



# PROSPEROUS NAPIER COMMITTEE

## Open Agenda

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Meeting Date: Thursday 17 March 2022

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Time: Following the Napier People and Places Committee

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Venue: Via Zoom (Audio Visual Link)

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*Livestreamed via Council's Facebook site*

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Committee Members **Chair:** Councillor Taylor

**Members:** Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine and Wright

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Officer Responsible Director Corporate Services

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Administration Governance Team

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**Next Prosperous Napier Committee Meeting**  
**Thursday 28 April 2022**

# ORDER OF BUSINESS

## Karakia

## Apologies

Councillor Wright

## Conflicts of interest

## Public forum

Nil

## Announcements by the Mayor

### Announcements by the Chairperson including notification of minor matters not on the agenda

*Note: re minor matters only - refer LGOIMA s46A(7A) and Standing Orders s9.13*

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

## Announcements by the management

### Confirmation of minutes

That the Minutes of the Prosperous Napier Committee meeting held on Thursday, 3 February 2022 be taken as a true and accurate record of the meeting. ....117

## Agenda items

- 1 Quarterly report for the six months ended 31 December 2021.....3
- 2 Hawke's Bay Airport Limited Interim Report for the six months ended 31 December 2021  
.....95

## Minor matters not on the agenda – discussion (if any)

Public excluded .....115

# AGENDA ITEMS

## 1. QUARTERLY REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

|  |   |
|--|---|
| <i>Type of Report:</i>                 | Legal and Operational                     |
| <i>Legal Reference:</i>                | Local Government Act 2002                 |
| <i>Document ID:</i>                    | 1421309                                   |
| <i>Reporting Officer/s &amp; Unit:</i> | Caroline Thomson, Chief Financial Officer |

### 1.1 Purpose of Report

To consider the Quarterly Report for the six months (*Doc Id 1439805*) ended 31 December 2021.

#### Officer's Recommendation

The Prosperous Napier Committee:

- a. Receive the Quarterly Report for the six months ended 31 December 2021.

### 1.2 Background Summary

The Quarterly Report summarises the Council's progress in the second quarter of 2021/22 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against income, total operating expenditure, and capital expenditure.

### 1.3 Issues

The 2021/22 Annual Plan does not include any allowance for Covid-19 impacts on revenue. The 2021/22 Annual Plan was adopted in June 2021. In August 2021, New Zealand moved into Level 4 lockdown and then shifted to the Red Traffic Light setting under the Covid-19 Protection Framework in December 2021. The lock down and traffic light setting has caused constraints in the events sector and limited the number of people using our facilities. This has had a significant impact on revenue year-to-date. For our tourism and parking activities, there has been reduced event bookings and lower volumes of traffic in the city due to people working from home. Officers are closely monitoring the situation and reducing operational expenditure where possible to help mitigate further deterioration to the financial position. Year-end forecasting is underway to determine the impact on Council's year end finances and to identify savings and funding sources to offset the lost revenue.

### 1.4 Significance and Engagement

N/A

## 1.5 Implications

### Financial

The year to date operating net deficit of \$1.7m is \$1.9m favourable to the budgeted deficit of \$3.7m.

Revenue from Financial and Development contributions is higher than budget by \$1.5m and subsidies and grants is above budget by \$770k.

Other revenue is \$1.6m lower than budget due to the impact of Covid-19 on the tourism and parking activities.

Depreciation expense is \$1.1m lower than budget and other operating expenditure is \$940k above budget.

Further detail on the financial variances for the quarter ended 31 December 2021 is contained in the report attached.

### Social & Policy

N/A

### Risk

There is a risk that an ongoing impact of Covid-19 on the Tourism and Parking activities will result in a deficit to Council at year end. Year-end forecasting is underway and will include identified savings and funding sources to mitigate the financial impact to Council. The year-end forecast will be presented at the next Prosperous Napier meeting.

## 1.6 Development of Preferred Option

Receive the quarterly report for the six months ended 31 December 2021.

## 1.7 Attachments

- 1 Quarterly Report for the six months ended 31 December 2021 (Doc Id 1439805)





# QUARTERLY REPORT

QUARTER 2, 2021/22

Year to date and quarterly result to 31 December 2021





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Prepared in accordance with the requirements of the Local Government Act 2002

*Cover image: - Marine Parade*

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*This report summarises the Council’s progress in the second quarter of 2021/22 towards fulfilling the intentions in the Annual Plan. Quarterly performance is assessed against Income, Total Operating Expenditure, Capital Expenditure and Key Performance Measures.*

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# FINANCIAL PERFORMANCE SNAPSHOT

The year to date net operating deficit of \$1.7m is \$1.9m favourable to the budgeted deficit of \$3.7m. This favourable variance is attributable to a combination of factors as outlined below:

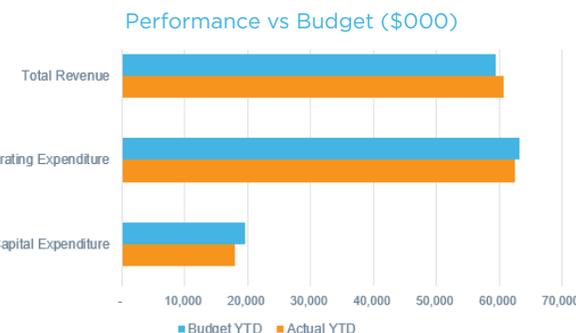
## REVENUE

- Financial Contributions revenue is \$1.5m above budget due to the timing of contributions received for the Te Awa development
- Subsidies and grants are \$770k above budget due to timing of Waka Kotahi subsidised works undertaken year to date
- Other revenue is \$1.6m lower than budget due to Covid-19 impacting on parking and Council's tourism activities.

## EXPENDITURE

- Depreciation expense is \$ 1.1m lower than budget due to reduced level of asset capitalisation from the previous year.
- Other operating expenses are \$940k above budget mainly due to increased insurance premiums and flooding costs.

NOTE: The ongoing effect of Covid will have a significant impact on the Tourism and Parking activities ability to deliver on their year-end position. Year-end forecasting is underway to determine the overall financial impact to Council. The forecast will also include any identified savings and funding sources to offset the lost revenue.



Figures are shown in thousands (\$,000)

| All Council                                | Year to Date Dec 2021 |                |              |               | Year End       |                |                 |
|--|-----------------------|----------------|--------------|---------------|----------------|----------------|-----------------|
|  | Actual                | Revised Budget | Variance *   | % Variance    | Revised Budget | Annual Plan    | Variance *      |
| <b>Revenue</b>                             |                       |                |              |               |                |                |                 |
| Rates Revenue                              | 35,084                | 34,850         | 234          | 1%            | 69,641         | 69,641         | -               |
| Finance Revenue                            | 310                   | -              | 310          |               | -              | -              | -               |
| Financial and Development Contributions    | 3,236                 | 1,666          | 1,569        | 94%           | 7,090          | 7,090          | -               |
| Subsidies and Grants                       | 6,621                 | 5,847          | 775          | 13%           | 16,230         | 5,249          | 10,981          |
| Other Revenue                              | 15,410                | 17,000         | (1,590)      | (9)%          | 59,174         | 59,179         | (5)             |
| Other gains/losses                         | 143                   | 82             | 61           | 74%           | 2,094          | 2,094          | -               |
|  | <b>60,804</b>         | <b>59,446</b>  | <b>1,358</b> | <b>(100)%</b> | <b>154,229</b> | <b>143,253</b> | <b>10,976</b>   |
| <b>Expenditure</b>                         |                       |                |              |               |                |                |                 |
| Employee Benefit Expense                   | 21,503                | 21,655         | 152          | 1%            | 43,309         | 43,309         | (0)             |
| Depreciation and Amortisation              | 16,469                | 17,660         | 1,191        | 7%            | 35,247         | 35,247         | -               |
| Finance Costs                              | -                     | 170            | 170          | 100%          | 339            | 339            | -               |
| Other Operating Expenses                   | 24,614                | 23,649         | (966)        | (4)%          | 70,655         | 63,111         | (7,545)         |
| Share of associate surplus/deficit         | -                     | 35             | 35           | 100%          | 69             | 69             | -               |
| Offsetting Expenditure                     | (0)                   | (1)            | (1)          | (100)%        | (1)            | (1)            | (0)             |
|  | 62,586                | 63,166         | 580          | (100)%        | 149,619        | 142,074        | (7,545)         |
| <b>Net Operating (Surplus) / Shortfall</b> | <b>1,782</b>          | <b>3,721</b>   | <b>1,939</b> | <b>4%</b>     | <b>(4,610)</b> | <b>(1,179)</b> | <b>3,431</b>    |
| <b>Capital (\$,000)</b>                    |                       |                |              |               |                |                |                 |
| <b>Total Capital Expenditure</b>           | <b>17,946</b>         | <b>19,686</b>  | <b>1,740</b> | <b>9%</b>     | <b>88,175</b>  | <b>64,380</b>  | <b>(23,794)</b> |
| <b>Asset Sales</b>                         | <b>(1,954)</b>        | <b>-</b>       | <b>1,954</b> |               | <b>-</b>       | <b>-</b>       | <b>-</b>        |

\* Variance Key

Favourable / Underspent  
! Infavourable / Overspent

# SERVICE PERFORMANCE SNAPSHOT

## OCTOBER 2021

- A new separated walking and cycling path project began. It will fix a gap in our network and provide safer access to Marine Parade for students and residents who use the Ellison Street, Chambers Street and Te Awa Ave area. This project has been funded from the Government's COVID Response and Recovery Fund.

- A new role was created to lead Council's significant projects set out in its Long Term Plan. Jon Kingsford has been appointed as Director of Programme Delivery to ensure the goals of the Long Term Plan 2021-31 are achieved. Additionally, 27 new positions across Council were created to deliver on the LTP programme. These roles are predominantly in Infrastructure and City Services.

- Council voted overwhelmingly in favour of Māori wards with 11 votes for and one abstention. This decision allows for Māori representation to be an integral part of council's decision-making processes.

## NOVEMBER 2021

- The Speed Limits Bylaw Amendments consultation opened. We proposed a variable speed limits around Eskdale School and Reignier School, and extending the school zone around Port Ahuriri School. We also proposed to reduce the speed on Willowbank Avenue from 100km/h to 80km/h.

- The Napier Flood Report was released on the one year anniversary of the flood. The report looks at how the stormwater system worked during the event, what impacted the ability of the system to respond effectively, the response and recovery of the flood, and the work programme now in place as a result of the event.

## DECEMBER 2021

- Our Library and Civic Area Plan was formally adopted by Council. This is the culmination of many hours of work undertaken since we left our old buildings in 2017.

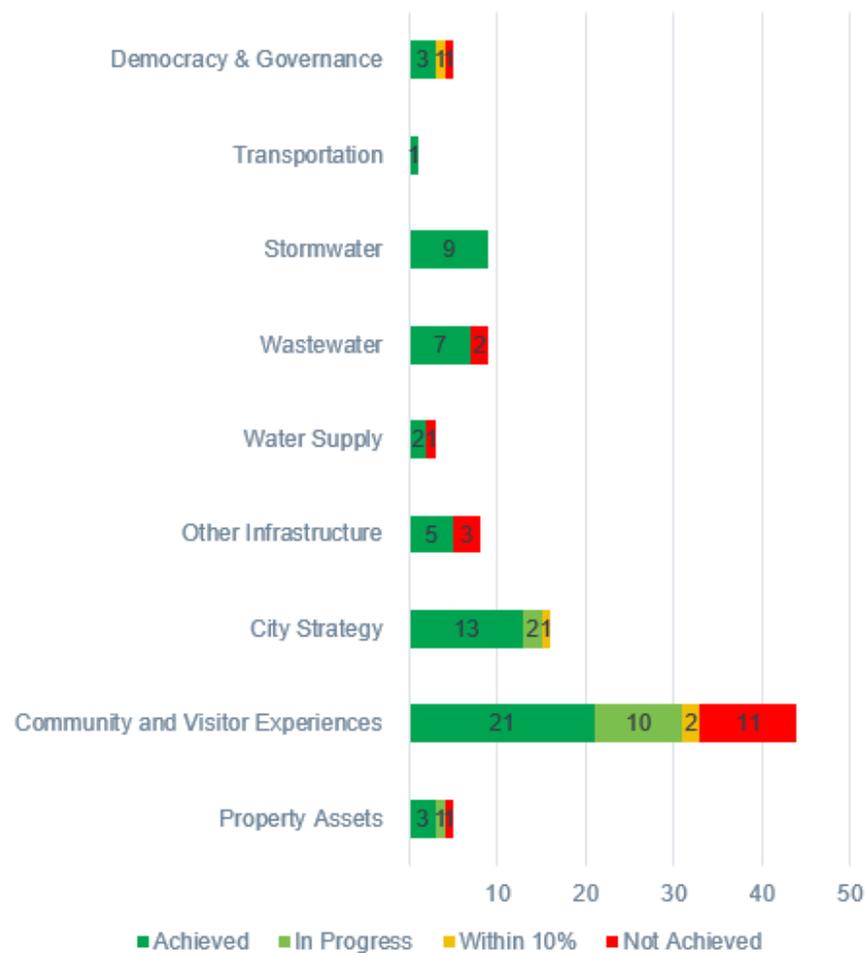
- Consultation opened on the upgrade of the Westshore Beach Reserve Playground.

# SERVICE PERFORMANCE SNAPSHOT

## KEY PERFORMANCE MEASURES

This quarter 77% of key performance indicators (77 of 100) measured on a monthly or quarterly basis were achieved or are in process and on target to be achieved by year end.

Any measure which were not achieved are explained in the activity section of this report, along with a full list of performance measures and results.



# TREASURY MANAGEMENT SUMMARY

## INVESTMENTS REPORT

### INVESTMENT TYPES HELD AT QUARTER-END

|   |                   |                            | Amount              |
|---|-------------------|----------------------------|---------------------|
| Call Deposits                                   |                   |                            | 0                   |
| Term Deposits                                   | S&P Credit Rating | Average 12 Month Int. Rate |                     |
| Westpac   | AA-               | N/A                        | 0                   |
| ANZ   | AA-               | 1.53%                      | 30,000,000          |
| ASB   | AA-               | N/A                        | 0                   |
| BNZ   | AA-               | 1.35%                      | 7,000,000           |
| Kiwibank  | A                 | 1.41%                      | 20,000,000          |
|   |                   |                            | 57,000,000          |
| <b>Total Investments as at 31 December 2021</b> |                   |                            | <b>\$57,000,000</b> |

### RANGE OF INTEREST RATES NEGOTIATED DURING THE QUARTER

|                          | Rate | Date |
|--------------------------|------|------|
| Call Deposits (lowest)*  | N/A  | All  |
| Call Deposits (highest)* | N/A  | All  |
| Term Deposits (lowest)   | N/A  | N/A  |
| Term Deposits (highest)  | N/A  | N/A  |

### WEIGHTED AVERAGE INTEREST RATE FOR ALL CURRENTLY HELD INVESTMENTS

|  | Amount              | Average Rate |
|--|---------------------|--------------|
| Call Deposits  | 0                   | 0.00%        |
| Term Deposits  | 57,000,000          | 1.43%        |
|  | <b>\$57,000,000</b> |              |
| Weighted Average Interest Rate as at 31 December 2021  |                     | 1.40%        |
| Benchmark Average Interest Rate as at 31 December 2021 |                     | 0.77%        |

(Benchmark = average 6-month 'BKBM' mid-rate of today and 6 months ago)

# CUMULATIVE QUARTERLY GRAPHS

Figures shown in thousands (\$,000)

■ Actual ■ Budget ■ Prior Year

## TOTAL REVENUE



## TOTAL EXPENDITURE



Figures shown in thousands (\$,000)

Actual Budget Prior Year

CAPITAL EXPENDITURE



TOTAL EXPENDITURE



# ACTIVITY GROUP FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure         | Year to Date Dec 2021 |                |              |            | Year End       |                |              |
|-----------------------------------|-----------------------|----------------|--------------|------------|----------------|----------------|--------------|
|                                   | Actual                | Revised Budget | Variance     | % Variance | Revised Budget | Annual Plan    | Variance *   |
| Governance and Representation     | 2,205                 | 2,122          | (83)         | (4)%       | 4,245          | 4,245          | (0)          |
| Transportation                    | 3,806                 | 5,442          | 1,636        | 30%        | 9,267          | 9,267          | (0)          |
| Stormwater                        | 1,090                 | 885            | (205)        | (23)%      | 237            | 4,419          | 4,182        |
| Wastewater                        | (172)                 | (203)          | (32)         | (15)%      | (1,638)        | (1,638)        | 0            |
| Water Supply                      | 463                   | 607            | 145          | 24%        | (460)          | (710)          | (250)        |
| Other Infrastructure              | 2,044                 | 2,464          | 419          | 17%        | 2,802          | 2,802          | (0)          |
| City Strategy                     | 2,568                 | 2,291          | (277)        | (12)%      | 6,685          | 6,500          | (184)        |
| Community and Visitor Experiences | 15,898                | 15,990         | 92           | 1%         | 32,597         | 31,070         | (1,527)      |
| Property Assets                   | (745)                 | (659)          | 87           | 13%        | (7,865)        | (7,865)        | (0)          |
| Rates and Special Funds           | (22,975)              | (22,262)       | 713          | 3%         | (44,307)       | (48,489)       | (4,182)      |
| Support Units                     | (2,398)               | (2,956)        | (558)        | (19)%      | (6,172)        | (779)          | 5,393        |
| <b>Net Operating Expenditure</b>  | <b>1,782</b>          | <b>3,721</b>   | <b>1,939</b> | <b>52%</b> | <b>(4,610)</b> | <b>(1,179)</b> | <b>3,431</b> |

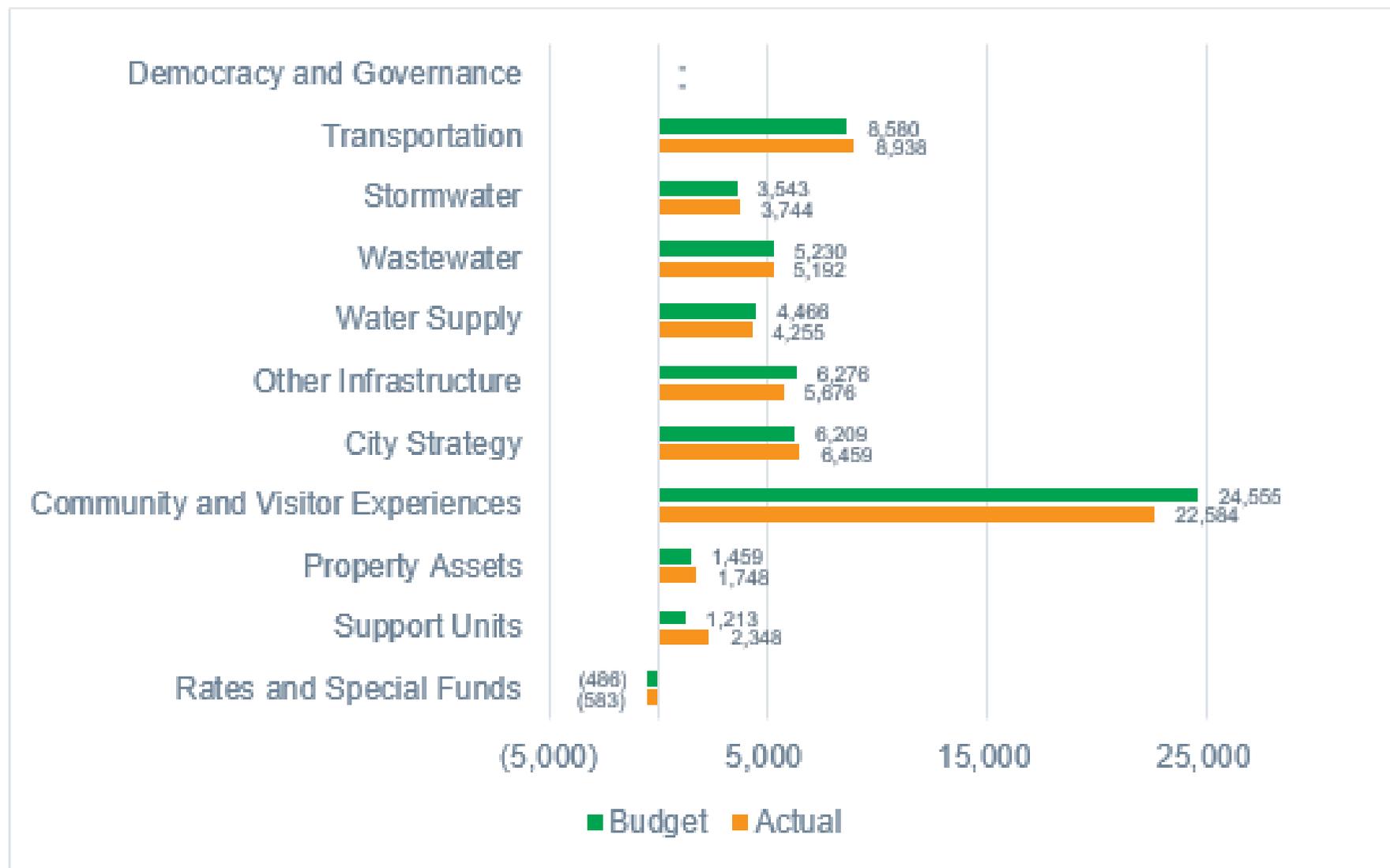
\* Variance Key

Favourable / Underspent  
Unfavourable / Overspent

Figures are shown in thousands (\$,000)

| Capital                           | Year to Date Dec 2021 |                |              |            | Year End       |               |                 |
|-----------------------------------|-----------------------|----------------|--------------|------------|----------------|---------------|-----------------|
|                                   | Actual                | Revised Budget | Variance     | % Variance | Revised Budget | Annual Plan   | Variance *      |
| Transportation                    | 4,745                 | 4,503          | (242)        | (5)%       | 12,644         | 8,194         | (4,450)         |
| Stormwater                        | 1,142                 | 1,886          | 744          | 39%        | 7,362          | 9,452         | 2,090           |
| Wastewater                        | 2,253                 | 1,986          | (267)        | (13)%      | 13,401         | 5,934         | (7,467)         |
| Water Supply                      | 1,135                 | 3,437          | 2,302        | 67%        | 10,301         | 10,470        | 169             |
| Other Infrastructure              | 215                   | 144            | (71)         | (50)%      | 3,256          | 2,872         | (384)           |
| City Strategy                     | 45                    | 337            | 292          | 87%        | 1,265          | 1,092         | (173)           |
| Community and Visitor Experiences | 2,955                 | 3,862          | 907          | 23%        | 24,752         | 17,859        | (6,893)         |
| Property Assets                   | 2,402                 | -              | (2,402)      |            | 2,739          | 2,000         | (739)           |
| Support Units                     | 3,055                 | 3,531          | 476          | 13%        | 12,454         | 6,508         | (5,947)         |
| <b>Total Capital Expenditure</b>  | <b>17,946</b>         | <b>19,686</b>  | <b>1,740</b> | <b>9%</b>  | <b>88,175</b>  | <b>64,380</b> | <b>(23,794)</b> |
| <b>Asset Sales</b>                | <b>(1,954)</b>        | <b>-</b>       | <b>1,954</b> |            | <b>-</b>       | <b>-</b>      | <b>-</b>        |

# SUMMARY NET OPERATING EXPENDITURE OF ACTIVITY



# ACTIVITY GROUP DETAIL

This section provides further detail on the key performance measures and the financial performance of each of the activities within Council.

The Council activities contribute to the Community Outcomes, as stated in the 2021-31 Long Term Plan. Council considers that meeting its service level targets constitutes a major role as a contributor to the progress of the Community Outcomes.

## Our Mission

To provide the facilities and services, the environment and leadership, plus encouragement for economic opportunities to make Napier the best city in New Zealand in which to work, raise a family and enjoy a safe and satisfying life.

## Our Vision

A vibrant and sustainable city for all.

## Our Community Outcomes

Our water is clean and safe

Our services and infrastructure meet our community's needs

Our community is connected, safe, healthy and resilient

We are a city that thrives with its community

We treasure our culture, our heritage, our environment

Our community and council are one

# DEMOCRACY & GOVERNANCE

Council's Democracy and Governance Activity provides a democratic and consultative system for governance and decision-making. The activity encompasses the management of:

- The Council meeting and decision making process
- Local elections
- Responses to official information requests

Napier City Council elections are held triennially.



**Kirsten Wise**  
Mayor

Mayor  
elected  
by the city  
as a whole

12  
Councillors

4  
wards



**Annette Brosnan**  
Deputy Mayor  
Onekawa/Tamatea



**Richard McGrath**  
Onekawa/Tamatea



**Hayley Browne**  
Ahuriri



**Keith Price**  
Ahuriri



**Api Tapine**  
Nelson Park



**Greg Mawson**  
Nelson Park



**Maxine Boag**  
Nelson Park



**Sally Crown**  
Nelson Park



**Graeme Taylor**  
Taradale



**Nigel Simpson**  
Taradale



**Ronda Chrystal**  
Taradale



**Tania Wright**  
Taradale

Council's governance function is delivered through a structure of Standing Committees, Joint Committees, Specialist and Sub-Committees and Council Controlled Organisations (CCO). Following the October 2019 election the governance structure for the 2019-2022 triennium must be established by the Mayor and adopted by Council.

The Local Governance Statement provides information on the governance structure and the processes through which Napier City Council engages with the residents of Napier, how the Council makes decisions, and how citizens can participate. This is a public document, and the 2016-2019 Local Governance Statement is available online. Once the 2019-2022 Triennium arrangements have been put in place, and the updated document has been adopted (required within six months of the election) the information will be made available via Council's website.

The overall aims are:

- To ensure the City is developed in a sustainable manner
- To promote economic growth
- To promote tourism
- To foster a safe environment
- To be a guardian of the City's assets and infrastructure
- To engender pride in Napier

A fundamental role of Council is to represent the community, to receive and understand their views, make good decisions for the benefit of the community, and if appropriate explain Council reasoning behind a particular decision or policy, to those who might be interested.

Democracy and Governance stakeholders are all residents of Napier City and the wider region. Consultation with stakeholders is carried out in accordance with the Significance and Engagement Policy.

Council's Māori Consultative Committee provides Māori perspective across all Council business, through the review of Council and Standing Committee's open agendas. The Committee makes recommendations to the Council on these items or any other matters relevant to Council, as it considers necessary.

# DEMOCRACY & GOVERNANCE PERFORMANCE SUMMARY

## Democracy and Governance

| Level of service   | Performance measures  | First Quarter | Second Quarter | Third Quarter | Target 2022/23 | Year End 2020/21 | Indicator | Comment   |
|--|---|---------------|----------------|---------------|----------------|------------------|-----------|---|
| Council holds regular Council and Council Committee meetings that are accessible and notified to the local community | Percentage of Council meetings for which meeting agenda is made publicly available two working days before the meeting date | 100%          | 100%           |               | 100%           | 100%             | ●         |   |
| Council will comply with legislative requirements  | Annual Reports and Long Term Plans receive 'unmodified' audit opinion   | N/A           | Not achieved   |               | Achieved       | 50%              | ●         | Council's 2020/21 Annual Report received an unmodified audit opinion for all information, apart from the Activity Groups Statement. The Activity Groups Statement received a qualified opinion due to incomplete information available about the number of complaints Council received relating to water supply, waste water and stormwater. Council is still in the process of resolving this issue.<br>Napier City Council is part of a joint Council working party working on a paper to the Department of Internal Affairs, which contains recommendations to rectifying the issues identified with the recording of Three Waters complaints. |
|  | Number of LGOIMA requests responded to within statutory time frames   | 97%           | 98%            |               | 100%           | New              | ●         | Delays in processing due to requirement for legal advice & clarification.   |

## Te Waka Rangapū

| Level of service   | Performance measures  | First Quarter | Second Quarter | Third Quarter     | Year End 2020/21 | Indicator | Comment   |
|--|---|---------------|----------------|-------------------|------------------|-----------|---|
|  | Legislative compliance with ss 14(1)(d), 60A, 77(1)(c), 81 and 82(2) of the Local Government Act 2002 | Compliant     | Compliant      | Compliant         | New              | ●         |   |
| We are strengthening our partnerships and recognise the special place of mana whenua and tangata whenua in Council decision making | Development of a Māori Engagement framework   | Achieved      | Achieved       | Narrative measure | New              | ●         | We have changed the way we engage with Mana Whenua. The engagement process will entail how we bring Mana / Tangata Whenua as per the following:<br><br><ul style="list-style-type: none"> <li>• Pānui ki te Marae</li> <li>• Iwi forums</li> <li>• Te Kupenga</li> <li>• Emails on kaupapa relating to Māori on a case by case basis</li> <li>• Regular catch up with Mana Whenua</li> <li>• Ngā Mānukanuka o te Iwi</li> </ul> |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# DEMOCRACY & GOVERNANCE

## FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                |             |             | Revised Budget | Annual Plan  | Notes | Comments |
|----------------------------------|-----------------------|----------------|-------------|-------------|----------------|--------------|-------|----------|
|                                  | Actual                | Revised Budget | Variance    | % Variance  |                |              |       |          |
| Revenue                          | -                     | -              | -           | -           | -              | -            |       |          |
| Expenditure                      | 2,205                 | 2,122          | (83)        | (4)%        | 4,245          | 4,245        |       |          |
| Depreciation                     | -                     | -              | -           | -           | -              | -            |       |          |
| <b>Net Operating Expenditure</b> | <b>2,205</b>          | <b>2,122</b>   | <b>(83)</b> | <b>(4)%</b> | <b>4,245</b>   | <b>4,245</b> |       |          |

Figures are shown in thousands (\$,000)

| Net Operating Expenditure             | Year to Date Dec 2021 |                |             |              | Revised Budget | Annual Plan  | Notes | Comments   |
|---------------------------------------|-----------------------|----------------|-------------|--------------|----------------|--------------|-------|--|
|                                       | Actual                | Revised Budget | Variance    | % Variance   |                |              |       |  |
| <b>Democracy and Governance</b>       |                       |                |             |              |                |              |       |  |
| Revenue                               | -                     | -              | -           | -            | -              | -            |       |  |
| Expenditure                           | 1,937                 | 1,937          | (0)         | (0)%         | 3,874          | 3,874        |       |  |
| <b>Democracy and Governance Total</b> | <b>1,937</b>          | <b>1,937</b>   | <b>(0)</b>  | <b>(0)%</b>  | <b>3,874</b>   | <b>3,874</b> |       |  |
| <b>Te Waka Rangapu</b>                |                       |                |             |              |                |              |       |  |
| Revenue                               | -                     | -              | -           | -            | -              | -            |       |  |
| Expenditure                           | 268                   | 185            | (83)        | (45)%        | 371            | 371          | -1-   | This is the first year of operation for this department. |
| <b>Te Waka Rangapu Total</b>          | <b>268</b>            | <b>185</b>     | <b>(83)</b> | <b>(45)%</b> | <b>371</b>     | <b>371</b>   |       |  |

# CITY STRATEGY

Activities in City Strategy are:

- City Development
- Resource Consents
- Regulatory Solutions
- Building Consents
- Animal Control
- Parking

## CITY DEVELOPMENT

Council plans and delivers urban and economic growth strategically and sustainably through City Development. This Council activity assesses and decides how to protect and develop our constructed and natural environments, and how best to manage that process. City Development takes into consideration Napier's historic heritage and incorporate design, functionality and aesthetics into all our city projects. We guide our investment in infrastructure so it is efficiently located and caters for the planned growth of the city.

City Development also delivers planning and policy functions by meeting the statutory requirements under the Resource Management Act 1991 (RMA) and other relevant legislation. We provide professional, strategic, clear and frank advice to the Council so they can make informed decisions to benefit our City and community now and in the future.

City Development is an ongoing activity to help citizens and elected officials design and deliver the Vision for Napier City. The City Vision identifies the principles that will achieve the city's vision "A vibrant and sustainable Napier for all". Collaboration and engagement with other government agencies, local businesses, stakeholders and resident groups is also a core function of City Development.

## RESOURCE CONSENTS

Resource Consents carries out activities required by legislation and is responsible for the administration and management of the Resource Management Act 1991 by providing the following functions:

- Processing of non-notified Resource Consents
- Preparation of reports for hearings relating to notified Resource Consents
- Management and resolution of subsequent Environment Court appeal processes
- Processing of the planning component of Building Consent applications
- Processing of Resource Consents for the subdivision of land
- Processing of Land Information Memorandums
- Implementation of an annual monitoring programme to gauge the effectiveness of the Council's environmental management policies
- Provision of planning advice and information in relation to resource consents, the administration of the District Plan, general development advice, heritage planning and conservation

- Enforcement work to ensure compliance with Resource Consent approvals and the operative District Plans
- Encouraging on-going sustainable development and enabling the community to provide for their economic well-being by the use of enabling regulations

## REGULATORY SOLUTIONS

Regulatory Solutions are responsible for licencing, monitoring and inspecting a range of services that are provided largely by local businesses, which have the potential to cause harm to the public as governed by various legislations. These businesses include; food premises, camping grounds, hairdressers, mortuaries, wine makers, offensive trades and liquor licencing services.

