

Wednesday, 18 March 2026

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council**

**Performance and Monitoring Committee Meeting**

*Kaupapataka*

# Agenda

*Te Rā Hui:*  
Meeting date: **Wednesday, 18 March 2026**

*Te Wā:*  
Time: **1:00 PM**

*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](mailto:democracy@hdc.govt.nz)**

*Te Āpiha Matua:*  
Responsible  
Officer: **Deputy Chief Executive - Bruce Allan and Chief Financial  
Officer - Graham Watson**

## Performance and Monitoring Committee – Terms of Reference

### Fields of Activity

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

### Membership

- Mayor and 15 Councillors.
- Chair appointed by Mayor or Council (at the Mayor's discretion).
- Deputy Chair appointed by Mayor or Council (at the Mayor's discretion).
- One (non-Council) member of the Rural Community Board nominated by the Board and appointed by Council.
- One (non-Council) member of the Heretaunga Takoto Noa Māori Standing Committee nominated by the HTNMSC Chair and appointed by Council.

### Quorum – 9 members

#### DELEGATED POWERS

- 1) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law or otherwise delegated to another committee) in relation to all matters detailed in the Fields of Activity.
- 2) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law) at any time when the Chief Executive certifies in a report that;
  - a. the matter is of such urgency that it requires to be dealt with; or
  - b. the matter is required to be dealt with prior to the next ordinary meeting of the Council.
- 3) Monitor the performance of Council in terms of the organisational targets set in the Long Term Plan and Annual Plan – both financial and nonfinancial.
- 4) Monitor operational performance and benchmarking.
- 5) Undertake quarterly and annual financial performance reviews.
- 6) Monitor and review the performance of Council Controlled Organisations and other organisations that Council has an interest in.
- 7) Monitor and review tender and procurement processes.
- 8) Monitor major capital projects.
- 9) Recommend to Council on matters concerning project decisions where these are identified as a result of the committee's project monitoring responsibilities.
- 10) Delegations of powers to sub-committee(s) if so established.
- 11) Writing off outstanding accounts for amounts including the remission of fees and charges where the amounts exceed the amount delegated to the Chief Executive.
- 12) Settlement of uninsured claims for compensation or damages where the amount exceeds the amounts delegated to the Chief Executive.
- 13) Guarantee loans for third parties such as local recreational organisations provided such guarantees are within the terms of Council policy.
- 14) Authority to exercise the Powers and Remedies of the General Conditions of Contract in respect of the Principal taking possession of, determining, or carrying out urgent repairs to works covered by the contract.
- 15) Review an existing lease and the conversion of terminating leases to renewable leases and the settlement of terms, except in the case of leases under the Reserves Act.
- 16) Consider and approve constitutions and any shareholder agreements for Council Controlled Organisations and other organisations that Council has an interest in.

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Wednesday, 18 March 2026

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*Kaupapataka*

# Agenda

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*Koromatua*

**Chair:** Councillor Michael Fowler

*Ngā KaiKaunihera*

**Councillors:** Alwyn Corban, Siiam Daniel, Stephen Gibson, Kellie Jessup, Yvonne Lorkin, Elisha Milmine, Hana Montaperto-Hendry, Simon Nixon, Derek Nowell-Usticke, Henare O’Keefe, Nicholas Ratcliffe, Callum Ross (Deputy Chair), Heather Te Au-Skipworth and Kevin Watkins

*Mematanga:*

**Membership:**

Mayor Wendy Schollum

Hastings District Rural Community Board appointee: Isabelle Crawshaw

Heretaunga Takoto Noa Māori Standing Committee appointee: Vacancy

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*Tokamatua:*

**Quorum:**

9 members

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*Apiha Matua*

**Officers Responsible:**

Deputy Chief Executive – Bruce Allan  
and Chief Financial Officer - Graham Watson

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*Te Rōpū Manapori me te  
Kāwanatanga*

**Democracy &**

**Governance Services:**

Christine Hilton (Extn 5633)



## *Te Rārangi Take*

# Order of Business

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### 1.0 Opening Prayer – *Karakia Whakatūwheratanga*

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### 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.

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### 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.

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

This is the first meeting of the triennium so there are no previous minutes to confirm.

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### 5.0 Foodeast-Haumako Half-year Report and Draft Statement of Intent 26/27 7

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### 6.0 Hawke's Bay Tourism Six Month report 15

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### 7.0 Arts Inc Heretaunga Arts Festival 17

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<b>8.0</b>	<b>Hawke's Bay Airport Ltd Draft 26/27 Statement of Intent and Interim Report for the six month period ending 31 December 2025</b>	<b>21</b>
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<b>9.0</b>	<b>Health, Safety &amp; Wellbeing Policy</b>	<b>25</b>
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<b>10.0</b>	<b>Six Months Financial Results 31 December 2025</b>	<b>29</b>
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<b>11.0</b>	<b>Performance and Monitoring Report for the quarter ended 31 December 2025</b>	<b>39</b>
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<b>12.0</b>	<b>Minor Items – <i>Ngā Take Iti</i></b>	
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<b>13.0</b>	<b>Urgent Items – <i>Ngā Take Whakahihiri</i></b>	
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Wednesday, 18 March 2026

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Performance & Monitoring Committee Meeting**

*Te Rārangi Take*

# Report to Performance and Monitoring Committee

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**Nā:**  
**From:** Gus Charteris, Interim Group Manager: Strategy

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**Te Take:**  
**Subject:** Foodeast-Haumako Half-year Report and Draft Statement of Intent 26/27

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## **1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga***

1.1 The purpose of this report is to:

- update the Performance and Monitoring Committee on the performance of Foodeast Haumako (FEH) for the first half of FY2026
- present the Half-year Report (to 31 December 2025)
- present the Draft Statement of Intent (SOI) for 2026/27, supported by the draft Strategic Plan and Business Plan.

1.2 This Committee receives an update from FEH around March and November every year. Given local body elections last year, the November 2025 update was missed. This report provides a consolidated view of performance, including progress against objectives, commercial sustainability, and the forward programme for 2026/27.

1.3 In summary:

- FEH continues to build momentum in its innovation programme and regional sector leadership.
- Tenancing and occupancy remain below target, reflecting challenging market conditions.
- FEH is not yet financially sustainable. Under business-as-usual forecasts, cash runway extends to the end of calendar 2028 and operating deficits remain material.
- The Board's priority is delivery of the commercial plan (tenancy, partnerships, innovation club and investor programme) to improve revenue and reduce reliance on shareholder funding.
- The final call on committed Limited Partner capital (\$400,000) was made in February 2026.

## 2.0 About Foodeast Haumako

- 2.1 Foodeast Haumako (FEH) is a purpose-built food, beverage and agritech innovation hub located at 4 Hānui Road, Tomoana, Hastings.
- 2.2 It was established as a public-private partnership to strengthen Hawke's Bay's position as a leading food-producing region by supporting value-add innovation, collaboration and commercial growth. The facility was capitalised through:
- A \$12 million Kānoa (Provincial Growth Fund) grant.
  - \$6 million of regional investment from shareholders.
- 2.3 FEH is a council-controlled organisation (CCTO) for the purposes of the Local Government Act 2002. It is owned by:
- Hawke's Bay Regional Investment Company - 66.72%
  - Hastings District Council - 16.64%
  - Progressive Meats Limited - 16.64%.
- 2.4 Council's total investment to date is \$1 million.

### Role and mandate

- 2.5 FEH operates in two complementary roles:
1. **A physical hub** - providing office, industrial and shared laboratory space, meeting facilities and event space to support start-ups, growing businesses and sector collaboration.
  2. **An innovation catalyst** - delivering programmes, industry connections and investment initiatives designed to:
    - accelerate commercial food and agritech innovation
    - strengthen sector capability
    - attract capital
    - enable regional economic growth.
- 2.6 The refreshed Strategic Plan confirms FEH's long-term vision:
- To become a highly influential and self-sustaining innovation hub, recognised by 2030 as the leading catalyser of commercially successful food innovation in New Zealand.*
- 2.7 Food innovation remains the defining foundation of the organisation, consistent with Council's Letter of Expectations.

