



# ORDINARY MEETING OF COUNCIL

## Open Minutes Attachments

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Meeting Date: Thursday 14 March 2024

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Time: 9.30am – 1.40pm

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Venue: Large Exhibition Hall  
War Memorial Centre  
Marine Parade  
Napier

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### TABLE OF CONTENTS

<b>Item 1</b>	<b>Hawke's Bay Airport Ltd Half Year Report to Shareholders to 31 December 2023</b>
Attachment 1	HB Airport presentation (Doc Id 1744039) .....2
<b>Item 8</b>	<b>Adoption of the Three-Year Plan 2024-27 Consultation Document</b>
Attachment 1	Summary slide of 3 year plan (Doc Id 1744337) ..... 14



# *FY24 Half Year Performance & Draft Statement of Intent*

## Napier City Council

14 March 2024

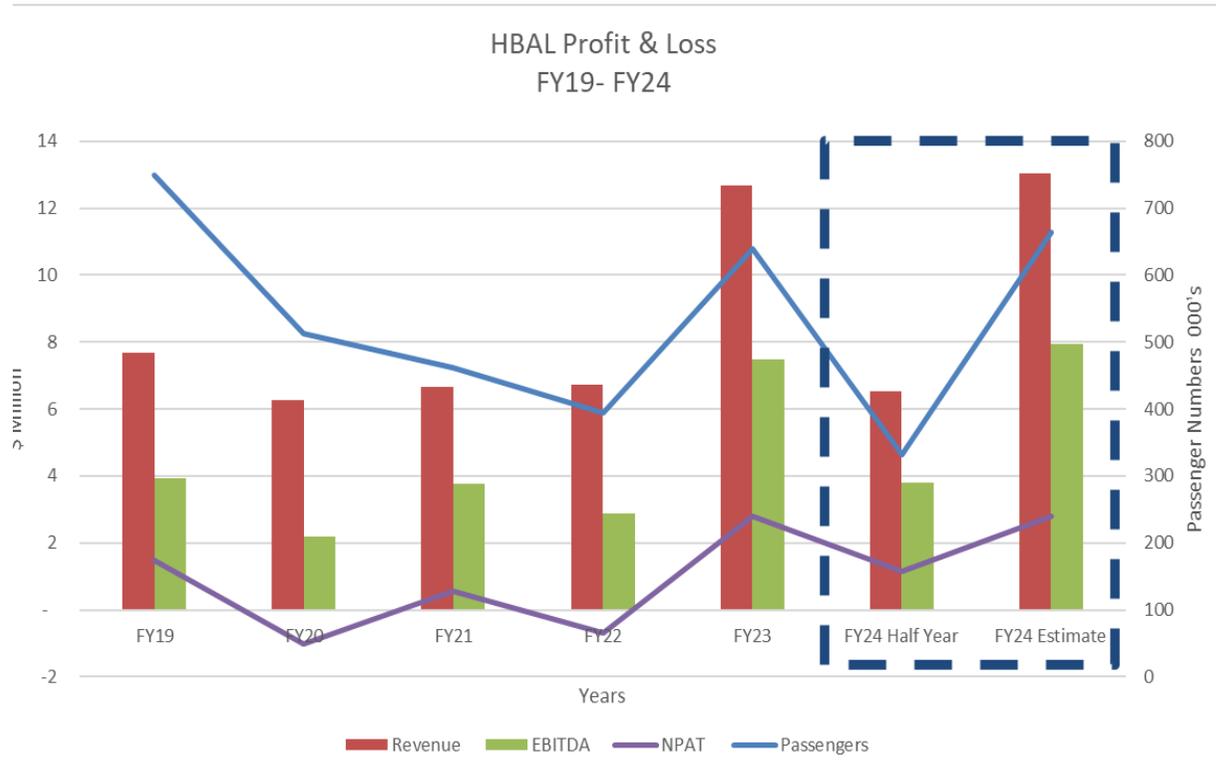


 <p>Apron Overlay Completed – December 2023</p>	 <p>Enhanced H&amp;S reporting through utilising technology</p>	 <p>332K passengers <i>1% favourable to SOI</i></p>	 <p>\$1.1M NPAT</p>
<p><b>\$6.5M</b> Revenue <i>- Up 7.5% on PY Mainly due to increased Landing Charge revenue</i></p>	<p><b>\$3.8M</b> EBITDA <i>- up from \$3.7M PY</i></p>	<p><b>Aerodrome Operator Certificate renewed – September 2023</b></p>	<p><b>\$53.1M</b> Equity Growth on 31 Dec 22 of \$3.0M through investment &amp; performance</p>