In addition, Council is responsible for investigating notifiable diseases, investigating and monitoring nuisance to the community, providing a noise control service and monitoring and enforcing freedom camping.

Regulatory Solutions provides advice, education and assistance to individuals and businesses for those starting out and those well established.

## BUILDING CONSENTS

The core function of Building Consents is carrying out the requirements of the Building Act 2004: the processing of building consent applications, inspecting building work on site and issuing code compliance certificates at the completion of building work. The Building Consents team also inspect swimming pool barriers, audit building warrants of fitness, investigate complaints, carry out enforcement action when required and provide advice and information to the public on building related issues.



### ANIMAL CONTROL

Animal Control is responsible for the implementation and enforcement of the Dog Control Act 1996 and Council Bylaws relating to the Dog Control Act.

Animal Control manages the registration and control of dogs, promoting responsible dog ownership, reducing nuisance created by dogs, ensuring and reducing risk to public safety from dogs and providing animal education initiatives. Emphasis is placed on responsible dog ownership, education and classification of dogs and owners in line with the provisions of the Dog Control Act 1996.

Animal Control operates an animal shelter caring for any impounded dogs, which cares for on average 500 dogs per year and responds to roaming stock requests.



### PARKING

Parking ensures that safe and adequate parking facilities are available to the residents and visitors to Napier City. This is achieved through the provision of sufficient car parking to meet demand for:

- On street parking
- Off street parking
- Leased parking
- Mobility Parking Alternative
- Transport parking, e.g. motorcycles, electric vehicles.

All parking areas under Napier City Council's control are patrolled either regularly or on request by warranted Parking Enforcement Officers. This is to ensure compliance with national legislation and local regulation. This ensures parking circulation occurs and remains available to all members of the public. Parking ensures that vehicles are parked in a safe and compliant manner.



# CITY STRATEGY PERFORMANCE SUMMARY

## CITY DEVELOPMENT

| Level of service  | Performance measures  | First Quarter       | Second Quarter      | Third Quarter | Target 2021/22  | Year End 2020/21 | Indicator | Comment         |
|---|---|---------------------|---------------------|---------------|---|------------------|-----------|-----------------|
| Provide the policy planning and strategic functions for Napier City | District Plan reviewed to align with Napier Spatial Plan document and the Infrastructure Strategy | End of Year Measure | End of Year Measure |               | 50% - draft District Plan is publicly notified                | In progress      | ●         | Achieved - 50%  |
|   | Review HPUDS strategy   | End of Year Measure | End of Year Measure |               | 50% - Reporting on the housing assessment capacity for Napier | Achieved         | ●         | Achieved - 50%  |
| Provide the strategic economic development function for Napier City | Publication of data to measure success of council objectives and inform future decision making    | End of Year Measure | End of Year Measure |               | 80% - Publications of data dashboard                          | New              | ●         | Achieved - 100% |

## BUILDING CONSENTS

| Level of service  | Performance measures   | First Quarter          | Second Quarter         | Third Quarter | Target 2021/22 | Year End 2020/21          | Indicator | Comment |
|---|--|------------------------|------------------------|---------------|----------------|---------------------------|-----------|---------|
| Council monitors and enforces legislative compliance to protect its citizens and their safety | Process building consent applications within the statutory time frame of 20 working days   | 98%<br>379 out of 388  | 98%<br>693 out of 709  |               | 100%           | 99%<br>(1286 out of 1276) | ●         |         |
|   | Process code compliance certificates within the statutory time frame of 20 working days  | 100%<br>252 out of 252 | 100%<br>479 out of 479 |               | 100%           | 99%<br>(1129 out of 1131) | ●         |         |
|   | Audit buildings requiring building warrants of fitness annually  | 6%<br>52 out of 890    | 13%<br>112 out of 895  |               | 20%            | 36%<br>(317 out of 890)   | ●         |         |
|   | Percentage of residential swimming pools inspected annually to ensure that all pool barriers are inspected at least once every 3 years | 22%<br>116 out of 536  | 55%<br>294 out of 536  |               | 33%            | 100% (855 inspections)    | ●         |         |
|   | Maintain Building Consent Authority (BCA) accreditation  | Maintained             | Maintained             |               | Maintain       | Maintained                | ●         |         |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

**RESOURCE CONSENTS**

| Level of service  | Performance measures   | First Quarter        | Second Quarter         | Third Quarter | Target 2021/22 | Year End 2020/21         | Indicator | Comment |
|---|--|----------------------|------------------------|---------------|----------------|--------------------------|-----------|---------|
| Council monitors and enforces legislative compliance to protect its citizens and their safety | Process non-notified resource consents (excluding Controlled Activities) and all subdivision consents to approval stage within the statutory time frame of 20 working days | 100%<br>87 out of 87 | 100%<br>164 out of 164 |               | 100%           | 99%<br>(222 out of 225)  | ●         |         |
|   | Process Controlled Activity Resource Consents (excluding subdivision) within 10 working days   | 100%<br>2 out of 2   | 100%<br>8 out of 8     |               | 100%           | 100%<br>(13 out of 13)   | ●         |         |
|   | Process notified Resource Consents within the statutory time frame of 130 working days   | 100%<br>0 out of 0   | 100%<br>0 out of 0     |               | 100%           | 100%<br>(0 out of 0)     | ●         |         |
|   | Process limited notified Resource Consents within 100 working days   | 100%<br>0 out of 0   | 100%<br>0 out of 0     |               | 100%           | 100%<br>(1 out of 1)     | ●         |         |
|   | Land Information Memorandums to be processed within the statutory limit of 10 working days   | 100%<br>92 out of 92 | 100%<br>180 out of 180 |               | 100%           | 100%<br>(286 out of 286) | ●         |         |
|   | All formal complaints are investigated and responded to within 3 days of receipt by Council  | 100%<br>5 out of 5   | 100%<br>8 out of 8     |               | 100%           | 100%<br>(10 out of 10)   | ●         |         |

**REGULATORY SOLUTIONS**

| Level of service  | Performance measures  | First Quarter       | Second Quarter      | Third Quarter       | Target 2021/22 | Year End 2020/21                                | Indicator | Comment |
|---|---|---------------------|---------------------|---------------------|----------------|---|-----------|---------|
| Council monitors and enforces legislative compliance to protect its citizens and their safety | Percentage of residents satisfied with Council management and enforcement of Noise Control in the Residents' Satisfaction Survey  | End of Year Measure | End of Year Measure | End of Year Measure | 80%            | 64%   | ●         |         |
|   | Percentage of Noise Control complaints referred to the contractor which have an Officer onsite and action commenced to resolve the complaint within 30 minutes of the call being received | 88%                 | 88%                 |                     | 80%            | 88%   | ●         |         |
|   | Percentage of residents satisfied with Council management and enforcement of freedom camping in the Residents' Satisfaction Survey  | End of Year Measure | End of Year Measure | End of Year Measure | 50%            | New   | ●         |         |
|   | Percentage of Food Act Verification audits completed in accordance with the scheduled times in the Food Act 2014  | End of Year Measure | End of Year Measure | End of Year Measure | 100%           | 96%<br>(256 out of 266)<br>scheduled for audit) | ●         |         |
|   | Percentage of liquor licensed premises inspected annually for compliance with their licence conditions  | End of Year Measure | End of Year Measure | End of Year Measure | 50%            | 33%<br>(75 out of 226<br>premises)              | ●         |         |
|   | Percentage of very high and high risk liquor licensed premises inspected at least annually  | End of Year Measure | End of Year Measure | End of Year Measure | 100%           | 266%<br>(13 out of 6<br>permises)               | ●         |         |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# CITY STRATEGY

## PERFORMANCE SUMMARY CONTINUED

### ANIMAL CONTROL

| Level of service   | Performance measures   | First Quarter       | Second Quarter      | Third Quarter       | Target 2021/22 | Year End 2020/21 | Indicator | Comment |
|--|--|---------------------|---------------------|---------------------|----------------|------------------|-----------|---------|
| Implement and enforce the requirements of the Dog Control Act 1996 | Percentage of residents satisfied with Council management and enforcement activity of Animal Control in the Residents' satisfaction Survey | End of Year Measure | End of Year Measure | End of Year Measure | 75%            | 65%              | ●         |         |
|  | All requests for services are investigated and responded to within 21 days   | 100%                | 100%                |                     | 100%           | 100%             | ●         |         |

### PARKING

| Level of service                                   | Performance measures   | First Quarter       | Second Quarter      | Third Quarter       | Target 2021/22 | Year End 2020/21 | Indicator | Comment |
|--|--|---------------------|---------------------|---------------------|----------------|------------------|-----------|---------|
| Provide and manage parking facilities for the city | Percentage of residents satisfied with Parking in the Inner City in the Residents' Satisfaction Survey | End of Year Measure | End of Year Measure | End of Year Measure | 60%            | 43%              | ●         |         |
|  | Percentage of residents satisfied with Parking in the Suburbs in the Resident's Satisfaction Survey    | End of Year Measure | End of Year Measure | End of Year Measure | 65%            | 51%              | ●         |         |
|  | Percentage of CBD parking occupancy rate   | End of Year Measure | End of Year Measure | End of Year Measure | 50-85%         | 0.69             | ●         |         |
|  | Percentage of Taradale parking occupancy rate  | End of Year Measure | End of Year Measure | End of Year Measure | 50-85%         | 0.61             | ●         |         |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# CITY STRATEGY FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                |              |              |                |              | Notes | Comments                          |
|----------------------------------|-----------------------|----------------|--------------|--------------|----------------|--------------|-------|-----------------------------------|
|                                  | Actual                | Revised Budget | Variance     | % Variance   | Revised Budget | Annual Plan  |       |                                   |
| Revenue                          | (3,891)               | (3,918)        | (27)         | (1)%         | (7,551)        | (7,151)      |       |                                   |
| Expenditure                      | 6,320                 | 6,019          | (301)        | (5)%         | 13,855         | 13,271       |       |                                   |
| Depreciation                     | 139                   | 190            | 52           | 27%          | 381            | 381          | -1-   | Delay in projects due to COVID-19 |
| <b>Net Operating Expenditure</b> | <b>2,568</b>          | <b>2,291</b>   | <b>(277)</b> | <b>(12)%</b> | <b>6,685</b>   | <b>6,500</b> |       |                                   |

Figures are shown in thousands (\$,000)

| Net Operating Expenditure         | Year to Date Dec 2021 |                |             |              |                |              | Notes | Comments   |
|-----------------------------------|-----------------------|----------------|-------------|--------------|----------------|--------------|-------|--|
|                                   | Actual                | Revised Budget | Variance    | % Variance   | Revised Budget | Annual Plan  |       |  |
| <b>City Strategy Admin</b>        |                       |                |             |              |                |              |       |  |
| Revenue                           | -                     | -              | -           | -            | -              | -            |       |  |
| Expenditure                       | 243                   | 237            | (6)         | (3)%         | 474            | 474          |       |  |
| <b>City Strategy Admin Total</b>  | <b>243</b>            | <b>237</b>     | <b>(6)</b>  | <b>(3)%</b>  | <b>474</b>     | <b>474</b>   |       |  |
| <b>Regulatory Consents</b>        |                       |                |             |              |                |              |       |  |
| Revenue                           | (432)                 | (244)          | 188         | 77%          | (489)          | (489)        | -2-   | 50% increase in consent activity                           |
| Expenditure                       | 684                   | 743            | 58          | 8%           | 1,485          | 1,485        |       |  |
| <b>Regulatory Consents Total</b>  | <b>252</b>            | <b>498</b>     | <b>246</b>  | <b>49%</b>   | <b>997</b>     | <b>997</b>   |       |  |
| <b>Planning Policy</b>            |                       |                |             |              |                |              |       |  |
| Revenue                           | (0)                   | -              | 0           |              | (400)          | -            |       |  |
| Expenditure                       | 898                   | 900            | 2           | 0%           | 3,317          | 2,669        |       |  |
| <b>Planning Policy Total</b>      | <b>898</b>            | <b>900</b>     | <b>2</b>    | <b>0%</b>    | <b>2,917</b>   | <b>2,669</b> |       |  |
| <b>Environmental Health</b>       |                       |                |             |              |                |              |       |  |
| Revenue                           | (242)                 | (289)          | (47)        | (16)%        | (578)          | (578)        | -3-   | Licensing and Enforcement activity is less than forecasted |
| Expenditure                       | 725                   | 690            | (36)        | (5)%         | 1,379          | 1,379        |       |  |
| <b>Environmental Health Total</b> | <b>483</b>            | <b>401</b>     | <b>(83)</b> | <b>(21)%</b> | <b>801</b>     | <b>801</b>   |       |  |

# CITY STRATEGY

## FINANCIAL SUMMARY CONTINUED

Figures are shown in thousands (\$,000)

| Net Operating Expenditure                  | Year to Date Dec 2021 |                |              |              | Revised Budget | Annual Plan  | Notes | Comments  |
|--|-----------------------|----------------|--------------|--------------|----------------|--------------|-------|---|
|  | Actual                | Revised Budget | Variance     | % Variance   |                |              |       |   |
| Revenue                                    | (1,271)               | (1,086)        | 186          | 17%          | (2,172)        | (2,172)      | -4-   | Higher than forecast building consent activity  |
| Expenditure                                | 1,827                 | 1,367          | (460)        | (34)%        | 2,734          | 2,734        | -5-   | Unbudgeted EDRMS, labour and legal costs  |
| <b>Building Consents Total</b>             | <b>556</b>            | <b>281</b>     | <b>(274)</b> | <b>(98)%</b> | <b>562</b>     | <b>562</b>   |       |   |
| <b>Animal Control</b>                      |                       |                |              |              |                |              |       |   |
| Revenue                                    | (753)                 | (758)          | (6)          | (1)%         | (832)          | (832)        |       |   |
| Expenditure                                | 604                   | 676            | 72           | 11%          | 1,329          | 1,393        | -6-   | Budget savings in various areas. Annual costs like Legal vary   |
| <b>Animal Control Total</b>                | <b>(149)</b>          | <b>(82)</b>    | <b>66</b>    | <b>80%</b>   | <b>498</b>     | <b>561</b>   |       |   |
| <b>Parking</b>                             |                       |                |              |              |                |              |       |   |
| Revenue                                    | (1,087)               | (1,435)        | (348)        | (24)%        | (2,870)        | (2,870)      | -7-   | Reduced revenue due to lockdown, CBD workers working from home & transitioning to a new parking technology. Officers are closely monitoring the Parking activity and reducing operational expenditure where possible to help mitigate further deterioration to the financial position |
| Expenditure                                | 1,067                 | 1,178          | 110          | 9%           | 2,448          | 2,448        |       |   |
| <b>Parking Total</b>                       | <b>(20)</b>           | <b>(258)</b>   | <b>(238)</b> | <b>(92)%</b> | <b>(422)</b>   | <b>(422)</b> |       |   |
| <b>City &amp; Business Promotion</b>       |                       |                |              |              |                |              |       |   |
| Revenue                                    | (105)                 | (105)          | (0)          | (0)%         | (211)          | (211)        |       |   |
| Expenditure                                | 410                   | 419            | 9            | 2%           | 1,069          | 1,069        |       |   |
| <b>City &amp; Business Promotion Total</b> | <b>304</b>            | <b>313</b>     | <b>9</b>     | <b>3%</b>    | <b>858</b>     | <b>858</b>   |       |   |

Figures are shown in thousands (\$,000)

| Capital                          | Year to Date to Dec 2021 |                |            |            | Revised Budget | Annual Plan  | Notes | Comments                                 |
|----------------------------------|--------------------------|----------------|------------|------------|----------------|--------------|-------|--|
|                                  | Actual                   | Revised Budget | Variance   | % Variance |                |              |       |  |
| <b>Animal Control</b>            |                          |                |            |            |                |              |       |  |
| Agility Tracks                   | -                        | 7              | 7          | 94%        | 20             | 20           |       |  |
| Complex Shelter & Office         | 1                        | 15             | 14         | 92%        | 30             | 30           |       |  |
| Stock Control Equipment          | -                        | 1              | 1          | 100%       | 2              | 2            |       |  |
| New Impounding Facility          | -                        | 50             | 50         | 100%       | 100            | 100          | -1-   | Plan in place to vaildate design spend   |
| <b>Total Animal Control</b>      | <b>1</b>                 | <b>74</b>      | <b>72</b>  | <b>98%</b> | <b>152</b>     | <b>152</b>   |       |  |
| <b>Parking</b>                   |                          |                |            |            |                |              |       |  |
| Additional CBD Parking           | -                        | -              | -          |            | -              | 400          |       |  |
| Alternate Transport Parking      | -                        | -              | -          |            | 39             | 10           |       |  |
| Parking Security Upgrade         | 24                       | 250            | 226        | 90%        | 1,000          | 500          | -2-   | Production delays in meters due to COVID |
| Minor Capital Items              | 15                       | 5              | (10)       | (100)%     | 5              | 5            |       |  |
| Parking Equipment Replacement    | 5                        | 8              | 3          | 36%        | 69             | 25           |       |  |
| <b>Total Parking</b>             | <b>44</b>                | <b>263</b>     | <b>219</b> | <b>83%</b> | <b>1,113</b>   | <b>940</b>   |       |  |
| <b>Total Capital Expenditure</b> | <b>45</b>                | <b>337</b>     | <b>291</b> | <b>86%</b> | <b>1,265</b>   | <b>1,092</b> |       |  |
| <b>Asset Sales</b>               | <b>-</b>                 | <b>-</b>       | <b>-</b>   |            | <b>-</b>       | <b>-</b>     |       |  |

# WATER SUPPLY

Council provides a water supply system for the supply of safe potable water as well as for firefighting purposes. Water drawn from the Heretaunga Plains aquifer and treated via chlorination prior to being distributed through the network of reservoirs and pipelines. Water is reticulated to the Napier urban area and to Bay View. Council has a programme in place to manage the usage of water, a precious natural resource, to minimise wastage and shortages.

We provide the following to the city of Napier:

- 7 ground water and 8 booster pump stations
- 11 service reservoirs situated on 8 sites
- 482km of water mains (47km of critical mains and 435km of distribution mains)
- 93% of Napier's population is serviced by reticulation system

Under the Local Government Act 2002, Council has an obligation to continue to provide water supply services to those communities already serviced within our territorial boundaries. Under the Health (Drinking Water) Amendment Act 2007, Council must protect public health by maintaining the quality of drinking-water provided to communities. Water supply is a mandatory group of activities and must be included in the 30 year Infrastructure Strategy as an infrastructure asset. We are best placed to deliver this 'public good'.

The ongoing renewal, monitoring and maintenance of the Water Supply network are essential to ensure the Napier public's health and safety.



# WATER SUPPLY PERFORMANCE SUMMARY

| Level of service                                   | Performance measures   | First Quarter       | Second Quarter      | Third Quarter       | Target 2021/22  | Year End 2020/21                      | Indicator | Comment  |
|--|--|---------------------|---------------------|---------------------|-----------------|---------------------------------------|-----------|--|
| Safeguard Public Health                            | Compliance with Part 4 criteria of the Drinking Water Standards (bacteria compliance criteria) (Mandatory measure 1)   | Achieved            | Achieved            |                     | Achieved        | Achieved                              | ◆         |  |
|  | Compliance with Part 5 criteria of the Drinking Water Standards (protozoa compliance criteria) (Mandatory measure 1)   | Achieved            | Achieved            |                     | Achieved        | Achieved                              | ◆         |  |
| Management of Environmental Impacts                | The percentage of real water losses from Council's networked reticulation system as determined through an annual water balance (Mandatory measure 2)   | End of Year Measure | End of Year Measure | End of Year Measure | ≤ 22%           | 0.16                                  | N/A       |  |
|  | Average annual consumption of drinking water per day per resident (Mandatory measure 5)  | End of Year Measure | End of Year Measure | End of Year Measure | <490 L          | 411 litres/resident/day               | N/A       |  |
|  | Median response times from time notification received: attendance time for urgent call-outs (Mandatory)  | 25.8                | 28.8                |                     | ≤ 90 minutes    | 31 minutes                            | ◆         |  |
|  | Median response times from time notification received: resolution time for urgent call-outs (Mandatory)  | 1.31                | 1.25                |                     | ≤ 6 hours       | 1.07 hours                            | ◆         |  |
|  | Median response times from time notification received: attendance for non-urgent call-outs (Mandatory)   | 19.23               | 2.88                |                     | ≤ 8 hours       | 2.20 hours                            | ◆         |  |
|  | Median response times from time notification received: resolution time for non-urgent call-outs (Mandatory)  | 23.04               | 6.43                |                     | ≤ 72 hours      | 5.00 hours                            | ◆         |  |
| Customer Satisfaction                              | Total number of complaints per 1,000 connections relating to drinking water clarity  | 0.67                | 5.68                |                     | Downwards trend | New                                   | ◆         | Increase in complaints due to summer demand and A1 & C1 bores in use |
|  | Total number of complaints per 1,000 connections relating to drinking water taste, drinking water clarity, drinking water odour, drinking water pressure or flow, and continuity of supply (Mandatory measure 4) | 1.15                | 6.32                |                     | ≤ 2             | 12.79 (verified)<br>62.59 (estimated) | ◆         | Increase in complaints due to summer demand and A1 & C1 bores in use |
|  | Percentage of residents satisfied with Water Supply in the Residents' Satisfaction Survey  | End of Year Measure | End of Year Measure | End of Year Measure | 89%             | 26%                                   | N/A       |  |
| Investigation of options for chlorine free network | Complete the 'Chlorine Free Review' report by 2021 and consult with the community on the implementation of the findings  | Achieved            | Achieved            |                     | Achieved        | New                                   | ◆●●       |  |

# WATER SUPPLY FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                |            |            | Revised Budget | Annual Plan  | Notes | Comments |
|----------------------------------|-----------------------|----------------|------------|------------|----------------|--------------|-------|----------|
|                                  | Actual                | Revised Budget | Variance   | % Variance |                |              |       |          |
| Revenue                          | (3,792)               | (3,859)        | (66)       | (2)%       | (9,235)        | (9,235)      |       |          |
| Expenditure                      | 2,581                 | 2,831          | 250        | 9%         | 5,505          | 5,255        |       |          |
| Depreciation                     | 1,674                 | 1,635          | (39)       | (2)%       | 3,270          | 3,270        |       |          |
| <b>Net Operating Expenditure</b> | <b>463</b>            | <b>607</b>     | <b>145</b> | <b>24%</b> | <b>(460)</b>   | <b>(710)</b> |       |          |

Figures are shown in thousands (\$,000)

| Capital                             | Year to Date Dec 2021 |                |          |            | Revised Budget | Annual Plan | Notes | Comments   |
|-------------------------------------|-----------------------|----------------|----------|------------|----------------|-------------|-------|--|
|                                     | Actual                | Revised Budget | Variance | % Variance |                |             |       |  |
| <b>Water Supply</b>                 |                       |                |          |            |                |             |       |  |
| IAR Pipes                           | 183                   | 285            | 102      | 36%        | 500            | 500         | -1-   | Reactive works with Transportation and other minor planned works. It is anticipated that this budget will be fully utilised by year-end. |
| IAR Pump Stations                   | 9                     | 213            | 203      | 96%        | 425            | 425         | -2-   | Delays to work programme due to resource constraints and supply delay.   |
| Water Bore Renewals                 | -                     | 50             | 50       | 100%       | 100            | 400         | -3-   | Delays to work programme due to resource constraints and supply delay. Pumps ordered.  |
| Water Treatment Renewals            | -                     | 38             | 38       | 100%       | 75             | 175         | -4-   | Works delayed due to low manganese project.  |
| IAR Water Meters                    | 0                     | 3              | 2        | 80%        | 5              | 5           |       |  |
| New Taradale Bore Field             | (0)                   | -              | -        | (100)%     | -              | 500         |       |  |
| Replacement of Enfield reservoir    | 54                    | 100            | 46       | 46%        | 200            | 400         | -5-   | Delays to work programme due to resource constraints and supply delay. Sourcing a project manager for the replacement.                   |
| Thompson Reservoir Upgrade          | 19                    | -              | (19)     | (100)%     | 35             | -           |       |  |
| Gifted/Vested Assets                | -                     | -              | -        | (100)%     | 221            | 221         |       |  |
| Upgrade Water Supply Ctrl Syst      | 105                   | 72             | (33)     | (46)%      | 160            | -           | -6-   | Works ahead of schedule.   |
| New Reservoir Taradale              | 20                    | -              | (20)     | (100)%     | 68             | -           |       |  |
| Te Awa Structure Plan               | 419                   | 431            | 12       | 3%         | 1,416          | 774         |       |  |
| Dedicated water takes from hydrants | 38                    | -              | (38)     | (100)%     | -              | -           | -7-   | Project overspend will be funded from other project budget underspends within the Water Supply Activity.                                 |
| District Modelling Projects         | 0                     | -              | -        | (100)%     | -              | 50          |       |  |
| District Monitoring Project         | 65                    | 49             | (16)     | (33)%      | 217            | -           |       |  |
| Improve Bores                       | 86                    | -              | (86)     | (100)%     | -              | -           | -8-   | Project overspend will be funded from other project budget underspends within the Water Supply Activity.                                 |

Figures are shown in thousands (\$,000)

| Capital                                   | Year to Date Dec 2021 |                |              |            | Revised Budget | Annual Plan   | Notes | Comments   |
|---|-----------------------|----------------|--------------|------------|----------------|---------------|-------|--|
|   | Actual                | Revised Budget | Variance     | % Variance |                |               |       |  |
| New bores in Awatoto                      | -                     | -              | -            |            | 841            | 500           |       |  |
| New Reservoir Westen Hills                | 35                    | 108            | 73           | 68%        | 228            | 500           | -9-   | Project subject to developer programme.  |
| New Water Treatment Plant                 | 30                    | -              | (30)         | (100)%     | -              | 1,000         |       |  |
| Reservoir inlets and outlets improvements | 14                    | -              | (14)         | (100)%     | 648            | -             |       |  |
| Awatoto Trunk main extension              | 1                     | -              | (1)          | (100)%     | -              | 500           |       |  |
| Network access points                     | 23                    | -              | (23)         | (100)%     | 96             | -             |       |  |
| K-Mart Connection                         | 0                     | -              | -            |            | -              | -             |       |  |
| Borefield No.1 Rising Main                | 6                     | -              | (6)          | (100)%     | 50             | -             |       |  |
| Taradale Falling Trunk Main               | 14                    | -              | (14)         | (100)%     | -              | -             |       |  |
| Awatoto Industrial & Phillips Road Bore   | -                     | 80             | 80           | 100%       | 1,789          | 1,000         | -10-  | Design brief completed, progressing to design.   |
| Water Network Improvements                | -                     | 275            | 275          | 100%       | 544            | 550           | -11-  | Delays to work programme due to resource constraints.  |
| Water Reservoir Improvements              | 1                     | 60             | 59           | 98%        | 120            | 320           | -12-  | Design nearing completion for resevoir mixers.   |
| Water Treatment Improvements              | 7                     | 1,675          | 1,668        | 100%       | 2,563          | 2,650         | -13-  | Co-funding for water reform project. Work being designed. NCC funding to be used once Reform funds are used. |
| Berry Farms Thurley Place S821            | 6                     | -              | (6)          | (100)%     | -              | -             |       |  |
| <b>Total Water Supply</b>                 | <b>1,135</b>          | <b>3,437</b>   | <b>2,302</b> | <b>67%</b> | <b>10,301</b>  | <b>10,470</b> |       |  |
| <b>Total Capital Expenditure</b>          | <b>1,135</b>          | <b>3,437</b>   | <b>2,302</b> | <b>67%</b> | <b>10,301</b>  | <b>10,470</b> |       |  |
| <b>Asset Sales</b>                        | <b>-</b>              | <b>-</b>       | <b>-</b>     |            | <b>-</b>       | <b>-</b>      |       |  |

# WASTEWATER

Council provides and maintains a safe, effective and efficient domestic sewage collection, treatment and disposal system to help maintain community health. In addition, we provide for a separate industrial sewage collection and disposal system for selected trade waste customers.

Council provides:

- 51 pump stations
- 388km wastewater mains
- Biological Trickling Filter plant (Awatoto)
- Milliscreen plant (Awatoto)
- 1,500m long marine outfall pipe
- 93% of Napier's population serviced by reticulation system

Under the Local Government Act 2002, the Resource Management Act 1991 and the Building Act 2004, we are obliged to provide a sewerage service, which collects, transports and disposes of household wastewater.

Council aims to protect human health and the environment and by being best placed, they can provide this 'public good' service. Wastewater is a mandatory group of activities and must be included in the 30-year Infrastructure Strategy as an infrastructure asset.



# WASTEWATER PERFORMANCE SUMMARY

| Level of service   | Performance measures   | First Quarter       | Second Quarter      | Third Quarter       | Target 2021/22             | Year End 2020/21                     | Indicator | Comment   |
|--|--|---------------------|---------------------|---------------------|----------------------------|--------------------------------------|-----------|---|
| Public Health and Sanitation: We operate, maintain, and size the network to minimise the occurrence of raw wastewater overflows into habitable areas | Number of wastewater overflows   | 0.459               | 0.115               |                     | <0.12 per 1000 connections | 0.27                                 | ●         | No of overflows exceeded the target against the 1st quarter. More CCTV and cleaning being undertaken to ensure blockage issues are managed. The progress in the reduction of pipe blockages and reduced overflows may be reflected in subsequent reporting. |
| Minimise Environmental Impacts: By treating wastewater to the legally required standard before discharging into the environment                      | Compliance with resource consents for discharge from the wastewater system as measured by the number of abatement notices received in relation to wastewater resource consents (Mandatory)     | 0                   | 0                   |                     | ZERO                       | 1.00                                 | ●         |   |
|  | Compliance with resource consents for discharge from the wastewater system as measured by the number of infringement notices received in relation to wastewater resource consents (Mandatory)  | 1                   | 0                   |                     | ZERO                       | 0                                    | ●         | Blockages near the Hardinge Rd WWPS caused an overflow and this infringement notice pertains to it. Required remediation implemented.   |
|  | Compliance with resource consents for discharge from the wastewater system as measured by the number of enforcement orders received in relation to wastewater resource consents (Mandatory)    | 0                   | 0                   |                     | ZERO                       | 0%                                   | ●         |   |
|  | Compliance with resource consents for discharge from the wastewater system as measured by the number of convictions received in relation to wastewater resource consents (Mandatory)           | 0                   | 0                   |                     | ZERO                       | 0                                    | ●         |   |
| Customer Responsiveness and Satisfaction:  | Median response times to sewerage overflows: attendance time from notification to staff on site (Mandatory)  | 0.63                | 0.60                |                     | ≤2 hours                   | 1.35 hours TBC                       | ●         |   |
| We respond to and restore loss of service and address complaints AND will deliver a consistently high level of customer satisfaction                 | Median response times to sewerage overflows: resolution time from notification to resolution of the issue (Mandatory)  | 2.69                | 3.60                |                     | ≤8 hours                   | 2.77 hours TBC                       | ●         |   |
|  | Customer satisfaction with wastewater in the Residents' Satisfaction Survey  | End of Year Measure | End of Year Measure | End of Year Measure | 70%                        | New                                  | N/A       |   |
|  | Total number of complaints per 1,000 connections relating to sewage odour, sewerage system faults, sewerage system blockages, and response to issues with Napier's sewerage system (Mandatory) | 4.818               | 3.442               |                     | ≤36                        | 4.24 (verified)<br>15.30 (estimated) | ●         |   |
|  | Blockages resulting in overflows into the Ahuriri Estuary  | 0                   | 0                   |                     | 0%                         | New                                  | ●         |   |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# WASTEWATER FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                |             |              | Revised Budget | Annual Plan    | Notes | Comments |
|----------------------------------|-----------------------|----------------|-------------|--------------|----------------|----------------|-------|----------|
|                                  | Actual                | Revised Budget | Variance    | % Variance   |                |                |       |          |
| Revenue                          | (5,364)               | (5,433)        | (69)        | (1)%         | (12,883)       | (12,883)       |       |          |
| Expenditure                      | 2,154                 | 2,278          | 124         | 5%           | 5,341          | 5,341          |       |          |
| Depreciation                     | 3,038                 | 2,952          | (87)        | (3)%         | 5,904          | 5,904          |       |          |
| <b>Net Operating Expenditure</b> | <b>(172)</b>          | <b>(203)</b>   | <b>(32)</b> | <b>(15)%</b> | <b>(1,638)</b> | <b>(1,638)</b> |       |          |

Figures are shown in thousands (\$,000)

| Capital                               | Year to Date Dec 2021 |                |              |              | Revised Budget | Annual Plan  | Notes | Comments  |
|---------------------------------------|-----------------------|----------------|--------------|--------------|----------------|--------------|-------|---|
|                                       | Actual                | Revised Budget | Variance     | % Variance   |                |              |       |   |
| <b>Wastewater</b>                     |                       |                |              |              |                |              |       |   |
| Sewer Pipe Renewal                    | 487                   | 451            | (37)         | (8)%         | 1,331          | 650          |       |   |
| Sewer Pump Station Renewal            | 342                   | 436            | 93           | 21%          | 2,619          | 605          | -1-   | Airport Pump Station final timing subject to contractor's programme at tendering. Expenditure expected later in the financial year. |
| Treatment Plant Renewal               | 44                    | 100            | 56           | 56%          | 248            | 400          | -2-   | Planned work re-programmed to later in the financial year.  |
| Wastewater Treatment Plant Upgrade    | 424                   | 183            | (241)        | (100)%       | 4,107          | -            | -3-   | Additional site investigation and design works completed.   |
| Wastewater Outfall IAR                | 79                    | -              | (79)         | (100)%       | 488            | -            | -4-   | Additional works required on the Outfall.   |
| Flow meter replacements               | -                     | 10             | 10           | 100%         | 20             | 20           |       |   |
| SCADA Upgrade                         | 227                   | 100            | (128)        | (100)%       | 343            | -            | -5-   | Equipment purchased ahead of schedule to minimise any potential supply chain problems.  |
| Wastewater Treatment Renewals         | 5                     | 6              | 1            | 17%          | 200            | 1,000        |       |   |
| Gifted/Vested Assets                  | -                     | -              | -            |              | 401            | 401          |       |   |
| Wastewater Network Improvements       | -                     | 15             | 15           | 100%         | 50             | 50           |       |   |
| Wastewater Pump Station Improvements  | 0                     | 79             | 79           | 100%         | 585            | 885          | -6-   | Project due to start in the second half of the financial year.  |
| Tradewaste New Projects               | 45                    | 51             | 6            | 12%          | 73             | 373          |       |   |
| Wastewater Growth Projects            | -                     | 40             | 40           | 100%         | 200            | 500          | -7-   | Expenditure profile subject to developers timeframes.   |
| Flow metering                         | 13                    | 37             | 24           | 65%          | 369            | 250          |       |   |
| Guppy Rd pumping main installation    | -                     | -              | -            |              | 30             | -            |       |   |
| Harold Holt wastewater upgrades       | 240                   | 174            | (66)         | (38)%        | 245            | -            | -8-   | Works completed ahead of schedule.  |
| Installation of Generator Connections | 0                     | -              | -            |              | 188            | -            |       |   |
| Odour control at Petane pump station  | 0                     | -              | -            |              | 39             | -            |       |   |
| Pandora Industrial Main               | 79                    | 15             | (64)         | (100)%       | 500            | 500          | -9-   | Works including investigations are ahead of schedule.   |
| Taradale Wastewater Diversion         | 14                    | -              | (14)         | (100)%       | 50             | -            |       |   |
| Te Awa Structure Plan - Wastewater    | 252                   | 290            | 38           | 13%          | 1,316          | 300          | -10-  | Expenditure profile subject to contractors programme.   |
| <b>Total Wastewater</b>               | <b>2,253</b>          | <b>1,986</b>   | <b>(267)</b> | <b>(13)%</b> | <b>13,401</b>  | <b>5,934</b> |       |   |
| <b>Total Capital Expenditure</b>      | <b>2,253</b>          | <b>1,986</b>   | <b>(267)</b> | <b>(13)%</b> | <b>13,401</b>  | <b>5,934</b> |       |   |
| <b>Asset Sales</b>                    | <b>-</b>              | <b>-</b>       | <b>-</b>     |              | <b>-</b>       | <b>-</b>     |       |   |

# STORMWATER

The Napier City Council in collaboration with Bay of Plenty Regional Council operates a stormwater collection and disposal system that include both piped and open waterway components within the city to provide stormwater services to the public.

