

Tuesday, 23 March 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Operations and Monitoring Committee Meeting

Kaupapataka

Open Agenda

Te Rā Hui:
Meeting date: **Tuesday, 23 March 2021**

Te Wā:
Time: **1.00pm**

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: **Group Manager: Corporate - Bruce Allan**

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

Operations and Monitoring Committee – Terms of Reference

Fields of Activity

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

Membership

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

Quorum – 8 members

Delegated Powers

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

Tuesday, 23 March 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Operations and Monitoring Committee Meeting

Kaupapataka

Open Agenda

Mematanga:
Membership:

Koromatua

Chair: Councillor Geraldine Travers

Ngā KaiKaunihera

Mayor Sandra Hazlehurst

Councillors: Councillors Bayden Barber, Alwyn Corban, Malcolm Dixon, Damon Harvey, Tania Kerr (Deputy Chair), Eileen Lawson, Simon Nixon, Henare O’Keefe, Peleti Oli, Ann Redstone, Wendy Schollum, Sophie Siers and Kevin Watkins

Mike Paku - Heretaunga Takoto Noa Māori Standing Committee appointee

Tokamatua:

Quorum:

8 members

Apiha Matua

Officer Responsible:

Group Manager: Corporate – Bruce Allan (Lead)

Group Manager: Asset Management - Craig Thew

Group Manager: Strategy & Development – Craig Cameron

Financial Controller – Aaron Wilson

Chief Information Officer – Andrew Smith

Te Rōpū Manapori me te

Kāwanatanga

Democracy &

Governance Services:

Christine Hilton (Extn 5633)

Te Rārangi Take

Order of Business

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

- 1.0** 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.

2.0 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.

Confirmation of Minutes – Te Whakamana i Ngā Minitī

- 3.0** Minutes of the Operations & Monitoring Committee Meeting held Tuesday 10 November 2020.
(Previously circulated)

- | | | |
|------------|--|----------|
| 4.0 | Hawke's Bay Airport Ltd Half Yearly Report as at 31 December 2020 and Draft 2020-21 Statement of Intent | 7 |
|------------|--|----------|

- | | | |
|------------|---|-----------|
| 5.0 | Hawke's Bay Museums Trust - Half Year Financial Report to 31 December 2020 and draft Statement of Intent | 57 |
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- | | | |
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| 6.0 | Health & Safety Quarterly Report | 83 |
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- | | | |
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| 7.0 | Proposed extension of Cafe at Westerman's Outdoor Hospitality Area | 91 |
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8.0	Enhancement of Cornwall Park Bird Aviary Update Report	99
9.0	Application by Playcentre Aotearoa to lease Duke Street Reserve	113
10.0	Amendment to existing lease for Hawke's Bay BMX Club	121
11.0	Financial Quarterly Report for the six months ended 31st December 2020	145
12.0	Operations & Monitoring Report 2020-2021 Quarter 2	157
13.0	Requests Received under the Local Government Official Information and Meetings Act (LGOIMA) Update	159
14.0	Statement of Proposal for FoodEast CCTO – report to be circulated in supplementary agenda	
15.0	Minor Items – <i>Ngā Take Iti and Urgent Items – Ngā Take Whakahihi</i>	
16.0	Recommendation to Exclude the Public from Items 17 and 18	169
17.0	Hawke's Bay Museums Trust - Chairperson Appointment	
18.0	Hawke's Bay Airport Limited Director Appointment	

Tuesday, 23 March 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Item 4

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā: **Bruce Allan, Group Manager: Corporate**
From:

Te Take: **Hawke's Bay Airport Ltd Half Yearly Report as at 31 December**
Subject: **2020 and Draft 2020-21 Statement of Intent**

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

- 1.1 The purpose of this report is to inform the Council of the results of the Hawke's Bay Airport Limited (HBAL) for the six months ended 31 December 2020 and to present the draft HBAL 2021/22 Statement of Intent for consideration.
- 1.2 HBAL is a joint venture between the Crown (50%), Napier City (26%) and Hastings District (24%).
- 1.3 The Council's share of HBAL is considered to be a Strategic Asset in Council's Significance Land Engagement Policy.
- 1.4 HBAL is required to report to its shareholding partners every 6 months.
- 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 as **Attachment 1** is a copy of the report to shareholders for the half year ended 31 December 2020.
- 1.8 HBAL has reported a half year after tax loss of \$49,299 which is significantly better than the budgeted loss of \$968,945 for the same period. This improved result against budget has largely been driven by increased airside and car parking revenue reflecting a much faster recovery from the March/April 2020 Covid-19 lockdown.
- 1.9 Passenger numbers at 203,381 are 45% down on last year but 48% better than had been anticipated when the revised budgets were set post the lockdown.
- 1.10 Bank borrowings have increased to \$20.85m as at 31 December primarily relating to the Terminal redevelopment project which is nearing completion. There has been no drawdown on the shareholders loans agreed upon by all three shareholders in July 2020.

Statement of Intent

- 1.11 In February 2021 the Mayors from the two Shareholding Councils wrote to the Board of HBAL with a Letter of Expectation which and requested that it be considered in the draft Statement of Intent for 2021/22. A copy of that letter is attached as **Attachment 2**. The Crown also provided a Letter of Expectation to HBAL as they do every year and the Chair of HBAL has subsequently responded to those letters of intent with a Key Strategic Issues 2021 letter which is attached as **Attachment 3**.
- 1.12 HBAL has prepared a draft 2021/22 Statement of Intent which is attached as **Attachment 4**. The draft Statement of Intent is for the year ended 30 June 2022 and includes financial forecasts for the following two years. The draft SOI includes capital expenditure of \$6.9m over the next three years with investment concentrated on the Airside infrastructure (\$1.8m), landside infrastructure (\$1.9m) and Operational efficiencies (\$2.01m).
- 1.13 HBAL are forecasting a strong recovery post Covid on the back of a stronger than expected first half to the 2021 financial year and are forecasting a slightly better than breakeven result with a \$44,079 Net Profit after tax. This is expected to improve to a forecast \$1.35m net profit after tax by year three.
- 1.14 HBAL have updated their key objectives which now includes 29 specific objectives across the categories of operations, commercial, property, partners, people and financial.
- 1.15 The HBAL 2021/22 Statement of Intent satisfies the requirements set out in Schedule 8 of the Local Government Act 2002.

2.0 Recommendations – Ngā Tūtohunga

- A) That the Operations and Monitoring Committee receive the report titled Hawke's Bay Airport Ltd Half Yearly Report as at 31 December 2020 and Draft 2020-21 Statement of Intent dated 23 March 2021.
- B) That the Committee receive the Hawke's Bay Airport Limited Half Year report to 31 December 2020.
- C) That the Committee receive the Hawke's Bay Airport Limited draft 2022 Statement of Intent.

Attachments:

- | | | |
|----|---|--------------------|
| 1↓ | HBAL Half Yearly Report to Shareholders -
December 2020 | EXT-10-9-1-21-78 |
| 2↓ | HBAL Shareholder Letter of Expectations 2020-21 -
signed | EXT-10-11-7-21-241 |
| 3↓ | Final SOE Strategic Issues letter 2021 | EXT-10-11-7-21-242 |
| 4↓ | HBAL Statement of Intent 2021/2022 | EXT-10-9-1-21-79 |

HAWKE'S BAY AIRPORT LIMITED INTERIM REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020



Hawke's Bay Airport Limited Directory

Directors

Wendie Harvey (Chair)
Sarah Park (Chair of the Audit, Finance & Risk Committee)
Sarah Reo
Tony Porter (retired 1 September 2020)
Jon Nichols (appointed 1 September 2020)

Chief Executive

Stuart Ainslie

Chief Financial Officer

Rachel Orchard

Operations Manager

Gareth Mentzer

Commercial Manager

Dean Smith

Registered Office

Terminal Building
Hawke's Bay Airport
111 Main North Road
PO Box 721
NAPIER 4140

Bankers

ASB Bank Limited

Solicitors

Dentons

Auditors

Bakertilly Staples Rodway Hawke's Bay
Partnership on behalf of the Auditor General

HAWKE'S BAY AIRPORT LTD
PO Box 721, Napier 4140
admin@hawkesbay-airport.co.nz
www.hawkesbay-airport.co.nz

Hawke's Bay Airport Limited

Report to Shareholders

for the Half Year ending 31 December 2020

We report against the HBAL Statement of Intent targets, effective since July 2020.

At the half year ending 31 December 2020 we are very pleased to advise Shareholders that results exceed the targets set in the 2020-21 SOI due to a robust Post Covid-19 lockdown recovery in domestic air travel, outdoing even the most optimistic forecasts on which the SOI targets were previously based.

Financial Performance Highlights

- Total passenger movements for the half year were 203,381 representing a 45% decrease on the same period last year. This year-on-year decrease reflects both the exit of JetStar from the region in November 2019 and the impact of Covid-19 during 2020. However, the stronger than expected recovery from the impact of Covid-19 in domestic travel has produced passenger volumes 48% above budget for the half year period.
- Better than expected passenger volumes underpinned aeronautical and commercial revenues of almost 80% above budget.

Non-passenger related revenue streams held up well throughout the period with growth of 10% over the same period last year.

Overall, total revenues were 68% above budget and only 28% behind the same period last year.

- Total expenditure for the half year was 30% lower than the same period last year and predominantly reflects a reduction in variable cost and recalibration of the fixed cost base aligned with post Covid-19 trading conditions.

Operating expenditure is 8.6% below budget at the half year point.

Significant savings in borrowing costs of 42% have been achieved, primarily due to delayed cash outflows relating to the terminal expansion project.

- Due to these factors, EBITDA for the half year at \$1.405m is substantially ahead of budget and is only 25.5% behind the same period in the previous year. This is a very pleasing result.
- The achievement of the near break-even half year NPAT result i.e. a \$49k loss, versus a budgeted loss of \$969k, reflects the better than expected domestic passenger recovery, recalibrated and closely controlled capital and operating expenditure, and re-negotiated pricing with AIR NZ to ensure recovery of the airport's investment in its aviation infrastructure.
- Bank borrowing was successfully negotiated during this period on favourable terms with the ASB. As a result of access to this new funding stream, it has not been necessary to draw on the Shareholder loan available to HBAL since mid-2020.
- Bank borrowings of \$20.85m as at 31 December relate to the terminal redevelopment project which is due for completion in this financial year. Borrowings at 31 December are lower than expected due to improved cashflows from trading and delayed cash outflows relating to the terminal works. Non-critical investment in infrastructure has been deferred to preserve cashflow in response to the impact of Covid-19 on the business.

- Return on Equity of -0.1% is better than the budgeted -6.5% and all endeavours are being made to breakeven for the full year result.

Performance Highlights & Other Activity

Terminal Development Project

Steady progress has been made on the third and final stage of the terminal expansion project. All structural steel is now in place, with final roof sections and water tightness being finalised. An extensive amount of internal framing has been completed along with the commencement of finishing work.

Some COVID related minor supply chain delays have been encountered, creating challenges on the completion date for the construction team. At the time of reporting the project is scheduled for completion by May 2021, with a formal opening to follow at a later date.

The fitout of the new 453m² Air New Zealand Regional Lounge commenced late 2020 and progress is well underway, with the facilities on track to open in Q4 FY21.

The construction of a revised forecourt layout commenced in November 2020 and will be completed in stages with the initial focus on the precinct adjacent to the building's main entry. These works will be delivered by Hawke's Bay Airport Construction Limited with construction stages relating to the forecourt in alignment with the terminal build completion.

Aeronautical Development

Following a structured consultation process with Air New Zealand, a review of HBAL's scheduled aeronautical charges was successfully concluded in Q1 and implemented in October 2020. The revised charges have changed to a per passenger recovery model (previously a per landing recovery model) and take into account the significant revisions to HBAL's passenger forecasts, operating costs and weighted average cost of capital.

Management have continued to advocate for the development of a regional strategy to support the recovery and growth of aviation. A workshop was held on 7th October 2020 where the importance of aeronautical connectivity to the region was discussed along with how stakeholders can work together to develop, resource and implement a Sustainable Aviation Strategy for the region.

A post workshop discussion document has been drafted and HBAL will continue to collaborate with stakeholders to advocate for greater regional support of the sector.

Safety Management

Following Airways stated intention to withdraw Air Traffic Control Services (ATC) services, a partnership of Hawke's Bay, Gisborne and New Plymouth Airports has engaged aviation consultants, 'to70' to complete an aeronautical study. This will build an in-depth understanding of the unique aspects of each airport's airspace environment and will inform HBAL's response and recommendations to Airways in relation to future service requirements. The completed aeronautical study is expected during February 2021.

19 – 23 October was Airport Safety Week with Hawke's Bay Airport heavily involved again. This year's program saw airport management engage with staff, tenants and ambassadors across a number of events including observing a hot fire exercise, a foreign object debris (FOD) runway inspection and a motivational speech about resilience from triple amputee Korrin Barrett.

Hawke's Bay Airport Construction Ltd has continued to promote a culture of safety on the terminal construction site. Nil lost time injuries year to date is a reflection of the organisation's commitment to ensuring everyone goes home safely – every day.

People & Organisation

A post-COVID restructure has progressed well with strong staff engagement and the in-sourcing of HBAL's Airport Fire service successfully concluded. This is particularly pleasing given this function had been outsourced for over 25 years.

The airport's team of volunteer ambassadors returned to service on 19th October following a second stand down period as a result of the recent Covid-19 outbreak in Auckland.

With a continued focus on the diversification of revenue streams, and improving the performance of our commercial property precinct, management are currently reviewing the organisation structure to ensure access to the right skills, capability, and expertise to drive related property development strategy.

New Business Development

Airport Master Plan

A draft long-term Master Plan for the airport has been prepared advancing HBAL's aspirations for the site over the next 20 years. Following HBAL Board review in November, the draft Masterplan will now be shared with the public at open days planned for early March 2021.

RMA Planning Framework

Work continues alongside the Master Plan on the supporting RMA planning framework. All draft documentation required by Napier City Council ("NCC") for inclusion in the draft district plan was shared with NCC in early October. This included a notice of requirement (NOR) seeking a designation for airport purposes, updated zone provisions and a draft noise boundary and assessment of environmental effects.

Commercial Activity & Property Development

Airport Holdings Ltd has completed the development of a new Jet hangar adjacent to their existing Skyline Aviation site. A new 700m² GA hangar is also currently under development on a ground leased site at the southern end of the airfield.

Management continue to engage with entities who have expressed interest in relocating to the commercial precinct south of the existing ABB tenancy. A range of development options are being considered with supporting advice being provided by the property team at Christchurch International Airport (CIAL).

A new licensee for the central food and beverage offering in the heart of the terminal building has been confirmed. The design for this tenancy is well advanced and the fitout will be completed in alignment with the wider construction program. The product offering will have a strong local flavour with the inclusion of locally roasted coffee, and an extensive array of local beer and wines.

Sustainability

The development of the proposed large-scale Solar Farm on airport land continues to advance with the HBAL/Centralines JV recently engaging Vector Powersmart as its technical advisor.

A business case will be presented to Directors early March 2021 which will require the JV parties to decide whether to proceed with the project, and if positive, scale of the farm as early advice from Vector PowerSmart has indicated the potential for a larger development than previously assumed.

The airport is proud to have achieved certified Level 2 Airport Carbon Accreditation (*i.e. reduction*) only one year after certification was gained for Level 1.

Financial Reports

The unaudited Interim Financial Results to 31 December 2020 are included in this report. These include more detailed analysis of the Company's financial performance compared to its Statement of Intent budget, as well as a Summary of Financial Performance, Statement of Movements in Equity, Summary of Financial Position, Statement of Cash Flows, Accounting Policies and Notes to the Accounts.

Key Areas of Focus

Noting the continued uncertainty always present in a Covid world and the terminal construction completion, property development and renewable energy initiatives to enhance revenue diversification, continue to be the primary focus for the company over the remainder of FY21.

That said, with the potential for a better year end result and business recovery than anticipated at the time of presenting its SOI, HBAL will continue to adopt prudent cost control, strive for optimal operational performance, and realise opportunities for growth where they present.



Wendie Harvey
Chair, Hawke's Bay Airport Limited

Hawke's Bay Airport Ltd
For The Six Months Ended 31 December 2020
Financial Performance vs SOI Objectives

	THIS YEAR				LAST YEAR			BUDGET
	HY Actual Dec 2020	HY Budget Dec 2020	Variance \$	Variance %	HY Actual Dec 2019	Variance \$	Variance %	
Passenger Numbers	203,381	157,355	66,026	48.1%	371,901	(168,520)	-45.3%	317,923
FINANCIAL PERFORMANCE (\$)								
Revenue								
Aviation	1,731,608	963,902	767,706	79.6%	2,361,091	(629,483)	-26.7%	2,558,019
Carparking	813,707	454,802	358,905	78.9%	1,309,472	(495,764)	-37.9%	1,080,255
Business Park	205,923	194,526	11,397	5.9%	204,358	1,365	0.7%	389,052
Other Revenue	107,542	91,853	15,689	17.1%	97,624	9,918	10.2%	151,220
TOTAL REVENUE	2,858,781	1,705,083	1,153,698	67.7%	3,972,745	(1,113,964)	-28.0%	4,178,546
Operating Expenses	1,453,534	1,590,031	136,497	8.6%	2,087,671	634,137	30.4%	3,153,866
EBITDA	1,405,247	115,052	1,290,195	1121.4%	1,885,074	(479,827)	-25.5%	1,024,680
Depreciation & Amortisation	1,201,653	1,160,349	(41,304)	-3.6%	983,391	(218,262)	-22.2%	2,485,131
Interest Income	25	-	(25)	-	21	(4)	-18.2%	-
Interest Paid (charged to P&L)	174,903	300,460	125,557	41.8%	133,965	(40,938)	0.0%	715,862
Profit Before Tax	28,717	(1,345,757)	1,374,474	-102.1%	767,740	(799,023)	-96.3%	- 2,176,313
Tax	78,016	(376,812)	(454,828)	120.7%	263,517	185,501	70.4%	(609,367)
PROFIT AFTER TAX	(49,299)	(968,945)	919,646	-94.9%	504,223	(553,522)	-109.8%	- 1,566,946
FINANCIAL POSITION (\$)								
Total Assets	60,940,005	62,426,719	(1,486,714)		57,534,272	3,405,733		63,305,111
Debt	20,850,000	24,239,732	(3,389,732)		15,670,462	5,179,538		27,003,544
Shareholders Funds	33,179,752	31,272,385	1,907,367		34,607,579	(1,427,827)		30,674,385
FINANCIAL METRICS								
Return on Equity	-0.3%	-6.5%			1.5%			-5.1%
Net Gearing Ratio	38.6%	43.7%			31.2%			47.0%
Shareholders Funds/Total Net Assets	54.4%	50.1%			60.2%			48.5%

Hawke's Bay Airport Ltd
For The Six Months Ended 31 December 2020
Consolidated Summary of Financial Performance

	HBAL Unaudited 6 months to 31 Dec 20	HBAL Unaudited 6 months to 31 Dec 19	HBAL Audited Year to 30 Jun 20
Aviation	1,731,608	2,361,091	3,750,257
Carparking	813,707	1,309,472	1,910,202
Business Park	205,923	204,558	398,886
Other Revenue	107,542	97,624	217,156
Total Revenue	2,858,781	3,972,745	6,276,501
Less Operating Expenses	(1,453,534)	(2,087,671)	(4,094,005)
Operating Profit Before Financing Costs and Depreciation	1,405,247	1,885,074	2,182,496
Depreciation	(1,201,653)	(983,391)	(2,140,097)
Impairment Reversal/(Charge)	-	-	696,400
Gain/(Loss) on asset disposal	-	-	(1,371,441)
Finance Income	25	21	569
Finance Expense	(174,903)	(133,965)	(349,309)
Net Profit before income tax	28,717	767,740	(981,382)
Income Tax Expense	(78,016)	(263,517)	(31,258)
Net Profit after income tax	(49,299)	504,223	(1,012,640)
Items that will not be reclassified into profit or loss:			
Revaluation of Property, Plant & Equipment, net of deferred tax	-	-	-
Deferred tax on revaluation	-	-	138,336
Total Comprehensive Income	(49,299)	504,223	(874,305)

Hawke's Bay Airport Ltd
For The Six Months Ended 31 December 2020
Consolidated Statement of Movements in Equity

	HBAL Unaudited 6 months to 31 Dec 20	HBAL Unaudited 6 months to 31 Dec 19	HBAL Audited Year to 30 Jun 20
Equity at beginning of year	33,229,051	34,103,356	34,103,356
Profit for the period	(49,299)	504,223	(1,012,640)
Revaluation of Property, Plant & Equipment	-	-	-
Movement in deferred tax on revaluation reserve	-	-	138,336
Total comprehensive income	(49,299)	504,223	(874,305)
Distributions to shareholders	-	-	-
Movement in equity for the period	(49,299)	504,223	(874,305)
Closing Equity	33,179,752	34,607,579	33,229,051

Hawke's Bay Airport Ltd
For The Six Months Ended 31 December 2020
Consolidated Summary of Financial Position

	Note	HBAL Unaudited 6 months to 31 Dec 20	HBAL Unaudited 6 months to 31 Dec 19	HBAL Audited Year to 30 Jun 20
Assets				
Property plant and equipment	1	54,469,786	51,863,145	52,127,424
Investment property	2	4,879,659	4,343,833	4,960,606
Intangibles		669	1,247	961
Right of use assets		358,065	-	420,510
Total non-current assets		59,708,179	56,208,225	57,509,500
Trade and other receivables		687,294	971,161	748,178
Cash and cash equivalents		544,532	354,886	281,818
Total current assets		1,231,826	1,326,047	1,029,996
Total Assets		60,940,005	57,534,272	58,539,495
Equity				
Issued Capital		13,789,155	13,789,155	13,789,155
Retained Earnings		8,325,514	9,397,580	8,374,815
Revaluation reserve		11,065,083	11,420,844	11,065,081
Total equity		33,179,752	34,607,579	33,229,051
Liabilities				
Deferred tax liability		4,322,357	4,436,761	4,355,256
Rentals in advance		984,208	1,053,555	1,011,549
Borrowings	3	20,850,000	15,445,000	-
Lease Liabilities		261,717	48,890	315,329
Total non-current liabilities		26,418,283	20,984,206	5,682,134
Trade and other payables		838,152	1,648,328	961,194
Employee entitlements		80,737	68,697	110,882
Provision for retentions payable		171,102	-	153,971
Provision for tax		145,883	-	35,320
Borrowings	3	-	225,462	18,261,762
Lease Liabilities		106,097	-	105,181
Total current liabilities		1,341,970	1,942,488	19,628,310
Total liabilities		27,760,253	22,926,693	25,310,444
Total equity and liabilities		60,940,005	57,534,272	58,539,495

Hawke's Bay Airport Ltd
For The Six Months Ended 31 December 2020
Consolidated Statement of Cashflows

	HBAL Unaudited 6 months to 31 Dec 20	HBAL Unaudited 6 months to 31 Dec 19	HBAL Audited Year to 30 Jun 20
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Revenues	2,782,896	4,119,650	6,281,680
Interest Received	25	21	569
	2,782,921	4,119,671	6,282,249
<i>Cash was disbursed to:</i>			
Suppliers and Employees	(1,472,768)	(2,722,729)	(4,069,868)
Goods & Services Tax (Net)	19,491	170,803	190,993
Interest Paid	(202,252)	(185,239)	(383,955)
Income Tax Paid	(351)	(419,836)	(235,304)
	(1,655,880)	(3,157,001)	(4,498,134)
Net Cash Flows from Operating Activities	1,127,041	962,670	1,784,115
Cashflows from Investing activities			
<i>Cash was provided from:</i>			
Sale of fixed assets	-	-	46,549
<i>Cash was disbursed to:</i>			
Capital Works	(3,381,869)	(5,395,993)	(8,894,021)
Net Cash Flows from Investing Activities	(3,381,869)	(5,395,993)	(8,847,472)
Cashflows from financing activities			
<i>Cash was provided from:</i>			
Borrowings	2,588,238	4,606,162	7,197,462
<i>Cash was disbursed to:</i>			
Dividends Paid	-	-	-
Lease payments	(70,696)	-	(34,333)
Debt Repayment	-	-	-
Net Cash Flows from Finance Activities	2,517,543	4,606,162	7,163,129
Net increase/(decrease) in cash and cash equivalents	262,714	172,839	99,772
Add Opening Cash brought forward	281,818	182,046	182,046
Closing Cash carried forward	544,532	354,886	281,818

Hawke's Bay Airport Ltd
Notes to the Accounts

1. PROPERTY, PLANT AND EQUIPMENT

	Land & Land Improvements	Airport Infrastructure & Buildings	Other assets	Capital Work in Progress	Total
At 30 June 2020					
Fair Value	6,077,688	38,896,960	2,698,457	5,659,987	53,333,092
Accumulated depreciation	0	(0)	1,205,668	0	1,205,668
	6,077,688	38,896,960	1,492,789	5,659,987	52,127,424
Opening net book value	6,077,688	38,896,960	1,492,789	5,659,987	52,127,424
Additions	0	0	5,219	3,395,111	3,400,330
Disposals	0	0	0	0	0
Revaluation	0	0	0	0	0
Depreciation	487	957,568	99,913	0	1,057,968
Transfers	3,036	17,917	0	(20,953)	0
Closing net book value	6,080,237	37,957,309	1,398,096	9,034,145	54,469,786
At 31 December 2020					
Fair Value	6,080,724	38,914,877	2,703,676	9,034,145	56,733,422
Accumulated depreciation	487	957,568	1,305,581	0	2,263,636
	6,080,237	37,957,309	1,398,096	9,034,145	54,469,786

2. INVESTMENT PROPERTY

	Land & Land Improvements	Business Park Infrastructure & Buildings	Capital Work in Progress	Total
At 30 June 2020				
Cost	2,899,688	3,000,830	145,402	6,045,920
Accumulated depreciation	170,509	914,806	-	1,085,315
	2,729,179	2,086,025	145,402	4,960,606
Opening net book value	2,729,179	2,086,025	145,402	4,960,606
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	16,948	63,999	-	80,947
Closing net book value	2,712,231	2,022,026	145,402	4,879,659
At 31 December 2020				
Cost	2,899,688	3,000,830	145,402	6,045,920
Accumulated depreciation	187,457	978,805	-	1,166,261
	2,712,231	2,022,026	145,402	4,879,659

3. BORROWINGS

Borrowings of \$18,261,762 were shown as a Current Liability at 30 June 2020 as the Group was in breach of the leverage covenant as per the facility agreement with the ANZ Bank. On 27 August 2020 the ANZ Bank issued written confirmation waiving the leverage covenant as at 30 June 2020. Banking facilities were refinanced from ANZ Bank to a new facility with ASB Bank on 20 October 2020. As at 31 December 2020 the Group is operating within the current ASB banking covenants, therefore borrowings are reported as a non-current liability at 31 December 2020.

Hawke's Bay Airport Limited Group

Accounting Policies

For the period ended 31 December 2020

Significant accounting policies

Reporting Entity

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

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

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

Statement of Compliance

The financial statements have been prepared as required by the Local Government Act 2002 and in accordance with all applicable financial reporting standards and other generally accepted accounting practices in New Zealand. They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to profit oriented entities applying the Tier 2 Reduced Disclosure Regime.

Basis of Consolidation

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

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

Measurement Base

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

Presentation Currency

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

Critical Accounting Estimates, Assumptions and Judgments

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

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

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

Judgements are exercised in relation to the timing of capitalisation of interest, the application of NZ IFRS 16 Leases to the perpetual lease, and the current/non-current presentation of borrowings.

Particular accounting policies

Revenues

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

Trade and Other Receivables

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

Taxation

Income tax expense

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

Current tax

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

Deferred tax

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

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

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

Cash Flow Statement

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

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

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

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

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

Property, Plant and Equipment

Property, Plant and Equipment

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

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

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

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

Assets under construction

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

Disposal of property plant and equipment

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

Cyclical maintenance upgrades

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

Investment Property

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

Depreciation

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

The principal depreciation rates are as follows:

Airfield Infrastructure: Base	0.71% to 5.56%
Surface	6.67% to 10.00%
Business Park Infrastructure	0.00% to 10.00%
Buildings	2.50% to 10.00%
Plant & Equipment	2.90% to 40.00%
Car Park & Roading	1.67% to 5.00%
Fencing	5.00% to 15.00%
Lighting	4.00% to 10.00%
Furniture & Fittings	8.50% to 10.50%
Office Equipment	8.50% to 40.00%

Intangibles

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

Financial Instruments Recognition and Measurement

Financial assets

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

Amortised cost

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

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

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

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

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

Financial liabilities

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

Impairment Testing of Assets

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

GST

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

Leases

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

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

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

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

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

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

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

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

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

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

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in the profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

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

Changes in Accounting Policies

There have been no changes in accounting policies during the six month period ended 31 December 2020.



HDC File Ref: EXT-10-9-2-21-128

12 February 2021

Wendie Harvey
Chairman
Hawke's Bay Airport Limited
PO Box 721
NAPIER 4104

Dear Wendie

2021/2022 Shareholder Expectations For Hawke's Bay Airport Limited

On behalf of the shareholding councils, we set out below the shareholders' expectations for 2021/2022.

Our expectations in this letter are divided into two categories – company specific and general. General expectations apply across all jointly owned CCOs.

Overview

The Hawke's Bay Airport is a strategic asset for Hawke's Bay. It is an integrated component of the transport system that provides connectivity with the rest of New Zealand, providing opportunities for economic growth and improved connectivity for our businesses, entrepreneurs and community members.

The COVID-19 pandemic has provided unprecedented disruption to the aviation industry and, in particular, to HBAL. The shareholding councils acknowledge the impact that the 2020 lockdown had on business and the ongoing threats of further disruption through 2021 and beyond.

While it is acknowledged that the lockdown in 2020 highlighted a strategic weakness of HBAL with its complete reliance on aviation-related income streams, the councils expect that the first priority for HBAL is to strengthen that core business, with the second priority being to explore and develop alternative income streams that help build financial resilience for HBAL.

Specific Expectations

Napier City Council (NCC) and Hastings District Council (HDC) expect the Board to meet the following specific expectations in 2021/2022:

Napier City Council
Private Bag 6010
Napier 4142

Hastings District Council
Private Bag 9002
Hastings 4156

1. Business Park

- 1.1 We request updates be provided in each quarterly report to shareholding councils on the progress of the business park development, including outlining any progress in attracting new tenants to the park.
- 1.2 The shareholding councils would like to reinforce previous expectations of HBAL that the Board is conscious of potential for conflicts between the HBAL's development objectives, particularly in terms of non-aviation business activities at the airport and the region's wider economic development and spatial planning objectives. While we strongly support the main thrust of the development proposals, we would expect that HBAL will be participating in the Regional Industrial Land Strategy, and future land development opportunities would respect the region's wider economic development and spatial planning objectives.

2. Balance Sheet and Debt Levels

- 2.1 In light of the shareholding loan facility provided to HBAL, the shareholding councils expect the Board to operate prudently and make decisions that improve the ongoing financial resilience of HBAL.
- 2.2 The shareholding councils are supportive of HBAL seeking more commercial arrangements to ensure the shareholding loan facilities are not required and will work with HBAL to explore opportunities with the Local Government Funding Agency.

3. Redevelopment of terminal building

- 3.1 We request that HBAL report on its progress and/or risks with redeveloping its terminal building including amounts spent to date through its regular quarterly report to shareholders. Please ensure that any material developments or announcements continue to be conveyed to the shareholding councils ahead of being announced publicly.
- 3.2 The shareholding councils look forward to the completion of the terminal redevelopment in 2021.

4. Dividends

- 4.1 The shareholding councils do not have any dividend expectations for 2021/2022 and would expect HBAL to utilise any surpluses generated to repay debt.