<p><b>XRB Climate Disclosures</b> - Full assessment of current state completed</p>	<p><b>Airport Ambassador Programme</b> celebrated 5 year anniversary</p>	<p><b>NZ Airports Association Awards</b> - Medium Airport of the Year - Sustainability - Community Engagement Initiative</p>	<p><b>Route Development</b> - new connections established between Gisborne – Wairoa and Napier, with Hamilton addition Qtr 4 FY24</p>

**HIGHLIGHTS**

**6 Months to December 2023**

# FY24 – Half Year Financial Performance



**\$6.5M**  
TOTAL REVENUE

**\$2.7M**  
OPERATING EXPENDITURE

**\$1.1M**  
NET PROFIT AFTER TAX

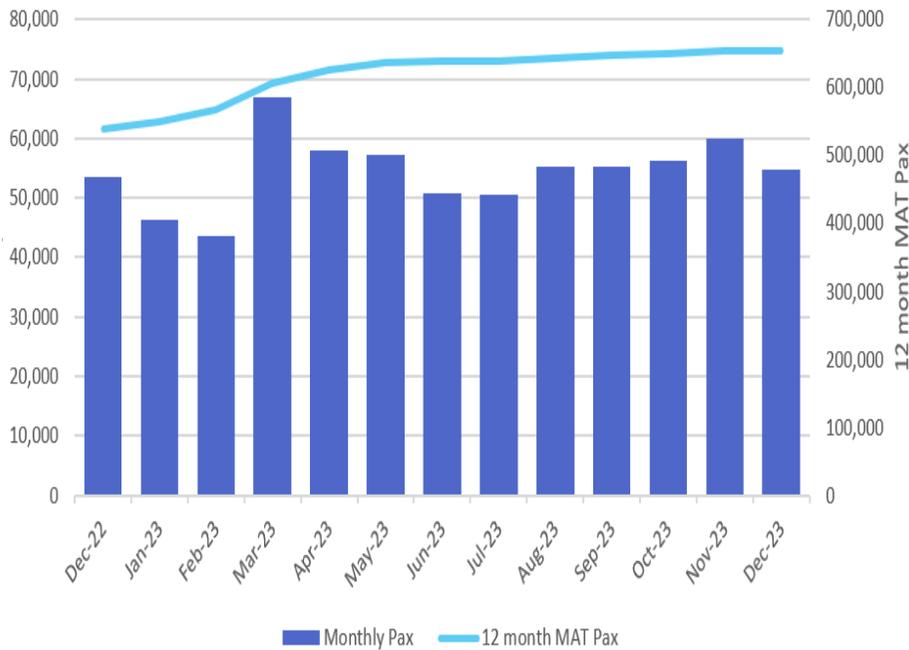
**FINANCIAL METRICS**

	Actual	Budget
Return on Equity (year to date)	2.2%	2.1%
Net Gearing Ratio	30.2%	29.8%
Shareholders Funds/Total Net Assets	62.0%	63.8%



# FY24 Half Year – Passenger Numbers

All Routes / All Airlines - Monthly Pax & Moving Annual Total (MAT)



**331,842**  
PASSENGERS  
▲ 5% vs LY

- Passenger numbers **654K** for last 12 months (MAT)
- Load capacity averaging 86% across all routes vs SOI 82%
- Schedule growth is expected in remaining 6 months of FY24, particularly in NPE – AKL route, with full year forecast (6 months actual/6 months schedule sitting at 663K PAX)