## 3.0 Performance against objectives

- 3.1 The key question for Council is whether Foodeast Haumako (FEH) is:
- Delivering on its agreed objectives
  - Meeting performance measures
  - Progressing toward financial sustainability.
- 3.2 The Draft SOI and Business Plan structure performance across four goals: Commercial, Education, Industry and Capital. The half-year performance can be summarised against those pillars.
- 1. Commercial - progressing but below target**
- 3.3 Commercial performance remains the most material issue. Tenanting continues to improve incrementally but remains below target.

### 3.4 Key points:

- 15 tenants confirmed at 30 September 2025.
- Four new tenants secured in the first quarter.
- 36 people working onsite, swelling to approximately 49 at peak times.
- Shared office space is close to capacity.
- Industrial and larger tenancy spaces remain more difficult to fill.
- Occupancy remains below the SOI target of 80 percent by 30 June 2026.

3.5 The Board has revised forecasts downward in light of market conditions. Progress is steady but slower than originally planned. Commercial sustainability remains dependent on both improved occupancy and diversification of revenue streams.

### **2. Industry – strong innovation and sector engagement**

3.6 Innovation activity and ecosystem engagement are areas of relative strength.

3.7 During the period:

- 32 events were delivered in the quarter.
- 611 visitors attended onsite events.
- 42 facilitated business connections were recorded.
- Five start-up tenants were onsite (exceeding minimum targets).
- The “Fermentation for Future Food” Summit positioned FEH as a national sector convener.
- Work continues on a national fermentation strategy.

3.8 These outcomes are consistent with the SOI objective that “Industry values what we deliver” and demonstrate sector engagement momentum. Innovation and sector leadership objectives are being met. The challenge is converting engagement into sustained commercial revenue.

### **3. Capital – early stage but progressing**

3.9 The capital objective focuses on mobilising private investment into regional innovation.

3.10 Progress to date includes:

- Investor forums delivered.
- Development of a Hawke’s Bay investment chapter aligned with a lower North Island model.
- Establishment of preferred partner and sponsorship propositions.

3.11 The SOI target of two investor forums and two regional investment deals in 2026/27 sets a clearer commercial benchmark. Capital mobilisation initiatives are progressing. Tangible investment outcomes will be a key measure in the next 12–24 months.

### **4. Education – building capability linkages**

3.12 The Education pillar seeks to strengthen industry capability and workforce development. Partnerships with Massey and EIT are underway, and leadership forums have been delivered.

3.13 The SOI sets specific targets for:

- Two leadership development events.
- Two joint initiatives with tertiary partners.

3.14 Education outcomes are emerging but remain secondary to the immediate commercial sustainability priority.

#### 4.0 Financial performance (half year)

4.1 Operating losses remain broadly in line with expectations.

4.2 Under business-as-usual projections:

- Annual operating deficits remain material (circa \$200k).
- Cash runway extends to the end of calendar 2028.
- A final Limited Partner capital call of \$400,000 was made in February 2026.

4.3 Future sustainability depends on improved occupancy, corporate partnerships, successful implementation of the commercial plan.

#### 5.0 Commercial plan and sustainability

5.1 The Board has identified financial sustainability as its primary priority for the 2026/27 year.

5.2 Absent improved commercial performance, FEH will require additional funding or structural change before the end of the current runway. The Business Plan outlines a diversified revenue strategy focused on reducing reliance on rental income alone.

5.3 Key initiatives include:

- Increasing building occupancy toward 80 percent.
- Growing corporate partnerships and sponsorship revenue.
- Expanding the Innovation Club membership base.
- Establishing preferred partners for the Hawke's Bay investment chapter.
- Delivering investor forums and facilitating regional investment deals.
- Securing at least one government-funded initiative.

5.4 The Draft SOI sets a target of \$100,000 in net new revenue from corporate partnerships, innovation club and investment activity in 2026/27. If achieved, this would materially improve the trajectory toward financial sustainability.

5.5 The commercial plan is appropriately focused and aligned with Council's Letter of Expectations, particularly in relation to disciplined cost management and diversification of revenue streams. However, financial sustainability is not yet assured. The organisation remains in a transitional phase from establishment to commercial maturity.

5.6 The key issue for Council is not whether FEH has strategic merit, but whether the revenue model can be proven within the current cash runway. Achieving this will require disciplined execution by the Board and management, alongside close engagement and constructive support from shareholders to ensure expectations remain aligned and emerging risks are addressed early.

#### 6.0 Draft Statement of Intent 2026/27

6.1 Under the Local Government Act 2002, Council Controlled Organisations must provide a draft SOI by 1 March each year.

6.2 The Draft SOI 2026/27 (**see Attachment 2**) is supported by:

- A refreshed three-year Strategic Plan (to 2029).
- A standalone Business Plan for 2026/27.

- Updated performance measures and financial forecasts.

6.3 The purpose of this section is to present the Draft SOI to the Committee and seek feedback prior to finalisation.

#### **Strategic direction**

6.4 The Draft SOI confirms FEH's long-term vision:

*To become a highly influential and self-sustaining innovation hub, recognised by 2030 as the leading catalyser of commercially successful food innovation in New Zealand.*

6.5 The strategy is structured around four goals:

- **Commercial:** Be self-funding
- **Education:** Industry has access to the staff it requires
- **Industry:** Industry values what we deliver
- **Capital:** Capital is available for viable business propositions.

6.6 The clear priority for 2026/27 is financial sustainability, while maintaining delivery of the innovation mandate.

#### **Performance targets for 2026/27**

6.7 Key commercial and innovation targets in the SOI include:

##### Commercial

- \$100,000 net new revenue from corporate partnerships, innovation club and investment activity.
- 20 innovation club members.
- 4 preferred investor partners.
- 1 government-funded initiative secured.
- Buildings at 80% occupancy (by 30 June 2026).
- At least 3 start-up tenants.

##### Education

- Two leadership development events delivered.
- Two initiatives delivered through Massey/EIT partnership.

##### Industry

- Net Promoter Score  $\geq 4$  from annual industry survey.
- 10% annual increase in events, visitors and connections.
- Active collaboration to fund a national fermentation strategy.
- Two published case studies demonstrating tangible impact.

##### Capital

- Two investor forums held.
- Two regional investment deals completed with start-ups.

6.8 These measures are clearer and more outcome-focused than previous iterations and provide a stronger basis for performance monitoring.

## Financial outlook

6.9 The SOI includes forward financial projections to FY2029.

Measure	2026/27	2027/28	2028/29
Revenue	\$555k	\$622k	\$666k
Operating expenses	\$893k	\$920k	\$948k
Net loss	(\$225k)	(\$208k)	(\$191k)

6.10 Under business-as-usual forecasts:

- Annual deficits remain in the order of \$200k per annum through to 2028.
- Cash runway is projected through to late 2028 (calendar year).
- Long-term financial sustainability remains dependent on successful implementation of the commercial plan.

6.11 The Board has made a final capital call of \$400,000 in February 2026.

6.12 The SOI also reiterates that:

- The Kānoa \$12 million grant amortises at \$2 million per year provided innovation obligations continue to be met.
- Failure to meet funding agreement requirements could trigger partial clawback before 2030.

6.13 This remains a material governance consideration.

### Assessment and alignment with Council's Letter of Expectations

6.14 The Draft SOI:

- Is clearer in strategic framing than previous years.
- Sharpens the focus on commercial sustainability.
- Provides measurable targets across innovation, education and capital.
- Is transparent about financial deficits and cash runway.