5. Pandemic Impacts

- 5.1 The shareholding councils recognise that the pandemic remains an issue globally, and may result in future lockdowns within New Zealand. Ongoing risk management and prudent financial expenditure will be expected to ensure that HB Airport remains resilient during this unsettled period, noting that councils, as per 4.1, are not expecting any dividends at this time.

6. Health and Safety

- 6.1 We expect that health and safety and efficient operation of both aeronautical and other commercial divisions of the airport will be key priorities for the business.

7. Risk Management

- 7.1 We expect the Board to prudently manage financial risks with investments in infrastructure aligned with conservative forecasts.

8. Partners and other income opportunities

- 8.1 We expect the Board to have an open view of opportunities for expansion of connections with the rest of New Zealand.
- 8.2 We expect that the Board will look to grow and develop relationships with Air New Zealand and be at the forefront of any strategic changes, with ambitions to develop new and additional services.
- 8.3 We expect that the Board will look to continue to explore opportunities to extend its potential operating income streams such as the solar farm, at and in conjunction with its airport activities as part of its long-term master planning.

General Expectations

The shareholding councils operate under a philosophy of transparency, disclosure of performance information and no surprises.

The shareholding councils expect each of its joint CCOs to follow the procurement principles outlined in the Office of the Auditor General guidelines.

Transparency and disclosure of CCOs is to be achieved via a number of mechanisms including a continuous disclosure regime for Council Controlled Organisations.

While a joint Shareholder Expectation Guide has yet to be introduced, particular regard should be given to the following:

- *Strategic issues letters:* All CCOs are expected to provide the shareholder councils with a letter by 31 January responding to the Letter of Expectation and setting out the key strategic issues facing the company. Should your company wish to engage with shareholders to seek direction or clarification, we would ask that you advise Bruce Allan (HDC) and Adele Henderson (NCC) as soon as possible of such intention.
- *Draft Statement of Intent (SOI):* All CCOs are expected to provide the shareholding councils with a draft SOI by 1 March 2020 at the latest. The shareholding councils should be alerted as soon as possible if this deadline cannot be met.
- *Continuous Disclosure:* CCOs are expected to make time disclosures, including advising delegated shareholding councils' contracts prior to the public release of disclosures.
- *Local Government Official Information Act requests:* The shareholding councils are to be advised by HBAL management when it receives a request under the Local Government Official Information Act and of the proposed response. The shareholding councils have specialist staff who can advise on such matters.

We acknowledge that this is the first joint Letter of Expectations from the shareholding councils and has been finalised late in the process of developing the draft Statement of Intent.

We look forward to having the opportunity to discuss the shareholding councils' expectations further with you and your Board, after you have had the opportunity to consider this letter. If required, please contact Bruce Allan, Hastings District Council or Adele Henderson, Napier City Council to organise this.

Yours sincerely



Kirsten Wise
Mayor, Napier City Council



Sandra Hazlehurst
Mayor, Hastings District Council

Copy to: Adele Henderson, Director Corporate Services, Napier City Council
Bruce Allan, Group Manager Corporate Services, Hastings District Council



22nd February 2021

Hon Grant Robertson
Deputy Prime Minister
Minister of Finance
Minister for Infrastructure
Minister for Racing
Minister for Sport and Recreation

Hon Dr David Clark
Minister of Commerce and Consumer Affairs
Minister for the Digital Economy and Communications
Minister for State Owned Enterprises
Minister of Statistics

Mayor, Napier City Council, Kirsten Wise

Mayor, Hastings District Council, Sandra Hazlehurst

Dear Shareholders,

Hawke's Bay Airport Limited – Key Strategic Issues 2021

Following receipt of the Shareholder Letter of Expectations 2021/22, I would like to address in more detail the key strategic issues that Hawke's Bay Airport is currently facing. To this end our letter presents an overview of the significant matters impacting the business and our response to those matters which will be further developed and reflected in the draft Statement of Intent and Group Business Plan.

Government priorities and the response to COVID-19

As a strategic regional asset, Hawke's Bay Airport enables opportunities for economic growth and improved connectivity for Hawke's Bay businesses, community members and tourists, and is identified as a specified Lifeline Utility. For a community that is geographically separated from New Zealand's main cities, the airport plays an important and high-profile role and will be a key contributor to the region's Covid-19 recovery. In our efforts to build on shared interests and aspiration with Mana Whenua, we continue to develop stronger and more aligned partnerships. The airport was described recently as *'the marae for all', emphasising its importance to not only economic development but community wellbeing*.

In recognising the role it has to play, the airport's primary strategic priority will continue to be the delivery of its Mission to "Enable safe, customer focused and sustainable air and land transport services in and out of Hawke's Bay".

Hawke's Bay Airport continues to evolve by adjusting to the various processes and procedures necessary to ensure the effective and safe management of travelling New Zealanders and staff throughout our facilities.

With some uncertainty around the timing of the reopening of NZ borders, we are committed to working with our key stakeholders and business partners such as Air New Zealand to ensure the recovery of domestic and international air travel. Albeit we have seen recovery bounce back 30% stronger than anticipated on our key domestic trunk routes, we forecast our recovery with a degree of reserved optimism. With strong demand management for domestic travel we anticipate a much quicker return to profitability and passenger numbers than anticipated in the preceding Statement of Intent (FY20/21).

An area of prime importance for HBAL is the continued work on strengthening our core business through a strong focus on both expanding opportunities for new and additional services with Air New Zealand and via exploring opportunities for the expansion of connections with the rest of New Zealand. We are also cognisant of the regional economic benefit of attracting airline competition to the region and the need to maintain cost effective services for our airline partners and passengers.

Accordingly, in recognising the increased demand for domestic travel, Hawkes Bay Airport has advocated to develop a regional aviation growth strategy and this has now been included as an action under the Economic Development Strategy of the Matariki Action Plan. Work continues to advance this initiative through a proposed Airport led working group.

We envisage much stronger collaboration with regional partners such as HB Tourism, Local Government and Mana Whenua to aid economic recovery, noting the Airport's key role as an engine room for the regional economy.

Commercial Diversification

The airport has long identified its heavy reliance on aeronautical and passenger derived revenue as a risk. The impact of Covid-19 and the withdrawal of Jetstar has graphically reinforced the need for HBAL to advance its non-aeronautical commercial aspirations to improve revenue resilience. For this reason, the commercial development of airport property is a key area of focus for the business in 2021-22.

With the airport located in close proximity to the port, main roads north/south through the region and rail, and external factors such as the potential for increased freight movement and Napier City experiencing very limited availability of land suitable for commercial/light industrial use, the Airport is working to bring a commercial property proposition to market this year.

In line with the Napier and Hastings District Regional Industrial Land Strategy it is envisaged that HBAL will progress land development opportunities with reference to the region's wider economic development and spatial planning objectives. The airport is identified as an important industrial location for freight and logistics and potentially providing some industrial land supply for Napier. Opportunities exist for collaboration with Mana Ahuriri for land surrounding the airport.

These initiatives are intended to build on the commercial revenue streams already generated through the operation of the airport terminal (e.g. food and beverage concessions and rental car agency tenancies), but without the risk of being decimated by periods of airport closure and limited aircraft landing, as occurred in 2020.

Sustainable Futures

Through our sustainability framework Hawke's Bay Airport has placed a strong focus on renewable energy, waste reduction, sustainability and pursuing carbon neutrality. The Company has committed to a long-term carbon reduction target to achieve Net Zero scope 1 and 2 carbon emissions by 2030, supporting government's target to be net zero by 2050.

We have continued our journey with the internationally recognised Airport Carbon Accreditation programme, achieving Level 2 – Reduction in January 2021 by demonstrating reductions in carbon intensity per passenger over time. We are part of 330 airports world-wide reducing carbon and increasing sustainability.

We are making good progress in our achieving our goals for sustainable operations, however a strategic game changer for the Organisation is its current initiative involving the development of a large-scale solar farm on airside land to the west of the runway.

We are working collaboratively with our joint venture partner Centralines to progress this project. The proposed solar farm will not only deliver renewable energy to HBAL, helping achieve our carbon neutral aspirations, but also potentially supply approximately 4000 homes and provide a local source of renewable energy to our regional businesses, many of who have a growing demand for energy, and renewable energy in particular. HBAL's solar farm will enable regional decarbonisation and improve resilience of electricity supply to the region.

Following an encouraging feasibility study supporting the development of a solar farm, at the time of writing the Board is awaiting receipt of the business case when a final "go/no go" decision will be made by the respective parties to the project.

Investing in Critical Infrastructure and Public Services

We are excited to be opening a brand-new terminal facility to the public during 2021 providing enhanced amenity, with ample room for growth and capacity to meet future regulatory changes. The new facility will invoke a strong sense of place reflecting our regional identity.

The site was temporarily shut down for 5 weeks during Covid-19 Alert Level 4, however construction resumed on 28th April 2020 with the airport keen to minimise the financial risks associated with protracted delays. The construction project supports over 200 local construction jobs. The revised program now identifies a completion date of May 2021.

The Airport remains committed to working with Airways, NZ Air Navigational Service Provider to review the need for Air Traffic Control and technological solutions following their notification in April 2020 to potentially withdraw services from seven regional airports.

At the conclusion of a collaborative Aeronautical Study conducted in association with Airways, we will determine our preferred direction on the services required to maintain safe operations and how Hawke's Bay Airport intends to proceed commercially prior to submission to the CAA for a final determination.

Strengthening Balance Sheet & Managing Debt Levels.

HBAL has faced unprecedented effects because of COVID-19 but has remained focused on restarting our core operation.

We are extremely grateful for our shareholder support in granting necessary loan facilities during a time of great uncertainty. HBAL will continue to strengthen its resilience through a key focus on revenue diversification and improving the airport balance sheet with the necessary controls over expenditure and debt in place.

At time of writing HBAL has not yet needed to draw down on the loan facilities due to a faster than expected recovery and does not anticipate doing so unless there is another extended period of lockdown.

Capital Structure & Dividends

Through a strong focus on revenue diversification and resilience HBAL believes that our strategies underpin a sound foundation for strong revenue recovery and balance sheet growth. These

strategies will create enhanced financial returns and maximise value to shareholders through an appropriate balance of dividends and reinvestment.

We are currently forecasting a positive Net Profit After Tax result for the upcoming 2021/22 financial year and for subsequent periods. These forecasts will be included in the upcoming draft Statement of Corporate Intent and will remain conditional on New Zealand and the wider international communities continuing success in the battle against Covid-19.

Other Matters

We acknowledge there are many other matters referenced in your Letter of Expectations that you will expect to see addressed in our FY21/22 Business Plan and Statement of Corporate Intent. The intent of this letter is to share with you those aspects of our business planning this year that are not only a departure from "business as usual", but also underpin a clear desire on the part of the Board and Management to return the Company to profitability whilst continuing to meet our community and stakeholder commitments.

We welcome continued engagement with officials and our shareholding ministers over the upcoming months as we prepare these important documents addressing our responsibilities and performance expectations, together with the important aspects of how we will go about achieving these.

Yours sincerely,

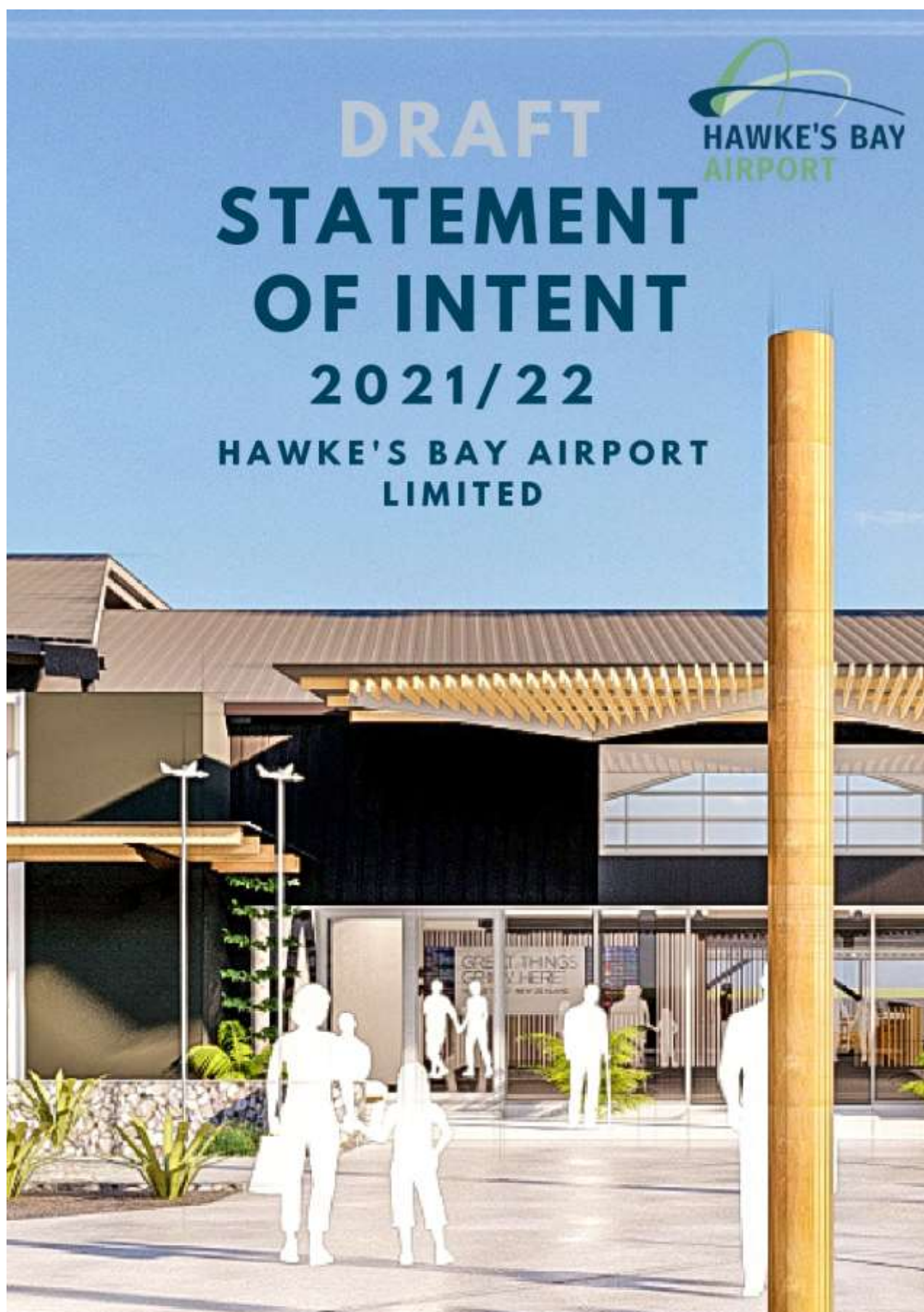


Wendie Harvey

Chair, Hawke's Bay Airport Limited

cc Adele Henderson, Director Corporate Services, Napier City Council

Bruce Allan, Group Manager Corporates, Hastings District Council





INTRODUCTION

This Statement of Intent ('SOI') is prepared by the Board of Directors of Hawkes Bay Airport Ltd ('HBAL') in accordance with Section 64(l) of the Local Government Act 2002.

This SOI sets out for HBAL the objectives, the nature and scope of the activities to be undertaken and the performance targets and other measures by which the performance of the company may be assessed in relation to its objectives.

HBAL's achievements against the objectives outlined in last year's Statement of Intent are referred to in this year's Annual Report.

The SOI is a public and legally required document, reviewed and agreed annually with shareholders and covers a three-year period, from 1 July 2021 to 30 June 2024.



Hawke's Bay Airport Ltd - Statement of Intent 2021/22 - 1



ABOUT US

HAWKE'S BAY AIRPORT WAS OFFICIALLY OPENED ON THE 15TH OF FEBRUARY 1964. THE FIRST COMMERCIAL FLIGHT WAS A NATIONAL AIRWAYS CORPORATION DC3 FROM WELLINGTON.

Today Hawke's Bay Airport is the third busiest airport in the North Island and provides an essential role in connecting the region's people and produce with the wider national and international economy.

The Hawke's Bay Region stretches from Wairoa in the north to Waipukurau in the south and at the 2018 New Zealand census had a population of 166,368.

Hawke's Bay has a long and proud history. Māori first settled in around 1250-1300 AD and today represent over 26% of the population. The region's largest iwi (tribe) are Ngāti Kahungunu.

OWNERSHIP AND GOVERNANCE

Governance sits with the Board of Directors of Hawke's Bay Airport Limited, which is responsible for the strategic and overall direction of the organisation. Directors are appointed by the company's shareholders: the Napier City Council (26%), Hastings District Council (24%) and the Crown (50%).

The Board has four Directors, two of whom are appointed by the Council Shareholders and two who are appointed by the Crown. The Board meets regularly with Management to review the company's performance and provides quarterly, half yearly and annual business performance reports to shareholders.

HISTORICAL SNAPSHOT



VISION, MISSION & VALUES

HAWKE'S BAY AIRPORT IS A CRITICAL TRANSPORT HUB, ESSENTIAL TO ENABLING AND CONNECTING BUSINESSES, TOURISTS, RESIDENTS, FREIGHT, MEDICAL SERVICES AND GENERAL AVIATION BOTH DOMESTICALLY AND INTERNATIONALLY.

THE ORGANISATION'S STRATEGIC PLANNING PROCESS IS PREDICATED ON ITS FOCUS ON SUSTAINABILITY AS PART OF ITS DNA.

Hawke's Bay Airport's Vision is to be New Zealand's most vibrant and successful regional airport.

We will achieve this by delivering against our Mission of enabling safe, customer focused and sustainable land and air transport services in and out of Hawke's Bay.

Our success in working towards this vision will be measured by performance across the five strategic pillars of our business.

This document identifies specific activities and measurable targets for each pillar. These have been developed in alignment with our values and sustainability framework.

STRATEGIC PILLARS



OPERATIONS

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



COMMERCIAL

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



PROPERTY

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



PARTNERS

Engaging with our Customers, Stakeholders, Business Partners and Community to grow our airport in a way which benefits everyone. A great place to do business.



PEOPLE

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



OUR VALUES

Safety First
We look to the Horizon
Striving for continued Commercial Success
Care and Respect for our people
Customer Focused
Sustainability is part of our DNA
Environmentally responsible.

SITUATIONAL OVERVIEW & THE FLIGHTPATH TO RECOVERY

Hawke's Bay Airport is situated approximately 10 minutes from Napier City's Central Business District (CBD) and 20 minutes from Hastings. The airport is predominantly serviced by Air New Zealand generating record growth of 750K passenger movements in the 2018/19 year.

The withdrawal of Jetstar turboprop services in Q2 2019 and catastrophic impact of COVID during 2020 pushed passenger numbers back to pre Jetstar numbers.

It is estimated that 87% of movements are to other NZ cities. Approximately ten per-cent of movements relate to international passengers – inbound and outbound which have reduced to zero since COVID's first impact in April 2020.

Hawke's Bay Airport continues to evolve by adjusting to the various processes and procedures necessary to ensure the effective and safe management of travelling New Zealanders and staff throughout our facilities.

With some uncertainty around the timing of the reopening of NZ borders, we are committed to working with our key stakeholders and business partners such as Air New Zealand to ensure the recovery of domestic and international air travel. Albeit we have seen recovery bounce back 30% stronger than anticipated on our key domestic trunk routes, we forecast our recovery with a degree of reserved optimism. With strong demand for domestic travel we anticipate a much quicker return to profitability and passenger numbers than anticipated in the preceding Statement of Intent.

An area of prime importance for HBAL is the continued work on strengthening our core business through a strong focus on both expanding opportunities for new and additional services with Air New Zealand and exploring opportunities for the expansion of connections with the rest of New Zealand. We are also cognisant of the regional economic benefit of attracting airline competition to the region and the need to maintain cost-effective services for our airline partners and passengers.

While the probability of a second major airline entering the market in the next 1 - 5 years is seen as low, airline competition remains a desirable outcome for the region and HBAL is partnering with local bodies on the development of a regional air services strategy.

Passenger forecasts were revised late December 2020 with November 2020 indicating passenger numbers at 63% of the same month in 2019. Removing the effect of the departure of Jetstar the passenger numbers for November 2020 were 72% of 2019. The FY21 year end is expected to deliver somewhere between 420K to 450K passengers with an increase of approx. 20% expected by FY22 year end.

Passenger split is understood to be approximately 45% business, 35% leisure and 20% visitors of friends and relatives.

COVID cases during 2020 were lower and the NZ economy performed a lot better than expected apart from the tourism and international education sector. Forecast assumptions are based on trans-Tasman borders and a slower international border re-opening in the latter part of 2021.

The passenger growth assumptions adopted for the FY2022 - 2024 period of this SOI have been informed in consultation with industry forecasting experts and reviewed specifically in light of the inconsistency in forward demand, lack of international travel and secondary economic impacts emerging from COVID.

In the medium-term additional passenger growth will be moderated by the availability of Air NZ's existing fleet. The forecast assumes some growth from smaller regional airlines.

HBAL believes that its strong focus on strategies of revenue diversification and resilience underpin a sound foundation for revenue recovery and balance sheet growth. These strategies will create enhanced financial returns and maximise value to shareholders through an appropriate balance of dividends and reinvestment.

We are currently forecasting a positive Net Profit After Tax result for the upcoming 2021/22 financial year and subsequent periods. These forecasts are included in this Statement of Intent and will remain conditional on New Zealand and the wider international community's continuing success in the battle against Covid-19.



TERMINAL REDEVELOPMENT

We are excited to be opening a brand-new terminal facility to the public during 2021 providing enhanced amenity, with ample room for growth and capacity to meet future regulatory changes. The new facility will invoke a strong sense of place reflecting our regional identity. The terminal was last refurbished in 2003.

The project completion will also see the conclusion of revised forecourt to enhance safety, security, passenger and vehicle flow.

During Q1 2019 the Airport's lead construction contractor, Arrow International went into voluntary administration. HBAL Board and Management established a wholly-owned subsidiary - Hawke's Bay Airport Construction Limited enabling the Terminal Expansion to progress with the existing sub-contractors, with minimal programme and budgetary impact.

The Terminal Construction is well underway with Stage 1 completed in January 2019, Stage 2 completed in November 2019 and the final Stage 3 due to complete May 2021. The upgraded terminal will cater for annual passengers of between 1-1.1 million passengers per annum.

The next significant infrastructure development is the expansion of apron aircraft parking stands which was planned to commence in FY21/22 but has been deferred to FY24/25 as a result of the revised aeronautical forecast.

The site was temporarily shut down for 5 weeks during Covid-19 Alert Level 4, however, construction resumed on 28th April 2020 with the airport keen to minimise the financial risks associated with protracted delays. The construction project supports over 200 local construction jobs. The revised program now identifies a completion date of May 2021.

HBAL Management continue to work closely in collaboration with Te Whenua, in particular Mana Ahuriri with the airport described recently as 'the marae for all', emphasising its importance to not only economic development but community wellbeing.

HBAL Management remain confident that the Terminal Capacity being delivered in May 2021 will cater for anticipated future passenger growth, regulatory requirements such as passenger and baggage security, and enhanced passenger amenities



REGIONAL VALUE

Hawke's Bay is a specialised regional economy with a relatively stable population. The region is New Zealand's largest producer of apples, pears, stone fruit and squash. Hawke's Bay farms produce premium beef and lamb, which is exported to markets around the world and is the oldest and second largest wine-growing region.

Hawke's Bay is a beautiful part of Aotearoa New Zealand, with amazing landscapes and natural resources creating a unique environment. This plays a big part in attracting innovative people and business to the Hawke's Bay region.

Airports around the world have been shown to play an increasingly important role in the economic life of regions and nations with far reaching economic effects. Their impact is felt beyond the direct supply chains of airports themselves. In fact, airports provide connections. At the core, these connections are about mobility – moving people and freight/cargo between points thereby enabling businesses and entrepreneurs to connect, share ideas, link production processes, generate wealth and lift the standard of living.

As a strategic regional asset, Hawkes Bay Airport enables opportunities for economic growth and improved connectivity for Hawke's Bay businesses, community members and tourists, and is identified as a specified Lifeline Utility. For a community that is geographically separated from New Zealand's main cities, the airport plays an important and high-profile role and will be a key contributor to the region's Covid-19 recovery.

During mid 2021 management intend to complete a full economic review of the benefits to the broader region from air services to and from Hawkes Bay Airport and our aspirations for airport based property and renewable energy development.

The current GDP growth forecast for FY21-FY25 (as at Dec 2020)[2] is strong which provides a basis for solid domestic and outbound international travel when the border re-opens. Accelerating GDP growth expectations for the next three years would benefit Hawke's Bay Airports post-COVID recovery growth.

Hawkes Bay Airport is a key contributor to the Economic Growth of the Region and supports the Matariki REDS vision of making Hawke's Bay NZ's most innovative region, the leading exporter of premium primary produce, and a hub for business growth.

The Matariki – Hawke's Bay Regional Economic Development Strategy (REDS) and Action Plan applies to the geographical areas of Central Hawke's Bay District, Hastings District, Napier City, Wairoa District, and small parts of Rangitikei District and Taupō District. The boundary coincides with the Hawke's Bay Regional Council.



[1] ME Consulting, October 2017

[2] OIA December 2020 Forecast Report

Hawke's Bay Airport Ltd Statement of Intent 2021/22 - 6

COMMERCIAL STRATEGY

THE AIRPORT HAS LONG IDENTIFIED ITS HEAVY RELIANCE ON AERONAUTICAL AND PASSENGER DERIVED REVENUE AS A RISK. THE IMPACT OF COVID-19 AND THE WITHDRAWAL OF JETSTAR HAS GRAPHICALLY REINFORCED THE NEED FOR HBAL TO ADVANCE ITS NON-AERONAUTICAL COMMERCIAL ASPIRATIONS TO IMPROVE REVENUE RESILIENCE.

For this reason, the commercial development of airport property and other land derived revenue streams is a key area of focus for the business in 2021-22.

Work is already well advanced in development of property precinct plan to ensure an appropriately aligned development mix on the 223 Ha of airport land. This will enable a pipeline of prospective developments for non-aeronautical land use to be in place by the end of 2021.

Hawkes Bay Airport is a critical transport hub; essential to enabling and connecting businesses, tourists, residents, freight, medical services and general aviation both domestically and internationally.

With the airport located in close proximity to the port, main roads north/south through the region and rail, and external factors such as the potential for increased freight movement and Napier City experiencing very limited availability of land suitable for commercial/light industrial use, the airport is working to bring a commercial property proposition to market this year.

In line with the Napier & Hastings District sub-regional industrial land strategy it is envisaged that HBAL will progress land development opportunities with reference to the region's wider economic development and spatial planning objectives.

The airport is identified as an important industrial location for freight and logistics and potentially providing some industrial land supply for Napier. Opportunities exist for collaboration with Mana Ahuriri for land to the north of the airport.

These initiatives are intended to build on the commercial revenue streams already generated through the operation of the airport terminal (e.g. food and beverage concessions, car parking and rental car agency tenancies), but without the risk of being decimated by periods of airport closure and limited aircraft landing, as occurred in 2020.

Work has been completed on a 20-year Master Plan to determine the most appropriate resource environmental planning framework to shape the long-term strategic direction for HBAL.

Key workstreams include noise boundaries, aeronautical and non-aeronautical land use, terminal, runways and taxiway capacity. This work is being aligned with the Napier City Council District Plan review which is underway.

LARGE SCALE SOLAR FARM

The airport has been investigating the potential of a renewable energy project on our land for some time and has identified the development of a commercial solar array as an effective way of leveraging the value of land that is restricted in the type of development possible. The objective is to diversify revenue and advance the airport's goal of achieving carbon neutrality.

The project is flexible and will likely be developed in stages. Energy generated will not only meet the airport's direct requirements but be available to supply its current and future tenants. Surplus energy can be sold back to the grid.

To expedite the project HBAL has entered into a Joint Venture agreement with Waipukurau based lines Company Centralines.





Whilst restoring the Airport's financial sustainability post Covid-19 has been our top priority, sustainability has also remained an important focus. We continue to work towards the goals and deliver outcomes in alignment with the Sustainability Framework and the UN SDG's as outlined in our previous SOI.

The HBAL Board of Directors have committed to a Sustainability Framework which is underpinned by the four key pillars of Financial Return, Environmental Excellence, Social Opportunity and Operational Efficiency. The sustainability framework is ultimately the foundation to our medium to long term strategic imperatives and airport masterplan placing sustainability at the Heart of everything we do.



Through our sustainability framework Hawke's Bay Airport has placed a strong focus on renewable energy, waste reduction, sustainability and pursuing carbon neutrality.

The Company has committed to a long-term carbon reduction target to achieve

Net zero scope 1 and 2 carbon emissions by 2030, supporting government's target to be net zero by 2050.

We have continued our journey with the internationally recognised Airport Carbon Accreditation programme, achieving Level 2 Reduction in January 2021 by demonstrating reductions in carbon intensity per passenger over time. We are part of 330 airports world-wide reducing carbon and increasing sustainability.





Solar Farm Feasibility

We are making good progress in our achieving our goals for sustainable operations, however a strategic game changer for the Organisation is its current initiative involving the development of a large-scale solar farm on airside land to the west of the runway.

We are working collaboratively with our partner Centralines to progress the business case for this project. The proposed solar farm will not only deliver renewable energy to HBAL, helping achieve our carbon neutral aspirations, but also potentially supply approximately 4000 homes and provide a local source of renewable energy to our regional businesses, many of whom have a growing demand for energy, and renewable energy in particular. HBAL's solar farm will enable regional decarbonisation and improve resilience of electricity supply to the region.



Green Property Development

Buildings have a significant role to play in bringing about a low carbon economy. Research shows the construction and operation of buildings and infrastructure is responsible for around 20% of New Zealand's domestic emissions.

HBAL acknowledges the opportunity to achieve low carbon buildings at the design stage and supports the Green Building Council's zero carbon road map. We will work with new property tenants to:

- Measure and report operational carbon emissions from our new buildings
- Consider carboNZero building operations certification where appropriate



Climate Related Risk

While responding to the Covid-19 crisis was top of mind during 2020, we are conscious that climate change and its impacts remain the greatest threat facing the world today. Aviation as a sector has significant challenges ahead, not least with the rise of flight shame and negative publicity around flying.

Action must be taken at all levels from individuals, companies and governments. HBAL has a role to play, demonstrating leadership and taking action to reduce the environmental impact of our organisation.

Our attention has turned towards understanding the climate change risk facing the organisation. We commissioned independent advice on the physical climate risks affecting the site and plan to invest in additional monitoring for key metrics such as ground water levels. We continue to work alongside the local councils and other key infrastructure providers to better understand and prepare for impacts of a changing climate.

























Well Being

The organisation continues to place strong importance being a good corporate citizen and employer. During this year we will complete a staff survey and review flexible working arrangements. We are proud to continue the first regional airport community-based volunteer Ambassador programme with over 30 ambassadors engaged in our programme since 2018.