 <p><b>Capital Works Programme</b></p> <ul style="list-style-type: none"> <li>- Progressive &amp; Resilient infrastructure to safeguard our future</li> <li>- Fire Station, Resilience projects</li> </ul>	 <p>Continuous improvement in H&amp;S management framework</p>	 <p>692K Passengers</p>	 <p>\$2.8M NPAT</p>
<p><b>\$15.0M</b> Revenue</p> <p>- FY24 Latest Estimate \$13.0M</p>	<p><b>\$9.5M</b> EBITDA</p> <p>- an EBITDA margin of 61%</p>	 <p>Enhance prosperity through adaptation of digital transformation strategy</p>	 <p>Develop a culture of continuous improvement and value-driven performance</p>
 <p>Maintain Level 4+ Airport Carbon Accreditation and develop broader ESG framework</p>	 <p>Foster enduring partnerships through implementing our Stakeholder Engagement Plan</p>	 <p><b>Sustainability</b> Understand impacts of climate change Collaborate with others to prepare for future aviation</p>	<p><b>Customer Experience Enhancement</b></p> <ul style="list-style-type: none"> <li>- Implementation of Landside strategy improving offerings &amp; opportunities</li> </ul>

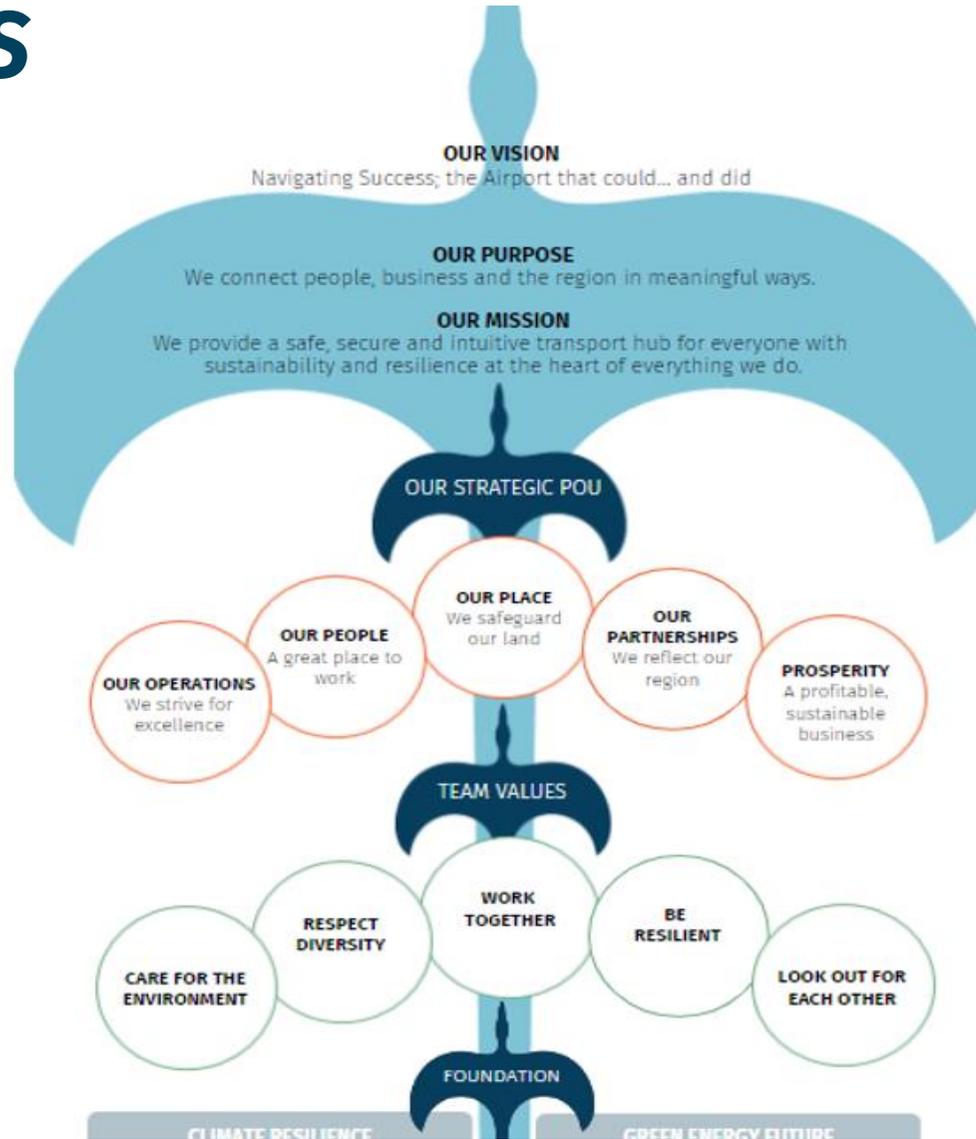
HIGHLIGHTS

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**SOI**

**FY25 - 27**

# OUR VALUES



Item 1 Attachment 1

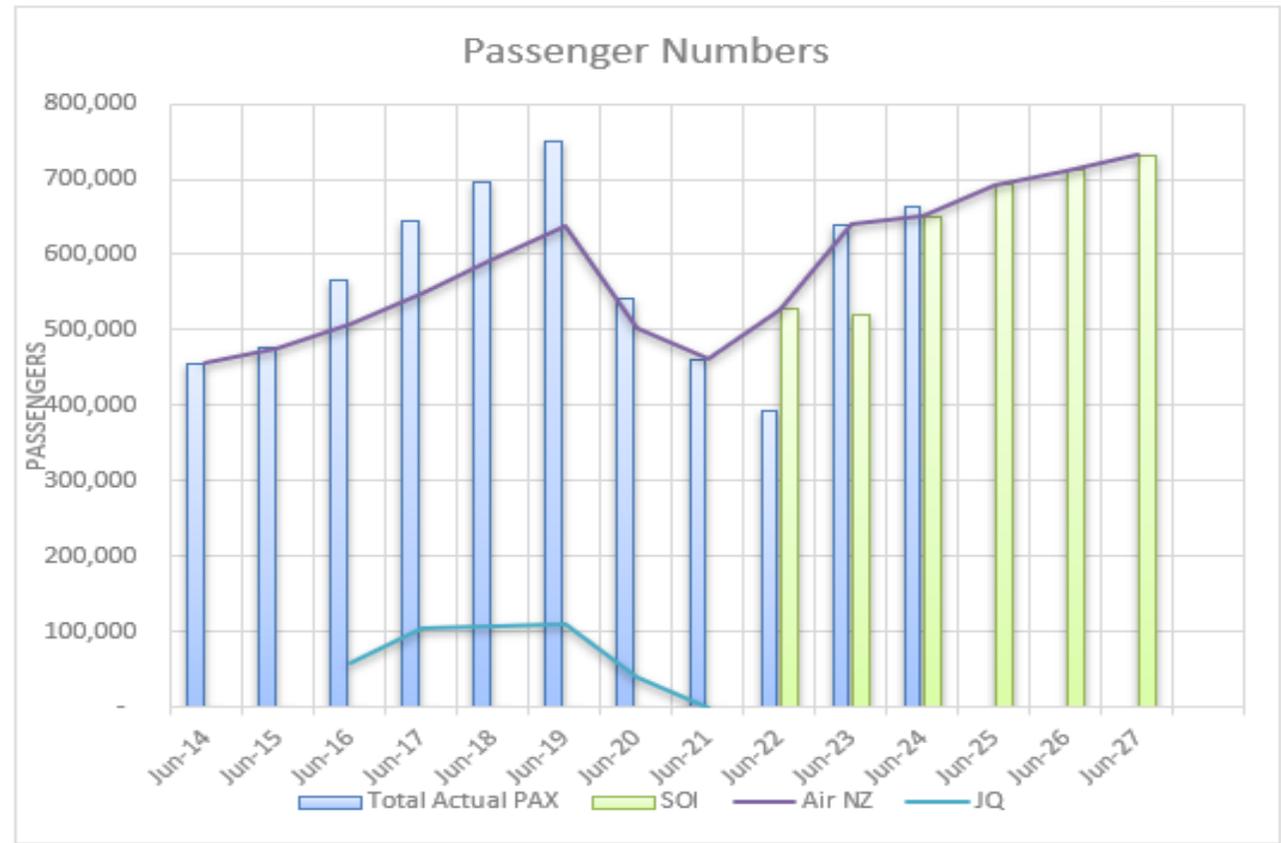
# PASSENGER NUMBER OUTLOOK



**FY25**  
**692K**



**FY25**  
Through  
load factor  
review and  
additional  
aircraft  
movements



# FINANCIAL HEADLINES

## Statement of Intent - Headlines and Financial Metrics

July 2024 - June 2027