6.15 Council's 2026/27 Letter of Expectations emphasised the following themes:

- Food innovation must remain the defining foundation of Foodeast.
- Tenant mix is critical and must reflect innovation objectives.
- Delivery of the commercial plan, including fermentation, innovation club and investment initiatives.
- Disciplined cost and cashflow management.
- Alignment of commercial decisions with shareholder expectations.
- Transparent communication and "no surprises" governance.
- Prudent financial risk management and sustainable tenancy revenue.
- Continued engagement with Kānoa and protection of the Crown grant.

6.16 The Draft SOI responds appropriately to these expectations:

- The four-goal strategy retains innovation at the core of Foodeast's purpose.

- Tenant mix targets explicitly require at least three start-up tenants aligned to food and agri innovation.
  - Commercial initiatives (corporate partnerships, innovation club, investor network) are embedded as measurable performance targets.
  - Cashflow forecasting and runway are transparently reported to shareholders.
  - Financial sustainability by 2028 is clearly stated as a priority.
  - Governance, risk management and reporting obligations are explicitly set out in the SOI.
- 6.17 Overall, the Draft SOI is consistent with Council’s Letter of Expectations and reflects a stronger discipline around commercial performance while maintaining the innovation mandate.
- 6.18 The central issue for Council remains whether the commercial plan can realistically close the operating deficit by 2028 without requiring further shareholder funding.
- 6.19 Council will be in a stronger position to assess this through the 2027–2037 Long Term Plan process. By that stage:
- Foodeast Haumako will have had additional time to implement the commercial plan.
  - Revenue performance from corporate partnerships, investor programmes and innovation club membership will be clearer.
  - Occupancy trends will be better established.
  - Cost discipline and cashflow management will be observable over a longer period.
- 6.20 The 2027–2037 LTP will therefore provide the appropriate forum for Council to consider its ongoing funding posture as a Limited Partner, informed by demonstrated commercial delivery rather than early-stage projections.
- 6.21 Michael Basset Foss (CEO), Nicky Solomons (Chair), and Tony Gray (Director), will be in attendance to present a summary of the 6 months activities and financials and to answer any questions during the meeting.
- 6.22 The Foodeast Financial Report (**Attachment 1**), draft Statement of Intent (**Attachment 2**), and Shareholder Letter of Expectations (**Attachment 3**) are attached to this report.

## 7.0 Recommendations - Ngā Tūtohunga

- A) That the Performance and Monitoring Committee receive the report titled Foodeast-Haumako Half-year Report and Draft Statement of Intent 26/27 dated 18 March 2026.
- B) That the Performance and Monitoring Committee receive and note the Foodeast Limited Partnership Annual Report for the 6 months to December 2025.
- C) That the Performance and Monitoring Committee provide any feedback to the Board of Foodeast Haumako on the Draft Statement of Intent which will be presented at the Limited Partners meeting on 18 March 2026.

### Attachments:

1 ⇨	260204 Foodeast Limited Partnership FY2026 Q2 Report FINAL	CG-18-04-00003	Under Separate Cover
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2 	260215 SOI 2026-27 DRAFT	CG-18-04-00001	Under Separate Cover
3 	20251217 2026-2027 Shareholder Expectations for Foodeast Limited	CG-18-04-00002	Under Separate Cover

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Wednesday, 18 March 2026

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Performance & Monitoring Committee Meeting**

*Te Rārangi Take*

# Report to Performance and Monitoring Committee

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*Nā:*  
From: **Vicky Roebuck, Marketing, Tourism & Experience Lead**

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*Te Take:*  
Subject: **Hawke's Bay Tourism Six Month report**

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## **1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga***

- 1.1 The purpose of this report is to present the Hawke's Bay Tourism (HBT) six-month report for the period July – December 2025 to the Performance and Monitoring Committee.
- 1.2 The report fulfils the reporting requirements under the Funding Agreement between Hastings District Council, Napier City Council, Central Hawke's Bay District Council and Hawke's Bay Tourism. The Agreement requires HBT to report regularly on performance against Key Performance Indicators and financial performance.
- 1.3 Dave Simmons, Board Chair of Hawke's Bay Tourism, will attend the meeting to present the report (**Attachment 1**) and respond to questions from the Committee. The Chief Executive of Hawke's Bay Tourism has submitted an apology.
- 1.4 In June 2025 Hastings District Council agreed to provide an operational grant of \$462,500 to Hawke's Bay Tourism for the 2025/26 financial year, alongside contributions from Napier City Council (\$450,000) and Central Hawke's Bay District Council (\$75,000).
- 1.5 In addition to the operational grant, Hastings District Council collaborates with Hawke's Bay Tourism on a number of regional initiatives including the Great Wine Capitals programme, regionally significant events, trade activity, and marketing initiatives. This encompasses financial support and staff resource.
- 1.6 The funding arrangement supports the continuation of regional tourism promotion and destination management activities following the cessation of Hawke's Bay Regional Council funding.

- 1.7 The funding agreement requires Hawke’s Bay Tourism to report on progress against the Key Performance Indicators contained in its Statement of Intent and the Letter of Expectation issued by the funding councils.
- 1.8 The attached six-month report outlines performance across key activity areas including destination marketing, industry engagement, digital promotion, and the Great Wine Capitals programme.
- 1.9 The funding agreement is based on Key Performance Indicators (KPIs) set out by Hawke’s Bay Tourism in their Statement of Intent.
- 1.10 The Hawke’s Bay Tourism report provides an overview of activity undertaken during the reporting period and demonstrates continued delivery of core regional tourism promotion functions.
- 1.11 Officers note that the report aligns broadly with the high-level commitments set out in Hawke’s Bay Tourism’s Statement of Intent.
- 1.12 However, reporting against the more detailed performance indicators outlined in the councils’ Letter of Expectation (**Attachment 2**) is less explicit. When receiving the Statement of Intent, Council accepted HB Tourism’s request to not report to the level of detail set out in the Letter of Expectation. For this reason, the half-yearly report should be considered against the outcomes in the Statement of Intent (**Attachment 3**). Both documents are attached for reference (**Attachments 2 and 3**).
- 1.13 Council may wish to explore these areas further with the Board Chair during the presentation.
- progress against domestic visitor market share targets
  - reporting of digital campaign metrics and media value
  - industry membership levels and financial contributions
  - development of return-on-investment measures for the Great Wine Capitals programme
  - progress toward a funding strategy for the 2026/27 financial year.

## 2.0 Recommendations - Ngā Tūtohunga

- A) That the Performance and Monitoring Committee receive the report titled Hawke's Bay Tourism Six Month report dated 18 March 2026.
- B) That the Committee note the performance update provided by Hawke’s Bay Tourism in accordance with the Funding Agreement.

### Attachments:

1⇒	HB Tourism Half Yearly Report - February 2026	EXT-10-17-26-32	Under Separate Cover
2⇒	HBT Letter of Expectation 2025-26	COM-42-04-25-3	Under Separate Cover
3⇒	HBT Statement of Intent 2025-2026	STR-6-19-2-25-34	Under Separate Cover

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Wednesday, 18 March 2026

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Item 7

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Performance & Monitoring Committee Meeting**

*Te Rārangi Take*

# Report to Performance and Monitoring Committee

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*Nā:*  
From: **Vicky Roebuck, Marketing, Tourism & Experience Lead**

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*Te Take:*  
Subject: **Arts Inc Heretaunga Arts Festival**

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## **1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga***