Council has a statutory responsibility to ensure stormwater is managed through ownership and management of its own stormwater drainage network. The Council is a viable provider of this 'public good' service for the well-being of the community. Stormwater is a mandatory group of activities and must be included in the 30-year Infrastructure Strategy as an infrastructure asset.

Council provides and maintains a stormwater disposal system for Napier with the aim to minimise the effects of flooding. The system, serving approximately 97% of the city's population, consists of open drains, stormwater mains, and pump stations with about 75% of Napier reliant on pumped systems for stormwater drainage.

We provide:

- 239km stormwater mains
- 122km open drains (44.4km of major drains and 75.6km of minor drains)
- 10 pump stations
- 3 detention dams
- 5,297 manholes



# STORMWATER PERFORMANCE SUMMARY

| Level of service  | Performance measures   | First Quarter       | Second Quarter      | Third Quarter       | Target 2021/22 | Year End 2020/21  | Indicator | Comment                           |
|---|--|---------------------|---------------------|---------------------|----------------|---|-----------|-----------------------------------|
| The stormwater network adequately protects the health and safety of Napier residents and protects property by providing protection against flooding | Number of flooding events that occur per year (Mandatory)  | 0                   | 0                   |                     | ≤1             | 1   | ●         |                                   |
|   | For each flooding event, the number of habitable floors affected per 1,000 properties (Mandatory)  | 0                   | 0                   |                     | ≤1             | 4   | ●         |                                   |
|   | Median response time to attending a flood event (notification to personnel being on site) (Mandatory)  | 0                   | 0                   |                     | ≤2 hours       | 28.05 hours<br>TBC  | ●         |                                   |
| Stormwater is collected and disposed of in a manner that protects public and environmental health   | Compliance with resource consents for discharge from the stormwater system as measured by the number of abatement notices (Mandatory)  | 0                   | 0                   |                     | Zero           | 0%  | ●         |                                   |
|   | Compliance with resource consents for discharge from the stormwater system as measured by the number of infringement notices (Mandatory)   | 0                   | 0                   |                     | Zero           | 0   | ●         |                                   |
|   | Compliance with resource consents for discharge from the stormwater system as measured by the number of enforcement orders (Mandatory)   | 0                   | 0                   |                     | Zero           | 0%  | ●         |                                   |
|   | Compliance with resource consents for discharge from the stormwater system as measured by the number of convictions received in relation to stormwater resource consents (Mandatory) | 0                   | 0                   |                     | Zero           | 0   | ●         |                                   |
| Residents are satisfied with Council's stormwater service   | Number of complaints received about performance of stormwater system (per 1,000 properties connected) (Mandatory)  | 2,238               | 2,370               |                     | ≤5             | 2.33 (verified)<br>9.04<br>2.33 (verified)<br>9.04 (estimate) | ●         |                                   |
|   | Percentage of residents satisfied with stormwater in Residents' Satisfaction Survey  | End of Year Measure | End of Year Measure | End of Year Measure | 89%            | 42%   | N/A       |                                   |
| Stormwater is collected and disposed of in a manner that protects public and environmental health   | Number of education programmes delivered to improve stormwater quality   | 0                   | 0                   |                     | >1             | New   | ●         | A campaign in 2nd quarter planned |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# STORMWATER FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                |              |              | Revised Budget | Annual Plan  | Notes | Comments  |
|----------------------------------|-----------------------|----------------|--------------|--------------|----------------|--------------|-------|---|
|                                  | Actual                | Revised Budget | Variance     | % Variance   |                |              |       |   |
| Revenue                          | (2,654)               | (2,658)        | (4)          | (0)%         | (6,502)        | (2,320)      |       |   |
| Expenditure                      | 1,653                 | 1,441          | (212)        | (15)%        | 2,535          | 2,535        | -1-   | On-going, unbudgeted costs incurred due to the November 2020 flood event. |
| Depreciation                     | 2,091                 | 2,102          | 11           | 1%           | 4,204          | 4,204        |       |   |
| <b>Net Operating Expenditure</b> | <b>1,090</b>          | <b>885</b>     | <b>(205)</b> | <b>(23)%</b> | <b>237</b>     | <b>4,419</b> |       |   |

Figures are shown in thousands (\$,000)

| Capital  | Year to Date Dec 2021 |                |          |            | Revised Budget | Annual Plan | Notes | Comments   |
|--|-----------------------|----------------|----------|------------|----------------|-------------|-------|--|
|  | Actual                | Revised Budget | Variance | % Variance |                |             |       |  |
| <b>Stormwater</b>  |                       |                |          |            |                |             |       |  |
| Upgrading Stormwater Catchments                                | 55                    | -              | (55)     | (100)%     | -              | -           | -1-   | Thames St/Pandora Rd Roundabout works extended into the 2021/22 FY. Funding to be identified from this year's capital programme. |
| Stormwater IAR   | (0)                   | 13             | 13       | 100%       | 85             | 85          | -2-   | Programme behind schedule. SW projects at Waghorne Street & 19 Marine Parade. Survey planned for early 2022.                     |
| SW Pump Station Renewal  | 5                     | 37             | 32       | 86%        | 160            | 160         | -3-   | Procurement to be undertaken in 2nd half of the financial year.  |
| Pump station minor replacements (mechanical)                   | -                     | -              | -        |            | 20             | -           |       |  |
| SCADA minor replacements                                       | 21                    | 25             | 4        | 16%        | 25             | 25          |       |  |
| Stormwater pump replacements                                   | 80                    | 194            | 115      | 59%        | 255            | 180         | -4-   | Work progressing to procure replacement pump for Onehunga PS   |
| Stormwater pump station electrical replacements                | 22                    | -              | (22)     | (100)%     | -              | -           |       |  |
| Thames/Tynes pipe and drain upgrades                           | -                     | -              | -        |            | 66             | -           |       |  |
| Gifted Vested Assets   | -                     | -              | -        |            | 448            | 448         |       |  |
| Bay View Pump Station  | 4                     | -              | (4)      | (100)%     | -              | -           |       |  |
| Extend Outfalls Marine Parade                                  | -                     | -              | -        |            | 74             | -           |       |  |
| Drain Improvements   | -                     | 8              | 8        | 100%       | 77             | 30          |       |  |
| Ahuriri Master Plan stormwater study                           | 44                    | 46             | 2        | 4%         | 145            | 100         |       |  |
| Ahuriri Master Plan Project 11 - Pandora catchment improvement | 13                    | -              | (13)     | (100)%     | 100            | -           |       |  |
| Ahuriri Master Plan Project 3 - improve direct outfalls        | 9                     | -              | (9)      | (100)%     | 212            | -           |       |  |
| SCADA upgrade project  | 41                    | -              | (41)     | (100)%     | 115            | -           | -5-   | Programme ahead of schedule.   |

Figures are shown in thousands (\$,000)

| Capital                                | Year to Date Dec 2021 |                |            |            | Revised Budget | Annual Plan  | Notes | Comments   |
|--|-----------------------|----------------|------------|------------|----------------|--------------|-------|--|
|  | Actual                | Revised Budget | Variance   | % Variance |                |              |       |  |
| Taradale Stormwater Diversion          | 0                     | -              | -          |            | -              | -            |       |  |
| SCADA upgrade project                  | 844                   | 769            | (75)       | (10)%      | 1,810          | -            | -6-   | Programme ahead of schedule.   |
| Te Awa Structure Plan                  | -                     | -              | -          |            | 72             | -            |       |  |
| Upgrading Dalton St pump station       | 4                     | -              | (4)        | (100)%     | 46             | -            |       |  |
| Upgrade existing Onehunga pump station | -                     | -              | -          |            | 79             | -            |       |  |
| Ahuriri Estuary Projects               | -                     | 33             | 33         | 99%        | 110            | 140          | -7-   | Lagoon Farm Diversion to be procured in the second half of the financial year.                     |
| Flood Alleviation Projects             | 1                     | 8              | 6          | 80%        | 250            | 500          |       |  |
| Open Waterway Improvements             | -                     | 86             | 86         | 100%       | 356            | 566          | -8-   | Procurement progressing on various projects. Increased spend expected later in the financial year. |
| Stormwater Pump Station Improvements   | -                     | 395            | 395        | 100%       | 1,700          | 1,700        | -9-   | Design completed, construction in progress.  |
| Stormwater Growth Projects             | -                     | 273            | 273        | 100%       | 1,194          | 5,518        | -10-  | Expenditure profile subject to developers/contractors programme.                                   |
| <b>Total Stormwater</b>                | <b>1,142</b>          | <b>1,886</b>   | <b>744</b> | <b>39%</b> | <b>7,398</b>   | <b>9,452</b> |       |  |
| <b>Total Capital Expenditure</b>       | <b>1,142</b>          | <b>1,886</b>   | <b>744</b> | <b>39%</b> | <b>7,398</b>   | <b>9,452</b> |       |  |
| <b>Asset Sales</b>                     | <b>-</b>              | <b>-</b>       | <b>-</b>   |            | <b>-</b>       | <b>-</b>     |       |  |

# TRANSPORTATION

We own, maintain and develop the local transportation network. The city's road network provides accessibility to Napier residents and visitors within a safe, clean and aesthetic environment. The activities within this group include the installation and maintenance of the physical components; roads, footpaths, traffic and pedestrian bridges and structures, street lighting, drainage, traffic services and safety (e.g. street furniture, traffic lights, signage), as well as the planning, management and amenity and safety maintenance to ensure the system is clean, safe and able to cope with future needs.

Transportation corridors are a key element of the local environment, supporting the community and economy. It is essential that transportation continues to be delivered to an appropriate standard to achieve national, regional and NCC's strategic objectives and desired outcomes.

We provide the following to the City of Napier:

- 301km of urban roads and footpaths
- 56km of rural roads
- 45km of cycle paths
- 480km of kerb and channel
- 8,616 street lights
- 3,400 amenity lights
- 8 vehicle bridges
- 10 pedestrian bridges
- 61 culverts larger than 900mm in diameter
- 5,441 sumps and manholes
- 1,369 culverts less than 900mm in diameter
- 15,822m of traffic islands
- 9,555m of safety barriers and railings
- 5,902 street trees
- 6,885 street signs
- 24 bus shelters



# TRANSPORTATION PERFORMANCE SUMMARY

| Level of service  | Performance measures   | First Quarter       | Second Quarter      | Third Quarter       | Target 2021/22            | Year End 2020/21 | Indicator | Comment |
|---|--|---------------------|---------------------|---------------------|---------------------------|------------------|-----------|---------|
| Design and construct safety improvements to minimise the number of injury crashes | The change from the previous calendar year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (DIA Performance Measure 1) | End of Year Measure | End of Year Measure | End of Year Measure | -1                        | +1               | N/A       |         |
| Provide well maintained roads   | The average quality of ride on a sealed local road network, measured by smooth travel exposure (DIA Performance Measure 2)   | End of Year Measure | End of Year Measure | End of Year Measure | 85%                       | 92%              | N/A       |         |
|   | Average roughness  | End of Year Measure | End of Year Measure | End of Year Measure | <100 surface              | New              | N/A       |         |
|   | Peak Roughness   | End of Year Measure | End of Year Measure | End of Year Measure | >145 surface              | New              | N/A       |         |
|   | Number of instances where road access is lost  | End of Year Measure | End of Year Measure | End of Year Measure | <2 (arterial), <8 (total) | New              | N/A       |         |
| Provide well- maintained footpaths and cycleways (DIA Performance Measure 4)      | Percentage of footpaths and cycleways rated 4 or 5 (rating 1 best to 5 worst) based on independent survey  | End of Year Measure | End of Year Measure | End of Year Measure | 1%                        | 1.53%            | N/A       |         |
|   | Percentage of residents being satisfied (very satisfied or fairly satisfied) with 'footpaths' in the Napier City Council Residents' Satisfaction Survey                        | End of Year Measure | End of Year Measure | End of Year Measure | 85%                       | 67%              | N/A       |         |
|   | Percentage of residents satisfied (very satisfied and fairly satisfied) with 'roads' in the Napier City Council Residents' Satisfaction Survey                                 | End of Year Measure | End of Year Measure | End of Year Measure | 85%                       | 60%              | N/A       |         |
| Maintain a high level of customer service   | Percentage of customer service requests responded to within 5 working days (DIA Mandatory Measure 5)   | 100%                | 100%                | End of Year Measure | 90%                       | 100%             | ●         |         |
| Provide adequate renewal of road surfacing  | Percentage of the sealed local road network that is resurfaced (DIA Mandatory Measure 3)   | End of Year Measure | End of Year Measure | End of Year Measure | 5%                        | 1.7%             | N/A       |         |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# TRANSPORTATION FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                |              |            | Revised Budget | Annual Plan  | Notes | Comments  |
|----------------------------------|-----------------------|----------------|--------------|------------|----------------|--------------|-------|---|
|                                  | Actual                | Revised Budget | Variance     | % Variance |                |              |       |   |
| Revenue                          | (5,132)               | (3,138)        | 1,994        | 64%        | (6,441)        | (6,441)      | -1-   | Unbudgeted MBIE Shovel Ready grants offset by unbudgeted costs. Some NZTA subsidised works are ahead of schedule, offset by higher costs than budgeted. Unbudgeted NZTA revenue due to the November 2020 flood event, offset by unbudgeted costs. Additional Financials Contributions received from developments. |
| Expenditure                      | 5,016                 | 4,582          | (434)        | (9)%       | 7,713          | 7,713        |       |   |
| Depreciation                     | 3,922                 | 3,998          | 76           | 2%         | 7,996          | 7,996        |       |   |
| <b>Net Operating Expenditure</b> | <b>3,806</b>          | <b>5,442</b>   | <b>1,636</b> | <b>30%</b> | <b>9,267</b>   | <b>9,267</b> |       |   |

Figures are shown in thousands (\$,000)

| Capital                                      | Year to Date Dec 2021 |                |          |            | Revised Budget | Annual Plan | Notes | Comments  |
|--|-----------------------|----------------|----------|------------|----------------|-------------|-------|---|
|  | Actual                | Revised Budget | Variance | % Variance |                |             |       |   |
| <b>Road Capital</b>                          |                       |                |          |            |                |             |       |   |
| Roading Renewals                             | 690                   | 1,325          | 635      | 48%        | 3,329          | 3,529       | -1-   | Renewals delayed due to Covid-19 level 4 restrictions, however is expected to be on target by year-end.                                   |
| N/S Roading Renewals                         | 196                   | 262            | 66       | 25%        | 730            | 530         | -2-   | Renewals delayed due to Covid-19 level 4 restrictions, however is expected to be on target by year-end.                                   |
| Gifted/Vested Assets                         | -                     | -              | -        |            | 1,175          | 1,175       |       |   |
| West Quay One Way                            | 203                   | 183            | (20)     | (11)%      | 694            | -           |       |   |
| CBD Development                              | 22                    | -              | (22)     | (100)%     | 300            | -           |       |   |
| Urban Growth Northwest Dvlpmnt               | -                     | -              | -        |            | 100            | 100         |       |   |
| Te Awa Structure Plan                        | 1,120                 | 1,137          | 17       | 1%         | 2,289          | 250         |       |   |
| Ahuriri Masterplan - Pandora Road Upgrade    | 291                   | 308            | 17       | 6%         | 960            | 960         |       |   |
| Ahuriri Masterplan - Associated improvements | 8                     | -              | (8)      | (100)%     | 100            | 100         |       |   |
| Ground stabilisation and retaining wall      | 73                    | -              | (73)     | (100)%     | 183            | -           | -3-   | Works completed ahead of schedule.  |
| Major Intersection Improvement Projects      | 581                   | 403            | (178)    | (44)%      | 403            | -           | -4-   | The overspend is on the Thames/Pandora Roundabout project and is to be funded from other project underspends within the Roading Activity. |
| Intersection Improvement Projects            | 17                    | 40             | 23       | 58%        | 300            | 300         |       |   |

Figures are shown in thousands (\$,000)

| Capital  | Year to Date Dec 2021 |                |              |             | Revised Budget | Annual Plan  | Notes | Comments   |
|--|-----------------------|----------------|--------------|-------------|----------------|--------------|-------|--|
|  | Actual                | Revised Budget | Variance     | % Variance  |                |              |       |  |
| Intersection Safety Improvement Projects                 | 741                   | 423            | (318)        | (75)%       | 517            | 200          | -5-   | Project overspends on the York Avenue/Auckland Road Roundabout, Meeanee Quay Traffic Calming & Riverbend Road Traffic Calming projects and will be funded from other project budget underspends within the Rooding Activity. |
| KiwiRail - Level Crossing                                | -                     | -              | -            |             | 90             | -            |       |  |
| Local Area Traffic Management Projects                   | 238                   | 197            | (41)         | (21)%       | 330            | 330          | -6-   | Works completed ahead of schedule.   |
| Marine Parade Safety Improvements                        | 30                    | -              | (30)         | (100)%      | -              | -            |       |  |
| New Cycle and Walking Tracks                             | 399                   | 22             | (377)        | (100)%      | 224            | -            | -7-   | The majority of the overspend relates to unbudgeted Shovel Ready Projects which are funded by MBIE. The balance of the overspend are NCC funded projects which are ahead of schedule.  |
| Puketitiri Road Upgrade                                  | 32                    | -              | (32)         | (100)%      | 150            | -            | -8-   | Works completed ahead of schedule.   |
| School Zone Safety work                                  | 44                    | 45             | 1            | 2%          | 300            | 300          |       |  |
| Urban Corridor Improvement Projects                      | 59                    | 159            | 100          | 63%         | 420            | 420          | -9-   | It is unlikely that this budget will be fully utilised this financial year. It is anticipated that any unspent budget will fund the overspends on the Intersection Safety Improvement Projects.                              |
| Ahuriri Masterplan - Thames Severn Stormwater Management | -                     | -              | -            |             | 50             | -            |       |  |
| <b>Total Road Capital</b>                                | <b>4,745</b>          | <b>4,503</b>   | <b>(240)</b> | <b>(5)%</b> | <b>12,644</b>  | <b>8,194</b> |       |  |
| <b>Total Capital Expenditure</b>                         | <b>4,745</b>          | <b>4,503</b>   | <b>(240)</b> | <b>(5)%</b> | <b>12,644</b>  | <b>8,194</b> |       |  |
| <b>Asset Sales</b>                                       | <b>(7)</b>            | -              | -            |             | -              | -            |       |  |

# OTHER INFRASTRUCTURE

Activities in Other Infrastructure are:

- Waste Minimisation
- Cemeteries
- Public Toilets

## WASTE MINIMISATION

Council provides a domestic refuse collection service for both residential and commercial properties within Napier as follows:

- Residential Properties – once per week
- Commercial (Suburban Shops) – twice per week
- Commercial (Central Business District) – three times per week

Litter bins and drums are located throughout the city and serviced on a daily basis. Our Refuse Transfer Station at Redclyffe accepts most domestic, garden and building waste, and recyclables.

Council provides a kerbside recycling service for residential properties on a fortnightly schedule.

Currently Napier disposes of approximately 17,000 tonnes of refuse annually to the Omarunui landfill from the domestic collection, litter collection and the Transfer Station. The Omarunui Landfill is the final disposal point for waste generated by the combined populations of Hastings District and Napier City. The Hastings District and Napier City Councils jointly own the facility, (63.68% and 36.32% ownership respectively) and Hastings District Council manages the day-to-day operations.

The Waste Minimisation Act 2008 requires councils to adopt a Waste Management and Minimisation plan (WMMP), which must be reviewed every six years. A WMMP is council's waste management and minimisation planning document. The legislation enables councils to use various tools to influence, promote and implement measures to manage and minimise waste.

The Local Government Act 2002 requires Council to provide 'effective and efficient' waste management services. The Waste Minimisation Act 2008 requires us to reduce the environmental impact of waste in New Zealand by encouraging waste reduction. The continued provision of this service is essential to the health of Napier's community and maintaining high environmental standards. Council delivers this 'public good' service.

The main goals for Waste Minimisation are:

- To provide effective and efficient systems for the collection and disposal of refuse and collection of recyclable materials.
- To minimise the quantity and toxicity of waste being generated and disposed of in order to minimise adverse environmental, cultural, social and economic effects of refuse disposal

Over the 10-year life of the LTP, we will continue to deliver waste minimisation services.

The provision of additional litterbins in tourist areas and the increasing recreational facilities are driving an increased level of service in this activity. We are also facing a number of long-term issues to address, such as the reducing capacity of the Omarunui Landfill and challenging recycling commodities markets.

The landfill currently in use will be full by 2025 based on estimations. Together with the joint owner, the Hastings District Council, the Waste Futures study project investigated alternative waste disposal technologies. The result from this study is a decision to develop the landfill further, whilst focussing on diversion of recyclables and organic material. In summary, the alternative waste disposal technologies can have very high diversion rates but come at a higher cost and level of risk.

## CEMETERIES

Napier City Council operates and maintains six cemeteries within the territorial boundary of the city. Several of the existing cemeteries within the city have significant historical value.

Hastings District Council owns and operates the crematorium for the Hawke's Bay region. There is also one private crematorium facility in the Onekawa industrial area.

There are no private cemeteries in the Napier City Council area.

Apart from catering to the legal needs and requirements relating to burials and interment of ashes, cemeteries also provide a tangible link to a region's past. Many of the old Napier cemeteries are now popular with visitors wishing to learn more about the history of a region's early residents and to those people undertaking genealogy research.

Council also provides an on line cemetery database allowing access to burial details.

## PUBLIC TOILETS

Council provides and maintains public toilet facilities to meet the needs and demands of the community and visitors to the City. Currently the city has 45 operational public toilet facilities.

Public toilets are provided in key areas generally related to tourism (e.g. i-SITE Visitor Centre), recreation (both at sportsgrounds and passive recreation areas) and shopping activities (e.g. Dickens Street and Maraenui Shopping Centre). Council cleans and inspects facilities at least daily with the emphasis on hygiene, safety, discouragement and removal of graffiti.

# OTHER INFRASTRUCTURE PERFORMANCE SUMMARY

| Level of service  | Performance measures  | First Quarter       | Second Quarter      | Third Quarter       | Target 2021/22             | Year End 2020/21   | Indicator | Comment  |
|---|---|---------------------|---------------------|---------------------|----------------------------|--------------------|-----------|--|
| <b>Waste Minimisation</b>   |   |                     |                     |                     |                            |                    |           |  |
| A weekly kerbside refuse collection service is provided to city residents                           | Weeks per year that the refuse service is available to the residents of Napier                              | 13 weeks            | 13 weeks            |                     | 52 weeks                   | 52 Weeks           | ●         |  |
|   | Percentage of residents satisfied with the refuse collection in the Residents' Satisfaction Survey          | End of Year Measure | End of Year Measure | End of Year Measure | 90%                        | 81%                | N/A       |  |
|   | Weeks per year that the recycling service is available to the residents of Napier                           | 13 weeks            | 13 weeks            |                     | 52 weeks                   | 52 Weeks           | ●         |  |
| Provision of recycling drop-off facility  | Days per year where drop-off services are available to the public   | 11 weeks            | 13 weeks            |                     | 362                        | 362                | ●         | Due to Covid19 L4 the recycling area was closed for two weeks.                             |
| Availability of the user-pays refuse transfer station and associated services                       | Days per year where transfer station services are available to the public                                   | 11 weeks            | 13 weeks            |                     | 362                        | 362                | ●         | Under Covid19 L4 only commercial waste operators could access for rubbish disposal.        |
|   | Compliance with resource consents related to the transfer station and closed landfills                      | 100%                | 100%                |                     | 100%                       | New                | ●         | No issues or complaints, reporting completed and water take bore surveyed as part of this. |
| Availability of and attendance at waste minimisation education                                      | Students/customers attending education sessions for the Waste Aware Programme or other education in person  | 0                   | 0                   |                     | >750 attendees             | 0                  | ●         | Q2 had nine classes from two schools booked, however all were cancelled due to Covid19.    |
| Litter control, graffiti, and vandalism   | Percentage of residents satisfied with control of litter and graffiti in the Residents' Satisfaction Survey | End of Year Measure | End of Year Measure | End of Year Measure | 90%                        | 70%                | N/A       |  |
| Council promotes waste minimisation activities  | Waste to landfill per capita  | 59.6 kg per capita  | 64.92kg per capita  |                     | 300kg per capita per annum | 296Kg/capita/annum | ●         |  |
| <b>Cemeteries</b>   |   |                     |                     |                     |                            |                    |           |  |
| Cemeteries' records are well maintained and accessible  | An online cemeteries records system is available 90% of the time  | 98%                 | 98%                 |                     | 90%                        | 98%                | ●         |  |
| Cemeteries are well maintained and provide a quiet and aesthetically pleasing environment for users | Satisfaction with cemeteries as measured by the Residents' Satisfaction Survey                              | End of Year Measure | End of Year Measure | End of Year Measure | 90%                        | New                | N/A       |  |
| <b>Public Toilets</b>   |   |                     |                     |                     |                            |                    |           |  |
| Public conveniences are clean hygienic, and safe  | Percentage of customers who are satisfied with public toilets in the Residents' Satisfaction Survey         | End of Year Measure | End of Year Measure | End of Year Measure | 88%                        | 98%                | N/A       |  |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# OTHER INFRASTRUCTURE FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                |            |            | Revised Budget | Annual Plan  | Notes | Comments  |
|----------------------------------|-----------------------|----------------|------------|------------|----------------|--------------|-------|---|
|                                  | Actual                | Revised Budget | Variance   | % Variance |                |              |       |   |
| Revenue                          | (3,632)               | (3,813)        | (180)      | (5)%       | (13,290)       | (13,290)     |       |   |
| Expenditure                      | 5,106                 | 5,762          | 656        | 11%        | 15,069         | 15,069       | -1-   | 2 x vacant roles and lower tonnages than expected resulting in reduced Landfill fees in the Refuse activity. Lower than expected expenditure at the Transfer Station due to the closure of the facility during Covid-19 level 4 lockdown. |
| Depreciation                     | 570                   | 514            | (56)       | (11)%      | 1,022          | 1,022        | -2-   | More assets were added in the FY 2020/21 than budgeted.   |
| <b>Net Operating Expenditure</b> | <b>2,044</b>          | <b>2,464</b>   | <b>419</b> | <b>17%</b> | <b>2,802</b>   | <b>2,802</b> |       |   |

Figures are shown in thousands (\$,000)

| Net Operating Expenditure     | Year to Date Dec 2021 |                |             |                 | Revised Budget | Annual Plan  | Notes | Comments  |
|-------------------------------|-----------------------|----------------|-------------|-----------------|----------------|--------------|-------|---|
|                               | Actual                | Revised Budget | Variance    | % Variance      |                |              |       |   |
| <b>Refuse</b>                 |                       |                |             |                 |                |              |       |   |
| Revenue                       | (2,359)               | (2,364)        | (5)         | (0)%            | (10,393)       | (10,393)     |       |   |
| Expenditure                   | 3,451                 | 3,730          | 279         | 7%              | 10,834         | 10,834       | -3-   | 2 x vacant roles and lower tonnages than expected resulting in reduced Landfill fees.   |
| <b>Refuse Total</b>           | <b>1,092</b>          | <b>1,366</b>   | <b>274</b>  | <b>20%</b>      | <b>441</b>     | <b>441</b>   |       |   |
| <b>Public Toilets</b>         |                       |                |             |                 |                |              |       |   |
| Revenue                       | (7)                   | (5)            | 2           | 35%             | (10)           | (10)         |       |   |
| Expenditure                   | 659                   | 631            | (28)        | (4)%            | 1,263          | 1,263        |       |   |
| <b>Public Toilets Total</b>   | <b>653</b>            | <b>626</b>     | <b>(26)</b> | <b>(4)%</b>     | <b>1,253</b>   | <b>1,253</b> |       |   |
| <b>Transfer Station</b>       |                       |                |             |                 |                |              |       |   |
| Revenue                       | (1,162)               | (1,282)        | (121)       | (9)%            | (2,564)        | (2,564)      |       |   |
| Expenditure                   | 1,047                 | 1,417          | 370         | 26%             | 2,828          | 2,828        | -4-   | Lower than expected expenditure due to the closure of the facility during Covid-19 level 4 lockdown.  |
| <b>Transfer Station Total</b> | <b>(115)</b>          | <b>134</b>     | <b>249</b>  | <b>&gt;100%</b> | <b>263</b>     | <b>263</b>   |       |   |
| <b>Cementeries</b>            |                       |                |             |                 |                |              |       |   |
| Revenue                       | (105)                 | (161)          | (56)        | (35)%           | (322)          | (322)        | -5-   | Sale of Burial Plots behind budget due to pre-sales being placed on hold until the new area being developed at Western Hill's is completed. |
| Expenditure                   | 519                   | 498            | (21)        | (4)%            | 1,167          | 1,167        |       |   |
| <b>Cementeries Total</b>      | <b>414</b>            | <b>337</b>     | <b>(77)</b> | <b>(23)%</b>    | <b>845</b>     | <b>845</b>   |       |   |

Figures are shown in thousands (\$,000)

| Capital                              | Year to Date Dec 2021 |                |              |               | Revised Budget | Annual Plan  | Notes | Comments   |
|--------------------------------------|-----------------------|----------------|--------------|---------------|----------------|--------------|-------|--|
|                                      | Actual                | Revised Budget | Variance     | % Variance    |                |              |       |  |
| <b>Refuse</b>                        |                       |                |              |               |                |              |       |  |
| Omarunui Dev Valley D                | -                     | -              | -            |               | 667            | 667          |       |  |
| Omarunui Development Plant           | -                     | -              | -            |               | 242            | 242          |       |  |
| Omarunui Dev Forestry                | -                     | -              | -            |               | 0              | 0            |       |  |
| Omarunui Dev Valleys B&C             | -                     | -              | -            |               | 1,216          | 1,216        |       |  |
| Recycling Crate Purchases            | 18                    | -              | (18)         | (100)%        | 13             | -            |       |  |
| Wheelie Bin Purchases                | -                     | -              | -            |               | 53             | -            |       |  |
| <b>Total Refuse</b>                  | <b>18</b>             | <b>-</b>       | <b>(18)</b>  | <b>(100)%</b> | <b>2,190</b>   | <b>2,124</b> |       |  |
| <b>Public Toilets</b>                |                       |                |              |               |                |              |       |  |
| Infrastructure Asset Renewal         | 113                   | -              | (113)        | (100)%        | 220            | -            | -1-   | Relates to the Marewa Toilet Block renewal (car accident - structural damage) works. Insurance will cover the majority of the rebuild costs. Some renewal works as a result of the accident have also been completed which are funded from the renewal fund. |
| <b>Total Public Toilets</b>          | <b>113</b>            | <b>-</b>       | <b>(113)</b> | <b>(100)%</b> | <b>220</b>     | <b>-</b>     |       |  |
| <b>Transfer Station</b>              |                       |                |              |               |                |              |       |  |
| Solid Waste Renewals                 | 18                    | 39             | 20           | 52%           | 162            | 93           |       |  |
| <b>Total Transfer Station</b>        | <b>18</b>             | <b>39</b>      | <b>20</b>    | <b>52%</b>    | <b>162</b>     | <b>93</b>    |       |  |
| <b>Cemeteries</b>                    |                       |                |              |               |                |              |       |  |
| Infrastructure Asset Renewal         | 9                     | 35             | 26           | 74%           | 110            | 110          |       |  |
| Cemetery Planting                    | 15                    | 25             | 10           | 40%           | 39             | 25           |       |  |
| Napier Cemetery Development          | -                     | -              | -            | (100)%        | 100            | 100          |       |  |
| Wharerangi Building Refurbishment    | 2                     | 10             | 8            | 80%           | 10             | 10           |       |  |
| Cemetery Concept Plan Implementation | 29                    | 10             | (19)         | (100)%        | 75             | 60           |       |  |
| Western Hill Extension - Stage 2     | 10                    | 25             | 15           | 60%           | 350            | 350          |       |  |
| <b>Total Cemeteries</b>              | <b>65</b>             | <b>105</b>     | <b>40</b>    | <b>38%</b>    | <b>684</b>     | <b>655</b>   |       |  |
| <b>Total Capital Expenditure</b>     | <b>215</b>            | <b>144</b>     | <b>(71)</b>  | <b>(49)%</b>  | <b>3,256</b>   | <b>2,872</b> |       |  |
| <b>Asset Sales</b>                   | <b>-</b>              | <b>-</b>       | <b>-</b>     |               | <b>-</b>       | <b>-</b>     |       |  |

# COMMUNITY AND VISITOR EXPERIENCES

Activities in the Community and Visitor Experiences Group are:

- Community Strategies
- Community Facilities (Halls)
- Napier Aquatic Centre
- Marine Parade Pools
- Bay Skate
- McLean Park
- Events and Marketing
- Sportsgrounds
- Reserves
- Housing
- Libraries
- MTG Hawke's Bay
- Napier Municipal Theatre
- Napier i-SITE Visitor Centre
- Part2 MiniGolf
- National Aquarium of NZ
- Napier Conferences & Events
- Kennedy Park Resort

## COMMUNITY STRATEGIES

The Community Strategies activity encompasses the following main activities:

- Community planning
- Community advice
- Community grants
- Community engagement
- Safer community (including Civil Defence)

Council works alongside our communities to support them to identify and implement solutions to the complex social issues present in our society. The team work both strategically and practically to ensure issues are identified, prioritised and addressed through a collaborative approach.

