastings destination marketing & PR.
 - Direct sponsorship of events that attract visitors to Hastings (e.g. Horse of the Year, music concerts etc.).

4.0 Discussion – *Te Matapakitanga*

- 4.1 Given the decision by HBRC to defund tourism in their 2024-2034 Long Term Plan, the future of HBT is now dependent on sourcing funding to continue operations.
- 4.2 As part of their work to find alternative methods of funding, HBT has considered a range of options which include

- passenger levies (air and cruise ship): not feasible
 - increased membership levies: actioned but not enough to cover shortfall (increased from \$300 to \$500 per member per annum from 1 July 2025).
 - council grants: feasible, pending council approval – limited capacity due to cyclone recovery costs
 - increased sponsorship: feasible but difficult to achieve in current economic climate
 - targeted rate for short term rental accommodation: complex to identify properties
 - visitor levy via accommodation (“bed tax”): requires Central Government lobbying and then legislation – longer term solution
 - International visitor levy: goes to Govt. – no appetite to divest to RTOs.
- 4.3 To ensure the continued operation of HBT, the only short-term viable option is for the local councils to fund HBT through an operating grant. Napier City, Central Hawke’s Bay District, and Hastings District Councils agree that the economic prosperity of the region is dependent on ensuring the continued operation of HBT and are investigating potential to provide funding to support HBT in the short term.
- 4.4 Given the pressure on council and community budgets, HBT has been asked to present a minimum operating budget that will retain the RTO and some of its core activities that support the region’s visitor economy. HBT has established this at \$1m in funding from the councils and the continued support of industry members of \$150k. Attachment 1 sets out the draft base budget.
- 4.5 Based on share of tourism activity, the suggested contribution from the local councils is:
- HDC and NCC to contribute \$465k each.
 - CHBDC contributes \$75k.
- 4.6 The minimum viable operating budget presented by HBT is reduced from the historic HBRC funding of \$1.52m, and therefore will see a drop in services provided by the RTO. The following table sets out the activities that will be maintained, what will be discontinued, and activities that may/may not progress based on funding availability and prioritisation.

Continued Activity	Discontinued Activity
<p>Owned: Website (hawkesbaynz.com), social media, database/newsletters, image/video library</p> <p>Earned: Public relations, content development, famils (media & travel trade), media releases/contacts, Tourism NZ, travel agents*, travel wholesalers* & inbound operators*, professional conference organisers*, cruise* *more dependent on a travel trade/business events role</p> <p>Other activities</p> <ul style="list-style-type: none"> • destination branding • destination planning and strategy • funding requests • product development intel/advice to member • industry capability support 	<ul style="list-style-type: none"> • Paid advertising/campaigns • HB Visitor Guide/brochure • HB Trails guide • Food & Wine map • HB Marathon sponsor/investor • F.A.W.C.I & Grand Long Lunch • Event attraction • Trade sales role* • TEC membership/conf* • BEIA membership/conf* • Cruise membership/conf* • eXplore attendance* • TRENZ attendance* • Conference bids* <p>*could be incorporate into a reinstated trade/business events role if industry supports investment, and if \$1m raised.</p>