- 1.1 The purpose of this report is for Arts Inc Heretaunga (AIH) to present the Hawke's Bay Arts Festival 2025 (HBAF) post- event report to the Performance and Monitoring Committee.
- 1.2 The full report is attached under separate cover (**Attachment 1**). Jade Baker, Director, Arts Inc Heretaunga will attend the meeting to present an overview of the event outcomes. Jade will be accompanied by the AIH Board Chair Jude Minor, and board members Te Rangi Huata and Ana Apatu. They will be available to answer any questions from the committee at this time.
- 1.3 The HBAF has been a feature in the Hawke's Bay events calendar for over ten years. Run by AIH, it is one of many services delivered to support the community through the arts. The HBAF is a ten-day collection of performance-based events that include theatre, music, dance, circus and more, with most events taking place in Hastings city centre, with the festival 'hub' based at Toitohi Hawke's Bay Arts & Events Centre.
- 1.4 AIH receives \$120,000 per year in funding for the delivery of a main festival in October 2025 and a smaller festival series in October 2026.
- 1.5 A review of HBAF funding will be conducted as part of a wider review of all multi-year event contracts aligned to the LTP planning process.
- 1.6 **The high-level outcomes of the contract are outlined below:**
  - Fostering the arts and culture experience in Heretaunga Hastings and supporting the growth of the sector through 'collective impact' programming (cultural wellbeing)

- Produce a program of show events and activations for the enjoyment and accessibility of the wider community (civic pride, social and cultural wellbeing)
- Heretaunga Hastings mana whenua, community groups, schools, and businesses feel engaged with and connected to the event (civic pride, social and cultural wellbeing)
- Delivery of a free event for the Heretaunga Hastings community that activates city streets, laneways, and pocket parks (civic pride, social wellbeing)
- Create employment opportunities for local artists and creatives (social and economic wellbeing)
- Stimulate business activity of local contractors/suppliers for event infrastructure and supporting services. (economic wellbeing)
- Increase tourism revenue through visitor nights and spend (economic wellbeing)
- Provide opportunities for Hastings's city businesses to capitalise on the HBAF audience and generate economic value for the CBD (economic wellbeing)
- Promoting Heretaunga Hastings as a visitor destination for return visits (economic wellbeing)
- Actively contribute to the positive brand reputation of Heretaunga Hastings through all HBAF channels (economic wellbeing)
- Provide opportunities for HDC activations through marketing, communications, and promotions by mutual agreement that will not be unreasonably withheld.
- Provide prominent event brand exposure for HDC as a core funder.

- 1.7 A detailed assessment of festival outcomes against the contract KPIs is detailed in **Attachment 2** - 2025 HB Arts Festival - AIH KPI Assessment.
- 1.8 While the event did not achieve financial and ticket targets, the event delivered a profit of \$77,490 compared to the previous event loss of \$147,000.
- 1.9 Delivered under a new festival director, there is a renewed level of confidence in AIH to re-build the event with previous challenges including timing of funding now assessed and enabling improved cash flow and effective event planning.

## 2.0 Recommendations - *Ngā Tūhunga*

- A) That the Performance and Monitoring Committee receive the report titled Arts Inc Heretaunga Arts Festival dated 18 March 2026.
- B) That the Committee receives the 2025 Arts Inc Heretaunga Hawke's Bay Arts Festival Post-Event report in accordance with the Funding Agreement.

### Attachments:

1	Hawke's Bay Arts Festival - 2025 HBAF Post Event Report	COM-24-03-26-2	Under Separate Cover
2	Communications & Marketing - Event Management - Event funding contracts (multi-year) - 2025 HB Arts Festival - AIH KPI Assessment	CG-18-04-00006	Under Separate Cover





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Wednesday, 18 March 2026

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Performance & Monitoring Committee Meeting**

*Te Rārangi Take*

# Report to Performance and Monitoring Committee

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**Nā:** Jess Noiseux, Strategic Financial Advisor  
**From:** Graham Watson, Chief Financial Officer

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**Te Take:** Hawke's Bay Airport Ltd Draft 26/27 Statement of Intent and  
**Subject:** Interim Report for the six month period ending 31 December 2025

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## **1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga***

- 1.1 The purpose of this report is to inform the Performance and Monitoring Committee of the results of the Hawke's Bay Airport Limited (HBAL) for the second 3 months and the six months ended 31 December 2025 and to present the draft HBAL Statement of Intent for consideration.
- 1.2 HBAL is an incorporated company jointly owned between the Crown (50%), Napier City (26%) and Hastings District (24%).
- 1.3 The Council's share of HBAL is a Strategic Asset in Council's Significant and Engagement Policy.
- 1.4 HBAL is required to report to its shareholding partners every six months. The Chief Executive, Nick Flack and Chief Financial Officer, Rochelle Ham will be at the meeting to present their report to 31 December 2025 and draft Statement of Intent and answer any questions that the members of the Committee may have.
- 1.5 The Local Government Act requires all Council Controlled Organisations to prepare a Statement of Intent. A draft is required to be provided by 1 March each year for comment with the final Statement of Intent to be completed by 30 June each year. Clause 3 of Schedule 8 of the Local Government Act 2002 outlines the Board's responsibilities upon receiving comments from the shareholders:

### **3) Completion of statements of intent**

*The board must –*

- a) *Consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and*

- b) *Deliver the completed statement of intent to the shareholders on or before 30 June each year.*

1.6 Clause 9 of Schedule 8 of the Local Government Act outlines the contents of a Council Controlled Organisation's Statement of Intent for which HBAL must comply.

#### Half Year Accounts

- 1.7 Attached (**Attachment 1**) is a copy of the HBAL Interim Report for the six-month period to 31 December 2025
- 1.8 HBAL has reported a half-year-after-tax profit of \$1.64m, exceeding the budgeted profit by \$0.7m. This result is supported through increased revenue of 8% from revised landing charges, higher car-park revenues and concessions as well as disciplined cost control along with lower interest costs and reduced depreciation. This result is generated despite a 5% reduction in passenger numbers from those budgeted.
- 1.9 Bank borrowings have increased to \$27.4m in the first half of FY25. The full lender facility with ASB Bank is \$28,500,000. During the quarter, work has been undertaken with our lenders (ASB Bank) to review the limits in place and document and renew the goals around the Sustainability Linked Loan (SLL).
- 1.10 Beyond financial performance, HBAL has continued to advance non-financial outcomes across safety, customer experience, operational resilience and digital enablement. Sustainability and resilience continue to be a key area of focus and the HBAL have maintained their Airport Carbon Accreditation (ACA) Programme Level 4+ through to 2028. A significant rooftop solar project was completed in December 2025. Key capital projects have been delivered in this half year with upgrades to runway and taxiway surfaces together with the completion of fire station construction.

#### Statement of Intent

- 1.11 Attached (**Attachment 2**) is the draft Statement of Intent (SOI) for 2026-27 from HBAL. The Statement of Intent is comprehensive and details its key objectives across their five Strategic Pou of Planes, Passengers, Portfolio, Profile and People.
- 1.12 The HBAL Board is forecasting a net profit after tax (NPAT) of \$3.07m in 2026/27. This is a further increase in comparison to forecasts for 2025/26 despite lower forecasted passenger numbers. HBAL renegotiated passenger fees in June 25 covering the next 3 years which will help fund necessary upgrades, Operating costs are expected to remain stable even with extended operating hours due to schedule changes over airfield lighting and boosting maintenance.
- 1.13 HBAL are focusing Capital spend on critical infrastructure ensuring resilience is improved and overall customer experience gains through carpark improvements and terminal upgrades where necessary.
- 1.14 Global and local economic challenges and extreme climate related events continue to affect travel demand, but HBAL remain on track to meet their goals and will continue to report regularly to Council.

## 2.0 Recommendations - Ngā Tūhunga

- A) That the Performance and Monitoring Committee receive the report titled Hawke's Bay Airport Ltd Draft 26/27 Statement of Intent and Interim Report for the six month period ending 31 December 2025 dated 18 March 2026.
- B) That the Committee receive the Hawke's Bay Airport Limited Interim Report for the six-month period ending 31 December 2025.
- C) That the Committee receive the Hawke's Bay Airport Limited draft 2026-27 Statement of Intent and provide any feedback as required.