## COMMUNITY FACILITIES (HALLS)

Council provides a range of community facilities that meet the recreational and social needs of the community. They are spaces where people connect, learn, socialise and participate. There are four community halls, four community centres, and one sports centre. The halls are available for hire, with discounted rates for community groups. Use of the community centres vary, but generally, community groups lease the facilities, and halls are either managed directly by Council, or through a third party group or Trust.

## NAPIER AQUATIC CENTRE

Situated in the centre of Napier, in the middle of Onekawa Park, the Napier Aquatic Centre is a safe and affordable aquatic facility for everyone. The facility currently provides two 25m pools, a learners' pool, waterslides, spas, spray park and an outdoor area suitable for picnics. A number of services are provided ranging from learn to swim and aqua fitness to birthday parties. A new pool has been included in the plan and will require a change in location due to limitations on site development and contamination.

## MARINE PARADE POOLS

Council provides an outdoor complex with four heated outdoor pools and five spa pools. An external contractor manages the day-to-day running of the facility.

## BAY SKATE

Bay Skate on Marine Parade is a community facility providing for a range of roller-sport activities and community events. Local roller-sport clubs and groups are actively encouraged to use the facility for training, games and demonstrations.

## MCLEAN PARK

Hosting international and national sports events, this facility provides outdoor sportsgrounds and stands, indoor court facility as well as administration and hospitality areas. The park also plays host to trade shows, expos, community events and private functions.

## EVENTS AND MARKETING

Events are a key part of the Napier City's social, economic and cultural fabric. Council provides support for event organisers to grow sustainable events in the region.

## HOUSING

Community housing is provided for people with special housing needs, low assets and low incomes. We provide support for tenants in our retirement villages on a one to one basis and across the village as a whole. We maintain high occupancy levels (99.5%) through our tenancy management services.

There are 72 units in Council's low cost rental portfolio spread across three villages. Council's retirement portfolio comprises 304 units clustered in nine villages. The smaller villages comprise 4 to 20 units with 28 to 50 units in the larger villages, and one larger village with 80 units.

## LIBRARIES

Library services are provided to the community from two locations, Napier City and Taradale, with a variety of collections in multi-media formats and online services. The libraries support a total membership of approximately 34,000, of which some 4,500 members are resident in Hastings District. Membership is free and the majority of lending items are free to borrow.



### MTG HAWKE'S BAY

MTG Hawke's Bay is the region's arts and culture facility providing exhibitions of the collection and as loans from other museums, galleries and individuals. The region's collection is housed under a management agreement with the Hawke's Bay Museums Trust. Active participation of the community is encouraged with public programmes, events and learning experiences. The venue includes the 330-seat Century Theatre, and two foyer spaces, which are also available to hire and a small retail shop. The MTG Hawke's Bay building is iconic, representing three distinct eras, 1930's, 1970's and 2010's.

### NAPIER MUNICIPAL THEATRE

The Napier Municipal Theatre is a leading theatre in Hawke's Bay for performances, shows, concerts, functions and events. Centrally located, the Theatre combines an elegant Art Deco style with modern theatre facilities. The large auditorium facilities and circular Pan Pac Foyer make it a flexible performance and event and facility.

### NAPIER I-SITE VISITOR CENTRE

Napier i-SITE Visitor Centre provides visitor information for the people of Napier, Hawke's Bay and for visitors to the area, both domestic and international. It plays a vital role in the promotion of Napier and surrounding areas. The i-SITE is located within the key Marine Parade tourism precinct of Napier and plays a key role in the support of tourism and the local economy.

### PAR2 MINIGOLF

Par2 MiniGolf on Napier's Marine Parade next to Napier i-SITE has two eighteen hole courses, one slightly more challenging than the other. It attracts locals and visitors and is a fun family friendly activity for all ages.

### NATIONAL AQUARIUM OF NZ

The National Aquarium of New Zealand is a marine zoo/aquarium/kiwi breeding facility which attracts locals and visitors. This visitor experience is an

integral part of the Marine Parade tourist attractions contributing favourably to the economic well-being of the city. The National Aquarium is also a quality provider of educational experiences and provides an affordable after-hours functions venue for Napier citizens and visitors to the region.

### NAPIER CONFERENCES & EVENTS

Napier Conferences & Events is located on the northern end of Napier's Marine Parade with views from Mahia Peninsula to Cape Kidnappers, is Hawke's Bay's premiere, high quality full service conference and event venue. Napier Conferences & Events is suitable for a wide range of events and attracts local, national and international conferences.

### KENNEDY PARK RESORT

Kennedy Park Resort is located on Storkey Street in Marewa and offers a wide range of affordable accommodation types, including units, tents and non-powered sites. The accommodation and associated facilities also cater for conferences and attract both national and international visitors. Kennedy Park is one of the busiest and most well revisited holiday parks in New Zealand and contributes favourably to the local economy.

### SPORTSGROUNDS

Council provides and maintains 16 sports grounds throughout Napier. This equates to an area of 213 hectares of land set aside for sports purposes across the city. Napier's sports grounds range from facilities of regional and national significance to grounds principally serving local club demand.

### RESERVES

Council provides, manages and maintains a range of parks, reserves and public gardens of various sizes, designations and purposes, to cater to a wide range of community uses. Council reserves support a large number of events for tourists and locals, delivering highly maintained grounds and gardens ranging in

location from coastal foreshore to formal botanical gardens. These areas enjoy a high profile within the city, resulting in high expectations and standards. The Reserves activity also manages the day-to-day maintenance and operation of play equipment located throughout the city.



# COMMUNITY AND VISITOR EXPERIENCES PERFORMANCE SUMMARY

| Level of service  | Performance measures                               | First Quarter                | Second Quarter                | Third Quarter | Target 2021/22                         | Year End 2020/21 | Indicator | Comment   |
|---|--|------------------------------|-------------------------------|---------------|--|------------------|-----------|---|
| To provide a range of high quality accommodation and related visitor experiences  | Maintain Qualmark 5 star Gold Holiday Park rating  | Maintain                     | Maintain                      |               | Maintain                               | Maintained       | ●         |   |
|   | Maintain Qualmark 4+ star Gold Motel rating        | Maintain                     | Maintain                      |               | Maintain                               | Maintained       | ●         |   |
| Services provided are value for money in the accommodation sector   | Maintain high level of occupancy (visitor nights)  | 10,774 visitor nights booked | 17,365 Visitors Nights booked |               | 68,500 visitor nights booked per annum | 95,558           | ●         |   |
|   | Maintain high level of occupancy (room nights)     | 4,213 room nights booked     | 2,239 room nights booked      |               | 27,100 room nights booked per annum    | 34,335           | ●         |   |
| To provide a sustainable business   | Average length of stay for visitors                | 2.5 nights in built          | 2.5 nights in built           |               | 1.9 nights in built                    | New              | ●         |   |
| <b>Napier Conferences &amp; Events</b>  |  |                              |                               |               |  |                  |           |   |
| Council provides a quality conference and events facility which enables events and services to be hosted, contributing to the economic wellbeing of the city    | Maintain Qualmark (4+ star Silver rating)          | Maintain                     | Maintain                      |               | Maintain                               | Maintain         | ●         |   |
|   | Number of local, national, and international hires | 62                           | 78                            |               | 300                                    | 87               | ●         | Reduced number of events due to national lockdown, Auckland lockdown and change in traffic light setting. |
| <b>Napier i-SITE Visitor Centre</b>   |  |                              |                               |               |  |                  |           |   |
| Council provides an i-SITE facility for visitors and locals to Napier and Hawke's Bay to deliver tourism information and tour and accommodation services        | Maintain Qualmark Silver rating                    | Maintain                     | Maintain                      |               | Maintain                               | Maintained       | ●         |   |
|   | Visitor numbers per annum                          | 8,866                        | 11380                         |               | ≥150,000                               | 74,569           | ●         | Lockdown from 17th August to 8th September, Reduced visitors due to COVID                                 |
| <b>Par2 MiniGolf</b>  |  |                              |                               |               |  |                  |           |   |
| Council provides a Mini Golf facility as a visitor attraction and for local community use, which provides high customer satisfaction and a sustainable business | Maintain Qualmark Silver rating **                 | Maintain                     | Maintain                      |               | Maintain                               | Maintained       | ●         |   |
|   | Visitor numbers per annum                          | 9,133                        | 14253                         |               | ≥45,000                                | 56,302           | ●         |   |
|   | Return on assets                                   | End of year measure          | End of year measure           |               | 16%                                    | TBC              | ●         |   |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

| Level of service   | Performance measures   | First Quarter          | Second Quarter         | Third Quarter | Target 2021/22         | Year End 2020/21 | Indicator | Comment  |
|--|--|------------------------|------------------------|---------------|------------------------|------------------|-----------|--|
| Provide an aquarium for visitors and local citizens for recreation and education   | Number of admissions   | 20,465                 | 25,222                 |               | ≥145,000               | 139615           | ●         | Reduced visitors due to National lockdown, drop in visitors numbers due to Auckland lockdown and closure of International borders. |
|  | Maintain Qualmark Gold endorsed rating   | Maintain               | Maintain               |               | Maintain               | Maintained       | ●         |  |
|  | ZAA (Zoo Aquarium Association) Accreditation   | Maintain accreditation | Maintain accreditation |               | Maintain accreditation | New              | ●         |  |
| <b>Libraries</b>   |  |                        |                        |               |                        |                  |           |  |
| Council provides library services, literacy support and other programmes for all ages to meet the communities' recreational, social, and educational needs | Percentage of library members who are active borrowers (in 24-month period - card use only)                          | 41%                    | 43%                    |               | 35%                    | 50%              | ●         |  |
|  | Percentage of residents satisfied with library service in the Residents' Satisfaction Survey (excluding don't knows) | End of year measure    | End of year measure    |               | 88%                    | New              | N/A       |  |
|  | Percentage of collection that is actively used   | 34%                    | 48%                    |               | 75%                    | 70%              | ●         | This is an acumaltive measure which grows month on month.  |
|  | Number of internet sessions  | 2,399                  | 4688                   |               | 180,000                | New              | ●         | The number of sessions where reduced due to covid as closed 18/8 - 7/9. We are also waiting for NOW statistics from IT.            |
|  | Number of programme sessions delivered for all ages per year   | 85                     | 0                      |               | 400 sessions           | 433              | ●         | The number of programme session where reduced due to covid   |
| <b>Napier Municipal Theatre</b>  |  |                        |                        |               |                        |                  |           |  |
| Council provides a quality performing arts venue experience for visitor and local use  | Maintain Qualmark Silver rating  | Maintain               | Maintain               |               | Maintain               | Maintained       | ●         | End of Year measure  |
|  | No. of shows/ performances   | 13                     | 6                      |               | 60                     | New              | ●         | COVID-19 Lock-down impacted  |
| <b>MTG Hawke's Bay</b>   |  |                        |                        |               |                        |                  |           |  |
| Napier City Council provides a quality museum, theatre, and art gallery experience for local and visitor use   | Visitor numbers per year   | 18251                  | 21,426                 |               | 200,000 per annum      | 19,852           | ●         | Reduced vistior numbers due to impacts of COVID  |
|  | Percentage of residents satisfied with MTG Hawke's Bay in the Residents' Satisfaction Survey                         | End of Year Measure    | End of Year Measure    |               | 60%                    | 51%              | ●         |  |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# COMMUNITY AND VISITOR EXPERIENCES

## PERFORMANCE SUMMARY CONTINUED

| Level of service   | Performance measures   | First Quarter       | Second Quarter      | Third Quarter       | Target 2021/22        | Year End 2020/21 | Indicator | Comment   |
|--|--|---------------------|---------------------|---------------------|-----------------------|------------------|-----------|---|
| Council provides a quality technology museum that is accessible to the community   | Visitor numbers per annum  | 4,147               | 4,609               |                     | 15,000                | New              | ●         |   |
| <b>McLean Park</b>   |  |                     |                     |                     |                       |                  |           |   |
| Provides a sport and recreation facility catering for a range of activities  | Number of major events hosted  | 3                   | 5                   |                     | 11                    | 16               | ●         | 4 NPC Rugby games and 1 Domestic Cricket Super Smash game   |
| <b>Reserves</b>  |  |                     |                     |                     |                       |                  |           |   |
| Parks are maintained efficiently and sustainably to a standard that is appropriate to their primary use                  | Percentage of park users satisfied with parks and reserves in the Residents' Satisfaction Survey                                 | End of Year Measure | End of Year Measure | End of Year Measure | 96%                   | 86%              | N/A       |   |
| Playgrounds are safe, challenging, and enjoyable for both users and caregivers   | All playgrounds are inspected fortnightly  | 99%                 | 87%                 |                     | 100%                  | 98%              | ●         | Some inspections not undertaken in the 2 week timeframe as Playground Maintenance staff on annual leave. Have discussed with City Services regarding staffing and training to ensure target is met. Additional Staff to be trained in Playground Auditing in March. Instructor has been stuck in Auckland due to COVID-19 lockdowns and backload of work. |
| Parks are maintained efficiently and sustainably to a standard that is appropriate to their primary use                  | Reduction in the number of service requests for remedial action in parks and reserves  | 57                  | 98                  |                     | Downwards trend       | New              | ●         |   |
| <b>Sportsgrounds</b>   |  |                     |                     |                     |                       |                  |           |   |
| Council provides a sufficient number and range of sports and recreation facilities to satisfy the needs of the community | Sport and recreation parks per 1,000 residents district wide (NZ Recreation Association guidelines require 3ha per 1,000 people) | End of Year Measure | End of Year Measure | End of Year Measure | >3ha per 1,000 people | 3.4ha            | N/A       |   |
| Sporting surfaces and facilities are well maintained and suitable for use  | Percentage of those surveyed who are satisfied with sportsgrounds in the Residents' Satisfaction Survey                          | End of Year Measure | End of Year Measure | End of Year Measure | 89%                   | 88%              | N/A       |   |
| Sports facilities support the event industry within the city   | Events held on the sportsgrounds per annum   | 53                  | 50                  |                     | >50                   | 54               | ●         | 48 Community bookings 2 Commercial bookings   |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

| Level of service  | Performance measures   | First Quarter       | Second Quarter      | Third Quarter | Target 2021/22              | Year End 2020/21         | Indicator | Comment  |
|---|--|---------------------|---------------------|---------------|-----------------------------|--------------------------|-----------|--|
| Provide aquatic facilities that focus on accessibility and safety                                       | Number of users using the centre each year   | 17,603              | 7,232               |               | 175,000                     | 34,599                   | ●         | Covid restrictions have affected our year to date. |
|   | Water testing results are always within the safe parameters according to the New Zealand Standard for Pool Water Quality NZS 5826:2010 | 100%                | 100%                |               | 100%                        | 97%                      | ●         |  |
|   | Maintain Poolsafe accreditation standard   | Maintained          | Maintained          |               | Maintain accreditation      | New                      | ●         |  |
|   | Maintain nationally accredited QSS (Quality Swim School) standard  | Maintained          | Maintained          |               | Maintain accreditation      | Accreditation maintained | ●         |  |
| <b>Marine Parade Pools</b>  |  |                     |                     |               |                             |                          |           |  |
| The Marine Parade Pools complex is a safe recreational facility for the community                       | Water testing results are always within the safe parameters according to the New Zealand Standard for Pool Water Quality NZS 5826:2010 | 100%                | 100%                |               | 100%                        | New                      | ●         |  |
| <b>Bay Skate</b>  |  |                     |                     |               |                             |                          |           |  |
| Provide a facility to cater for a range of roller sports activities                                     | Visitor numbers per year (entry passes sold)   | 8,849               | 6,951               |               | 26,500                      | 26,211                   | ●         | Reduced numbers due to COVID lockdown              |
|   | Deliver between 8-12 events per year   | End of year measure | End of year measure |               | Between 8 and 12            | New                      | ●         |  |
| <b>Housing</b>  |  |                     |                     |               |                             |                          |           |  |
| Provide affordable and safe housing that meets the needs of tenants                                     | Percentage of tenants satisfied with service   | End of year service | End of year measure |               | 85%                         | 92%                      | N/A       |  |
|   | Number of unit inspections(each unit inspected once per year)  | 19%                 | 56% (YTD)           |               | 304 retirement<br>72 rental | 99%                      | ●         |  |
| Maximise the occupancy and use of housing and village halls   | Occupancy rate - retirement  | 99%                 | 99%                 |               | 90%                         | 99%                      | ●         |  |
|   | Occupancy rate - rental  | 100%                | 97%                 |               | 90%                         | 100%                     | ●         |  |
| <b>Community Facilities (Halls)</b>   |  |                     |                     |               |                             |                          |           |  |
| Provide affordable indoor facilities that meet the social, leisure, and cultural needs of the community | Percentage of community hireage for halls directly managed by Council  | 94%                 | 94%                 |               | 85%                         | 88%                      | ●         |  |
|   | Percentage of customers satisfied with halls directly managed by Council   | End of year measure | End of year measure |               | 95%                         | 97%                      | N/A       |  |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# COMMUNITY AND VISITOR EXPERIENCES

## PERFORMANCE SUMMARY CONTINUED

| Level of service  | Performance measures  | First Quarter       | Second Quarter      | Third Quarter | Target 2021/22                     | Year End 2020/21 | Indicator | Comment  |
|---|---|---------------------|---------------------|---------------|------------------------------------|------------------|-----------|--|
| <b>Community Strategies</b>   |   |                     |                     |               |                                    |                  |           |  |
| Develop effective strategies, policies, and initiatives that support community wellbeing  | Number of local community events per year   | 10                  | 13                  |               | 50                                 | 46               | ●         |  |
| Provide quality advice, information, and support to community groups and agencies, and help build a strong community and voluntary sector     | Number of community training and network meetings facilitated each year   | 6                   | 6                   |               | 20                                 | 25               | ●         |  |
|   | Percentage of attendees satisfied with community training and network meetings  | 100%                | 94%                 |               | 96%                                | 100%             | ●         |  |
| Promote safety in response to issues and priorities in the community  | Percentage of residents who perceive they are safe or very safe in Napier (source: Biannual Social Monitor Survey)            | 56%                 | NA                  |               | 75%                                | 73%              | ●         |  |
| <b>Events &amp; Marketing</b>   |   |                     |                     |               |                                    |                  |           |  |
| Council works with strategically targeted new and existing events to assist them to grow, develop, and become sustainable                     | Economic impact of events funded under the Council events strategy  | 150K                | 370K                |               | \$12 million                       | New              | ●         | Covid-19 Impact  |
| We keep people informed, make it easy for people to interact, engage, and transact with Council. We listen and act on the needs of the people | Satisfaction with Council communication in the Annual Residents' Satisfaction Survey  | End of year measure | End of year measure |               | Above the 2021 set level in the NZ | New              | ●         |  |
| <b>Engagement</b>   |   |                     |                     |               |                                    |                  |           |  |
| Provide high quality information to the public to empower communities to participate in the decision-making process                           | The percentage of residents satisfied with the amount of public consultation undertaken in the Residents' Satisfaction Survey | End of year Measure | End of year Measure |               | 75%                                | New              | ●         | This result is reported with a margin of error of +/- 10% given the smaller sample size for the quarterly satisfaction tracking surveys. A full representative sample is achieved for the end-of-year result |

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# COMMUNITY AND VISITOR EXPERIENCES

## FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                |           |            |                |               | Notes | Comments  |
|----------------------------------|-----------------------|----------------|-----------|------------|----------------|---------------|-------|---|
|                                  | Actual                | Revised Budget | Variance  | % Variance | Revised Budget | Annual Plan   |       |   |
| Revenue                          | (6,688)               | (8,565)        | (1,877)   | (22)%      | (17,307)       | (17,313)      | -1-   | Reduced revenue due to impacts of COVID-19. Officers are closely monitoring the business and tourism activities and reducing operational expenditure where possible to help mitigate further deterioration to the financial position. |
| Expenditure                      | 18,749                | 20,072         | 1,323     | 7%         | 40,876         | 39,320        |       |   |
| Depreciation                     | 3,837                 | 4,483          | 647       | 14%        | 9,062          | 9,062         | -2-   | Reduced depreciation costs due to the delay in Capital projects.  |
| <b>Net Operating Expenditure</b> | <b>15,898</b>         | <b>15,990</b>  | <b>92</b> | <b>1%</b>  | <b>32,631</b>  | <b>31,070</b> |       |   |

Figures are shown in thousands (\$,000)

| Net Operating Expenditure | Year to Date Dec 2021 |                |              |                   |                |              | Notes | Comments  |
|---------------------------|-----------------------|----------------|--------------|-------------------|----------------|--------------|-------|---|
|                           | Actual                | Revised Budget | Variance     | % Variance        | Revised Budget | Annual Plan  |       |   |
| <b>Sportgrounds</b>       |                       |                |              |                   |                |              |       |   |
| Revenue                   | (384)                 | (245)          | 139          | 57%               | (573)          | (573)        | -3-   | Additional Financials Contributions received from developments.   |
| Expenditure               | 2,164                 | 2,365          | 200          | 8%                | 5,879          | 4,879        |       |   |
| <b>Sportgrounds Total</b> | <b>1,781</b>          | <b>2,119</b>   | <b>339</b>   | <b>16%</b>        | <b>5,306</b>   | <b>4,306</b> |       |   |
| <b>McLean Park</b>        |                       |                |              |                   |                |              |       |   |
| Revenue                   | (218)                 | (366)          | (148)        | (40)%             | (732)          | (732)        | -4-   | Drop in revenue due to the closure of the RGEV and reduction in crowd capacity due to COVID restrictions.   |
| Expenditure               | 274                   | 313            | 38           | 12%               | 725            | 725          | -5-   | Reduced costs in line with revenue.   |
| <b>McLean Park Total</b>  | <b>56</b>             | <b>(54)</b>    | <b>(109)</b> | <b>&lt;(100)%</b> | <b>(7)</b>     | <b>(7)</b>   |       |   |
| <b>Reserves</b>           |                       |                |              |                   |                |              |       |   |
| Revenue                   | (423)                 | (258)          | 165          | 64%               | (635)          | (635)        | -6-   | Unbudgeted contribution towards the relocation of the playground behind Pettigrew Green Arena and is offset by unbudgeted expenditure. Unbudgeted donation towards the Tironui Pathway & Maggies Way Plantings and is offset by unbudgeted expenditure. |
| Expenditure               | 2,584                 | 2,854          | 270          | 9%                | 6,430          | 5,970        |       |   |
| <b>Reserves Total</b>     | <b>2,161</b>          | <b>2,596</b>   | <b>435</b>   | <b>17%</b>        | <b>5,795</b>   | <b>5,335</b> |       |   |

# COMMUNITY AND VISITOR EXPERIENCES

## FINANCIAL SUMMARY CONTINUED

| Net Operating Expenditure         | Year to Date Dec 2021 |                |            |            | Revised Budget | Annual Plan  | Notes | Comments  |
|-----------------------------------|-----------------------|----------------|------------|------------|----------------|--------------|-------|---|
|                                   | Actual                | Revised Budget | Variance   | % Variance |                |              |       |   |
| <b>Bay Skate</b>                  |                       |                |            |            |                |              |       |   |
| Revenue                           | (140)                 | (109)          | 31         | 29%        | (218)          | (218)        | -7-   | New skate ramps attracting additional visitors.                         |
| Expenditure                       | 368                   | 382            | 14         | 4%         | 766            | 766          |       |   |
| <b>Bay Skate Total</b>            | <b>228</b>            | <b>273</b>     | <b>45</b>  | <b>17%</b> | <b>548</b>     | <b>548</b>   |       |   |
| <b>Grants</b>                     |                       |                |            |            |                |              |       |   |
| Revenue                           | (49)                  | (32)           | 16         | 50%        | (65)           | (65)         | -8-   | Creative NZ increased allocation with COVID recovery funding            |
| Expenditure                       | 1,614                 | 1,649          | 35         | 2%         | 2,152          | 2,118        |       |   |
| <b>Grants Total</b>               | <b>1,565</b>          | <b>1,616</b>   | <b>51</b>  | <b>3%</b>  | <b>2,087</b>   | <b>2,053</b> |       |   |
| <b>Community Facilities</b>       |                       |                |            |            |                |              |       |   |
| Revenue                           | (35)                  | (19)           | 16         | 81%        | (38)           | (38)         | -9-   | Unbudgetd Revenue from Town Hall  |
| Expenditure                       | 206                   | 216            | 10         | 5%         | 435            | 435          |       |   |
| <b>Community Facilities Total</b> | <b>172</b>            | <b>197</b>     | <b>26</b>  | <b>13%</b> | <b>397</b>     | <b>397</b>   |       |   |
| <b>Community Advice</b>           |                       |                |            |            |                |              |       |   |
| Revenue                           | (15)                  | -              | 15         |            | -              | -            |       |   |
| Expenditure                       | 733                   | 784            | 52         | 7%         | 1,569          | 1,569        |       |   |
| <b>Community Advice Total</b>     | <b>718</b>            | <b>784</b>     | <b>67</b>  | <b>8%</b>  | <b>1,569</b>   | <b>1,569</b> |       |   |
| <b>Emergency Management</b>       |                       |                |            |            |                |              |       |   |
| Revenue                           | -                     | -              | -          |            | -              | -            |       |   |
| Expenditure                       | 103                   | 122            | 19         | 15%        | 243            | 243          | -10-  | Subject to public alerting system review outcome                        |
| <b>Emergency Management Total</b> | <b>103</b>            | <b>122</b>     | <b>19</b>  | <b>15%</b> | <b>243</b>     | <b>243</b>   |       |   |
| <b>Libraries</b>                  |                       |                |            |            |                |              |       |   |
| Revenue                           | (137)                 | (86)           | 50         | 59%        | (185)          | (185)        | -11-  | Financial contributions and DIA funding for community engagement roles. |
| Expenditure                       | 1,718                 | 1,803          | 85         | 5%         | 3,572          | 3,572        |       |   |
| <b>Libraries Total</b>            | <b>1,581</b>          | <b>1,717</b>   | <b>135</b> | <b>8%</b>  | <b>3,387</b>   | <b>3,387</b> |       |   |

| Net Operating Expenditure                    | Year to Date Dec 2021 |                |              |              | Revised Budget | Annual Plan  | Notes | Comments   |
|--|-----------------------|----------------|--------------|--------------|----------------|--------------|-------|--|
|  | Actual                | Revised Budget | Variance     | % Variance   |                |              |       |  |
| <b>Napier Aquatic Centre</b>                 |                       |                |              |              |                |              |       |  |
| Revenue                                      | (219)                 | (422)          | (203)        | (48)%        | (844)          | (844)        | -12-  | Revenue down due to COVID-19 restrictions.   |
| Expenditure                                  | 1,427                 | 1,484          | 57           | 4%           | 2,971          | 2,971        |       |  |
| <b>Napier Aquatic Centre Total</b>           | <b>1,208</b>          | <b>1,062</b>   | <b>(146)</b> | <b>(14)%</b> | <b>2,127</b>   | <b>2,127</b> |       |  |
| <b>Marine Parade Pools</b>                   |                       |                |              |              |                |              |       |  |
| Revenue                                      | (23)                  | (26)           | (3)          | (10)%        | (52)           | (52)         |       |  |
| Expenditure                                  | 163                   | 163            | 0            | 0%           | 326            | 326          |       |  |
| <b>Marine Parade Pools Total</b>             | <b>139</b>            | <b>137</b>     | <b>(2)</b>   | <b>(2)%</b>  | <b>274</b>     | <b>274</b>   |       |  |
| <b>National Aquarium of NZ</b>               |                       |                |              |              |                |              |       |  |
| Revenue                                      | (932)                 | (1,238)        | (306)        | (25)%        | (2,454)        | (2,460)      | -13-  | Reduced visitors due to National lockdown, drop in visitors numbers due to Auckland lockdown and closure of International borders. |
| Expenditure                                  | 2,047                 | 2,164          | 117          | 5%           | 4,319          | 4,325        |       |  |
| <b>National Aquarium of NZ Total</b>         | <b>1,115</b>          | <b>926</b>     | <b>(188)</b> | <b>(20)%</b> | <b>1,865</b>   | <b>1,865</b> |       |  |
| <b>Par 2 MiniGolf</b>                        |                       |                |              |              |                |              |       |  |
| Revenue                                      | (198)                 | (202)          | (4)          | (2)%         | (397)          | (397)        |       |  |
| Expenditure                                  | 168                   | 158            | (10)         | (6)%         | 317            | 317          | -14-  | Urgent remedial work required to weather proof clubhouse   |
| <b>Par 2 MiniGolf Total</b>                  | <b>(30)</b>           | <b>(44)</b>    | <b>(14)</b>  | <b>(32)%</b> | <b>(80)</b>    | <b>(80)</b>  |       |  |
| <b>Napier Conferences &amp; Events</b>       |                       |                |              |              |                |              |       |  |
| Revenue                                      | (310)                 | (975)          | (665)        | (68)%        | (1,950)        | (1,950)      | -15-  | Reduced number of events due to national lockdown, Auckland lockdown and change in traffic light setting.                          |
| Expenditure                                  | 859                   | 1,262          | 402          | 32%          | 2,529          | 2,529        | -16-  | Reduced costs in line with Revenue   |
| <b>Napier Conferences &amp; Events Total</b> | <b>550</b>            | <b>287</b>     | <b>(263)</b> | <b>(92)%</b> | <b>579</b>     | <b>579</b>   |       |  |