KEY PROJECTS & CAPITAL EXPENDITURE

		 Airport Masterplan	 Property & Commercial	 Terminal & Apron	 Operational Efficiency	 Sustainability
FY2021/22	Q1		 Precinct Property Development Plan	 Forecourt Works Complete	 Surface Transport Strategy Review	
	Q2					
	Q3	 Lodge Notice of Requirement		 Major Airfield Maintenance (Taxiway/Aprons)	 Infrastructure Development Plan	 Stage 1 Solar Energy Development Complete**
	Q4	318K				
FY2022/23	Q1	 District Plan Notification	 New Advertising Infrastructure		 Procure New Fire Appliance	 Stage 2 Solar Energy Development Complete**
	Q2		 Major Property Development**			
	Q3	 District Plan Hearings				 Level 3 Carbon Accreditation
	Q4	475K				
FY2023/24	Q1			 Landside Infrastructure Improvements		
	Q2					
	Q3		 Major Property Development**		 Car Park Technology Improvements	
	Q4	543K				

** Subject to business case meeting internal investment/risk profile






KEY OBJECTIVES BUSINESS PLAN 2021/22

STRATEGIC IMPERATIVE		ACTIVITY & OUTCOME	MEASURE	TARGET DATE	SDG ALIGNMENT
 OPERATIONS	1.	Operating and effective safety management system	Internal SMS Tracker updated monthly To achieve Zero Lost Time Injuries	Recurring	
	2.	Practical completion of Landside Forecourt	Stage 3 Completed	31/08/2021	
	3.	Bi-annual Strategic Risk/Compliance Review	Review Implemented	Biannual	
	4.	Review and Refine Wildlife Management Plan	Second Phase Plan Implemented	30/11/2021	
	5.	To complete roadmap to carbon neutrality	Achieve Level 3 Airport Carbon Accreditation (ACA)	31/05/2022	
 COMMERCIAL	6.	Research transport demand profile of existing/potential airport users and complete ground transport strategy to inform precinct and product development. This should consider all modes of transport (public/private)	Implement research based product segmentation of carpark	30/09/2021	
	7.	Use transport strategy to inform preparation of 5 year product development roadmap for carpark/ground transport – this to consider capacity, segmentation, commercial, technology and sustainability outcomes as well as supporting Capex/Opex requirements.	Transport Strategy Roadmap Endorsed by HBAL Board Capex/Opex built into financial forecasts.	30/06/2022	

KEY OBJECTIVES BUSINESS PLAN 2021/22

STRATEGIC IMPERATIVE		ACTIVITY & OUTCOME	MEASURE	TARGET DATE	SDG ALIGNMENT
COMMERCIAL CONTINUED	8.	Grow in-terminal passenger spend rates by better meeting customer demand.	Improved ASQ scores and PSR growth PSR growth of > 10%	30/06/2022	
	9.	Build stronger relationships/understanding with all commercial partners	Minimum 2x meetings per year with each commercial partner	Ongoing	
	10.	Develop 5 year advertising strategy against the objective of positioning the airport as a blue-chip advertising opportunity for local/national campaigns Grow advertising revenues via the successful implementation of new digital assets via existing sales structure	Strategic Review Complete Advertising revenue growth of >40%	31/09/2021	
	11.	Work with NCC planners and local iwi to ensure HBAL interests are considered in district plan review.	Successful regional collaboration District plan outcomes support HBAL master plan objectives	Recurring	
 PROPERTY	12.	Continue to refine commercial property strategic plan in alignment with RMA/sustainability framework and market demand.	Activation of HBAL property strategy Precinct & Market Collateral in place	31/12/2021	
	13.	Wholistic study of existing and future airport utilities (three waters, roading and electricity) undertaken and granular understanding of development milestones, trigger points and costs generated.	Utilities/Infrastructure Capex Plan in place	June 2022	
	14.	Stimulate property development opportunities	>1 Major Property Development initiated	June 2022	
	15.	Advance renewable energy project.	Resource consent granted.	31/05/2022	
	16.	Proactively engage with HB Community, local and central government and other key stakeholders.	Supportive environment for wider airport.	Recurring	

KEY OBJECTIVES BUSINESS PLAN 2021/22

STRATEGIC IMPERATIVE		ACTIVITY & OUTCOME	MEASURE	TARGET DATE	SDG ALIGNMENT
 PARTNERS	17.	Partnership/Collaboration with regional leaders around sustainability outcomes	Ensure airport presence/voice at regional forums.	Recurring	
	18.	Undertake stakeholder and public consultation as part of NCC district plan review	Community to work as one team.	Dec 2021	
	19.	Continued collaboration with Mana Whenua	Regular meetings/engagement Property Partnerships	Recurring	
	20.	Galvanise regional collaboration to effectively develop, resource and deliver an airline route development strategy for Hawke's Bay	Develop Regional Air Services Strategy in partnership with HB Tourism and other stakeholders. Regional Economic Engagement Strategy Complete	Dec 2022	
 PEOPLE	21.	Develop cross team functional capability.	Resources/Expense in line with financial forecast	30/06/2022	
	22.	Proactively engage with staff to ensure engagement and optimise wellbeing in the workplace	Staff engagement and culture survey completed.	31/10/2021	
	23.	Continue build on success of Ambassador program	>85% of existing Ambassadors complete two years of service	Recurring	
	24.	Invest in Teams Development and Training	Training & Development Program	Recurring	
 FINANCIAL	25.	Achieve financial and operational targets as per SOI	SOI FY2021-22 with a focus on reducing cost and optimising revenues.	End June 2022	
	26.	PAX Movements	527K		
	27.	NPAT	\$44K		
	28.	Revenue	\$7.8M		
	29.	EBITDA Margin	>47%		

Hawke's Bay Airport Ltd - Statement of Intent 2021/22 - 13

FINANCIAL FORECASTS

Aeronautical Revenue Assumptions:

The performance targets expressed here are predicated on a continuation of the recovery in domestic air travel that is being experienced at the time of compiling this Statement of Intent. They are based on passenger forecasts completed during December 2020 which assume a continued recovery, with passenger numbers predicted to reach pre-Covid levels in late 2022 once international passenger movements are restored following the re-opening of the border.

During mid 2020 HBAL concluded a pricing consultation process with Air NZ. A move to a per-passenger charging mechanism was adopted as appropriate to acknowledge HBAL's aeronautical assets values and operating costs. The new per passenger charge commenced in October 2020 and will step up again on completion of the terminal redevelopment.

The full benefits of the completion of the terminal expansion project and the associated enhanced passenger related revenue streams will commence during this SOI period. This provides for a return to profit by FY22, along with substantial improvement in both return on equity and gearing levels.

Statement of Intent - Headlines & Financial Metrics

July 2021 - June 2024

	Jul 21 - Jun 22	Jul 22 - Jun 23	Jul 23 - Jun 24
Passenger Numbers	526,865	605,804	658,899
Forecast Revenue	7,802,463	9,357,499	10,486,237
EBITDA	3,728,321	5,009,627	5,818,863
EBITDA Margin	47.78%	53.54%	55.49%
NPAT	44,079	815,630	1,347,062
Net Profit after Taxation Margin	0.56%	8.72%	12.85%
Interest Coverage	5.8	6.9	7.6
Total Debt	25,500,000	23,500,000	20,500,000
Total Assets	64,552,736	63,888,092	62,414,654
Leverage Ratio	6.8	4.7	3.5
Return on Equity	0.1%	2.4%	3.9%
Gearing Ratio	44%	41%	38%
Equity %	52%	53%	56%

FINANCIAL FORECASTS

Prospective Summary Statement of Comprehensive Income

July 2021 - June 2024

	Jul 21 - Jun 22	Jul 22 - Jun 23	Jul 23 - Jun 24
<i>Passenger Numbers</i>	526,865	605,804	658,899
<i>Revenue</i>			
Aeronautical	4,334,694	5,288,752	6,075,616
Non-aeronautical	3,467,769	4,068,747	4,410,621
Total Revenue	7,802,463	9,357,499	10,486,237
<i>Operating Expenditure</i>	4,074,142	4,347,872	4,667,374
EBITDA	3,728,321	5,009,627	5,818,863
Depreciation	3,039,247	3,208,002	3,247,291
EBIT	689,075	1,801,626	2,571,571
Interest Expense	588,965	668,806	700,652
Profit before Income Tax	100,110	1,132,820	1,870,920
Income Tax Expense	56,031	317,189	523,857
Net Profit after Tax	44,079	815,630	1,347,062

Prospective Summary of Financial Position

July 2021 - June 2024

	Jul 21 - Jun 22	Jul 22 - Jun 23	Jul 23 - Jun 24
<i>Current Assets</i>	919,964	1,005,821	1,077,675
<i>Non Current Assets</i>	63,632,772	62,882,271	61,336,979
TOTAL ASSETS	64,552,736	63,888,092	62,414,654
<i>Current Liabilities</i>	711,107	1,674,685	2,465,663
<i>Non Current Liabilities</i>			
Total Debt	25,500,000	23,500,000	20,500,000
Other Non Current Liabilities	5,497,980	5,380,380	5,307,726
TOTAL LIABILITIES	31,709,087	30,555,065	28,273,389
NET ASSETS	32,843,650	33,333,028	34,141,265
Capital and Reserves	32,843,650	33,333,028	34,141,266
TOTAL EQUITY	32,843,650	33,333,028	34,141,266

Hawke's Bay Airport Ltd - Statement of Intent 2021/22 - 15

FINANCIAL FORECASTS

Prospective Summary Statement of Cashflows

July 2021 - June 2024

	Jul 21 - Jun 22	Jul 22 - Jun 23	Jul 23 - Jun 24
Cashflow From Operations	3,441,699	4,826,231	5,718,318
Cashflow From Investing	(2,633,465)	(2,464,515)	(1,727,443)
Financing and Other			
Total Loans Issued	0	(661,792)	(675,208)
Interest Payments	(586,500)	0	0
Cashflow From Financing	(586,500)	(2,661,792)	(4,095,575)
Net Cash Inflow/(Outflow)	221,734	(300,075)	(104,701)
Opening Bank	(199,624)	22,110	(277,965)
Net Cash Movement	221,734	(300,075)	(104,701)
Closing Bank	22,110	(277,965)	(382,665)

Capital Expenditure

HBAL continues to invest in its infrastructure in line with passenger numbers, Civil Aviation security requirements and identified opportunities to grow its non-aeronautical revenue base such as its commercial precinct. The key revenue assumptions for property and solar development are subject to further analysis and therefore capex allowances have been allowed only for planning development and enabling capex until the business cases are fully assessed.

As an example, allowances have been included for advancing and implementing the property precinct plans. From time to time, HBAL may consider additional capital expenditure programmes if supported by a robust business case and funding capability.

Budgeted capital expenditure is summarised in the table below. Long term capital expenditure associated with the aeronautical infrastructure is provided for as per the long-term maintenance plan prepared and updated annually by Beca Ltd

Prospective Summary of Capital Expenditure

	2021/22	2022/23	2023/24
Airside Infrastructure & Projects	1,069,000	591,000	132,000
Landside Infrastructure & Commercial	550,000	625,000	725,000
Property & Planning	560,000	371,500	100,000
Operational Efficiency	422,000	815,000	770,000
Sustainability Related	105,000	80,000	-
	2,706,000	2,482,500	1,727,000

FINANCIAL FORECASTS

Accounting Policies

The accounting policies adopted by HBAL are consistent with New Zealand's International Financial Reporting Standards and generally accepted New Zealand accounting practices. The policies are included within HBAL's Annual Report that is available on the Company's website:

www.hawkesbay-airport.co.nz/about/company/annual-report

Distributions

HBAL believes that its strong focus on strategies of revenue diversification and resilience underpin a sound foundation for revenue recovery and balance sheet growth. These strategies will create enhanced financial returns and maximise value to shareholders through an appropriate balance of dividends and reinvestment. We are currently forecasting a positive Net Profit After Tax result for the upcoming 2021/22 financial year and subsequent periods. These forecasts are included in this Statement of Intent and will remain conditional on New Zealand and the wider international community's continuing success in the battle against Covid-19. In arriving at any dividend recommendation, the Directors will consider:

- the scale of the company's capital expenditure programme and therefore demands on capital for the period covered by this statement;
- The company's financial performance and the cash flows generated from operations, including impact of the terminal development project;
- The ratio of the company's shareholder funds to the assets;
- The company's ability to raise debt finance and the terms thereof;
- The risks associated with the uncertainty of airline schedules in the short and medium term;

Any final dividend declared will be paid no later than 31 December.

Information to be provided to Shareholders

Shareholders will receive:

- An annual report including audited financial statements within 3 months of balance date.
- A 6 monthly report including non-audited financial statements within 2 months of balance date.
- A Quarterly Report within 2 months of the end of each quarter.
- A Statement of Intent submitted for shareholders' consideration in accordance with the Local Government Act 2002.
- Other interim financial reports as agreed with the shareholders
- Reports on matters of material interest to shareholders. Shareholders will continue to be kept informed of key developments, consistent with the Crown's 'No Surprises' policy.

Acquisition Procedures

The acquisition of any interest in a company or organisation will be considered when it is consistent with the long-term commercial objectives of the company. Any material acquisition will be the subject of consultation with shareholders.

Major transactions as defined by the Companies Act 1993 will require shareholder approval.

Compensation Sought from Local Body Shareholders

At the request of the shareholders the company may undertake activities that are not consistent with normal commercial objectives.

The company may seek, in these circumstances, a specific subsidy to meet the full commercial cost of providing such activities, however none are contemplated in the planning period.

FINANCIAL FORECASTS

Estimate of Commercial Value

The value of Shareholders investment in the company as at 31 December 2020 is \$33,179,752.

The Property, Plant, Equipment and Investment Property (non-current assets) owned by HBAL were revalued at 30 June 2020 to their current market value of \$51.8M.

HBAL will continue to undertake a revaluation approach to its assets on a regular cycle or when there has been a significant change in the market, to consider the gap between current book values of the assets and liabilities versus the commercial value of the business.

The completion of the terminal redevelopment during 2021 and the impact of Covid-19 on revenues, are significant events with potential to influence asset value.



Wendie Harvey
Chairperson
Hawke's Bay Airport Limited
30/06/21

Tuesday, 23 March 2021

Item 5

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā:
From: Bruce Allan, Group Manager: Corporate

Te Take:
**Subject: Hawke's Bay Museums Trust - Half Year Financial Report to 31
December 2020 and draft Statement of Intent**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to receive the Hawke's Bay Museums Trust Half Year Report to December 2020 and give the Operations and Monitoring Committee the opportunity to receive and comment on the draft 2021/22 Statement of Intent.
- 1.2 The Trust's Chair, Dr Richard Grant, will be in attendance at this meeting to answer any questions of Council.

2.0 Recommendations – *Ngā Tūtohunga*

- A) That the Operations and Monitoring Committee receive the report titled Hawke's Bay Museums Trust - Half Year Financial Report to 31 December 2020 and draft Statement of Intent
- B) That the Committee receive the Hawke's Bay Museums Trust Half Year Report to 31 December 2020.
- C) That the Committee receive the Hawke's Bay Museums Trust 2020/21 Statement of Intent.

3.0 Background – *Te Horopaki*

- 3.1 The Trust is a Council Controlled Organisation with the majority of its funding provided by the Napier City and Hastings District Councils.
- 3.2 The Hastings District Council appointment to the Trust is Mr George Lyons who was appointed to the Trust by Council in November 2013.
- 3.3 The current trustees of the Hawke's Bay Museum's Trust are:
 - Dr Richard Grant (Chairman)
 - Tania Wright (NCC)
 - George Lyons (HDC)
 - Johanna Mouat
 - Nigel How
- 3.4 Dr Grant was originally appointed as the Independent Chairman by the joint appointments committee 2014 and reappointed in 2017 through to December 2020. The Trust has requested that Dr Grant be reappointed for a further three years. This matter is addressed in the Public Excluded section of this agenda.
- 3.5 As required under the Local Government Act 2002 the Trust is to provide a draft Statement of Intent for comment by 1 March each year and a half year report within 60 days of the end of the first six months.
- 3.6 The objectives of the Trust amongst other things are to hold, protect and manage the regional collection for the people of Hawke's Bay including overseeing the collection development through acquisition and disposal of collection items. The Trust Board governs on a high level strategic direction basis to ensure the objectives of the Trust are being met and have a Management Agreement with Napier City Council for the care and management of the regional collection.

4.0 Discussion – *Te Matapakitanga*

Half Year Report

- 4.1 The Trusts financial statements for the 6 months to December 2020 are attached as **Attachment 1**. Note 15 to the accounts provides a comparison to the current year Statement of Intent budget with revenue and expenses largely in line with budget expectations.

Statement of Intent

- 4.2 The draft HBMT 2021/22 Statement of Intent is attached as **Attachment 2** for Council's information.
- 4.3 The draft 2021/22 Statement of Intent contains the following performance indicators and targets for the key result areas:
 - **Protection** – including storage, security and records management
 - **Quality** – including conservation, accessioning and de-accessioning.
 - **Access** – including ensuring the collection is available for exhibitions and research.
 - **Development** – including fundraising, reserve management, and stakeholder relations:
- 4.4 These are essentially unchanged from previous years. KPIs could however be further developed to demonstrate the Collection is being well utilised and readily available to all of Hawke's Bay, and therefore that the Council is getting value for its annual grant.
- 4.5 This was item of improvement recommended by the recent "Review of Management Services" by the Rationale Group. In that report they suggested the following KPIs be considered:
 - Minimum levels of third party funding (proportionate to total funding);
 - Minimum levels of visitor satisfaction (as distinct from ratepayer satisfaction);

- Minimum visitor spends and/or maximum visitor subsidy;
- Minimum numbers of visitors from, or exhibitions at, other districts;
- Minimum percentages of collection artefacts electronically recorded and accessible;
- Minimum numbers of public online access to the collection;
- Maximum response times to inquiries.

- 4.6 While the Joint Working Group has included in its terms of reference and specific objectives a review of the levels of service expectations, this has yet to be canvassed and as such the KPI's incorporated in this SOI have remained largely unchanged.
- 4.7 Included in the Statement of Intent is an inflation adjustment to the grant funding required from Hastings District Council.

Joint Working Group

- 4.8 The Hastings District Council continues to participate in a Joint Working Group with Napier City Council that is considering the future structure of the Hawke's Bay Museums Trust, its funding, the storage of the collection, and the role of the MTG Hawke's Bay in the display of the collection.
- 4.9 Good progress has been made with a new site secured to improve the storage arrangements for the collection. External funding applications are in train with Lotteries and discussions continue with the Ministry of Culture and Heritage.
- 4.10 The Joint Working Group continues to focus its attention on alternative governance structures for the collection.

Attachments:

1	HBMT Report 31.12.2020 - Final	EXT-10-11-7-21-240
2	HB Museums Trust Statement of Intent 2022-24	EXT-10-11-7-21-237

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.

This report promotes Social and Cultural Wellbeings

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

Specifically through the Council's strategic objective of fostering the arts and cultural experience of our community.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

The Hawke's Bay Museum collection includes significant toanga and in acknowledging the significance of that collection, one of the Trustees to the Trust is appointed by Ngati Kahungunu Iwi.

Sustainability - *Te Toitūtanga*

N/A

Financial considerations - *Ngā Whakaarohanga Ahumoni*

Council makes a financial contribution to the Trust which is detailed in the attached Statement of Intent.

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 low significance.

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

No consultation has occurred.

Risks: - *Ngā Tūrarū:*

This report is to receive the Hawke's Bay Museums Trust Statement of Intent and therefore poses little risk to Council.

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

N/A

HAWKE'S BAY MUSEUMS TRUST

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

**HAWKE'S BAY MUSEUMS TRUST
INDEX TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

Statement of Financial Position	1
Statement of Financial Performance	2
Statement of Movements in Equity	3
Statement of Cashflows	4
Notes to the Financial Statements	5 - 12

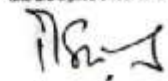
HB Museums Trust - 24 February 2021 - Attachments

Item 4
Attachment A

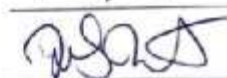
HAWKE'S BAY MUSEUMS TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	6 Months Ended 31-Dec-20 \$	6 Months Ended 31-Dec-19 \$	Year Ended 30-Jun-20 \$
Current Assets				
Bank Accounts and Cash	5	89,036	42,040	20,059
Investments	5	655,260	625,390	655,260
	5	744,895	667,356	675,319
Prepayments and Accrued Revenue	8	59,648	8,725	0,692
Total Current Assets		<u>804,744</u>	<u>676,054</u>	<u>682,011</u>
Non-Current Assets				
Artworks and Collection	9	41,007,357	40,687,514	41,086,011
Total Non-Current Assets		<u>41,007,357</u>	<u>40,687,514</u>	<u>41,086,011</u>
Total Assets		<u>41,802,101</u>	<u>41,663,548</u>	<u>41,768,022</u>
Current Liabilities				
Accounts Payable and Accounts	10	129,432	2,975	5,445
GST Payable	10	(589)	125	(1,312)
Unspent Grants	10	897	1,660	807
Total Current Liabilities		<u>129,740</u>	<u>4,460</u>	<u>5,030</u>
Non-Current Liabilities				
Trust Funds Held on Behalf	11	75,260	75,260	75,260
		<u>75,260</u>	<u>75,260</u>	<u>75,260</u>
Accumulated Funds				
Retained Earnings	8	1,816,902	1,507,857	1,811,217
Asset Revaluation Reserve	9	39,530,051	39,474,004	39,530,051
Special Funds	987	547,088	541,987	547,304
		<u>41,893,941</u>	<u>41,523,848</u>	<u>41,888,572</u>
Total Funds Employed		<u>41,893,941</u>	<u>41,523,848</u>	<u>41,768,022</u>

The Trust Board of Hawke's Bay Museums Trust authorised these financial statements for issue on Wednesday 24 February 2021 and are signed on behalf of the Board by



Chairman



Trustee

**HAWKE'S BAY MUSEUMS TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	Note	6 Months Ended 31-Dec-20 \$	6 Months Ended 31-Dec-19 \$	Year Ended 30-Jun-20 \$
Operating Income				
Interest Received		6,156	9,465	17,493
Hastings District Council		301,682	299,380	598,760
Napier City Council	2	294,182	291,880	583,760
Donations Received - General	3	4,414	3,283	9,317
Donations Received - Tagged Special	3	-	14,500	14,500
Donations - MTG Collection	3	-	-	43,405
Marian Holt Grant Received		-	3,458	4,240
Other Income		-	-	6
Total Operating Income		606,434	621,966	1,271,481
Less: Operating Expenses				
Audit Fees		2,700	2,525	5,295
Accounting Charge		14,150	13,950	27,900
Accounting Software Charge		128	-	122
Conservation Expenses		400	5,670	14,250
General Expenses		379	48	93
Insurance		3,294	2,288	2,288
Legal Costs		-	-	1,620
Management Fees	12	576,915	572,810	1,145,620
Marian Holt - Public Stitch Expenses		-	3,458	4,240
Total Operating Expenses		597,965	600,749	1,201,428
Net Surplus/(Deficit) for the Period		8,469	21,217	70,053

**HAWKE'S BAY MUSEUMS TRUST
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	Note	6 Months Ended 31-Dec-20 \$	6 Months Ended 31-Dec-19 \$	Year Ended 30-Jun-20 \$
Net Surplus/(Deficit) for Period				
Allocated To:				
Net Surplus / (Deficit)		(2,100)	(6,031)	28,743
Special Funds		10,570	27,248	41,310
Net Surplus/(Deficit) for year		8,469	21,217	70,053
Opening Balance at 1 July		41,688,632	41,562,592	41,562,592
Movement in Asset Revaluation Reserve		-	-	55,987
Accumulated Funds	6	41,697,101	41,583,809	41,688,632

**HAWKE'S BAY MUSEUMS TRUST
STATEMENT OF CASHFLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	Note	6 Months Ended 31-Dec-20	6 Months Ended 31-Dec-19	Year Ended 30-Jun-20
		\$	\$	\$
Cashflows from Operating Activities				
Cash was Provided From:				
Grants Council		545,584	591,260	1,182,520
Donations Received		4,414	17,783	23,817
Other Operating Revenue		8,000	-	6
Interest Received		10,823	4,148	14,210
Goods and Services Tax (net inflow)		7,956	(155)	(1,476)
		<u>576,777</u>	<u>613,036</u>	<u>1,219,077</u>
Cash was Disbursed To:				
Audit Fee		-	(5,350)	(5,350)
Management Fee & Education Grant		(480,762)	(572,810)	(1,145,620)
Accounting Fee to NCC		(11,792)	(13,950)	(27,900)
Marian Holt Grant Expenditure		-	(3,458)	(4,240)
Conservation Works		-	(5,670)	(14,250)
Insurance & Legal Costs		(3,294)	(2,288)	(3,908)
Other Expenses		(507)	(48)	(332)
Goods and Services Tax (net outflow)		-	-	-
		<u>(496,354)</u>	<u>(603,574)</u>	<u>(1,201,600)</u>
Net Cashflows from Operating	4	<u>80,423</u>	<u>9,462</u>	<u>17,477</u>
Cashflows from Investing Activities				
Cash was Provided From:				
Sale of Collection Assets		-	6	-
Cash was Disbursed To:				
Purchase of Collection Assets		(10,845)	(3,906)	(3,905)
Net Cashflows from Investing		<u>(10,845)</u>	<u>(3,900)</u>	<u>(3,905)</u>
Net Cashflows (Deficit)		69,577	5,562	13,572
Add Opening Cash Balance		675,319	661,747	661,747
Closing Cash Balance 31 December 2016		<u>744,896</u>	<u>667,309</u>	<u>675,319</u>

HAWKE'S BAY MUSEUMS TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

1. Statement of Accounting Policies

Reporting Entity

The Hawke's Bay Museums Trust (Incorporated) is registered under the Charitable Trusts Act 1957 and is registered as a charitable entity under the Charities Act 2005.

General Accounting Policies

The general accounting policies recognised as appropriate for the measurement and reporting of results, and financial position, under the historical cost method as modified by the revaluation of certain assets, have been followed in the preparation of these financial statements.

The Board has elected to apply PBE-SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

All transactions in the financial statements are reported using the accrual basis of accounting.

Significant accounting policies

Bank Accounts and Cash

Bank Accounts and Cash comprise cheque or savings accounts and deposits held at call with banks.

Investments

Investments comprise bank term deposits.

Accounts Receivable

Accounts receivable are stated at their estimated net realisable value.

Grants

Grants received are recognised in the Statement of Financial Performance when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed will be carried as liabilities until the conditions have been fulfilled.

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of more than 12 months and the value of the asset is readily obtainable and significant.

Artworks and Collection

The Trust has elected to apply International Public Sector Accounting Standard (IPSAS) 17 - Property, Plant and Equipment. Items contained in collection assets tend to have an indefinite life and are generally not of a depreciable nature. Depreciation is therefore not applicable and collection assets are carried at fair value. Carrying values are reviewed at least every three years to ensure those values are not materially different to fair value.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured on the amount owing.

GST

The Trust is registered for GST. The Statement of Financial Performance has been prepared so that all components are stated net of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

Interest Revenue

Interest revenue is recorded as it is earned during the year.

Income Tax

Hawke's Bay Museums Trust is exempt from paying income tax.

Changes in Accounting Policies

There have been no changes in accounting policies for the 2020/21 financial year.

**HAWKE'S BAY MUSEUMS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	6 Months Ended 31-Dec-20 \$	6 Months Ended 31-Dec-19 \$	Year Ended 30-Jun-20 \$
2. Grants - Councils			
The Hawke's Bay Museums Trust is jointly funded by Napier City Council and Hastings District Council.			
Hastings District Council	301,682	299,380	598,760
Napier City Council	294,182	291,880	583,760
	<u>595,865</u>	<u>591,260</u>	<u>1,182,520</u>
3. Grants and Donations			
Donations - R & D Crowther	-	500	500
Donations - Estate K L Stichbury	-	1,000	1,000
Donations - Webb Trust	-	13,000	13,000
Total Donations Received - Tagged Special Funds	<u>-</u>	<u>14,500</u>	<u>14,500</u>
General Donations	4,414	3,283	9,317
Grants (Marian Holt Grant)	-	3,458	4,240
Collection Additions	-	-	43,405
	<u>4,414</u>	<u>21,241</u>	<u>71,462</u>
4. Reconciliation of Net Surplus to Net Cash Flow from Operating Activities			
Operating Surplus	8,469	21,217	70,053
Less donated / vested assets	-	-	(43,405)
Cash surplus/(deficit) from operations	<u>8,469</u>	<u>21,217</u>	<u>26,648</u>
Add/(less) movements in working capital items:			
Prepayments & accrued revenue (net, including interest)	(52,757)	(5,316)	(3,283)
Accounts payable accrued (net)	123,987	(2,825)	(55)
Increase in Unspent Grants	-	(3,457)	(4,240)
Net GST movement	723	(157)	(1,593)
Net cash inflow/(outflow) from operating activities	<u>80,422</u>	<u>9,462</u>	<u>17,477</u>
5. Bank Accounts, Cash and Investments			
Bank Accounts and Cash			
Westpac Bank - Current Account	89,636	42,049	20,059
Total Bank Accounts and Cash	<u>89,636</u>	<u>42,049</u>	<u>20,059</u>
Investments			
Westpac Term Deposits	580,000	550,000	580,000
Westpac Term Deposits - Trusts Held on Behalf			
M S Spence Trust	33,387	33,387	33,387
L D Bestall Trust	20,834	20,834	20,834
Estate L D Bestall	21,039	21,039	21,039
Total Investments	<u>655,260</u>	<u>625,260</u>	<u>655,260</u>
Total Bank Accounts, Cash and Investments	<u>744,896</u>	<u>667,309</u>	<u>675,319</u>

**HAWKE'S BAY MUSEUMS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

6. Movements in equity	6 Months Ended 31-Dec-20 \$	6 Months Ended 31-Dec-19 \$	Year Ended 30-Jun-20 \$
Special Reserves			
Restricted Reserves			
Opening Balance 1 July 2020	15,294	14,594	14,594
Grants, Bequests and Donations income	-	-	265
Interest income	277	328	435
Transfer to Other Reserves	-	-	-
Closing Balance Special Reserves	15,571	14,922	15,294
Unrestricted Reserves			
Opening Balance 1 July 2020	97,302	92,850	92,850
Interest income	1,764	2,089	2,767
Grants and Donations	-	-	1,685
Transfer to Other Reserves	-	-	-
Transfer to Napier City Council	-	-	-
Closing Balance Unrestricted Reserves	99,066	94,939	97,302
Acquisitions Reserve			
Opening Balance 1 July 2020	400,556	379,203	379,203
Grants, Bequests and Donations income	-	-	13,912
Interest income	7,264	8,533	11,346
Acquisitions Donations Received	-	14,000	-
Proceeds from De-accession	-	6	-
Acquisitions for Year	(10,446)	(3,906)	(3,905)
Closing Balance Acquisitions Reserve	397,374	397,836	400,556
Conservation Reserve Fund			
Opening Balance 1 July 2020	22,942	28,489	28,489
Grants, Bequests and Donations income	-	-	7,955
Interest income	416	642	748
Conservation Donations Received	-	500	-
Conservation for Year	(400)	(5,670)	(14,250)
Closing Balance Conservation Reserve	22,958	23,961	22,942
Trusts Held on Behalf			
Opening Balance 1 July 2020	11,270	9,073	9,073
Interest income	850	1,156	2,197
Acquisitions for Year	-	-	-
Closing Balance Trusts Held on Behalf	12,120	10,229	11,270
Total Special Reserves	547,089	541,887	547,364
Asset Revaluation Reserve			
Opening Balance 1 July 2020	39,530,051	39,474,064	39,474,064
Movement in Asset Revaluation Reserve	-	-	55,987
Closing Balance Revaluation Reserve	39,530,051	39,474,064	39,530,051
Retained earnings			
Opening Balance 1 July 2020	1,611,217	1,564,319	1,564,319
Transfer of proceeds of deaccession to acquisitions reserve	-	(6)	-
Transfer of capital expenditure from acquisitions reserve	10,446	3,906	3,905
Transfer of donations to conservation reserve	-	5,670	-
Transfer of capital expenditure from conservation reserve	400	-	14,250
Net surplus/(deficit) for year	(2,101)	(6,032)	28,743
Closing Balance Retained Earnings	1,619,962	1,567,857	1,611,217
	41,697,102	41,583,808	41,688,632

Restricted Reserves - Consist of reserves which have conditions of use attached to the funds held within the reserve

Unrestricted Reserves - Funds held in equity which have no restrictions on conditions of use

Acquisitions Reserve - Funds which the Trustees have identified and set aside for the specific purpose of acquisition of items for the museum collection

Conservation Reserve Fund - Funds which the Trustees have identified and set aside for applying to the cost of conservation of collection items

**HAWKE'S BAY MUSEUMS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

7. Special Funds

	Opening Balance as at 1 Jul 2020	Transfer	Grants Donations & Requests Received	Acquisitions & Conservation for 6 Months to 31 Dec 2020	De-accessions for 6 Months to 31 Dec 2020	Allocation of Proportion Interest & Donations Income	Closing Balance as at 31 Dec 2020
Restricted Reserves							
QEII Award Fund	15,294	-	-	-	-	277	15,571
	15,294	-	-	-	-	277	15,571
Unrestricted Reserves							
Lilliput Building Fund	97,302	-	-	-	-	1,794	99,096
	97,302	-	-	-	-	1,794	99,096
Acquisitions Reserve Fund							
Millin Estate	293,049	-	-	(10,446)	-	5,330	288,633
L.J. Sanderson	85,928	-	-	-	-	1,577	85,505
M.L. Holt	11,880	-	-	-	-	216	12,096
Webb Trust	7,799	-	-	-	-	141	7,940
	409,556	-	-	(10,446)	-	7,264	397,374
Conservation Reserve Fund							
B. Horne	5,709	-	-	(400)	-	103	5,412
M.L. Holt	14,137	-	-	-	-	237	14,394
R. & D. Crowther	511	-	-	-	-	10	521
Estate Kiyh Stichbury	1,034	-	-	-	-	18	1,042
Other - PHBMAG Care Fund	342	-	-	-	-	6	348
Webb Trust (Conservation)	1,219	-	-	-	-	22	1,241
	22,942	-	-	(400)	-	416	22,958
Total HBMT Special Funds	538,094	-	-	(10,846)	-	8,721	534,969
Trusts Held on Behalf							
M.S. Spence Trust	5,091	-	-	-	-	377	5,378
L.D. Bestall Trust	3,092	-	-	-	-	235	3,327
Estate L.D. Bestall	3,177	-	-	-	-	237	3,414
Total Trusts Held on Behalf	11,270	-	-	-	-	850	12,120
Total Special Funds	547,364	-	-	(10,846)	-	10,571	547,089

**HAWKE'S BAY MUSEUMS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	6 Months Ended 31-Dec-20 \$	6 Months Ended 31-Dec-19 \$	Year Ended 30-Jun-20 \$
8. Accounts Receivable, Accrued Revenue & Prepayments			
Accounts Receivable	57,822		
Accrued Interest	2,026	8,725	6,692
	<u>59,848</u>	<u>8,725</u>	<u>6,692</u>

**HAWKE'S BAY MUSEUMS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

9. Collection Assets

Museum Art & Collection Assets were valued by independent registered valuer Jessica Peartless MPINZ of Paragon Master Art Services as at 30 June 2020 using fair value. The Faraday Centre Collection was valued by independent registered valuer Craig S. Scoullar MPINZ of Asset Valuations Ltd as at 30 June 2020 using fair value. Both valuations have been brought to account in the 2017/18 financial statements. The basis for both valuations is 'Estimated Market Value.'