	Jul 23 - Jun 24 Actual/Proj	Jul 24 - Jun 25	Jul 25 - Jun 26	Jul 26 - Jun 27
Passenger Numbers	663,775	692,309	711,733	731,713
Forecast Revenue	13,035,021	15,505,620	15,571,445	16,436,688
EBIT DA	7,936,359	9,484,683	9,390,393	10,091,238
EBIT DA Margin	60.9%	61.2%	60.3%	61.4%
NPAT	2,783,359	2,965,729	2,661,140	2,783,594
Net Profit after Taxation Margin	21.4%	19.1%	17.1%	16.9%
<b>Total Assets</b>	<b>89,661,547</b>	<b>96,904,890</b>	<b>103,780,793</b>	<b>110,139,932</b>
<b>Total Debt</b>	<b>24,065,456</b>	<b>28,246,386</b>	<b>32,487,661</b>	<b>36,078,229</b>
<b>Return on Equity %</b>	<b>4.9%</b>	<b>5.0%</b>	<b>4.3%</b>	<b>4.3%</b>
<b>Gearing Ratio D/(D+E)</b>	<b>30%</b>	<b>32%</b>	<b>34%</b>	<b>36%</b>

**\$15.5M**  
TOTAL REVENUE

**\$3.0M**  
OPEX

**\$3.0M**  
NPAT

Item 1 Attachment 1

# CAPITAL SPEND HEADLINES



## Key Projects:

### Fire Station

FY25-26 \$8.5M

### Roading/Carparking Improvements

FY 25-27 \$3.1M

### Stormwater

FY25-27 \$1.8M

### Apron Extension

FY 26-27 \$2.2M

	Jul 23 - Jun 24 Actual/Proj	Jul 24 - Jun 25	Jul 25 - Jun 26	Jul 26 - Jun 27
Aviation	3,910,862	3,549,741	2,248,609	4,995,578
Commercial	829,756	1,310,778	1,339,047	2,135,354
Property	25,925	105,981	162,152	275,658
Business Park	934,641	805,459	1,108,036	1,361,749
Other	1,510,657	3,544,018	4,648,344	330,789
<b>Total Capital Expenditure</b>	<b>7,211,842</b>	<b>9,315,977</b>	<b>9,506,188</b>	<b>9,099,127</b>



Item 1 Attachment 1