# COMMUNITY AND VISITOR EXPERIENCES

## FINANCIAL SUMMARY CONTINUED

| Net Operating Expenditure                   | Year to Date Dec 2021 |                |              |                   | Revised Budget | Annual Plan  | Notes | Comments  |
|---|-----------------------|----------------|--------------|-------------------|----------------|--------------|-------|---|
|   | Actual                | Revised Budget | Variance     | % Variance        |                |              |       |   |
| <b>Napier Municipal Theatre</b>             |                       |                |              |                   |                |              |       |   |
| Revenue                                     | (107)                 | (306)          | (199)        | (65)%             | (613)          | (613)        | -17-  | Implications of COVID and cancellations from promoters touring shows                  |
| Expenditure                                 | 759                   | 858            | 99           | 12%               | 1,728          | 1,728        | -18-  | Reduced costs in line with Revenue  |
| <b>Napier Municipal Theatre Total</b>       | <b>652</b>            | <b>552</b>     | <b>(100)</b> | <b>(18)%</b>      | <b>1,115</b>   | <b>1,115</b> |       |   |
| <b>Napier i-Site Visitor Centre</b>         |                       |                |              |                   |                |              |       |   |
| Revenue                                     | (107)                 | (170)          | (63)         | (37)%             | (331)          | (331)        | -19-  | Less visitation cautious domestic visitors and Auckland lockdown - Covid19            |
| Expenditure                                 | 440                   | 496            | 56           | 11%               | 1,000          | 1,000        | -20-  | Expenditure managed closely   |
| <b>Napier i-Site Visitor Centre Total</b>   | <b>333</b>            | <b>326</b>     | <b>(7)</b>   | <b>(2)%</b>       | <b>669</b>     | <b>669</b>   |       |   |
| <b>Kennedy Park</b>                         |                       |                |              |                   |                |              |       |   |
| Revenue                                     | (1,349)               | (2,049)        | (700)        | (34)%             | (4,099)        | (4,099)      | -21-  | Loss of booking due to KP being an Isolation facility and Auckland Lockdown           |
| Expenditure                                 | 1,714                 | 1,931          | 217          | 11%               | 3,869          | 3,869        | -22-  | Reduced costs in line with Revenue  |
| <b>Kennedy Park Total</b>                   | <b>365</b>            | <b>(118)</b>   | <b>(483)</b> | <b>&lt;(100)%</b> | <b>(229)</b>   | <b>(229)</b> |       |   |
| <b>Communications &amp; Marketing</b>       |                       |                |              |                   |                |              |       |   |
| Revenue                                     | -                     | -              | -            | -                 | -              | -            |       |   |
| Expenditure                                 | 38                    | 35             | (3)          | (7)%              | 35             | -            |       |   |
| <b>Communications &amp; Marketing Total</b> | <b>38</b>             | <b>35</b>      | <b>(3)</b>   | <b>(7)%</b>       | <b>35</b>      | <b>-</b>     |       |   |
| <b>Events</b>                               |                       |                |              |                   |                |              |       |   |
| Revenue                                     | (24)                  | -              | 24           | -                 | -              | -            |       |   |
| Expenditure                                 | 300                   | 366            | 66           | 18%               | 664            | 664          | -23-  | Six Sixty initial deposit not paid and events around New Year's eve did not go ahead. |
| <b>Events Total</b>                         | <b>276</b>            | <b>366</b>     | <b>90</b>    | <b>25%</b>        | <b>664</b>     | <b>664</b>   |       |   |
| <b>Marketing</b>                            |                       |                |              |                   |                |              |       |   |
| Revenue                                     | -                     | -              | -            | -                 | -              | -            |       |   |
| Expenditure                                 | 138                   | 168            | 29           | 18%               | 374            | 341          | -24-  | Reduced marketing activity due to COVID restrictions                                  |
| <b>Marketing Total</b>                      | <b>138</b>            | <b>168</b>     | <b>29</b>    | <b>18%</b>        | <b>374</b>     | <b>341</b>   |       |   |

| Net Operating Expenditure         | Year to Date Dec 2021 |                |             |              | Revised Budget | Annual Plan  | Notes | Comments   |
|-----------------------------------|-----------------------|----------------|-------------|--------------|----------------|--------------|-------|--|
|                                   | Actual                | Revised Budget | Variance    | % Variance   |                |              |       |  |
| <b>MTG Faraday Centre</b>         |                       |                |             |              |                |              |       |  |
| Revenue                           | (59)                  | (86)           | (27)        | (31)%        | (172)          | (172)        | -25-  | Reduced revenue due to cancellation of School trips due to COVID-19      |
| Expenditure                       | 128                   | 245            | 117         | 48%          | 533            | 533          | -26-  | Staff vacancies and spending down which is in line with reduced revenue. |
| <b>MTG Faraday Centre Total</b>   | <b>69</b>             | <b>159</b>     | <b>91</b>   | <b>57%</b>   | <b>361</b>     | <b>361</b>   |       |  |
| <b>MTG Hawke's Bay</b>            |                       |                |             |              |                |              |       |  |
| Revenue                           | (711)                 | (796)          | (85)        | (11)%        | (1,593)        | (1,593)      | -27-  | Reduced revenue due to impacts of COVID-19                               |
| Expenditure                       | 2,596                 | 2,641          | 45          | 2%           | 5,321          | 5,321        |       |  |
| <b>MTG Hawke's Bay Total</b>      | <b>1,885</b>          | <b>1,844</b>   | <b>(40)</b> | <b>(2)%</b>  | <b>3,728</b>   | <b>3,728</b> |       |  |
| <b>Housing - Retirement</b>       |                       |                |             |              |                |              |       |  |
| Revenue                           | (1,000)               | (926)          | 74          | 8%           | (1,852)        | (1,852)      |       |  |
| Expenditure                       | 1,602                 | 1,673          | 70          | 4%           | 3,336          | 3,336        |       |  |
| <b>Housing - Retirement Total</b> | <b>602</b>            | <b>747</b>     | <b>144</b>  | <b>19%</b>   | <b>1,483</b>   | <b>1,483</b> |       |  |
| <b>Housing - Rental</b>           |                       |                |             |              |                |              |       |  |
| Revenue                           | (247)                 | (252)          | (6)         | (2)%         | (505)          | (505)        |       |  |
| Expenditure                       | 441                   | 425            | (17)        | (4)%         | 845            | 845          |       |  |
| <b>Housing - Rental Total</b>     | <b>194</b>            | <b>172</b>     | <b>(22)</b> | <b>(13)%</b> | <b>340</b>     | <b>340</b>   |       |  |

# COMMUNITY AND VISITOR EXPERIENCES

## FINANCIAL SUMMARY CONTINUED

Figures are shown in thousands (\$,000)

| Capital                           | Year to Date Dec 2021 |                |              |              | Revised Budget | Annual Plan  | Notes | Comments  |
|-----------------------------------|-----------------------|----------------|--------------|--------------|----------------|--------------|-------|---|
|                                   | Actual                | Revised Budget | Variance     | % Variance   |                |              |       |   |
| <b>Sportsgrounds</b>              |                       |                |              |              |                |              |       |   |
| Sportsgrounds - Infra Renewal     | 193                   | 180            | (13)         | (7)%         | 532            | 440          |       |   |
| McLean Park Facility Renewals     | 2                     | 50             | 48           | 96%          | 670            | 670          | -1-   | Works scheduled for the last quarter with some of this budget to assist with the expected cost deficit on the McLean Park Digital Screen project. It is anticipated that these projects will be completed by the end of the financial year. |
| Safety Projects/CPTED             | -                     | 10             | 10           | 100%         | 15             | 10           |       |   |
| Centennial Hall Flood Restoration | 92                    | -              | (92)         | (100)%       | -              | -            | -2-   | Unbudgeted costs to be funded from the insurance pay-out.   |
| McLean Park Digital Screen        | 101                   | 96             | (5)          | (5)%         | 250            | 250          |       |   |
| New Pathways                      | 24                    | 24             | -            |              | 40             | 40           |       |   |
| New Shade Areas                   | -                     | 20             | 20           | 100%         | 42             | 20           |       |   |
| Park Island Northern Development  | 499                   | 299            | (200)        | (67)%        | 299            | -            | -3-   | Project overspend to be funded from other project underspends within the Sportsgrounds Activity.  |
| Playground Development            | -                     | -              | -            |              | 300            | 300          |       |   |
| Riparian Planting                 | -                     | -              | -            |              | 10             | -            |       |   |
| <b>Total Sportsgrounds</b>        | <b>910</b>            | <b>679</b>     | <b>(232)</b> | <b>(34)%</b> | <b>2,157</b>   | <b>1,730</b> |       |   |
| <b>McLean Park</b>                |                       |                |              |              |                |              |       |   |
| Minor Capital Items               | (0)                   | -              | -            |              | -              | -            |       |   |
| <b>Total McLean Park</b>          | <b>(0)</b>            | <b>-</b>       | <b>-</b>     |              | <b>-</b>       | <b>-</b>     |       |   |
| <b>Reserves</b>                   |                       |                |              |              |                |              |       |   |
| Infrastructure Asset Renewal      | 223                   | 190            | (33)         | (17)%        | 850            | 800          | -4-   | Works are progressing and it is anticipated that these projects will be completed by the end of the financial year.   |
| Coastal Erosion                   | -                     | -              | -            |              | 595            | -            |       |   |
| Foreshore Planting                | 5                     | 5              | -            |              | 20             | 20           |       |   |
| Marine Parade renewals            | 36                    | 27             | (9)          | (33)%        | 788            | 390          |       |   |
| Planting                          | 35                    | 35             | -            |              | 70             | 70           |       |   |
| Riparian Planting                 | 1                     | 10             | 9            | 90%          | 20             | 20           |       |   |
| Playground Renewals               | 116                   | 65             | (51)         | (78)%        | 659            | 200          | -5-   | Roberts Terrace playground progressing ahead of schedule.   |
| Reserves Vested Assets            | -                     | -              | -            |              | 300            | 300          |       |   |
| Passive Recreation Reserves       | 0                     | -              | -            |              | -              | -            |       |   |
| Spriggs Park Rotary BBQ Area      | 15                    | -              | (15)         | (100)%       | -              | -            |       |   |

Figures are shown in thousands (\$,000)

| Capital   | Year to Date Dec 2021 |                |             |               | Revised Budget | Annual Plan  | Notes | Comments  |
|---|-----------------------|----------------|-------------|---------------|----------------|--------------|-------|---|
|   | Actual                | Revised Budget | Variance    | % Variance    |                |              |       |   |
| Whakarire Ave Rock Revetment                                | 50                    | -              | (50)        | (100)%        | 2,165          | -            | -6-   | Some design and tender document works have been undertaken, however physical works will not proceed this financial year due to a lack of tenders for works and the one tender received was significantly higher than the engineers estimate. A report will go to Council in January/February 2022 for review. |
| Maraenui Splash Pad and Park Development - Shopping Reserve | -                     | 52             | 52          | 100%          | 100            | 100          | -7-   | Co-funded project with other Activities within Council. Once those budgets have been fully utilised, this budget will then be drawn down.   |
| Urban Growth  | -                     | 30             | 30          | 100%          | 400            | 400          |       |   |
| Western Hill Pathway development                            | 8                     | -              | (8)         | (100)%        | 97             | -            |       |   |
| Ahuriri Estuary Projects                                    | 2                     | 11             | 9           | 82%           | 1,300          | 1,000        |       |   |
| Destination Playground Stage 2                              | -                     | -              | -           |               | 100            | -            |       |   |
| Allen Berry Future Development                              | 13                    | 13             | -           |               | 100            | 100          |       |   |
| <b>Total Reserves</b>                                       | <b>503</b>            | <b>438</b>     | <b>(66)</b> | <b>(15)%</b>  | <b>7,564</b>   | <b>3,400</b> |       |   |
| <b>Bay Skate</b>  |                       |                |             |               |                |              |       |   |
| Bay Skate Renewals  | 18                    | 18             | -           |               | 18             | 19           |       |   |
| Skate ramps   | -                     | -              | -           |               | 107            | 125          |       |   |
| Sound System  | 3                     | 3              | -           |               | 3              | 3            |       |   |
| Bay Skate Ramps   | 50                    | 56             | 6           | 11%           | 56             | 38           |       |   |
| <b>Total Bay Skate</b>                                      | <b>72</b>             | <b>77</b>      | <b>6</b>    | <b>8%</b>     | <b>184</b>     | <b>184</b>   |       |   |
| <b>Community Facilities</b>                                 |                       |                |             |               |                |              |       |   |
| Halls Renewals  | 0                     | 35             | 34          | 99%           | 69             | 69           | -8-   | Delay in project due to COVID   |
| Taradale Town Hall internal refurbishment                   | -                     | -              | -           |               | 85             | -            |       |   |
| Maraenui Community Space                                    | 153                   | 100            | (53)        | (53)%         | 100            | -            | -9-   | Project tracking better than anticipated  |
| Minor Capital Items   | 9                     | 30             | 21          | 70%           | 145            | 60           |       |   |
| <b>Total Community Facilities</b>                           | <b>162</b>            | <b>165</b>     | <b>2</b>    | <b>1%</b>     | <b>399</b>     | <b>129</b>   |       |   |
| <b>Community Advice</b>                                     |                       |                |             |               |                |              |       |   |
| Pump Track  | 2                     | -              | (2)         | (100)%        | -              | -            |       |   |
| <b>Total Community Advice</b>                               | <b>2</b>              | <b>-</b>       | <b>(2)</b>  | <b>(100)%</b> | <b>-</b>       | <b>-</b>     |       |   |

# COMMUNITY AND VISITOR EXPERIENCES

## FINANCIAL SUMMARY CONTINUED

Figures are shown in thousands (\$,000)

| Capital                            | Year to Date Dec 2021 |                |            |            | Revised Budget | Annual Plan  | Notes | Comments   |
|------------------------------------|-----------------------|----------------|------------|------------|----------------|--------------|-------|--|
|                                    | Actual                | Revised Budget | Variance   | % Variance |                |              |       |  |
| <b>Libraries</b>                   |                       |                |            |            |                |              |       |  |
| Library Renewals                   | -                     | 5              | 5          | 100%       | 20             | 10           |       |  |
| Library Building Renewals          | -                     | 8              | 8          | 100%       | 27             | 16           |       |  |
| General Renewals                   | -                     | 80             | 80         | 100%       | 140            | 140          | -10-  | Library Van in the process of being procured and fit out costs to be incurred. |
| Library Stock                      | 140                   | 133            | (7)        | (5)%       | 465            | 360          |       |  |
| Robson Collection Donations        | 0                     | -              | -          |            | 1              | 1            |       |  |
| Napier Library Redevelopment       | 15                    | -              | (15)       | (100)%     | -              | -            |       |  |
| Napier Library Rebuild             | 85                    | 180            | 94         | 52%        | 673            | 469          | -11-  | Delay in project due to COVID lockdowns and settings.                          |
| Self Issuing Kiosks - Napier       | 1                     | -              | (1)        | (100)%     | -              | -            |       |  |
| Taradale Library Minor Work        | 20                    | 27             | 6          | 22%        | 212            | 80           |       |  |
| Minor Capital Items                | -                     | 5              | 5          | 100%       | 10             | 10           |       |  |
| Technology Services Upgrade        | -                     | -              | -          |            | 50             | 50           |       |  |
| <b>Total Libraries</b>             | <b>262</b>            | <b>437</b>     | <b>175</b> | <b>40%</b> | <b>1,597</b>   | <b>1,136</b> |       |  |
| <b>Napier Aquatic Centre</b>       |                       |                |            |            |                |              |       |  |
| Napier Aquatic Centre I.A.R.       | 81                    | 84             | 3          | 4%         | 407            | 194          |       |  |
| Napier Aquatic Centre expansion    | 1                     | -              | (1)        | (100)%     | 64             | -            |       |  |
| Reception and Office Redevelopment | -                     | -              | -          |            | 50             | 50           |       |  |
| Roof Weather-Tightning Repair      | -                     | -              | -          |            | 70             | 70           |       |  |
| Asset Register Items               | -                     | -              | -          |            | 125            | 125          |       |  |
| <b>Total Napier Aquatic Centre</b> | <b>81</b>             | <b>84</b>      | <b>2</b>   | <b>2%</b>  | <b>716</b>     | <b>439</b>   |       |  |
| <b>Marine Parade Pools</b>         |                       |                |            |            |                |              |       |  |
| Marine Pde Pools Renewals          | 7                     | 12             | 5          | 40%        | 52             | 25           |       |  |
| Ocean Spa Upgrade                  | 115                   | 210            | 95         | 45%        | 602            | 310          | -12-  | Project delayed due to COVID-19  |
| Replacement Boiler                 | -                     | -              | -          |            | 60             | 60           |       |  |
| <b>Total Marine Parade Pools</b>   | <b>123</b>            | <b>222</b>     | <b>100</b> | <b>45%</b> | <b>714</b>     | <b>395</b>   |       |  |

| Capital                                      | Year to Date Dec 2021 |                |             |              | Revised Budget | Annual Plan  | Notes | Comments  |
|--|-----------------------|----------------|-------------|--------------|----------------|--------------|-------|---|
|  | Actual                | Revised Budget | Variance    | % Variance   |                |              |       |   |
| <b>National Aquarium of NZ</b>               |                       |                |             |              |                |              |       |   |
| Aquarium Renewals                            | 150                   | 122            | (28)        | (23)%        | 1,235          | 1,665        | -13-  | Projects are in progress with some expenditure ahead of budgeted time, but will even out across the financial year. |
| Building Renewals                            | 12                    | -              | (12)        | (100)%       | 157            | 257          |       |   |
| Minor Capital Items                          | 6                     | 10             | 4           | 40%          | 45             | 45           | -14-  | Some minor capital expenditure made, and will ensure target is met by end of financial year.                        |
| <b>Total National Aquarium of NZ</b>         | <b>168</b>            | <b>132</b>     | <b>(36)</b> | <b>(27)%</b> | <b>1,437</b>   | <b>1,967</b> |       |   |
| <b>Par 2 MiniGolf</b>                        |                       |                |             |              |                |              |       |   |
| Par 2 MiniGolf Renewals                      | -                     | 1              | 1           | 100%         | 52             | 3            |       |   |
| Par2 Building Renewals                       | -                     | -              | -           |              | 13             | -            |       |   |
| Par2 Building Upgrade                        | -                     | 2              | 2           | 100%         | 103            | 3            |       |   |
| Minor Capital Items                          | -                     | 2              | 2           | 100%         | 10             | 10           |       |   |
| <b>Total Par 2 MiniGolf</b>                  | <b>-</b>              | <b>5</b>       | <b>5</b>    | <b>100%</b>  | <b>178</b>     | <b>16</b>    |       |   |
| <b>Napier Conferences &amp; Events</b>       |                       |                |             |              |                |              |       |   |
| CC Renewals                                  | 1                     | 56             | 55          | 98%          | 188            | 60           | -15-  | Waiting on supplier to commence HVAC project  |
| CC Building Renewals                         | 15                    | 58             | 43          | 74%          | 279            | 175          | -16-  | Waiting on supplier to commence HVAC project  |
| AV Equipment Upgrades                        | 11                    | 13             | 2           | 16%          | 26             | 26           |       |   |
| War Memorial                                 | 106                   | 100            | (6)         | (6)%         | 1,935          | -            |       |   |
| Minor Capital Items                          | 3                     | 8              | 6           | 71%          | 85             | 60           |       |   |
| <b>Total Napier Conferences &amp; Events</b> | <b>136</b>            | <b>235</b>     | <b>100</b>  | <b>42%</b>   | <b>2,512</b>   | <b>321</b>   |       |   |
| <b>Napier Municipal Theatre</b>              |                       |                |             |              |                |              |       |   |
| NMT Renewals                                 | 6                     | 27             | 21          | 79%          | 202            | 380          |       |   |
| NMT Building Renewals                        | -                     | 13             | 13          | 100%         | 72             | 39           |       |   |
| Minor Capital Items                          | 44                    | 43             | (1)         | (2)%         | 64             | 55           |       |   |
| <b>Total Napier Municipal Theatre</b>        | <b>49</b>             | <b>83</b>      | <b>33</b>   | <b>40%</b>   | <b>338</b>     | <b>474</b>   |       |   |
| <b>Napier i-SITE Visitor Centre</b>          |                       |                |             |              |                |              |       |   |
| i-SITE Renewals                              | -                     | 23             | 23          | 100%         | 59             | 59           |       |   |
| Minor Capital Items                          | (1)                   | 11             | 12          | 100%         | 80             | 25           |       |   |
| <b>Total Napier i-SITE Visitor Centre</b>    | <b>(1)</b>            | <b>34</b>      | <b>35</b>   | <b>100%</b>  | <b>139</b>     | <b>84</b>    |       |   |

# COMMUNITY AND VISITOR EXPERIENCES

## FINANCIAL SUMMARY CONTINUED

Figures are shown in thousands (\$,000)

| Capital  | Year to Date Dec 2021 |                |             |               | Revised Budget | Annual Plan  | Notes | Comments  |
|--|-----------------------|----------------|-------------|---------------|----------------|--------------|-------|---|
|  | Actual                | Revised Budget | Variance    | % Variance    |                |              |       |   |
| <b>Kennedy Park</b>                                |                       |                |             |               |                |              |       |   |
| Kennedy Park Renewals                              | 25                    | 12             | (13)        | (100)%        | 94             | 94           |       |   |
| Kennedy Park Facilities Renewals                   | 0                     | -              | -           |               | -              | -            |       |   |
| KP Building Renewals                               | 15                    | 159            | 144         | 91%           | 336            | 184          | -17-  | Delay in project due to COVID                     |
| Deluxe Ensuite Units                               | -                     | -              | -           |               | 160            | 160          |       |   |
| Main Ablution Block                                | 34                    | -              | (34)        | (100)%        | -              | -            | -18-  | Spillover costs from project completed last year. |
| Minor Capital Items                                | 22                    | 15             | (7)         | (47)%         | 520            | 520          |       |   |
| Furniture & Fittings                               | 3                     | -              | (3)         | (100)%        | -              | -            |       |   |
| <b>Total Kennedy Park</b>                          | <b>99</b>             | <b>186</b>     | <b>87</b>   | <b>47%</b>    | <b>1,109</b>   | <b>957</b>   |       |   |
| <b>MTG Faraday Centre</b>                          |                       |                |             |               |                |              |       |   |
| Faraday Centre Building Upgrade                    | 0                     | 7              | 6           | 90%           | 20             | 520          |       |   |
| Seismic Strengthening                              | 17                    | -              | (17)        | (100)%        | 75             | -            |       |   |
| Minor Capital Items                                | 3                     | 3              | -           |               | 17             | 10           |       |   |
| Security Cameras                                   | -                     | -              | -           |               | 2              | -            |       |   |
| <b>Total MTG Faraday Centre</b>                    | <b>21</b>             | <b>10</b>      | <b>(11)</b> | <b>(100)%</b> | <b>114</b>     | <b>530</b>   |       |   |
| <b>MTG Hawke's Bay</b>                             |                       |                |             |               |                |              |       |   |
| MTG Renewals                                       | 4                     | 20             | 16          | 80%           | 126            | 60           |       |   |
| CC Building Renewals                               | 13                    | 7              | (7)         | (100)%        | 115            | 20           |       |   |
| Earthquake Gallery                                 | -                     | -              | -           |               | -              | 80           |       |   |
| Storage for MTG - property purchase                | -                     | -              | -           |               | -              | 1,800        |       |   |
| MTG Century Theatre Tech Investigation and Upgrade | -                     | -              | -           |               | -              | 300          |       |   |
| Collection Storage Van                             | -                     | -              | -           |               | -              | 60           |       |   |
| Century Theatre Balustrade                         | -                     | -              | -           |               | -              | 10           |       |   |
| MTG Sprinkler Project                              | -                     | -              | -           |               | -              | 400          |       |   |
| Minor Capital                                      | 6                     | 17             | 10          | 60%           | 77             | 50           |       |   |
| <b>Total MTG Hawke's Bay</b>                       | <b>23</b>             | <b>43</b>      | <b>19</b>   | <b>44%</b>    | <b>317</b>     | <b>2,780</b> |       |   |

Figures are shown in thousands (\$,000)

| Capital                                   | Year to Date Dec 2021 |                |            |            | Revised Budget | Annual Plan   | Notes | Comments  |
|---|-----------------------|----------------|------------|------------|----------------|---------------|-------|---|
|   | Actual                | Revised Budget | Variance   | % Variance |                |               |       |   |
| <b>Housing - Retirement</b>               |                       |                |            |            |                |               |       |   |
| Retirement Housing Renewals               | -                     | 132            | 132        | 100%       | 2,412          | 927           | -19-  | Focus on Compliance and Health and Safety expenditure |
| Henry Charles Hall Internal Refurbishment | -                     | 80             | 80         | 100%       | 80             | 80            | -20-  | Project delay due to Structural Issues with Building. |
| Minor Capital Projects                    | 10                    | 13             | 3          | 24%        | 188            | 89            |       |   |
| HH Heat pumps                             | 283                   | 700            | 417        | 60%        | 1,940          | 1,940         | -21-  | Delays in Supply of Heat Pumps                        |
| Minor Capital Items                       | 3                     | -              | (3)        | (100)%     | -              | -             |       |   |
| <b>Total Housing - Retirement</b>         | <b>296</b>            | <b>925</b>     | <b>629</b> | <b>68%</b> | <b>4,619</b>   | <b>3,036</b>  |       |   |
| <b>Housing - Rental</b>                   |                       |                |            |            |                |               |       |   |
| Rental Housing Renewals                   | 12                    | 87             | 75         | 87%        | 617            | 260           | -22-  | Focus on Compliance and Health and Safety expenditure |
| Minor Capital Projects                    | 0                     | 21             | 21         | 100%       | 38             | 21            |       |   |
| HH Heat pumps                             | 38                    | -              | (38)       | (100)%     | -              | -             | -23-  | Delays in Supply of Heat Pumps                        |
| <b>Total Housing - Rental</b>             | <b>50</b>             | <b>108</b>     | <b>58</b>  | <b>54%</b> | <b>656</b>     | <b>281</b>    |       |   |
| <b>Total Capital Expenditure</b>          | <b>2,955</b>          | <b>3,862</b>   | <b>904</b> | <b>23%</b> | <b>24,752</b>  | <b>17,859</b> |       |   |
| <b>Asset Sales</b>                        | <b>(150)</b>          | <b>-</b>       | <b>-</b>   |            | <b>-</b>       | <b>-</b>      |       |   |

# PROPERTY ASSETS

Activities in Property Assets are:

- Property Holdings
- Inner Harbour
- Lagoon Farm
- Parklands Residential Development

## PROPERTY HOLDINGS

Leasehold Land Portfolio:

Investment Property Portfolio = 74

Residential = 14

This activity is responsible for the management of leases and licences that have been established for parks, reserves, sportsgrounds, and roads, commercial, industrial, and residential properties. The majority of leases within the Leasehold Land Portfolio are perpetually renewable.

It is also responsible for asset management, including maintenance and renewal, of all Council buildings not specifically allocated to other activities.

## INNER HARBOUR

Napier Inner Harbour facilities are located in Ahuriri. The Inner Harbour provides Council owned berthage facilities and the Nelson Quay Boat Ramp, for both commercial fishing vessels and recreational vessels and craft including the Sailing Waka. The Inner Harbour also provides the location for the Napier Sailing Club and the Hawke's Bay Sports Fishing Club, both occupy Council-owned land on a lease basis.

The Inner Harbour provides a channel to the open sea that Council is required to dredge to ensure it remains navigable. The waters within the Inner Harbour are also used by a variety of other water-based users from the wider community, while some of the Council wharves and jetties are used by the public for recreational fishing.

Responsibility for managing the Inner Harbour transferred to the Napier City Council as an integral part of local government reorganisation in 1989. Service delivery has been provided in-house by Napier City Council and includes general enquiries, berth allocation, maintenance, and the operation of the pay to use Nelson Quay Boat Ramp.

## LAGOON FARM

The Lagoon Farm activity is a commercial farm operated on the former Ahuriri lagoon bed landholding south of the current estuary channel. This activity covers the costs of land retention and wherever possible provides a supplementary revenue stream to Council while providing a number of other ancillary amenities to the general public and community of Hawke's Bay

The farm currently operates as a sheep farm, with some paddocks leased out for hay cropping on a seasonal basis. The area is zoned "Rural" and as such it can only be used for farming activities.

## PARKLANDS RESIDENTIAL DEVELOPMENT

The Parklands Residential Development on 120 hectares of former Lagoon Farm land will provide over 350 residential sections for sale during the period 2018-27. The rate of residential development will be driven by market demand.



# PROPERTY ASSETS PERFORMANCE SUMMARY

| Level of service   | Performance measures   | First Quarter       | Second Quarter*     | Third Quarter | Target 2021/22  | Year End 2020/21 | Indicator | Comment  |
|--|--|---------------------|---------------------|---------------|---|------------------|-----------|--|
| <b>Parklands Residential Development</b>   |  |                     |                     |               |   |                  |           |  |
| Residential lots are created to provide an expanding residential development to meet the demand for the sections           | Number of sections sold and developed  | 0                   | 0                   |               | Developed: 70 Sold: 68                                      | 60               | ●         | Stage 8 (29 lots) is being targeted to be sold during quarter 4. Stages 9 & 10 will not be sold this financial year due to delays as a result of Covid-19. |
| <b>Lagoon Farm</b>   |  |                     |                     |               |   |                  |           |  |
| Lagoon Farm ensures stewardship of Council's 289 hectare land holding on the Ahuriri Lagoon Bed                            | Farm revenue will cover the cost of retaining the land as measured by the operating budget and Napier City Council annual internal financial statements for year ended 30 June each year | End of year measure | End of year measure |               | Revenue exceeds expenditure (prior to internal chargebacks) | New              | ●         |  |
| <b>Inner Harbour</b>   |  |                     |                     |               |   |                  |           |  |
| To provide and maintain Inner Harbour facilities to enable the safe berthing of commercial and recreational vessels        | Dredging is carried out as required so the channel is maintained to a minimum depth of 2.4 m at lowest tide (source: depth sound checks)   | Achieved            | Achieved            |               | Achieved  | Achieved         | ●         |  |
|  | No. of Permanent Berths  | 98                  | 98                  |               | 98  | 98               | ●         |  |
| <b>Buildings Asset Management</b>  |  |                     |                     |               |   |                  |           |  |
| Council maintains and renews all Council buildings to ensure buildings remain safe, in good condition, and fit for purpose | Buildings with compliance schedules under the Building Act 2004 which have current Building Warrants of Fitness  | 100%                | 100%                |               | 100%  | Not Achieved     | ●         |  |

(\*)Second Quarter shows end of year 2021 measure.