	Library Archives	Textiles & Associated Items	Taonga Maori	Fine Arts	Social History	Pottery Porcelain Glass Silver	Ethnology	Subtotal	Faraday Centre	Total
Carrying amount at 1 July 2019	1,827,612	787,297	25,446,289	9,762,842	988,318	418,869	1,267,348	40,498,366	486,248	40,984,614
Acquisitions	649	-	-	61	3,195	-	-	3,905	-	3,905
Donations	28,866	3,830	1,200	1,725	2,979	4,805	-	43,405	-	43,405
Deaccessions	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	55,987	55,987
Carrying amount at 30 June 2020	1,857,127	791,127	25,447,489	9,764,628	994,492	423,465	1,267,348	40,545,676	541,235	41,086,911
Carrying amount at 1 July 2020	1,857,127	791,127	25,447,489	9,764,628	994,492	423,465	1,267,348	40,545,676	541,235	41,086,911
Acquisitions	-	-	-	-	1,519	8,327	-	10,446	-	10,446
Donations	-	-	-	-	-	-	-	-	-	-
Deaccessions	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Carrying amount at 31 December 2020	1,857,127	791,127	25,447,489	9,764,628	996,011	432,392	1,267,348	40,556,122	541,235	41,097,357

**HAWKE'S BAY MUSEUMS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	6 Months Ended 31-Dec-20 \$	6 Months Ended 31-Dec-19 \$	Year Ended 30-Jun-20 \$
10. Accounts Payable & Accruals			
Accounts Payable & Accruals	129,432	2,675	5,445
GST Payable	(589)	125	(1,312)
Unexpended Grants	897	1,680	897
	<u>129,740</u>	<u>4,480</u>	<u>5,030</u>
11. Non-Current Liabilities			
M S Spence Trust Proceeds	33,387	33,387	33,387
L D Bestall Trust Proceeds	20,834	20,834	20,834
Estate L D Bestall Proceeds	21,039	21,039	21,039
	<u>75,260</u>	<u>75,260</u>	<u>75,260</u>
12. Related Parties			

Hastings District Council and Napier City Council are related parties, to the extent that they contribute funds and are represented on the Board.

The Hawke's Bay Museums Trust has contracted Napier City Council to provide administrative and accounting services for the Trust's operations. Payment for these services during the financial period under review was \$14,150 (to 31 December 2019: \$13,950 and to 30 June 2020: \$27,900).

The Hawke's Bay Museums Trust has also contracted Napier City Council to provide administrative and management services for the management of the collection. Payment for services during the financial period under review were: \$576,915 (to 31 December 2019: \$572,810 and to 30 June 2020: \$1,145,620).

	6 Months Ended 31-Dec-20 \$	6 Months Ended 31-Dec-19 \$	Year Ended 30-Jun-20 \$
13. Commitments			
Capital Commitments			
Acquisitions - Photographs (4) of Napier earthquake	-	-	1,518
	<u>6 Months Ended 31-Dec-20 \$</u>	<u>6 Months Ended 31-Dec-19 \$</u>	<u>Year Ended 30-Jun-20 \$</u>
14. Contingencies			
Known contingent events	-	-	-

**HAWKE'S BAY MUSEUMS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

15. Statement of Intent

In its 2020/21 Statement of Intent the Trust set financial targets for the year. The following table summarises actual results (to 31 December 2020) against those targets, with explanations for variances.

	Actual to 31-Dec-20	Target to 31-Dec-20	Variance
Revenue			
Council Funding (NCC & HDC)	595,865	595,865	-
Interest Income	6,156	8,350	(2,194)
Cash Donations	4,414	3,000	1,414
Total Revenue	606,434	607,215	(780)
Expenses			
Management Fee and Education Grant	486,915	486,915	-
Off-Site Storage	90,000	90,000	-
Conservation	400	5,675	5,275
Accessions	10,446	5,675	(4,771)
General	507	0	(507)
Trust Admin & Management	14,150	14,150	-
Audit, Insurance, Legal Fees	5,994	4,800	(1,194)
Total Expenses	608,411	607,215	(1,196)
Surplus/Deficit	(1,977)	-	(1,977)

	Actual to 31-Dec-19	Target to 31-Dec-19	Variance
Revenue			
Council Funding (NCC & HDC)	591,260	591,260	-
Interest Income	9,465	10,050	(585)
Cash Donations	3,283	2,500	783
Tagged Donations	14,500	0	14,500
Marian Holt Grant Received	3,458	0	3,458
Total Revenue	621,966	603,810	18,156
Expenses			
Management Fee and Education Grant	482,810	482,810	-
Off-Site Storage	90,000	90,000	-
Conservation	5,670	6,275	605
Accessions	3,906	6,275	2,369
Public Stitch Project	3,458	0	(3,458)
Trust Admin & Management	13,950	13,950	-
Audit, Insurance, Legal Fees	4,861	4,500	(361)
Total Expenses	604,655	603,810	(845)
Surplus/Deficit	17,311	-	17,311

	6 Months Ended 31-Dec-20	6 Months Ended 31-Dec-19	Year Ended 30-Jun-20
Ratio of Shareholders Funds to Total Assets	99.5%	99.8%	99.8%
Note: This ratio shows the proportion of assets on which the shareholders have a residual claim.			
Minimum Target Ratio	95.0%	95.0%	95.0%



Hawke's Bay Museums Trust Ruawharo Ta-u-rangi

STATEMENT OF INTENT 2022-24

The Hawke's Bay Museums Trust is a Council Controlled Organisation as three of the five members of the Board are either the two Councils' respective nominees, or the jointly appointed chair.

As a Council Controlled Organisation, the Trust acknowledges the 2012 and 2019 amendments to the Local Government Act 2002.

The Objectives of the Trust are:

- To hold and protect the collection for the people of Hawke's Bay
- To encourage the development of quality cultural facilities capable of accessing or drawing upon the collection within Hawke's Bay
- To advance and promote cultural heritage and the arts through the use of the collection
- To oversee collection management through the development of collection policy, conservation and risk management strategies via a contract for services with the Napier City Council
- To oversee collection development through the regulation of the acquisition and disposal of collection items
- To manage the bequests vested in the Trust in a way in which best industry practices benefit to the collection.

Governance of the Trust is:

The Board is constituted to have five members appointed as follows:

- One appointed by the Napier City Council
- One appointed by the Hastings District Council
- One appointed by the Hawke's Bay Museums Foundation Charitable Trust
- One by Ngati Kahungunu Iwi (Incorporated)
- One Chairperson who is jointly appointed by the Napier City Council and the Hastings District Council.

The Trust Board will govern on a high-level strategic direction basis. It will ensure regional balance and iwi representation. It will undertake a management agreement with Napier City Council for the care and management of the regional collection.

The strategic intentions of the Trust for 2022-2024 are:

The Trust will:

- work closely with the Napier City Council and the Hastings District Council and other local authorities in the Hawke's Bay region to promote public appreciation of the collection
- consult regularly with the Director of MTG to advance the standing of the MTG in the community and further afield
- review annually the performance of the Napier City Council in the execution of its contract for care and management of the collection
- ensure that the Trust's investment policy is managed in a manner that satisfies the guiding principles set by Hastings District Council and Napier City Council for their own investment policies.

- work closely with Napier City Council, Hastings District Council and Hawke's Bay Regional Council to determine a solution to develop long-term storage for the collection.

The Nature and Scope of Activities to be undertaken by Napier City Council are outlined below. These activities will be achieved in accordance with agreed best industry practice and consistent with HBMT policies and procedures.

1) Protection

- Storage including pest control, storage media, shelving and air quality
 - Pest control
 - Storage media
 - Shelving
 - Air quality
- Security including alarm and access systems and monitoring, and insurance
 - Alarm systems (burglary, fire)
 - Alarm monitoring
 - Access systems
 - Insurance (loan items, owed items)
- Records Management including Vernon database and other records
 - Vernon database
 - Other records

2) Quality including conservation, accessioning and de-accessioning.

- Conservation - appropriate conservation to accepted best industry practice and consistent with HBMT collection policies.
- Accessioning - appropriate accessioning to accepted best industry practice consistent with HBMT collection policies.
- De-accessioning - appropriate de-accessioning to accepted best industry practice consistent with HBMT collection policies.

3) Access including exhibitions, research and archives.

- Exhibitions - Collection available to Hastings City Art Gallery and MTG Hawke's Bay and other institutions as appropriate within accepted best industry practice.
- Research - Collection made available through MTG Hawke's Bay as appropriate within accepted best industry practice.
- Archives - Archives made available through MTG Hawke's Bay as appropriate within accepted best industry practice.

4) Development including fundraising, reserves management and relationship development.

- Fundraising - To work with the MTG Hawke's Bay Foundation to provide funding.
- Reserves - To appropriately manage accession reserves.
- Relationships - To appropriately manage relationships to allow the collection to develop appropriately.
 - Funding Councils
 - Te Rōpū Kaiāwhina Taonga
 - MTG Friends

Accounting Policies adopted by the Hawke's Bay Museums Trust will be:

Reporting entity

The Hawke's Bay Museums Trust is registered under the Charitable Trusts Act 1957 and is registered as a charitable entity under the Charities Act 2005.

Statutory base

The financial statements will be prepared in accordance with Part 3 (Audits and Reports), Section 15, of the Public Audit Act 2001.

General accounting policies

The general accounting policies recognised as appropriate for the measurement and reporting of results and financial position under the historical cost method as modified by any revaluation of certain assets, will be followed in the preparation of the financial statements.

The Board has elected to apply PBE-SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million. The financial statements will be prepared on the assumption that the Trust will continue to operate in the foreseeable future. All transactions in the financial statements will be reported using the accrual basis of accounting

Specific accounting policies

Bank Accounts and Cash

Bank Accounts and Cash comprise cheque or savings accounts and deposits held on call with banks.

Investments

Investments comprise bank term deposits. Investments will be stated at lower of cost or net realisable value.

Interest Revenue

Interest revenue will be recorded as it is earned during the financial year, and accrued at year-end.

Accounts receivable

Any accounts receivable will be stated at their estimated net realisable value.

Grants

Any grants received will be recognised in the Statement of Financial Performance when the requirements under the grant agreement are met. Any grants for which the requirements under the grant agreement are not completed will be carried as liabilities until the conditions are fulfilled.

Donated Assets

Revenue from donated assets will be recognised upon receipt of the asset if the asset has a useful life of more than 12 months and the value of the asset is readily obtainable and significant.

Artworks and Collection

The Trust has elected to apply Public Sector Accounting Standard 17 – Property, Plant and Equipment (PBE IPSAS 17). Items contained in collection assets tend to have an indefinite life, and are generally not of a depreciable nature. Depreciation will therefore not be applicable and collection assets will be carried at fair value. Carrying values will be reviewed at least every three years by an independent qualified valuer, to ensure those values are not materially different from fair value. Carrying values will be reassessed annually in the intervening years.

Purchases of collection items will be recorded at cost, and donated collection assets will be recorded without attached values at the time of acquisition. These values will be captured during annual update revision of the valuation as noted above.

Creditors and Accrued Expenses

Creditors and accrued expenses will be measured on the amount owing.

Goods and Services Tax (GST)

The Trust is registered for GST. The Statement of Financial Performance will be prepared so that components are stated exclusive of GST. All items in the Statement of Financial Position will be stated net of GST, with the exception of receivables and payables, which will include GST invoiced.

Income tax

Hawke's Bay Museums Trust is exempt from paying income tax.

Changes in accounting policies

Any changes in accounting policies will be clearly signified and quantified.

Performance Targets

Key Result Area	Performance Indicator	Target/Reporting Method	
		2021/22 target	2021/22 actual
Protection	Full insurance cover is provided for the collection.	Yes	
	Collections are stored in an acceptable environment.	No items reported to have suffered deterioration due to environment	
Quality	Every item accessioned into the collection has undergone a detailed selection process within the framework of the Collection Strategy	Yes	
	De-accessions are managed in accordance with the Collection Strategy and reported to the Board	Yes	
Access	HBMT collections are used for academic and personal research	1,500 enquiries	
	Collections are made available to the public through quality exhibitions	2 - 5 collection-based exhibitions	
Development	Bequest funds income is used in the manner determined by the donor.	Yes	
	Conservation funds income is used solely for collection care.	Yes	
	Joint HBMT/Te Rōpū Kaiawhina Taonga meeting held.	1 per annum	

Hawke's Bay Museums Trust Financial Performance Targets

Financial Performance	Note	2021/22	2022/23	2023/24
Revenue				
Council Funding (NCC & HDC)	A	1,187,234	1,222,401	1,257,416
Interest Income	B	5,300	4,330	4,240
Donations		10,000	10,000	10,000
Total Revenue		1,202,534	1,236,731	1,271,656
Expenses				
Management Fee & Education Grant		969,533	998,619	1,027,579
Off-Site Storage	E	164,001	168,921	173,820
Education Grant (LEOTC)		15,000	15,000	15,000
Trust Admin & Management		28,800	29,664	30,524
Audit, Insurance & Legal etc	C	9,900	10,197	10,493
Conservation		7,650	7,165	7,120
Accessions		7,650	7,165	7,120
Total Expenses		1,202,534	1,236,731	1,271,656
Surplus/(Deficit)		0	0	0
Financial Ratio Target:				
Ratio of Shareholders Funds to Total Assets (minimum ratio):	D	95%	95%	95%

A Net Council Funding results from inflation-adjusting some of the Trust's expenses in accordance with the same inflation rates used in both Councils' Annual Plans (2023 3% and 2024 6%). Future year Statement of Intent Financial Targets may differ from the above targets.

B Interest income is based on maintaining capital funds at present levels with projected interest rates, and therefore no inflation adjustment is applied. Early spending of these funds will reduce the interest income.

C Audit, Insurance & Legal etc for 2021/22 includes Audit Fees \$5,610, Insurance \$2,270, Legal Fees \$1,600, Charities Filing \$45, MYOB Subscription \$255, and Sundries \$62.

D The ratio of Shareholders Funds to Total Assets measures the percentage of assets on which equity holders have a residual claim. Shareholders Funds is the amount of equity that belongs to the shareholders and represents an estimate of the amount the shareholders would receive if the Trust liquidated. Assets are the resources, for which the Trust has ownership or guardianship, that can be measured and expressed in dollars.

E Please note we have assumed the off-site storage facility will continue to be leased for the next three years. There has been a new storage facility obtained by Hastings District Council, it is not yet known when this will be available for the HB Museum Trust collection or the associated costs.

Other than the funding shown in Financial Targets above, no additional council funding is requested. No dividend back to the two contributing councils is recommended.

Compensation from Local Authority

The costs of maintaining the collection will be equally funded by Napier City Council and Hastings District Council. Additional funding may be sought from other sources as appropriate.

Capital Expenditure

There is no planned expenditure on 'Buildings' or 'Plant and Machinery' for the 2022-2024 periods. Accessions and conservation will be funded from grants, donations, de-accessions, and bequest and investment interest income.

Hawke's Bay Museums Trust Projected Statements of Financial Position

Projected Statements of Financial Position	30/6/2022	30/6/2023	30/6/2024
Current Assets			
Bank Accounts and Cash	19,162	19,162	19,162
Investments	655,260	655,260	655,260
Prepayments and Accrued Revenue	6,692	6,692	6,692
Total Current Assets	681,114	681,114	681,114
Non-Current Assets			
Artworks and Collection	41,106,061	41,173,226	41,180,346
Total Non-Current Assets	41,106,061	41,173,226	41,180,346
Total Assets	41,787,175	41,854,340	41,861,460
Current Liabilities			
Accounts Payable and Accruals	5,940	6,090	6,240
GST Payable	-1,377	-1,397	-1,417
Total Current Liabilities	4,563	4,693	4,823
Non-Current Liabilities			
Trust Funds Held on Behalf	75,260	75,260	75,260
Total Non-Current Liabilities	75,260	75,260	75,260
Total Liabilities	79,823	79,953	79,953
Accumulated Funds			
Retained Earnings	1,629,937	1,636,972	1,643,962
Asset Revaluation Reserve	39,530,051	39,530,051	39,590,051
Special Funds	547,364	547,364	547,364
Total Accumulated Funds	41,707,352	41,774,387	41,781,377
Total Funds Employed	41,787,175	41,854,340	41,861,460

Financial Reports

Full and final audited accounts will be included in the 2021/22 Annual Report.

Reporting against intended performance

The 2021/22 Annual Report will include comparisons of both financial and non-financial performances against the relevant targets outlined in this Statement of Intent.

Compensation from Local Authority

The Board estimates the commercial value of the Hawke's Bay Museums Trust collection will be \$41.9 million (including the Faraday Collection). The collection is revalued at least every three years by an independent registered valuer, to ensure carrying values are not materially different from fair value.

Faraday Centre

Trustees are reviewing the future direction of the Faraday Centre which includes potentially separating this activity from the Hawke's Bay Museums Trust when an appropriate and sustainable model is identified.

Tuesday, 23 March 2021

Item 6

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā:
From: Jennie Kuzman, Health and Safety Manager

Te Take:
Subject: Health & Safety Quarterly Report


1.0 PURPOSE AND SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 The purpose of this report is to inform and update the Committee about Health and Safety at Hastings District Council.
- 1.2 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 and Safety risks, and to ensure that they are managed so that Council meets its legal obligations.
- 1.3 The attached report covers the first two quarters of the 2020/2021 financial year (Attachment 1). The report provides information to enable Elected Members to undertake due diligence, by providing leading and lagging statistical information in relation to Health and Safety for the period 1 July to 31 December 2020.
- 1.4 Monthly Snapshot reports are also provided monthly on the Hub, these monthly reports have been updated to a streamlined report template which also provides information on proactive health and safety risk management initiatives.

2.0 Recommendations – Ngā Tūtohunga

That the Operations & Monitoring Committee Meeting receive the report titled Health & Safety Quarterly Report dated 23 March 2021.

Attachments:

1  HDC Health & Safety Report - Quarters 1 & 2 - 2020/2021 HR-03-8-2-21-172

Hastings District Council Health and Safety Report: Quarters 1&2 - 2020/2021

1 July – 31 December 2020

This report contains information that was reported during the period 1 July to 31 December 2020 and is current as at 31 January 2021.

A. ORGANISATIONAL OBJECTIVES

Organisational Health and Safety objectives were set at the beginning of 2019 and we extended through to the end of 2020. These objectives had a strong focus on the promotion of Health and Safety through greater active leadership and engaging with contractors to further develop a Health and Safety culture that encompasses all workers whom undertake work for Council. These objectives provide useful measures for reporting of leading indicators. Good progress was made towards these objectives as indicated on page four, however largely due to COVID-19 not all objectives were completed. Objectives are currently being reviewed for 2021.

1. Promote Health & Safety through active leadership

- Develop a Health & Safety orientation programme for Team Leaders and Managers aimed at ensuring people in leadership roles have sufficient knowledge and resources to lead Health and Safety within their teams.
- Set targets for staff engagement activities (observations, conversations, inspections) and track the % of Managers meeting these targets.
- Utilising the recognition reward system, track the number of recognition awards given to staff by Senior Managers (LMT & Third Tier) for excellence in Health and Safety.

2. Continue to drive a culture of early reporting in order to prevent workplace injuries and illnesses

- Track non-injury incident (hazard identification, near miss and property damage) rates across the year.
- Report on the % of non-injury incidents compared to total incidents reported.
- Analyse non-injury incidents by hazard category.

3. Establish a wellbeing programme for Council staff in order to proactively manage the Mental Health and wellbeing risks associated with work tasks, activities and pressures.

- Develop a Mental Health and Wellbeing Policy and Guidance material for staff.
- Develop a Wellbeing Programme that has a monthly focus topic.
- Undertake staff engagement surveys at 6 months and 12 months to gauge effectiveness of the programme.

4. Engage with contractors to development a Health and Safety culture that encompasses all workers whom undertake work for Council

- Identify ten term contracts (minimum 6 months duration) which have significant health and safety risk to council (i.e. those involving critical health and safety risks), and track the Health and Safety Performance on these contracts.
- Set targets for contractor engagement activities (observations, inspections, audits) and track the % of Staff completing these targets
- Track the % of corrective actions arising from contractor observations, inspections and audits that are completed on time.
- Provide a 6 monthly newsletter for contractors

B. LEADING INDICATORS

1. Indicator Measures

Leading Indicator	Q1	Q2	Total
Hazards reported	71	40	111
Health and Safety Discussions held	167	107	274
Health and Safety Observations completed	332	213	545
Health and Safety Recognitions	3	2	5

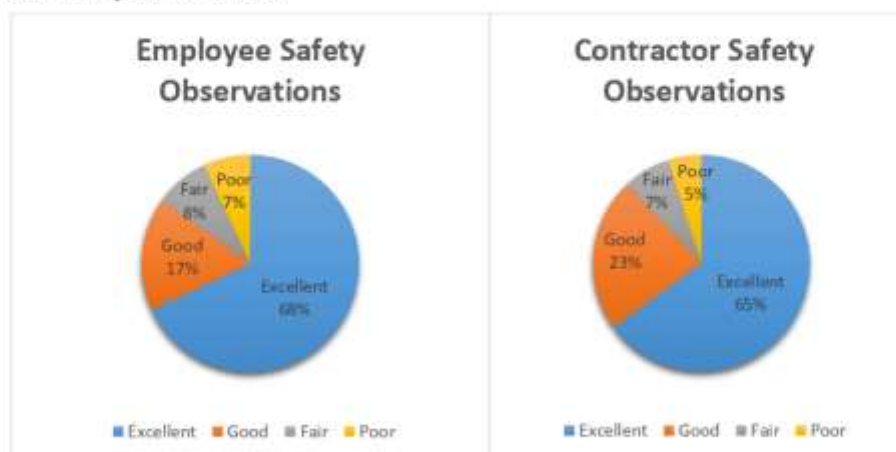
Note: Due to COVID-19 interruptions, H&S Observation targets were not able to be achieved and are therefore not reported in this report.

2. Health & Safety Observation Analysis

2.1 Health & Safety Observations Completed

Group	Employee Observations	Contractor Observations	Total
Asset Management (AM)	20	283	303
Community Wellbeing & Services (CW&S)	66	4	70
Corporate (C)	3	0	3
Office of Chief Executive and Other (CE)	0	0	0
Marketing & Communications (M)	0	0	0
People & Capability (P&C)	24	53	77
Planning & Regulatory Services (P&R)	7	7	14
Strategy & Development (S&D)	1	4	5

2.2 Analysis of Results



C. LAGGING INDICATORS

1. Reported Incidents – Quarter 4 – 2019-2020

1.1 Employee Incidents

Indicator	Q1	Q2	Total
Near Miss	31	28	59
Property Damage	13	11	24
EAP/ Mental Health Referrals	23	22	45
First Aid Injuries	9	13	22
Medical Treatment Injuries	4	7	11
Lost Time Injuries	3	1	4
WorkSafe Notifiable Events	1	0	1

1.2 Contractor Incidents

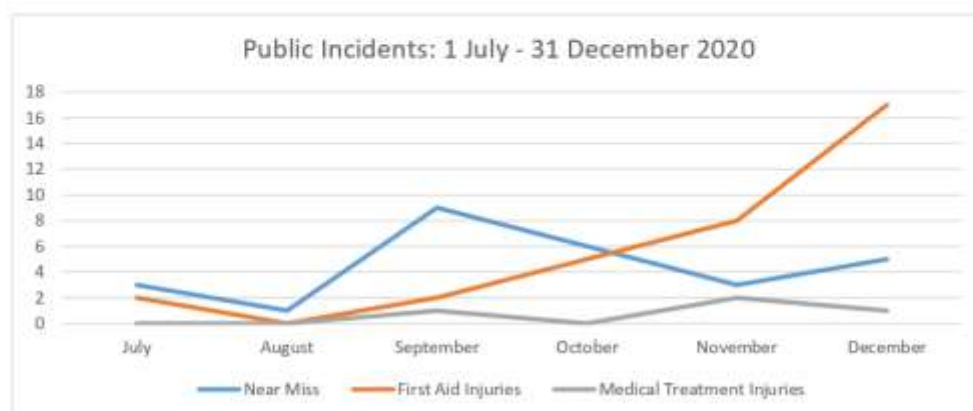
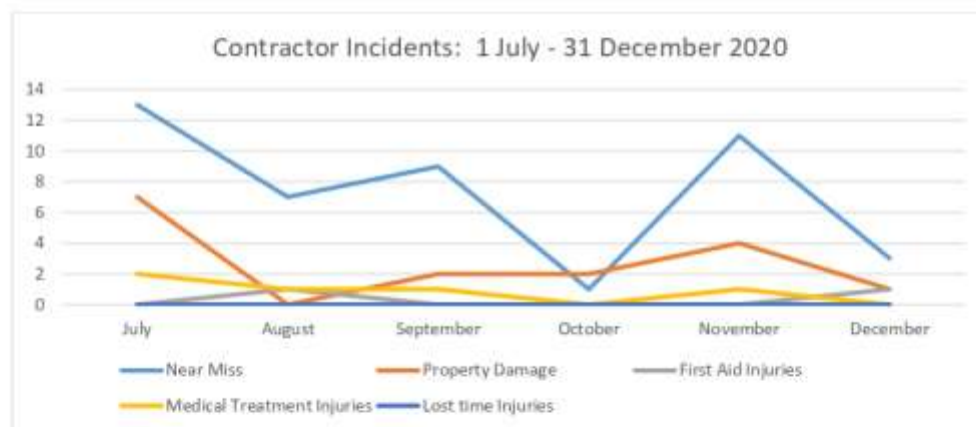
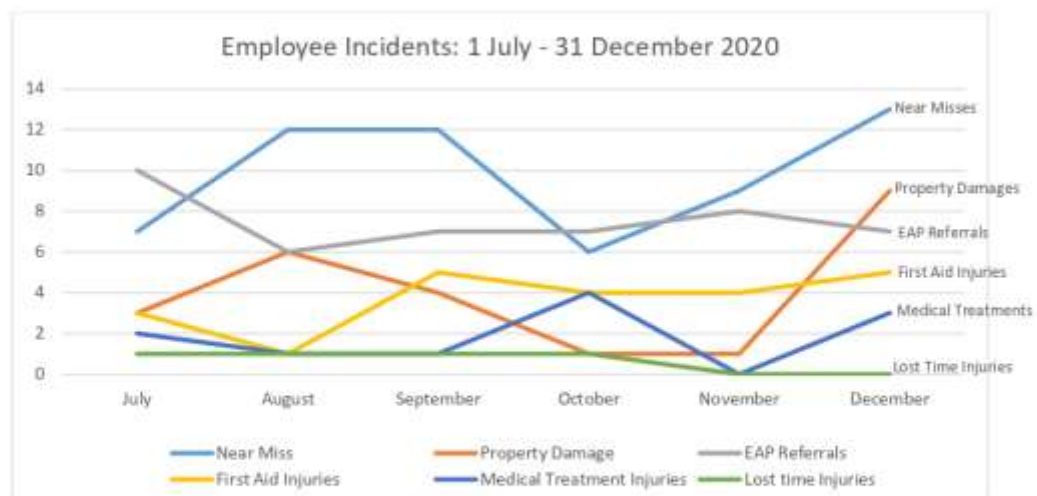
Indicator	Q1	Q2	Total
Near Miss	29	15	44
Property Damage	9	7	16
First Aid Injuries	1	1	2
Medical Treatment Injuries	4	1	5
Lost Time Injuries	0	0	0
WorkSafe Notifiable Events	0	0	0

1.3 Public Incidents

Indicator	Q1	Q2	Total
Near Miss	13	14	27
First Aid Injuries	4	30	34
Medical Treatment Injuries	1	3	4
WorkSafe Notifiable Events	0	1	1

Note: Seasonal aquatic facilities opened during quarter two (Splash Planet, Frimley Pool and Village Pool), therefore incident indicators are not directly comparable for these two quarters.

2. Incident Analysis



GLOSSARY OF TERMS

Leading Indicators

- **Hazards Reported** – reports of newly identified hazards (in HDC facilities/worksites).
- **Health and Safety Observations** - documented conversations/ or task observations undertaken by Managers/Supervisors with HDC employees or Contractors.
- **Health and Safety Discussions** – documented meetings in which health and safety matters are discussed with HDC employees in attendance (e.g. Monthly team meetings).
- **Health and Safety Recognition** - documented recognition of excellence by HDC in regards Health and Safety.