### 3.0 Background – Te Horopaki

- 3.1 Hawkes Bay Airport was officially opened in February 1964. In 2009, Hawkes Bay airport operations were corporatised and incorporated as Hawke’s Bay Airport Limited. HBAL was incorporated as a limited liability company with shareholdings held by the Crown (50%), Napier City Council (26%) and Hastings District Council (24%).
- 3.2 As an incorporated company, HBAL is governed by a Board of Directors appointed by shareholders as follows:
- Crown appoints two directors
  - HDC and NCC jointly appoint the other two directors
- 3.3 HBAL is a Council-Controlled Trading Organisation (CCTO) under the Local Government Act 2002. As a CCTO, HBAL is required to operate on a commercial basis while delivering agreed strategic objectives and must comply with specific statutory reporting and accountability requirements.
- 3.4 Under the Local Government Act 2002, CCO/CCTOs must:
- Deliver a draft SOI to shareholders by 1 March each year
  - Deliver a final SOI by 30 June each year after considering shareholder feedback
  - Deliver a half-year report within two months of 31 December (i.e. by 28/29 February)
  - Deliver an annual report within three months of balance date (i.e. by 30 September)
- 3.5 HDC’s original investment in HBAL at the time of incorporation was \$1.06m. As disclosed in Council’s most recent Annual Report, the carrying value of Council’s 24% shareholding as of 30 June 2025 is \$13.18m. The value has increased over time through retained earnings and asset growth, reflecting HBAL’s long-term capital development and financial performance.
- 3.6 HBAL generates revenue primarily from aeronautical charges (including passenger and landing fees), commercial activities such as car parking and property leases, and other aviation-related services. Passenger volumes are a key driver of revenue performance.

#### Attachments:

1	Hawke’s Bay Airport Interrim Report for the six month period ending 31 December 2025	EXT-10-9-2-26-187	Under Separate Cover
2	Hawkes Bay Airport Limited Draft SOI 26/27	EXT-10-9-1-26-115	Under Separate Cover



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Wednesday, 18 March 2026

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Performance & Monitoring Committee Meeting**

*Te Rārangi Take*

# Report to Performance and Monitoring Committee

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**Nā:**  
**From:** Jennie Kuzman, Health, Safety and Wellbeing Manager

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**Te Take:**  
**Subject:** Health, Safety & Wellbeing Policy

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## **1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga***

- 1.1 The Health and Safety at Work Act 2015 (HSWA) requires HSWA Officers (Elected Members and the Chief Executive) to exercise due diligence by taking reasonable steps to understand the organisation's operations and Health, Safety & Wellbeing risks, and to ensure that they are managed so that Council meets its legal obligations.
- 1.2 Council's overarching Health, Safety & Wellbeing Policy was reviewed and updated in 2025 and endorsed by the previous Committee (see attachment).
- 1.3 As this is a new triennium, it would be appropriate for the current Committee to consider endorsing the Policy, to show their commitment to Health Safety & Wellbeing.
- 1.4 If endorsed, the policy would then be reissued and signed on behalf of the Committee by the Mayor.

## **1.0 Recommendations - *Ngā Tūtohunga***

That the Performance and Monitoring Committee endorse the Overarching Health, Safety and Wellbeing Policy.

### **Attachments:**

- 1 [↓](#) HDC Health, Safety and Wellbeing Policy (Signed) - HR-03-02-2-25-51  
20 March 2025



# TE KAUPAPA HERE HAUORA, HAUMARU & ORANGA HEALTH, SAFETY & WELLBEING POLICY



## Our commitment:

- Hastings District Council is committed to keeping our workers (employees, volunteers, and contractors) and our community safe through living a strong, positive Health, Safety & Wellbeing culture.
- At Council we all have responsibility for Health, Safety & Wellbeing.
- We expect Council staff to respect and serve the Hastings Community by taking pride in demonstrating good Health, Safety & Wellbeing practices.

**HERETAUNGA  
HASTINGS** DISTRICT COUNCIL

## To demonstrate our organisation's commitment to Health, Safety & Wellbeing, we will:

- Comply with all relevant legislation, regulations, codes of practice and industry standards.
- Build and maintain a workplace environment and culture that supports good Health, Safety & Wellbeing practices.
- Increase awareness, participation and learning through active communication, consultation, training, and collaboration with our workers about Health, Safety & Wellbeing matters.
- Take a proactive approach to managing risk by actively identifying hazards and unsafe behaviour within our workplaces and taking steps to reduce the risks to an acceptable level.
- Maintain and continuously improve our Health, Safety & Wellbeing systems.
- Set goals for improvement as well as measure, appraise and report on our Health, Safety & Wellbeing performance.
- Report on and learn from our incidents (including near misses).
- Support rehabilitation and fit-for-work processes for injured or unwell employees.
- Design, construct, operate and maintain our assets to safeguard the community.
- Require our contractors to demonstrate a strong Health, Safety & Wellbeing culture within their organisations.

As Chief Executive and Mayor, we maintain ultimate accountability for our organisation and we will ensure Health, Safety & Wellbeing is central to what we do in delivering services to our community.

**Sandra Hazlehurst**  
Mayor,  
Hastings District Council  
20/3/2025

**To'osavili Nigel Bickle**  
Chief Executive,  
Hastings District Council  
20/3/2025



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Wednesday, 18 March 2026

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Performance & Monitoring Committee Meeting**

*Te Rārangi Take*

# Report to Performance and Monitoring Committee

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*Nā:*  
From: **Aaron Wilson, Financial Controller**

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*Te Take:*  
Subject: **Six Months Financial Results 31 December 2025**

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## 1.0 Purpose and summary - Te Kaupapa Me Te Whakarāpopototanga

1.1 The purpose of this report is to present the financial results for the six months ended 31 December 2025.

1.2 The summary of the results is as follows:

- **Net Debt Position:** In December, Council took out further \$40m of planned debt. The net debt position has increased to **\$456.1m**.
- **Revenue:** Council revenue of \$165.4m is **\$10.7m unfavourable to budget**.
  - Of this Capital Subsidies and grants are **\$10.8m unfavourable** due to lower capital expenditure resulting in lower claims made to funding partners.
- **Total Operational Expenditure:** Expenditure of \$119.5m is **\$5.4m favourable to budget**, largely due to timing differences in expenditure during the first half of the year.
- **Depreciation:** Non-cash depreciation at \$34.9m is **unfavourable to budget at \$2.4m**
- **Capital Expenditure:** Actual capital spend is **\$90.6m** against a budget of **\$112.7m** (including cyclone recovery projects). The latest capital forecast reflects a \$30m reduction compared to the Annual Plan

\*Please note the above differences will be explained in more detail below.

## 2.0 Recommendations - Ngā Tūtohunga

That the Performance and Monitoring Committee receive the report titled Six Months Financial Results 31 December 2025.

## 3.0 Background – Te Horopaki

- 3.1 The financial result is reported quarterly during the year. The result is compared to the Annual Plan adopted by Council.
- 3.2 Attached to supplement this report is **Attachment 1** – Whole of Council Dashboard Summary of Financial Performance.
- 3.3 If Councillors require clarification on any points, please contact the writer, or Chief Financial Officer, prior to the meeting to ensure complete answers can be given at the meeting on the detail in these reports.

## 4.0 Discussion – Te Matapakitanga

- 4.1 The following provides a summary of the Council's financial performance for the six months ended 31 December 2025.