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

# PROPERTY ASSETS FINANCIAL SUMMARY

Property Assets Financial Summary as at December 2021

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                |           |            | Revised Budget | Annual Plan    | Notes | Comments  |
|----------------------------------|-----------------------|----------------|-----------|------------|----------------|----------------|-------|---|
|                                  | Actual                | Revised Budget | Variance  | % Variance |                |                |       |   |
| Revenue                          | (2,511)               | (2,117)        | 394       | 19%        | (24,745)       | (24,745)       | -1-   | Insurance flood related payments                      |
| Expenditure                      | 1,441                 | 1,066          | (375)     | (35)%      | 16,094         | 16,094         | -2-   | Increase in Insurance premiums and livestock purchase |
| Depreciation                     | 325                   | 393            | 67        | 17%        | 786            | 786            | -3-   | Reduced depreciation due to delay in Capital projects |
| <b>Net Operating Expenditure</b> | <b>(745)</b>          | <b>(659)</b>   | <b>87</b> | <b>13%</b> | <b>(7,865)</b> | <b>(7,865)</b> |       |   |

Figures are shown in thousands (\$,000)

| Net Operating Expenditure      | Year to Date Dec 2021 |                |             |                   | Revised Budget | Annual Plan    | Notes | Comments                          |
|--------------------------------|-----------------------|----------------|-------------|-------------------|----------------|----------------|-------|-----------------------------------|
|                                | Actual                | Revised Budget | Variance    | % Variance        |                |                |       |                                   |
| <b>Lagoon Farm</b>             |                       |                |             |                   |                |                |       |                                   |
| Revenue                        | (486)                 | (418)          | 68          | 16%               | (611)          | (611)          | -4-   | Lamb income up and timing         |
| Expenditure                    | 441                   | 336            | (105)       | (31)%             | 672            | 672            | -5-   | Budget timing, Livestock purchase |
| <b>Lagoon Farm Total</b>       | <b>(45)</b>           | <b>(82)</b>    | <b>(36)</b> | <b>(45)%</b>      | <b>61</b>      | <b>61</b>      |       |                                   |
| <b>Parklands Area 3</b>        |                       |                |             |                   |                |                |       |                                   |
| Revenue                        | (15)                  | (15)           | 0           | 1%                | (18,836)       | (18,836)       |       |                                   |
| Expenditure                    | 130                   | 130            | (0)         | (0)%              | 13,639         | 13,639         |       |                                   |
| <b>Parklands Area 3 Total</b>  | <b>115</b>            | <b>115</b>     | <b>(0)</b>  | <b>(0)%</b>       | <b>(5,198)</b> | <b>(5,198)</b> |       |                                   |
| <b>Property Support</b>        |                       |                |             |                   |                |                |       |                                   |
| Revenue                        | (192)                 | (1)            | 192         | >100%             | (1)            | (1)            | -6-   | Insurance flood related payments  |
| Expenditure                    | 219                   | (4)            | (223)       | <(100)%           | (7)            | (7)            | -7-   | Increases to Insurance premiums   |
| <b>Property Support Total</b>  | <b>27</b>             | <b>(4)</b>     | <b>(31)</b> | <b>&lt;(100)%</b> | <b>(8)</b>     | <b>(8)</b>     |       |                                   |
| <b>Property Holdings</b>       |                       |                |             |                   |                |                |       |                                   |
| Revenue                        | (1,652)               | (1,504)        | 148         | 10%               | (4,937)        | (4,937)        |       |                                   |
| Expenditure                    | 502                   | 482            | (20)        | (4)%              | 951            | 951            |       |                                   |
| <b>Property Holdings Total</b> | <b>(1,150)</b>        | <b>(1,021)</b> | <b>128</b>  | <b>13%</b>        | <b>(3,986)</b> | <b>(3,986)</b> |       |                                   |

Figures are shown in thousands (\$,000)

| Net Operating Expenditure              | Year to Date Dec 2021 |                |           |            | Revised Budget | Annual Plan | Notes | Comments |
|--|-----------------------|----------------|-----------|------------|----------------|-------------|-------|----------|
|  | Actual                | Revised Budget | Variance  | % Variance |                |             |       |          |
| <b>Building Asset Management</b>       |                       |                |           |            |                |             |       |          |
| Revenue                                | -                     | -              | -         |            | -              | -           |       |          |
| Expenditure                            | 47                    | 51             | 4         | 9%         | 523            | 524         |       |          |
| <b>Building Asset Management Total</b> | <b>47</b>             | <b>51</b>      | <b>4</b>  | <b>9%</b>  | <b>523</b>     | <b>524</b>  |       |          |
| <b>Inner Harbour</b>                   |                       |                |           |            |                |             |       |          |
| Revenue                                | (166)                 | (180)          | (14)      | (8)%       | (360)          | (360)       |       |          |
| Expenditure                            | 427                   | 463            | 36        | 8%         | 1,102          | 1,102       |       |          |
| <b>Inner Harbour Total</b>             | <b>261</b>            | <b>283</b>     | <b>22</b> | <b>8%</b>  | <b>742</b>     | <b>742</b>  |       |          |

# PROPERTY ASSETS

## FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

|   | Year to Date Dec 2021 |                |                |               |                |              | Notes | Comments  |
|---|-----------------------|----------------|----------------|---------------|----------------|--------------|-------|---|
|   | Actual                | Revised Budget | Variance       | % Variance    | Revised Budget | Annual Plan  |       |   |
| <b>Capital</b>                              |                       |                |                |               |                |              |       |   |
| <b>Parklands Area 3</b>                     |                       |                |                |               |                |              |       |   |
| Parklands Area 3                            | 15                    | -              | (15)           | (100)%        | -              | -            |       |   |
| Parklands Area 3                            | 2                     | -              | (2)            | (100)%        | -              | -            |       |   |
| Parklands Area 3                            | 0                     | -              | -              |               | -              | -            |       |   |
| Parklands Area 3                            | 1,221                 | -              | (1,221)        | (100)%        | -              | -            | -1-   | NCC do not budget capital expenditure for the Parklands Development. Once a stage has been developed these costs are then moved to Inventory. |
| Parklands Area 3                            | 241                   | -              | (241)          | (100)%        | -              | -            | -2-   | NCC do not budget capital expenditure for the Parklands Development. Once a stage has been developed these costs are then moved to Inventory. |
| Parklands Area 3                            | 306                   | -              | (306)          | (100)%        | -              | -            | -3-   | NCC do not budget capital expenditure for the Parklands Development. Once a stage has been developed these costs are then moved to Inventory. |
| Parklands Area 3                            | 2                     | -              | (2)            | (100)%        | -              | -            |       |   |
| Parklands Area 3                            | 541                   | -              | (541)          | (100)%        | -              | -            | -4-   | NCC do not budget capital expenditure for the Parklands Development. Once a stage has been developed these costs are then moved to Inventory. |
| <b>Total Parklands Area 3</b>               | <b>2,327</b>          | <b>-</b>       | <b>(2,328)</b> | <b>(100)%</b> | <b>-</b>       | <b>-</b>     |       |   |
| <b>Parklands Area 4</b>                     |                       |                |                |               |                |              |       |   |
| Parklands Area 4                            | 18                    | -              | (18)           | (100)%        | -              | -            |       |   |
| <b>Total Parklands Area 4</b>               | <b>18</b>             | <b>-</b>       | <b>(18)</b>    | <b>(100)%</b> | <b>-</b>       | <b>-</b>     |       |   |
| <b>Property Holdings</b>                    |                       |                |                |               |                |              |       |   |
| Seismic Strengthening Council Buildings     | -                     | -              | -              |               | 122            | -            |       |   |
| Civic Buildings Upgrade                     | 3                     | -              | (3)            | (100)%        | 1,500          | 1,500        |       |   |
| Assessment & Compliance Projects            | 5                     | -              | (5)            | (100)%        | 60             | 100          |       |   |
| Pandora Pond Buildings                      | -                     | -              | -              |               | 250            | 300          |       |   |
| Building Purchase                           | 1                     | -              | (1)            | (100)%        | -              | -            |       |   |
| <b>Total Property Holdings</b>              | <b>9</b>              | <b>-</b>       | <b>(9)</b>     | <b>(100)%</b> | <b>1,932</b>   | <b>1,900</b> |       |   |
| <b>Building Asset Management</b>            |                       |                |                |               |                |              |       |   |
| Assessment and compliance projects          | -                     | -              | -              |               | -              | 100          |       |   |
| <b>Total Building Asset Management</b>      | <b>-</b>              | <b>-</b>       | <b>-</b>       |               | <b>-</b>       | <b>100</b>   |       |   |
| <b>Inner Harbour</b>                        |                       |                |                |               |                |              |       |   |
| IH Facilities Renewals                      | 47                    | -              | (47)           | (100)%        | 372            | -            | -5-   | Works are progressing on the pontoon replacements. Budget expected to be utilised by year end.  |
| Ahuriri Masterplan - Iron Pot Public Access | -                     | -              | -              |               | 400            | -            |       |   |
| <b>Total Inner Harbour</b>                  | <b>47</b>             | <b>-</b>       | <b>(47)</b>    | <b>(100)%</b> | <b>772</b>     | <b>-</b>     |       |   |
| <b>Total Capital Expenditure</b>            | <b>2,402</b>          | <b>-</b>       | <b>(2,402)</b> | <b>(100)%</b> | <b>2,704</b>   | <b>2,000</b> |       |   |
| <b>Asset Sales</b>                          | <b>(1,643)</b>        | <b>-</b>       | <b>-</b>       |               | <b>-</b>       | <b>-</b>     |       |   |



# SUPPORT UNITS

Council has a number of cost centres of a corporate or support nature. These cost centres provide the technical and support services necessary for the function of Council's activities.

Costs of the support services are reallocated to activities either as overheads based on the support each activity receives, or recharged direct on a usage basis.

Support Services include the Services Depot, which provides support for the Utilities and Reserves divisions including a store and mechanical workshop. Design Services provides scientific and technical services to other Council departments ensuring the community receives engineering services of maximum quality and safety.



# SUPPORT UNITS FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                |              |              |                |              | Notes | Comments  |
|----------------------------------|-----------------------|----------------|--------------|--------------|----------------|--------------|-------|---|
|                                  | Actual                | Revised Budget | Variance     | % Variance   | Revised Budget | Annual Plan  |       |   |
| Revenue                          | (4,747)               | (4,170)        | 577          | 14%          | (12,939)       | (2,358)      | -1-   | Regional CIP project funding through shared services, revenue offsets costs.  |
| Expenditure                      | 1,475                 | (180)          | (1,655)      | <(100)%      | 4,111          | (1,043)      | -2-   | Regional CIP projects through shared services, COVID-19 related expenditure and reduced chargeable hours due to a number of vacant positions. |
| Depreciation                     | 873                   | 1,393          | 520          | 37%          | 2,622          | 2,622        | -3-   | Reduced depreciation costs due to the delay in Capital projects.  |
| <b>Net Operating Expenditure</b> | <b>(2,398)</b>        | <b>(2,956)</b> | <b>(558)</b> | <b>(19)%</b> | <b>(6,206)</b> | <b>(779)</b> |       |   |

# SUPPORT UNITS

## FINANCIAL SUMMARY CONTINUED

Figures are shown in thousands (\$,000)

| Capital  | Year to Date to Dec 2021 |                |             |             | Revised Budget | Annual Plan | Notes | Comments   |
|--|--------------------------|----------------|-------------|-------------|----------------|-------------|-------|--|
|  | Actual                   | Revised Budget | Variance    | % Variance  |                |             |       |  |
| <b>Three Waters Reform Programme</b>                 |                          |                |             |             |                |             |       |  |
| Scoping 3 Waters Master Plan Projects                | 216                      | 217            | 1           | 0%          | 461            | -           |       |  |
| Water Quality Improvement Project                    | 893                      | 893            | -           |             | 2,945          | -           |       |  |
| Water Safety Plan Delivery of Improvement Items      | 121                      | 121            | -           |             | 478            | -           |       |  |
| Fire Flow Network Upgrades to meet Levels of Service | 880                      | 881            | -           |             | 2,394          | -           |       |  |
| Parks Water Bores Investigation & Implementation     | 101                      | 101            | -           |             | 170            | -           |       |  |
| Review of Private Water Supplies                     | 37                       | 38             | -           |             | 225            | -           |       |  |
| Peer Review 3 Waters Models & Masterplans            | 10                       | 10             | -           |             | 81             | -           |       |  |
| Te Awa Structure Plan & 3 Waters Infrastructure      | 31                       | -              | (31)        | (100)%      | -              | -           | -1-   | Expenditure misposted and will be corrected in January 2022. |
| Wastewater Outfall Repair                            | 54                       | 57             | 2           | 4%          | 250            | -           |       |  |
| Maintenance Management Practices                     | 28                       | 29             | -           |             | 133            | -           |       |  |
| DIA Equipment Purchases & Set Up Costs               | 10                       | 10             | -           |             | 15             | -           |       |  |
| <b>Total Three Waters Reform Programme</b>           | <b>2,381</b>             | <b>2,354</b>   | <b>(28)</b> | <b>(1)%</b> | <b>7,152</b>   | <b>-</b>    |       |  |
| <b>Services Administration</b>                       |                          |                |             |             |                |             |       |  |
| Depot General Renewals                               | 8                        | 18             | 10          | 55%         | 30             | 30          |       |  |
| Depot Building Renewals                              | 8                        | 27             | 19          | 70%         | 54             | 54          |       |  |
| Lockable storage-more sheds                          | -                        | 5              | 5           | 100%        | 5              | 5           |       |  |
| Asset Register Items                                 | 10                       | 22             | 12          | 54%         | 13             | 13          |       |  |
| <b>Total Services Administration</b>                 | <b>26</b>                | <b>72</b>      | <b>46</b>   | <b>64%</b>  | <b>102</b>     | <b>102</b>  |       |  |
| <b>Plant and Vehicles</b>                            |                          |                |             |             |                |             |       |  |
| P & V Renewal Purchases                              | 416                      | 494            | 79          | 16%         | 900            | 900         | -2-   | On order supply chain delays                                 |
| <b>Total Plant and Vehicles</b>                      | <b>416</b>               | <b>494</b>     | <b>79</b>   | <b>16%</b>  | <b>900</b>     | <b>900</b>  |       |  |

Figures are shown in thousands (\$,000)

| Capital                                   | Year to Date to Dec 2021 |                |             |             | Revised Budget | Annual Plan  | Notes | Comments                                 |
|---|--------------------------|----------------|-------------|-------------|----------------|--------------|-------|--|
|   | Actual                   | Revised Budget | Variance    | % Variance  |                |              |       |  |
| <b>Chief Executive</b>                    |                          |                |             |             |                |              |       |  |
| Minor Capital Items                       | (1)                      | 35             | 36          | 100%        | 35             | 70           | -3-   | Contingency fund                         |
| <b>Total Chief Executive</b>              | <b>(1)</b>               | <b>35</b>      | <b>36</b>   | <b>100%</b> | <b>35</b>      | <b>70</b>    |       |  |
| <b>C.I.T.</b>                             |                          |                |             |             |                |              |       |  |
| Software Replacements and Upgrades        | -                        | -              | -           |             | 191            | -            |       |  |
| Street Management (CCTV's)                | -                        | -              | -           |             | 500            | -            |       |  |
| Software Replacements and Upgrades - S800 | -                        | 258            | 258         | 100%        | 515            | 515          | -4-   | Delay in projects due to staff shortages |
| New business Improvement Modules - S800   | 38                       | 40             | 2           | 5%          | 80             | 80           |       |  |
| Innovation Tools - S800                   | 30                       | 110            | 80          | 73%         | 200            | 400          | -5-   | Delay in projects due to staff shortages |
| Software Replacement & Upgrade            | -                        | -              | -           |             | 62             | -            |       |  |
| Corporate IT Network                      | -                        | 13             | 13          | 100%        | 13             | 13           |       |  |
| <b>Total C.I.T.</b>                       | <b>68</b>                | <b>421</b>     | <b>353</b>  | <b>84%</b>  | <b>1,560</b>   | <b>1,008</b> |       |  |
| <b>Finance Leases</b>                     |                          |                |             |             |                |              |       |  |
| Technology Equipment Minor Capital        | 166                      | 155            | (11)        | (7)%        | 2,705          | 4,428        |       |  |
| <b>Total Finance Leases</b>               | <b>166</b>               | <b>155</b>     | <b>(11)</b> | <b>(7)%</b> | <b>2,705</b>   | <b>4,428</b> |       |  |
| <b>Total Capital Expenditure</b>          | <b>3,055</b>             | <b>3,531</b>   | <b>475</b>  | <b>13%</b>  | <b>12,454</b>  | <b>6,508</b> |       |  |
| <b>Asset Sales</b>                        | <b>(154)</b>             | <b>-</b>       | <b>-</b>    |             | <b>-</b>       | <b>-</b>     |       |  |



# RATES AND SPECIAL FUNDS FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

| Net Operating Expenditure        | Year to Date Dec 2021 |                 |            |            | Revised Budget  | Annual Plan     | Notes | Comments |
|----------------------------------|-----------------------|-----------------|------------|------------|-----------------|-----------------|-------|----------|
|                                  | Actual                | Revised Budget  | Variance   | % Variance |                 |                 |       |          |
| Revenue                          | (22,392)              | (21,776)        | 616        | 3%         | (43,334)        | (47,516)        |       |          |
| Expenditure                      | (583)                 | (486)           | 97         | 20%        | (973)           | (973)           |       |          |
| Depreciation                     | -                     | -               | -          |            | -               | -               |       |          |
| <b>Net Operating Expenditure</b> | <b>(22,975)</b>       | <b>(22,262)</b> | <b>713</b> | <b>3%</b>  | <b>(44,307)</b> | <b>(48,489)</b> |       |          |

# PEOPLE AND CAPABILITY REPORT

## HEALTH, SAFETY & WELLBEING

### HEALTH, SAFETY & WELLBEING INITIATIVES

Staff participated in the following health, safety and wellbeing initiatives during the quarter. Staff participated in the following health, safety and wellbeing initiatives during the quarter.

Mental Health Awareness Week, Men's Health Week, White Ribbon, Shake Out, Movember, Sun Smart.

### HEALTH & SAFETY TRAINING

108 staff completed the following H&S training during the quarter to 30 September 2021.

| Compliance Courses           | Total      |
|------------------------------|------------|
| First Aid                    | 9          |
| Confined Space               | 2          |
| Traffic Management Operative | 3          |
| Hazardous Substances         | 10         |
| Working at Heights           | 1          |
| Aggressive Customer          | 81         |
| Fire Extinguisher            | 1          |
| Elevated Work Platform       | 1          |
| Total Staff Trained          | 108        |
| <b>Total Staff Trained</b>   | <b>197</b> |

### REPORTED INCIDENTS

| Reported Incidents - To Date 31 December        | Total |
|---|-------|
| Lost time injuries (LTIs):                      | 1     |
| Medically treated injuries (MTIs):              | 3     |
| Near miss/hit & property damage reporting       | 18    |
| Incidents Involving Public using our facilities | 7     |
| Incidents or Accidents involving Contractors    | 0     |

## PEOPLE

### EMPLOYEE ASSISTANCE PROGRAM

NCC provides a confidential employee assistance program through OCP. The following shows the number of employees who have accessed the service and the total number of sessions used by all employees during the month.

Onsite grief counselling was held for staff at City Services after the sudden death of a team member.

| Month    | # Employees Accessing Service for the first time | Total Sessions Accessed by all staff |
|----------|--|--------------------------------------|
| October  | 1  | 6                                    |
| November | 0  | 9                                    |
| December | 6  | 13                                   |

### VACANCIES

Recruitment is underway to fill 37 permanent positions and five fixed term roles across Council.

| Directorate         | Permanent Recruitment | Fixed Term |
|---------------------|-----------------------|------------|
| Chief Executive     |                       |            |
| City Services       | 6                     |            |
| City Strategy       | 3                     |            |
| Comms & Marketing   |                       |            |
| Community Services  | 9                     | 3          |
| Corporate Services  | 7                     | 1          |
| Infrastructure      | 8                     | 1          |
| Programme Delivery  | 4                     |            |
| People & Capability |                       |            |
| <b>Total</b>        | <b>37</b>             | <b>5</b>   |

### SERVICE MILESTONES

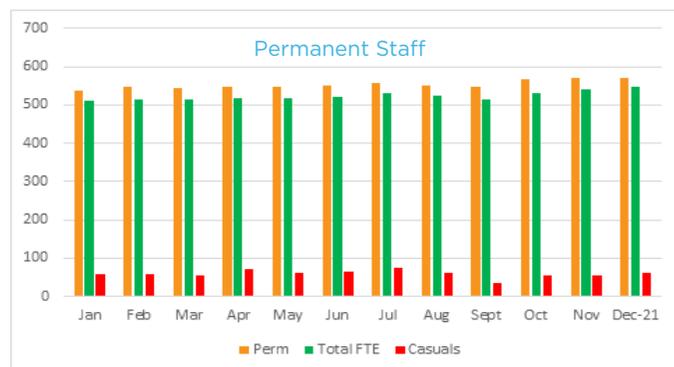
During the quarter, the following reached service milestones:

| Years' Service | Number of Staff |
|----------------|-----------------|
| 5              | 10              |
| 10             |                 |
| 15             | 4               |
| 20             | 1               |
| 25             | 1               |
| 30             | 1               |
| 35             | 1               |
| 40             |                 |
| 45             |                 |

### EMPLOYEE NUMBERS

| Staffing Levels                  | As at Dec 2021 |
|----------------------------------|----------------|
| Permanent Employees (Headcount)  | 572            |
| Full time equivalent (Permanent) | 548            |
| Casual Staff (Headcount)         | 61             |

The chart below includes permanent (full time and part time), fixed term and casual staff.



### VALUES AWARDS

Each quarter, staff nominate work colleagues who they believe demonstrate Napier City Councils core values of Integrity, Community & Customer and Excellence.

21 staff and 3 teams were nominated to receive a values award during Quarter 2.

### STAFF TURNOVER - PERMANENT STAFF

| Year to Date      | Q2    | Rolling*YTD<br>Dec 2021 | Dec 2020 |
|-------------------|-------|-------------------------|----------|
| Staff Turnover    | 4.41% | 19.65%                  | 17.57%   |
| Voluntary Leavers | 25    | 117                     | 99       |

\*January to December 2021

During the quarter July to September 2021:

- 30 people joined Napier City Council in permanent roles and 10 in fixed term positions.
- 25 permanent staff left Council.

A number of other councils are reporting higher than usual turnover, particularly in the last half of 2021.

| Turnover by Directorate | Leavers | Jan to Dec 21 |
|-------------------------|---------|---------------|
| City Services           | 22      | 15.22%        |
| City Strategy           | 8       | 14.95%        |
| Community Services      | 56      | 28.07%        |
| Corporate Services      | 13      | 18.57%        |
| Infrastructure          | 14      | 20.74%        |
| Comms                   | 3       | 31.58%        |
| P&C                     |         | 0.00%         |
| SLT                     |         | 0.00%         |
| Te Waka Rangapu         | 1       | 33.33%        |

# CITY STRATEGY REGULATORY ACTIVITY REPORT

## BUILDING CONSENTS

321 Building consents were issued this quarter with an estimated value of \$60,134,765. There were 44 total new dwellings.

### Building processing timeframes

314 out of 321 consents were issued within the correct timeframe for the quarter.

## RESOURCE CONSENTS

This quarter saw 83 Resource Consents processed (29 subdivision and 54 land use) in comparison to 51 total Resource Consents (17 subdivision and 34 land use) in the same quarter in 2020.

### Resource Consent processing timeframes

83 out of 83 applications were processed within the correct timeframe for the quarter.

## PARKING

### Infringements Issued

3,639 infringement notices were issued for the quarter. Of these 1081 (29%) were paid within the same quarter they were issued and 236 (6.4%) have been cancelled.

### Parkmate

The total transactions for the quarter was 77,954 which is up from the same quarter in 2020 that saw a total of 65,296 transactions.

## ENVIRONMENTAL HEALTH

### Noise Complaints

There were 464 noise complaints received this quarter compared to 509 complaints in the same quarter in 2020. Five infringement notices were issued this quarter compared to two in the same quarter in 2020.

### Liquor Licencing

There were 143 applications issued this quarter compared to 130 in the same quarter in 2020. These applications comprised of; 33 special licences, 81 Managers Certificates and 29 premise licences.

### Freedom Camping

This quarter there have been 2,351 recorded freedom camping vehicles which is a decrease compared to 3,448 in the same quarter in 2020. There have been 65 infringement notices issued this quarter. The decrease in freedom camping in Napier is most likely due Covid travel restrictions and the decrease in tourists travelling.

## ANIMAL CONTROL

### Infringement Notices Issued

64 infringements were issued this quarter compared to 46 in the same quarter in 2020. In this quarter there are a total of 7,819 dogs registered with council compared to 7,931 dogs registered in the same quarter in 2020. The number of known unregistered dogs in this quarter was 829 compared to 534 for the previous financial year.

### Impounding Activity

123 dogs were impounded this quarter, with 63 being returned to their owner, 4 rehomed and 27 euthanised.

### Dog Attack

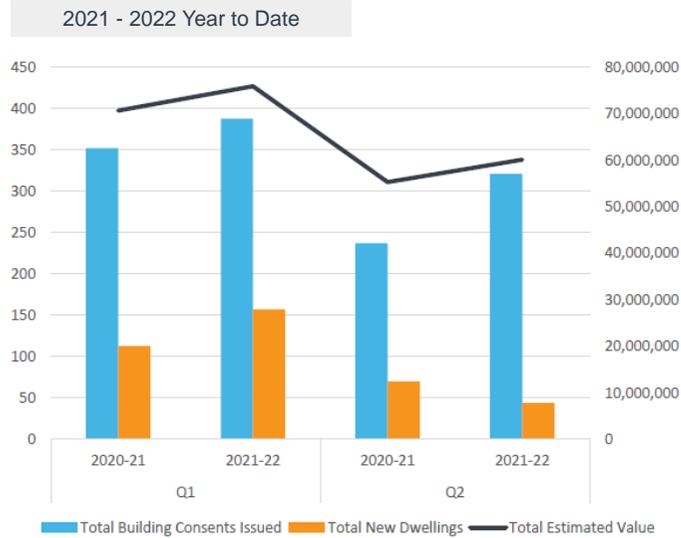
Of the reports of dog attacks on humans, 2 were serious and 6 were minor. Each of these were investigated and appropriate action was taken.

Note: The first quarter this year included covid level restrictions which will be reflected in some of the year to year comparison data.

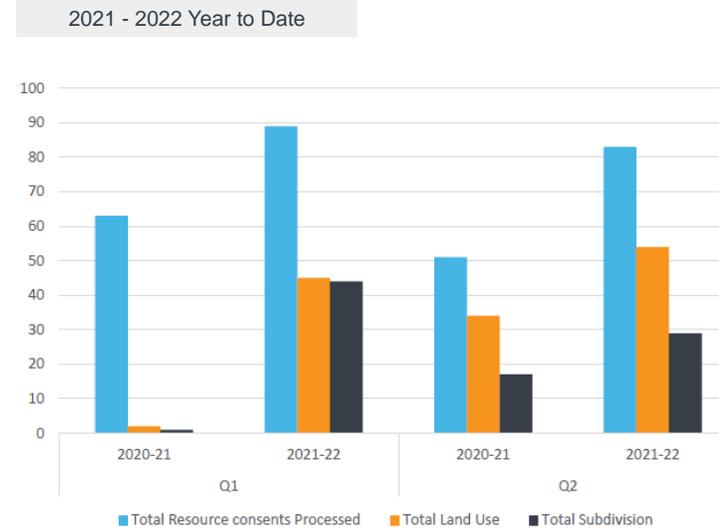
# CITY STRATEGY REGULATORY ACTIVITY REPORT

## BUILDING AND RESOURCE CONSENTS

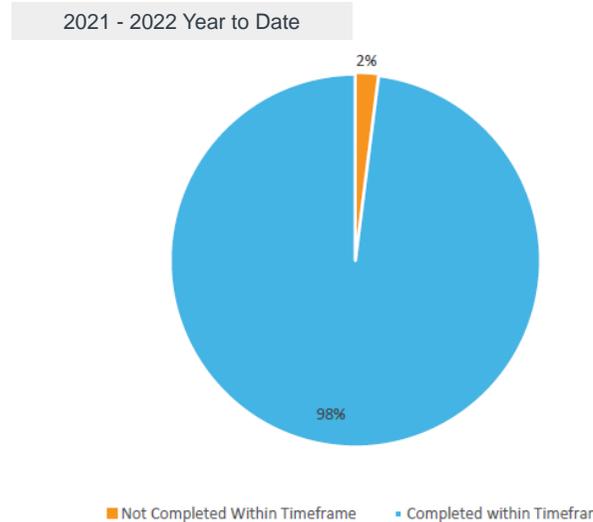
### Building Consents Issued



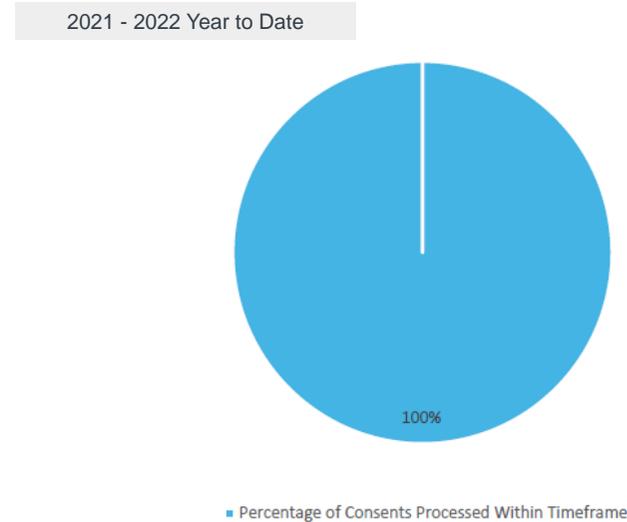
### Resource Consents Activity



### Building Timeframes



### Resource Consent Timeframes

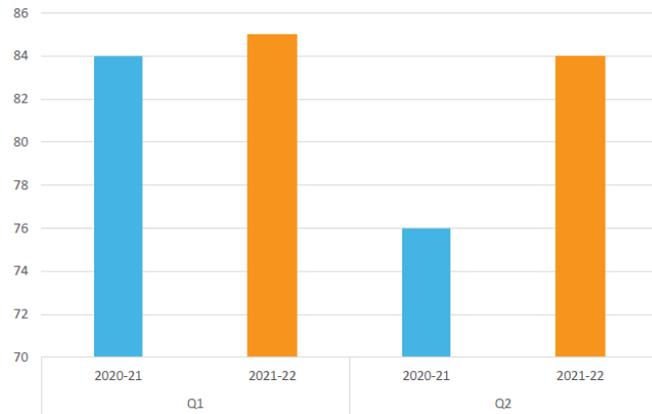


# CITY STRATEGY REGULATORY ACTIVITY REPORT

## LIMS, PROPERTY FILES AND PARKING

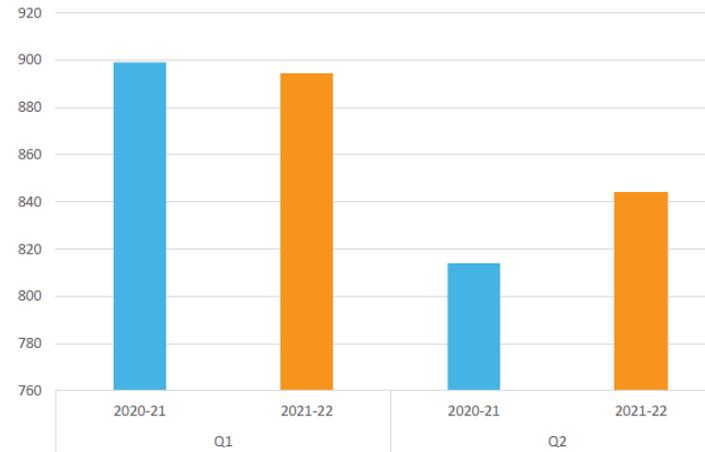
### Total Number of LIMS Issued

2021 - 2022 Year to Date



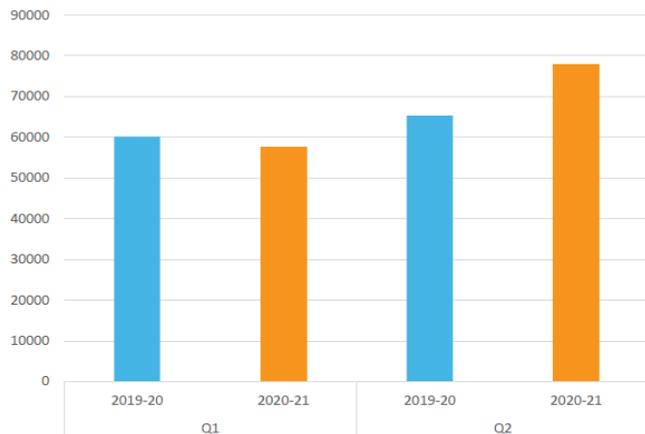
### Total Number of Property Files

2021 - 2022 Year to Date



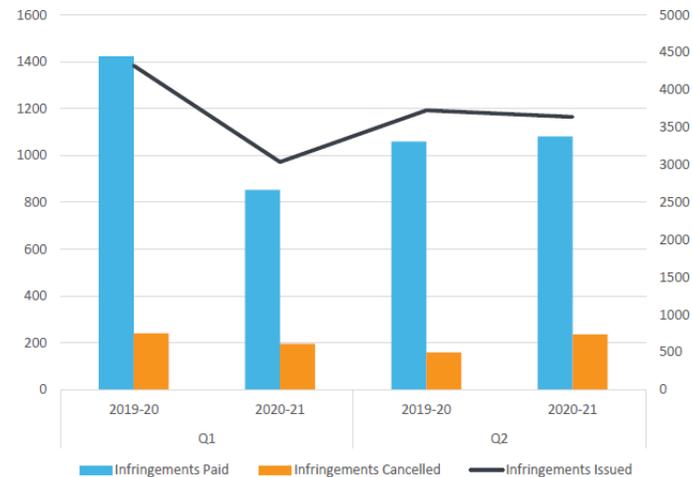
### Parkmate Transactions

2021 - 2022 Year to Date



### Parking Infringements

2021 - 2022 Year to Date

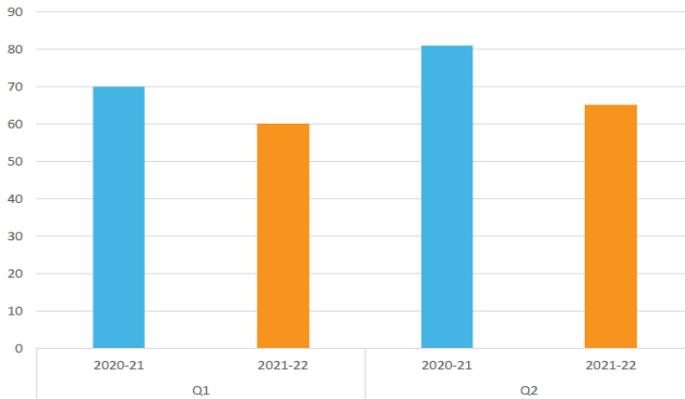


# CITY STRATEGY REGULATORY ACTIVITY REPORT

## ENVIRONMENTAL HEALTH

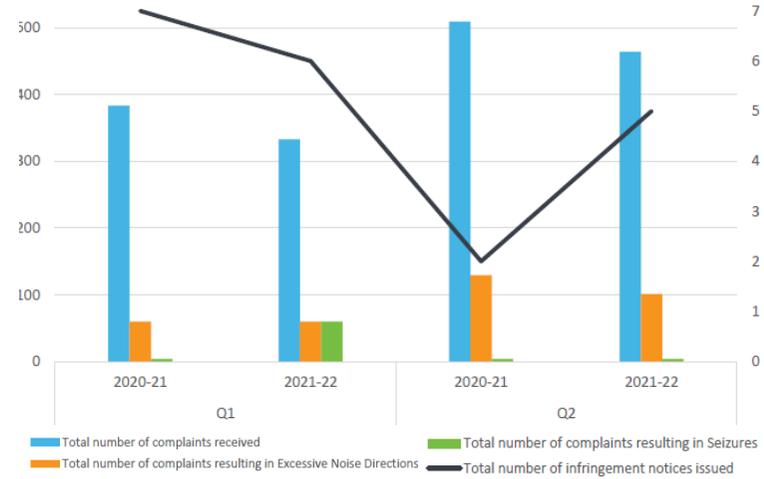
### Food Act 2014 Audits Completed

2021 - 2022 Year to Date



### Total Number of Property Files

2021 - 2022 Year to Date



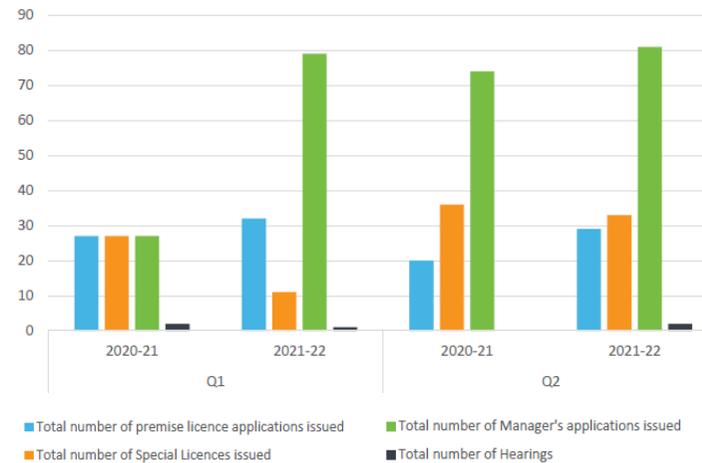
### Liquor Licensing Applications Received