Lagging Indicators

- **Near Misses** - Close call events - i.e. no injury or property damage sustained.
- **Property Damages** – reported damage to HDC property/plant/equipment.
- **Employee Assistance Programme (EAP) / Mental Health Referrals** - employees self-referring/ referred for mental health / counselling assistance.
- **First Aid Injuries** - Injuries treated onsite by HDC Employees and no further treatment required.
- **Medical Treatment Injuries** - Injuries treated by Registered Medical Professionals e.g. nurse, doctor, physiotherapist, dentist.
- **Lost Time Injuries** - Injuries resulting in time off work.
- **WorkSafe Notifiable Events** - Any incidents which were legally required to be reported to WorkSafe NZ.

Tuesday, 23 March 2021

Item 7

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā: **Rachel Stuart, Public Spaces Planning Manager**
From:

Te Take: **Proposed extension of Cafe at Westerman's Outdoor Hospitality**
Subject: **Area**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to seek approval from the Committee to extend the outdoor area outside Café at Westerman's as part of the City Centre Revitalisation Plan.
- 1.2 This issue has arisen from a request from the owner of Café at Westerman's Café seeking an extension to the outdoor dining area located on Russell Street South.
- 1.3 The adoption of the Hastings City Centre Revitalisation Plan has seen the successful rollout of improved outdoor dining in the East Blocks of the city, with it becoming 'the hospitality, entertainment and retail precinct, full of people, energy and activity, day and night. Café at Westerman's has requested a similar enhancement to the existing kerb buildout in front of this building for consistency of theme, and increased functionality and usability of the space.
- 1.4 Officers recommend that the existing small kerb buildout be increased in size which will enable increased functionality of the space and help grow the current vitality of the East End precinct.

2.0 Recommendations – Ngā Tūtohunga

- A) That the Operations & Monitoring Committee Meeting receive the report titled Proposed extension of Cafe at Westerman's Outdoor Hospitality Area dated 23 March 2021.
- B) That the Committee approve the recommendation to extend the Café at Westerman's outdoor dining facility and authorise Officers to proceed with the proposed project at 106 Russell Street South.

3.0 Background – Te Horopaki

- 3.1 The Hastings City Centre Revitalisation Plan was adopted by Council in 2019, with a vision that the East Blocks of the city become 'the hospitality, entertainment and retail precinct, full of people, energy and activity, day and night.
- 3.2 The Plan recognises the important role that street dining plays in adding vibrancy to the city centre, and the Plan supports extending the initiative that is already successfully operating outside a number of existing hospitality venues.
- 3.3 While Council encourages street dining, it is also responsible for maintaining standards for the functionality, safety, public accessibility and the appearance of the city's streets, footpaths and public spaces.
- 3.4 In November 2020, Officers received a formal request from the owner of Westerman's Café seeking Council assistance in the improvement of the amenity and functionality of the existing outdoor dining area that was created in the street upgrade of Russell Street. The location and photos of the space are included in **Attachment 1**.
- 3.5 The issue raised is that the functionality and use of this small space is significantly restricted by the presence of two olive trees, tree grates and the streetlight. These features not only restrict the number of tables able to be accommodated, but the trees also drop leaves and fruit that create a nuisance on the dining tables and area and attract birds. Some tables are also located along Russell Street adjacent to the footpath, which create difficulties for pedestrians, diners and passengers accessing vehicles stopped in the taxi stand.
- 3.6 The owners have therefore requested that Council consider extending the dedicated dining outside Café at Westerman's.

4.0 Discussion – Te Matapakitanga

- 4.1 Café at Westerman's is located on the ground floor of the old Westerman's Building with access off Russell Street South.
- 4.2 As stated in the heritage report by Historic Places Trust, Westerman's Building, built in 1932, is an excellent example of the Spanish Mission style, and perhaps the most significant of the post-earthquake commercial buildings in Hastings. It is listed on the Heritage New Zealand register as a Category I (No.178) building.
- 4.3 The retail function of the building is seen in some of the best designed and executed shop-front joinery and glass work to be found anywhere in the country.
- 4.4 In early 2000, Council upgraded the streetscape of Russell Street South, which included the creation of the kerb extension area outside Westerman's Café, which was designed with a primary function of

mid-block amenity, to locate a street light and tree, rather than functionality in the form of outdoor dining.

- 4.5 With the increase popularity of outdoor dining, Westerman's Café applied the use the space for outdoor dining in 2004, and in 2006 added the removable screens between the dining space and road.
- 4.6 The recent application by the owner of Westerman's Café sought Council approval to remove the olive tree in order to increase the functionality of this space.
- 4.7 Officers have assessed the application, and support the enhancement of the amenity and functionality of the area, to be consistent with the enhancement works undertaken outside existing hospitality businesses in Heretaunga Street East. Officers however consider that if the space was increased in size by a kerb extension into the adjoining taxi stand, a more prominent threshold could be provided to this heritage building, which will increase functionality without requiring the removal of any of the existing street features, including the olive tree.
- 4.8 Officers have carried out a two week parking occupancy survey of utilisation of the taxi stand, which has shown that the use of the taxi stand is infrequent, with the maximum occupancy being 1 taxi at a time utilising the four available spaces; with most days not being used at all. Officers have contacted both taxi firms for comment on the proposal to reduce the available spaces from four down to three, but have received no comment either way to date.
- 4.9 The adopted CBD Strategy specifically includes provision for the installation of new kerb buildouts across the Hastings CBD to encourage dining and hospitality, particularly in the Heretaunga 100 East block/Russell Street South. On this basis it is appropriate for the CBD enhancement budget to fund this and other like requests. Officers can confirm that this project can be considered as part of Project 2a (Heretaunga 100 East Hospitality) for which there is budget allocated for provision and enhancement of outdoor dining and kerb extensions.
- 4.10 Officers recommend that if this request is approved, that new planter boxes be also installed to enable this extended outdoor dining area to better integrate into the wider design of the outdoor dining areas in the East Blocks, such as Cascara Café, Breakers, Sazio, Cornucopia, Common Room, Cupple and Ya Bon.

5.0 Options – Ngā Kōwhiringa

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

- 5.1 The recommended option is that the Committee authorise the extension to the outdoor dining areas outside Café at Westerman's in order to provide for an enhanced area of outdoor dining for utilisation by this popular Hastings City café.
- 5.2 The engineers estimate for the proposed work is \$30,000.

Advantages

- Enhanced area of outdoor dining for a popular Hastings City café that will enhance the façade of the heritage building, increase vibrancy and improve functionality of the existing small kerb extension.
- By building to the new design palette, the proposed kerb extension will continue the roll out of the new, successful and popular City Centre urban design features of the East End.
- Hastings City Centre retailers and building owners will see that Council is serious about driving Hastings inner city growth and vitality

Disadvantages

- The project will cost \$30,000
- One taxi carpark will be lost, albeit they are seldom used spaces on the taxi rank.

- There will also be a short period of disruption to the street while work is carried out.

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

- 5.3 Option Two would see the request declined and retain of the status quo.
- 5.4 While this option will save \$30,000, it will also see an opportunity to enhance City Centre vibrancy lost and also send a negative message about Council’s commitment to energising the Hastings City Centre.
- 5.5 By not undertaking the work two car park spaces will be retained but it is noted that the level of occupancy is low and will not meaningfully impact on the supply of spaces in the local area.

6.0 Next steps – Te Anga Whakamua

- 6.1 Should the Committee adopt the recommendation and agree to the proposed kerb extension, officers will activate detailed design and push ahead with construction when contractors are available.

Attachments:

- 1  Cafe Westermans, Russell Street South Outdoor Dining Area CG-16-4-00080

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 social wellbeing of communities in the present and for the future by the facilitation of outdoor dining spaces and vibrancy to the city centre.

Māori Impact Statement - Te Tauākī Kaupapa Māori

N/A

Sustainability - Te Toitūtanga

The proposal will provide enhanced outdoor dining area for the existing café, without requiring the removal of an olive tree.

Financial considerations - Ngā Whakaarohanga Ahumoni

The adopted City Centre Revitalisation Strategy budget includes funding for outdoor dining kerb buildouts. As such the Long Term Plan appropriately envisages expenditure of this kind at \$30,000

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 low significance. As the Long Term Plan envisages these projects will be advanced over time, no significance thresholds are challenged.

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

Extensive public consultation has been undertaken as part of the preparation and adoption of the City Centre Revitalisation Plan which identifies the East Block as the hospitality block of the City Centre, where outdoor dining spaces will be actively provided and encouraged where able. Officers have also advised the local taxi firms of the proposal, and the Hastings City Business Association. No objections to the proposal have been received.

Risks

Opportunity:

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
<ul style="list-style-type: none"> • Positive Council investment in City Centre business • Continued City Centre enhancement making the CBD attractive 	<ul style="list-style-type: none"> • While this project is not specifically identified in the Revitalisation Plan, the Plan is flexible in that it provides Council with the ability to take advantage of new opportunities as they arise.

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

N/A:

Café Westermans, Russell Street South
Outdoor Dining Area





Tuesday, 23 March 2021

Item 8

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā:
From: **Rachel Stuart, Public Spaces Planning Manager**

Te Take:
Subject: **Enhancement of Cornwall Park Bird Aviary Update Report**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to obtain a resolution from Council on how to proceed with the programmed enhancement of the bird aviary at Cornwall Park.
- 1.2 The retention and enhancement of the bird aviary was included in the Cornwall Park Reserve Management Plan that was adopted in March 2019, with \$75,000 included in the 2020/21 budget to carry out these enhancement works.
- 1.3 In July 2020 a petition was received with 616 signatories requesting that the two large parrots in the aviary ('Mate' the Cockatoo and 'Stevie Nicks' the Corella) be rehomed. The petition was presented to Council on 3 September 2020, with reports from both Vet Services and SPCA stating that while the birds were both in good health and well looked after, they supported the improvement of the aviary to provide an enhanced environment.
- 1.4 Given this, Council resolved to uphold its Reserve Management Plan commitments to upgrade and enhance the aviary; and that SPCA find a suitable foster home for Mate and Stevie Nicks on a temporary basis until the improvement works were completed. The parrots were subsequently moved to their foster home in January 2021.
- 1.5 Draft Concept Plans have been prepared for the aviary enhancements, which include (a) amenity improvements to the main enclosure; and (b) the construction of new enclosure for the two large parrots. Both the SPCA and Vet Services were involved in the preparation of these concept plans that were made public in December 2020.
- 1.6 While detail design plans have not been prepared that will allow full price itemisations; initial cost estimates suggest that the enhancement work will cost more than the \$75,000 currently budgeted.

This, together with increasing community concern surrounding the welfare of the two large parrots (evidenced by increase in online petition to over 1800 signatories) suggests that a reconsideration of the proposed enhancement of the bird aviary is both appropriate and prudent.

- 1.7 Officers recognise that while there are some within the community that consider aviaries to be outdated and inconsistent with animal welfare values, the Cornwall Park aviary remains a significant attraction to Cornwall Park and is particularly popular with young families.
- 1.8 It is therefore recommended that Council resolve to focus the existing funds on the enhancement of the main aviary enclosure; and that Mate and Stevie Nicks remain in their SPCA approved foster care. Adopting this recommendation would negate the requirement to consider the allocation of additional funds that may be required to construct a new enclosure that will better meet the requirements and needs of the large parrots.
- 1.9 It is considered that this recommendation is consistent with Policy 2.2.11 of the Cornwall Park Reserve Management Plan that states that those species that are not able to thrive in a public aviary either be found new homes or cared for at the aviary for the remainder of their natural lives.
- 1.10 With no intention to replace the parrots at the end of their natural lives, the cost to provide a specific enclosure for them is therefore not deemed a responsible use of ratepayer funds; nor is it in line with a change in acceptability of society for the caging of large birds solely for community enjoyment, where there is no education or conservation purpose.

2.0 Recommendations – Ngā Tūtohunga

- A) That the Operations & Monitoring Committee Meeting receive the report titled Enhancement of Cornwall Park Bird Aviary Update Report dated 23 March 2021.
- B) That the Committee instruct Officers to progress the enhancement of the main enclosures of the bird aviary at Cornwall Park.
- C) That the Committee allow Mate the Cockatoo and Stevie Nicks the Corella to remain in their current SPCA approved foster home; thereby negating the requirement to consider the allocation of additional funds that will likely be required to construct a new enclosure that will better meet their requirements and needs as large parrots.

3.0 Background – Te Horopaki

- 3.1 The bird aviary is located in Cornwall Park, off Cornwall Road. Construction of the aviary commenced in 1927, with the final sections completed in 1938.
- 3.2 The day to day operation of the aviary including animal welfare is contracted by Council to Recreational Services.
- 3.3 The aviary currently comprises 5 separate enclosures linked by a service corridor, and a storeroom as shown on the plan in the location and layout plan included in **Attachment 1**.
- 3.4 Enclosures 1 and 2 measure approximately 16m² each, which housed the two large parrots: the Cockatoo and Corella. These two enclosures are currently empty.
- 3.5 Enclosure 3 measures approximately 24m², but is linked via the nesting boxes to Enclosure 4. Birds can therefore move between both Enclosures 3 and 4.
- 3.6 Enclosure 4 which includes the turtle pond measures approximately 105m².

- 3.7 Enclosure 5 has two internal cage walls with doors, which have the ability to be closed to create 3 smaller cages. Currently all doors are left open to enable the birds to freely move between cages.
- 3.8 The bird species and numbers that are currently housed in each enclosure in the aviary are identified in **Table 1** below. The birds are kept in their respective enclosures due to different dietary, space and behavioural requirements.

Species	Number
Enclosure 1	
Sulphur Crested Cockatoo	1*
Enclosure 2	
Little Corella	1*
Enclosure 3	
Rainbow Lorikeet	25
Enclosure 4	
Alexandrine Parakeet	1
Red-Eared Slider Turtles	14
Enclosure 5	
Red Rump Parakeet	12
Rose-ringed Parakeet Indian Ringneck	3
Cockatiel	51
Budgerigar	9

Table 1: Bird Species in Cornwall Park Aviary

* Cockatoo and Corella currently being cared for in SPCA approved foster home

Cornwall Park Reserve Management Plan 2019

- 3.9 The future of the bird aviary was considered during the preparation of the Draft Cornwall Park Management Plan in 2019.
- 3.10 The Draft Plan was notified for public consultation on 20 November 2018 with the following policies relating to the bird aviary (Section 2.2):
- 2.2.8 *Continue to display a variety of birds in the aviary for the enjoyment and interest of the public, pursuant to Section 53 of the Wildlife Act 1953 (Permit Number 439 1964).*
 - 2.2.9 *Maintain and enhance the bird aviary so that all birds are kept in a good healthy state, within a secure clean environment that provides a suitable habitat and surroundings for the birds and is visually appealing to the public.*
 - 2.2.10 *Define and develop a collection of birds in the aviary that are selected for their ability to thrive in an outside aviary; their education potential and colour.*
 - 2.2.11 *Provide that all existing species within the aviary that do not comply with the proposed collection, be either found new suitable homes, or cared for at the aviary for the remainder of their natural lives. Birds outside the collection will not be accepted for rehoming.*
- 3.11 6 submissions were received to this Draft Plan that were heard by Council on 12 March 2019 relating to the bird aviary. Of these, 5 submissions (including 104 Friends of Cornwall Park) supported the retention and enhancement of the bird aviary as an important feature of the park, but requested

improvements to the cages, in particular the cockatoo enclosure, and 1 submission considered the future of aviary to be uncertain.

- 3.12 Council allowed the submissions and included \$75,000 in the 2021/22 budget to enhance the bird aviary. These enhancements were described as including increasing the size and condition of the parrot cages, as well as more nest boxes, replacement netting, landscaping improvements and bird baths in the main enclosure.

Cockatoo and Corella

- 3.13 Enclosures 1 and 2 were the home of the two large parrots: Mate and Steve Nicks. A second Cockatoo named 'Chucky' used to share Enclosure 1 with Mate but was rehomed in 2018 following vet advice that his feather plucking was likely a result of stress of sharing a cage with Chucky, another male cockatoo.
- 3.14 In June 2020 Council received correspondence from a member of the public concerned about the health of Mate and Stevie Nicks.
- 3.15 In response to correspondence, Officers commissioned a veterinary report into their health and conditions from Vet Services Hawke's Bay. This report was received on 16 July 2020 and included in **Attachment 2**. The report states that neither bird displayed any behaviour problems and appeared in good health. They were both found to be in good healthy body condition, bright, alert, moving freely around their enclosure. Their entire bodies were covered with normal, full plumage with no evidence of self-picking or plucking. The enclosures were reported to be in immaculate tidy condition, with fresh fruit and veges available as well as seeds, clear water present and plenty of perches and climbing areas and shelter to hide from bad weather.
- 3.16 On 20 July 2020 an online petition was received stating that while the aviary was clean and the birds well looked after, the parrots should not be kept in cages for people's entertainment.
- 3.17 The petition was presented to Council on 3 September 2020. At the time of presenting the report, there were 616 signatories to the online petition. The number of signatories to this online petition has since risen to over 1800.
- 3.18 In considering the petition, the Officer report included reference to the Vet Report (**Attachment 2**) that stated the birds were both in good health and well looked after. In addition it stated that the SPCA had also visited the birds and agreed that they were both generally well looked after. The SPCA did however support the improvement of the aviary to provide an enhanced environment. In order to help resolve the requests to relocate the parrots, the SPCA also offered to seek an interim approved new home while cage improvements were undertaken.
- 3.19 Given the above, Council resolved to uphold its Reserve Management Plan commitments to upgrade and enhance the aviary enclosures; and accept the SPCA offer to find a foster home for Mate and Stevie Nicks on a temporary basis until the improvement works to their enclosures were completed.

Enclosure Enhancements

- 3.20 A local architect was engaged in October 2020 to work with the aviary custodian, SPCA and Vet Services to develop concept plans for (a) amenity improvements to the main enclosure; and (b) the construction of new enclosure for Mate and Stevie Nicks.
- 3.21 The draft concept plan included enhancements to the main aviary including additional water features, and the construction of a new large enclosure suitable for the two large birds. These included an extension in height, width and length that would enable free flight, additional viewing opportunities and new central water feature (**Attachment 3**).
- 3.22 The concept plan was released to the public in December 2020 received mixed reaction.
- 3.23 The proposed amenity improvements to the main enclosure were largely supported. It is surmised that this is largely due to the fact that the environment provided in the main enclosure, with its

landscaping, bird baths and length and height allowing bird flight, appears to meet the species-specific needs of the smaller birds that it houses.

- 3.24 The proposed new enclosure for Mate and Stevie Nicks was however criticised, with this criticism largely focussed on the cost to the ratepayer, and questioning spend of ratepayer money on the creation of a new enclosure for the two parrots, when they are happy in their current foster home.

4.0 Discussion – Te Matapakitanga

- 4.1 It is widely documented that large parrots such as Cockatoo and Corella are very intelligent, socially demanding and have a long lifespan of up to 45 years (Corella) and 70 years (Cockatoo). While Council can construct a new enclosure that will meet the species-specific needs of Mate and Stevie Nicks; given its location in a public park, it cannot provide the constant nurture and company that is also considered fundamental to their wellbeing.
- 4.2 Current debate surrounding the acceptability and welfare of keeping large parrots for public display purposes, together with the increase in number of signatories in the online petition since it was considered by Council in September last year, suggest that a reconsideration of the decision before the concept plans are advanced further would be prudent.
- 4.3 In addition, while the concept plans have not been progressed to detail design plans that will allow full price itemisations; initial cost estimates suggest that the cost to construct a new enclosure for Mate and Stevie Nicks will likely cost more than the \$75,000 currently budgeted.
- 4.4 The purpose of this report is therefore to obtain a decision from Council on how to progress the programmed enhancement of the Cornwall Park bird aviary enclosures.
- 4.5 Following further consultation with SPCA and Vet Services, Officers recommend Option 1 that seeks to balance the views of those in the community that consider aviaries to be outdated and inconsistent with animal welfare values, with those (particularly young families) that consider the aviary to be a significant attraction to Cornwall Park.

5.0 Options – Ngā Kōwhiringa

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

- 5.1 The recommended option is in two parts.
- 5.2 Recommendation 1(a) is that Officers use the current allocated funds to enhance the existing enclosures which will include the provision of new mesh, more water features, enhanced shelter and perches and removal of partial partitions to provide full free flight runs.
- 5.3 Recommendation 1(b) is that Mate and Stevie Nicks remain in their current SPCA approved foster care. As a Council asset, officers could offer them for sale. However bearing in mind the excellent care they are currently receiving, officers recommend that the birds be gifted to SPCA who are comfortable that they remain in their current foster home on a permanent basis. Adopting Recommendation 1(b) would negate the requirement to consider the allocation of additional funds that will likely be required to construct a new enclosure that will better meet the requirements and needs of large parrots.
- 5.4 It is considered that this recommendation is consistent with Policy 2.2.11 of the Cornwall Park Reserve Management Plan that states that those species that are not able to thrive in a public aviary either be found new homes or cared for at the aviary for the remainder of their natural lives.
- 5.5 Officers have spoken with both the SPCA and Vet Services, who both endorse this recommendation. While the concept plans will meet the needs of an enhanced environment for Mate and Stevie Nicks, being in a public aviary Council cannot provide the nurture and company that they thrive on, and are currently receiving in their foster home.
- 5.6 In addition, Officers are currently working with SPCA on an Aviary Management Plan that will include policies on bird species, numbers, cage layout and population management.

Advantages

- The recommendation is supported by both the SPCA and Vet Services.
- The aviary will continue to provide an attraction for visitors to Cornwall Park with species that are deemed to be more suitable for public display.
- Mate and Stevie Nicks will remain in an environment they have now become accustomed to, with species-specific enclosures, daily nurture and company from their custodian and other birds.
- Council is positively responding to animal welfare concerns raised.
- A greater proportion of the available budget will be available to make improvements to the existing enclosures.
- While the community have not specifically been consulted on whether the two large parrots should remain in the Cornwall Park aviary, the number of signatories to the petition would indicate that such a decision of Council would be largely supported.

Disadvantages

- While there are some in the community who will be pleased to see the Cockatoo and Corella remain in their foster home, there will be others in the community who will miss their presence in the aviary, particularly younger children.

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

- 5.7 Option Two would be that Council advance the concept plans which include both (a) amenity improvements to the main enclosure; and (b) the construction of new enclosure for the two large parrots to detail design phase and full cost itemisation; and consider the inclusion of additional funds that will be required in the 2021-31 Long Term Plan.
- 5.8 Adoption of Option Two would consider that Mate and Stevie Nicks be returned to the Cornwall Park Aviary once the enhancement works are complete, and that the construction of a purpose built enclosure for them is a good investment for Cornwall Park.
- 5.9 While the adoption of this option may be favourably received by those members of the community who enjoy visiting the parrots, it is unlikely to be viewed as a priority project, or responsible use of ratepayer funds. It will also likely attract widespread criticism from the growing number of people who object to the keeping of large parrots in public aviaries.

6.0 Next steps – Te Anga Whakamua

- 6.1 If Council adopt Option One, Officers will immediately progress the amenity enhancements of the aviary; and continue to prepare the Aviary Management Plan with the SPCA.
- 6.2 Mate and Stevie Nicks will remain in their current foster home, which has been approved by SPCA.

Attachments:

1↓	Existing Cornwall Park Aviary Plans	CFM-17-8-10-21-133
2↓	Vet Services Hawke's Bay Report 16 July 2020	CFM-17-8-10-21-131
3↓	Draft Concept Plan Cornwall Park Bird Aviary Enhancements	CFM-17-8-10-21-130

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 <Enter text> wellbeing of communities in the present and for the future.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

N/A

Sustainability - *Te Toitūtanga*

N/A

Financial considerations - *Ngā Whakaarohanga Ahumoni*

Officers are confident that the recommended enhancements to the existing bird aviary can be achieved within the existing budget, and therefore no additional funds are requested as part of this report.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This report has been assessed under the Council's Significance and Engagement Policy as being of low significance.

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

Extensive Consultation with the community was undertaken on the preparation of the Cornwall Park Reserve Management Plan.

Public notice was given on 14 July 2018 under Section 41 of the Reserves Act 1977 of Council's intention to review the 2009 Cornwall Park Reserve Management Plan, along with an invitation to send written comments and attend an Open Day at the Park on 29 July 2018. A letter was also sent to all neighbouring residents within 400m of the park, inviting their comments, and a link to a Community User Survey was publicised in the letter, on the public notice and on the Council website and Facebook page. The closing date for written submissions was 3 August 2018.

The survey process generated over 130 responses with the majority of responses requesting the retention and improvements of all the existing facilities in the Park. Two workshops were held with Councillors on 7 August and 8 November 2018, with all feedback incorporated into the Draft Plan. The Draft Plan was also presented to the Disability Reference Group on 7 November; Landmarks Advisory Group on 14 November and Rural Community Board on 3 December 2018.

The Draft Plan was adopted by the Works and Services Committee for consultation purposes on 20 November 2018. The Works and Services Committee has authority to exercise all Council's powers in matters affecting reserves including the adoption of Draft Reserve Management Plans for consultation.

Public Notice was given under Section 41 of the Reserves Act 1977 of the availability of the Draft Cornwall Park Management Plan for public feedback on 1 December 2018, with a closing date of submissions of 15 January 2019. A Public Open Day was also held at the park on 8 December where officers were available with copies of the proposed plans, and to answer any questions.

6 submissions were received to this Draft Plan that were heard by Council on 12 March 2019 relating to the bird aviary. Of these, 5 submissions (including 104 Friends of Cornwall Park) supported the retention and enhancement of the bird aviary as an important feature of the park, but requested improvements to the cages, in particular the cockatoo enclosure, and 1 submission considered the future of aviary to be uncertain.

Council allowed the submissions and included \$75,000 in the 2021/22 budget to enhance the bird aviary. These enhancements were described as including increasing the size and condition of the parrot cages, as well as more nest boxes, replacement netting, landscaping improvements and bird baths in the main enclosure.

While the community have not specifically been consulted on whether the two large parrots should remain in the Cornwall Park aviary, the number of signatories to the petition would indicate that such a decision of Council would be largely supported.

The consideration of options and recommendation has also been widely discussed with SPCA and Vet Services Hawke's Bay who endorse the recommendations, relating to both the enhancement of the main aviary, and permanent rehoming of Mate and Stevie Nicks.

Risks

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
<ul style="list-style-type: none"> The continued provision and enhancement of a popular feature of Cornwall Park using existing budgets Recognition of community concerns surrounding the welfare of the large parrots that have additional requirements for their care and wellbeing, beyond the provision of an enhanced enclosure. 	<ul style="list-style-type: none"> While the community have not specifically been consulted on whether the two large parrots should remain in the Cornwall Park aviary, the number of signatories to the petition would indicate that such a decision of Council would be largely supported.

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

N/A







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16th of July 2020

To Whom It May Concern

Disclosure

is a client of Vet Services Napier and a pet owner known to me. In the past, I have treated her family pets and recently I have clipped her newly acquired cockatoo's ('Chuck') wings. He has previously been in the care of Cornwall Park, Hastings.

On the 15th of July 2020 I have examined two large parrot birds at the Cornwall Park, Hastings. This was a distant examination and observation.

'Mate', male cockatoo was found to be in a good healthy body condition, bright, alert, moving freely around his enclosure. His entire body was covered with normal, full plumage of a great quality and lustre. There was no evidence of self-picking or plucking (self-directed psychogenic feather-picking behaviour). His feet, eyes, bill and crown were clear, free of disease. His droppings were normal. He was evidently fond of his keeper and used to their regular interactions. His enclosure was in immaculate tidy condition, with fresh fruit and veggies available as well as seeds. There was a clear water present and plenty of perches and climbing areas for him. There was a sheltered area, again with a perch to hide from bad weather. There was no evidence of any destructive or stereotypic behaviour in the enclosure.

Conclusion: Based on my observation, Mate did not display any behaviour problems (self-mutilation, plucking, enclosure destruction, stereotypic behaviour).

'Corella', female, was found in a good body condition, bright, alert, moving freely around her enclosure. Her entire body was covered with normal, full plumage without any areas of self-picking or plucking (self-directed psychogenic feather-picking behaviour). Her eyes, bill and feet were clear, free of diseases. She showed a good bond with the keeper. There was no evidence of aggression. Her enclosure was in an immaculate tidy condition, with fresh food (veggies as well as seeds) available. Her water bowl was clear and she had multiple areas to climb on and perch as well as a good sheltered part to hide from bad weather. There was no evidence of any destructive or stereotypic behaviour in the enclosure.

Conclusion: Similar to 'Mate', 'Corella' did not display any behaviour problems and appeared in a good health.

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43 Takapau Road
Waipukurau 4200



Napier Vet Centre
210 Taradale Road
Napier 4110

Hastings Vet Centre
801 Heretaunga Street West
Hastings 4120





Veterinary Services (HB) Ltd
210 Taradale Road
Napier 4110
Phone: (06) 843-5308
Fax: (06) 843-5930
Email: napiervet@vshb.co.nz

I found both birds in a good health, well looked after. Further health investigation, if desired, would include sedation, blood collection and x-rays.
I would recommend contacting Wild Base at Massey University for a second opinion on the parrots, if needed.
For an opinion on the enclosure size and shape I would recommend contacting the avian keepers at Auckland Zoo or similar facility.

Yours sincerely

Veronika Pipe

Reference

Meehan C., Mench J. Captive Parrot Welfare in Manual of Parrot Behavior Andrew U. Luescher, 2006, Blackwell Publishing.

Doneley B., Avian Medicine and Surgery Practice, Companion and Aviary Birds, Second edition, 2016.

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Tuesday, 23 March 2021

Item 9

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā:
From: **Rachel Stuart, Public Spaces Planning Manager**

Te Take:
Subject: **Application by Playcentre Aotearoa to lease Duke Street Reserve**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to obtain a resolution from the Operations and Monitoring Committee to authorise the Chief Executive Officer to enter into a conditional agreement with Te Whanau Tupu Ngatahi o Aotearoa – Playcentre Aotearoa to lease up to 1000m² of land at Duke Street Reserve to enable them to build a purpose built facility for utilisation by Cornwall Park Playcentre, a not for profit community organisation.
- 1.2 This request arises from a Council resolution on 15 October 2020 that the lease to the Cornwall Park Playcentre to occupy the former tea kiosk building at Cornwall Park cease on the 30 June 2021, to enable work to commence on the upgrade of the building for wider community use; and an assurance given to Playcentre Aotearoa that Council would facilitate its relocation to another site if possible.
- 1.3 Following consideration of a number of options, including a pack-away centre at Cornwall Park, Playcentre Aotearoa wish to pursue the feasibility of a purpose built facility on Duke Street Reserve. As a Council owned park, this will require permission from Council as the landowner for a lease to occupy the land; in addition to any resource or building consents required.
- 1.4 This report concludes by recommending that Committee authorise the Chief Executive Officer to enter into a conditional agreement with Te Whanau Tupu Ngatahi o Aotearoa – Playcentre Aotearoa to lease an area of up to 1000m² of land at Duke Street Reserve (as shown in Attachment 1), for a total term (original and any renewal periods) of not more than 33 years annual, with annual rental set by the Council in the Long Term Plan or Annual Plan, subject to Playcentre Aotearoa first obtaining any required resource or building consents at their own cost. Consideration of any potential impact of the activity on neighbouring properties will be undertaken as part of the resource consent

application with a condition of this report being that the applicant requests public notification of this consent.

- 1.5 This recommendation will provide Te Whanau Tupu Ngatahi o Aotearoa – Playcentre Aotearoa the assurance that Council will enter into a lease agreement for the use of an area of up to 1000m² at Duke Street Reserve subject to it having obtained the necessary resource and building consents, thereby giving them the confidence to financially invest in the next stage of the process to engage an architect. In addition, a requirement for Playcentre Aotearoa to request that the resource consent be notified will provide Council with assurances that if they wish to, people will have a chance to raise any impact of the activity on the reserve users or adjoining properties as part of a notified resource consent process.