- 4.7 The proposed deliverables are not confirmed. HBT is currently surveying its membership on their desire to see the trade/business events role retained, and an indication of their potential investment towards the role.
- 4.8 Under the reduced operating budget, some costs previously covered by HBT (e.g. hosting costs for familiarisation tours with industry representatives and writers) will either need to be co-funded/fully funded by HDC and/or other stakeholders to continue, or the opportunity will be foregone.
- 4.9 Where HBT is no longer able to support regionally significant events, HDC and NCC may be requested to cover the share of sponsorship investment previously contributed by HBT. This will mean that either we forego the opportunity, or re-direct funding from an existing activity. The councils may be called on to provide additional staff support for core activities, due to reduced HBT staff numbers under the reduced budget.
- 4.10 HDC is financially constrained following the impact of Cyclone Gabrielle and other events and inflationary impacts. Funding for HBT will require funds to be reallocated from other budget areas, with some funding sources already identified.
- 4.11 Given this decision by HBRC to defund HBT, and the resulting impacts on HDC budgets, Officers have investigated initiatives where HDC funding is provided to HBRC led activities, seeking opportunities to reduce Council expenditure to create budget capacity to pick up this funding requirement for HBT.
- 4.12 The Chief Executive has written to the Chief Executive of HBRC (letter attached as **Attachment 2**) outlining the impacts of the HBRC decision on HDC budgets and the decisions that will have to be made to provide some budget capacity for HDC to respond. The following budgets currently support HBRC led activities and will be withdrawn from 1 July 2025 in order to provide some budget capacity to meet this new funding requirement:
- | | |
|--|------------------|
| Clifton to Tangoio Coastal Hazard Strategy | \$102,100 |
| Cycle Network Coordinator | \$ 30,600 |
| HB Biodiversity | <u>\$ 35,000</u> |
| | \$167,700 |
- 4.13 HDC has made a significant contribution to the Clifton to Tangoio Coastal Hazard Strategy, supporting it since its inception with an annual contribution of \$100,000. HDC has also contributed to the protection of coastal properties at Waimarama, Clifton and Cape View corner, plus the work currently underway seeking resource consent for works at Te Awanga.
- 4.14 Under the previous model, district and city councils were not core stakeholders as funding was provided through HBRC. This limited the ability for councils to contribute to the RTO's strategic planning, with the aim of aligning HBT objectives with their own economic priorities.
- 4.15 Should Council approve the preferred option to fund HBT, this will create a direct stakeholder relationship that will allow HDC to input into the development of future strategic plans, which place a new set of governance and reporting requirements on HBT.
- 4.16 If funding is confirmed, the Chief Executive will work regionally with contributing Council Chief Executives to confirm:
- Formalisation of the funding and agreement
 - Letter of expectation requirements and associated KPI's
 - A statement of intent from HBT to councils.
 - Regional reporting expectations (including financial reporting)
 - Clarifying Council appointments to the Board.

- 4.17 Any change in funding approach away from the HBRC will require a change in HBT's constitution as it currently recognises HBRC's funding role and therefore its ability to appoint a director to the Board of HBT.
- 4.18 Reporting to HDC will be through the Performance & Monitoring committee, including presentation of annual audited financial accounts and reporting against KPIs.

5.0 Options – Ngā Kōwhiringa

Option One - Recommended Option - Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga

- 5.1 That HDC provides HBT with an operational grant of \$462,500 per annum in the 2025/26 and 2026/27 budgets. Funds to be found through operational savings. Future funding to be reassessed under the 2027-37 Long Term Plan. This funding would be on the proviso that the remaining funding is obtained from NCC and CHBDC.

Advantages

- Continuation of HBT and associated activities.
- 'Hawke's Bay' brand remains in domestic markets, supporting market share and continued visitor attraction.
- Closer alignment between Hastings and Hawke's Bay strategic priorities.
- Protection of reputation within regional and national tourism sector.
- Certainty for the organisation, supporting retention of staff who hold core knowledge and relationships.

Disadvantages

- Savings will need to be found to redirect funding to HBT which will put pressure on the delivery of some existing activities.
- Potential of some negative community perception of supporting tourism over reducing rates or investing in infrastructure projects.
- The funding will still result in a reduced level of service from HBT.

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuetanga o nāianeī

- 5.2 Council does not support HBT with an operational grant.

Advantages

- No grant-funding impact on council budgets and associated activities.

Disadvantages

- Loss of regional promotional activity.
- Loss of regional coordination of destination marketing activities, and potential duplication of costs within councils.
- Loss of staff knowledge and sector relationships.
- Re-starting the organisation will have a lag period before the organisation can be effective again. It will take time to build knowledge and capability and re-establish sector relationships.
- Loss of industry voice for lobbying and advocacy for Hawke's Bay tourism sector.
- HDC would likely need to increase spend on destination marketing for Hastings to limit the impact of a loss of regional promotion by HBT.

Option Three – Reduced Funding

5.3 Council approves funding at a lower level.

Advantages

- Reduced grant-funding impact on council budgets and associated activities.

Disadvantages

- HBT has been clear there are no other short term funding opportunities that will ensure the organisation can reach the minimum operating budget. This would result in the Board resolving to wind up HBT.
- All other disadvantages as listed in 5.2.