2021 - 2022 Year to Date



### Liquor Licensing Applications

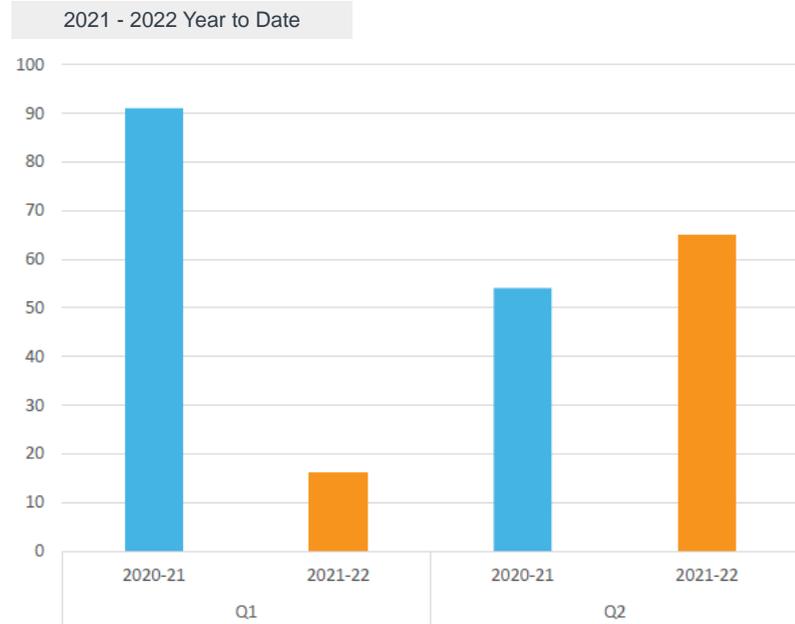
2021 - 2022 Year to Date



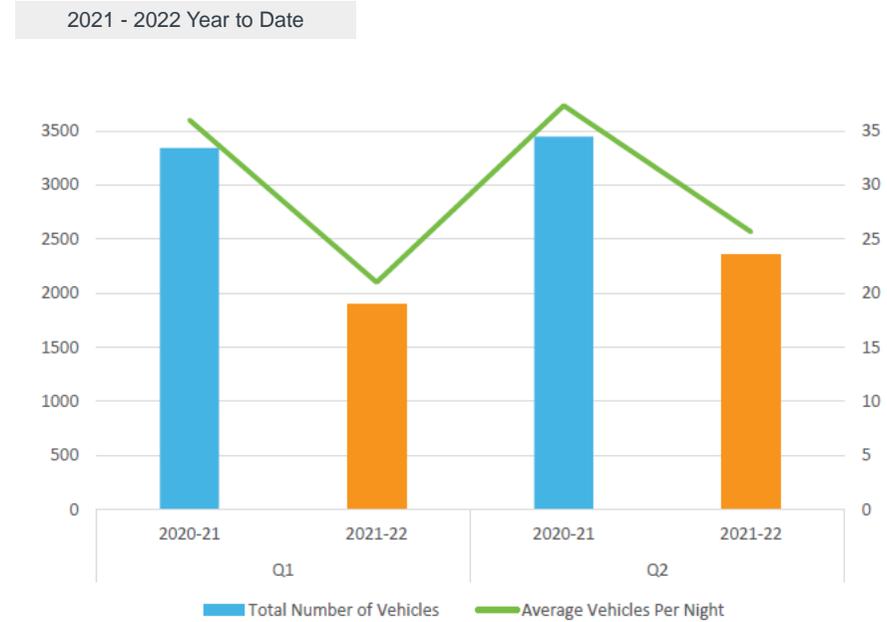
# CITY STRATEGY REGULATORY ACTIVITY REPORT

## ENVIRONMENTAL HEALTH CONTINUED

### Freedom Camping Infringements



### Freedom Camping Recorded Vehicles

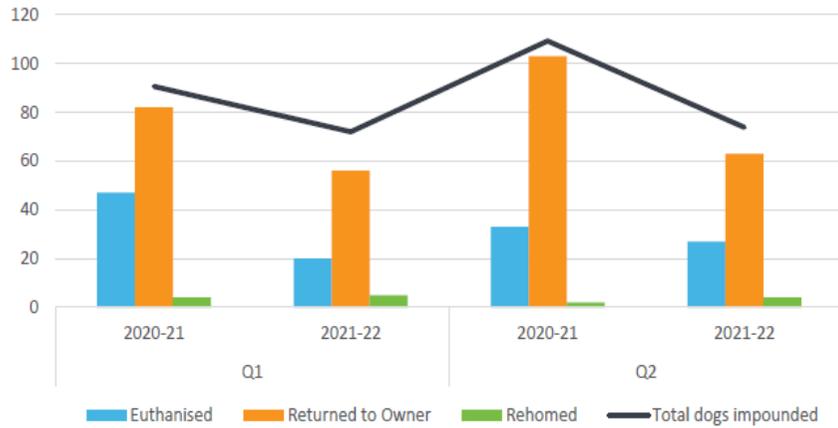


# CITY STRATEGY REGULATORY ACTIVITY REPORT

## ANIMAL CONTROL

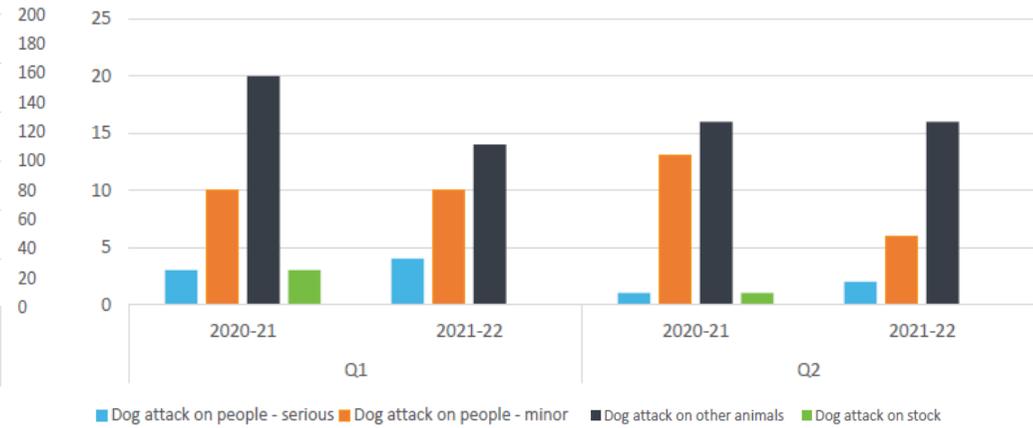
### Animal Control Impounding Activity

2021 - 2022 Year to Date



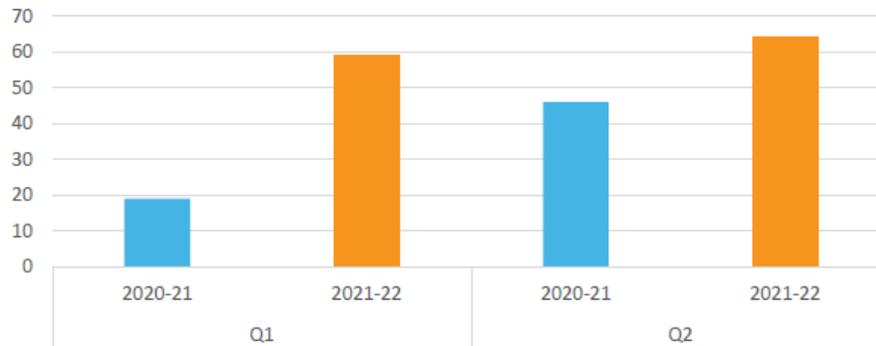
### Dog Attack Report

2021 - 2022 Year to Date



### Infringement Notices Issued

2021 - 2022 Year to Date



# QUARTERLY SERVICE REQUEST REPORT

The following provides a high level overview of what our customers contact us about. Not all customer contacts are requests for service, but if a customer requires information or a service that cannot be immediately provided by Council staff, it is entered into the Service Request system and passed through to the person who is able to action that request. Service Requests cover a wide range of customer requests, including complaints and compliments about our services, request for advice or information, and maintenance enquiries.

Questions about the data are best answered by the responsible Directorate.

Here is a description of the Service Request categories:

- **Animal Control** - requests relating to animal and dog control
- **Building** - related to building consents
- **Cemeteries** - request related to cemetery operations
- **City Services** - Depot, requests regarding maintenance of our assets and infrastructure
- **Customer Services** - request for the Customer Service team
- **Environmental Health** - requests related to food and alcohol licences, bylaws, and general compliance
- **External Organisations** - request for service from contractors used by Council for services i.e. Waste Management
- **Housing** - requests related to Council's housing tenancies
- **Infrastructure Other** - requests related to environmental matters, 3 waters, parks and reserves
- **Infrastructure Services** - requests related to roading
- **Parking** - requests related to parking
- **Planning** - requests related to resource management planning
- **Plant** - requests about Council equipment
- **Property** - requests related to Council-owned properties
- **Rates** - requests related to rating

# QUARTERLY SERVICE REQUEST REPORT

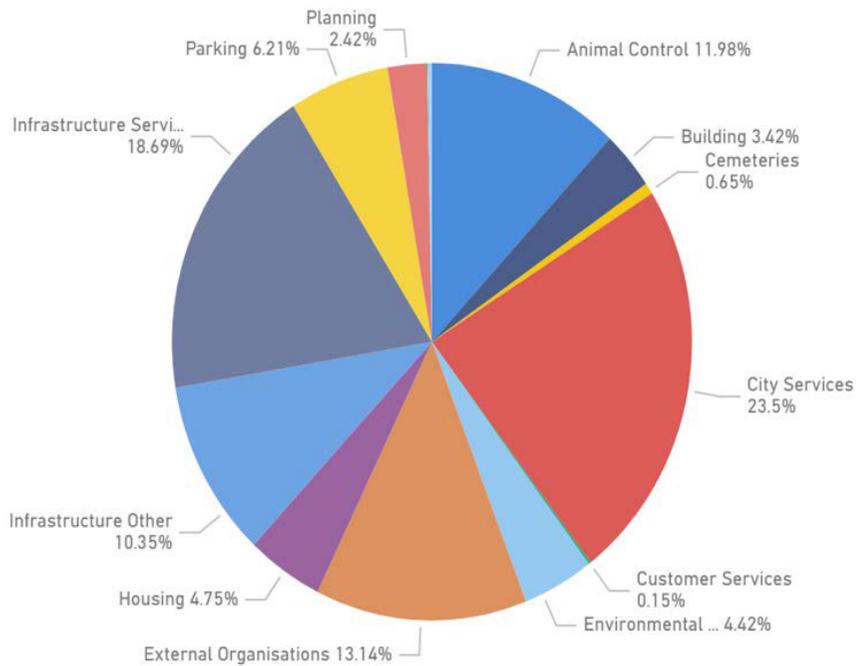
## TOTAL NUMBER OF SERVICE REQUESTS

### Total Number of Service Requests

1 October - 31 December 2021

# 5,409

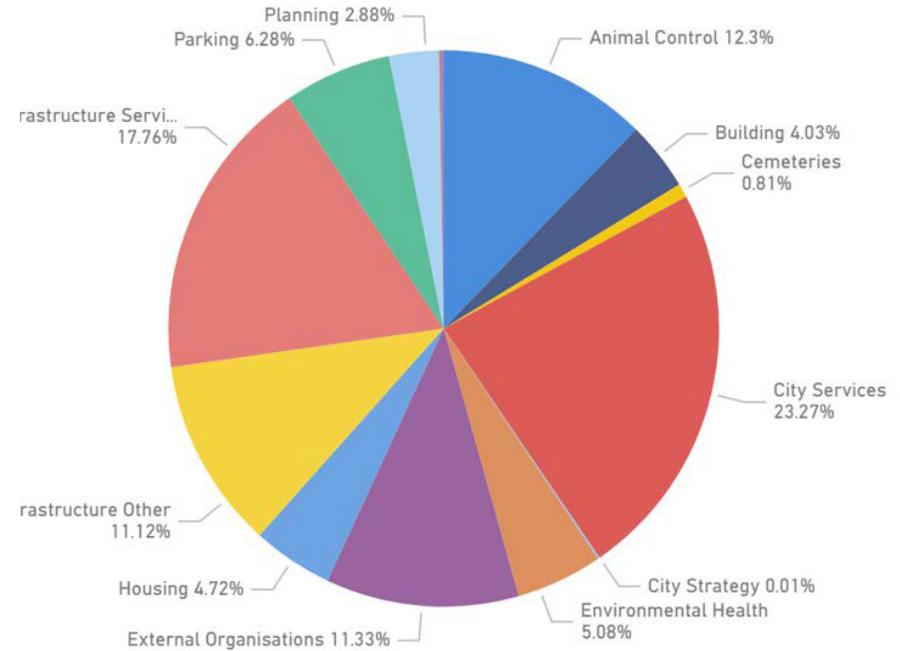
Percentage Split Across Departments



2021 - 2022 Year to Date

# 10,046

Percentage Split Across Departments



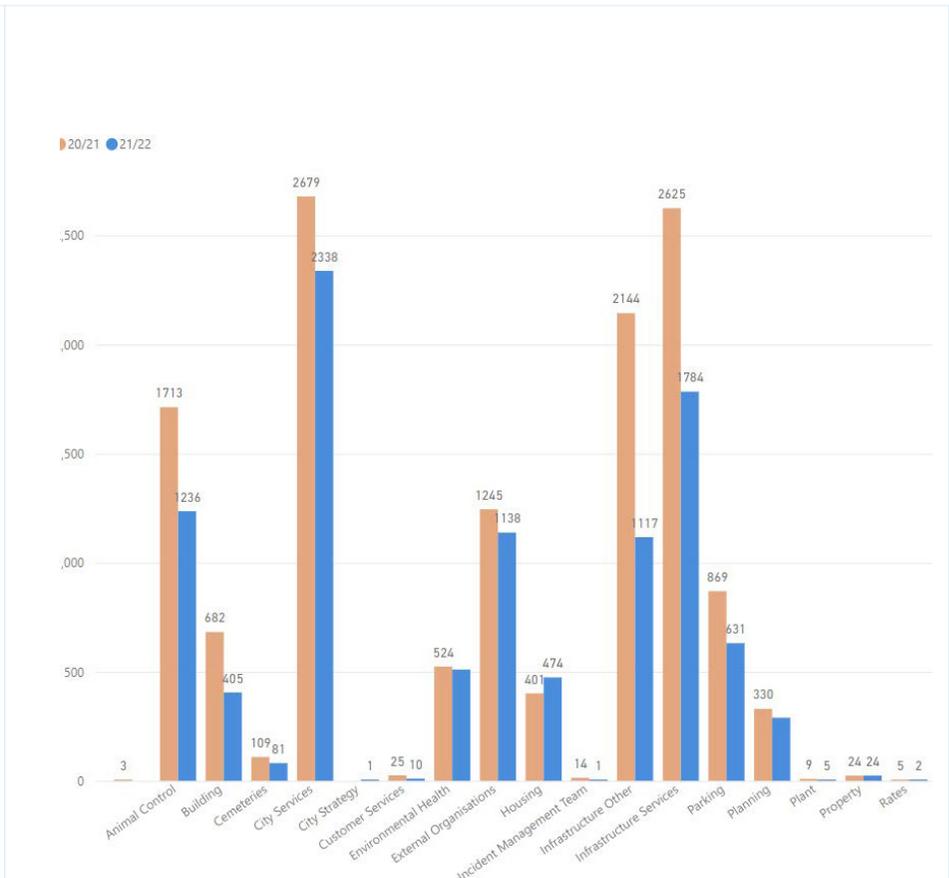
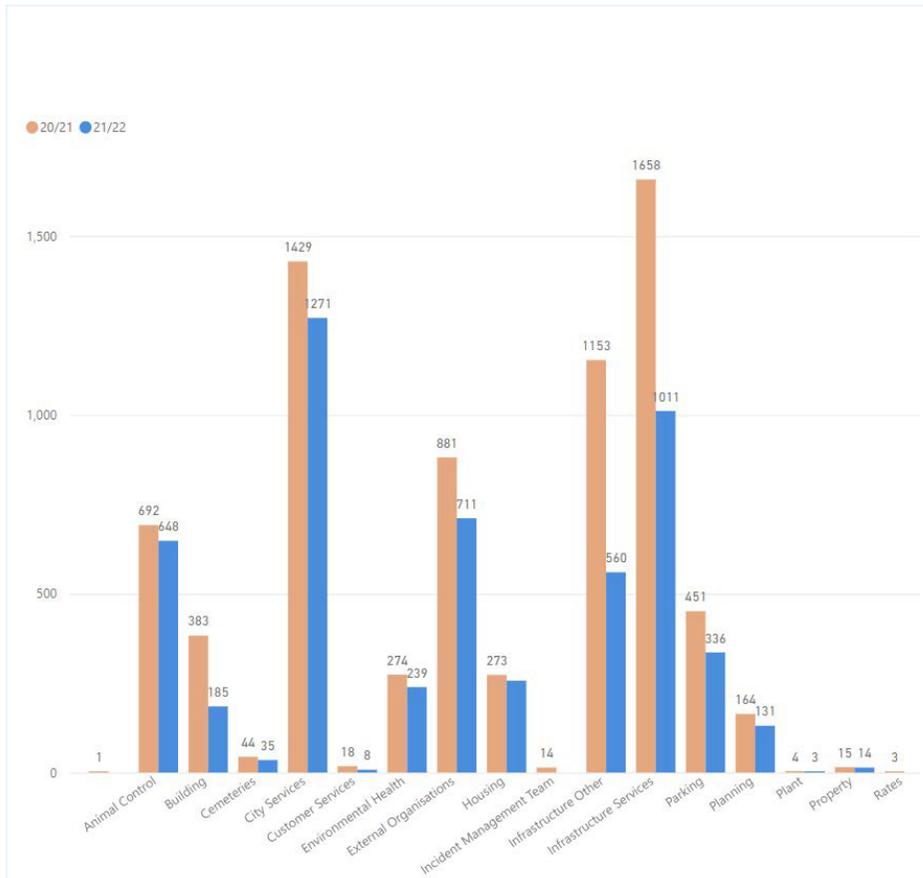
# QUARTERLY SERVICE REQUEST REPORT

## BUSINESS UNIT COMPARISON

### Business Unit comparison

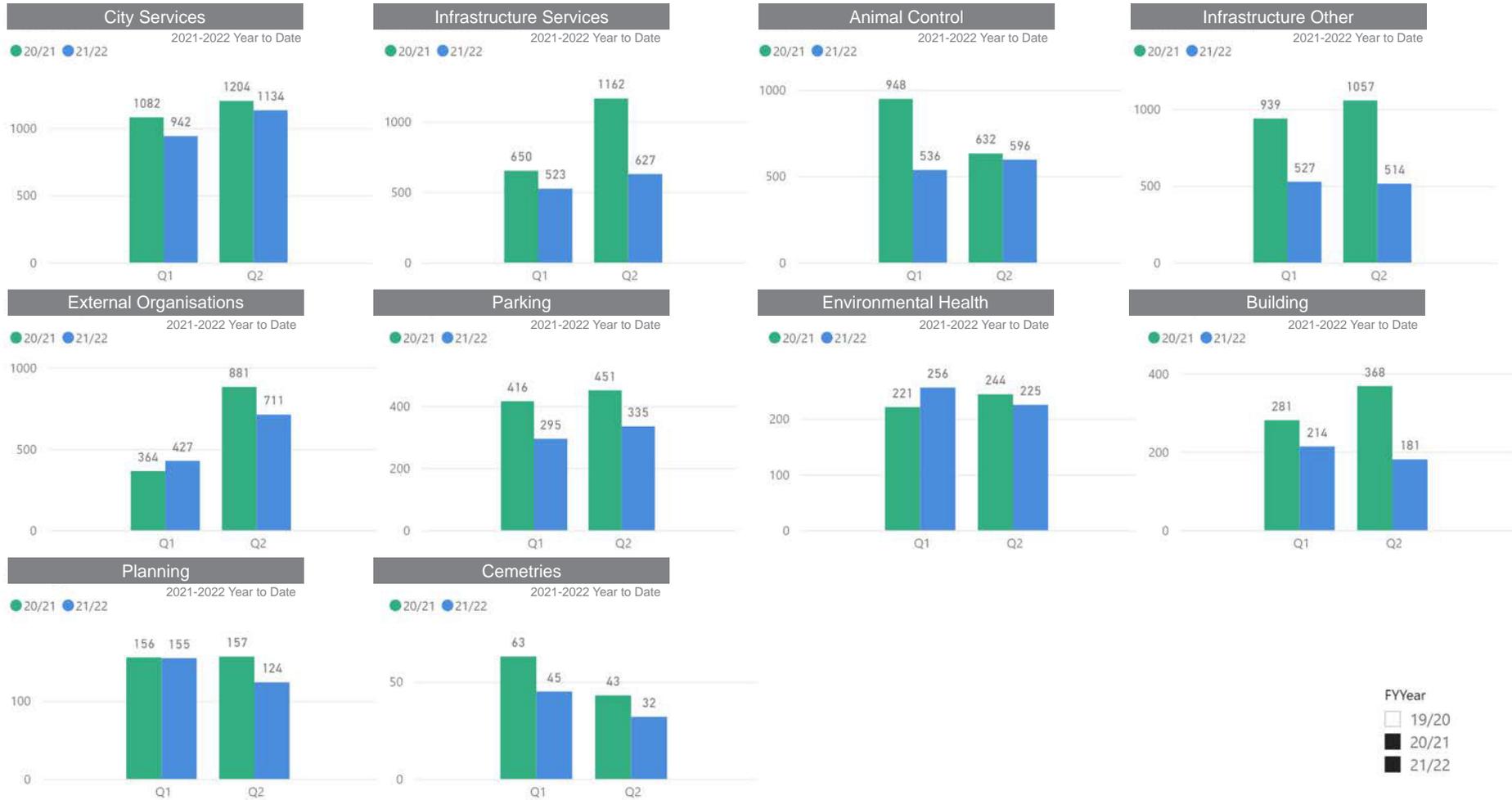
1 October - 31 December 2021

2021 - 2022 Year to Date



# QUARTERLY SERVICE REQUEST REPORT

## TOP 10 DEPARTMENTS BY TYPE OF REQUEST



# QUARTERLY SERVICE REQUEST REPORT

## TOP 10 DEPARTMENTS BY TYPE OF REQUEST CONTINUED





# QUARTERLY SERVICE REQUEST REPORT

## TOP 10 DEPARTMENTS BY TYPE OF REQUEST CONTINUED







## 2. HAWKE'S BAY AIRPORT LIMITED INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

|  |   |
|--|---|
| <i>Type of Report:</i>                 | Legal and Operational                     |
| <i>Legal Reference:</i>                | Local Government Act 2002                 |
| <i>Document ID:</i>                    | 1436783                                   |
| <i>Reporting Officer/s &amp; Unit:</i> | Caroline Thomson, Chief Financial Officer |

### 2.1 Purpose of Report

To receive the interim report for the six months ended 31 December 2021 from Hawke's Bay Airport Limited.

#### Officer's Recommendation

The Prosperous Napier Committee:

- a. Receive the Hawke's Bay Airport Limited interim report for the six months ended 31 December 2021 (*Doc Id 1439100*).

### 2.2 Background Summary

Section 66 of the Local Government Act 2002 requires that a Council-controlled organisation must report to Council each half year. However, Section 65 requires regular monitoring of performance of a Council Controlled Organisation.

The Hawke's Bay Airport Limited is a Council-controlled organisation. It is a company incorporated under the Companies Act and is owned by the Crown, Hastings District Council and Napier City Council. Napier City Council has a 26% shareholding.

The Company produces separate annual accounts. No payments are made by Napier City Council to the Company and there is no financial provision included in Council budgets. The Napier City Council share in the Company is included in its annual financial statements as an investment, valued using the equity method of accounting.

In accordance with Part 5, Section 65 of the Local Government Act 2002, Napier City Council has a responsibility to regularly undertake performance monitoring of the Hawke's Bay Airport Limited. The interim report for the six months ended 31 December 2021 has been received from Hawke's Bay Airport Limited for Council's information.

### 2.3 Issues

With the effects of the Omicron outbreak now evident in 2022, full year forecasts are indicating that a break even result for the financial year will be unlikely.

### 2.4 Significance and Engagement

N/A

## 2.5 Implications

### Financial

For the second quarter of the 2021/22 financial year HBAL is reporting an operating profit before financing costs and depreciation (EBITDA) of \$1.19m. The result is 32% lower than the Statement of Intent (SOI) and 15% lower than the same quarter last year. This was expected given the impact on airline and passenger related revenue due to the implementation of level 4 restrictions and minimal Christchurch and Wellington services until 15 December 2021.

### Social & Policy

N/A

### Risk

N/A

## 2.6 Preferred Option

Receive the Hawke's Bay Airport Limited interim report for the six months ended 31 December 2021.

## 2.7 Attachments

- 1 Hawke's Bay Airport Limited interim report for the six months ended 31 December 2021 (Doc Id 1439100) [↓](#)

# **HAWKE'S BAY AIRPORT LIMITED**

## **INTERIM REPORT**

**FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**



# Hawke's Bay Airport Limited Directory

## Directors

Wendie Harvey (Chair)  
Sarah Park (Chair of the Audit, Finance & Risk Committee)  
Jon Nichols  
Craig Barrett (appointed 26 November 2021)

## Chief Executive

Stuart Ainslie (resigned 3 December 2021)  
Stephanie Murphy (Acting Chief Executive)

## Chief Financial Officer

Rachel Orchard

## Operations Manager

Gareth Mentzer (resigned 16 December 2021)  
Debbie Suisted (commenced 10 January 2022)

## Commercial/Property Manager

Ian Lowry

## Customer Experience and Marketing Manager

Judi Godbold

## Registered Office

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

## Bankers

ASB Bank Limited

## Solicitors

Dentons

## Auditors

Deloitte  
on behalf of the Auditor General

HAWKE'S BAY AIRPORT LTD  
PO Box 721, Napier 4140  
[admin@hawkesbay-airport.co.nz](mailto:admin@hawkesbay-airport.co.nz)  
[www.hawkesbay-airport.co.nz](http://www.hawkesbay-airport.co.nz)

# Hawke's Bay Airport Limited

## Report to Shareholders

### for the Half Year ending 31 December 2021

We report against the Hawke's Bay Airport's Statement of Intent ("SOI") targets, effective since July 2021.

Hawke's Bay Airport ("HBAL") entered FY22 in a strong position having experienced several months of pre-Covid-19 level passenger volumes. This changed overnight with the implementation of Level 4 restrictions on 17 August 2021 which resulted in no air movements at all for over two weeks, followed by minimal Christchurch and Wellington services only for several months until the Auckland route was reinstated on 15 December 2021. This is reflected in the results for the half year ending 31 December 2021 being below the SOI targets which were thought to be conservative when adopted.

### Financial Performance Highlights

- Total passenger movements for the half year were 171,851 representing a 15% decrease on the same period last year and being 32%, or 81,260 less than budget.
- Lower than expected passenger volumes underpinned a 21% shortfall in passenger related aeronautical and commercial revenues, with passenger charges, car parking, café concessions and advertising all below budget.
- Non-passenger related revenue streams held up well throughout the period, albeit with little growth.
- Despite being 21% behind budget, total revenues were only 5% behind the same period last year due to a higher than expected per passenger charge from 1 July 2021.
- Total expenditure for the half year was 10% lower than budget and predominantly reflects a reduction in variable cost considering recent Covid impacts. Operating expenditure is 25% higher than the same period last year as aspects of the fixed cost base were recalibrated to position the business for post Covid-19 trading conditions which have been delayed.
- Due to these factors, EBITDA for the half year at \$1.194m is \$571k behind budget and 15% below the same period last year.
- Significant savings in borrowing costs of 19% have been achieved, primarily due to delayed cash outflows relating to the terminal expansion project.
- Despite closely controlled capital and operating expenditure and better than expected passenger charges, the net loss of \$413k for the half year reflects the impact the shortfall of 81,000 passengers has on total revenue.
- In October 2021 the \$23m term loan was changed to a Sustainability Linked loan of \$23m which offers immediate cost savings and possible future savings based on achievement of specific performance targets. Total facilities remain at \$28.5m (SLL \$23m; RC \$5m; OD \$500k) with \$26m drawn as at 31 December 2021. Deferral of non-critical infrastructure and completion of the terminal development has eased cash requirements however the Covid related impacts evident in early 2022 will necessitate a continuing focus on working capital requirements.

- Return on Equity for the first half of the year was budgeted to be around breakeven with the 2<sup>nd</sup> half of the year budgeted to bolster the annual result to a modest profit position. Full year forecasts performed pre-Xmas 2021 showed a possible break even result for the full year FY22, however with the effects of the Omicron outbreak now already evident in 2022, forecasts indicate that a break even result for the financial year will be very unlikely.

## Performance Highlights & Other Activity

### Terminal Development Project

The third and final stage of the terminal expansion project opened for public use on the 6 August 2021, with the HBAL Team moving into their new offices in late November 2021. The terminal expansion and forecourt projects have been impacted by the successive lockdowns with access to resources and supply chain challenges being experienced during the period. This is having an impact on the defects and outstanding supply items being delivered on the terminal.

In December 2021, HBAL awarded the contract to Higgins Contractors to complete the forecourt project. It is expected the forecourt project will be completed in April 2022 (subject to further resource and supply chain issues, with the final planting and exterior aesthetics complete during autumn.

### Aeronautical Development

HBAL continues to advocate for the development of a regional transport strategy. This includes creating a small team to further bolster our aeronautical aviation development plans to support the recovery and growth of aviation, creating the business cases for new routes, aircraft seat capacity and air freight opportunities.

HBAL has continued working with Air NZ and partnering airport on developing potential new routes and infrastructure support for transition to emerging shifts in lower carbon aircraft technology. HBAL is pleased to have attracted Originair to Hawke's Bay who commenced direct services between Nelson in October 2021 and Hamilton in December 2021. Nelson enables inter-island connectivity outside of Christchurch and Wellington.

### Safety Management

Again, in this report, it is pleasing to report Hawke's Bay Airport Construction Limited ("HBACL") has continued with nil lost time injuries reflecting a continued culture of safety on the terminal construction site.

### People & Organisation

HBAL's Chief Executive Officer, Stuart Ainslie, departed the business on 3 December 2021. The recruitment process for a new CEO is in progress with an Acting CEO currently in place to manage the transition.

Other key staff changes include the recent departure of the Operations Manager on the 17 December 2022, with a new Operations Manager starting on the 10 January 2022.