2.0 Recommendations – Ngā Tūtohunga

- A) That the Operations and Monitoring Committee receive the report titled Application by Playcentre Aotearoa to lease Duke Street Reserve dated 23 March 2021.
- B) That the Committee authorise the Chief Executive Officer to enter into a conditional agreement to lease to Te Whanau Tupu Ngatahi o Aotearoa – Playcentre Aotearoa for an area of up to 1000m² of the Duke Street Reserve, at a location in the park acceptable to the Chief Executive Officer, for a total term (original and any renewal periods) of not more than 33 years, at an annual rent determined in accordance with Council's policy, with the conditions being:
 - i. Te Whanau Tupu Ngatahi o Aotearoa – Playcentre Aotearoa to obtain at their cost land use resource consent (the application for which must be on the basis that the Tenant requests public notification) on terms satisfactory to both parties (Council's granting of a consent in a regulatory capacity is not deemed approval of the terms of the resource consent for the purposes of the agreement to lease); and
 - ii. Te Whanau Tupu Ngatahi o Aotearoa – Playcentre Aotearoa to obtain at their cost, building consent for a building of a design approved by Council as landowner (Council's granting of a building consent in a regulatory capacity is not deemed approval of the building design for the purposes of this agreement to lease)

With the conditions due for satisfaction by 31 March 2022.
- C) That if the conditions of the agreement to lease are duly satisfied, the Committee authorise the Chief Executive Officer to enter into a deed of lease to Te Whanau Tupu Ngatahi o Aotearoa – Playcentre Aotearoa accordingly.

3.0 Background – Te Horopaki

Duke Street Reserve

- 3.1 This report relates to a request by Te Whanau Tupu Ngatahi o Aotearoa – Playcentre Aotearoa to obtain a conditional lease from Hastings District Council to occupy up to 1000m² of land at Duke Street Reserve.
- 3.2 Duke Street Reserve covers 12,292m² comprised in Lot 29 DP 2052 and Lot 172 DP 1528.
- 3.3 The land is held in fee simple ownership by Hastings District Council. While it is managed as an area of open space for the community, it is not held subject to the Reserves Act 1977. Duke Street Reserve is zoned Open Space 2 in the Operative District Plan with unique identifier of OS2-07 in Appendix 63.

- 3.4 Part of the land is occupied by a single storey hall accessed via a driveway off Duke Street, owned by the Rata Olsen Scout Club. A lease was granted in July 1969 with the Scout Association of New Zealand to allow the premises to be used and occupied solely for the purposes of the Scout District Association at Hastings. The term of the lease is indefinite, with either party giving the other three calendar months' notice of termination.

Cornwall Park Playcentre

- 3.5 Cornwall Park Playcentre has occupied the former tea kiosk building at Cornwall Park since 1970. The current lease dated 10 September 2007 provided for a term of 12 years with no right of renewal. The final expiry of the lease was 10 September 2019, which was extended for a further year as part of the Cornwall Park Reserve Management Plan hearings.
- 3.6 The future use of this building was considered during the preparation of the Cornwall Park Reserve Management Plan in 2019, with adopted Policy 5.3.9 requiring that Officers: *'Investigate the feasibility, including financial implications of (a) building a purpose built playcentre adjacent to the existing building and the practicality of shared community use of the existing building; (b) relocation of Cornwall Park Playcentre to a new park location; and (c) the costs of restoring the building back to its original condition and upgrade for either community use or commercial use; and potential investment partners, sponsors and community funds to contribute; and report back to Council 6 months prior to the expiry of the extended lease on 10 September 2020'*.
- 3.7 At its meeting on 15 October 2020 Council resolved:
- (a) That the lease to the Cornwall Park Playcentre (HB Playcentre Association) cease on the 30 June 2021 to enable Hastings District Council to commence work on the Tea Kiosk to upgrade it into a facility for community use, the costs to be met from the reprioritisation and reallocation of the existing budget allocation for the Cornwall Park Management Plan.
 - (b) That it be noted the creation of a multi-use community facility acknowledges submissions on Cornwall Park Management Plan which identified the need for multi-use community space for diverse community activities to be managed in a similar way to the Pavilion Building at the Village Green, Havelock North.
- 3.8 Since that time, Playcentre Aotearoa have been considering the feasibility of different options for Cornwall Park Playcentre at the expiration of their lease from the building, including pack-away facility at the current building; new build facility at nearby Council/Ministry of Education leased land location; new build facility on own land; centre closure; local centre fundraising for new build without Playcentre Aotearoa financial support; or location in commercial premise.
- 3.9 Council Officers have been assisting with the feasibility of both the pack-away facility at the current building; and new build facility on nearby Council owned land.
- 3.10 On 4 February 2021 the Lower North Island Property Coordinator advised Officers that the preferred option of the Ministry of Education was to fund a new build facility on Council owned land (Duke Street Reserve). They were not prepared to put any funding into a pack-away facility at the current Cornwall Park building as from experience these do not support the desired outcomes and requirements of Playcentre Aotearoa.
- 3.11 Playcentre Aotearoa is therefore seeking assurances that they will be able to obtain a lease from Council for the exclusive use of part of Duke Street Reserve to build their own playcentre building and associated outdoor play area.

4.0 Discussion – Te Matapakitanga

Operative District Plan

- 4.1 Playcentres are included in the definition of 'Early Childhood Centres' in the Operative Hastings District Plan.
- 4.2 Duke Street Reserve is zoned Open Space 2 (Community Area) in the Operative Hastings District Plan and identified as OS2-07 in Appendix 63. This zone provides for informal leisure social opportunities and may provide general amenities such as playgrounds, walkways, cycle paths and community buildings.
- 4.3 Early Childhood Centres are listed as a Non-Complying Activity in the Open Space 2 zone.
- 4.4 A Non-Complying Resource Consent would therefore be required to establish a playcentre on Duke Street Reserve. Assessment of such an activity would focus on its visual effects and whether the open space environment will continue to provide for community needs. Environmental nuisance effects (noise) would also be considered.
- 4.5 Detailed plans including external appearance and parking provision would be required to be submitted with the resource consent application.
- 4.6 Playcentre Aotearoa have therefore requested that prior to investing in progressing the design, that Council provide assurances that a lease of the land will be forthcoming once the necessary resource and building consents have been obtained.
- 4.7 Reserves Act 1977
- 4.8 Duke Street Reserve is not held subject to the provisions of the Reserves Act 1977. However, Policy 5.3.18 of the District Wide Reserves Management Plan states that:

5.3.18 Applications for leases or licences on land held by Council for open space purposes, but not held under the Reserves Act 1977 will be treated according to its specified use, as if it was held under that Act, to ensure consistency of decision making.
- 4.9 Given the location of the Rata Olsen Scout Club on Duke Street Reserve, the appropriate Reserves Act classification would be Local Purpose Reserve. As a Local Purpose Reserve, Section 61 of this Act would delegate Council authority to grant a lease on this reserve for up to 33 years without the requirement for public submission or notification.
- 4.10 Given the difficulty of consulting the public at this early stage, without supporting documentation of where the building will be located, or its external appearance, Officers recommend that Playcentre Aotearoa request that the non-complying resource consent application be notified as a condition of the lease application.

Proposal

- 4.11 It is therefore proposed that the Committee authorises the Chief Executive Officer to enter into negotiations with Playcentre Aotearoa for a 33 year lease for the exclusive use of up to 1000m² of Duke Street Reserve for playcentre purposes, subject to Playcentre Aotearoa firstly obtaining all required building and resource consents, and notification of affected parties. The lease will include annual rental to be paid at the appropriate rate set annually by the Council in either the Long Term Plan or Annual Plan.
- 4.12 Officers have spoken to Rata Olsen Scout Club who are comfortable with Playcentre Aotearoa also occupying part of Duke Street Reserve for playcentre purposes.
- 4.13 The remaining area of Duke Street Reserve is identified as a Dog Off-Lead area, and is used for this purpose by members of the community. Any outdoor play area associated with the proposed playcentre will be required to be fully fenced, therefore there will be no issue with it being situated within a dog off-lead park. Occupying up to 1000m² of the 12,000m², there will still be adequate land to continue to be used by the community.
- 4.14 Officers have not undertaken consultation with any interested or affected parties (neighbouring properties) because at this stage the proposal has not progressed to a specific location, or building design. Consultation will therefore be required as part of the resource consent application. This

statutory process will enable interested and affected parties to formally state their support or objection, and for any mitigation measures to be considered and discussed as required by RMA processes.

- 4.15 Officers have however sent a letter to owners or adjoining residential properties, advising them of the proposal, and that they will be contacted as part of a resource consent application for their comment.

5.0 Options – Ngā Kōwhiringa

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

- 5.1 Option One is to authorise the Chief Executive Officer to enter into a lease into for up to 33 years with Playcentre Aotearoa for up to 1000m² of land at Duke Street Reserve shown in Attachment 1 at an annual rental set by the Council in the Long Term Plan or Annual Plan, subject to Playcentre Aotearoa first obtaining all required resource or building consents.

Advantages

- Provide certainty to Playcentre Aotearoa to financially commit to the engagement of an architect and application of resource and building consent
- Support the continued provision of Playcentre within Hastings
- Playcentre is a not for profit community organisation
- Duke Street Reserve is already occupied by a local community scout hall so an additional community facility is unlikely to be considered out of character on this reserve.
- By facilitating the relocation of playcentre from Cornwall Park, Council can progress the enhancements to the former tea kiosk for wider community use.
- Playcentre will still be required to obtain the required resource and building consents that will require notification, while will allow public comment, and consideration of visual and noise effects and whether the open space environment would still continue to provide for community needs.

Disadvantages

- The inability of the public to access a small area of Duke Street Reserve that will be exclusively used by Playcentre Aotearoa.

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

- 5.2 Option Two would be to not authorise the Chief Executive Officer to enter into a lease with Playcentre Aotearoa subject to the granting of required resource or building consents.
- 5.3 Adoption of Option Two would indicate to Playcentre Aotearoa that the use of Duke Street Reserve for playcentre purposes is not an appropriate use of this land.

6.0 Next steps – Te Anga Whakamua

- 6.1 If the Committee adopts the proposed recommendation, Playcentre Aotearoa will engage an architect to prepare concept designs for a new playcentre facility at Duke Street Reserve, and apply for a Notified Non-Complying Resource Consent, followed by Building Consent.
- 6.2 Once the required consents have been obtained, the Chief Executive Officer will then have delegated authority to enter into a lease of up to 33 years with Playcentre Aotearoa to occupy that part of Duke Street Reserve for playcentre purposes, at an annual rental set by the Annual Plan.

Attachments:

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 social well-being of communities in the present and future. It does this by providing local infrastructure and recreation facilities which connects communities and maintains places and spaces for recreation to ensure the wellbeing of communities in the present and for the future.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

There are no known Tangata Whenua considerations.

Sustainability - *Te Toitūtanga*

The provision of a lease to Playcentre Aotearoa to enable the construction of a purpose built playcentre will enable the continued provision of playcentre services to Hastings, following their relocation from Cornwall Park.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

The lease will include annual rental to be paid at the appropriate rate set annually by the Council in either the Long Term Plan or Annual Plan. All costs associated with the construction of the new building, including resource and building consents will be at the full cost of Playcentre Aotearoa.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This report has been assessed under the Council's Significance and Engagement Policy as being of low significance and does not trigger Council's significance policy as no funding is sought.

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

Extensive consultation was carried out on the Cornwall Park Reserve Management Plan, both with the community and Playcentre Aotearoa and Cornwall Park Playcentre. The termination of the lease to Cornwall Park Playcentre, and potential relocation to Duke Street Reserve has been widely publicised.

A Non-Complying Resource Consent will be required to establish a playcentre on Duke Street Reserve. Assessment of such an activity would focus on its visual effects and whether the open space environment will continue to provide for community needs. Environmental nuisance effects (noise) would also be considered.

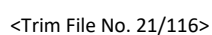
While Council is not required to consult the community to issue a lease on a Local Purpose Reserve, the recommendation includes a requirement for Playcentre Aotearoa to request that the resource consent be notified in order to provide Council with assurances that if they wish to, people will have a chance to raise any impact of the activity on the reserve users or adjoining properties as part of a notified resource consent process.

Risks

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
Adoption of Option One will provide certainty to Playcentre Aotearoa that a lease will be granted if applications for resource and building consent area successfully obtained.	The level of risk is considered to be low. Members of the community may consider that they should have been consulted as part of the consideration of the lease – this risk is considered to be low considering the current community use of the park, and the requirement for consultation as part of a resource consent application.

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

There are no known implications for the Rural Community Board.



Tuesday, 23 March 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Item 10

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā:
From: Kirsty Oosterkamp, Public Spaces Policy Planner

Te Take:
Subject: Amendment to existing lease for Hawke's Bay BMX Club

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to seek a resolution from the Operations and Monitoring Committee to authorise the Chief Executive Officer to amend the existing lease with the Hawke's Bay BMX Club at Romanes Drive Reserve to enable the construction of a junior pump track.
- 1.2 The BMX Club is proposing to install an all-weather, multi-functional pump track suitable for BMX, mountain bikes, scooters and skateboards, which will be available for public use except on Club days or during race events.
- 1.3 The Club intends to fund the new pump track by fundraising through various grants. They have indicated they may apply to Council for a community grant to assist with the project.
- 1.4 Romanes Drive Reserve is held by Council for open spaces purposes and categorised as Open Space Zone OS1 (Sports and Recreation) Area under the Hastings District Plan. The purpose of these reserves is to provide larger areas of open space which cater for organised sports and active recreation.
- 1.5 While Romanes Drive Reserve is not vested under the Reserves Act, any application for concession will be treated as if it is held under the Reserves Act, to ensure consistency of decision making, as required by the District Wide Reserve Management Plan.
- 1.6 The current lease with the Hawke's Bay BMX Club, signed in 2014, and allows for use of part of Romanes Drive Reserve for the Club's existing track and storage container (See Appendix 1 for current lease). The lease is for a term of 18 years.

- 1.7 Currently the only location in Havelock North for junior and beginner riders to learn and develop there pump cycling skills is at the recently installed dirt pump track in Te Mata Park. However this site is designed predominantly for mountain bikers.
- 1.8 This report concludes by recommending that Committee authorise the Chief Executive Officer to amend the existing lease with the Hawke's Bay BMX Club at Romanes Drive Reserve to enable the construction of a junior pump track and that the Public Spaces and Building Assets Manager be authorised to negotiate the terms and conditions of the amendment to the lease on behalf of Council.
- 1.9 This recommendation will provide Hawke's Bay BMX Club the assurance that Council will support the construction of the new pump track on Romanes Drive Reserve so they can begin to secure funding for the project.

2.0 Recommendations – Ngā Tūtohunga

- A) That the Operations and Monitoring Committee receive the report titled Amendment to existing lease for Hawke's Bay BMX Club dated 23 March 2021.
- B) That the Committee authorise the Chief Executive Officer to amend the existing lease with the Hawke's Bay BMX Club at Romanes Drive Reserve to enable the construction of a junior pump track.
- C) That the Committee authorise the lease amendment to commence once all site works have been completed.
- D) That the Committee authorise the Public Spaces and Building Assets Manager to negotiate the terms and conditions of the amendment to the lease on behalf of Council.

3.0 Background – Te Horopaki

- 3.1 In 2008, Council resolved to allow BMX dirt bike jumps to be constructed by Hawke's Bay BMX Club on the vacant Romanes Drive Reserve until the future of the site was determined.
- 3.2 In 2011 the BMX Club requested a lease to formally occupy and further develop the land.
- 3.3 The development plan for the park was divided in half with one half dedicated to sportsfields while the other half was set aside for BMX and cycling activities.
- 3.4 In 2014 Council authorised the issue of a ground lease to Hawke's Bay BMX Club to occupy land at Romanes Drive Reserve for the continuation and development of the existing BMX track.
- 3.5 The 2014 report stated the Club would continue to occupy part of the land and expand their course at their own expense.
- 3.6 Romanes Drive Reserve is approximately 25,000m² in size and features a formed carpark, double toilet, sportsfield, playground, BMX Club track and storage containers and a chlorine free drinking tap.
- 3.7 The current leased area by the Club covers approximately 8,500m² for an annual fee of \$280.00/per annum, reviewed every three years.
- 3.8 The Havelock North Wanderer's Football Club has a seasonal booking for use of the sportsfield in Romanes Drive Reserve and Guthrie Park between March and September.
- 3.9 In November last year officers met with representatives of Hawke's Bay BMX Club to discuss a proposal for a new junior pump track in Hastings.

- 3.10 The Hawke's Bay BMX Club are proposing to build the new track alongside their current track on Romanes Drive Reserve.
- 3.11 To construct the track the Club is seeking an amendment to the current leased area by an additional 1,800m² (see Appendix 2 for proposed lease extension area).
- 3.12 Under the current lease terms Council maintains the grounds of the lease (mowing, garden maintenance, repairs and painting of the track fence) while the Club is responsible for maintaining and repairing all structures built on the leased site.
- 3.13 Officers have no issues with how the Club currently operates under the existing lease.
- 3.14 Currently the only pump tracks available in Hastings District are in Te Mata Park, along the Clive River at the end of Evers-Swindell Reserve and a smaller one at Hawke's Bay Regional Sports Park. However the design of these parks means they aren't suitable for all riders.
- 3.15 Both the Havelock North Village Green and William Nelson Park have concrete facilities that are utilised by scooters, skateboards and cyclists. However these are not pump track facilities and due to their popularity there can be conflicts between different users.

4.0 Discussion – *Te Matapakitanga*

Operative District Plan

- 4.1 Under the Operative Hastings District Plan, Romanes Drive Reserve is classified as Open Space OS1 (Sport and Recreation) Area.
- 4.2 BMX tracks at Romanes Drive Reserve would be considered a Permitted Activity provided it complies with the District Wide Activity standards.
- 4.3 In addition to the District Plan requirements, any earthworks on site will also be subject to the National Environmental Standard.
- 4.4 As the existing track required a resource consent with regards to earthworks and contaminated land, the proposed new junior pump track may also require a resource consent. This will be determined once a concept plan has been prepared and the volume of necessary earthworks ascertained.
- 4.5 If a resource consent is required then the Club will need to apply to Council for approval before any construction can be undertaken.

Reserves Act 1977

- 4.6 Romanes Drive Reserve is not held subject to the provisions of the Reserves Act 1977. However, Policy 5.3.18 of the District Wide Reserves Management Plan states that:
 - 5.3.18 Applications for leases or licences on land held by Council for open space purposes, but not held under the Reserves Act 1977 will be treated according to its specified use, as if it was held under that Act, to ensure consistency of decision making.
- 4.7 Given the predominant use of Romanes Drive Reserve as an area for recreation and sporting activities, the appropriate Reserves Act classification would be Recreation Reserve. As a Recreation Reserve, Section 54 of this Act sets out the leasing powers for Council, as the administering body.
- 4.8 Under Section 54 of this Act, before granting any lease Council is required to give public notice. However as the reserve is not vested under the Reserves Act there is no legal requirement to undertake this public notification process for an amendment to the existing lease.
- 4.9 Prior to the granting of the current lease, the future use of Romanes Drive Reserve was debated by Council during workshops and subject to widespread consultation through the Long Term Plan.
- 4.10 During that consultation process there was considerable support for the development a BMX track at Romanes Drive Reserve.

- 4.11 Given the extensive consultation already undertaken and that the junior pump track is a realisation of the Club's original plans for the park, Officers consider no additional consultation is deemed necessary.

Hawke's Bay BMX Club's Proposal

- 4.12 The Club is proposing to engage Velosolutions to construct the new pump track. Velosolutions have produced some asphalt tracks in Wellington, Cambridge and Mangawhai Heads which are heavily used by both BMX, mountain bikers, skateboarders and scooters.
- 4.13 By engaging a specialist pump track builder, the Club is wanting to create an all-weather track that can be utilised by people of all ages and abilities.
- 4.14 The advantage of siting the new junior pump track near the existing track is that there are already other facilities associated with the park such as toilets, drinking fountain, carparking, good cycleway and pedestrian linkages.
- 4.15 The vacant area requested for inclusion in the current leased area (see Fig 1 below) is not currently utilised for general recreation and is considered the highest and best use of the land due to its proximity to the existing track and other amenities.

Fig 1.



- 4.16 The new proposed site for the junior track is also located away from any current or future residential properties. For these reasons it is considered to have minimal impact on reserve users and neighbours.
- 4.17 The Club is hoping to fund the new track by applying for various grants with the assistance of Sports Solutions, who have assisted other Clubs around New Zealand on similar project.
- 4.18 The BMX Club has indicated that they may apply for a community grant from Council in future to contribute towards the construction of the new track.
- 4.19 If the Committee approves the amendment to the existing lease, there is no commitment from Council to pledge any community grant to the Club in future for the construction of the new pump track.

- 4.20 At this juncture, no further funding is being sought from Council for the project.
- 4.21 The Club has offered to maintain the lawn inside the pump track to reduce the operational costs for Council as a result of the new track. The Club will also be responsible for the maintenance of the track surface and any repairs that may be required in future.
- 4.22 While the Club were happy to consider locating the pump track at another location within the district, officers consider that the location next to the existing tracks and nearby facilities is the optimal location.
- 4.23 Officers suggest that the amendment to the lease come into effect once all the site works have been completed. This gives assurance for the Club to apply for funding while allowing Council the opportunity to explore other options for leasing the land, should the Club be unsuccessful in securing the funding required for the new track.

5.0 Options – Ngā Kōwhiringa

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

- 5.1 Option One is for the Committee to authorise the Chief Executive Officer to approve the extension to the leased area with Hawke's Bay BMX Club at Romanes Drive Reserve to enable the construction of the new pump track.
- 5.2 The extension to the lease would be managed through a variation to the existing lease agreement and Service Level Agreement (SLA). Refer Appendix 3 and 4 for current lease agreement and SLA.

Advantages

- Promote a healthier and happier community through the provision of a new recreational facility with free access to the public.
- Compliments the existing facility while providing a suitable, safe environment for beginner riders to develop and practice their riding skills at no additional cost to the ratepayer.
- Multi-functional and for all ages – BMX, Mountain bikers and scooters.
- Located near adjoining amenities e.g. toilets, drinking fountain, carparking, cycleway and pedestrian links.
- High profile site therefore likely to receive a lot of use by the wider community
- Already has an established track in the park so unlikely to cause any conflict with other reserve users nor cause any neighbour concerns.

Disadvantages

- Could be some conflict for carparking spaces between sportsfield and pump track users. However the future plans for a pedestrian access across the drain could lessen this impact as reserve users could use the parking provided at Guthrie Park and walk/ride the short distance to the sportsfields and track.

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

- 5.3 Option Two would be to decline the request extend the existing leased area at Romanes Drive Reserve.
- 5.4 Adoption of Option Two would indicate to Hawke's Bay BMX Club that Romanes Drive Reserve is not suitable for the construction of a new junior pump track.

6.0 Next steps – Te Anga Whakamua

- 6.1 If the Committee adopts the proposed recommendation, Hawke's Bay BMX Club will engage Velosolutions to prepare a concept design for the new junior pump track at Romanes Drive Reserve.

- 6.2 The concept design would be subject to approval by the Public Spaces and Building Assets Manager and any Resource Consent conditions (if applicable) prior to any construction commencing.

Attachments:

- | | | |
|---|---|------------------|
| 1 | Signed Lease for Hawke's Bay BMX Club - Romanes Drive Reserve | CFM-17-43-21-136 |
| 2 | Request from Hawke's Bay BMX Club to amend lease at Romanes Drive Reserve | CFM-17-43-21-135 |
| 3 | Hawke's Bay BMX Club Proposal for Pump Track in Hastings | CFM-17-43-21-134 |

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 social wellbeing and more specifically through the Council's strategic objectives of places and spaces for recreation and fostering recreation participation.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

There are no known Tangata Whenua considerations.

Sustainability - *Te Toitūtanga*

The pump track will be located on land that has current limited use due to location between existing BMX track and a carpark, and therefore makes good use of this land. The provision of recreation activities will provide a number of benefits to society including health and wellbeing benefits.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

While the Hawke's Bay BMX Club may apply for a community grant from Council to assist with the project, by approving the amendment to the existing lease there is no commitment from Council to approve any future community grants from the Club.

No additional funding is required from Council.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This report has been assessed under the Council's Significance and Engagement Policy as being of low significance. The Hawke's Bay BMX Club currently has a lease to part of Romanes Drive Reserve for a pump track. This report is seeking an extension to their existing lease area of approximately 1,800m² which will have a negligible impact on the local area and other reserve users.

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

Officers have consulted with both the Water Services and Waste Water Managers regarding the proposed plan. It was recommended the design take into account current services in the area to ensure minimal impact on Council's existing assets, where practical. The pipes in the area are relatively new i.e. less than 10 years old so from a condition assessment should be in good condition and unlikely to need replacement in the medium to long term. Should there be a need in the future to access or upgrade Council's services, damage to the pump track will be the responsibility of the leasee.

As the land is not vested under the Reserves Act there is no legal requirement to follow a public notification process. Prior to the approval of the existing lease, Council undertook widespread consultation as part of the Long Term Plan 2012-2022 for the use of the land for a BMX track. At the time there was considerable support for the proposal.

Officers have discussed the proposal with Havelock North Wanderer's Football Club, one of the primary users of Romanes Drive Reserve and nearby Guthrie Park. They indicated their support of the proposal and felt it will add value to the park.

As the current proposal is on an area of land with low recreation value and can be considered to be an extension to the existing use of the reserve, no other affected parties are deemed to be involved.

The Club will present the proposed plan to Officers for comment prior to any work being undertaken.

Risks:

There are no significant risks as a result of extending the lease on Romanes Drive Reserve.

However there will be health and safety requirements of the Club as a result of undertaking any works on a Council reserve.

An approved Risk Management Plan will be required as part of any extension to the lease to ensure the Club has identified and managed all possible risks/hazards before construction of the new track begins.

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

There are considered to be no implications for the Rural Community Board.

98550#0009



SPORTING & RECREATION GROUPS GROUND LEASE

Date of Lease: 12th day of December 2014

Lessor: HASTINGS DISTRICT COUNCIL ("the Council")

Lessee; HAWKE'S BAY BMX CLUB INCORPORATED
("the BMX Club")

Leased Premises: The land shown on the attached plan outlined in red
("the Premises")

Background

- A) The Council is the owner of the property in Napier Road, Havelock North, whose legal description is Section 7 SO 330242 and Part Section 18 Block IV Te Mata SD and which is known as Romanes Drive Reserve ("the Property").
- B) The BXM Club has asked the Council to grant it a ground lease of the Premises which comprise part of the Property shown in Appendix ***.
- C) The Council has agreed to grant a lease to the BMX Club for a term of 18 years on the Council's standard terms and conditions.

The Council leases the Premises to the BMX Club on the terms and conditions set out below:

1. Commencement Date
12th December 2014
2. Term
18 years.
3. Rental
 - (a) The initial annual rental shall be \$280.00 (plus GST) payable by equal half-yearly instalments in advance.
 - (b) The BMX Club shall pay the rental on time and free of exchange or any other deductions.
 - (c) The rental shall be reviewed every 3 years from the commencement date to the rental rate then prevailing for ground leases of Council land to sporting and recreation groups.

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98550#0009

4. Repairs & Maintenance

- (a) The BMX Club shall maintain and repair in good and safe condition all structures built on the Premises.
- (b) The Council shall maintain the grounds of the Premises.
- (c) The BMX Club shall keep the Premises free of refuse

5. New Structures & Structural Alterations

The BMX Club shall not build any new structures or make any structural alterations to the Premises without the prior written consent of the Council, to be requested through the Parks and Planning Development Manager. All necessary building consents must be obtained by the BMX Club at its cost. The Council's consent under the Building Act for any proposed works must however also be applied for in the normal way and cannot be inferred from the Council's consent as landowner.

6. No Assignment, etc

- (a) The BMX Club shall not assign or part with possession of the Premises during the lease.
- (b) Any use of the Premises by any group affiliated to the BMX Club is not a breach of this clause.

7. Subletting

- (a) The BMX Club will not sublet the Premises without the prior written consent of the Council.
- (b) A withholding of consent by the Council shall not be deemed to be unreasonable or arbitrary if the proposed sublease is to a person or body other than a duly incorporated body of good standing or if the Council considers that the term or rental of the proposed sublease is excessive or if the Council considers the proposed use is inconsistent with other land uses adjacent to the Premises.
- (c) The occasional hireage of the Premises for events is not a subletting in terms of this lease.

8. Use

- (a) The BMX Club shall use the Premises only for a BMX track for use by club members, any approved affiliated organisation, for hireage as stated in 7(c) above, and for use by the general public.
- (b) The BMX Club shall keep the Premises available for use by the general public at all times except when it is being used for competitions held by the BMX Club or when it is hired out as set out in clause 7(c) above.
- (c) The BMX Club shall not cause or allow to be caused a disturbance or nuisance on the Premises to the Council or to the owners or occupiers of nearby properties.

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9855090009

- (d) The BMX Club shall comply with all relevant Acts, Regulations, Bylaws, District Plans and other legal requirements including (but not limited to):
 - The Fire Service Act 1975
 - The Sale of Liquor Act 1989
 - The Resource Management Act 1991
 - The Building Act 2004
 - The Health & Safety in Employment Act 1992
 - The Food Hygiene Regulations 1974
- (e) The BMX Club shall not apply for any liquor licence in respect of the Premises or permit the consumption of alcohol on the Premises.
- (f) No relocated buildings will be permitted without the prior written consent of the Council.

9. Inspection & Repairs

- (a) The BMX Club shall permit the Council's Parks and Property Services Manager (or his nominee), Police Officers and Council Inspectors at all reasonable times to enter the Premises to inspect and view the condition thereof or the conduct of persons on the premises.
- (b) The BMX Club shall, within 7 days of receiving written notice from the Council to do so, properly carry out all renovations and repairs required by such notice.

10. Advertising

The BMX Club shall obtain the prior written consent of the Council to any exterior advertising on the Premises which shall be in accordance with the requirements of the Council's District Plan. Such advertising shall be properly removed before the end or sooner determination of the lease.

11. Insurance

- (a) The BMX Club will at the sole expense of the BMX Club insure and keep insured to the full insurable value any building(s) it is permitted to have on the Premises against all material damage.
- (b) The BMX Club shall hold a public liability insurance policy for an amount insured of at least \$250,000.

12. Termination

- (i) (a) The Council may terminate the lease if the BMX Club have not paid the rental for more than 2 months after the due date.
- (b) The Council may terminate the lease if the BMX Club have breached their obligations under this lease and have not remedied such breach within 14 days of receiving written notice to do so.

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98550#0009

- (c) The BMX Club may terminate the lease at any time by giving 3 months' written notice to the Council.
- (ii) Upon termination under (a), (b), or (c) above, the BMX Club shall be responsible for the removal or demolition of the structures on the Premises and the clearing of the site, unless the Council requires them to remain.

13. Disputes

If any dispute shall arise on any matter connected with the lease, other than a matter for which a remedy is specifically provided under this lease, such dispute shall be referred to arbitration under the provisions of the Arbitration Act 1996, if the Council and the BMX Club cannot themselves resolve it, using their best endeavours and in good faith.

14. Delegation

Where provision is made for any consent or approval to be given by the Council, such consent or approval may be given by the Chief Executive of the Council or any nominee of the Chief Executive to whom such authority has been given.