6.0 Next steps – *Te Anga Whakamua*

6.1 Should Council approve the recommendation:

- Confirmation of funding from NCC and CHBDC that achieves the required \$1m threshold of Council funding for HBT to continue operating.
- In conjunction with funding councils, setting of governance and reporting requirements with HBT Board.
- Drafting of HDC funding agreement including KPIs for approval by HDC and HBT.
- HDC budgets adjusted to redirect funding for HBT grant.

Attachments:

1 ↓	HBT Supporting Financial Information	STR-6-19-2-25-32
2 ↓	Letter to HBRC Chief Executive	CG-17-1-01405

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal promotes the economic wellbeing of communities in the present and for the future. Tourism is a key driver of economic activity, and a significant contributor to the region's GDP. It also supports cultural and social wellbeing through vibrancy and civic pride experienced through having a busy visitor economy.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

Hawke's Bay Tourism advocates for all local tourism providers, including those that are owned and operated or employ Māori, and visitor experiences that support education, understanding and experience of Māori culture. A review of local government investment in business and industry support across the Hawke's Bay Region in 2020 identified Māori tourism was an area that could be better served – as a core funder, HDC has the potential to influence positive outcomes for Māori through the HBT strategy.

Sustainability - *Te Toitūtanga*

The tourism sector has a number of initiatives to encourage sustainability within the sector. HBT contributes to this through promotion of programmes to its members, and through consumer messaging. Examples include New Zealand Tourism Sustainability Commitment, Tiaki – Care for New Zealand, Qualmark, and Trees that Count.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

The financial considerations set out in this report highlight that Council will not increase its operational budgets to absorb the recommended funding for HBT. Savings will need to be found within existing operational budgets to accommodate the investment in the region's tourism economy in the short term.

To ensure long-term sustainability, HBT and its core stakeholders will need to work with central government to determine a better funding model such as an accommodation levy that stays within the collection region.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of medium significance given the level of funding support required to maintain HBT.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

In developing this report, Council has engaged with internal stakeholders in economic development and destination marketing, attended HBTIA meetings on the future of the RTO, and collaborated regionally to come to an agreed position on the value of retaining an RTO for Hawke’s Bay.

Risks

Opportunity: Support the continued operation of HBT through an annual operating grant for the next two financial years.

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
<ul style="list-style-type: none"> • Continuation of HBT and associated activities. • ‘Hawke’s Bay’ brand remains in domestic markets, supporting market share and continued visitor attraction. • Closer alignment between Hastings and Hawke’s Bay strategic priorities. • Protection of reputation within regional and national tourism sector. • Certainty for the organisation, supporting retention of staff who hold core knowledge and relationships. 	<ul style="list-style-type: none"> • Funding requirements not met resulting in loss of RTO. • Public perception of supporting an industry. • Public perception of alternative uses for funding (core services etc.) • Opportunity cost of activities de-funded to enable grant. • Loss of market share even with retention of RTO due to limited budget for activity.

Rural Community Board – *Te Poari Tuawhenua-ā-Hāpori*

Hawke’s Bay Tourism’s positioning statement is “New Zealand’s Food and Wine Country”, reflecting our strength in horticulture, viticulture and agriculture. Our tourism reputation has a positive impact on our rural community either through direct tourism (e.g. cellar doors), demand for local produce for restaurants, and positive brand association in the export market. Dilution of the Hawke’s Bay brand would have a detrimental impact on our rural community as a key contributor to our GDP.