### 4.2 Revenue:

Revenue: 31 December 2025	Actual Ytd (\$m)	Budget Ytd (\$m)	Variance Ytd (\$m)
Rates	76.7	76.5	0.2
Fees, charges & metered water supply charges	25.3	26.6	-1.3
Operating Subsidies	8.2	4.9	3.3
Capital Subsidies & Grants	53.8	64.6	-10.8
Other Capital Revenue	1.4	3.5	-2.1
<b>Total Revenue</b>	<b>165.4</b>	<b>176.1</b>	<b>-10.7</b>

- 4.3 Council revenue is **\$10.7m unfavourable to budget**, made up of:

- **Rates**, the annual rates charge is phased equally throughout the year.
- **Fees and charges** are \$1.3m unfavourable. Lower volumes at the Transfer station and at the landfill (\$2.3m unfavourable). Volumes are not expected to catchup over the remaining six months of the financial year. Whilst there is a mix of variances across a wide range of other areas, two of the bigger favourable drivers are higher water meter and trade waste charges \$0.3m along with increased parking revenue of \$0.3m.
- **Operating subsidies** received are \$3.3m favourable due to the timing of received payments for Cyclone Gabrielle. Operational subsidies and grants of \$0.8m favourable were received and cover several community/social grants for programmes. The subsidies received will be used during the year.

- **Capital subsidies and grants** are \$10.8m unfavourable due to lower capital expenditure and claims made to funding partners in the first half of the year.
- **Other capital revenue** is mainly driven by Development Contributions which are \$2.1m unfavourable. Development Contribution revenues are irregular and are driven by developer activity and project schedules. There are a wide range of developments in terms of size and at different stages and officers are working to better understand the year end outcome as the year progresses.
- Officers expect to see an uplift in Council development contributions reported in the March quarter from the Iona subdivision.

#### 4.4 Operational Expenditure:

Expenditure: 31 December 2025	Actual Ytd (\$m)	Budget Ytd (\$m)	Variance Ytd (\$m)
Personnel Costs	28.8	29.2	0.4
Finance Costs	11.0	11.4	0.4
Other Operating Costs	44.8	51.8	7.0
Depreciation	34.9	32.5	-2.4
<b>Total Operational Spend</b>	<b>119.5</b>	<b>124.9</b>	<b>5.4</b>

#### 4.5 Operational expenditure is **favourable to budget by \$5.4m** and is made up of:

- **Other Operational costs** through the first six months of the year are \$7.0m favourable to budget. There are several drivers due to timing and invoices to be received along with business decisions which has meant a change from when the budget was set.

Key drivers include:

- Material Damage Insurance is \$1.6m favourable. The invoicing from the insurer was delayed a month and will be booked in the third quarter. The invoice is in line with expectations.
- Contracted Services and expert advice is \$1.5m favourable with lower spend across maintenance along with a reduction in the engagement of consultants and the use of experts across the organisation.
- Landfill and Waste management costs are favourable from lower volumes including external plant hire is \$0.4m favourable.
- ETS Carbon Credits is \$1.6m favourable and is due purely to a change of accounting process. The Landfill Committee approved a change to the ETS process to a once-a-year transaction at year end.
- Blackbridge Grant to HB Regional Council (HBRC), is \$765k favourable. Whilst a cultural assessment is underway; the work will not be completed in the current financial year. This project comes under HB Regional Council's programme of work. The total budget in the current financial year is \$1.5m and will be budgeted in 2026/27 once HBRC confirm their work schedule. This is loan funded so there is no rating impact.

- **Personnel costs** are \$0.4m favourable, mainly driven by vacancies, and savings in personnel costs.
- **Finance costs** are \$0.4m favourable with some impact being seen from the improved (lower) net debt position that has continued through the financial year.
- **Depreciation** is unfavourable by \$2.4m and is driven by higher external valuations in infrastructure and parks, received at the end of the previous year, after the Annual plan and budgets were adopted. To minimise the risk of similar situations in future years Council is working to have the valuations completed earlier in the year.

4.6 Council are currently reforecasting operational revenue and expenditure to the end of this financial year.

## 5.0 Summary of Activity Areas

5.1 Waste: Revenue Ytd is unfavourable by \$2.3m due to continued declining volumes. This is offset by lower than budgeted expenditure in two main areas. Firstly, with the lower volumes, equipment hires and escalation spend is down \$0.4m, secondly, the change to the ETS accounting process as noted earlier \$1.6m, which will now happen in May, where this variance will correct itself.

5.2 Cemeteries & Crematorium: – Revenue Ytd is down across both Cemeteries and Crematorium; however, this is offset by larger savings across both areas in personnel, gas and contracted services.

5.3 Parks: Revenue Ytd is unfavourable, this is driven by lower development contributions partially offset by unbudgeted grants received. Expenditure Ytd is unfavourable and driven by higher than budgeted contract services along with the timing of donations paid out ahead of budget phasing.

5.4 Roading & Transport BAU: Maintenance was unfavourable to budget due to the timing of spend across a number of lines, offset by lower consulting spend as at the end of December.

5.5 Stormwater: Maintenance costs are favourable to budget due to lower reactive maintenance costs on the Collection Reticulation system as well as a reduction in the use of consultants.

5.6 Wastewater: Preventative and Reactive maintenance costs are generally on budget for the first half of the year. Following similar trends in the organisation there has been less use of consultants.

5.7 Drinking Water: The Ytd Planned & Reactive maintenance costs for Drinking water are unfavourable due to an increase in spend on treatment costs (chemicals, lamps etc). As per the other water activities consultant costs are favourable to budget.

5.8 Planning & Regulatory: – Overall, showing favourable revenue to budget, mainly due to higher than forecast parking revenues and resource consent applications. However, the revenue increase has been offset by lower than forecast building consents granted. Operational expenditure is lower than budgeted, mainly due to carrying some vacancies across the teams and lower contracted services costs in resource consents and environmental policy. These lower costs have been offset with unbudgeted but approved ongoing compliance costs. i

5.9 Growth: Growth & Development operational expenditure is favourable to budget however there are a number of projects that are currently in progress for which costs will be coming through by the end of the financial year i.e. Local Area Plans, Future Development Strategy and the Regional Spatial Strategy.

- 5.10 Aquatics: – Across all aquatic facilities, revenue is ahead of budget YTD, despite the unplanned closure of Waterworld for repair works. The unplanned closure has also reduced operating costs.
- 5.11 Splash: – Revenue Ytd is unfavourable mainly due to the decision to open a couple of weeks later and only open weekends prior to Christmas. The lower revenue YTD has been offset by key cost operating and personnel cost reductions.
- 5.12 Toitoti: have had a positive first six months with revenue favourable ytd. Operational costs are currently favourable to budget, due to a timing difference with the material damage insurance payment being paid in January. All other expenditure is in line with Ytd budget.
- 5.13 Wellbeing services: - Revenue is favourable Ytd driven by grants received for the senior housing capex spend. Operational expenditure is unfavourably driven by the grant for the Toitu Te Reo Festival, which is offset by an external grant being received.
- 5.14 As noted in 4.6 above Council is currently reforecasting the year end position which will incorporate

## 6.0 Capital Expenditure and Forecast

- 6.1 Council's total adopted capital budget (including renewals, new works, and growth projects) for both Business as Usual (BAU) and Cyclone Gabrielle 2025/26 is \$264.2m.
- 6.2 BAU capital spend is \$47.2m against the first six months budget of \$73.9m. The main area of underspend is within infrastructure, across growth, transport and 3 waters areas.
- 6.3 Cyclone Gabrielle capital spend for the first six months, is favourable to budget with a spend of \$43.4m against a budget of \$38.8m.
- 6.4 Infrastructure investment is the main driver of Council's capital expenditure. The programme has historically underspent, so budgeting includes a deliverability assumption, while forecasting accuracy is still being improved to better plan and manage programme delivery.
- 6.5 Reasons for delays in the programme:
- Timing and phasing of construction awards.
  - Construction activity ramping up later in the year.
  - Procurement of long-lead and structural components affecting timing of expenditure.
  - External factors outside Council's control, such as land ownership or agreement constraints.
  - Favourable tender outcomes where pricing has come in below estimates.
  - Rephasing of projects, with some expenditure moved into FY26/27.
- 6.6 The table below shows a breakdown of capex by spend type and by areas within those types.