The Common Seal of
HASTINGS DISTRICT COUNCIL
was affixed in the presence of:



.....
Mayor

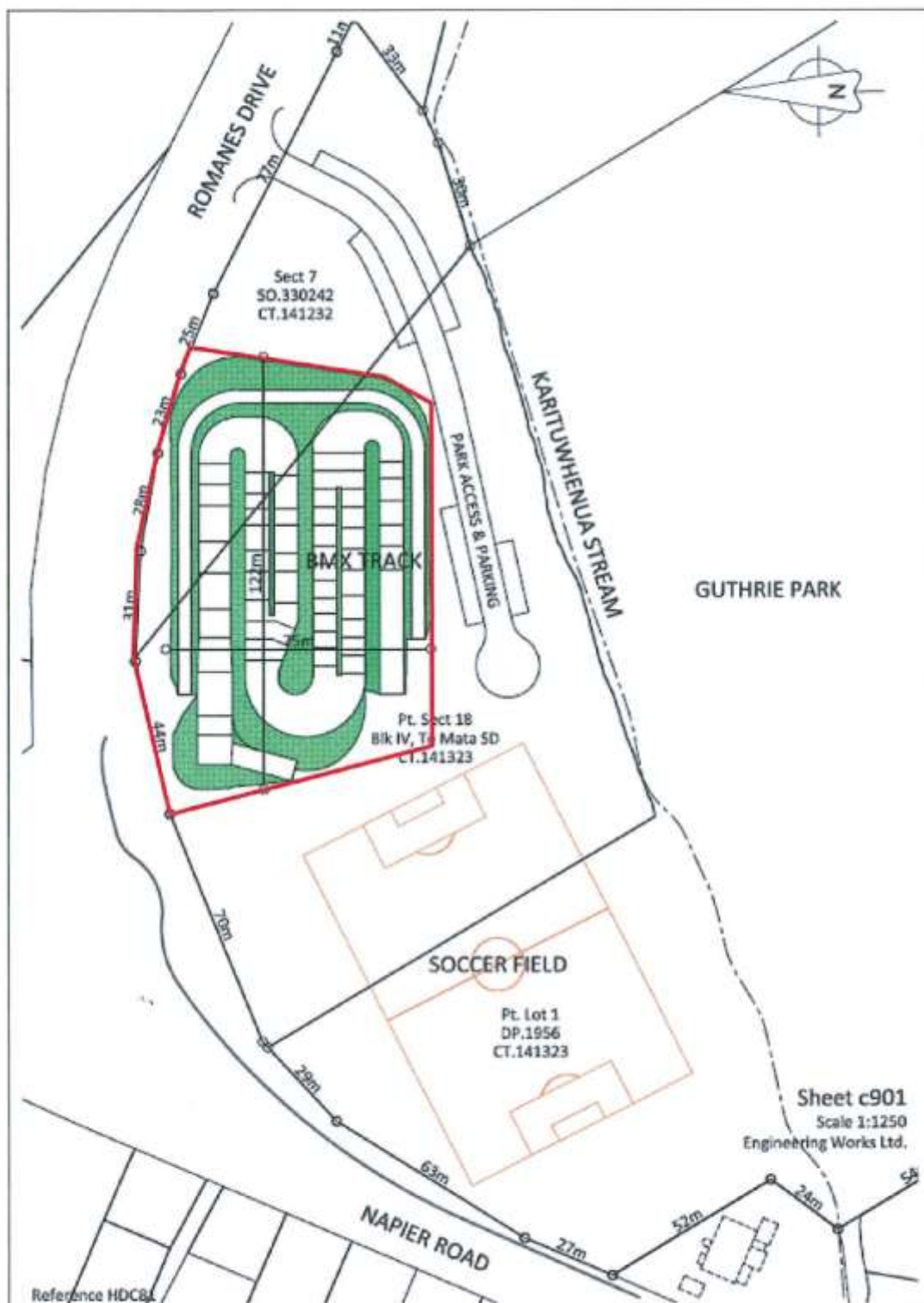
.....
Chief Executive

Signed for
HAWKE'S BAY BMX CLUB INCORPORATED

.....
Chairperson

.....
Secretary

Indicative Lease Area to HB BMX Club



The Secretary
p: 0211536337
e: secretary@hbbsmx.nz
a: 727 Maxville Drive, Parkvale, Hastings 4122



12 February 2021

Hastings District Council
Private Bay 9002
Hastings 4156

Dear Sir/Madam,

We would like to request an extension to our current lease at Guthrie Park, 142 Napier Road, Havelock North to include the area as indicated on the attached site plan. This being the area of land immediately to the right when entering the park by vehicle and the strip of land along the first straight of the bmx track closest to the road.

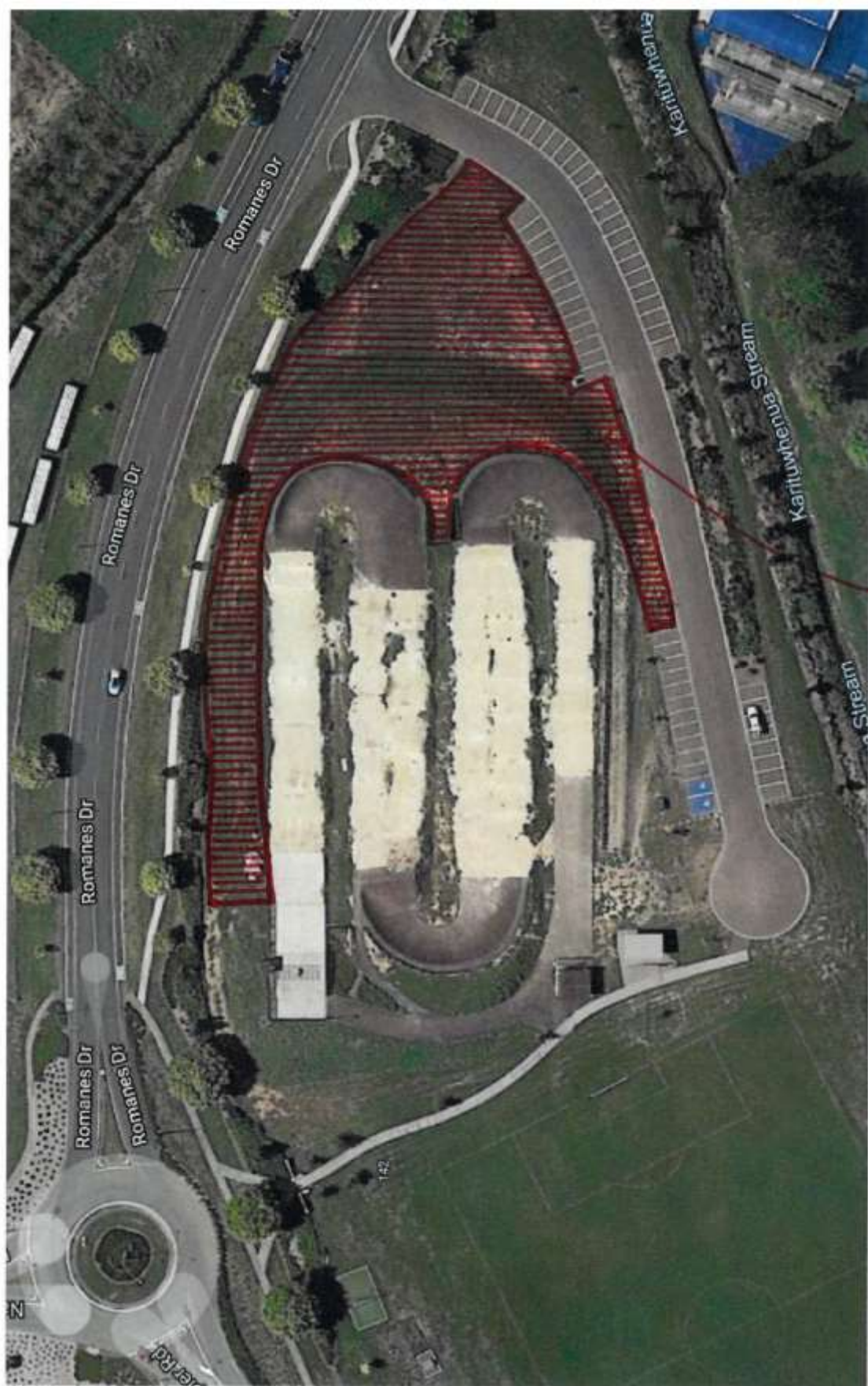
The request for this extension is for the purpose of constructing a pump track for use by the wider community.

The Hawkes Bay BMX Club are willing to maintain the lawn inside the pump track but can discuss this with council maintenance team on the best approach for both parties.

The Hawkes Bay BMX Club will fundraise for the pump track through various grants. We may apply through the Hastings District Council for a community grant to assist but will not be asking council for any other financial assistance.

Kind Regards

Hori Savage
Projects and Funding Coordinator



lease extension application

PUMP TRACK FOR HASTINGS

Presentation by Hawkes Bay BMX Club



Pump Tracks are a Global Success Story

They are the perfect playground for beginners and professionals alike. Their unique design caters for all ability levels.

A pump track combines rolling jumps and turns found on traditional BMX style tracks with the flow of mountain bike trails and the rhythm of skate parks.

Pump Tracks are the ultimate outdoor playground suitable for all.





**A Pump Track
is designed as a
playground for all
things on wheels.
From mountain
bikes to BMX's &
skateboards**

What is a Pump Track?

A Pump Track teaches the basic skills of carrying momentum, balance and speed by using your arms and legs to pump your bike/board/scooter around the track.

A Pump Track challenges the rider as they get better. By combining rolling jumps with turns they are accessible for all and are designed to provide more challenges with no changes to the construction. A feature that a 5 year old can roll through can be used as a gap jump for a professional.



Benefits of Pump Tracks

Promoting an Active Outdoor lifestyle

Pump tracks provide the opportunity for communities to be innovative and promote a healthy, active outdoor lifestyle. Pump tracks have become a hive of community activity, encouraging all generations to be healthy, fit and active. They teach basic skills such as balance and coordination that can cross over into multiple sporting disciplines. But most importantly they are FUN. Pump tracks are the modern day outdoor playground for all ages.

Safety first

Proper pump track design has safety as a number one priority. Pump tracks should be designed to cater for all ages, all ability levels and to be suitable for bikes, skateboards, scooters and more.

Why does Hastings need a Pump Track?



This is another activity for kids to do to get outside, and less in front of screens. It will help promote a healthier and happier community.



Cycling is one of the most popular sports. We have a well developed cycle path network, but are missing places where adults and children can practice their riding skills in a safe environment.



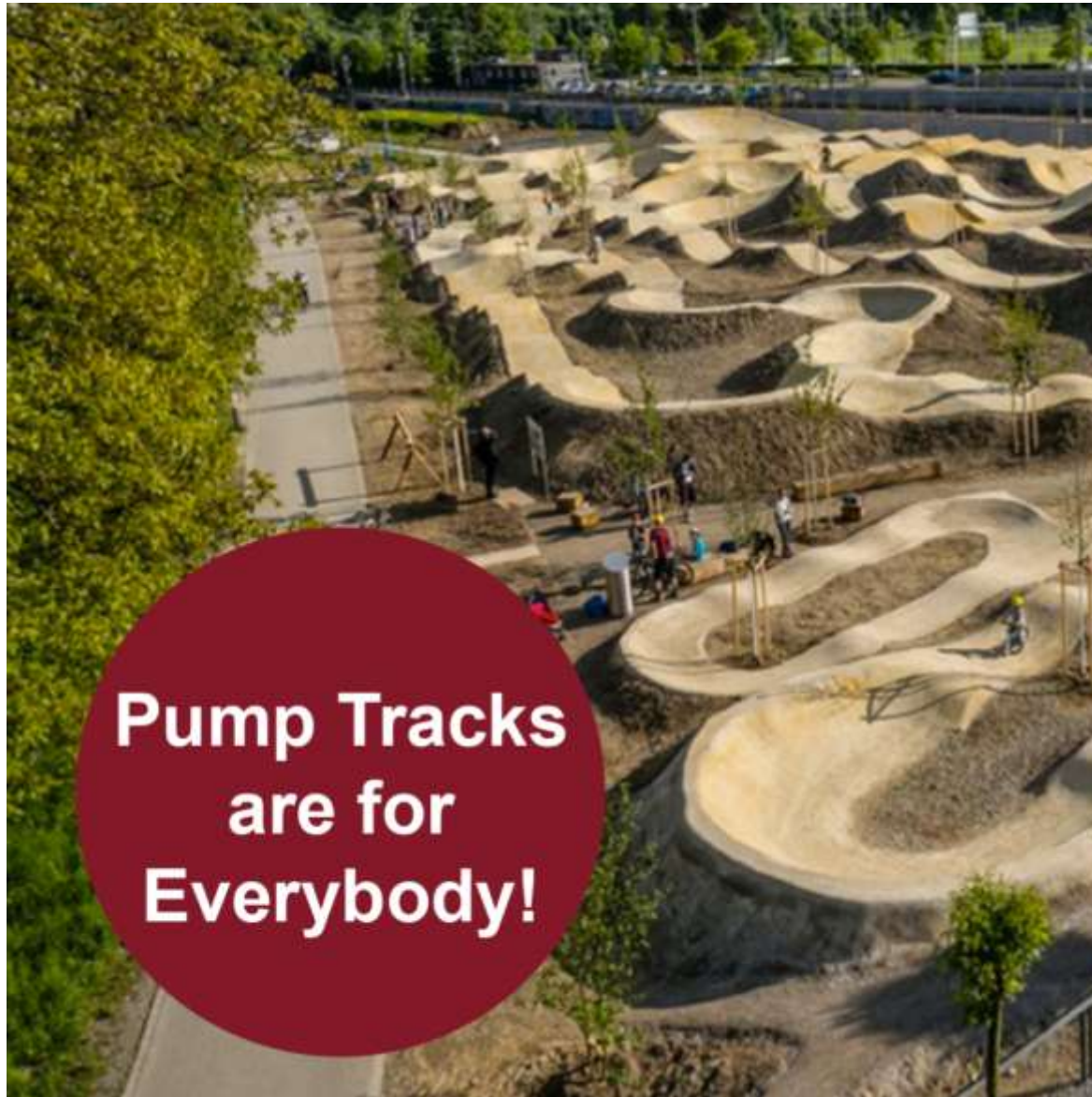
Increases the attractiveness of Hastings as a place to work, live and visit. A pump track will stand out from conventional sport facilities in other areas.



Multi functional, can be ridden by any kind of sports equipment, bikes, skateboards, inline skates, scooters.



Riding a pump track is silent and therefore pleasant for the residents. A pump track is perceived as a playground for young and old



**Pump Tracks
are for
Everybody!**

Who would use a Pump Track?

Kids, beginners, amateurs, pros, skateboards, inline skates and scooters. They cater for all levels from the kids on the running bike to top riders doing Olympic level training.

A good pump track will also be a draw card to the Hastings District. People travel to ride on pump tracks all around New Zealand. We have travelled to Auckland, Raglan, Cambridge, New Plymouth just to ride pump tracks. Others have travelled internationally to ride a famous pump tracks.

- 2-4 Year olds on Running Bikes
- 5- 65+ Recreational bikers
- Elite mountain bike and BMXers
- Scooters and Skateboarders

What type of land is required?

It just needs to be a piece of reasonably flat land, a pump track can be any shape or size. The track can be designed around the piece of land allocated.

The best place for a pump track is where you might put playgrounds. Think of them as playgrounds for 2-65+ year olds

**Potential
Hastings Options
??
Next to Hawkes Bay BMX**



Event Opportunities for Hastings District

[Velosolutions](#) run the Red Bull Pump Track Qualifiers or Red Bull Pump Track World Championships which could be run at the proposed track.

Any Other Cycling Events in town ?



What are we asking from Council?

- A piece of reasonably flat land approx 1500sqm.
- Resource and building consents if required.
- A professional track builder to build the pump track. (Costs are \$1000-\$1500 per sqm approx?? What did Craig say.)
- Footpaths, parking, toilets and any landscaping (should any of these be needed for the chosen site)

ONGOING MAINTENANCE

There will be minimal maintenance as the pump track will be sealed in asphalt to provide an all weather surface. It would require similar maintenance like any other park such as mowing and general maintenance.





The Success of Grey Lynn Pump Track

<https://www.bikeauckland.org.nz/pumped-the-story-of-the-grey-lynn-pump-track/>

**For more information, please
don't hesitate to contact me**

Hori Savage

Hori Savage6@gmail.com

027 875 8304

Tuesday, 23 March 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Item 11

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā:
From: Aaron Wilson, Financial Controller

Te Take:
**Subject: Financial Quarterly Report for the six months ended 31st
December 2020**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to inform the Committee of the financial result for the six months ended 31st December 2020.

2.0 Recommendations – *Ngā Tūtohunga*

- A) That the Operations and Monitoring Committee receive the report titled Financial Quarterly Report for the six months ended 31st December 2020 dated 23 March 2021.

3.0 Background – *Te Horopaki*

- 3.1 The accounting operating financial result is reported on quarterly during the year and at year end a report is prepared on the financial as well as the rating result. The rating result differs from the accounting result in respect of non-cash items such as depreciation, vested assets and development contributions that are not included.
- 3.2 This financial report is governance focussed and allows significant variances to be highlighted with explanations provided in a way this is easy to read and understand through dashboard analytics and commentary.

- 3.3 If Councillors require clarification on any points, please contact the writer 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 Set out below is a summary of the operating financial result year to date. The financial results detailed below represent the accounting view and does not reflect the potential rating result for 2020/21:

	\$'000	\$'000	\$'000	
	YTD Actual	YTD Revised Budget	YTD Variance	Full year Revised Budget*
2020/21				
Operating Revenue	89,938	78,109	11,829	157,608
Operating Expenditure	68,697	70,489	1,791	139,886
Net Surplus/(Deficit)	21,240	7,620	13,620	17,722

* Revised budget includes the Annual budget, Brought Forwards and surplus allocations from 19/20 financial year

- 4.2 The result above is presented against the revised budget. The revised budget includes changes and decisions made during the year on Council budgets which includes carry forwards from 2019/20.
- 4.3 Council's overall financial result is \$13.6m ahead of YTD budget for the quarter ended 31st December 2020.
- 4.4 Overall revenue is \$11.8m greater than YTD budget and expenditure is \$1.8m, lower than YTD budget.

Revenue

- 4.5 Fees and charges revenue across Council are favourable by \$8.17m with the main drivers being:
- Government funding received for 3 waters of \$7.7M that was unbudgeted
 - Planning and Regulatory services are unfavourable to budget by \$434k driven by lower than budgeted building consent fees (\$376k) along with lower parking revenues (\$185k). Lower parking revenues are reflective of the impact of COVID-19 with Government not requiring vehicle warrant of fitness's to be renewed until October of this year with the impact being felt year to date.
 - Council's share of Landfill revenue is \$1.07m favourable to budget due to higher volumes.
- 4.6 Subsidies and Grants are \$3.15m ahead of budget mainly due to higher NZTA Subsidies of \$2.6m, this is offset by higher capital expenditure.
- 4.7 Other revenue and interest received are \$642k ahead of budget mainly due to a gain on sale of land.
- 4.8 Development contributions are unfavourable to YTD budget by \$550k. Phasing of budgets in relation to when contributions occur is difficult, and creates timing differences as it is not always known in advance in what month a payment will occur when the budget is being set.
- 4.9 Additional Revenues received
- Additional revenue has been received as part of the first tranche from the Provincial Growth Fund (PGF). This is as follows:
- Tarbet Street Subdivision \$1.2m
 - Transportation, Jobs for Heretaunga \$7.3m
 - \$7.7m Government funding for 3 waters

Expenditure

- 4.10 Overall expenditure is tracking favourably year to date as at 31st December 2020 by \$1.8m or 2.7% against total budgeted expenditure year to date. Main drivers include:
- 4.11 The negative variance to budget for non-cash entries in terms of Depreciation (\$1.1m) are driven by higher asset values due to prior year revaluations in 3 waters, along with increased spend in infrastructure projects in water, roading, and with buildings.
- 4.12 Finance costs are favourable by \$820k which is a reflection of lower levels of debt than phased in the budget and lower actual interest rates compared with those assumed in the budget. Additional funding received from the Government where water infrastructure is concerned has delayed the requirement for additional debt funding.
- 4.13 Other operating costs are favourable to budget by \$1.40m, and are driven by lower contractor costs (\$389k) and expert advice (\$645k) across waste services, Strategy & Development, and transportation. This is around the timing of projects coming on stream in terms of where the budget is phased and is likely to even out over the rest of the year.

Areas of unbudgeted but approved spend in the current financial year:

- 4.14 Looking forward in the current financial year, it is important to be aware of what unbudgeted expenditure has already been approved by Council.
- 4.15 Municipal Building:
Council has approved an additional \$5.5m spend in order to complete the Municipal building project. It is likely that these costs will impact in the following 2021/22 year.
- 4.16 Heretaunga House
Due to the unexpected earthquake prone status of Heretaunga House, Council has been faced with unbudgeted expenditure to quantify the cost involved to strengthening the building, and provide alternative accommodation for staff displaced from the building. In addition to these extra costs, there has been a loss of revenue from tenants that there were leasing space in Heretaunga House.
- 4.17 In order to understand the work required to strengthen Heretaunga House, Officers have commissioned consultant reports through The Building Intelligence Group who are providing project management support. The approach has been to spend the minimum amount necessary to achieve adequate confidence in the estimated works and costs to make sound future decisions. As a result the total estimate cost of approximately \$50,000. The results of these investigations will be reported separately.
- 4.18 Year to date revenue is below budget by \$200k due to the loss of tenants that were leasing space. Operational expenditure excluding depreciation is \$109k above budget due to the additional unbudgeted but approved costs associated with moving into 100 Warren Street. These costs include the setup and establishment costs including partitioning, data and electrical work.
- 4.19 Unbudgeted costs due to the Heretaunga House displacement are likely to be funded from a combination of funds set aside for Heretaunga House renewals and contingency reserves topped up at 1 July from the landfill surplus.

Covid- 19 Impacts in the current financial Year:

- 4.20 Whilst the COVID-19 impact was mostly felt in the final quarter of the previous financial year, there have been some ongoing effects that are still impacting Council's finances, albeit on a reduced scale from the prior year.
- 4.21 Waiving of sportsground fees and charges is expected to have a financial impact this year.

- 4.22 Toitoti revenue has been affected with Level 2 restrictions being in play for the significant period of the first quarter. Toitoti cancelled approx. 20 events that were booked over the first quarter of this financial year. Of these 20 events, 9 cancellations were made during the first lockdown and 11 cancellations were directly resultant of the level 2 restrictions in the first quarter of this financial year. Alongside the cancellations there have been 8 theatre events and 9 corporate events postponed. That is a further 17 events in total that have migrated from the first quarter in to the second and third quarters.
- 4.23 Level 2 restrictions have also affected learn to swim with income at Flaxmere and Clive substantially below budget. As a comparison last year's income for the second quarter was \$353k, this year that is down to \$282k.
- 4.24 With the motor vehicle warrant of fitness renewals delayed until October, the charging of infringements for out of warrant on vehicles has been stopped. This is the main reason for parking revenue being below budget.
- 4.25 Through the revision of the 2020/21 Annual Plan, Council agreed to allocate \$500k from the sale of Orchard Road to a Covid-19 operational contingency for the purpose of covering some of these unknown but expected financial impacts from the Covid-19 pandemic. An allocation from this contingency may be required to cover these shortfalls, however a judgement on this will be made closer to year end once a more complete picture of the year end result is understood.

Forecast – Looking Forward

- 4.26 As part of a midyear financial view, officers have prepared a financial forecast as to how the year end should look given the information currently available.
- 4.27 There have been a number of assumptions that have been made in order be able to provide an accurate picture at year end
- 4.28 In order to provide working clarity for budget managers, this forecast shows the bottom line rate requirement forecast for a wide range of activities within Council.
- 4.29 The rating forecast differs from the accounting result in respect of non-cash items such as depreciation, vested assets and development contributions that are not included.
- 4.30 In terms of local government, rating requirement is regarded as being an important indicator as it is shows how the rates that were collected have been spent.
- 4.31 The table shows the forecasted position across all Council activities at year end against what the budgeted requirement is for the full year. The variance shows whether there is a forecasted deficit or surplus. (A positive variance represents an underspend to budgeted requirement, and a negative variance an overspend).
- 4.32 The line highlighted in blue shows the "whole of Council requirement" and shows a \$1.25m surplus at the end of year compared to budget, after net interest savings have been factored in.
- 4.33 The second table that is in green, shows how the surplus or deficit (i.e.: \$1.25m) is split between what can be used as a general surplus against what needs to be applied to the targeted rate surplus or deficit.
- 4.34 Targeted rates surplus/deficit are ring fenced and cannot be used for other activities. Therefore, when the makeup of the \$1.25m forecast surplus is split out between the general rate and the targeted rate, the general rate shows a forecasted surplus of \$1.15m.

Requirement Across Council Activities	END OF YEAR FORECAST				General rate variance (rate funded)	Targeted rate variance (rate funded)
	FORECAST (excl carryforwards)	BUDGET	Revised Budget less carry forwards into next year	VARIANCE		
Whole of Council before interest	(79,893,293)	(79,813,902)	(78,997,892)	(79,390)	477,383	(556,773)
Net Interest Paid/Received	(4,828,631)	(6,166,881)	(6,166,881)	1,338,250	672,038	666,212
Whole of Council Requirement	(84,721,924)	(85,980,783)	(85,164,773)	1,258,859	1,149,421	109,438

Item 1

This is a very good result, forecast wise half way through the financial year, with the number of challenges that Council have faced both on a local and national level.

Assumptions

4.35 The following assumptions and actions have been taken in modelling the end of year forecast.

- Excludes all internal charges and recoveries
- Excludes any surplus from Landfill
- All revenue lines have been reviewed and adjusted.
- All expenditure lines have been reviewed and adjusted.
- Some contingency funding has not been applied as officers will apply this if the yearend outcome should require it.

Capital Spend

4.36 Council's total capital revised budget (including carry forwards, renewals, new works, and growth projects) for 2020/21 is \$146m. This level of expenditure is a significant increase on what has been delivered previously by Council and there is risk associated with the ability of Council to deliver on this programme.

4.37 The large capital budget is made up of :

- Annual Plan \$100m
- PGF Funding for Jobs for Heretaunga \$ 9m (added into Annual Plan)
- Carry forwards from 2020 \$ 30m
- Additional funding \$ 7m

Additionally there will be further government funding received through 2020/21 and 2021/22 totalling \$29m for housing infrastructure and three waters that is not currently included in the Annual plan.

Of the three waters \$15.3m government funding Council has already received \$7.7m in the first tranche with a second payment to come. It is likely that projects relating to this funding will start in the following financial year.

4.38 Capital spend for the year to date is \$41.6m, this is \$12.4m behind year to date budget of \$54m. Whilst there are a large number of projects out to tender a significant number of those projects will not be completed by year end. Forecasting at this stage suggests carry forwards into the 2021/22 financial year to be circa \$42m.

4.39 It needs to be noted that there have been a significant number of factors impacting on Council's ability to complete what is in the plan. The Government's need to provide stimulus to support the COVID-19 recovery has led to significant funding for Council to embark on projects outside of the original annual plan. The PGF funding for Jobs for Heretaunga was for \$9m and was added to the Annual Plan at a very late stage, giving officers no time to consider delaying other projects.

4.40 Whilst this project will be completed by May 2021, like some of the other government funded projects, this has placed pressure on resources where other projects had already been budgeted within the programme.

4.41 Projects by Activity within the three types of capital spend are shown below:

Year to date Summary of Capital Spend by Type					
	YTD Actuals	YTD Budgets	YTD variance	% Spent to Total Budget	Revised Budgets
RENEWALS					
Stormwater Services	130,790	174,500	43,710	9%	1,415,000
Wastewater Services	2,132,255	3,073,898	941,644	21%	10,214,000
Water Services	1,575,473	2,089,757	514,285	37%	4,288,329
Transportation RA 1	7,476,604	7,757,850	281,246	48%	15,421,500
Parks	510,540	586,272	75,731	39%	1,293,653
Building services	1,742,004	2,524,648	782,644	34%	5,049,295
Rest of Council	3,306,815	5,300,154	1,993,339	19%	17,136,307
	16,874,480	21,507,078	4,632,598	31%	54,818,084
NEW WORKS					
Stormwater Services	514,806	849,500	334,694	7%	7,137,000
Wastewater Services	286,637	194,631	(92,006)	20%	1,415,000
Water Services	11,494,824	14,303,563	2,808,739	43%	26,937,125
Transportation	6,387,837	5,880,865	(506,972)	40%	16,011,130
Parks	2,130,895	2,735,383	604,488	29%	7,462,666
Building services	199,078	775,500	576,422	13%	1,551,000
Rest of Council	2,762,054	5,365,312	2,603,258	16%	16,754,421
	23,776,131	30,104,754	6,328,622	31%	77,268,342
GROWTH					
Stormwater Services	105,682	403,618	297,935	3%	3,339,000
Wastewater Services	66,546	246,960	180,413	3%	2,477,000
Water Services	213,948	1,104,000	890,052	6%	3,430,000
Transportation RA 1	592,507	653,000	60,493	15%	4,068,000
Parks	21,660	37,000	15,340	3%	707,383
	1,000,344	2,444,577	1,444,234	7%	14,021,383
Total Capital	41,650,955	54,056,409	12,405,454		146,107,809

4.42 Major projects currently underway within the three types of capital spend are shown below:

Major Projects					
	YTD Actuals	YTD Budgets	YTD variance	% Spent to Total Budget	Revised Budgets
Renewal projects					
Toitoti/Municipal Building	2,213,055	2,516,500	303,445	19%	11,543,000
Maintenance Seals	1,003,915	1,098,500	94,585	46%	2,197,000
Wastewater Rising mains	500,279	1,264,700	764,421	17%	3,019,000
Trunk Sewer	98,569	99,492	923	4%	2,543,000
Outfall	463,905	414,982	(48,924)	54%	867,000
New Works projects					
Drinking water project	10,246,044	11,997,513	1,751,468	43%	23,995,025
Martin Place Recycling	-	-	-	0%	1,100,000
Hastings Town Clock	-	250,000	250,000	0%	500,000
Coastal Protection Works	35,426	300,000	264,574	6%	600,000
Streetscape	1,231,031	1,135,183	(95,848)	54%	2,270,366
Growth projects					
Omahu	18,778	12,000	(6,778)	3%	612,000
Lyndhurst	107,111	216,118	109,007	5%	2,356,000
Irongate	75,421	60,000	(15,421)	4%	1,887,000
Iona/Middle	561,175	1,592,460	1,031,284	15%	3,745,000
Howard	71,995	117,000	45,005	2%	4,224,000

Treasury

- 4.43 Council's total gross debt position is \$185.7m which includes \$40m of prefunded capital expenditure and debt refinancing which is currently held on deposit.