Hawke's Bay Tourism Limited - Financials

Profit & Loss		DRAFT Budget	
Hawke's Bay Tourism Limited		Hawke's Bay Tourism Limited	
For the 12 months ended 30 June 2024		For the 12 months ended 30 June 2026	
	Actual		Forecast
Income			
EV-FAWC Eventfinder Ticket Sales Income	\$87,891	External/Other Revenue	\$4,100
External/Other Revenue	\$163,217	GWC Income	\$85,000
GWC Income	\$85,000	Council Grants	\$1,000,000
HB Regional Council Grants	\$1,520,000	Industry Partner Income & Membership	\$185,000
Industry Partner Income & Membership	\$154,006	Total Income	\$1,274,100
MBIE	\$550,281		
REF	\$178,362	Less Cost Of Sales	
Total Income	\$2,738,757	Digital/PR	\$194,700
		Events	\$3,600
Less Cost Of Sales			
Consumer Marketing	\$992,494	GWC Expenses	\$110,000
Events	\$500,548	Partner Programme	\$8,500
GWC Expenses	\$110,000	Trade Marketing	\$146,500
Partner Programme	\$8,972	Total Cost Of Sales	\$463,300
Trade Marketing	\$143,006		
Total Cost Of Sales	\$1,755,020	GROSS PROFIT	\$810,800
GROSS PROFIT	\$983,737	Less Operating Expenses	
		Total Operating Expenses	\$806,960
Less Operating Expenses			
Total Operating Expenses	\$991,146	NET PROFIT	\$3,840
NET PROFIT	-\$7,409		



If calling ask for Nigel Bickle

File Ref: ADM-01-03-6-25-945

10 February 2025

Dr Nic Peet
Chief Executive
Hawke's Bay Regional Council
159 Dalton Street
NAPIER 4110

Via email: Nic.Peet@hbrc.govt.nz

Dear Nic

CLIFTON TO TANGOIO COASTAL HAZARDS STRATEGY

Thank you for your letter of 3 February 2025 advising of your Councils decision not to progress the draft strategy prepared by the Joint Committee for formal consultation. You also asked that Hastings District Council consider an ongoing financial contribution of \$100k per annum to do further work.

You note this has been a longstanding and collaborative initiative. Indeed it has. The work commenced over a decade ago and significant time and money has been spent to support the joint committee to present a draft strategy for Hawke's Bay Regional Council's (HBRC) consideration.

Given the decision HBRC has made, I am recommending to the Hastings District Council (HDC) that our financial commitment to this work end this financial year. We will continue to provide staff resource to support the next phase of work.

As you will be aware the HDC has in addition to supporting the work of the joint committee, made significant investments into infrastructure assets at the coast. These investments are in the millions of dollars and include the revetment walls at Clifton and Cape View corner and are consistent with the mitigation measures in the Coastal Hazard Strategy. The council has included a further \$750k in this years budget for further revetment walls in Te Awanga with this work at an advanced design stage.

The Council will consider my recommendation this Thursday 13 February 2025 as part of a paper on the funding of Hawke's Bay Tourism following the HBRC's decision to no longer fund this activity through a regional rate.

HDC's share alongside other Hawke's Bay Territorial Authorities in maintaining a minimum viable Hawke's Bay Tourism model is \$462k. These costs will have to be found within existing budgets and from savings, of which the \$100k for coastal hazard strategy work forms part of.

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



My recommendations also include two other areas of relevance to HBRC.

1. **HB Biodiversity**

I am recommending we no longer fund Hawke's Bay Biodiversity as just like HBRC we need to focus on our core role and priorities.

2. **Cycle Network Co-ordinator**

I am also recommending that HDC stop its financial contribution to the cycle network co-ordinator employed by HBRC.

The Council paper, including these recommendations will be published today and I will advise you of Council's decisions following deliberation on Thursday.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Nigel Bickle".

Nigel Bickle
Chief Executive
nigelb@hdc.govt.nz

3455-4864-4901, v. 1

HASTINGS DISTRICT COUNCIL

COUNCIL MEETING

THURSDAY, 13 FEBRUARY 2025

RECOMMENDATION TO EXCLUDE THE PUBLIC

SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

THAT the public now be excluded from the following part of the meeting, namely:

- 9 Flaxmere Land Divestment
- 10 Flaxmere Commercial Centre

The general subject of the matter to be considered while the public is excluded, the reason for passing this Resolution in relation to the matter and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this Resolution is as follows:

<i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>	<i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>	<i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>
9 Flaxmere Land Divestment	Section 7 (2) (i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). To protect Council's negotiating position.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.
10 Flaxmere Commercial Centre	Section 7 (2) (i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). This matter relates to ongoing third party commercial negotiations.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.

Item ERROR! REFERENCE SOURCE NOT FOUND.