The Airport Rescue Fire ("AFS") team was brought inhouse post 2020 Covid-19 period. Recently HBAL has commenced recruitment for additional resource to build further resilience into the team

and ensure HBAL is well placed to deal with issues associated with impacts of Covid-19 in H2 on the AFS team and ensure HBAL is well placed post recovery.

The HBAL Ambassadors were stood down from service on 17 August due to the Covid-19 restrictions. They will return when it is deemed safe and appropriate as we continue to monitor the current resurgence of Covid-19 in early 2022.

## New Business Development

### Napier City Council District Plan review

HBAL is actively participating in the Napier City Council ("NCC") District Plan Review. This process has been under way since early 2019. NCC released the draft district plan for public comment in August 2021. HBAL provided comments to NCC and continues to work with NCC (both staff and councillors) on this process.

### Commercial Activity & Property Development

A key area of focus for HBAL continues to be revenue diversification into non-aeronautical aspects to assist with the business' recovery from Covid-19 and ensure longevity of the business. HBAL is mindful of the recently received Letter of Expectations from the Shareholding Minister (dated 21 December 2021) and ensuring the appropriate focus in the businesses recovery.

As previously reported, Ahuriri Aero Park, being Stage 1 of the property portfolio was released into the market at the end of July 2021. Although August 2021 Covid-19 lockdown restrictions impacted the release, HBAL (via its agent, Colliers and direct) has seen a good level of interest that is continuing.

Following the opening of the terminal, a second retail offering opened in December 2021, Belatinos, providing a distinctively Hawke's Bay offering. Early indications from trading by Bellatinos and Bay Espresso at full capacity since Covid-19 restrictions were lifted in mid-December, are that the offering is extremely well received.

HBAL continues to experience a steady uptake in the new digital advertising assets and has seen positive increased revenue streams.

### Sustainability

HBAL continues to work on key initiatives to support our Airport Carbon Accreditation ("ACA") Programme Level 3 and 4 aspirations. Examples include the implementation of EV charging; climate change adaptation infrastructure review; materiality assessments and embedding sustainability into all aspects of HBAL business. Of note, HBAL's access to the ASB Sustainability Linked Loan is directly tied to HBAL's sustainability policy and ACA Level 3 and 4 accreditation targets.

## Financial Reports

The unaudited Interim Financial Results to 31 December 2021 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

The forecourt project, revenue diversification, including commercial and property development, Solar Farm Project, and prudent fiscal management, alongside potential Covid-19 Omicron implications, continue to be the primary focus for HBAL over Q3 and will remain so in the foreseeable future.



Wendie Harvey  
Chair, Hawke's Bay Airport Limited

**Hawkes Bay Airport Limited**  
**FINANCIAL PERFORMANCE VS SOI OBJECTIVES**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

|                                     | THIS YEAR             |                       |                  |                | LAST YEAR             |                  |                 | BUDGET               |
|-------------------------------------|-----------------------|-----------------------|------------------|----------------|-----------------------|------------------|-----------------|----------------------|
|                                     | HY Actual<br>Dec 2021 | HY Budget<br>Dec 2021 | Variance<br>\$   | Variance<br>%  | HY Actual<br>Dec 2020 | Variance<br>\$   | Variance<br>%   | Budget<br>FY 2021/22 |
| Passenger Numbers                   | 171,851               | 253,111               | (81,260)         | -32.1%         | 203,381               | (31,530)         | -15.5%          | 526,865              |
| <b>FINANCIAL PERFORMANCE (\$)</b>   |                       |                       |                  |                |                       |                  |                 |                      |
| <b>Revenue</b>                      |                       |                       |                  |                |                       |                  |                 |                      |
| Aeronautical                        | 1,865,535             | 2,298,731             | (433,196)        | -18.8%         | 1,731,608             | 133,927          | 7.7%            | 4,805,066            |
| Ground Transport                    | 745,758               | 997,990               | (252,232)        | -25.3%         | 813,707               | (67,949)         | -8.4%           | 2,075,801            |
| Business Park                       | 207,420               | 197,994               | 9,426            | 4.8%           | 205,923               | 1,497            | 0.7%            | 445,989              |
| Other Revenue                       | 193,038               | 301,116               | (108,078)        | -35.9%         | 107,542               | 85,496           | 79.5%           | 606,897              |
| <b>TOTAL REVENUE</b>                | <b>3,011,752</b>      | <b>3,795,831</b>      | <b>(784,079)</b> | <b>-20.7%</b>  | <b>2,858,781</b>      | <b>152,971</b>   | <b>5.4%</b>     | <b>7,933,753</b>     |
| <b>Operating Expenses</b>           | 1,817,912             | 2,031,303             | 213,391          | 10.5%          | 1,453,534             | (364,378)        | -25.1%          | 3,977,352            |
| <b>EBITDA</b>                       | <b>1,193,840</b>      | <b>1,764,528</b>      | <b>(570,688)</b> | <b>-32.3%</b>  | <b>1,405,247</b>      | <b>(211,407)</b> | <b>-15.0%</b>   | <b>3,956,401</b>     |
| Depreciation & Amortisation         | 1,431,073             | 1,500,288             | 69,215           | 4.6%           | 1,201,653             | (229,421)        | -19.1%          | 3,039,247            |
| Gain/(Loss) on asset disposal       | 2,000                 | -                     | 2,000            | -              | -                     | -                | 0.0%            | -                    |
| Interest Income                     | 0                     | -                     | 0                | -              | 25                    | (25)             | -100.0%         | -                    |
| Interest Paid (charged to P&L)      | 238,530               | 294,429               | 55,899           | 19.0%          | 174,903               | (63,628)         | -36.4%          | 587,471              |
| <b>Profit before Tax</b>            | <b>(473,764)</b>      | <b>(30,189)</b>       | <b>(443,575)</b> | <b>1469.3%</b> | <b>28,717</b>         | <b>(502,481)</b> | <b>-1749.8%</b> | <b>329,683</b>       |
| Tax                                 | (60,943)              | (8,451)               | 52,492           | -621.1%        | 78,016                | 138,959          | 178.1%          | 120,311              |
| <b>PROFIT AFTER TAX</b>             | <b>(412,821)</b>      | <b>(21,738)</b>       | <b>(391,083)</b> | <b>1799.1%</b> | <b>(49,299)</b>       | <b>(363,522)</b> | <b>737.4%</b>   | <b>209,372</b>       |
| <b>FINANCIAL POSITION (\$)</b>      |                       |                       |                  |                |                       |                  |                 |                      |
| Total Assets                        | 65,625,064            | 64,617,974            | 1,007,090        |                | 60,940,005            | 4,685,059        |                 | 64,609,205           |
| Debt                                | 26,000,000            | 25,600,000            | 400,000          |                | 20,850,000            | 5,150,000        |                 | 25,400,000           |
| Shareholders Funds                  | 33,509,881            | 32,777,892            | 731,989          |                | 33,179,752            | 330,129          |                 | 33,008,995           |
| <b>FINANCIAL METRICS</b>            |                       |                       |                  |                |                       |                  |                 |                      |
| Return on Equity                    | -1.2%                 | 0.1%                  |                  |                | -0.1%                 |                  |                 | 0.6%                 |
| Net Gearing Ratio                   | 43.7%                 | 43.9%                 |                  |                | 38.6%                 |                  |                 | 43.5%                |
| Shareholders Funds/Total Net Assets | 51.1%                 | 51.5%                 |                  |                | 54.4%                 |                  |                 | 51.9%                |

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Accounting Policies and Notes to the Financial Statements

**Hawkes Bay Airport Limited**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

|   | <b>HBAL<br/>Unaudited<br/>6 months to<br/>31 Dec 21</b> | <b>HBAL<br/>Unaudited<br/>6 months to<br/>31 Dec 20</b> | <b>HBAL<br/>Audited<br/>Year to<br/>30 Jun 21</b> |
|---|---|---|---|
| Aeronautical  | 1,865,535   | 1,731,608   | 3,933,817   |
| Ground Transport  | 745,758   | 813,707   | 1,811,959   |
| Business Park   | 207,420   | 205,923   | 402,768   |
| Other Revenue   | 193,038   | 107,542   | 512,664   |
| <b>Total Revenue</b>  | <b>3,011,752</b>  | <b>2,858,781</b>  | <b>6,661,208</b>                                  |
| <b>Less Operating Expenses</b>                                  | <b>(1,817,912)</b>                                      | <b>(1,453,534)</b>                                      | <b>(2,905,675)</b>                                |
| <b>Operating Profit Before Financing Costs and Depreciation</b> | <b>1,193,840</b>  | <b>1,405,247</b>  | <b>3,755,532</b>                                  |
| Depreciation  | (1,431,073)   | (1,201,653)   | (2,386,284)                                       |
| Impairment Reversal/(Charge)                                    | -   | -   | -   |
| Gain/(Loss) on asset disposal                                   | 2,000   | -   | (44,337)  |
| Finance Income  | -   | 25  | 25  |
| Finance Expense   | (238,530)   | (174,903)   | (342,103)   |
| <b>Net Profit before income tax</b>                             | <b>(473,764)</b>  | <b>28,717</b>   | <b>982,833</b>                                    |
| Income Tax Expense  | 60,943  | (78,016)  | (427,519)   |
| <b>Net Profit after income tax</b>                              | <b>(412,821)</b>  | <b>(49,299)</b>   | <b>555,314</b>                                    |
| 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   |
| <b>Total Comprehensive Income</b>                               | <b>(412,821)</b>  | <b>(49,299)</b>   | <b>693,650</b>                                    |

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**Hawkes Bay Airport Limited**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

|   | <b>HBAL<br/>Unaudited<br/>6 months to<br/>31 Dec 21</b> | <b>HBAL<br/>Unaudited<br/>6 months to<br/>31 Dec 20</b> | <b>HBAL<br/>Audited<br/>Year to<br/>30 Jun 21</b> |
|---|---|---|---|
| <b>Equity at beginning of year</b>              | <b>33,922,701</b>                                       | <b>33,229,051</b>                                       | <b>33,229,051</b>                                 |
| Profit for the period                           | (412,821)   | (49,299)  | 555,314   |
| Revaluation of Property, Plant & Equipment      | -   | -   | -   |
| Movement in deferred tax on revaluation reserve | -   | -   | 138,336   |
| <b>Total comprehensive income</b>               | <b>(412,821)</b>  | <b>(49,299)</b>   | <b>693,650</b>                                    |
| Distributions to shareholders                   | -   | -   | -   |
| Movement in equity for the period               | <b>(412,821)</b>  | <b>(49,299)</b>   | 693,650   |
| <b>Closing Equity</b>                           | <b>33,509,881</b>                                       | <b>33,179,752</b>                                       | <b>33,922,701</b>                                 |

*The financial statements have not been subject to an audit and should be read in conjunction with accompanying Accounting Policies and Notes to the Financial Statements*

**Hawkes Bay Airport Limited**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

| Note               | HBAL<br>Unaudited<br>6 months to<br>31 Dec 21 | HBAL<br>Unaudited<br>6 months to<br>31 Dec 20 | HBAL<br>Audited<br>Year to<br>30 Jun 21 |
|--------------------|---|---|---|
| <b>Assets</b>      |   |   |   |
|                    | 630,688                                       | 687,294                                       | 924,671                                 |
|                    | 404,865                                       | 544,532                                       | 420,234                                 |
|                    | <b>1,035,552</b>                              | <b>1,231,826</b>                              | <b>1,344,905</b>                        |
| <b>Assets</b>      |   |   |   |
|                    | 59,613,581                                    | 54,469,786                                    | 58,181,256                              |
| 2                  | 59,613,581                                    | 54,469,786                                    | 58,181,256                              |
| 3                  | 4,741,647                                     | 4,879,659                                     | 4,822,594                               |
|                    | 92  | 669   | 383                                     |
|                    | 234,191                                       | 358,065                                       | 296,638                                 |
|                    | <b>64,589,511</b>                             | <b>59,708,179</b>                             | <b>63,300,870</b>                       |
|                    | <b>65,625,064</b>                             | <b>60,940,005</b>                             | <b>64,645,775</b>                       |
| <b>Equity</b>      |   |   |   |
|                    | 13,789,155                                    | 13,789,155                                    | 13,789,155                              |
|                    | 9,011,363                                     | 8,325,514                                     | 9,424,184                               |
|                    | 10,709,363                                    | 11,065,083                                    | 10,709,363                              |
|                    | <b>33,509,881</b>                             | <b>33,179,752</b>                             | <b>33,922,701</b>                       |
| <b>Liabilities</b> |   |   |   |
|                    | 536,039                                       | 838,152                                       | 1,566,699                               |
|                    | 84,863  | 80,737  | 116,620                                 |
|                    | 254,389                                       | 171,102                                       | 225,697                                 |
|                    | (93,537)                                      | 145,883                                       | 365,469                                 |
| 4                  | 3,000,000                                     | -   | -                                       |
|                    | 117,600                                       | 106,097                                       | 108,371                                 |
|                    | <b>3,899,354</b>                              | <b>1,341,970</b>                              | <b>2,382,856</b>                        |
| <b>Liabilities</b> |   |   |   |
|                    | 4,200,381                                     | 4,322,357                                     | 4,205,952                               |
|                    | 871,329                                       | 984,208                                       | 927,308                                 |
| 3                  | 23,000,000                                    | 20,850,000                                    | 23,000,000                              |
|                    | 144,119                                       | 261,717                                       | 206,958                                 |
|                    | <b>28,215,829</b>                             | <b>26,418,283</b>                             | <b>28,340,218</b>                       |
|                    | <b>32,115,183</b>                             | <b>27,760,253</b>                             | <b>30,723,073</b>                       |
|                    | <b>65,625,064</b>                             | <b>60,940,005</b>                             | <b>64,645,775</b>                       |

*The financial statements have not been subject to an audit and should be read in conjunction with accompanying Accounting Policies and Notes to the Financial Statements*

**Hawkes Bay Airport Limited**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

|   | HBAL Unaudited<br>6 months to 31<br>Dec 21 | HBAL Unaudited<br>6 months to 31<br>Dec 20 | HBAL Audited<br>Year to<br>30 Jun 21 |
|---|--|--|--------------------------------------|
| <b>Cash flows from operating activities</b>                 |  |  |                                      |
| <i>Cash was provided from:</i>                              |  |  |                                      |
| Revenues  | 3,006,298                                  | 2,782,896                                  | 6,517,429                            |
| Interest Received   | -  | 25   | 25                                   |
|   | 3,006,298                                  | 2,782,921                                  | 6,517,454                            |
| <i>Cash was disbursed to:</i>                               |  |  |                                      |
| Suppliers and Employees                                     | (1,458,482)                                | (1,472,768)                                | (3,100,254)                          |
| Goods & Services Tax (Net)                                  | 97,686                                     | 19,491                                     | (12,848)                             |
| Interest Paid   | (305,041)                                  | (202,252)                                  | (479,489)                            |
| Income Tax Paid   | (403,632)                                  | (351)                                      | (108,339)                            |
|   | (2,069,469)                                | (1,655,880)                                | (3,700,930)                          |
| <b>Net cash flows from operating activities</b>             | <b>936,829</b>                             | <b>1,127,041</b>                           | <b>2,816,524</b>                     |
| <b>Cashflows from Investing activities</b>                  |  |  |                                      |
| <i>Cash was provided from:</i>                              |  |  |                                      |
| Sale of fixed assets  | -  | -  | -                                    |
| <i>Cash was disbursed to:</i>                               |  |  |                                      |
| Capital Works   | (3,898,588)                                | (3,381,869)                                | (7,311,166)                          |
| <b>Net cash flows from investing activities</b>             | <b>(3,898,588)</b>                         | <b>(3,381,869)</b>                         | <b>(7,311,166)</b>                   |
| <b>Cashflows from financing activities</b>                  |  |  |                                      |
| <i>Cash was provided from:</i>                              |  |  |                                      |
| Borrowings  | 3,000,000                                  | 2,588,238                                  | 4,738,238                            |
| <i>Cash was disbursed to:</i>                               |  |  |                                      |
| Dividends Paid  | -  | -  | -                                    |
| Lease payments  | (53,610)                                   | (70,696)                                   | (105,181)                            |
| Debt Repayment  | -  | -  | -                                    |
| <b>Net cash flows from finance activities</b>               | <b>2,946,390</b>                           | <b>2,517,543</b>                           | <b>4,633,057</b>                     |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>(15,369)</b>                            | <b>262,714</b>                             | <b>138,416</b>                       |
| Add Opening Cash brought forward                            | 420,234                                    | 281,818                                    | 281,818                              |
| <b>Closing cash and cash equivalents</b>                    | <b>404,865</b>                             | <b>544,532</b>                             | <b>420,234</b>                       |

*The financial statements have not been subject to an audit and should be read in conjunction with accompanying Accounting Policies and Notes to the Financial Statements*

**HAWKE'S BAY AIRPORT LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

**1 SIGNIFICANT TRANSACTIONS AND EVENTS IN THE REPORTING PERIOD**

**COVID-19**

In March 2020, the World Health Organisation declared the outbreak of COVID-19 as a pandemic. Both globally and in New Zealand, international border closures, domestic lockdowns and ongoing travel restrictions due to COVID-19 have had an immediate, dramatic and now ongoing, impact on airlines, air services, airport traffic and therefore revenues for those in the industry. Initially HBAL management moved swiftly to preserve the cash position of the business by implementing a recovery plan that amongst other factors significantly reduced the cost base, deferred non-essential capital expenditure and accessed all available Government subsidies. The purpose of those actions was to offset as much of the reduction in revenue as possible, while still being able to operate safely to the required CAA standards and provide needed services for airport users. Throughout the 2021 year Hawkes Bay Airport remained focused on achieving its strategic goals, albeit within the context of navigating the recovery cycle from the effects of COVID-19.

During 2021 the demand for air travel within New Zealand rebounded quicker than originally forecast, with air traffic capacity reaching around 90% of pre-Covid-19 levels by mid year. However, a return to a nationwide COVID-19 Level 4 lockdown in August 2021 highlighted that the Group remained vulnerable to Covid-19 related impacts.

2022 has begun with New Zealand being placed into the "red traffic light setting" of the Government Covid Protection Framework and although the airport is operational under this setting, there is significant travel hesitancy and accordingly a reduced airline flight schedule.

This latest change highlights that the Group continues to be vulnerable to Covid-19 related impacts. Accordingly, the Group has a robust operational and financial planning framework in place that considers future scenarios and likely outcomes. This framework assists the board and management to respond rapidly to changes in operating conditions, and when necessary take additional steps to quickly minimise costs and capital expenditure in a considered way.

**2 PROPERTY, PLANT AND EQUIPMENT**

|                               | Land & Land Improvements | Airport Infrastructure & Buildings | Other assets     | Capital Work in Progress | Total             |
|-------------------------------|--------------------------|------------------------------------|------------------|--------------------------|-------------------|
| <b>At 30 June 2021</b>        |                          |                                    |                  |                          |                   |
| Fair Value                    | 6,080,725                | 38,914,054                         | 2,840,091        | 13,653,314               | <b>61,488,183</b> |
| Accumulated depreciation      | 966                      | 1,899,019                          | 1,406,942        | 0                        | <b>3,306,927</b>  |
|                               | <b>6,079,759</b>         | <b>37,015,034</b>                  | <b>1,433,148</b> | <b>13,653,314</b>        | <b>58,181,256</b> |
| <b>Opening net book value</b> | <b>6,079,759</b>         | <b>37,015,034</b>                  | <b>1,433,148</b> | <b>13,653,314</b>        | <b>58,181,256</b> |
| Additions                     | 0                        | 0                                  | 508,442          | 2,205,399                | <b>2,713,841</b>  |
| Disposals                     | 0                        | 0                                  | 0                | 0                        | <b>0</b>          |
| Revaluation                   | 0                        | 0                                  | 0                | 0                        | <b>0</b>          |
| Depreciation                  | 487                      | 1,155,829                          | 125,200          | 0                        | <b>1,281,516</b>  |
| Transfers                     | 0                        | 12,514,037                         | 0                | (12,514,037)             | <b>0</b>          |
| <b>Closing net book value</b> | <b>6,079,272</b>         | <b>48,373,243</b>                  | <b>1,816,390</b> | <b>3,344,676</b>         | <b>59,613,581</b> |
| <b>At 31 December 2021</b>    |                          |                                    |                  |                          |                   |
| Fair Value                    | 6,080,725                | 51,428,091                         | 3,348,533        | 3,344,676                | <b>64,202,024</b> |
| Accumulated depreciation      | 1,452                    | 3,054,849                          | 1,532,142        | 0                        | <b>4,588,443</b>  |
|                               | <b>6,079,272</b>         | <b>48,373,243</b>                  | <b>1,816,390</b> | <b>3,344,676</b>         | <b>59,613,581</b> |

**3 INVESTMENT PROPERTY**

|                               | Land & Land Improvements | Business Park Infrastructure & Buildings | Capital Work in Progress | Total            |
|-------------------------------|--------------------------|--|--------------------------|------------------|
| <b>At 30 June 2021</b>        |                          |  |                          |                  |
| Cost                          | 2,899,688                | 3,000,830                                | 167,964                  | <b>6,068,482</b> |
| Accumulated depreciation      | 204,128                  | 1,041,760                                | -                        | <b>1,245,889</b> |
|                               | <b>2,695,560</b>         | <b>1,959,070</b>                         | <b>167,964</b>           | <b>4,822,594</b> |
| <b>Opening net book value</b> | <b>2,695,560</b>         | <b>1,959,070</b>                         | <b>167,964</b>           | <b>4,822,594</b> |
| Additions                     | -                        | -  | -                        | <b>-</b>         |
| Disposals                     | -                        | -  | -                        | <b>-</b>         |
| Depreciation                  | 16,948                   | 63,999                                   | -                        | <b>80,947</b>    |
| <b>Closing net book value</b> | <b>2,678,612</b>         | <b>1,895,071</b>                         | <b>167,964</b>           | <b>4,741,647</b> |
| <b>At 31 December 2021</b>    |                          |  |                          |                  |
| Cost                          | 2,899,688                | 3,000,830                                | 167,964                  | <b>6,068,482</b> |
| Accumulated depreciation      | 221,076                  | 1,105,759                                | -                        | <b>1,326,835</b> |
|                               | <b>2,678,612</b>         | <b>1,895,071</b>                         | <b>167,964</b>           | <b>4,741,647</b> |

**4 BORROWINGS**

The Group refinanced its debt funding facilities during the half year to 31 December 2021 and presently has a Sustainability Linked Loan facility of \$23m; Revolving Credit facility up to \$5m and Overdraft facility up to \$500,000 available with the ASB Bank.

At 31 December 2021 the Group had \$3m drawn against the Revolving Credit facility which is reported as a current liability. The sustainability linked loan balance of \$23m is reported as a non-current liability.

The sustainability linked loan facility has a three year term with an evergreen clause included in the facility agreement.

The average interest rate on the loan facility for the six month period to 31 December was 2.31% p.a (FY21; 2.16%)

The revolving credit facility has a two year term and the average interest rate on funds drawn during the period to 31 December was 1.81% (FY21: 1.57%)

The facilities are secured by a General Security Agreement.

## **Hawke's Bay Airport Limited Group**

### **Accounting Policies**

### **For the period ended 31 December 2021**

#### **Significant accounting policies**

##### **Reporting Entity**

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

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

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

##### **Statement of Compliance**

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

##### **Basis of Consolidation**

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

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

##### **Measurement Base**

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

##### **Presentation Currency**

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

## Critical Accounting Estimates, Assumptions and Judgments

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

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

Critical estimates are included in the impairment assessment of Investment Property, and in the assessment of the recoverable amounts of Capital Work in Progress and the fair value of Property, Plant and Equipment, 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, the classification of financial assets and the masterplan asset, in addition to the timing of capitalisation of interest.

## 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 recorded as cost less accumulated depreciated using the cost model allowed under NZ IAS 40. Investment properties include all aspects of the Ahuriri Aero 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:

|                                 |                       |
|---------------------------------|-----------------------|
| <b>Airfield Infrastructure:</b> | <b>0.71% to 5.56%</b> |
| <b>Surface</b>                  | 6.67% to              |
| <b>Business Park</b>            | 0.00% to              |
| <b>Buildings</b>                | 2.50% to              |
| <b>Plant &amp; Equipment</b>    | 2.90% to              |
| <b>Car Park &amp; Roading</b>   | 1.67% to 5.00%        |
| <b>Fencing</b>                  | 5.00% to              |
| <b>Lighting</b>                 | 4.00% to              |
| <b>Furniture &amp; Fittings</b> | 10.00%                |
| <b>Motor Vehicles</b>           | 12.50%                |
| <b>Office Equipment</b>         | 30.00%                |

### 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 financial assets at initial recognition and re-evaluates this designation at every reporting date. At balance date, the Group had financial assets classified only as amortised cost.

#### *Amortised cost*

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

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

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

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

Financial assets are derecognised when the rights to receive cash flows from the 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 2021.

# PUBLIC EXCLUDED ITEMS

That the public be excluded from the following parts of the proceedings of this meeting, namely:

## AGENDA ITEMS

1. Hawke's Bay Airport Ltd Half Year Report to Shareholders to 31 December 2021
2. Doubtful Debt

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each 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 were as follows:

| General subject of each matter to be considered.                                | Reason for passing this resolution in relation to each matter.  | Ground(s) under section 48(1) to the passing of this resolution.  |
|---|---|---|
| 1. Hawke's Bay Airport Ltd Half Year Report to Shareholders to 31 December 2021 | 7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities | 48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:<br>(i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987. |
| 2. Doubtful Debt  | 7(2)(a) Protect the privacy of natural persons, including that of a deceased person                       | 48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:<br>(i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the  |

|  |  |  |
|--|--|--|
|  |  | Local Government Official<br>Information and Meetings<br>Act 1987. |
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# PROSPEROUS NAPIER COMMITTEE

## Open Minutes

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Meeting Date: Thursday 3 February 2022

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Time: 11.45am-12.18pm

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Venue Via Zoom (Audio Visual Link)

*Livestreamed via Council's Facebook site*

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Present **Chair:** Councillor Taylor  
**Members:** Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson and Wright

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In Attendance Chief Executive (Steph Rotarangi)  
Director City Services (Lance Titter)  
Acting Director City Strategy (Rachael Horton)  
Director Community Services (Antoinette Campbell)  
Manager Communications and Marketing (Julia Atkinson)  
Director Corporate Services (Adele Henderson)  
Director Programme Delivery (Jon Kingsford)  
Acting Director Infrastructure Services (Debra Stewart)  
Pou Whakarae (Mōrehu Te Tomo)  
Team Leader Parks, Reserves and Sportgrounds (Jason Tickner)  
Chief Financial Officer (Caroline Thomson)  
Three Waters Reform Programme Manager (Rebecca Huckle)  
Manager Community Strategies (Natasha Mackie)  
Team Leader Community Strategies (Emma Morgan)  
Māori Partnership Manager - Te Kaiwhakahaere Hononga Māori (Beverley Kemp-Harmer)  
Manager Water Strategy (Russell Bond)

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Administration Governance Advisors (Carolyn Hunt and Anna Eady)

**Karakia**

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## Apologies

### Committee's recommendation

Councillors Mawson / Crown

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That the apology from Councillor Tapine for absence be accepted.

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Carried

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## Conflicts of interest

Nil

## Public forum

Nil

## Announcements by the Mayor

Nil

## Announcements by the Chairperson

Nil

## Announcements by the management

Nil

## Confirmation of minutes

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Councillor Price / Mayor Wise

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That the Minutes of the meeting held on 23 September 2021 were taken as a true and accurate record of the meeting.

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Carried

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# AGENDA ITEMS

## 1. TARADALE BRIDGE CLUB SPONSORSHIP SIGNAGE REQUEST

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|  |   |
|--|---|
| <i>Type of Report:</i>                 | Procedural  |
| <i>Legal Reference:</i>                | Reserves Act 1977   |
| <i>Document ID:</i>                    | 1425774   |
| <i>Reporting Officer/s &amp; Unit:</i> | Jason Tickner, Team Leader Parks Reserves and Sportsgrounds |

### 1.1 Purpose of Report

The purpose of this report was to seek a Council decision on the Taradale Bridge Club's proposal (*Doc Id 1426570*) for sponsorship/naming rights in perpetuity, on the outside of their proposed clubhouse building at Park Island in accordance with Clause 25 of the Draft lease agreement.

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### At the Meeting

The Team Leader Parks, Reserves and Sportsground, Mr Tickner spoke to the report and advised that a Decision of Council was required due to funding arrangements for the building project, which had seen building and material costs increase substantially since the proposal had been brought to Council. Should the proposal not be approved the Bridge Club have advised that the project would not go ahead.

In response to questions from the Committee it was clarified:

- That further communication with the Taradale Bridge Club and the sponsor regarding revised suggestions to the proposed building signage (figure 1) in the report had been held and reviewed with the name of the Club becoming the predominant wording on the signage and the sponsor's name being placed in smaller lettering beneath it.
  - The Bridge Club wished to make their branding and name the predominant feature of the signage and the sponsorship secondary.
  - It was noted that Council's current lease included restrictions/controls around external signage and advertising on the building and any signage would be required to be approved by Council.
  - There was no restriction on internal signage in the Club Rooms.
  - The lease is finite with a right of renewal and therefore the sponsorship agreement for the funding for naming rights in perpetuity would be a matter between the Club and Rodney Green Foundation funding sponsor to discuss.
  - The Club would need to be clear with Rodney Green Foundation that if the lease changes, their rights to have signage on the building would be removed.
  - The Decision to be made at the meeting was to approve or decline the signage proposal which would require an amendment to Clause 25 of the Lease Agreement to allow signage to be displayed or erected.
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- If approved, the Taradale Bridge Club would then need to undertake the necessary the Resource Consent process and this could provide Council an opportunity to view the proposed signage.

**Committee's recommendation**

Mayor Wise / Councillor Chrystal

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The Prosperous Napier Committee resolve to *either*:

- a. Approve the Taradale Bridge Club's proposal for external sponsorship/naming rights and associated signage from the Rodney Green Foundation on their proposed clubhouse building at Park Island.
- b. That a **DECISION OF COUNCIL** is required urgently due to funding arrangements for the building project.

Carried

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**Council Resolution**

Mayor Wise / Councillor McGrath

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That Council:

- a) Approve the Taradale Bridge Club's proposal for external sponsorship/naming rights and associated signage from the Rodney Green Foundation on their proposed clubhouse building at Park Island.

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Carried

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## 2. INVESTMENT AND DEBT REPORT

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*Type of Report:* Operational

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*Legal Reference:* N/A

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*Document ID:* 1402135

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*Reporting Officer/s & Unit:* Caroline Thomson, Chief Financial Officer

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### 2.1 Purpose of Report

To consider the snapshot report on Napier City Council's Investment and Debt as at 31 December 2021.

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#### At the Meeting

The Chief Financial Officer, Ms Thomson advised that this was a standard report previously reported to the Audit and Risk Committee. It was considered that it was perhaps more relevant for future reporting that the snapshot of the Council's investment and debt be presented to the Prosperous Napier Committee for information.

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**Committee's recommendation**Mayor Wise / Councillor Chrystal

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The Prosperous Napier Committee:

- a. Receive the snapshot report on Napier City Council's Investment and Debt as at 31 December 2021.

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Carried

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**3. REPORT ON THREE WATERS REFORM PROGRAMME**

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*Type of Report:* Operational*Legal Reference:* N/A*Document ID:* 1424057*Reporting Officer/s & Unit:* Rebecca Huckle, Three Waters Reform Programme Manager**3.1 Purpose of Report**

To inform the Council on the progress of the Three Waters Reform Programme within Napier for the period October to December 2021.

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**At the Meeting**

The Three Waters Reform Programme Manager, Ms Huckle advised that this was a standard report that had previously been presented at the Sustainable Napier Committee however, going forward it would become a regular item on the Prosperous Napier Committee agenda.

In response to questions from the Committee it was clarified:

- Future reports would include a legend key (Brown - started; Green - happy and Blue – performance going forward) for the table that indicated current progress on the programme of work.
  - Iwi engagement on Three Waters and Cultural Values Assessments Programme of work was a Napier funded and instigated piece of work engaging with local iwi to discuss the importance of water to them.
  - Trying to engage Council staff awareness in the importance of water around Napier and to Iwi to enable better decision making for the future.
  - Separate reports are being obtained from all partners as part of the Plan and these would be collated later.
  - In regard to funding received from the Department of Internal Affairs as long as the money has been committed and they can see contracts are in place and projects are nearing completion the money will not need to be returned.
  - Funding from the Department of Internal Affairs was based on projected spend going forward and they needed to know where the money was to be spent.
  - The highest risk would be with the regional projects, however officers were relatively confident with the progress being made with Council's specific projects.
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**Committee's recommendation**

Councillors Simpson / Price

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The Prosperous Napier Committee:

- a. Endorse the report on the Three Waters Reform Programme

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Carried

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Councillor Crown: closing karakia

*The meeting closed at 12.18pm*

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Approved and adopted as a true and accurate record of the meeting.

Chairperson .....

Date of approval .....