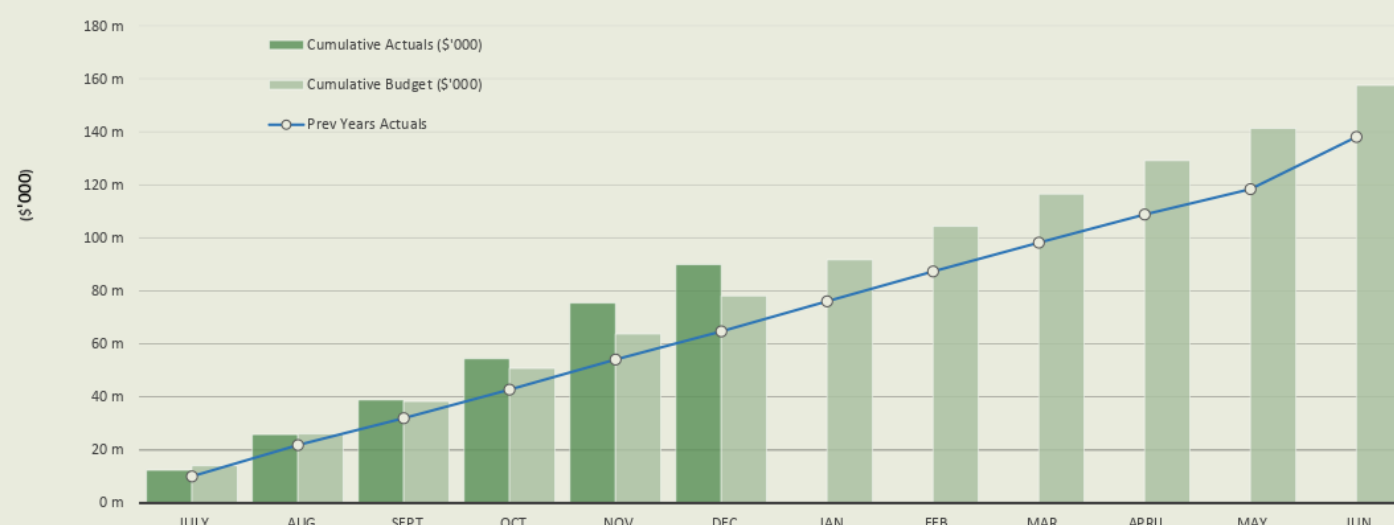
31-Dec-20	
	\$'000
Borrowing at start of year	150,740
New Loans Drawn	35000
Loan Repayments	0
Net borrowings at end of period	185,740
Less Term Deposits held	40,000
Total Net Borrowings	145,740

- 4.44 Council is currently compliant with Treasury Management Policy. The Risk and Assurance Committee reviews and monitors Council's treasury performance and policy with advice from Bancorp Treasury Services.

Attachments:

Hastings District Council Quarterly Dashboard as at 31 December 2020

Whole of Council Revenue



Total Revenue Streams	Actual Ytd (\$'000)	Budget Ytd (\$'000)	Variance Ytd (\$'000)
Rates (Budget)	43,703	43,496	207
Fees, charges & metered water supply charges	23,577	15,411	8,165
Subsidies and Grants	19,260	16,104	3,156
Development and financial contributions	2,154	2,704	-550
Interest revenue	209	0	209
Other revenue	1,035	393	642
Total	89,938	78,109	11,829

Comments: The revenue result is mainly due to Government funding received for the Three Waters capital work, NZTA subsidies and interest revenue. This is offset by lower development contributions.

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

Govt Funding for 3 Waters

\$7,681

**Favourable
Variance**

Government funding has been received for 3 Waters infrastructure upgrades. This revenue was not budgeted.

Subsidies, Grants & Donations

\$3,156

**Favourable
Variance**

NZTA funding has been received earlier than budgeted. This will be offset by increased expenditure.

Landfill (HDC Share)

\$1,070

**Favourable
Variance**

Landfill volumes are continue to exceed budget .

Other Revenue

\$642

**Favourable
Variance**

Gain on sale of Land & Buildings (Orchard Rd works department depot)

Swimming Pools (Excl Splash Planet)

-\$220

**Unfavourable
Variance**

Swimming Pool Revenue has been affected by level 2 covid restrictions on "Learn to Swim" revenue in the first half of the year.

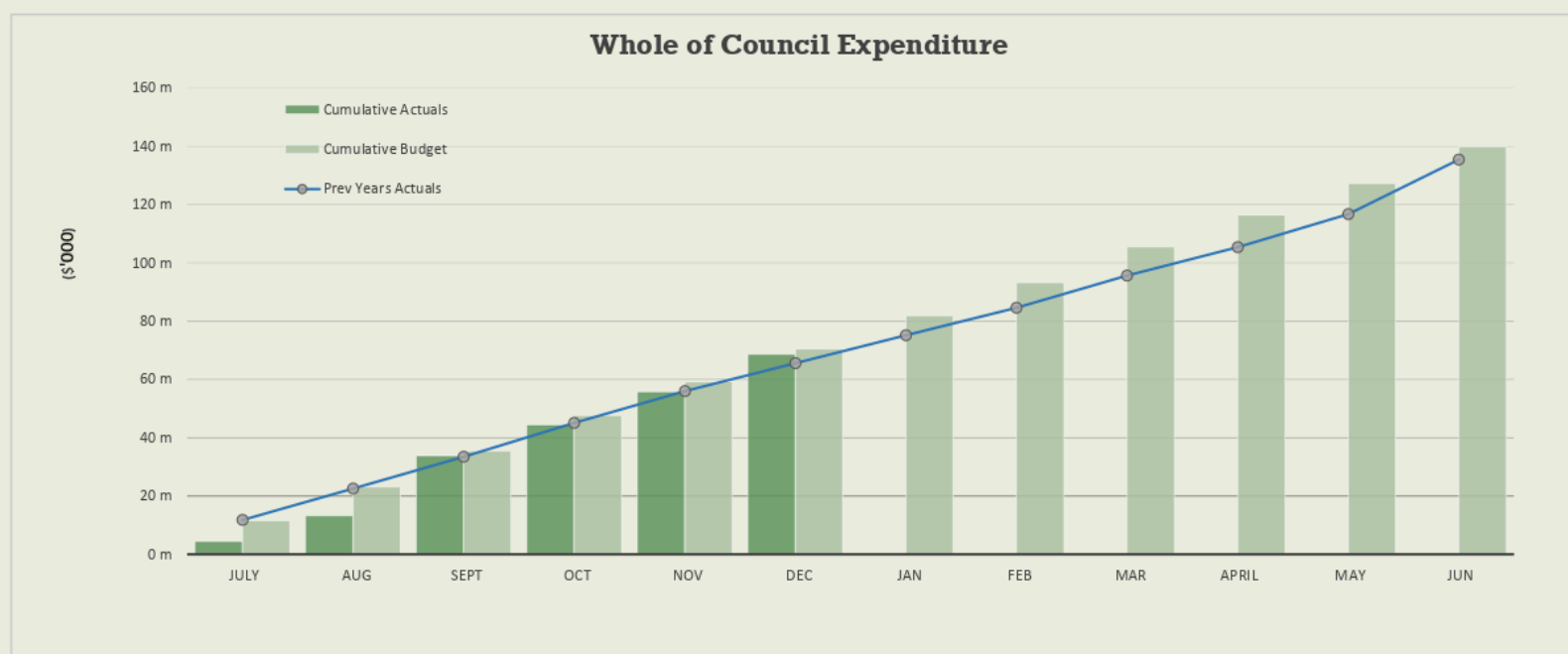
Development Contribution

-\$550

**Unfavourable
Variance**

Development Contributions are low due to the timing of when contributions are received from developers.

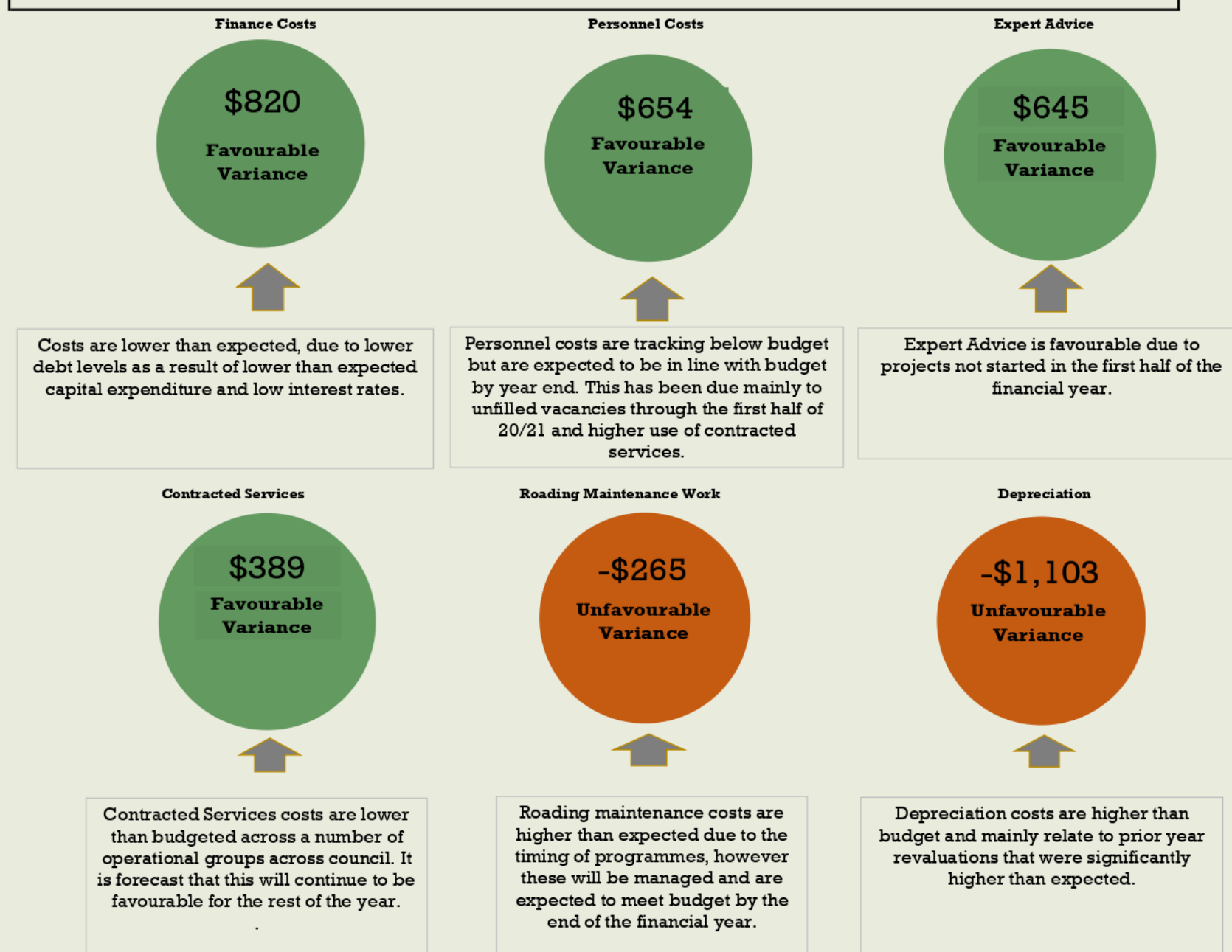
Hastings District Council Quarterly Dashboard as at 31 December 2020



Total Expenditure	Actual Ytd (\$'000)	Budget Ytd (\$'000)	Variance Ytd (\$'000)
Personnel Costs	18,078	18,732	654
Depreciation	18,571	17,468	-1,103
Finance Costs	2,518	3,339	820
Other Operating Costs	29,530	30,950	1,420
Total Operating Expenditure	68,697	70,489	1,791

Comments: Lower expenditure is driven by lower than budgeted spend on Personnel costs and Water Services Maintenance. Interest costs are also lower than budgeted, due to lower than budgeted capital expenditure & debt. Partially offsetting these lower than budgeted spends are high Depreciation and Road Maintenance costs.

How we are doing by key expenditure categories (\$'000)

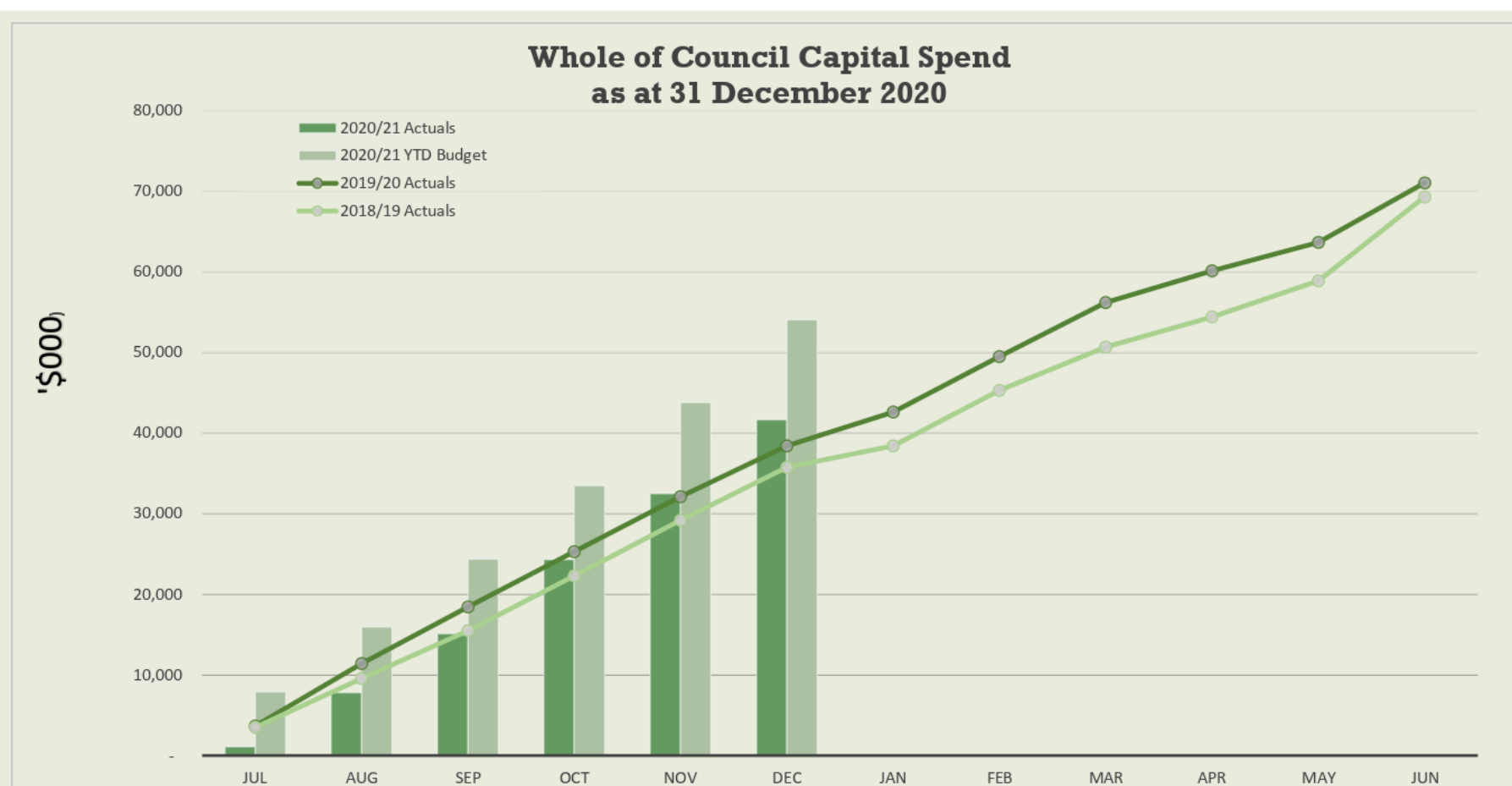


Hastings District Council Statement of Comprehensive Revenue and Expense as at 31 December 2020

Previous YTD Actuals (\$'000)	Description	YTD Actuals (\$'000)	YTD Budgets (\$'000)	YTD Variance (\$'000)	Full Year Budget (\$'000)
	Revenue				
40,918	Rates	43,703	43,496	207	86,992
14,559	Fees, charges & metered water supply	23,577	15,411	8,165	30,160
10,763	Subsidies and Grants	19,260	16,104	3,156	33,510
2,510	Development and financial contributions	2,154	2,704	(550)	5,408
54	Interest revenue	209	-	209	-
403	Other revenue	1,035	393	642	1,537
69,207	Total Revenue	89,938	78,109	11,829	157,608
	Expenditure				
17,992	Personnel Costs	18,078	18,732	654	37,787
17,394	Depreciation & Amortisation Expense	18,571	17,468	(1,103)	34,936
2,475	Finance Costs	2,518	3,339	820	6,678
29,461	Other Operating Costs	29,530	30,950	1,420	60,485
67,322	Total Expenditure	68,697	70,489	1,791	139,886
1,885	SURPLUS/(DEFICIT)	21,240	7,620	13,620	17,722

Hastings District Council Funding Impact Statement As At: 31 December 2020

Previous YTD Actuals (\$'000)	Description	YTD Actuals (\$'000)	YTD Budgets (\$'000)	YTD Variance (\$'000)	Full Year Budget (\$'000)
	Operations - Funding Source				
40,918	Rates	43,703	43,496	207	86,992
3,409	Subsidies and Grants	3,935	3,743	193	6,984
14,369	Fees, charges metered water supply	15,690	15,216	474	29,769
181	Interest and dividend revenue	222	9	213	17
464	Other revenue	487	455	32	911
59,339	Total Operating Funding	64,037	62,918	1,119	124,673
	Operations - Use of Funding				
17,992	Personnel Costs	18,078	18,732	654	37,787
25,164	Supplier Costs	25,476	26,824	1,348	51,868
2,477	Finance Costs	2,520	3,352	832	6,703
3,198	Other Operating Costs	3,357	3,120	(236)	6,990
48,831	Total Use of Operating Funding	49,430	52,027	2,598	103,349
10,508	Operating Funding Surplus/(Deficit)	14,608	10,891	3,717	21,325
	Capital - Funding Source				
7,355	Capital Subsidies grants	15,325	12,361	2,963	26,526
2,417	Development financial contributions	2,121	2,569	(448)	5,138
18,591	Debt - Increase or (decrease)	15,032	31,008	(15,976)	81,998
279	Sale of Assets	1,670	1,027	643	2,055
93	Other Capital Funding	7,714	135	7,579	270
28,734	Total Capital Funding	41,861	47,100	(5,239)	115,987
	Capital - Use of Funding				
4,573	To meet additional demand (Growth)	2,137	3,258	(1,121)	19,676
11,589	To improve the level of service (New Works)	22,640	29,131	(6,492)	71,293
22,622	To replace existing assets (Renewals)	17,141	22,353	(5,213)	56,136
-237	To Increase or (decrease) reserves	13,677	3,057	10,620	(10,177)
695	To Increase or (decrease) Investments	875	191	684	383
39,242	Total use of Capital Funding	56,469	57,991	(1,522)	137,312
(10,508)	Capital Funding Surplus/(Deficit)	(14,608)	(10,891)	(3,717)	(21,325)
	TOTAL FUNDING BALANCE	-	-	-	-



Key projects	Actual Ytd (\$'000)	Budget Ytd (\$'000)	Var Ytd (\$'000)	Total Budget (\$'000)
Renewal Projects				
Toitoti/Municipal Building	2.2 m	2.5 m	0.3 m	11.5 m
Maintenance Seals	1.0 m	1.1 m	0.1 m	2.2 m
Wastewater Rising mains	0.5 m	1.3 m	0.8 m	3.0 m
Trunk Sewer	0.1 m	0.1 m	0.0 m	2.5 m
Outfall	0.5 m	0.4 m	0.0 m	0.9 m
New Works projects				
Drinking water project	10.2 m	12.0 m	1.8 m	24.0 m
Coastal Protection Works	0.0 m	0.3 m	0.3 m	0.6 m
Streetscape	1.2 m	1.1 m	-0.1 m	2.3 m
Growth projects				
Omahu	0.0 m	0.0 m	0.0 m	0.6 m
Lyndhurst	0.1 m	0.2 m	0.1 m	2.4 m
Irongate	0.1 m	0.1 m	0.0 m	1.9 m
Iona/Middle	0.6 m	1.6 m	1.0 m	3.7 m
Howard	0.1 m	0.1 m	0.0 m	4.2 m

Capital - Commentary

Capital spend to 31 December 2020 is \$41.6m compared to a first quarter budget of \$54.0m. The full year budget has been set at \$141.2m and includes \$30.3m of approved carry forwards from 2019/20. Jobs for Heretaunga of \$9m added to the Annual Plan and was a significant addition to the capital plan. Officers are forecasting the need to carry forward \$42.2m of work to 2021/22 due to delays with some growth and water infrastructure projects.

Statement of Comprehensive Revenue & Expense - Commentary

Revenue Variances

Revenue is \$11.8m favourable to budget for the year to date, due mainly to Government funding for water supply. There are also favourables relating to gain on sale of land & buildings, landfill revenue, NZTA subsidies and interest received. This is offset by lower than expected development contributions due to the timing of when contributions are received from developers.

Expenditure Variances

Expenditure is \$1.7m below budget (favourable) for the year to date. Interest costs are lower than expected, due to lower debt levels from lower than budgeted capital expenditure. Water services maintenance costs, Personnel costs, Consenting costs and refuse collection costs are also lower than planned through the 2020-21 year.

Result

Operational revenue and expenditure are on track. Favourable revenue is driven by advance government funding, a property sale, and interest received with expenditure also favourable for the year to date. The main area of concern is the capital programme spend being nearly 23% lower than expected and already with large carry forward requests being forecast. Lower than planned Consenting activity is evident in both revenue & expenditure numbers, but remains ahead of last year.

Tuesday, 23 March 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Item 12

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā:
From: Bruce Allan, Group Manager: Corporate

Te Take:
Subject: Operations & Monitoring Report 2020-2021 Quarter 2

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

- 1.1 The purpose of this report is to present to Council the Operations and Monitoring Report for the quarter ended 31 December 2020.
- 1.2 The Operations and Monitoring Report is attached as **Attachment 1** and is a comprehensive overview of Council's activities.
- 1.3 There is a large amount of information presented in this report and officers would recommend to Councillors that if they have questions that they would like answered during the meeting that those questions be put to the writer of this report prior to the meeting so that they can be satisfactorily answered in the meeting.
- 1.4 Included in the attached report is a detailed listing of all council infrastructure projects currently underway. This is intended to be a high level overview of what is currently being delivered in terms of meeting the objectives of the 2020/21 Annual Plan. Note that supporting all this is an extensive amount of information that monitors the contractors and consultants performance which is held and used to enhance project performance in the future.
- 1.5 The quarterly financial report for the period ended 31 December 2020 is reported on separately on this agenda.

2.0 Recommendations – Ngā Tūtohunga

- A) That the Operations and Monitoring Committee receive the report titled Operations & Monitoring Report 2020-2021 Quarter 2 dated 23 March 2021.

Attachments:

1 ➡	Operations & Monitoring Report 2020-21 Quarter 2 v3	CG-16-4-00084	Under Separate Cover
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Tuesday, 23 March 2021

Item 13

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā: **Jackie Evans, Manager: Democracy and Governance**
From:

Te Take: **Requests Received under the Local Government Official
Subject: Information and Meetings Act (LGOIMA) Update**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to inform the Council of the number of requests under the Local Government Official Information Act (LGOIMA) 1987 received in November and December 2020, January and February 2021.
- 1.2 This issue arises from the provision of accurate reporting information to enable effective governance.
- 1.3 This is an administrative report to ensure that the Council is aware of the number and types of information requests received and to provide assurance the Council meeting its legislative obligations in relation to the Local Government Official Information and Meetings Act (LGOIMA).
- 1.4 This report concludes by recommending that the LGOIMA requests be noted.

2.0 Recommendations – *Ngā Tūtohunga*

- A) That the Operations and Monitoring Committee receive the report titled Requests Received under the Local Government Official Information and Meetings Act (LGOIMA) Update.
- B) That the LGOIMA requests received in November and December 2020, January and February 2021, as set out in Attachment 1 (IRB-2-01-20-2212) of the report be noted.

3.0 Background – *Te Horopaki*

- 3.1 The LGOIMA allows people to request official information held by local government agencies. It contains rules for how such requests should be handled, and provides a right to complain to the Ombudsman in certain situations. The LGOIMA also has provisions governing the conduct of meetings.

Principle of Availability

- 3.2 The principle of whether any official information is to be made available shall be determined, except where this Act otherwise expressly requires, in accordance with the purposes of this Act and the principle that the information shall be made available unless there is good reason for withholding it.

3.3 Purpose of the Act

- 3.4 The key purposes of the LGOIMA are to:

- Progressively increase the availability of official information held by agencies, and promote the open and public transaction of business at meetings, in order to:
- enable more effective public participation in decision making;
- promote the accountability of members and officials;
- so enhance respect for the law and promote good local government;
- protect official information and the deliberations of local authorities to the extent consistent with the public interest and the preservation of personal privacy.

- 3.5 City, district and regional councils, council controlled organisations and community boards are subject to LGOIMA and official information means any information held by an agency subject to the LGOIMA.

- 3.6 It is not limited to documentary material, and includes material held in any format such as:

- written documents, reports, memoranda, letters, notes, emails and draft documents;
- non-written documentary information, such as material stored on or generated by computers, including databases, video or tape recordings;
- information which is known to an agency, but which has not yet been recorded in writing or otherwise (including knowledge of a particular matter held by an officer, employee or member of an agency in their official capacity);
- documents and manuals which set out the policies, principles, rules or guidelines for decision making by an agency; and
- the reasons for any decisions that have been made about a person.

- 3.7 It does not matter where the information originated, or where it is currently located, as long as it is held by the agency. For example, the information could have been created by a third party and sent to the agency. The information could be held in the memory of an employee of the agency.

What does a LGOIMA request look like?

- 3.8 There is no set way in which a request must be made. A LGOIMA request is made in any case when a person asks an agency for access to specified official information. In particular:

- a request can be made in any form and communicated by any means, including orally;
- the requester does not need to refer to the LGOIMA; and

- the request can be made to any person in the agency.

3.9 The Council deals with in excess of 14,000 service requests on average each month from written requests, telephone calls and face to face contact. The LGOIMA requests dealt with in this report are specific requests for information logged under formal LGOIMA procedure, which sometimes require collation of information from different sources and/or assessment about the release of the information requested.

Key Timeframes

- 3.10 An agency must make a decision and communicate it to the requester 'as soon as reasonably practicable' and no later than 20 working days after the day on which the request was received.
- 3.11 The agency's primary legal obligation is to notify the requester of the decision on the request 'as soon as reasonably practicable' and without undue delay. The reference to 20 working days is not the de facto goal but the maximum unless it is extended appropriately in accordance with the Act. Failure to comply with time limit may be the subject of a complaint to the ombudsman.
- 3.12 The Act provides for timeframes and extensions as there is a recognition that organisations have their own work programmes and that official information requests should not unduly interfere with that programme.

4.0 Discussion – *Te Matapakitanga*

Current Situation

- 4.1 Council has requested that official information requests be notified via a monthly report.

5.0 Options – *Ngā Kōwhiringa*

Not applicable

Attachments:

- 1 [↓](#) Official Information Requests report to Operations and Monitoring March 2021 IRB-2-01-20-2212

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*

N/A

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

N/A

Sustainability - Te Toitūtanga

N/A

Financial considerations - Ngā Whakaarohanga Ahumoni

N/A

Significance and Engagement - Te Hiranga me te Tūhonotanga

N/A

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

N/A

Risks: Legal - Ngā Tūraru: Ngā Ture

Opportunity: N/A

REWARD – Te Utu	RISK – Te Tūraru
[State the benefit, opportunity, innovation of the outcome & whether it benefits; Safety (public/ staff/ contractors), Finances, Service Delivery, Legal compliance, Reputation.]	[State the significant risks or threats (4 or 5 max) to the objective & whether they affect; Safety (public/ staff/ contractors), Finances, Service Delivery, Legal compliance, Reputation.]

Rural Community Board – Te Poari Tuawhenua-ā-Hapori

N/A

LGOIMA – Report to Operations & Monitoring Committee – November, December 2020 and January, February 2021

	Requests Received	Responses to requests	Responses with information fully released	Responses with information partially withheld	Responses with information fully withheld	Average number of working days to respond	Requests resulting in a complaint to Ombudsman
November 2020 – February 2021	63 3 withdrawn	53	46	7	0	7	2

Requests - received since those last reported to Council

Completed		
Outstanding		
Month	From	Subject
November	H Saywell	Bus Stop – Arataki Road
	J Maxwell	Hawke's Bay Mountain Bike Club & Evergreen Landscapes Ltd invoice
	W MacFarlane	Submissions by Hawke's Bay Mountain Bike Club – Eskdale Park
	J Maxwell	Information and correspondence regarding bike club, property developers – Tainui Reserve
	J Maxwell	Hawke's Bay Mountain Bike Club – permission for worked to be carried out
	J Maxwell	Hectare clarification of Eskdale Park

	J Maxwell	Hawke's Bay Mountain Bike Club Panpac Eskdale Sports Park proposal
	J Maxwell	Briefing to Contractor
	J Maxwell	Emails between HDC and Stradegy - Hawke's Bay Mountain Bike Club Panpac Eskdale Sports Park - Compliance
	M Byrne	Fluoridation in Hastings and Havelock North
	D Renouf	Risk & Assurance Committee – Lowes Pit
	J Maxwell	Post it notes Community Meeting – Eskdale Park
	W MacFarlane	Consents relating to use of land opposite Eskdale Park
	J Maxwell	'Near misses' cyclists v walkers Tainui Reserve
	L Wu	Regional aviation investments, grants, funding
	S Cross	LIM Reports for potential coastal inundation
	Media Request	Hawke's Bay Seasonal Labour Shortage Plan
	K Wheeler	Video footage of car accident
December	J Maxwell	Unsatisfactory LGOIMA response – Hawke's Bay Mountain Bike Club and Eskdale Park
	NZME	Record of Council meetings attendance
	Jessica Maxwell	Emails between Legal Counsel and Parks and Reserves
	NZ Taxpayers Union	Contracts awarded without tender in 2020
	NZ Taxpayers Union	Mayoral discretionary funds 2020
	NZ Police	Payment query

	NZ Taxpayers Union	Number of FTE's and Council staff February and November 2020
	FENZ	Property information – potential fire hazard
	J Maxwell	Email correspondence between Council and Abseil Access
	RNZ	Number of Council and Committee meetings and Workshops
	FENZ	Property information – potential fire hazard
	Hawke's Bay Regional Council	Asbestos Report
	J Maxwell	Further information regarding 'near-misses' Tainui Reserve
	FENZ	Property information – potential fire hazard
	J Maxwell	HDC press release on concept plans for Cornwall Park Aviary upgrade
	NZME	HDC Historical Landfill Sites
January	NZ Parking Association on behalf of Auckland Transport	Injuries of parking officers
	R Hettinga	Removal of building
	J Maxwell	Correspondence between elected members and officers to Hawke's Bay Mountain Bike Club – Funding applications Eskdale Park
	Name Withheld	Noise complaint
	J Maxwell	Correspondence between elected member and Greenstone Development
	J Maxwell	Correspondence from various staff and elected members regarding proposed development of Eskdale Park

	J Maxwell	Formal agreement – Hawke’s Bay Mountain Bike Club – Eskdale Park
	FENZ	Property information – potential fire hazard
	FENZ	Property information – potential fire hazard
	Stuff	Landfill Space
	FENZ	Property information – potential fire hazard
February	Name Withheld	CCTV Footage
	NZME	Injured horse
	Food Industry Foresight Pty Ltd	Council outlet numbers
	C Williams	Flaxmere representation and voting
	F Lugt	Information of recycling collections
	D Renouf	Council’s Engineering Code and peak rainfall volumes
	B Mead	Data from recent traffic survey – Joll Road
	Greenstone Developments	Correspondence from CDL Land NZ – Arataki Road
	T Jones	Approved HPMV routes
	J Maxwell	Operations & Monitoring Committee & Workshop – HBMTBC and Eskdale Park
	A Aitken	Query regarding mobile food caravan
	Community Law Canterbury	Outstanding infringement notices
	Ministry for Environment	Consented/permitted fill sites and transfer stations

	Responsible Campers Assn	Freedom Camping Regulations
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HASTINGS DISTRICT COUNCIL

OPERATIONS AND MONITORING COMMITTEE MEETING

TUESDAY, 23 MARCH 2021

Item 16

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:

17 Hawke's Bay Museums Trust - Chairperson Appointment

18 Hawke's Bay Airport Limited Director Appointment

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:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION
17 Hawke's Bay Museums Trust - Chairperson Appointment	Section 7 (2) (a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. For individual's privacy protection.	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.
18 Hawke's Bay Airport Limited Director Appointment	Section 7 (2) (a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. For individuals privacy protection.	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.