## Summary of Capital Spend as at 31 December 2025

	YTD Actuals (\$m)	YTD Budgets (\$m)	YTD Variance (\$m)	Annual Plan (\$m)
<b>COUNCIL CAPITAL</b>				
Renewals	20.3	33.0	12.7	71.1
New Works	18.8	24.3	5.5	53.6
Growth	8.1	16.7	8.6	37.6
<b>CAPITAL SPEND excl CYCLONE</b>	47.2	73.9	26.7	162.3
Cyclone Gabrielle	43.4	38.8	(4.6)	101.9
<b>TOTAL CAPITAL SPEND</b>	90.6	112.7	22.1	264.2
	YTD Actuals (\$m)	YTD Budgets (\$m)	YTD Variance (\$m)	Annual Plan (\$m)
<b>SUMMARY</b>				
<b>RENEWALS</b>				
Transportation	6.4	11.6	5.2	17.3
Wastewater	5.5	9.9	4.4	23.4
Water Supply	4.4	6.9	2.5	17.0
Building & Property Management	1.0	1.2	0.3	3.8
Parks & Reserves	0.9	1.0	0.2	2.4
Solid Waste	0.8	0.5	(0.3)	1.0
Information Systems	0.4	0.6	0.2	2.1
Rest of Council - Renewals	1.0	1.2	0.2	4.2
<b>TOTAL RENEWALS</b>	20.3	33.0	12.7	71.1
<b>NEW WORKS</b>				
Housing for the Elderly	6.5	6.0	(0.5)	11.4
Stormwater	4.0	6.4	2.4	13.3
Parks & Reserves	1.8	2.4	0.6	5.4
Water Supply	1.2	1.8	0.6	4.4
Solid Waste	1.0	2.5	1.4	4.9
Arts & Culture	0.9	1.5	0.6	3.0
Building & Property Management	0.9	1.3	0.5	2.7
Rest of Council - New Works	2.6	2.4	(0.2)	8.4
<b>TOTAL NEW WORKS</b>	18.8	24.3	5.5	53.6
<b>GROWTH</b>				
Wastewater	7.4	12.7	5.3	22.3
Stormwater	0.6	2.2	1.6	8.9
Transportation	0.1	0.7	0.6	1.8
Water Supply	0.0	1.0	1.0	3.8
Rest of Council - Growth	-	0.0	0.0	0.9
<b>TOTAL GROWTH</b>	8.1	16.7	8.6	37.6
<b>CYCLONE GABRIELLE</b>				
Cyclone Gabrielle	43.4	38.8	(4.6)	101.9
<b>TOTAL CYCLONE</b>	43.4	38.8	(4.6)	101.9
<b>TOTAL CAPITAL</b>	90.6	112.7	22.1	264.2

6.7 Council has re-forecast the capital expenditure for the year. Expenditure is forecast to be \$234m a reduction of \$30m. This is comparable to last year's capital spend of \$230m which was a record capital delivery for this Council. Note the table in 6.6 reflects the original annual plan and not the latest forecast.

## 6.8 Key areas of change within the forecast are:

- Wastewater Capex Renewals are forecast to be \$6.1m lower than the original budget. This is mainly due to the Wastewater treatment infrastructure project which has had a delayed start. \$2.6m of budget has now been shifted to next year.
- The Outfall Manifold project (\$2.1m) has been re-budgeted into next year. With this project impacted by a longer than expected procurement process.
- The IAF Growth project has also proceeded slower than expected with \$12.3m of the \$18.7m forecast to be completed. The remainder has been re-budgeted into 2026-27.
- \$1.2m of the Waipatu Water Supply Trunk main growth budget has been moved into 2026-27. The design portion will be spent in the current year.

## 7.0 Cash and Treasury

- 7.1 External debt of Council as at 31 December was \$493.7m. Cash holdings in December were \$36.9m leading to a net debt position of \$456.1m. Council has a liquidity position of 117%. This indicates that Council has available funds to cover its known financial obligations as they fall due.
- 7.2 There is a continued focus on ensuring timely invoicing for large capital projects to our funding partners (NIFF/NZTA) to manage and maintain control over cashflows.
- 7.3 Latest year-end forecast for external debt is \$515m against an annual plan of \$549m. The lower forecast external debt is due the lower forecasted capex spends and the continued focus on cash management through this financial year. The forecasted net debt figure is \$505m. Timing of funding from Government funding partners will determine ultimately the level of net debt reported.
- 7.4 Council remains compliant with its Treasury Management Policy limits. The Risk and Assurance Committee reviews and monitors Council's treasury performance and policy on a quarterly basis with advice from Bancorp Treasury Services.

## Attachments:

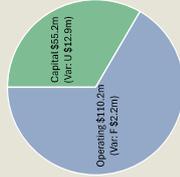
1 [↓](#) Whole of Council Dashboard Dec 2025

FIN-09-01-26-233

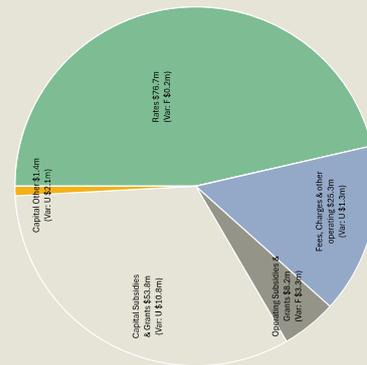
Whole of Council Quarterly Dashboard YTD December 2025

Whole of Council Revenue YTD December 2025

YTD Operating Revenue <b>Actual \$110.2m</b> (Budget \$108m)	+	YTD Capital Related Revenue <b>Actual \$55.2m</b> (Budget \$68.1m)	=	YTD Total Revenue <b>Actual \$165.4m</b> (Budget \$176.1m)
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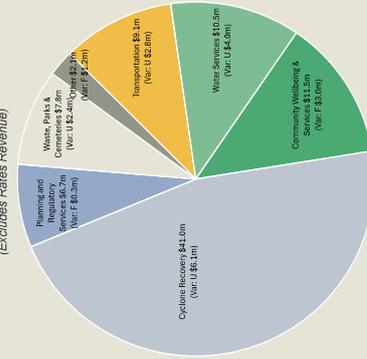
Actual Revenue by Revenue Type YTD December 2025



F = Favourable  
U = Unfavourable

Revenue by Type YTD	Actual	Budget	Variance
Rates	76,727	73,053	3,674
Fees, Charges & other operating	25,238	26,579	(1,341)
Operating Subsidies & Grants	8,171	4,829	3,342
Capital Subsidies & Grants	53,783	64,570	(10,787)
Capital Other	1,405	3,551	(2,146)
<b>Total Revenue</b>	<b>165,384</b>	<b>176,092</b>	<b>(10,708)</b>

Actual Revenue by Group YTD December 2025  
(Excludes Rates Revenue)



F = Favourable  
U = Unfavourable

Revenue by group YTD	Actual	Budget	Variance
Transportation	9,082	11,869	(2,807)
Waste, Parks & Cemeteries	11,465	8,473	2,992
Community Wellbeing & Services	41,045	47,153	(6,108)
Planning and Regulatory Services	6,721	6,402	319
Waste, Parks & Cemeteries	7,809	10,240	(2,431)
Other	2,094	503	1,591
Revenue by type	88,897	98,529	(10,672)
Plus: Rates	75,727	75,553	184
<b>Total Revenue</b>	<b>165,384</b>	<b>176,092</b>	<b>(10,708)</b>

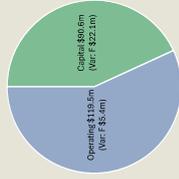
Actual Revenue by Quarter YTD December 2025