# Adoption of the Three- Year Plan 2024-27 Consultation Document

**Council Meeting**  
**14 March 2024**



# Background

- Due to the Severe Weather Emergency Recovery Legislation Act 2023 (SWERL 2023) we are producing an unaudited Three-Year Plan with a recovery focus.
- This also means there is no requirement to audit the Consultation Document.
- The Local Government Act 2002 (LGA 2002) requires Council use the special consultative procedure to consult with the community before adopting the final plan.

# Purpose of Report

- To present Council with the Consultation Document and supporting information for adoption.
- Following adoption, community consultation will begin on 25 March and run through to 26 April 2024.

# Key Consultation Topics

## Financially sustainable:

- Future of Council Housing
- A change to Business & Tourism facilities
- Fees & Charges
- Creation of a Council Controlled Trading Organisation (CCTO)
- Rates increase

## Resilient city:

- Resilience rate

## Places and spaces:

- Napier City Council's Office Accommodation



# Concurrent Consultation

Consultation on the proposed amendments to the below policies will run concurrently with our Three-Year Plan consultation:

- Significance and Engagement Policy
- Revenue and Financing Policy
- Financial Contributions Policy

# Looking Ahead

Key Activity	When	Comment
Adopt Consultation document	14 March	The visual design and layout of the Consultation Document is still under development.
Consultation opens	25 March	
Consultation closes	26 April	Extended to cover Easter
Hearings & Deliberations	27 – 29 May	
Adopt Three-Year Plan	27 June	

# Questions

Item 8 Attachment 1