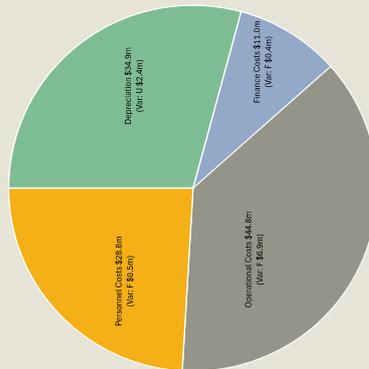
Revenue by Type Full Year Budget	Full Year Actuals	YTD of Full Year	% of Full Year
Rates	48,026	150,026	31.2%
Fees, Charges & other operating	52,569	152,569	28.9%
Operating Subsidies & Grants	8,877	126,966	42.0%
Capital Subsidies & Grants	126,966	126,966	42.4%
Capital Other	6,601	6,601	21.3%
<b>Total Revenue</b>	<b>348,139</b>	<b>477,591</b>	<b>47.5%</b>

Whole of Council Expenditure YTD December 2025

YTD Operating Expenses <b>Actual \$119.5m</b> (Budget \$124.9m)	+	YTD Capital Expenditure <b>Actual \$90.6m</b> (Budget \$112.7m)	=	YTD Total Spend <b>Actual \$210.1m</b> (Budget \$237.6m)
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Actual Operating Expenditure by Type YTD December 2025

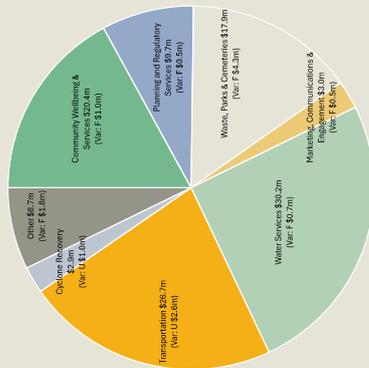


F = Favourable  
U = Unfavourable



Operational Expenditure by Type YTD	Actual \$'000	Budget \$'000	Variance \$'000
Personnel Costs	28,757	29,239	481
Operational Costs	44,821	51,761	6,940
Depreciation	34,902	32,468	(2,434)
<b>Total Expenditure</b>	<b>118,479</b>	<b>124,852</b>	<b>5,373</b>

Actual Operating Expenditure by Group YTD December 2025

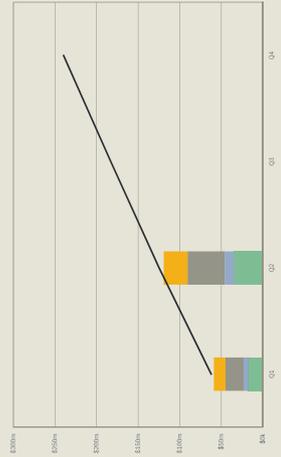


F = Favourable  
U = Unfavourable



Operational Expenditure by group YTD	Actual \$'000	Budget \$'000	Variance \$'000
Community Wellbeing & Services	20,376	21,265	889
Planning and Regulatory Services	9,707	22,208	12,501
Waste, Parks & Crematoria	2,882	3,503	621
Marketing, Communications & Engagement	30,239	36,988	7,747
Water Services	29,882	24,083	(2,589)
Transportation	57,157	59,800	2,643
Other	8,683	10,515	1,832
<b>Total Expenditure</b>	<b>119,473</b>	<b>124,852</b>	<b>5,379</b>

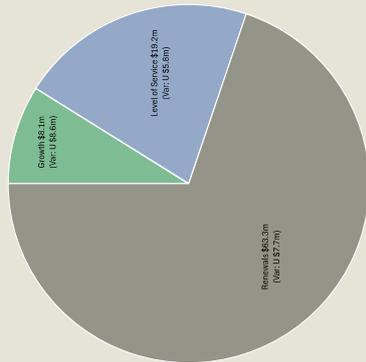
Actual Expenditure by Quarter YTD December 2025



Expenditure by Type Full Year Budget	Full Year Actuals for Budget Full Year \$'000	Actuals for Full Year \$'000	% of Budget
Personnel Costs	28,757	29,882	103.9%
Operational Costs	44,821	44,935	100.2%
Depreciation	34,902	34,935	100.1%
<b>Total Expenditure</b>	<b>118,479</b>	<b>119,752</b>	<b>101.1%</b>

Whole of Council Capital Expenditure YTD December 2025

Actual Capital Expenditure by Type YTD December 2025

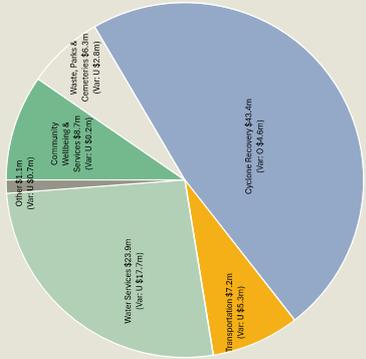


U = Underspend  
O = Overspend

Capital Expenditure by Type YTD	Actual \$'000	Budget \$'000	Variance \$'000
Growth	8,093	18,703	8,610
Level of Service	19,249	25,070	5,821
Renewals	63,252	70,853	7,701
<b>Total Capital Expenditure</b>	<b>90,594</b>	<b>112,726</b>	<b>22,132</b>

**Current Borrowings**  
Actual \$493.7m  
(Full year Budget \$549m)

Actual Capital Expenditure by Group YTD December 2025

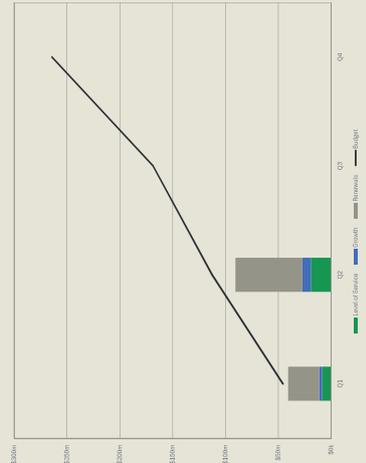


U = Underspend  
O = Overspend

Capital Expenditure by group YTD	Actual \$'000	Budget \$'000	Variance \$'000
Community Wellbeing & Services	6,239	9,100	2,819
Waste, Parks & Comarities	43,401	38,785	(4,616)
Cyclone Recovery	7,219	12,538	5,319
Transportation	23,874	41,589	17,715
Water Services	1,500	3,215	1,715
Other	1,500	0	1,500
<b>Total Capital Expenditure</b>	<b>80,354</b>	<b>112,728</b>	<b>22,132</b>

**Liquidity**  
117%  
(Full year Budget 115%)

Actual Capital Expenditure by Quarter YTD December 2025



Capital Expenditure by Type	Level of Service	Growth	Renewals	Total Capital Expenditure
Level of Service	37,608	51.2%		
Growth	171,383	35.9%		
Renewals	264,188	34.3%		

**Operational Surplus**  
(to land capital)  
Actual \$45.9m  
(Full year Budget \$51.2m)

Debt, Liquidity & Operational Result

Wednesday, 18 March 2026

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Performance & Monitoring Committee Meeting**

*Te Rārangi Take*

# Report to Performance and Monitoring Committee

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**Nā:**  
**From:** Bruce Allan, Deputy Chief Executive

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**Te Take:** Performance and Monitoring Report for the quarter ended 31  
**Subject:** December 2025

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## **1.0 Purpose and summary - Te Kaupapa Me Te Whakarāpopototanga**

- 1.1 The purpose of this report is to present the Performance and Monitoring Report to the Committee for the second quarter of 2025/26, ending 31 December 2025.
- 1.2 The Performance and Monitoring Report and appendices are attached (**Attachment 1**) and provide a comprehensive overview of Council's activities.

## **2.0 Recommendations - Ngā Tūhunga**

That the Performance and Monitoring Committee receive the report titled Performance and Monitoring Report for the quarter ended 31 December 2025 dated 18 March 2026.

### **Attachments:**

[1](#) 20250311 Qtr 1&2 P&M FINAL report CG-18-04-00010 Document 3